

From: Niemeyer, Michelle [michelle.niemeyer@pnl.gov]
Sent: Tuesday, August 31, 2010 5:15 PM
To: Quinn, Laura; Mussatti, Daniel; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment
Attachments: Tax impact from Unit 3.xls

Follow Up Flag: Follow up
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Laura, Sorry for the delay in getting back to you. I was waiting on Linda Vassallo from Calvert County to get back to me. Attached is a spreadsheet she sent me earlier with tax impacts for the County based on an 8 billion dollar assessed value. It's approximately 42 million in the first year of operations which is less than what we have in the EIS for what UniStar said but double Susan Gray's estimate of 20 million. I think the difference is she's probably using an assessed value of about 4 billion dollars particularly since the presentation she's quoting from is from 2007. If you would like to set up a call with Susan we can listen to the details of their assessment but I'll be updating the EIS to reflect what's in the attached spreadsheet.

Thanks
MN

Michelle Niemeyer

Energy Economist
Pacific Northwest National Laboratory

From: Quinn, Laura [mailto:Laura.Quinn@nrc.gov]
Sent: Wednesday, August 25, 2010 10:53 AM
To: Niemeyer, Michelle; Mussatti, Daniel; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment

All,
If it helps we can call the PRRP and get clarification on this on any other issue (i.e. need for power).
Laura

From: Niemeyer, Michelle [mailto:michelle.niemeyer@pnl.gov]
Sent: Wednesday, August 25, 2010 1:12 PM
To: Mussatti, Daniel; Quinn, Laura; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment

It was in the ER and in the tax payment estimate UniStar provided in an RAI. The RAI is what I cited in the EIS. The PRRP isn't a paper it's a ppt presentation so there aren't any details.
MN

Michelle Niemeyer

Energy Economist
Pacific Northwest National Laboratory

From: Mussatti, Daniel [mailto:Daniel.Mussatti@nrc.gov]
Sent: Wednesday, August 25, 2010 6:48 AM
To: Niemeyer, Michelle; Quinn, Laura; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment

Thanks. Do we have any documentation of this incentive? I have not read the PPRP paper.

**Daniel Charles Mussatti**

Senior Economist

From: Niemeyer, Michelle [mailto:michelle.niemeyer@pnl.gov]
Sent: Tuesday, August 24, 2010 6:21 PM
To: Mussatti, Daniel; Quinn, Laura; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment

There is no fee in lieu agreement being negotiated to my knowledge. The tax incentive being used is only taxing half of the assessed value of the plant which is what is stated in the presentation where the \$20 million number is cited.

MN

Michelle Niemeyer

Energy Economist
Pacific Northwest National Laboratory

From: Mussatti, Daniel [mailto:Daniel.Mussatti@nrc.gov]
Sent: Tuesday, August 24, 2010 5:37 AM
To: Niemeyer, Michelle; Quinn, Laura; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: CCNPP3COL Resource
Subject: RE: Susan Gray Comment

All: the number may well be right, if there is some sort of Fee In Lieu of Taxes negotiation being done. We should make sure we add language to address the uncertainty aspect in Susan Grey's comment.



Daniel Charles Mussatti
Senior Economist

From: Niemeyer, Michelle [mailto:michelle.niemeyer@pnl.gov]
Sent: Friday, August 20, 2010 12:45 PM
To: Quinn, Laura; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: Mussatti, Daniel
Subject: RE: Susan Gray Comment

I did receive the presentation you forwarded. And indeed the presentation uses the \$20 million number however it gives no assumptions behind the \$20 so I don't know how it is derived. I intend to reestablish contact with the Calvert County (Linda Vassello) and get her thoughts as the county is the one taxing them anyways. I think PPRP's number is a couple of years old and maybe uses a lower cost and possibly different millage rates.

So from Susan I would like to know what went into their calculation, what assessed value they used and millage rates. I would prefer a call towards the end of next week or the following week if possible so I have a few days to talk to the county as I remember Linda was not an easy person to get a hold of. Also I will be out of the office on vacation the week of Sept 6th. So if anything gets pushed out till then I will likely not be able to attend the call as I'm gonna be off hiking in Glacier and Yellowstone.

Thanks
MN

Michelle Niemeyer
Energy Economist
Pacific Northwest National Laboratory

From: Quinn, Laura [mailto:Laura.Quinn@nrc.gov]
Sent: Friday, August 20, 2010 9:25 AM
To: Niemeyer, Michelle; Parkhurst, Mary Ann; Chapman, Elaine G
Cc: Mussatti, Daniel
Subject: RE: Susan Gray Comment

Michelle,
I sent this info to you. I am starting to get caught up on Calvert after helping out on Levy for several weeks. I want to follow up on a call with the PPRP folks on their comments. Did you all still want to have this? I will try to get it for next week or the following week depending on their schedule, if you still want it. Also provide me a list of questions/topics you all want to cover in the call.

Thanks
Laura

From: Niemeyer, Michelle [mailto:michelle.niemeyer@pnl.gov]
Sent: Monday, August 02, 2010 8:49 PM

To: Parkhurst, Mary Ann; Chapman, Elaine G; Quinn, Laura
Subject: Susan Gray Comment

In one of Susan Gray's comments (see below) she references a \$20 million dollar tax estimated. Is anyone familiar with where this number is quoted so I could read more about it? I asked Paul but he was unaware of where it would be. Thanks.

MN

There is a significant difference between the property tax revenue stream estimated by UniStar (and stated in the DEIS), and PPRP's estimate of the same. The property tax revenue stream stated in the DEIS amounts to \$57.1 million in the first year of operation, declining over 15 years to \$42.8 million. The property tax revenue stream is based on a capital cost of \$5,000/kW, as estimated by UniStar in a response to a request for additional information (RAI), dated November 16, 2009. However, in the CPCN Case 9127 evaluation, PPRP estimated the total to be approximately \$20 million in new tax revenues in the first year of operation. PPRP's estimate was based on a Calvert County analysis of the proposed 50%, 15-year tax credit to Constellation Energy Group LLC (August 2006). This does not change the conclusion that CCU3 will result in a large positive benefit in property tax revenue to Calvert County. The NRC may want to note in the final EIS the fact that alternative methods of estimating future tax revenues may produce significantly different results, given the fact that detailed information on capital expenditures is not known, or is proprietary, at this time.

Michelle Niemeyer

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E-mail Properties

Mail Envelope Properties (4566DD6C5D1DA84192191C336388D148982CF4E879)

Subject: RE: Susan Gray Comment
Sent Date: 8/31/2010 5:14:36 PM
Received Date: 8/31/2010 5:14:36 PM
From: Niemeyer, Michelle

Created By: michelle.niemeyer@pnl.gov

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Files	Size	Date & Time
MESSAGE	66503	8/31/2010
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Tax impact from Unit 3.xls	30532	

Options

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Priority: olImportanceNormal

ReplyRequested: False

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Sensitivity: olNormal

Recipients received: Follow up. Start by Friday, September 03, 2010. Due by Friday, September 03, 2010