

**THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2011-1**

ORDER NO. 1

On February 7, 2011, the Nuclear Decommissioning Financing Committee (Committee or NDFC) issued an Order of Notice (OON) opening, in accordance with the provisions of RSA 162-F and RSA 541-A, a proceeding to conduct the annual review of the decommissioning financing for Seabrook Station required under RSA 162-F:22, II, and the comprehensive review that must be conducted at least every four years pursuant to RSA 162-F:22, I. Timely notice of the OON was published in *The Union Leader*, and the *Hampton Union*, and posted in Seabrook, New Hampshire. A pre-hearing conference was held at the Public Utilities Commission in Concord on June 28, 2011, for the purpose of taking appearances from parties interested in participating in the proceeding, establishing a procedural schedule, and receiving the views of full parties to the proceeding concerning the issues to be addressed in the docket.

APPEARANCES

NextEra Energy Seabrook LLC (NextEra), appeared as Managing Agent for Seabrook Nuclear Power Station (Seabrook Station). The Massachusetts Municipal Wholesale Electric Company (MMWEC) appeared through counsel and will participate separately from the Managing Agent. Taunton Municipal Lighting Plant (Taunton) and Hudson Light and Power Department (Hudson) will be jointly represented by separate counsel. These four entities are the only owners of Seabrook Station. The Committee recognizes the right of the Seabrook Station owners to participate in the docket and all owners are recognized as full parties in this docket.

SCHEDULE

At the prehearing conference the parties agreed to the following procedural schedule.

The Committee adopts it for this docket, noting that public notice will be given of any changes.

Prehearing Conference	June 28
Prehearing Conference	July 8
Last interrogatories served on NextEra	July 29
Prehearing Conference	July 29
Last interrogatories responded to by NextEra	August 12
Prehearing Conference	August 16
Intervenor pre-file testimony	August 16
Last interrogatories served on intervenors	August 19
Last interrogatories responded to by intervenors	August 26
Prehearing conference	August 30
Stipulation of issues finalized and filed with NDFC	September 6
Public hearing	September 27
Post hearing briefs and hearing responses	October 4
Reply briefs	October 7
Preliminary Report and Order	October 14
Final hearing (Seabrook public hearing)	November 15
Final hearing alternate date	November 17
Final Report and Order of Committee	December 6
Order Approving 2012 Schedules of Payment	December 30

Discovery will be ongoing. Pre-hearing conferences will be held at the Public Utilities Commission in Concord, unless otherwise agreed to by the parties with notice to the Chairman. Pre-hearing conferences may be conducted telephonically. The September 27, 2011, Public Hearing in Concord will begin at 1:00 p.m. at the offices of the Public Utilities Commission. The November 15, 2011, public hearing in Seabrook will begin at 7:00 p.m. at a location to be announced. An alternate date is noted in the event inclement weather or other unforeseen events requires a rescheduling of the hearing. The Committee will provide as much advance notice as possible if either hearing dates must be changed.

The procedural schedule provides for a full evidentiary hearing to address all issues in the docket, in the event an evidentiary hearing is needed. At the same time, the parties will provide an agreement on the evidence to be presented to the Committee. Further, the parties

agreed to identify issues for which they support a particular finding by the Committee, stipulate the evidence they will offer in support of issues that are uncontested, and present a written statement of any issue on which there are differing positions.

SCOPE

The Committee is required to meet every four years to review the fund and may increase or decrease the projected cost of decommissioning the facility and the schedule of payments. Reasons for increasing or decreasing the projected cost of decommissioning and schedule of payments include, but are not limited to, changes in owner or owners, the financial condition of an owner or owners, need, safety, reliability, technology, or other changes in circumstances. RSA 162-F:22, I. The four year review conducted in this docket is known as the comprehensive review.

The Committee must review the performance of the fund and the adequacy of all funding assurances each year and “may alter the payment schedule, or require a change in any funding assurance to ensure adequate funding by each owner of its decommissioning obligation.” RSA 162-F:22, II. Correspondingly, as part of this review, the Committee may alter the schedules of payments and any funding assurances. RSA 162-F:22, III.

The parties proposed that the following issues comprise the scope of the issues to be considered in this proceeding.

1. Trust Fund balances
2. Revised decommissioning estimate
3. Trust Investments
 - a. Equity investment positions versus targets for each owner
 - b. Appropriate equity investment targets going forward
 - c. Rate of return assumptions for all investments

4. Escrow
 - a. Review of investment performance
 - b. Requested return of escrow to NextEra
 - c. Future escrow requirements for each owner
5. Funding date
6. Premature shutdown
 - a. Projected balances for 2020 versus target cost of decommissioning
 - b. Appropriateness of maintaining 2020 as benchmark for premature decommissioning
 - c. Appropriate date for premature decommissioning benchmark after license renewal
7. Future assumed escalation
8. Future assumed inflation
9. Treatment of spent fuel settlement between owners and Department of Justice
10. Low level radioactive waste disposal
11. Adequacy of funding assurance and “trigger” provisions
12. Status of licensing renewal application
13. Review of coverage ratios during decommissioning
14. Potential impact of recent developments in the nuclear energy industry, including
 - a. Premature decommissioning
 - b. Cost of decommissioning
 - c. Prospects and schedule for license renewal

The issues set forth above will provide for a comprehensive review of the Decommissioning Plan for Seabrook Station, including a thorough review of all assumptions employed in determining the schedules of payments for each owner of Seabrook Station as required by RSA 162F:22. The issues include those directed by the NDFC to be included in this docket (See NDFC Docket 2010-1 Final Report and Order). Accordingly, the proposed list constitutes the scope of the docket.

On the date by which any stipulation is to be finalized, the full parties will notify the Committee which issues identified above will be stipulated, in part or in total, and which parties

support the stipulations. Witnesses the parties propose to present at the public hearing are to be identified as part of the pre-hearing stipulation. If there are issues for which opposing testimony will be presented at the public hearing, the proponent of that testimony is required to submit a prehearing statement when the stipulation is filed with the Committee. These statements are to identify which issues, if any, that party will address during the public hearing and identify any evidence to be proffered, along with whether the parties agree to have the proposed evidence admitted into evidence without challenge. The stipulation with supporting affidavits and any other supporting evidence is to be filed with the Committee by the date set forth above. An executed copy of the stipulation is to be presented to the Committee on the date of the public hearing. Any prehearing statements or filings are to be served on the full service list. Finally, filings shall use the following structure.

Each filing will have pages numbered in sequence starting with the first page and including all exhibits and attachments.

All pre-filed testimony will identify the issue(s) being addressed by reference to the issues set forth above and, to the extent possible, that testimony will be presented so the issues are addressed in the same order as set forth above.

The prehearing statements will identify the position of the party on each issue, including where the party takes no position on an issue. For each issue, the party will identify, in the order above and with citations, the testimony or document it relies on to support the position advocated.

Each filing of pre-filed testimony and prehearing statement will be accompanied by a copy of the filing in electronic format and in MS Word format.

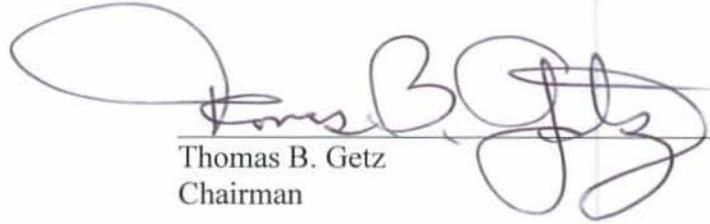
Based on the foregoing, it is hereby

ORDERED, that the procedural schedule noted above is adopted for the duration of this proceeding, subject to change as may be ordered; and it is

FURTHER ORDERED, that the full-party interventions of the parties listed herein are granted; and it is

FURTHER ORDERED, that this order shall be served on the official service listed and posted on the NDFC page of the web page of the Public Utilities Commission.

By order of the Nuclear Decommissioning Financing Committee this seventh day of July, 2011.



Thomas B. Getz
Chairman