

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2020-1

PRELIMINARY REPORT AND ORDER

Concord, New Hampshire
November 30, 2020

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**THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2020-1**

PRELIMINARY REPORT AND ORDER

1 **I. SUMMARY OF FINDINGS**

2 In this docket the Nuclear Decommissioning Financing Committee (“NDFC” or
3 “Committee”) conducted the annual review required by RSA 162-F:22. The Committee
4 made the following determinations to ensure that the Joint Owners of the Seabrook Nuclear
5 Station (“Seabrook Station”) provide sufficient funding to complete the prompt, safe, and
6 orderly decommissioning of Seabrook Station as required by RSA 162-F:22. In summary,
7 the Committee made the following findings and decisions:

8 1) The projected cost of decommissioning will be \$1,113,520.575, as estimated by TLG
9 Services, Inc. in the 2019 Seabrook Station Decommissioning Cost Analysis (*See:*
10 NDFC Docket 2019-1 Exhibit 13. *See also:* NDFC Docket 2019-1 Final Report and
11 Order at 7) and escalated to December 31, 2020 at the rate of 3.50%, as approved by
12 this Committee in NDFC 2016-1 (*See:* Docket 2016-1 Final Report and Order at 1).

13 2) For the purpose of calculating the schedules of payments, it shall be assumed that onsite
14 storage of spent nuclear fuel and Greater-Than-Class C (“GTCC”) radioactive waste in
15 the Independent Spent Fuel Storage Installation (“ISFSI”) shall be required until 2100,
16 with the ISFSI subsequently dismantled and permanently removed in 2101.

17 3) The decommissioning cost escalation adjustment applied to the schedules of payments
18 will continue to be 3.50%.

- 1 4) The funding date will continue to be 2050 as approved in NDFC 2019-1 (*See*: Docket
2 2019-1 Final Report and Order at 1) for purposes of calculating the funding schedule
3 for 2021.
- 4 5) The inflation adjustment applied to the schedules of payments will continue to be
5 2.75% as approved by the Committee in NDFC 2016-1 (*See*: Final Report and Order
6 at 2).
- 7 6) The assumed rates of return on the Trust funds shall be as follows:
- 8 a. Equities - 8.50%
9 b. Fixed Income:
10 Core - 4.25%
11 Core-Plus - 4.45%
12 c. Cash and cash equivalents (long-term) - 2.25%
13 d. Opportunistic Strategy asset class (“Opportunistic Fund”) - 7.50%
14
- 15 7) The assumed rates of return on the Escrow fund investments shall be 0.25%
- 16 8) The liquidity coverage ratio during the first seven years of prompt dismantlement, as
17 defined in the NDFC 2005-1 Final Report and Order and clarified in NDFC 2019-1
18 (*See*: Final Report and Order at 23), shall continue to be 3.3.
- 19 9) The funding assurances from each Owner of Seabrook Station (“Joint Owner” or
20 “Seabrook Owner”) will remain unchanged.
- 21 10) If any contributions are required to be made to the Seabrook Station decommissioning
22 financing fund, they shall be made to the Escrow in 2021.
- 23 11) The balance of the funds held in NextEra’s share of the Escrow fund shall be returned
24 to NextEra within 90 days of the date of issuance of the Final Report and Order (FRO)

1 for this docket with the exception of \$500 which shall be held for the purposes of
2 maintaining the NextEra Escrow fund active.

3 12) The schedules of payments shall be calculated assuming that all funds held in the
4 Escrow for MMWEC are part of the Trust.

5 13) The schedules of payments beginning in 2021 shall be calculated in accordance with
6 the Final Report and Order to be issued following the public hearing that will held in
7 accordance with RSA 162-F:21.

8 Any additional written information that the parties may elect to place on the record
9 with respect to these matters must be submitted to the Committee by **November __**, 2020.
10 These determinations are discussed in detail in this Preliminary Report and Order.

11 **II. PARTIES AND THEIR POSITIONS**

12 In NDFC Order No. 1, issued on July 31, 2020 , the NDFC granted full party status
13 to NextEra Energy Seabrook (“NextEra” or “Managing Agent”) and the Massachusetts
14 Municipal Wholesale Electric Company (“MMWEC”) and recognized NextEra, in its
15 capacity as Managing Agent, as the representative of Taunton Municipal Lighting Plant
16 (“Taunton”), and the Hudson Light and Power Department (“Hudson”), with Taunton and
17 Hudson retaining the right of full participation at their choosing. NextEra, with its Counsel
18 representing Taunton and Hudson, participated in a public hearing held pursuant to RSA
19 162-F:21 on October 28, 2020. MMWEC was represented at the Public hearing by Mr.
20 Michael Ide. As authorized by the State of Emergency declared by the Governor of New
21 Hampshire as a result of the COVID-19 pandemic and in accordance with the Governor’s

1 Emergency Order Number 12 pursuant to Executive Order 2020-4, the hearing was held
2 electronically.

3 At the public hearing, the parties provided executed copies of the Stipulation of the
4 Full Parties (“Stipulation”) (Exhibit 2) and additional exhibits as identified in Chart 1
5 below. The Stipulation provided a comprehensive discussion of the positions and the areas
6 of agreement and disagreement among the owners on issues that the Committee identified
7 in Order No.1.

8 **A. Stipulation**

9 Sworn affidavits were provided in support of each position presented in the
10 Stipulation. The Joint Owners requested that the Committee make the following findings:

- 11 1. The assumed cost of decommissioning should be \$1,113,520,275 as calculated in
12 the 2019 TLG Cost Study escalated at 3.50% to December 31, 2020 dollars;
- 13 2. The earnings assumptions for equities invested in the Trust should remain at 8.50%.
- 14 3. The earnings assumptions for Core and Core Plus fixed income investments in the
15 Trust, which were reduced in the NDFC Docket 2019-, should remain at 4.25% and
16 4.45%, respectively;
- 17 4. The assumed rate of return for any funds remaining in Escrow should be reduced
18 from 1.50% to 0.25%;

19 NextEra, Taunton and Hudson requested that the Committee make the following
20 findings:

- 21 5. The financial assurances remain adequate; and,

1 6. MMWEC carried forward its position from NDFC Docket 2002-2 that the funding
2 assurances for NextEra are inadequate.

3 7. NextEra requested that the Committee release the remaining balance in the NextEra
4 Escrow, with the exception of \$500 in order to maintain the account.

5 The Stipulation also presents the owners’ preliminary proposed schedules of
6 payments beginning on January 1, 2021 based on balances in the Trust as of August 31,
7 2020.

8 **III. PROCEDURAL HISTORY**

9 On May 28, 2020, NextEra filed the Seabrook Station 2020 Annual Report.
10 NextEra arranged for copies to be available for public review in the town of Seabrook. The
11 Annual Report included a report entitled Investment Consultant’s Review of Funding
12 Schedule and Investment Assumptions (“LCG Report”) by LCG Associates (“LCG”) and
13 the Joint Owner Proposed Funding Schedule. The Order of Notice for this docket was
14 issued on July 16, 2020. Timely notice of the docket was provided to the public by
15 publication in the N.H. Union Leader and the Hampton Union on July 20 and July 21,
16 2020, respectively, and a notice was posted at the Seabrook Town Hall and posted on the
17 website of the Public Utilities Commission on July 16, 2020.

18 A pre-hearing conference was held on July 23, 2020 during which the parties agreed
19 to a proposed procedural schedule and docket scope, which the Committee adopted in
20 NDFC Order No. 1.

1 During the October 28, 2020 hearing, Counsel for NextEra presented a witness
2 panel consisting of: Kenneth Browne, NextEra Director of Nuclear Safety Assurance and
3 Learning for Seabrook Station; Joshua Marcum, NextEra Regional Business Director for
4 Seabrook Station; and David Emerson, Senior Vice-President and Principal of LCG
5 Associates in his capacity as the Decommissioning Trust's Investment Consultant. Each
6 of the witnesses also provided Affidavits identified as Exhibits in Chart 1.

7 The following individuals did not testify at the public hearing, but provided
8 affidavits in support of the Stipulation of the parties:

9 Matthew Ide, Executive Director of Energy and Financial Markets for
10 Massachusetts Municipal Wholesale Electric Company, submitted an affidavit (Exhibit 9)
11 regarding MMWEC's financial performance and the adequacy of MMWEC's financial
12 assurances; MMWEC's Seabrook Station decommissioning Trust and Escrow fund
13 investment strategy; MMWEC's support of the policy of continuing to direct annual
14 contributions to the Escrow; MMWEC's opposition to the additional release of Escrow
15 balances requested by NextEra; MMWEC's position that their Escrow funds should be left
16 in their Escrow account; and MMWEC's long-standing position that NextEra's funding
17 assurances are not adequate. Mr. Ide attended the public hearing to be available for
18 questions from NDFC members.

19 Kenneth Goulart, General Manager for the Taunton Municipal Lighting Plant,
20 submitted an affidavit (Exhibit 10) regarding the adequacy of Taunton's funding assurance.

1 Brian Choquette, General Manager for the Hudson Light and Power Company,
2 submitted an affidavit (Exhibit 11) regarding the adequacy of Hudson’s funding
3 assurances.

4 All Exhibits indicated in Chart 1 below were offered and accepted by the
5 Committee at the October 28, 2020 public hearing. Pursuant to RSA 162-F, a subsequent
6 public hearing be held in the Town of Seabrook no sooner than thirty days after issuance
7 of this Preliminary Order. If the Governor’s Emergency Order is still in effect at the time,
8 that hearing will be held electronically.

9 **Chart 1**
10 **Hearing Exhibits**

Exhibit Number	Description
By Full Parties	
1	2020 Annual Report and all attachments referenced therein
2	Stipulation of the Full Parties
3	Proposed Schedules of Payments
4	Affidavit of Kenneth Browne
5	Affidavit of Josh Marcum
6	Affidavit of David Emerson, LCG Associates, Inc.
7	Audit of Trust
8	Audit of Escrow
9	Affidavit of Matthew Ide
10	Affidavit of Kenneth Goulart
11	Affidavit of Brian Choquette
12	Notice of Publication

1 **IV. BACKGROUND**

2 **A. Introduction**

3 In this docket, as set forth in the Stipulation (Exhibit 2), the following changes were
4 requested by the Joint Owners:

- 5 • NextEra requested the release of its Escrow funds except for \$500 to keep the
6 account open (Stipulation Section V.H).
- 7 • The Investment Consultant and the Joint Owners recommended that the assumed
8 rate of return on Escrow funds be reduced from 1.50% to 0.25% (Stipulation
9 Section V.E).

10 **B. Status of Trust and Escrow**

11 In this docket the Committee reviewed the performance of the decommissioning
12 Trust funds and the Escrow accounts. The following is a breakdown by fund of the year-
13 end Trust and Escrow balances for 2018 and 2019, as well as the total Trust and Escrow
14 balances as of August 31, 2020.

15 Funds 1A and 1B are “qualified” funds of the Managing Agent (NextEra Energy
16 Seabrook). Earnings generated by qualified funds receive a favorable tax rate that, by law,
17 is set at 20%. Taxes on qualified funds are included as expenses and are paid out of the
18 Trust, as can be seen in the funding schedules. Nonqualified fund earnings flow through
19 to the Managing Agent and are taxed at the corporate federal tax rate plus any applicable
20 state tax. Tax obligations on nonqualified funds are funded outside the Trust. The three
21 municipal Joint Owners are not subject to taxes and do not invest in the qualified funds.
22 NextEra has investments in the qualified and not qualified funds. The Investment

1 Guidelines dictate the limiting percentage that the portfolio of an individual owner may
 2 hold in each fund or asset class.

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**Chart 2
 Trust and Escrow Balances**

Fund Investments		Year-End 2018 Balances (\$Millions) (%)		Year-End 2019 Balances (\$Millions) (%)		August 31, 2020 Balances (\$Millions)
1A	Fixed Income	102.5	14.4	113.0	13.1	
1B	Equities	103.7	14.6	128.0	14.8	
1C ¹	Post Shutdown Cash	0	0	0	0	
2	Fixed Income	24.3	3.4	33.5	3.9	
3	Fixed Income	84.3	11.9	102.6	11.9	
4 ¹	Post Shutdown Cash	0	0	0	0	
5	Equities	313.0	44.2	386.6	44.7	
6	Equities	38.4	5.4	42.2	4.9	
7	Opportunistic	44.4	6.1	58.6	6.8	
Trust Total		710.6	100	864.7	100	888.4
Escrow Investments		34.6		36.3		37.1
Total including Escrow		745.2		901.0		925.5

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6 The funding schedules proposed by the Joint Owners (Exhibit 3) for 2021 are
 7 approved. The funding schedules are based on a funding date of 2050 and the approved
 8 NDFC assumptions identified in the Summary of Findings. Using current assumptions,
 9 large surpluses (“overfunding”) are predicted for each Joint Owner upon completion of
 10 decommissioning in 2101. As a result, none of the Joint Owners are required to make Trust
 11 or Escrow contributions in 2021.

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¹ Funds 1C and 4 are cash vehicles that will be used for contributions only in the years immediately before decommissioning commences and, therefore, have no balance(s).

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Chart 3
Balances and Projected Overfunding
Based on August 31, 2020 Balances

Total Balance as of August 31, 2020				Projected Year End 2101 Balance (Overfunding)
Joint Owner	Escrow Balance	Trust Balance	Total Balance	
NextEra	\$24,965,073	\$807,628,364	\$832,593,437	\$56.8 Billion
MMWEC	\$12,086,972	\$79,230,040	\$91,317,012	\$3.0 Billion
Hudson	\$12,489	\$683,064	\$695,553	\$8.5 Million
Taunton	\$17,082	\$877,544	\$894,626	\$10.7 Million
Total	\$37,081,616	\$888,419,012	\$925,500,628	\$59.8 Billion

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5 **V. DISCUSSION**

6 **A. Projected Cost of Decommissioning**

7 The Committee conducted a review of the detailed revised cost estimate presented
8 by TLG Associates on behalf of the Joint Owners in the NDFC 2019-1 comprehensive
9 review. No changes were proposed in this docket. Therefore, for purposes of the funding
10 schedules, the projected cost of decommissioning shall be assumed to be the estimated cost
11 approved in NDFC 2019-1 escalated at 3.50% to December 31, 2020, expressed in 2020
12 dollars.

13 **B. Funding Date**

14 The Funding Date is the date established by the Committee at which time the Trust
15 shall hold sufficient funds to complete decommissioning under the schedule approved by
16 the NDFC. (RSA 162-F:14 VII) The schedules of payments are calculated using the
17 Funding Date as the latest date when payments could be received. In NDFC Docket 2019-

1 1, the Committee extended the funding date from 2030 to 2050 based on the 20-year license
2 extension awarded to Seabrook Station in March 2019, and its continued strong operational
3 performance. The Funding Date shall continue to coincide with the current operating
4 license expiration date of March 15, 2050.

5 **C. Escalation**

6 Escalation is the assumed rate at which the cost of decommissioning increases from
7 year to year. The Committee approved the current rate of 3.50% during the 2015
8 comprehensive review (*See*: NDFC 2015-1 Final Report and Order at 1). It will remain at
9 3.50% until modified by the Committee.

10 **D. Inflation Rate**

11 An inflation adjustment is applied to the schedules of payments after the projected
12 cost of decommissioning is established. The contribution requirements (if any) increase
13 each year by the inflation rate. The purpose of the inflation adjustment is to avoid inter-
14 generational transfers of decommissioning obligations that would result if different
15 generations of customers paid an equal nominal amount toward decommissioning, without
16 regard for the decrease in the value of those dollars over time. The assumed inflation rate
17 will remain at 2.75% until modified by the Committee.

18 **E. Trust and Escrow Earnings Assumptions**

19 In the 2020 Annual Report, the Joint Owners concurred with the Investment
20 Consultant's proposal that the assumed rates of return on the Core and Core Plus fixed
21 income Trust investments be lowered from 5.65% and 5.75% to 4.25% and 4.45%,
22 respectively. LCG's recommendation was based on their view that the nation's low interest

1 policy will be in effect for the near future, noting that it is currently at 0%. The
2 recommended assumed rates of return are consistent with LCG's 30-year return
3 assumptions. The lower assumed rates are conservative with respect to the schedules of
4 payments, and the Committee authorized their use in the NDFC 2019-1 Final Report and
5 Order.

6 Because of the low interest rate policy and the recommended reduction in the fixed
7 income rates of return, the Joint Owners similarly support the Investment Consultant's
8 proposed reduction in the assumed rates of return on cash from 3.50% to 2.25% and a
9 reduction in the Escrow earnings rate assumption from 1.50% to 0.25%. Because cash is
10 only included in the asset allocation during periods when spending for which is presently
11 scheduled as the period of 2050-2101. Accordingly, the assumed earning rate for cash does
12 not have a material effect on the schedules of payments.

13 Chart 4 summarizes the assumed rates of return approved by the Committee.

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Chart 4
Assumed Rates of Return

Asset Type	Assumed Rate of Return (%) (Nominal)
Equities	8.50%
Core Fixed Income	4.25%
Core Plus Fixed Income	4.45%
Opportunistic	7.50%
Cash	2.25%
Escrow	0.25%

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1 **F. Coverage Ratio**

2 The NDFC established the coverage ratio requirement to ensure that sufficient cash
3 would be available to promptly complete necessary activities during the seven years of
4 active decommissioning. Presently, active decommissioning is forecasted to be from 2050
5 to 2056. This requirement is one of the assumptions used to calculate the schedules of
6 payment. During that period, a sum of funds for each Joint Owner is to be held in cash,
7 cash equivalents, and high quality fixed income securities at every point during each
8 calendar year. That sum must be equal to no less than 3.3 times the following calendar
9 year's anticipated decommissioning expenditures (*See*: NDFC 2019-1 FRO at 23-24). The
10 coverage ratio sets a floor on the amount of liquidity available during the dismantlement
11 period without relying on the forced or untimely liquidation of equities, which mitigates
12 the disruption of investment performance in the Trust. As presented in Attachment C of
13 the 2020 Annual Report (Exhibit 1), the minimum consolidated coverage ratio for all Joint
14 Owners was calculated to be 7.6 on May 28, 2020. Based on the level of investment in the
15 Trust Funds, the Committee approves continuation of using the same coverage ratio
16 assumptions.

17 **G. Allocation Targets**

18 The investment guidelines allow a maximum allocation to equities of 70%, applied
19 to each Joint Owner's total asset value at the time the equity holdings are purchased. If the
20 Joint Owner's actual investments in equities are within +/- 3% of the Joint Owner's target
21 when the schedules of payments are approved by the NDFC, the targeted allocation is
22 assumed in calculating the funding schedules. Otherwise, the target or actual allocation,
23 whichever is lower, is used (*See*: NDFC Docket 2015-1 FRO at 44). The 3% bandwidth is

1 designed to minimize the need to time the market in order to meet the requirements of the
2 funding schedules and the Investment Guidelines, as well as optimize the timing of periodic
3 portfolio rebalancing.

4 The Committee finds no reason to change these assumptions at this time.

5 **H. Release of Escrow**

6 In NDFC 2019-1, the Committee granted NextEra's request for the release of
7 approximately two-thirds of the balance of its Escrow, or \$16.6 million, (*See*: NDFC
8 Docket 2019-1 Exhibit 15 at 4) and also released all but \$500 of the Escrow balances of
9 Taunton and Hudson. MMWEC opposed the release of any Escrow balances and requested
10 that the Committee retain its funds in Escrow and that any funds remaining in Escrow be
11 included as part of the Trust in the calculation of the schedules of payments.

12 In this proceeding, NextEra requested that the Committee release the remaining
13 balance of its Escrow, or about \$8.3 million, except for \$500 to keep the account open.

14 In view of the significant projected overfunding (*See* Chart 3 above), and the fact
15 that the Joint Owners can be required to make additional contributions to the Escrow or
16 Trust if deemed necessary in the future, the Committee grants NextEra's request for release
17 of the remaining balance of its Escrow, except for \$500 to maintain the account in an active
18 status.

19 **I. Funding Assurances**

20 Funding assurances are required of all non-utility owners of Seabrook Station.
21 (RSA 162-F: 21-a, III). The NDFC may impose a funding assurance requirement to ensure
22 recovery of decommissioning costs in the event there is a premature permanent cessation

1 of operations. (RSA 162-F: 19. IV). In NDFC Docket 2002-2, the NDFC established
2 funding assurance requirements for NextEra, which included a guaranty by its indirect
3 parent company, NextEra Energy Capital Holdings (formerly FPL Group Capital, Inc.),
4 which in turn is backed by a guaranty from the holding company, NextEra Energy, Inc.
5 (formerly FPL Group, Inc.). To ensure full funding of the decommissioning obligation,
6 the Committee established “triggers” that would result in immediate trust or escrow
7 contributions by NextEra in the event of a decline in the financial health of NextEra Energy
8 or NextEra Energy Capital Holdings.

9 In response to a hearing request from the Committee in NDFC 2019-1 (*See*: Docket
10 2019-1 Final Report and Order at 28) to review the triggers and determine if they needed
11 to be updated in view of the growth of the company since they were originally established
12 in NDFC 2002-1, NextEra made a proposal for the Committee to review in this docket.
13 NextEra, however, withdrew this proposal at the October 28, 2020 public hearing and will
14 work with NDFC Counsel to develop a revised proposal for the next docket.

15 None of the triggers associated with the NextEra Funding Assurance requirements
16 have been met. Chart 5 summarizes the status of the Funding Assurances with respect to
17 the triggers.

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**Chart 5
Status of NextEra Funding Assurances and Triggers**

Event	Result	2020 Status
NextEra Energy Seabrook fails to make a scheduled payment to the decommissioning fund	<ul style="list-style-type: none"> ➤ In addition to scheduled 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 sells 80% FP&L (FPL utility) generation assets	<ul style="list-style-type: none"> ➤ 12-months of decommissioning payments paid into Escrow ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	A review of the 8K's and 10K's demonstrated that NextEra Energy did not sell 80% of FP&L's generation assets in 2019 or 2020 year-to-date.
NextEra Energy's Funded debt to total Capitalization exceeds 0.65:1.00	<ul style="list-style-type: none"> ➤ NextEra Energy Seabrook will not pay any cash dividends or other transfers to NextEra Energy, /or/ ➤ NextEra Energy 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 adjusted total debt to capital ratio was 48.1% as of 12/31/2019. [Exhibit 1 at 10]
NextEra Energy's operating income falls below \$800 million	<ul style="list-style-type: none"> ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	According to the NextEra Energy Annual Report (10K), operating income was \$5,353 million as of year-end 2019.
NextEra Energy's operating income falls below \$600 million	<ul style="list-style-type: none"> ➤ 12-months of payments paid into Escrow ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	According to the NextEra Energy Annual Report (10K), operating income was \$5,353 million as of year-end 2019.

3 The Committee is satisfied that the financial capability of NextEra Energy
4 Seabrook, as backed by the funding assurances of NextEra Energy, Inc., remains sufficient

1 to fund NextEra Energy Seabrook’s decommissioning obligation, even in the event of a
2 permanent premature cessation of operations.

3 The Committee previously determined that Taunton, Hudson, and MMWEC are
4 subject to contractual and statutory obligations that cannot be voided, even by resorting to
5 bankruptcy by means of employing the current Bankruptcy Code, and that additional
6 funding assurances were not required of those Seabrook Joint Owners (*See*: NDFC Docket
7 No. 2008-1 Final Report and Order at 21 – 29).

8 **J. Contributions**

9 Since all of the Joint Owners are overfunded, the 2021 schedules of payments
10 require no contributions from any of the Joint Owners.

11 **K. Schedules of Payments**

12 The schedules of payments for 2021 shall be based on the actual Trust and Escrow
13 balances as of November 30, 2020, plus the December contribution to the Trust and
14 Escrow, plus assumed earnings for December on both the Trust and Escrow balances,
15 minus estimated expenses applicable to both. The input assumptions and other
16 requirements of the Final Report and Order shall be used in establishing the 2021 schedule
17 of payments.

18 **L. 2021 Annual Report**

19 NextEra is to file, no later than March 31, 2021, an independent auditor’s report of
20 the Seabrook Nuclear Decommissioning Financing Trust Fund and Escrow Fund as of
21 December 31, 2020.

1 The 2021 Annual Report required by RSA: F-22.II shall be filed by May 31, 2021.
2 NextEra shall include their proposal to replace the existing funding assurance triggers.
3 Additional filing requirements may be imposed based upon comments on this Preliminary
4 Report and Order and the submission of the 2021 schedules of payments as required herein.

5 **VI. CONCLUSION**

6 For the reasons set forth within this Report and Order, the Committee finds that the
7 requirements of RSA 162-F will be met by the decisions of the NDFC and the resulting
8 schedules of payment.

9 **Based on the foregoing, it is hereby**

10 **ORDERED**, that the funding assurance provided by NextEra Energy Seabrook
11 approved in the Docket 2002-2 Final Report and Order shall remain in place and
12 unchanged; and it is

13 **FURTHER ORDERED**, that the schedule of payments for 2021 shall be
14 calculated using the assumptions delineated in the Summary of Findings of this Preliminary
15 Report and Order and as supplemented and/or revised in the Final Report and Order issued
16 following the final public hearing to be conducted no sooner than 30 days after the release
17 of this Preliminary Report and Order; and it is

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

22 **FURTHER ORDERED**, that the balance of NextEra Energy's share of the Escrow
23 fund shall be released to NextEra Energy, except for \$500, no later than 90 days after the
24 issuance of the Final Report and Order; and it is

1 **FURTHER ORDERED**, that NextEra Energy Seabrook is to file no later than
2 March 31, 2021, an independent auditor’s report on the Seabrook Nuclear
3 Decommissioning Financing Trust Fund and the Seabrook Escrow Fund as of December
4 31, 2020; and it is

5 **FURTHER ORDERED**, that the 2021 Annual Report is to be filed no later than
6 May 31, 2021, and it is

7 **FURTHER ORDERED**, that any party to this proceeding wishing to comment on
8 this Preliminary Report and Order shall file written comments with the NDFC no later than
9 December 14, 2020 and provide a copy to all parties on the same date; and it is

10 **FURTHER ORDERED**, that the date of the public hearing to be held in the Town
11 of Seabrook (or that will be held electronically in the event of the continuation of the
12 Governor’s Emergency Order) will be held on a date to be announced by separate notice
13 of this Committee and will be at least 30 days after this Preliminary Report and Order has
14 been made available for review in the Town of Seabrook and in the office of the public
15 utilities commission in accordance with RSA 162.

16 This is a Preliminary Report and Order of the NDFC prepared pursuant to RSA
17 162-F:21, III. A Final Report and Order will be issued after the Committee has reviewed
18 all comments received regarding this Preliminary Report and Order, and following the
19 review of all comments submitted at the hearing to be held in the Town of Seabrook, New
20 Hampshire.

21 This Preliminary Report and Order is released on November 30, 2020.