TOWN OF
Seabrook, New Hampshire

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January 13, 1992
92-015

Larry Smukler, Chairman
Financing Committee
1000 Elm Street, P.O. Box 3701
Manchester, NH 03105-3701

Dear Mr. Smukler:

In December, 1991, Mr. Willard Boyle met with our board to discuss the proposed decommissioning finance plan for Seabrook Station. Mr. Boyle is Seabrook's representative to the decommissioning committee. We consider Mr. Boyle's status on this committee to be to represent the interests of the Town of Seabrook and to act in a manner that provides for the greatest level of protection for the community in the progress of determining decommissioning at Seabrook Station.

Mr. Boyle has presented this board with the attached dissenting opinion concerning aspects of decommissioning of Seabrook Station and how it will be financed. Mr. Boyle has raised a number of concerns that have drawn the interest of this board. We believe these issues should be thoroughly addressed and that his recommendation - to have the legislature revisit the intent of RSA 162-F as amended, the 10 year old law that created the decommissioning fund - be adopted.

As the governing body of the Town of Seabrook, it is this board's responsibility to manage the prudential affairs of the community. That includes both now and in the future. If even just some of Mr. Boyle's conclusions are correct, the Town of Seabrook will stand to be the greatest loser of the decommissioning committee's latest order for funding the decommissioning of Seabrook Station. It is the Town of Seabrook that will be the benefactor of a radioactive mausoleum if

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sufficient action is not taken now to protect its residents, and New Hampshire ratepayers, from escalating decommissioning costs that are not funded. We strongly urge you to reconsider your position on New Hampshire Yankee's Decommissioning Plan, and to consider the adoption of Mr. Boyle's recommendations.

Sincerely,

Elizabeth A. Thibodeau, Chairman

Board of Selectmen

Ivan Q. Eaton, Sr.

Asa H. Knowles, Jr.

BOS/jsm

CC: Governor Judd Gregg
Senator Beverly Hollingworth
Representative Charles Felch
Representative Frank Palazzo
Representative Jeffrey Brown
Service List

cc. 305

Committee member, Willard F. Boyle, representing the town of Seabrook does not concur with the majority vote of the committee on the new Report and Order of November 26, 1991, and justifies his dissent as follows:

1. I have been a continuous, active, member of this committee since its inception in 1981, when, at the initial meeting of the committee, Representative Barbara Bowler, [author of the decommissioning amendment to RSA-162-F] briefed us on what she intended for the RSA to accomplish. Mrs. Bowler admitted to having placed the committee in an extremely difficult position by asking us to estimate what something will cost at some point in the future, based primarily on unknowns, but said she felt it was essential to protect the tax/ratepayers in N. H. from having to shoulder the entire financial burden of decommissioning Seabrook after the plant had reached the end of its useful life. The appropriate paragraphs do exactly what Mrs Bowler intended for it to do.

2. A major portion of my disagreement with the committee is centered around a difference of opinion on the interpretation of the decommissioning paragraphs of RSA 162-F. A detailed reading of the RSA shows how "emphasis added" in some parts while omitting other parts gives the intended meaning a completely different look, and narrows the lattitude granted to the committee in 1981. For example: F:1,II contains the ever quoted phrase,"complete their anticipated energy producing lives", which would [illegible]v that the legislature intended a fund based on the full planning [illegible]ation of 40 years. However, that same paragraph begins, "The legislature further recognizes that to insure the safety and well being of the public and future generations, a costly and comprehensive decommissioning procedure is necessary at the end of the useful or serviceable life of nuclear generating facilities." When the "emphasis added" is focused at this point the intent is entirely different, and expands the lattitude of the committee.

3. F:21,III broadens the committee's lattitude even further with the phrase,"Each committee shall rely on all available data and experience in determining the amount of such fund including, but not limited to, etc."

4. F:21,IV provides somewhat less lattitude in the public hearing process but directs that,"Testimony presented at the hearings held persuant to

this paragraph shall be taken into consideration."

5. F:22,I opens the committee's decision making capability even further when it states that the committee may alter the fund up or down at any time,"For reasons including, but not limited to, etc., etc."

6. During the recent hearings the dollar estimates presented by the TLG Engineering study were defended, in part, by emphatic statements which suggested that by adding more money than recommended to the fund, reducing the collection period, or front loading the fund, the resulting payment schedule would be unfair to present customers and favor future customers. The RSA doesn't address front loading directly, however, references to funding and collection procedures appear to favor higher dollars and front loading of some type. for example: F:19,II says,"The monthly payment shall not be less than .....", F:20,II mentions,"Any earnings of the fund in excess of the specified amount...", and further, that the PUC shall determine how to equitably reduce rates to customers,"To compensate for overpayment to the fund." These inclusions imply that the legislature expected there would be excess money in the fund at decommissioning. Terms like "not less than", "in excess of", and "overpayment" suggest the legislature had some type of front loading or "cost plus" contingency in mind at the beginning.

7. The original study done using 1987 dollars by TLG Engineering and accepted by the committee has created a tunnel vision approach to decommissioning by the committee. In my opinion this has come about because each method of decommissioning has a separate cost figure, and since the DECON method was selected as the desired method, the DECON price tag was accepted. The RSA does not require the committee to tie the fund to the method. We might desire the DECON method, but if the knowledge, information and experience available do not logically or morally tie the two together the committee should make its decision and ruling based on what we know and have experienced, not on what might be 20 years down the road. Such is the case at this ruling. Testimony at the recent hearings established that the latest best estimate for the opening of a Federal high level waste repository [spent fuel] has slipped again, this time to the year 2010. New Hampshire witness Cloutier highlighted the issue when he stated that, "that repository", due to Seabrook's priority,[apparently low] will not accept the spent fuel until the year 2019. PROBLEM; Seabrook went on line in 1990 and by present design the

plant has only 12 years of spent fuel storage on-site, which means that by 2002 the cooling pools are full. By 2014 Seabrook is 100% over design capacity, and more by 2019 when the Federal Repository,(which does not exist at this point in time) is supposed to start accepting our spent fuel. If past experience with Federal estimates continue, that 2010 opening is very suspect. Since full scale decommissioning cannot take place until all spent fuel is removed from the site, and since Seabrook will have an abundance of it laying around in pools or casks or whatever------so much for DECON and rapid dismantling. As a resident of the town of Seabrook I most certainly want the "remains" of the plant gone at the earliest date possible, but in light of the initial responsibility placed on us to ensure the safety and well being of the public and future generations, I sincerely believe that until we have more reliable and better data to work with, SAFSTOR should be recommended. TLG Engineering estimates that the new 1991 cost of SAFSTOR is $413 million and I feel that just by coincidence this figure is realistic because if TLG's present DECON estimate of $323 million should escalate by another $81 million as his past estimate did then the final cost figure would be $404 million. The committee would be better served all around by funding for SAFSTOR and $413 million. Additionally, I am continually bothered by the personal knowledge that in 10 years on the committee, not a single time or money estimate has been accurate, or at best, overstated.....it is always....more money is needed to cover some NEW AND UNEXPECTED COST.

8. New Hampshire Yankee witness, Spitzer, in response to my questions at the recent hearings, stated that front loading, properly administered, could be accomplished within IRS regulations, and without creating a tax burden on owners or investors.

9. This committee is in the unique position - having the authority to establish whatever funding and payment sequence it determines will best do the job. It is time for us to stop going through the motions by simply falling in line with recommendations made by New Hampshire Yankee's engineer, "because we meet annually anyway and if it is not right we can fix it next year." We need to start considering all the information available from every source and make some courageous and thoughtful decisions to establish a fund and payment schedule that can survive the scrutiny of the mandated annual meeting without constant changes.

10. Recommendations: I feel the committee would have served the public

better (present and future) by ordering the following:

1. Recommend the SAFSTOR method of decommissioning (the owner makes the actual selection at decommissioning).

2. Fund at the $413 million level through year 2026.

3. Collect funds in equal nominal monthly increments, using 5.96 annual growth cost factor until the storage costs of all levels of waste stabilize or decline.

4. Continue the present 25% contingency calculated to reflect the 2026 time limitation.

5. Front load the fund in line with IRS regulations as a contingency so that some effort can be made to cut into the difference between the fund as it accumulates and the costs which will be required in the advent of premature decommissioning where the tax/ratepayers will be required to pay the lion's share of that cost.

11. As a final punctuation to my dissent I strongly recommend that the committee request the legislature to review and update RSA 162-F as appropriate. The document leaves much to be desired, primarily due to circumstances which have taken place since it was written, many of which have a direct or indirect bearing on the decommissioning process. The RSA contains many ambiguities and contradicts its own basic intent of having sufficient funds available in the way it approaches the various examples of early shut down and ultimate decommissioning. (F:22,all) Based on Mr. Laguardia's testimony that decommissioning incurs the greatest cost immediately after going on line, and for 10 years thereafter, and that there is little possibility of having enough money in the fund to pay for decommissioning at early shutdown, millions of dollars would have to be made up before any type of decommissioning could start. The RSA as presently written stops payments from rate payers and directs the committee, in conjunction with the PUC, to institute a revised schedule of funding needs. If the difference between the costs of early decommissioning and the funds available is as great as testimony and presented graphics have led us to believe, any revised schedule of customer charges would most certainly be a burden on those future customers. The

committee would be deluged, and rightfully so, with complaints asking why we didn't plan for such a contingency by putting more money into the fund earlier. This is conjecture on my part at this time, but my intent is to emphasize that the legislature deserves the courtesy of being advised that conditions do exist, and could exist which are not adequately addressed by RSA 162-F as presently written.

Willard F. Boyle

Committee Member
representing the Town
of Seabrook

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