

**THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE  
DOCKET NO. NDFC 2009-1**

**PRELIMINARY REPORT AND ORDER**

**I. SUMMARY OF FINDINGS**

The Nuclear Decommissioning Funding Committee (NDFC or Committee) conducted the annual review of the Decommissioning Trust Fund (Decommissioning Trust or Trust) as required by RSA 162-F:22. The Committee considered the evidence presented and made the findings that are summarized here.

1. The funding date will remain 2030.
2. Decommissioning is assumed to begin in 2030 and be completed in 2101 with the removal of the Independent Spent Fuel Storage Installation (ISFSI).
3. The projected cost of decommissioning is \$962.9 million, when expressed in 2009 dollars.
4. Onsite storage of spent nuclear fuel and Greater-Than-Class C (GTCC) radioactive waste in the ISFSI shall continue to be assumed to be required until 2100, with the ISFSI dismantled in 2101.
5. The inflation adjustment applied to the schedule of payments will remain 3.0%, as set in NDFC Docket 2007-1.
6. The escalation adjustment applied to the cost of decommissioning will remain 4.2%, as set in NDFC Docket 2007-1.
7. For calculation of the 2010 Schedules of Payment, equity earnings shall be calculated as zero in 2010 and as 9.5% for each subsequent year. All other earnings assumptions will remain unchanged from the Investment Guidelines approved by the State Treasurer on February 29, 2008, and approved by the NDFC for purposes of calculating the annual funding obligations in NDFC Docket 2008-1.
8. The funding assurances from NextEra Seabrook, LLC (NextEra), as established in NDFC Docket 2002-2, will remain unchanged.
9. The Funding Assurance Escrow (Escrow) established in NDFC Docket 2003-1 will continue to be used for the Seabrook Station owners, with the annual contributions in 2010 and specified future years, as well as the balances in the Escrow as of year-end 2009.

10. All amounts held in the Escrow are assumed to be transferred to the Trust in 2013.
11. When preparing the schedules of payment for 2010 through 2012, it should be assumed that funds held in the Escrow earn the average of cash and cash equivalent investments in the period of January 1, 2008 through November 30, 2009.  
The schedules of payment shall be calculated assuming that 100% of contributions for all Joint Owners are deposited in the Escrow in every year from 2010 through 2012. All annual contributions made subsequent to 2012 shall be assumed to be deposited directly into the Trust.

The Committee's findings are discussed in detail below.

## II. PARTIES AND THEIR POSITIONS

The Seabrook Owners were the only parties to the docket this year. The Massachusetts Municipal Wholesale Electric Company (MMWEC), NextEra Seabrook, LLC as managing agent of Seabrook Station (NextEra or Managing Agent), Taunton Municipal Lighting Plant (Taunton) and Hudson Light and Power Department (Hudson) each made appearances at the first pre-hearing conference and were recognized as full parties. The Managing Agent for Seabrook Station represented NextEra, Taunton and Hudson at the public hearing, while MMWEC was represented through the docket by their own counsel.

The parties presented a Stipulation of the Parties (Stipulation) (Exhibit No. 2) at the public hearing on October 30, 2009. The Stipulation addressed each issue identified as within the scope of this docket in NDFC Docket 2009-1 Order No. 1. Further, the Stipulation identified a list of exhibits the parties would proffer at the public hearing (Exhibits Nos. 1 – 14), a list of witnesses to be called, and an affidavit from each witness.<sup>1</sup> During the public hearing additional exhibits were requested by the Committee (Exhibits Nos. 15 – 19), with those exhibits being provided after the hearing.

## III. PROCEDURAL HISTORY

The Order of Notice initiating this docket was issued on March 3, 2009. The Seabrook Station filed its 2009 Annual Report (2009 Annual Report) on March 31, 2009 (Exhibit 1).

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<sup>1</sup> The affidavit of Witness Motherhouse (Exhibit No. 13) and the accompanying exhibit was provided after the public hearing, by permission of the Committee.

Timely notice of the docket was provided to the public by publication on March 27, 2009, in the N.H. Union Leader and on March 31, 2009, in the Hampton Union. The notice was posted at the office of the Seabrook Town Clerk and the Seabrook Community Center on April 2, 2009.

The first pre-hearing conference was held on April 28, 2009, and subsequent pre-hearing conferences were conducted until shortly before the October 30, 2009, public hearing. On May 14, 2009, the NDFC issued Order No. 1, which set forth the procedural schedule and scope for the docket. A Stipulation of the Parties (Exhibit No. 2) was submitted on September 16, 2009, with executed copies of the Stipulation delivered at the public hearing.

The Seabrook Owners presented four witnesses at the October 30, 2009, public hearing. William Cloutier, of TLG Services testified regarding cost escalation in the projected cost of decommissioning. TLG Services is responsible for developing the decommissioning cost projection for Seabrook Station. Alan Smith testified on behalf of all Seabrook Owners regarding the operation of the Seabrook Station and the settlement entered into this year between the Seabrook Owners and the U.S. Department of Energy (DOE), as represented by the U.S. Department of Justice (DOJ). Alex Weiss testified on behalf of NextEra regarding the financial health of FPL Group and the overall performance of equity markets. Mr. John Mothersole, from IHS Global Insight testified on how projections of financial markets are developed, and what information is provided by his firm to TLG Services for inclusion in decommissioning cost projections.

The exhibits accepted at the hearing were:

**Chart 1**  
**EXHIBITS**

Exhibit Number	Description
1	2009 Annual Report
2	Stipulation of the Full Parties
3	Proposed Schedule of Payments
4	Affidavit of William Cloutier, TLG Services, Inc.
5	Affidavit of Alan Smith, NextEra
6	Funding Run reflecting current NDFC assumptions
7	Funding Run reflecting impact of transition to 3.75% cost escalation factor
8	Funding Run reflecting impact of credit for 50% of DOE Settlement Agreement
9	Funding Run reflecting impact of credit for 100% of DOE Settlement Agreement
10	Funding Run reflecting 4.2% cost escalation and 50% credit for DOE Settlement Agreement
11	Funding Run reflecting a 2050 funding date
12	Affidavit of Alex Weiss, NextEra
13	Affidavit of John Mothersole, IHS Global Insight <sup>2</sup>
14	TLG Report on Recovery of Spent Fuel Management Costs and Impact on Decommissioning Financing dated June, 2009
15	Funding Run with Sept. 30, 2009 fund balances, with summaries of Scenarios 6, 7, 9, 10 <sup>3</sup>
16	Funding Run with Sept. 30, 2009 fund balances with the requested assumptions <sup>4</sup>
17	Funding Run with Sept. 30, 2009 fund balances, reflecting a 2050 funding date <sup>5</sup>

**IV. DISCUSSION**

This annual review was conducted under the lingering shadow of a world-wide recession. The last docket was completed in January 2009, with the final report and order in Docket 2008-1 issued on February 4, 2009. At that time the Trust had lost over \$100 million in value. By the

<sup>2</sup> Reserved for presentation post hearing.

<sup>3</sup> Reserved for presentation post hearing.

<sup>4</sup> Reserved for presentation post hearing.

<sup>5</sup> Reserved for presentation post hearing.

end of October 2009, significant progress had been made in recouping the loss. This was the product of changing market conditions along with direct management of funds, such as the suspension of trading for all NextEra funds during the volatile end of 2008 and much of the first quarter of 2009<sup>6</sup>. Even with the gains made in 2009, the actual Trust balances remain below the 2008 year end balance as projected in the 2008 Annual Report. This underscores the volatility of the economy, and a reason to examine the assumptions behind projections.

**Chart 2**

**COMPARISON OF PROJECTED AND ACTUAL FUND BALANCES**

	<b>Projected Year End Fund Balance</b>	<b>Actual End of Month Fund Balance</b>
<b>2008</b>		
Year End Balance per Annual Report (March 2008)	<b>\$409.3 Million</b>	
Year End Balance as of December 31, 2008		<b>\$297.8 Million</b>
<b>2009 – Projected</b>		
Year End Balance as of January 31, 2009	<b>\$289.7 Million</b>	
Year End Balance per Annual Report (March, 2009)	<b>\$286.0 Million</b>	
Year End Balance as of July, 2009	<b>\$331.7 Million</b>	
Year End Balance as of September, 2009	<b>\$350.0 Million</b>	
<b>2009 – Actual Month End Balances</b>		
March, 2009		<b>\$280.4 Million</b>
April, 2009		<b>\$298.4 Million</b>
May, 2009		<b>\$310.5 Million</b>
June, 2009		<b>\$311.5 Million</b>
July, 2009		<b>\$328.3 Million</b>
August, 2009		<b>\$337.5 Million</b>
September, 2009		<b>\$346.9 Million</b>
October 2009		<b>\$342.4 Million</b>

<sup>6</sup> NextEra suspended all trading of its Trust investments from October 29, 2008 until March 13, 2009.

The Committee considers the evidence presented during a docket along with publicly available information and the judgment of Committee members when deciding how to ensure full funding of the decommissioning obligation. The testimony provided by witnesses, the Stipulation of the Parties, the exhibits proffered by the parties, and the responses to requests of the NDFC were reviewed and considered. The actual performance of the Trust was also considered and weighted, along with the current economic climate.

The Committee believes there continues to be cause for considerable uncertainty about the state of the economy, investment market volatility and the timing of when markets will recover from the recent worldwide turmoil. In particular, the Committee believes caution and conservatism is appropriate when attempting to predict economic recovery. Accordingly, in this docket the Committee will avoid dramatic assumption changes with respect to the schedule of payments. In particular, the Committee will continue the practice of reviewing the escalation factor as part of the four-year comprehensive review of decommissioning costs (RSA 162-F:22), but not as part of the annual review, absent compelling reasons to diverge from this approach. (Ibid.)

#### 1. Escalation Rate

The escalation rate is used to adjust the projected cost of decommissioning for projected increases in specific cost categories. These cost categories are unique to nuclear decommissioning, and are expected to increase at a different rate than overall inflation. The escalation adjustment is intended to help fine tune the projected cost of decommissioning to ensure that the full decommissioning cost will be in the Trust when needed in the future. Reducing the escalation rate reduces the projection of the amount that must be amassed in the Trust, which also reduces the amount to be contributed by the Seabrook owners. The effect of rather small changes to the cost escalation rate can be dramatic. If the Committee were to adopt the adjustment requested in the docket, the total amount to be contributed to the Trust by the Seabrook Joint Owners would be reduced by approximately \$102 million, and contributions in 2010 alone would be reduced by \$3.35 million.

**Chart 3**

**POTENTIAL IMPACT OF PROPOSED ESCALATION RATE CHANGE**

<b>Escalation Rate</b>	<b>2010 Contribution (2008-1 approved assumptions)</b>	<b>Total Operating Life Contributions</b>
4.2%	\$6.7% Million	\$225.8 Million
3.75%	\$3.35 Million	123.9 Million
<b>Difference</b>	<b>\$3.35 Million</b>	<b>101.9 Million</b>

The Seabrook Owners requested that the escalation rate be adjusted from the present 4.2%. The Seabrook Owners presented testimony claiming the escalation rate should be 2.9%, but request adjustment to 3.75%, out of deference to the NDFC’s preference for gradualism when making such adjustments. Exhibit No. 2 at 3-4. TR. at 71. The NDFC considered the information presented by the Seabrook Owners, but find that the escalation rate should remain unchanged at this time.

The escalation rate is reviewed when the cost of decommissioning is examined. Typically, this is done every four years, while the Committee can require the full review at any time. (RSA 162-F:22). In NDFC Docket 2007-1, the Committee, as part of a “four-year review” reduced the escalation rate. That change reduced the escalation rate from 4.5% to 4.2%, thereby reducing the projected funding requirement by \$ 34.4 million. Having made that adjustment recently, the Committee is unwilling to further reduce the funding obligation at this time as there were no compelling new facts presented. We note that the next full review will be conducted in 2011 and encourage the Seabrook Owners to look to that hearing as the next appropriate opportunity to review the escalation rate.

2. Funding Assurance Escrow

The NDFC created the Funding Assurance Escrow in NDFC Docket 2003-1 as a means to assure full funding of the decommissioning obligation, and to provide a way for the Committee to return monies to Seabrook Owners before the end of decommissioning.<sup>7</sup> The escrow also provides a means for a quick cash infusion into the Trust, should the NDFC determine the need. This structure was created, in part, in anticipation of the Trust accounts for

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<sup>7</sup> Monies held in the Trust can only be released to owners after all decommissioning is completed.

some of the Seabrook Owners being overfunded, in the event the operating license is extended by the NRC. The escrowed funds are held in cash and cash-equivalent investments that can be readily converted to cash should the NDFC decide to transfer monies to the Trust. The escrow has functioned well. In 2007, the NDFC released \$10 million to FPLE Seabrook<sup>8</sup>, and in 2008 the escrowed Funds gained value, while those in the Trust lost approximately \$100 million.

The Seabrook Owners requested that all 2010 contributions be deposited in the escrow. TR at 96.<sup>9</sup> The basis for the request is the possibility of the decommissioning trust of each Seabrook owner being overfunded if the Nuclear Regulatory Commission (NRC) extends the license life of Seabrook Station. Ex. 11, TR at 97.

The NDFC finds the request of the Seabrook Owners to be reasonable and, in view of recent history, a prudent way to manage the 2010 contributions. All of the 2010 decommissioning contributions for each Seabrook Owner are to be deposited in the funding assurance escrow. The schedules of payment shall be calculated assuming all future contributions through 2012 are also deposited in the escrow. The Committee also notes that the monies held in the Escrow are to continue to be held in cash or cash equivalent investments, and that the intent is for the funds to be held in the Escrow for a shorter investment period than those in the Trust. Accordingly, the NDFC finds it appropriate to assume earnings assumptions for funds in the Escrow will mirror near term actual earnings experience, rather than using the 3.5% earnings assumption proposed by the Seabrook Owners. The schedules of payments for 2010 and subsequent years are to assume earnings by the Escrow will equal the average earnings of cash and cash equivalent interments during the period of January 1, 2008, through November 30, 2009. Further, the Managing Agent is directed to file supporting documentation for the calculation at least one week before the public hearing on Docket NDFC 2009-1 to be held in the Town of Seabrook.

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<sup>8</sup> FPLE Seabrook was the successor to NextEra Seabrook.

<sup>9</sup> In the 2009 Annual Report the Seabrook Owners requested a change in the investment guidelines for the escrow, to permit the same investments as permissible for the Trust, including equity investments. The Seabrook Owners withdrew the request before the public hearing on October 30, 2009.



### 3. The Projected Cost of Decommissioning

The projected cost of decommissioning was established in NDFC Docket 2007-1 at the completion of a comprehensive review of the Seabrook Station decommissioning plan and cost estimate, pursuant to RSA 162-F:22, I. The projected cost of decommissioning is defined as the current best estimate of the cost to promptly begin decommissioning Seabrook Station at the end of its licensed operating life in 2030, as determined in NDFC Docket No. 2007-1. The decommissioning cost is escalated annually to maintain a current projected cost of decommissioning. Key considerations in determining the cost of decommissioning are the license termination date, the date when decommissioning will commence, and when decommissioning will be completed. Seabrook Station will seek an extension of its operating license from the NRC, but has yet to do so, and it is highly unlikely that the NRC will grant a license extension before the NDFC concludes the 2011 review of decommissioning costs.

In 2011 the NDFC will once again determine the projected cost to decommission Seabrook Station, based on a new decommissioning cost study. The Committee was advised at the public hearing that the decommissioning cost study will be prepared by TLG Services, the same firm that prepared each of the prior decommissioning cost studies. The Committee will determine whether to change any of the assumptions used to produce the projected cost of decommissioning as part of its review of the next decommissioning cost study provided by TLG Services.

### 4. Funding Date

The funding date is the year in which contributions into the Decommissioning Trust may end because the NDFC believes “the fund shall have sufficient monies to complete decommissioning” on the schedule of payments approved by the NDFC. RSA 162-F:14, V. In NDFC Dockets 2007-1 and NDFC 2008-1 the Committee established 2030 as the funding date for Seabrook Station. No party requested any change to the funding date, and the Committee finds no reason to adjust the funding date at this time.

5. Funding Assurances

Funding assurances are required of all non-utility owners of Seabrook Station. RSA 162-F:21-a, III. The NDFC may impose a funding assurance requirement to ensure recovery of decommissioning costs in the event there is a premature permanent cessation of operation. RSA 162-F:19, IV. In NDFC Docket 2002-2, the NDFC established funding assurance requirements for NextEra, which included a guaranty by its indirect parent company, FPL Group Capital, Inc., which in turn is backed by a guaranty by the holding company, FPL Group, Inc. To ensure full funding of the decommissioning obligation, the Committee established “triggers” that would result in immediate payments by NextEra in the event of a decline in the financial health of NextEra or FPL Group, Inc.

The NDFC monitors the funding assurance requirements in order to anticipate financial difficulties, and to determine whether NextEra is required to increase contributions to the Trust. None of the triggers associated with the NextEra Funding Assurance requirements have been approached. Chart 4 summarizes the NextEra Funding Assurances approved in Final Report and order in NDFC Docket No. 2007-1 at page 9.

**Chart 4**  
**TRIGGER EVENT MATRIX**

Event	Result	Review
NextEra Seabrook fails to make a scheduled payment to the decommissioning fund (Stipulation IV, G,5)	<ul style="list-style-type: none"> <li>➤ In addition to schedule payments, payment equal to 6-months of payments paid into the fund</li> <li>➤ All decommissioning payments will also be made as scheduled by NDFC</li> </ul>	No payments have been missed.
FPL Group sells 80% FP&L (FL utility) generation assets (Stipulation IV, G,4)	<ul style="list-style-type: none"> <li>➤ 12-months of decommissioning payments paid into escrow</li> <li>➤ NextEra Seabrook must show cause why funding assurance should not be changed</li> <li>➤ All decommissioning payments will also be made as scheduled by NDFC</li> </ul>	A review of the 8K’s and 10K’s demonstrate that FPL Group did not sell any of FP&L’s generation assets in 2008.
FPL Group’s Funded debt to total Capitalization exceeds 0.65:1.00 (Stipulation IV, G,1)	<ul style="list-style-type: none"> <li>➤ NextEra Seabrook will not pay any cash dividends or other transfers to FPL Group, /or/</li> <li>➤ NextEra Seabrook may make payment equal to 6-months of payments paid into the decommissioning fund, in addition to all other scheduled payments</li> <li>➤ All decommissioning payments will also be made as scheduled by NDFC</li> </ul>	The 2008 10K for FPL Group indicates that this trigger has not been approached although it did not provide the actual ratio. The balance sheets show that debt/total capitalization ratio has improved from 2007 to 2008.

<p>FPL Group's operating income falls below \$800 million (Stipulation IV, G,2)</p>	<ul style="list-style-type: none"> <li>➤ NextEra Seabrook must show cause why funding assurance should not be changed</li> <li>➤ All decommissioning payments will also be made as scheduled by NDFC</li> </ul>	<p>According to the Consolidated Statement of Income for FPL Group as reported in the 10K for 2008, operating income rose from \$2.283 billion in 2007 to 2.825 billion in 2008.</p>
<p>FPL Group's operating income falls below \$600 million(Stipulation IV, G,3)</p>	<ul style="list-style-type: none"> <li>➤ 12-months of payments paid into escrow</li> <li>➤ NextEra Seabrook must show cause why funding assurance should not be changed</li> <li>➤ All decommissioning payments will also be made as scheduled by NDFC</li> </ul>	

Witness Weiss testified about the financial health of FPL Group, Inc. and its utility subsidiary, Florida Power and Light Company. The Committee is satisfied that the financial capability of NextEra, as backed by the funding assurances of FPL Group, remains sufficiently strong to fund NextEra's decommissioning obligation, even in the event of permanent premature cessation of operation. Similarly, Seabrook Station continues to perform better than the industry averages. (TR. at 58) Based on the record, the NDFC holds that the existing NextEra funding assurances will remain in place until next reviewed by the NDFC, and finds that the funding assurances are adequate to meet NextEra's obligations, even in the event of a premature cessation of operation.

In NDFC Docket No. 2008-1 at 21 – 29 the Committee determined that Taunton, Hudson and MMWEC have contractual and statutory obligations that can not be voided, even through employment of the Bankruptcy Code, and that additional funding assurances were not required of those Seabrook Owners. The Committee finds no reason to revisit that determination in this docket.

6. Settlement with DOE and DOJ

The Seabrook Owners entered into an agreement with the federal government, providing that DOE will reimburse the Seabrook Owners for costs incurred for the storage and disposal of Spent Nuclear Fuel (SNF) and Greater Than Class C Waste (GTCC). The Managing Agent requested that the Committee include in the 2010 docket a review of the settlement and possible

ways for the Seabrook Owners to reduce some portion of their funding obligation by receiving credit for projected payments to be received during decommission.

The settlement was reached in 2009, and the Seabrook Owners provided an overview of the terms as part of the Stipulation, and in testimony. Based on that information, the Committee will include the issue in the 2010 docket and consider proposals prepared by the Seabrook Owners. While the NDFC was not asked to take action in this docket, the materials and testimony was reviewed, and the Committee notes that providing credit for the future payments would dramatically reduce the contributions received during the operation of the plant (See: Exhibit No. 2 at 5, Exhibits 8-10), as well as potentially conflict with intent of New Hampshire law. The NDFC is required to “determine the projected cost of decommissioning, the funding date, and the schedule of payments sufficient to ensure that the full cost of decommissioning shall be met by the funding date.” RSA 162-F:19. In any proposal presented in NDFC Docket 2010-1, the Committee will expect the Seabrook Owners to address how that proposal will meet this statutory requirement.

#### 7. 2011 Decommissioning Cost Study

The Managing Agent requested guidance on the content of the 2011 Decommissioning Cost Study for Seabrook Station because preparation of the report will begin in 2010. The Committee requests that, in addition to the fully developed cost estimate that will be prepared, the following also be prepared as part of the TLG Services report.

1. A decommissioning cost estimate assuming decommissioning begins in 2030 and the ISFSI is removed in 2050.
2. A decommissioning cost estimate assuming decommissioning begins in 2030 and the ISFSI is removed in 2101.
3. A decommissioning cost estimate assuming decommissioning begins in 2050 and the ISFSI is removed in 2070.
4. A decommissioning cost estimate assuming decommissioning begins in 2050 and the ISFSI is removed in 2101.
5. For all decommissioning cost estimates The TLG report should assume the agreement for the disposal and reduction of Low Level Radioactive Waste (LLRW) identified in

the 2008 Annual Report (Exhibit No. 1 in NDFC Docket 2008-1) remains in effect when calculating the amount and cost of LLRW disposal during decommissioning.

6. The TLG report should include detailed support for all cost escalation assumptions that are incorporated into the cost projections. The explanation is to include an explanation of the mechanics of how the projections are derived, the methodology behind determination of the cost escalation factors, and the economic reasons for year-to-year adjustments to the forecasted cost factors for the Labor, Equipment & Material, Transportation & Energy, and Other cost categories since the comprehensive decommissioning review that was the subject of NDFC Docket 2003-1.
7. The 2011 report is to include a comparison of actual and forecasted cost factors for the Labor, Equipment & Material, Transportation & Energy, and Other cost categories from 1999 – 2009, with an explanation of the reasons for the difference between the forecasted cost factors and the actual cost factors for each year.

8. Schedules of Payments: December Re-set and Earnings Assumptions

In NDFC Docket 2002-2, the NDFC established the practice of setting the schedules of payments beginning on January 1 of the following year based on a November 30 actual Trust balance, adjusted to estimate the end-of-year balance as closely as possible. In NDFC Docket 2004-1, the year-end calculation was further refined. This approach permits the best full-year estimate of earnings and expenses during the year to be recognized when setting contribution requirements for the next year and the NDFC will continue this practice with an adjustment as described below.

The calculation of the 2009 funding schedules will be based on the Trust and funding assurance Escrow balances as of November 30, 2009, with earnings for equity investments set at zero for 2010, and at 9.5% for years thereafter. Normally assumed earnings, other than for equity investments, minus the estimated expenses for December 2009 on both the Decommissioning Trust and Escrow balances are to be added.

9. 2010 Annual Report

The Managing Agent is directed to deliver the 2010 Annual Report by March 31, 2010. The Annual Report is to include all information previously required by the NDFC in annual

updates and detail on the Decommissioning Fund performance through a date that is no less than 30 days prior to the filing of the Annual Report.

## V. CONCLUSION

Based on this Preliminary Report and Order, the Committee finds that the requirements of RSA 162-F for funding decommissioning will be met by implementing the requirements set forth in this order.

Based on the foregoing, it is hereby

**ORDERED**, that the funding assurance provided by NextEra approved in the Docket 2002-2 Final Report and Order shall remain in place and unchanged, and that no additional funding assurances are required from other Seabrook Owners at this time; and it is

**FURTHER ORDERED**, that the payments into the Funding Assurance Escrow from Seabrook Station owners for 2010 shall be calculated in accordance with this Report and Order, the total of which will be determined by the calculation of a revised schedules of payments; and it is

**FURTHER ORDERED**, that each Seabrook Owner shall deposit 100% of its 2010 contribution into the Funding Assurance Escrow; and it is

**FURTHER ORDERED**, that payments into the Funding Assurance Escrow are funding assurance obligations, and are not a schedule of payment obligations of the Seabrook Owners. Payments into the Escrow are obligations imposed by the NDFC and fully enforceable by the Committee; and it is

**FURTHER ORDERED**, that the schedules of payments for 2010 will be established in December 2009, using the assumptions and terms identified in this Preliminary Report and Order as recalculated using the Decommissioning Fund and Funding Assurance Escrow account market values as of November 30, 2009; and it is

**FURTHER ORDERED**, that the schedules of payments for 2010 will be calculated using the assumptions delineated in the Summary of Findings of this Preliminary Report and Order; and it is

**FURTHER ORDERED**, that NextEra is to file, no later than March 1, 2010, an independent auditors' report on the Seabrook Nuclear Decommissioning Financing Fund and the Seabrook Escrow Fund as of December 31, 2009; and it is

**FURTHER ORDERED**, that the 2010 Annual Report is to be filed no later than March 31, 2010, and shall include all information previously required by the NDFC in annual updates and

detail on the Decommissioning Fund performance through a date that is no less than 30 days prior to the filing of the Annual Report. The Annual Report is to include the information detailed in the “2010 Annual Report” section of this Preliminary Report and Order; and it is

**FURTHER ORDERED**, that any party to this proceeding wishing to comment on this Preliminary Report and Order shall file written comments with the NDFC no later than December 4, 2009, and provide a copy to all parties on the same date; and it is

**FURTHER ORDERED**, that the date of the public hearing to be held in the Town of Seabrook will be established with sufficient time for full disclosure pursuant to RSA 98-A and RSA 162-F.

This is a Preliminary Report and Order of the NDFC prepared in conformity with RSA 162-F:21, III. A Final Report and Order will be issued after the Committee has reviewed all comments received regarding this Preliminary Report and Order, and after the review of all comments submitted at the hearing to be held in the Town of Seabrook, New Hampshire.

This Preliminary Report and Order is released on November 18, 2009.