

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2015-1

ORDER NO. 1

On May 14, 2015, the Nuclear Decommissioning Financing Committee (Committee or NDFC) issued an Order of Notice (OON). The initial pre-hearing conference was conducted on June 22, 2015, 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* on May 22, 2015, and the *Hampton Union* on May 26, 2015, and posted at the Seabrook Town Hall and Community Building in Seabrook, New Hampshire on May 27, 2015. An Affidavit of Publication dated June 18, 2015, was provided by the Managing Agent.

APPEARANCES

On June 22, 2015, 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 (10:00 am) | June 22, 2015 |
| 2. Pre-hearing Conference (10:00 pm) | July 20, 2015 |
| 3. Last interrogatories served on NextEra | July 24, 2015 |
| 4. Draft stipulation circulated to full parties | July 24, 2015 |
| 5. Comments on stipulation by full parties | July 31, 2015 |
| 4. Last interrogatories responded to by NextEra | July 31, 2015 |
| 5. Pre-hearing conference (10:00 am) | August 11, 2015 |
| 6. Stipulation of Issues finalized and filed with NDFC | August 14, 2015 |
| 11. Public hearing | September 10, 2015 |
| 12. Responses to hearing requests | September 17, 2015 |
| 12. Post-hearing briefs | September 21, 2015 |
| 13. Reply briefs | September 25, 2015 |
| 14. Preliminary Report and Order | October 1, 2015 |
| 15. Comments on Preliminary Report and Order | October 15, 2015 |
| 15. Final hearing (Seabrook public hearing) | November 17, 2015 |
| 16. Final hearing snow date | December 1, 2015 |
| 17. Final Report and Order of Committee | December 8, 2015 |
| 18. Order Approving 2015 Schedules of Payment | December 29, 2015 |

Discovery will be ongoing. Pre-hearing conferences will be held at the Public Utilities Commission in Concord, unless conducted as webinars as agreed to by the parties. The September 10, 2015, Public Hearing in Concord will begin at 10:00 a.m. at the offices of the Public Utilities Commission. The November 17, 2015, 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 14, 2015, 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

Every four years the committee shall meet to review the fund and may increase or decrease the projected cost of decommissioning the facility and the schedule of payments into the fund. 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. This four year review, known as the comprehensive review, will be conducted as part of NDFC Docket 2015-1.

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. Review the 2015 Decommissioning Cost Analysis for both the 2030 and 2050 commencement of prompt dismantlement.
2. Whether the funding date of 2030 remains appropriate for each joint owner.
3. Review the commercial-industrial standard and how it will be applied in the decommissioning of Seabrook Station, including whether any adjustment in the scope is appropriate.
4. Whether the assumed rates of return for long term bond investments for the Decommissioning Trusts are appropriate.
5. Whether the assumed equity rates of return for the Decommissioning Trusts used in calculating the schedule of payments are appropriate.
6. Whether the assumed Opportunistic fund rates of return for the Decommissioning Trusts used in calculating the schedule of payments are appropriate.
7. Whether the assumed short-term rates of return for cash and cash equivalents for the Funding Assurance Escrow are appropriate.
8. Whether the Decommissioning Trust allocation targets including the $\pm 3\%$ target bandwidth tolerances are appropriate.
9. Review the 2015 Decommissioning Escalation Study and whether the assumed decommissioning cost escalation rate is appropriate or should be changed.
10. Whether the assumed inflation rate is appropriate.
11. Whether the decommissioning period liquidity coverage ratios are appropriate and whether funding schedules conform to the required coverage ratios.
12. Review the performance of the fund and funding assurances and determine whether any changes are appropriate.

- a. 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., and the funding assurance performance standards.
- b. Review the adequacy of the funding assurance obligations of MMWEC.
- c. Review the adequacy of the funding assurance obligations of Taunton and Hudson.
13. Review the status of the license renewal application pending before the NRC, including a review of the status of the Alkali Silica Reaction (ASR) affecting concrete at Seabrook Station and its potential impact on the license renewal application pending before the NRC.
14. Review the Support Agreement between NextEra Energy Seabrook and NextEra Energy Capital Holdings and whether updating of the amount of the agreement is necessary.
15. Review the status of the Independent Spent Fuel Storage Installation.
16. 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.
17. Review insights and lessons learned from other decommissioning projects, especially Vermont Yankee, Maine Yankee and San Onofre Nuclear Generating Station (“SONGS”) 2 and 3, and whether their relevant experience and insights have been appropriately accounted for in the Seabrook decommissioning plan, cost estimate, and funding schedule.
18. Review whether the Fukushima incident and resulting new NRC requirements have an impact on the Seabrook decommissioning plan, cost estimate, and funding schedule.
19. Review the assumptions made in the 2015 Decommissioning Cost Analysis for the disposal of decommissioning generated Low Level Radioactive Waste and whether they are appropriate.
20. Determine whether NextEra Energy Seabrook, MMWEC, Taunton, and Hudson should make all or part of their 2016 payments, if required, into the escrow account or into the Trust.
21. Determine whether any of the escrow funds should be released to the joint owners and, if so, how much.
22. Review the responses of the Joint Owners to the Information Requests contained on pages 22-24 of the 2014 Final Report and Order.
23. Review the operational performance of Seabrook Station.
24. Establish the requirements for the 2016 Seabrook Annual Report.
25. Establish the 2016 schedules of payments.

The issues set forth above will provide for a comprehensive review as required by RSA 162-F:22, I. The issues include those directed by the NDFC to be included in this docket (See NDFC Docket 2014-1 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 that 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.

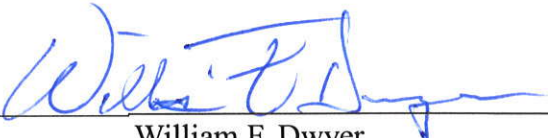
Based on the foregoing, it is hereby

ORDERED, that the procedural schedule noted above is adopted for the duration of this proceeding, subject to change as may be ordered by the NDFC; 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 (<http://www.puc.state.nh.us/home/ndfc.htm>).

By order of the Nuclear Decommissioning Financing Committee this the 15TH day of July, 2015.



William F. Dwyer
New Hampshire State Treasurer and Chairman