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RULEMAKINGS AND
ADJUDICATIONS STAFF

UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION

In the Matter of	
CONSOLIDATED EDISON COMPANY OF NEW YORK and ENTERGY NUCLEAR INDIAN POINT 2, LLC, and ENTERGY NUCLEAR OPERATIONS, INC.	Docket Nos. 50-003-LT and 50-247-LT (consolidated)
(Indian Point Nuclear Generating Units Nos. 1 and 2)	License Nos. DPR-5 And DPR-26

SUBMISSION OF ISSUES
BY
TOWN OF CORTLANDT, NEW YORK AND
HENDRICK HUDSON SCHOOL DISTRICT

Pursuant to the March 6, 2001 Memorandum and Order of the Commission ("March 6 Order"), CLI-01-08, in this consolidated proceeding and 10 CFR §§ 2.106, the Town of Cortlandt, New York, and the Hendrick Hudson School District ("Cortlandt") respectfully submit statements of issues supplementing its previously filed February 20, 2001, Petition for Intervention and Request for Hearing ("February Petition"). The March 6 Order allowed the submission of issues within 20 days of Cortlandt's execution of a confidentiality agreement. A confidentiality agreement was executed on March 23, 2001; hence, this filing is timely.

Issues discussing material subject to a claim of confidentiality are appended to this filing and are served only upon the Commission's Secretary, Applicants' Counsel

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SECY-02

and those parties' representatives that have executed a confidentiality agreement with Applicants. Cortlandt respectfully reserves herein its right to seek disclosure of any and all information claimed to be confidential by the Applicants. Therefore, Cortlandt's treatment of the redacted information as confidential material in this submission is not to be considered acquiescence by Cortlandt that the material claimed to be confidential is properly designated as such.

The March 6 Order deferred Cortlandt's Petition for Intervention until after receipt of additional filings made in response to the March 6 Order. It is respectfully submitted that the February 20 Petition demonstrates sufficient standing and contentions to warrant granting Cortlandt intervention and request for a hearing on the merits of the Transfer Application. In furtherance thereof, Cortlandt incorporates by reference, as if full set forth fully herein, Commission Staff's March 1, 2001 request for additional information. All six items of requested additional information support the contentions raised by Cortlandt for hearing, which may be stated as follows:

> Whether the license transfer application provides adequate financial assurance for the safe operation of Indian Point 1 and 2 by ENIP2 because the application does not demonstrate an appropriate margin between anticipated operating costs and revenue projections, and the Applicants do not provide evidence of access to sufficient reserve funding.

Specifically, Cortlandt takes this opportunity to submit additional issues with respect to: 1) the financial ability of the ENIP2, and its designee – ENO (collectively "Applicants") and 2) issues pertaining to on-site storage capacity.

In the February 20 filing, Cortlandt proposed the following central issue for adjudication at the hearing:

ISSUE 1

WHETHER THE APPLICATION IS DEFICIENT BECAUSE IT FAILS TO CONTAIN THE INFORMATION SPECIFICALLY REQUIRED BY SECTION 50.33(f) WITH RESPECT TO THE INFORMATION NECESSARY TO DEMONSTRATE THE FINANCIAL ABILITY TO OPERATE NUCLEAR FACILITIES

In raising this question, Cortlandt relied upon estimates of the Applicants' expected revenues that were included in the fixed-price for power specified in the Power Purchase Agreement ("PPA") between ENIP2 and Con Edison. Cortlandt also relied upon estimates of operating expenses that were derived from Con Edison's historical operating data. Cortlandt was forced to rely upon these estimates because all financial information with respect to expenses and revenues was redacted from the application, and Cortlandt, without knowledge of the actual cost and revenue projections, was not in a position to meaningfully assess and/or discuss what it believed to be the inadequacy of ENIP2's financial qualifications.

Now, having finally had an opportunity to review the projected costs and revenues contained in the actual application, Cortlandt repeats its claim that ENIP2 does not have adequate financial resources to operate Indian Point 1 and Indian Point 2, and repeats its request that the Commission admit the issue of ENIP2's financial qualifications for a hearing as stated in the February 20, 2001 Petition for Intervention and Request for Hearing along with the issues submitted herewith.

Cortlandt respectfully asserts that the Transfer Application's revenue and cost projections are insufficient and unsupported such that the Applicants have not met the Commission's burden for establishing a *prima facie* case that the Applicants can operate

the nuclear facilities safely. It is further submitted that even if the Commission should find that the Transfer Application has made a *prima facie* case, Cortlandt has satisfied its "burden of going forward" with sufficient contrary evidence to establish the inadequacy of the Applicant's prima facie evidence. See Louisiana Power & Light, Co. (Waterford Steam Electric Station Unit 3), ALAB-732, 17 NRC 1076, 1093 (1983). Anticipating that Applicants will excoriate Cortlandt's claim, it should be noted that Cortlandt has had to work with the materials provided in the Transfer Application. Hence, given the Transfer Application's reliance upon "expectations" does not require Cortlandt to respond with the sort of evidence that Applicants should have presented, e.g., review of operating statistics of peer facilities and the relevance thereof to IP2 anticipated operation by Applicants.

Regulatory Framework. Applications to transfer a license to operate a utilization facility[1] are governed by 10 CFR pt. 50.80. Part 50.80 (b) requires that an application contain the same financial information that would be required for an initial application to operate a facility. The NRC will only approve an application to transfer the facility if it determines that the proposed transferee is qualified to be the holder of the license and that "transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto." 10 CFR 50.80 (c).

An application must contain "information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out [...] the activities for

[1] The Indian Point 2 facility is a "utilization facility" as defined by 10 CFR pt. 50.2.

which the permit or license is sought." 10 CFR pt. 50.33 (f). This information must demonstrate that "the applicant possesses or has reasonable assurance of obtaining the funds necessary to cover estimated operation costs for the period of the license" and include "estimates for total annual operating costs for each of the first five years of operation of the facility. 10 CFR pt. 50.33 (f)(2).

An applicant is not required to submit estimates of the costs of expected capital improvements. However, the NRC may require any other information considered necessary by the Commission to enable it to determine the applicant's financial qualification. 10 CFR pts. 50.33(f)(3)(iii) & 50.33(f)(4). In this case, information pertaining to capital improvements associated with the construction of facilities for on-site storage of spent nuclear fuel have been omitted.

ISSUE 1A. ENIP2 CAN ACHIEVE AN AVERAGE ANNUAL CAPACITY FACTOR OF 85% FOR INDIAN POINT 2

The Applicants purport to demonstrate their financial qualifications by submitting an estimate that shows that its revenues will be sufficient to cover its expenses. However, the revenue estimates are based on the fantasy that "the operating experience of Entergy's other nuclear plants, Entergy Nuclear IP2 and ENO, expect to operate IP2 at an average annual capacity factor of 85%." Transfer Application at 8.

No explanation of how or why the Applicant will be able to achieve an 85 percent capacity factor is provided. The 85% figure is between 18.85% and 27.34% higher than has historically been achieved by the Indian Point 2 facility.

Staff's Additional Information Request, no. 3(a), noted that even with taking an

extended shutdown into account, IP2 achieved a factor of 66.15% for the six-year period of 1994 - 1999. Cortlandt has submitted its own estimate, and submits a revised Table 1 attached hereto wherein the achieved capacity factor for the five-year period of 1995 - 1999, without adjustment for the extended shutdown, was 57.66%. It is respectfully submitted that, at the very least, a proposed average capacity of 85% for the next five years needs some explanation. However, absolutely no basis for this outlandish figure is offered. As such, Applicants' use of an 85% capacity factor as a baseline, especially in the absence of supporting data, is facially unreasonable. Hence, the Transfer Application fails to satisfy the Commission's standard for substantiating claims of financial adequacy. Under established NRC precedent beginning with Metropolitan Edison Co. (Three Mile Island Nuclear Station, Unit 1), ALAB-697, 16 NRC 1265, 1271 (1982), the applicant bears the ultimate burden of proof in supporting its application. Mere claims, based upon experience of operating other nuclear plants, are not sufficient record evidence to support the Transfer Application.

More than mere allegations are needed, especially with claims of significant and sudden "improvements" in plant operation. Obviously, if IP2 is operated at less than 85% capacity, then it will earn less revenues from the sale of power under the PPA, and will have less money to fund the operations of the facility. All of which subjects claims of financial credit assurances, etc., to greater scrutiny.

Applicants' revenue projections are a house of cards built upon the shifting sands of this estimated capacity factor. The real life operating experience of IP2 quickly erodes such claims and financial projections.

ISSUE 1B. WHETHER ENTERGY'S OPERATING EXPERIENCE WITH OTHER NUCLEAR PLANTS IS RELEVANT TO IP2 ACHIEVING AN AVERAGE PLANT FACTOR OF 85% IN LIGHT OF IP2'S RECENT OPERATING HISTORY

Applicants support their claimed ability to achieve an 85% capacity factor only by a casual reference to the "operating experience" of other Entergy Nuclear facilities. Applicants' reference is akin to a car enthusiast saying that he intends to purchase a 1960's Volkswagen Beetle, and based upon his operation of high performance cars, expects to use it to compete in stock car races. Even if a description of experience with other plants was provided, such experience would be totally irrelevant because it would not consider the particular capital improvements needs, or operating history of IP2, which is the sole source of Plant generated revenues.

ISSUE 1C. WHETHER ACHIEVING AN AVERAGE PLANT FACTOR OF 85% WILL CAUSE THE APPLICANTS TO INCUR ADDITIONAL COSTS FOR THE MAINTENANCE OF THE PLANT SAFELY, e.g., INCREASED VARIABLE COSTS FOR REFUELING, REPAIRS, MAINTENANCE, etc., IN EXCESS OF THOSE PROJECTED

Staff's request no. 3(b) asks for the disclosure of assumptions that operating at 85% will result in the revenue projections provided in the application. Cortlandt notes that the use of an average of 85% requires the IP2 to operate for some period in excess of 85% as IP2 certainly is not likely to commence operating at a factor of 85% on the day of closing. Indeed, information from NUREG 1350, Vol 12, indicates that for every year where IP2 achieved a high plant factor it is followed by one or more very low years, e.g., 92.8% in 1994 followed by 59.3% in 1995; 94.9% in 1996, followed by 38.4% and 23% in 1997 and 1998. The operating record of IP2 suggests that the facility may fail to

operate at the applicants' expected capacity factor. Table 1 attached hereto shows that during the years 1995 to 1999, the facility had an average capacity factor of only 57.66%, significantly below the expected 85% capacity factor.

It should be emphasized that the 85% capacity factor is an annual "average." This presumes that the plant will achieve plant factors higher than 85% in some years, and lower than 85% in other years. During a year when IP2 facility has a low capacity factor, ENIP2 will have correspondingly low revenues, and will thus be unlikely to fund its operations. This may pose a particularly acute problem because a low capacity factor is usually caused by a plant outage due to equipment or mechanical failure that may require additional expenditures to remedy. These expenditures will, of course, need to be made during a time of reduced income.

ISSUE 1D. WHETHER THE ESTIMATED PROJECT COSTS ARE REASONABLE IN LIGHT OF THE PLANT'S PREVIOUS OPERATING HISTORY

Table 1 demonstrates that the revenues that are anticipated under the purchase power agreement will be insufficient to pay for operating costs. The table computes income by multiplying net generation by the annualized price in the PPA of $39 per Megawatt-Hour (expressed in dollars per Megawatt in Table 1 at line 30 [2]) by the Megawatts that were actually generated during the years 1995-1999. These figures are compared to the costs of operation, fuel and maintenance that were reported by Con Edison during these years (lines 8 through 25). Table 1 also includes estimated costs of

[2] For this analysis, the nameplate installed capacity was used instead of 990 MW.

capital to finance the purchase of the facility based on the sale price of $502 million for the purchase of the facility and $107 million for the purchase of nuclear fuel and fuel oil inventories (line 27).[3]

Comparing these costs to the income that the facility is expected to generate under the proposed PPA (as made available to the public; hence, the expected market rate was not used), Table 1 shows that if the facility continues to perform at its 1995 to 1999 levels, the facility's total cost of operation may exceed the revenues under the PPA by as much as 20% or more (line 32). This does not include any annual capital contributions necessary to maintain the facility's integrity, to respond to the problem of handling spent nuclear fuel when the current storage capacity is exhausted in 2004, or the annual expense of funding decommissioning. Inclusion of these expenses would widen the facility's operating shortfall under the proposed PPA. Table 1 illustrates that failure to meet the expected capacity factor could result in ENIP2 having insufficient financial capability "to cover estimated operation costs for the period of the license." 10 CFR pt. 50.33 (f)(2).

These values suggest that the financial capability of ENIP2 is dependent on performance levels that the facility did not maintain during the years 1995 to 1999 or cost savings which have not been identified in the Transfer Application. If the financial capability of ENIP2 to meet historical costs is measured utilizing the historical operating

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[3] See Affidavit of George Jee, page 2, Applicants' Joint Petition filed with the New York Public Service Commission, PSC Case No. 01-M-0075. Annual capital requirements were estimated using a ten percent cost of capital to finance the purchase over a ten year period prior to expiration of the license in 2013.

capacity, rather than ENIP2's dream of an 85% capacity factor, it is clear that ENIP2 does not have the financial qualifications to operate the facility.[4]

ISSUE 1E. WHETHER THE POWER PURCHASE AGREEMENT SHOULD BE REVISED TO ENSURE THAT ENTERGY NUCLEAR IP2 HAS ADEQUATE FINANCIAL RESOURCES TO COVER THE TOTAL COSTS TO OPERATE THE FACILITY IN COMPLIANCE WITH NRC REQUIREMENTS

In a collateral approval proceeding before the Public Service Commission, PSC Case No. 01-E-0040, Con Edison states that the PPA is intended to "hedge against high and volatile energy prices through the PPA."[5] Con Edison estimates that the PPA will require ENIP2 to sell energy to Con Edison at $60 million to $100 million below current estimates of future market prices.[6] By tying the sale of the facility to a PPA significantly below market rates, the PPA has reduced the only source of income to cover the costs of operating the facility. Cortlandt notes that Staff has requested a copy of the PPA.

While such an approach may benefit Con Edison's share-holders or even its rate-payers, it does so by unnecessarily jeopardizing the financial capability of ENIP2 to operate the facility. If the facility continues to operate well below the expected 85% capacity factor, as it did during the years 1995 to 1999, ENIP2 may not have the financial capability to cover the costs of maintenance, capital improvements or other

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[4] Table 1 uses actual operating costs in current dollars for the years 1995-1999. ENIP2's operating costs, in 2001-2005 dollars, will of course be higher due to inflation.

[5] Joint Petition at page 14.

[6] Joint Petition, PSC Case 01-E-0040, Affidavit of George Jee at page 6.

costs necessary to operate the facility in compliance with its license.

ISSUE 1F. WHETHER THE FAILURE OF THE TRANSFER APPLICATION TO COMPLY WITH PART 50.33 (f)(2) RENDERS THE APPLICATION SO PATENTLY DEFICIENT THAT IT SHOULD BE DISMISSED OR SUPPLEMENTED AND RENOTICED

The Transfer Application only includes financial data for part of 2001, and 2002-2005.

Part 50.33 (f)(2) states in relevant part that:

> If the application is for an operating license, the applicant shall submit information that demonstrates the applicant possesses or has reasonable assurance of obtaining the funds necessary to cover **estimated operation costs for the period of the license**. The applicant shall submit **estimates for total annual operating costs for each of the first five years of operation of the facility**. The applicant shall also indicate the source(s) of funds to cover these costs.

(emphasis added). The Transfer Application does not meet these requirements. The Applicants have failed to provide (1) any information regarding the estimated operation costs for the period of the license, i.e., until the license expires in 2013; and (2) any reasonably detailed estimates of the costs of capital improvements within the first five years of operation of the facility. Further the first year, 2001, is only a partial year.

ISSUE 2. WHETHER THE APPLICATION IS DEFICIENT BECAUSE IT FAILS TO DEMONSTRATE THE CAPACITY TO HANDLE ON-SITE NUCLEAR WASTE AFTER INDIAN POINT 2'S STORAGE CAPACITY IS UTILIZED FULLY IN 2004

10 CFR 50.54(bb) requires that "final Commission review will be undertaken as

part of any proceeding for continued licensing under Part 50...of this chapter" of procedures to handle spent nuclear fuel. Furthermore, a licensee must "demonstrate to NRC that its elected actions will be consistent with NRC requirements for license possession of irradiated nuclear fuel and that the actions will be implemented on a timely basis."

As noted on pages 24 and 25 of Cortlandt's February 20 Petition, IP2's capacity for on-site nuclear waste will be exhausted in the year 2004. Consequently, if the facility is to continue to operate after 2004, the operator, whether Con Edison or ENIP2, will have to incur the significant expense, of devising a new method of handling spent nuclear fuel if the facility is to continue to operate after 2004. It is significant to note that the application fails to make any reference to the need to address this problem.

This issue was extensively discussed in a decommissioning study performed for Con Edison in June 2000 by NES (discussed on pages 24 and 25 of the February 20 Petition). The cost of addressing the problem of nuclear waste after 2004 is estimated as between $147 million and $362 million. Nowhere is the issue of funding this potential liability addressed in the Transfer Application.

The ultimate cost of the fuel storage will depend on several factors: 1) whether the spent nuclear fuel is stored at a new on-site facility, to be constructed, or is transported off-site for storage, 2) the date that the permanent repository for nuclear waste is expected to open, 3) whether the March 1995 Annual Capacity Report is utilized to estimate the spent fuel shipping schedule, and 4) whether wet storage or dry storage of the fuel is utilized. The decommissioning study also considered alternatives

pertaining to the permanent entombment of the nuclear waste, and placing the waste in a safe storage alternative, which would delay the ultimate decommissioning of the facility for 60 years.

On-site storage is likely to cost significantly more than off-site storage because it will be significantly more expensive to construct new storage facilities than it will be to ship the spent nuclear fuel to an off-site facility. Furthermore, the cost of on-site dry storage will increase from $284 million to $362 million, depending upon when the permanent facility for accepting nuclear waste is opened (assuming the use of the published acceptance rate). The lower number is based upon the facility opening in 2005, the higher number is based upon the facility opening on in 2025.

The only off-site option described in the decommissioning study is based upon a lease that has been signed by a company called Private Fuel Storage L.L.C. that has apparently signed a lease with the Skull Valley band of the Goshute Indians to construct a spent fuel storage installation on the Skull Valley Reservation in Utah. Apparently, Con Edison, and presumably, ENIP2, are hoping to solve their nuclear waste problem by taking advantage of a disadvantaged Native American Nation, willing to turn their impoverished reservation into a nuclear dump. By contracting with Native Americans, nuclear operators may hope to avoid possible claims of environmental racism, and litigation under Title VI of the 1964 Civil Rights Act (42 USC 2000d). The Commission should take notice that the siting of nuclear waste facilities on Native American lands is very controversial, both because it brings up questions of past and current federal policy toward Native Americans, and because of the concerns of the surrounding neighbors

pertaining to the transport of nuclear waste material. Such a proposal will encounter serious obstacles and objections, and it is quite likely that it will never be constructed. Indeed, it is likely that the Skull Valley Band, if presented with a better offer by interested entities, may withdraw its willingness to host a waste facility. Therefore, it seems likely that the owner of IP2 will not be able to find a site for off-site disposal, and will have to utilize on-site storage capacity.

Thus, it appears likely that the owner of the IP2 facility will incur an expense of approximately $300 million to handle spent nuclear fuel after the present on-site capacity is fully utilized in 2004. Nevertheless, this anticipated expense is not referenced anywhere in the Transfer Application, despite the fact that the operator of IP2 will have to take some action, and incur a significant expense, to keep operating after 2004.

ENIP2 must, as a condition of obtaining approval of the proposed license transfer, demonstrate how it will comply with the Commission requirements for handling spent nuclear fuel, and, further, must demonstrate that it has the financial capability to do so. The Transfer Application is deficient because it fails to meet both of these criteria.

Additional Information Responses. As of April 10, 2001, Applicants have not provided any of the information requested by Commission Staff's March 1 additional information request (April 10, 2001 phone communication with Patrick D. Millano, Senior Project Manager). Per agreement between Applicants and Staff the

information is due to be provided by April 16, 2001. Cortlandt has requested of Applicants that its counsel be furnished a copy of the responses. Thus, as the requested information supplements the Transfer Application, Cortlandt requests twenty days after receipt of the additional information responses to provide further comment and/or to propound additional issues for hearing.

Contentions Raised by CAN. Cortlandt supports and incorporates by reference as if set forth fully herein the issues presented by CAN in its supplemental filing of April 9, 2001.

Redacted Issues. Please be advised that additional issues and contentions are being provided in a separate filing in order to comply with asserted claims of confidentiality.

CONCLUSION

For the foregoing reasons, Cortlandt requests that the Commission grant its Petition for Intervention and set for hearing the issues raised herein and in its February 20 Petition.

Respectfully submitted this 12th day of April 2001.

Paul V. Nolan

Paul V. Nolan, Esq.
Peter Henner, Esq.
Counsel to the Town of Cortlandt, New York and the
Hendrick Hudson School District

CERTIFICATE OF SERVICE

I, Paul V. Nolan, Esq., Counsel to the Town of Cortlandt, New York and the Hendrick Hudson School District, hereby certifies that on the 12th day of April 2001, service of the foregoing filing was made by first class mail and e-mail (before 4:30 PM) to the Secretary the parties noted in January 29, 2001 public notice and the March 6, 2001 Order. See attached service list. Courtesy copies have also been provided as noted on the Service List.

Dated this 12th day of April 2001.

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Docket Nos. 50-003 and 50-247

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April 12, 2001

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TABLE 1
OPERATIONAL DATA
INDIAN POINT 2 FACILITY

LINE NO.	DESCRIPTION	1999	1998	1997	1996	1995	5 YEAR AVG.
1	**General Information**						
2	Year Originally Constructed	1962					
3	Nameplate Capacity (MW)	1008	1008	1008	1013	1013	1010
4	Plant Hours Connected to Load	7,666	2,699	3,639	8,262	-	5,567 [1]
5	Average No. of Employees	697	679	658	639	-	668 [1]
6	Net Generation (MWH)	7,268,798	2,460,109	3,140,007	7,813,229	4,858,541	5,108,137
7	Capacity Factor	82.32%	27.86%	35.56%	87.81%	54.75%	57.66%
8	**Operations**						
9	Supervision & Engineering	$26,291,183	$36,363,701	$17,579,924	$13,915,540	$15,481,670	$21,926,404
10	Coolants & Water	1,147,365	758,789	1,047,773	1,051,881	909,160	982,994
11	Steam Expenses	474,946	1,080,950	1,078,200	1,044,271	1,021,028	939,879
12	Electric Expenses	476,662	1,167,946	1,172,558	1,117,392	1,089,029	1,004,717
13	Miscellaneous	67,513,839	74,061,430	54,761,350	35,057,029	44,644,962	55,207,722
14	Rents	298,818	301,685	315,258	281,826	298,825	299,282
15	**Subtotal**	**96,202,813**	**113,734,501**	**75,955,063**	**52,467,939**	**63,444,674**	**80,360,998**
16	**Maintenance**						
17	Supervision & Engineering	$11,967,106	$39,600,219	$22,733,354	$16,071,384	$20,325,141	$22,139,441
18	Structures	(7,223)	366,014	1,864,035	216,784	219,174	531,757
19	Reactor Plant	3,977,064	16,381,764	34,145,056	9,095,425	31,326,270	18,985,116
20	Electric Plant	1,395,258	915,843	8,446,552	502,387	9,429,489	4,137,906
21	Miscellaneous	7,219,412	22,589,735	20,335,168	9,138,444	15,206,686	14,897,889
22	**Subtotal**	**$24,551,617**	**$79,853,575**	**$87,524,165**	**$35,024,424**	**$76,506,760**	**$60,692,109**
23	TOTAL O & M	**$120,754,430**	**$193,588,076**	**$163,479,228**	**$87,492,363**	**$139,951,434**	**$141,053,107**
24	FUEL COST	**$41,749,156**	**$30,663,476**	**$6,497,427**	**$44,150,415**	**$28,680,354**	**$30,348,166**
25	TOTAL O & M PLUS FUEL	**$162,503,586**	**$224,251,552**	**$169,976,655**	**$131,642,778**	**$168,631,788**	**$171,401,272**
26	TOTAL COST O & M PLUS FUEL $/MWH	**$22.36**	**$91.16**	**$54.13**	**$16.85**	**$34.71**	**$33.55**
27	ESTIMATED CAPITAL REQUIREMENTS	**$90,101,768**	**$90,101,768**	**$90,101,768**	**$90,101,768**	**$90,101,768**	**$90,101,768**
28	ESTIMATED CAPITAL REQUIREMENT $/MWH	**$12.40**	**$36.63**	**$28.69**	**$11.53**	**$18.55**	**$17.64**
29	TOTAL COST $/MWH	**$34.75**	**$127.78**	**$82.83**	**$28.38**	**$53.25**	**$51.19**
30	PROJECTED REVENUE $/MWH [2]	**$39.00**	**$39.00**	**$39.00**	**$39.00**	**$39.00**	**$39.00**
31	PROJECTED REVENUE SHORTFALL OR SURPLUS $/MWH (Line 30 - Line 29)	**$4.25**	**($88.78)**	**($43.83)**	**$10.62**	**($14.25)**	**($12.19)**
32	% DIFFERENCE (Line 31÷Line 29)	**12.22%**	**(69.48)%**	**(52.91)%**	**37.42%**	**(26.77)%**	**(23.82)%**

Source: FERC Form 1

[1] Four year average.

[2] Estimated revenue from page 8 of application.

George E. Sansoucy, P.E.