

**THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2010-1**

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. In preparing the Schedule of Payments for 2011, the following assumptions are to be used.

1. The Funding Date for all Seabrook Owners, as defined by RSA 162-F:14 VII, is 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, when expressed in 2010 dollars, is \$1,003,372,473.
4. Onsite storage of spent nuclear fuel (SNF) and Greater-Than-Class C (GTCC) radioactive waste in the ISFSI is assumed 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. The Decommissioning Trust earnings assumptions for each Seabrook Owner are:
 - a. Equity assumed earning rate = 9.5%
 - b. Bonds assumed earning rate = 6.0%
 - c. Cash and cash equivalents (long-term) assumed earning rate = 3.5%

These are the assumed earning rates approved by the NDFC in NDFC Docket 2008-1.

8. The Trust investments of each Seabrook Owner, for all years, are assumed to be the same as the actual investments on November 30, 2010.
9. The funding assurances from NextEra Seabrook, LLC (NextEra), as established in NDFC Docket 2002-2, will remain unchanged.

10. The Funding Assurance Escrow (Escrow) established in NDFC Docket 2003-1 will continue to be used for the Seabrook Station Owners.
11. Monies held in the Escrow are assumed to earn 0.25% during 2011 and 2012.
12. All amounts held in the Escrow are assumed to be transferred to the Trust in 2013. The schedules of payment shall be calculated assuming that 100% of contributions for all Joint Owners are deposited in the Escrow in 2011 and 2012. All annual contributions made subsequent to 2012 are assumed to be deposited directly into the Trust.

The Committee's findings are discussed in detail below.

II. PARTIES AND THEIR POSITIONS

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) are the only entities that participated in this docket. The Managing Agent represented NextEra, Taunton and Hudson throughout the docket. MMWEC was represented throughout the docket by their own counsel.¹

The parties presented a Stipulation of the Parties (Stipulation) (Exhibit No. 2) at the public hearing on September 8, 2010. The Stipulation addressed each issue identified within the scope of this docket, in NDFC Docket 2010-1 Order No. 1. The Stipulation identified a list of exhibits the parties proffered at the public hearing (Exhibits Nos. 12 – 14), and identified the hearing witnesses for the Seabrook Owners with a sworn affidavit from each witness.

III. PROCEDURAL HISTORY

The Order of Notice initiating this docket was issued on March 19, 2010. The Managing Agent filed the 2010 Annual Report (2010 Annual Report) on March 31, 2010 (Exhibit 1). Timely notice of the docket was provided to the public by publication in the N.H. Union Leader and in the Hampton Union on March 26, 2010. The notice was also posted at the office of the Seabrook Town Clerk and the Seabrook Community Center on March 26, 2010.

¹ Collectively, the parties are referred to as "Seabrook Owners."

The first pre-hearing conference was held on April 28, 2010. On May 6, 2010, the NDFC issued Order No. 1, which set forth the procedural schedule and scope for the docket. Four (4) pre-hearing conferences were held before the public hearing, with counsel for the NDFC presiding as the hearing officer. A Stipulation of the Parties (Exhibit No. 2) was submitted, and executed copies the Stipulation were delivered, at the public hearing on September 8, 2010.

The Seabrook Owners presented two witnesses at the September 8, 2010 public hearing. Mr. Alan Smith’s Affidavit supported of the Stipulation of the Parties and further addressed Seabrook Station’s operating history and the financial performance of NextEra Seabrook, LLC (NextEra Seabrook). Additionally he provided an update of NextEra Seabrook’s request for credit regarding it Settlement Agreement with the Department of Energy, and a summary of its request for a limited contribution deferral. Mr. Michael O’Keefe testified on behalf of the Seabrook Owners regarding operation of Seabrook Station. The Stipulation included a sworn affidavit of Mr. Alex Weiss attesting to the financial health of NextEra and its parent entities. Mr. Weiss did not testify during the public hearing. During the public hearing, NDFC members requested additional information from the witnesses. The requested information will be presented during the second public hearing to be held in Seabrook, New Hampshire (Seabrook Hearing). The requested information is identified in Chart 2.

The exhibits accepted at the hearing were:

Chart 1
HEARING EXHIBITS

Exhibit Number	Description
1	2010 Annual Report
2	Stipulation of the Full Parties
3	Proposed Schedule of Payments
4	Affidavit of Alex Weiss, NextEra
5	Affidavit of Alan Smith, NextEra
6	Funding Run reflecting Current NDFC Assumptions
7	Funding Run reflecting a 2050 Funding Date (NRC license renewal)
8	Proposed Funding Run
9	Excerpts from the Minutes of the Joint Meeting of Federal Open Market Committee and the Board of Governors of the Federal Reserve Bank, August 10, 2010.
10	Screen capture from the Vanguard Prime Money Market Fund Institutional Shares, September 7, 2010.
11	Summary of Trust funds held in Equities for the Seabrook Owners, as of September 3, 2010.

During the hearing NDFC members requested additional information from the witnesses, to be provided as post-hearing submissions. Exhibit numbers were reserved for the additional information, and NextEra provided the information to NDFC counsel on Monday, September 20, 2010. Exhibit numbers were assigned, and NextEra will present to exhibits at the Seabrook Hearing for inclusion in the record of this docket. The hearing exhibits are identified in Chart 2.

CHART 2
EXHIBITS IN RESPONSE TO NDFC REQUESTS

Exhibit Number	Description
12	Nuclear Regulatory Commission (“NRC”) License Renewal Process
13	Yucca Mountain Update, Dry Cask Information, and Waste Isolation Pilot Plant
14	Equity Allocations

IV. DISCUSSION

The annual review this year reviewed was conducted with the continued overarching concern that the economic downturn and investment losses by the Trust raises concerns about the sufficiency of the Trust. As shown in Chart 3, the Trust was subject to losses during the past four years, even after additional annual contributions were made. A review of Chart 3 demonstrates that the Trust and Escrow combined are nearly equal to the Trust balance at the end of 2006.

CHART 3
COMPARISON OF PROJECTED AND ACTUAL FUND BALANCES

	Projected Year End Fund Balance	Actual End of Month Fund Balance
2005		
Trust Balance December 31, 2005		\$339.5 Million
2006		
Trust Balance December 31, 2006		\$376.1 Million
2007		
Trust Balance December 31, 2007		\$395.6 Million
2008		
Year End Balance per Annual Report (March 2008)	\$409.3 Million	
Year End Balance as of December 31, 2008		\$297.8 Million

CHART 3, CONTINUED

2009		
Year End Balance per Annual Report (March, 2009)	\$286.0 Million	\$289.5 Million
Year End Balance as of July, 2009	\$331.7 Million	\$341.0 Million
Year End Balance as of September, 2009	\$350.0 Million	\$363.1 Million
Trust Balance December 31, 2009		\$356.5 Million
Escrow Balance December 31, 2009		\$20.0 Million
2009 Total		\$376.5 Million
2010		
Year End Balance per Annual Report (March 2010)	\$365.0 Million	
Year End Balance per Annual Report (March 2010) – Trust and Escrow Combined	\$390.3 Million	

The fluctuation of the Trust Funds on a monthly basis and the actual performance during 2010 demonstrates the volatility of investments. A sampling of the monthly balances is presented in Chart 4.

**CHART 4
ACTUAL MONTH END BALANCES – TRUST & ESCROW COMBINED**

	2010	2009
March	\$393.1 Million	\$289.5 Million
April	\$399.9 Million	\$308.5 Million
May	\$381.7 Million	\$321.9 Million
June	\$373.6 Million	\$323.0 Million
July	\$390.5 Million	\$341.0 Million
August	\$390.5 Million	\$352.4 Million
September	\$382.8 Million	\$363.1 Million
October	N/A	\$372.9 Million

The Seabrook Owners take a long-term view with the expectation that decommissioning will not occur before the expiration of the current operating license in 2030. Exhibit 1, Seabrook Station 2010 Annual Report at 4-5. Also, the Seabrook Owners believe the Nuclear Regulatory Commission (NRC) will extend the operating license by twenty years, which will result in the Trust being overfunded, if the present earning and cost assumptions are employed. TR. at __. While the NDFC appreciates their perspective, the Committee is obligated to

establish the ability to meet decommissioning obligations, even in the event of premature permanent cessation of operation. RSA 162-F:19 IV. While funding assurances are in place and can be called upon, the Committee remains concerned that the funds dedicated to meet decommissioning obligations are lagging due to the losses experienced since 2006.

In NDFC Docket 2007-1, the NDFC decided that, in the event of premature permanent cessation of operation, actual demolition of Seabrook Station would begin in 2020. NDFC Docket 2007-1, Final Report and Order at 35. This determination was based on the need for the completion of a NRC-approved site-specific decommissioning plan, and sufficient time for the Seabrook Owners to contribute additional funds sufficient to complete prompt decommissioning, as required by RSA 162-F: 21-c. This determination assumed that the Trust would continue to grow and that, by 2020, 75% of the projected cost of decommissioning would be in the Trust. This projection was provided by the Seabrook Owners as part of the NDFC Docket 2007-1. NDFC Docket 2007-1, Final Report and Order at 35.

As can be seen in Chart 5, the expected 2020 Trust Fund balances have declined as the effect of the loss in earnings have been realized.

**CHART 5
DECOMMISSIONING FUNDS BALANCES
AS
PERCENTAGE OF PROJECTED DECOMMISSIONING COST**

Year data produced	Year of decommissioning	2020 decommissioning cost	2020 decommissioning funds balance	Balance as % of 2020 cost
2006	2020	\$1.3 Billion	\$1.1 Billion	84.60%
2007	2020	\$1.5 Billion	\$1.0 Billion	66.60%
2008	2020	\$1.38 Billion	\$850.0 Million	61.50%
2009	2020	\$1.5 Billion	\$873.0 Million	58.20%
2010	2020	\$1.5 Billion	\$880.2 Million	58.60%

Source: Schedules of Payment for respective year.

The NDFC will not address the assumption that decommissioning would commence in 2020 in the event of permanent premature cessation of operation nor, at this time, require additional payments into the Trust. However, the NDFC is concerned that the ability to

commence decommissioning in 2020, if needed, would require a significant infusion of funds. Therefore, the Seabrook Owners can expect that the ratio of projected Trust Fund balances when compared with the projected cost of decommissioning will be of particular interest during the comprehensive review in 2011.

1. NextEra's 2011 Obligation

NextEra requested that its 2011 decommissioning obligation be deferred. See: Exhibit 2 at 6, TR. at __. In summary, NextEra's request is based on the Company's belief that the NRC will extend the operating life of Seabrook Station, and then NextEra's Trust will be overfunded, if the station operates for its revised full license life. NextEra committed to make monthly payments, including all deferred monthly payments, immediately upon a directive from the NDFC, without additional hearings. TR. at __. MMWEC opposed NextEra's request. Exhibit 2 at 10, TR. at __. The remaining Seabrook Owners did not express a position regarding NextEra's request.

NextEra's seeks to retain funds for use by the company, rather than having the funds held in the Escrow or the Trust. During the public hearing, Mr. Smith addressed the financial health of NextEra and its parent companies. TR. at __. NextEra's desire to retain funds is understandable but the Committee is unprepared in these circumstances to permit any Seabrook Owner to defer contribution obligations. The Committee's decision is based on the under-performance of the Trust and the continued economic uncertainty. The Committee is also mindful of its obligation to ensure funding of decommissioning, even in the event of permanent premature cessation of operation, which requires the NDFC to anticipate adverse circumstances for any Seabrook Owner. As noted below, NextEra will be required to deposit its 2011 obligation in the Escrow, providing the NDFC with the means to release funds to the company at a future date.

2. Funding Assurance Escrow

The NDFC created the Funding Assurance Escrow (Escrow) in NDFC Docket 2003-1 and used it with success in each subsequent year. The Escrow is one method used by the NDFC to assure full funding of the decommissioning obligation, while also respecting that monies

deposited in the Trust can not be returned to the Seabrook Owners until all decommissioning is completed. The Escrow is controlled by the NDFC, which permits release to the Seabrook Owners at the direction of the Committee.² The Escrow also provides a means for a quick cash infusion into the Trust, should the NDFC determine the need. In 2007, the NDFC released \$10 million to FPLE Seabrook, based in large part on projected overfunding in future years. In NDFC Docket 2009-1, the funding obligations of all Seabrook Owners were deposited in the Escrow, and the owners request the same treatment this year.³ The Seabrook Owners requested that all 2011 contributions be deposited in the Escrow. Exhibit 2 at 7, TR. ___.

The NDFC will continue the practice of having all 2011 decommissioning payments deposited in the Escrow. The schedules of payment shall be calculated assuming all future contributions through 2012 are also deposited in the Escrow, and assume that all funds held in the Escrow are transferred to the Trust in 2013.

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. Presently, it is assumed that funds held in the Escrow earn 1.75% per annum. While the assumption was reasonable when first established, experience convinces the NDFC that continuing to employ that assumed rate of earnings overstates the likely earnings for the Escrow. Exhibit 10 presents a multi-year history of the Vanguard Money Market Fund in which the Escrow funds are held. When considered over a three year period, the money market fund provided a 1.80%, but on 0.22% over a one year period. Returns during 2010 were 0.13%.

As noted, the NDFC assumes that the Escrow will either be transferred to the Trust or released to the Seabrook Owners in 2013. While this assumption may change, it underscores that the Escrow is intended to be a short term funding assurance, which supports using short term earnings assumptions. In view of the actual experience of the money market fund, the NDFC believes that it is no longer prudent to assume monies in Escrow will earn 1.73%. Instead, the Committee will assume that 0.25% will be earning on the Escrow, and directs that this new assumption be used in calculating earnings in the Escrow in 2011 and 2012.

² Monies held in the Trust can only be released to Owners after all decommissioning is completed.

³ NextEra's request for deferral of the 2011 payments are addressed separately.

3. Trust Investment Assumptions

Each Seabrook Owner established goals for allocation of investments of their individual Trust monies, as permitted by the NDFC and within the Investment Guidelines as approved by the New Hampshire State Treasurer. As shown in Exhibit 11, MMWEC, Hudson and Taunton have not achieved the level of equity investments that are the basis of the assumed earnings for their respective Trust investments. Chart 6 provides an extract from Exhibit 11.

CHART 6

ACTUAL VS. ASSUMED EQUITY INVESTMENTS

	<u>Hudson</u>	<u>MMWEC</u>	<u>Taunton</u>
Actual Equity % of Portfolio at 7/31/10	18.21%	46.76%	18.75%
Assumed Equity % at 12/31/11	30.00%	65.00%	30.00%

Source: Exhibit 11

In response to questioning by NDFC members, the Seabrook Owners provided Exhibit 14: Equity Allocations. The exhibit presented the intentions of the three minority Seabrook Owners, as summarized in Chart 7.

CHART 7

**PROJECTED YEAR END
PERCENTAGE OF EQUITY INVESTMENTS
IN TRUST FUNDS**

	2010	2011	2012
MMWEC	55%	60%	65%
Taunton	30%	30%	30%
Hudson	30%	30%	30%

Prior to being permitted to deposit annual contributions in the Escrow, these Seabrook Owners were moving towards the targeted equity investments by investing all new monies in equity investments in their respective Trusts. The owners failed to realign investment strategies when they stopped making deposits to the Trust. See: Exhibit 14.

The response provided by Exhibit 14 expresses the intent of each minority owner to achieve the allocations summarized in Chart 7. The NDFC prefers to rely on actual information when available. Accordingly, the Committee directs that the Managing Agent to produce the

schedules of payments for 2011 using the actual Trust investment portfolio of each owner as of November 30. The Managing Agent is to assume that the Trust investment portfolio of each Seabrook Owner remains unchanged for 2011 and every following year during the operating license life. After surrender of the operating license, the assumed transfers to cash and cash equivalents to meet the decommission era cash coverage ratios should be applied, as previously established by the NDFC. This approach will avoid either overstatement of projected earnings based on allocation of investments, or the undervaluation of the Trust that would result from a failure to credit accomplishment of reallocation goals.

4. 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. The decommissioning cost is escalated annually to maintain a current projected cost of decommissioning. In 2011, the NDFC will once again determine the projected cost to decommission Seabrook Station, based on a new decommissioning cost study. In 2011, the NDFC will also undertake a comprehensive review of the decommissioning plan and all assumptions employed in the estimating how decommissioning monies held in the Trust will be invested and returns that will be realized. The Committee was advised at the public hearing in NDFC Docket 2009-1 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 continue to use the projected cost of decommissioning as accepted in 2007, adjusted to be presented in current dollars, pending the completion of the 2011 comprehensive review. Accordingly, the present projected cost of decommissioning is \$1,003,372,473, when expressed in 2010 dollars.

5. 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.

6. NextEra Name Change

On May 21, 2010, FPL Group, Inc. changed its name to NextEra Energy, Inc. FPL Group, Inc. was the parent of NextEra Seabrook, LLC and directly responsible for the decommissioning obligations of NextEra, pursuant to the funding assurances established in 2002. Attachment 1 to Exhibit 4 of the Stipulation (Docket Exhibit 2) provides a corporate flowchart and identifies the current names of the entities that comprise the NextEra Energy family. The name change from FPL Group, Inc. to NextEra Energy, Inc. was duly approved by the corporate board and filed with the State of Florida.⁴ Review of the relevant board resolutions confirms that the change of name did not dissolve any of the obligations of the parent to provide funding assurance to NextEra.

7. 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

⁴ The Managing Agent provided the NDFC with a Secretary’s Certificate, dated June 21, 2010, confirming the name change and providing a copy of the board resolution and the written consent of NextEra Seabrook LLC to the change.

result in immediate payments by NextEra in the event of a decline in the financial health of NextEra or FPL Group, Inc.

None of the triggers associated with the NextEra Funding Assurance requirements have been approached. Chart 8 summarizes the NextEra Funding Assurances approved in the Final Report and Order, NDFC Docket No. 2007-1 at page 9.

**Chart 8
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"> ➤ In addition to schedule payments, payment equal to 6-months of payments paid into the fund ➤ All decommissioning payments will also be made as scheduled by NDFC 	No payments have been missed.
NextEra Energy ⁵ sells 80% FP&L (FL utility) generation assets (Stipulation IV, G,4)	<ul style="list-style-type: none"> ➤ 12-months of decommissioning payments paid into Escrow ➤ NextEra Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	No generation assets were sold.
NextEra Energy's Funded debt to total Capitalization exceeds 0.65:1.00 (Stipulation IV, G,1)	<ul style="list-style-type: none"> ➤ NextEra Seabrook will not pay any cash dividends or other transfers to NextEra Group, /or/ ➤ NextEra Seabrook may make payment equal to 6-months of payments paid into the decommissioning fund, in addition to all other scheduled payments ➤ All decommissioning payments will also be made as scheduled by NDFC 	The 2008 10K for NextEra Energy indicates that this trigger has not been approached. See February 26, 2010 10K at 29. The 10K did not provide the actual ratio.
NextEra Energy's operating income falls below \$800 million (Stipulation IV, G,2)	<ul style="list-style-type: none"> ➤ NextEra Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	NextEra Energy had revenues of over \$15 billion in 2009, with operating income of \$2.504 billion. In 2008 operating income was \$2.925 billion. See: February 26, 2010 10K at 56.

⁵ As noted above, NextEra Energy, Inc., is the successor in name to FPL Group, Inc. FPL Group, Inc. was the parent of NextEra Seabrook at the time the corporation acquired its interest in Seabrook Station.

<p>NextEra Group's operating income falls below \$600 million(Stipulation IV, G,3)</p>	<ul style="list-style-type: none"> ➤ 12-months of payments paid into Escrow ➤ NextEra Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	<p>Operating income did not fall to trigger this condition.</p>
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The Committee is satisfied that the financial capability of NextEra, as backed by the funding assurances of NextEra Energy, Inc., remains sufficient to fund NextEra's decommissioning obligation, even in the event of permanent premature cessation of operation. Similarly, Seabrook Station continues to perform well than the industry averages. TR. __. The NextEra funding assurances will be reviewed during the comprehensive review to be conducted in 2011.

In NDFC Docket No. 2008-1, at 21 – 29, the Committee determined that Taunton, Hudson and MMWEC have contractual and statutory obligations that cannot be voided, even through employment of the Bankruptcy Code, and that additional funding assurances were not required of those Seabrook Owners. The Committee is satisfied that those obligations are sufficient at this time so that no additional funding assurances are required from the minority Seabrook Owners.

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

In 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 Docket 2004-1, the year-end calculation was further refined and was again adjusted in Docket 2009-1 to include the Escrow balances, and assumed expenses in December, in determining future annual contributions. 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. This practice has come to be known as the “December true-up.” This annual adjustment is particularly appropriate during times of uncertain earnings, such as have been experienced for the past three years. Accordingly, the NDFC will continue to employ the December re-set of the schedules of payments to establish the obligations in 2011.

9. 2011 Annual Report

The Managing Agent is directed to deliver the 2011 Annual Report by March 31, 2011. The scope and components of the Annual Report have evolved over many years, leading to the possibility of confusion as to the required content. To clarify the requirements for the Annual Report, the following is the information required by the NDFC. The Seabrook Owners remain free to provide additional information they believe would assist the Committee in its annual review. In NDFC Docket 2009-1 specific requirements for the decommissioning study were set forth, and the Managing Agent committed to provide that information. In addition, the Annual Report must include the following information:

- A. Seabrook Station Performance including any changes regarding the status of the ISFSI and nuclear industry
- B. Status Of Low Level Radioactive Waste Disposal
- C. Status Of High Level Radioactive Waste Disposal
- D. NextEra Energy, Inc. Financial Performance
- E. Joint Owner Trust Investment Strategy
- F. Status Of The Trust Fund And Projected Balances, for period ending no less than 30 days before the date of the Annual Report
- G. Any Proposed Modifications that would effect the funding assumptions
- H. Proposed Funding Schedules, based on the most recent NDFC Final Report and Order
- I. Proposed funding Schedules, based on modifications proposed by Seabrook Owners
- J. Summary of Requested Actions
- K. Report on the Status of the Decommissioning Trust Fund by Fund Investment Advisor
- L. Fund Roles and Responsibilities
- M. Funding Schedules for Scenarios referenced in Annual Report
- N. Unit Capability Factors

- O. Institute of Nuclear Operators Performance Indicator Index
- P. Additional data sponsored by the Seabrook Owners

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 each Seabrook Owner shall deposit 100% of its 2011 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 2011 will be established in December 2010, calculated using the Decommissioning Fund and Funding Assurance Escrow account market values and the actual Trust investment portfolios as of November 30, 2010; and it is

FURTHER ORDERED, that the schedules of payments for 2011 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 31, 2011, an independent auditors' report on the Seabrook Nuclear Decommissioning Financing Fund and the Seabrook Escrow Fund as of December 31, 2010; and it is

FURTHER ORDERED, that the 2011 Annual Report is to be filed no later than March 31, 2011, and shall include all information delineated in Section IV 9 (2010 Annual Report), 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 October 13, 2010, 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 held on Wednesday, October 27, 2010, commencing at 7:00 p.m. The location 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 September 24, 2010.