

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2014-1

ORDER NO. 1

On March 4, 2014, the Nuclear Decommissioning Financing Committee (Committee or NDFC) issued an Order of Notice (OON). The initial pre-hearing conference was conducted on June 11, 2014, at the Public Utilities Commission in Concord for the purpose of taking appearances from parties interested in participating in the proceeding, establishing a proposed procedural schedule, and receiving the views of full parties to the proceeding concerning the issues to be addressed in the docket. Timely notice of the OON was published in *The Union Leader*, and the *Hampton Union* on March 21, 2014, and posted at the Seabrook Community Center and at the Office of the Town Clerk in Seabrook, New Hampshire on March 17, 2014. An Affidavit of Publication dated March 25, 2014, was provided by the Managing Agent.

APPEARANCES

NextEra Energy Seabrook LLC (NextEra), appeared as Managing Agent for Seabrook Nuclear Power Station (Seabrook Station) and as representative of Taunton Municipal Lighting Plant (Taunton), and the Hudson Light and Power Department (Hudson). The Massachusetts Municipal Wholesale Electric Company (MMWEC) appeared through counsel and will be represented by separate counsel. No other entities or individuals sought to intervene. 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. Further, the Committee will recognize NextEra, in its capacity as Managing

Agent, as the representative of Taunton and Hudson, unless and until those parties appear to represent their own interests.

SCHEDULE

At the pre-hearing conference the parties agreed to the following procedural schedule. The Committee adopts it for this docket, noting that the hearing dates may be changed to accommodate the schedules of Committee members or to otherwise address administrative conflicts.

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| 1. Pre-hearing Conference | June 11, 2014 |
| 2. Pre-hearing Conference (2:00 pm) | June 23, 2014 |
| 3. Last interrogatories served on NextEra | July 9, 2014 |
| 4. Last interrogatories responded to by NextEra | July 16, 2014 |
| 5. Pre-hearing conference (10:00 am) | July 24, 2014 |
| 6. Pre-hearing conference (10:00 am) | August 7, 2014 |
| 7. Stipulation of Issues finalized and filed with NDFC | August 28, 2014 |
| 8. Intervenors' pre-file testimony | September 3, 2014 |
| 9. Last interrogatories served on intervenors | September 5, 2014 |
| 10. Last interrogatories responded to by intervenors | September 9, 2014 |
| 11. Public hearing | September 11, 2014 |
| 12. Post-hearing briefs | September 18, 2014 |
| 13. Reply briefs | September 23, 2014 |
| 14. Preliminary Report and Order | October 1, 2014 |
| 15. Final hearing (Seabrook public hearing) | November 13, 2014 |
| 16. Final Report and Order | December 1, 2014 |
| 17. Order Approving 2015 Schedules of Payment | December 29, 2014 |

Discovery will be ongoing. Pre-hearing conferences will be held at the Public Utilities Commission in Concord, unless otherwise agreed to by the parties. The September 11, 2014, Public Hearing in Concord will begin at 1:00 p.m. at the offices of the Public Utilities Commission. The November 13, 2014, public hearing in

Seabrook will begin at 7:00 p.m. at a location to be announced. The Committee will provide as much advance notice as possible if either hearing date must be changed.

The procedural schedule provides for a full evidentiary hearing to address all issues in the docket. On or before August 28, 2014, the parties will provide an agreement on the evidence to be presented to the Committee, which will be presented as a stipulation of the parties. Further, the parties agreed to identify before the public hearing 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 to present a written statement of any issue on which there are differing positions.

SCOPE

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. As part of this review, the Committee may alter the schedules of payments and any funding assurances. RSA 162-F:22, III.

The parties and NDFC counsel proposed that the following issues comprise the scope of the issues to be addressed by the parties in this proceeding. The Committee members may expand the scope with notice to the parties prior to the public hearing, and may examine any issue, regardless of whether it is identified by this Order or otherwise before either public hearing, as part of the hearing process.

1. Whether the assumed rates of return for long-term bond and cash investments for each Decommissioning Trust is appropriate.
2. Whether the assumed equity rates of return for the Decommissioning Trusts used in calculating the schedule of payments are appropriate.

3. Whether the assumed short-term rates of return for cash and cash equivalents for the Funding Assurance Escrow are appropriate.
4. Whether the assumed rate of return for the opportunistic investing (direct lending) investments are appropriate.
5. Whether the allocations of joint owners' expenses under the Master Trust Agreement are properly calculated.
6. Whether the NDFC should require the return to the Trust the amount of prior Trust distributions taken by NextEra relative to the compensation of Alex Weiss.
7. Review the basis for all expenses to the Trust under the Master Trust Agreement and whether the NDFC will seek revisions of the Master Trust Agreement.
8. The status of the license renewal application pending before the NRC, including a review of the status of (a) the NRC review of the presence of alkali-silica reaction (ASR) in certain concrete structures at Seabrook Station, (b) the NRC Waste Confidence Decision, and (c) the impact of each of these on the license renewal application pending before the NRC.
9. Whether NextEra Energy Seabrook, MMWEC, Taunton, and Hudson should make all or part of 2015 contribution requirements into the escrow account or into the Trust.
10. Review the financial performance of each joint owner, including supplemental information to that provided in the annual report regarding the municipal owners, and review the financial performance of NextEra Energy Seabrook in relation to the decommissioning funding assurance provided by NextEra Energy, Inc. and NextEra Energy Capital Holdings, Inc., the funding assurance performance standards, and the adequacy of the funding assurance obligations of each Seabrook Owner.
11. Review the operational performance of Seabrook Station.
12. Review the status of the Independent Spent Fuel Storage Installation.
13. Review of the status of governmental and commercial alternatives to the long-term storage at Seabrook Station of Spent Nuclear Fuel (SNF) and Greater Than Class C nuclear waste.
14. Establish the requirements for the 2015 Seabrook Annual Report, in addition to the guidance provided in the 2013-1 Final Report and Order.
15. Establish the 2015 schedules of payments.
16. Review the methodology MMWEC will use to meet targeted equity allocations.

The issues set forth above will provide for a comprehensive review as required by RSA 162-F:22. The issues include those directed by the NDFC to be included in this docket (See NDFC Docket 2013-1 Final Report and Order). Accordingly, the proposed list constitutes the scope of the docket.

As part of the stipulation of the parties, the full parties will notify the Committee of the position of each party on each issue. Witnesses the parties propose to present at the public hearing are to be identified as part of the 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 pre-hearing statement when the stipulation is filed with the Committee. These statements are to identify which issues 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 first public hearing. Any pre-hearing statements or filings are to be served on the full service list.

All filings shall use the following structure:

1. Each filing will have pages numbered in sequence starting with the first page and including all exhibits and attachments.
2. 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.
3. The pre-hearing 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.

4. Each filing of pre-filed testimony and pre-hearing 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 twentieth day of June, 2014.



Amy Ignatius
Chairman