5784

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING APPEAL BOARD

Before Administrative Judges:
Alan S. Rosenthal, Chairman
Thomas Moore
Howard A. Wilber

In the Matter of	)	Docket Nos. 50-443-OL-1
	)	50-444-OL-1
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, ET AL.,	)	(On-Site Emergency Planning and Safety Issues)
(Seabrook Station, Units 1 and 2)	)	

MASSACHUSETTS ATTORNEY GENERAL JAMES M. SHANNON'S PETITION UNDER 10 C.F.R. 2.758 FOR A WAIVER OF OR AN EXCEPTION FROM THE PUBLIC UTILITY EXEMPTION FROM THE REQUIREMENT OF A DEMONSTRATION OF FINANCIAL QUALIFICATION

JAMES M. SHANNON
ATTORNEY GENERAL

COMMONWEALTH OF MASSACHUSETTS

Stephen A. Jonas
George B. Dean
Assistant Attorneys General
Department of The Attorney General
One Ashburton Place
Boston, MA 02108
(617) 727-4878

DATED: March 7, 1988

D503

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING APPEAL BOARD

Before Administrative Judges:
Alan S. Rosenthal, Chairman
Thomas Moore
Howard A. Wilber

In the Matter of	)	Docket Nos. 50-443-OL-1 50-444-OL-1
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, ET AL.,	)	(On-Site Emergency Planning and Safety Issues)
(Seabrook Station, Units 1 and 2)	)	

MASSACHUSETTS ATTORNEY GENERAL JAMES M. SHANNON'S PETITION UNDER 10 C.F.R. 2.758 FOR A WAIVER OF OR AN EXCEPTION FROM THE PUBLIC UTILITY EXEMPTION FROM THE REQUIREMENT OF A DEMONSTRATION OF FINANCIAL QUALIFICATION

INTRODUCTION

Pursuant to an order of the Atomic Safety and Licensing Appeal Board ("Appeal Board") dated January 29, 1988 and served on February 1, 1988,[1/] James M. Shannon, Attorney General of

---

1/ In that order, the Appeal Board allowed three intervenors in this proceeding thirty days from the service of the order in which to amend their original petitions or to file a new petition seeking waiver of the Commission's financial qualification rule. In addition, the Appeal Board stated:

> any other party seeking a waiver of the Commission's financial qualification rule with respect to low-power operation based in whole or in part upon the current fiscal circumstances of the lead applicant must join those intervenors' petition or file its own petition with us within the same time period.

Public Service Company of New Hampshire (Seabrook Station, Units 1 and 2), Memorandum and Order at 3 (January 29, 1988).

the Commonwealth of Massachusetts ("the Attorney General") hereby petitions under Section 2.758(b) of the Commission's regulations for a waiver of or an exception from the public utility exemption from the Commission's requirement that a demonstration of financial qualification be made prior to the issuance of a commercial nuclear power plant operating license. In particular, the Attorney General requests a waiver of or exception from Sections 2.104(c)(4), 50.33(f), and 50.57(a)(4) of the Commission's regulations. The waiver is requested to require that the Applicants establish, prior to low power operation, financial qualification to cover the costs of Seabrook Unit 1's operation for the period of the license, and the costs to permanently shut it down and maintain it in a safe condition should it not receive a full-power license. The magnitude of the present and potential future costs associated with low power operation and testing of the Seabrook plant, the constraints on the availability of funds to PSNH in bankruptcy to cover those costs and the present inability or unwillingness of the remaining joint owners to cover PSNH's share of those present and future costs demonstrate that it is more likely than not that adequate funding for the costs of safe low-power operation, the permanent shut down of the Seabrook plant and the safe maintenance of the plant will not be available during the pendency of the PSNH bankruptcy.

In support of this Petition, the Attorney General states:

PUBLIC SERVICE COMPANY'S FINANCIAL CONDITION IS UNPRECEDENTED

1. On January 28, 1988, PSNH sought protection from its creditors under Chapter 11 of the United States Bankruptcy Code.

2. The bankruptcy filing by PSNH is without precedent in the period since the Great Depression. It is the first investor-owned public utility to make such a filing in more than fifty years.

3. As measured by first mortgage bond ratings, the financial community's evaluation of the financial security of PSNH is and has been considerably lower than the evaluations of the following other electric utilities at the peak of their financial difficulties arising from the construction/operation of the following nuclear power facilities: General Public Utilities (Three Mile Island Nuclear Power Station); Long Island Lighting Company (Shoreham Nuclear Power Station); Cincinnati Gas & Electric Company (Zimmer Nuclear Power Station); Public Service Company of Indiana (Marble Hill Nuclear Power Station); and Consumers Power Company of Michigan (Midland Nuclear Power Station):

Utility	Lowest Bond Ratings	Period
PSNH	Caa	1987 to date
General Public Utilities	B2	1982-83
Consumers Power Co. of Michigan	B1	1984
Long Island Lighting Co.	Ba3	1984 to date
Public Service Co. of Indiana	Ba3	1985
Cincinnati Gas & Electric Co.	Baa3	1983

(Appendix I: Affidavit of Timothy Newhard, Tables 1 and 2).

STATEMENTS/FINANCIAL CONDITION OF OTHER APPLICANTS

4. The respective ownership shares and proportional share of plant costs of the various Joint Owners are as follows:

Company	Share
Public Service Company of New Hampshire	35.56952
United Illuminating Company	17.50000
Eastern Utilities Associates Power Corp.	12.13240
Massachusetts Municipal Wholesale Electric Co.	11.59340
New England Power Co.	9.95766
Connecticut Light & Power Co.	4.05985
Canal Electric Co.	3.52317
Montaup Electric Co.(Eastern Utilities Associates)	2.89989
New Hampshire Electric Cooperative, Inc.	2.17391
Vermont Electric Cooperative, Inc.	0.41259
Taunton Municipal Lighting Plant	0.10034
Hudson Light and Power Department	0.07737

(Appendix I: Affidavit of Timothy Newhard, ¶5).

5. The Seabrook Joint Ownership Agreement does not include provisions concerning the assumption of the cost obligations or ownership share of defaulting joint owners. At least one Joint Owner has stated it will not assume PSNH's Seabrook obligations or ownership share. Transcript of December 8, 1987 Oral Argument before Appeal Board at 37 (statement of Thomas Dignan, counsel to the Joint Owners); Appendix II: Letter dated February 5, 1988 from Thomas E. McHugh, Acting General Manager of MMWEC to Massachusetts Attorney General James M. Shannon.

6. None of the Joint Owners have indicated that they will assume PSNH's share of the costs of operation in the event that PSNH is unable to pay its share of such costs, nor have any of the Joint Owners, or any other entities expressed an intention to buy out PSNH's ownership share. Cf. Appendix IV: February 18, 1988, Response of United Illuminating Corporation to Question EL-4 B. in CDPUC Doc. No. 84-06-17 ("To the best of our knowledge, no Seabrook owners have made any commitment to meet payment short-falls, if any, which may result from PSNH's bankruptcy filing.").

7. New England Electric System ("NEES"), a public utility holding company which is the parent of New England Electric Power Co., the entity with the fifth largest ownership share of the Seabrook plant (9.95766 percent), has announced that it has begun preliminary discussions with PSNH concerning acquisition of PSNH's operating assets. It has specifically disclaimed any intention to acquire PSNH's ownership share of the Seabrook plant. Appendix III: NEES February 23, 1988 Press Release.

8. United Illuminating Company, the entity with the second largest ownership share of the plant (17.5 percent), is a Connecticut investor-owned utility subject to the jurisdiction of the Connecticut Department of Public Utility Control ("CDPUC"). In response to an interrogatory propounded in a matter pending before the CDPUC, United Illuminating has stated that it "would not increase its share of [Seabrook]

payments without [C]DPUC approval." Appendix IV: February 18, 1988, Response of United Illuminating Corporation to Question EL-4 B. in CDPUC Doc. No. 84-06-17.

9. Eastern Utilities Associates Power Corporation ("EUA Power Corp."), the entity with the third largest share of the plant (12.1324 percent), is a single asset company with no assets other than its Seabrook investment and no source of funds other than security issuances, capital contributions, or tax related payments from affiliated companies. It was created in 1985 in response to an earlier financial crisis of the Seabrook owners and now holds the ownership shares of five former joint applicants. Appendix V: Prepared Direct Testimony of Donald G. Pardus, President of EUA Power Corp. before New Hampshire Public Utilities Commission in NHPUC Docket No. 87-234 at 5-6.

10. On November 24, 1987, EUA Power Corp. proposed to issue securities in the amount of $100 million to fund interest obligations on its outstanding securities, interest on its to be issued securities, and its share of monthly costs of the Seabrook plant through January, 1989. On January 15, 1988, however, EUA Power Corp. requested leave to amend its proposal to issue an additional $25 million in securities because "its cash requirements may be greater than originally thought." To date, the New Hampshire Public Utilities Commission has not ruled on EUA Power's motion. Appendix VI: EUA Power Corp. Motion To Amend Petition, NHPUC Docket No. 87-234.

11. On February 4, 1988, the Chairman of EUA Power announced that the company will not be able to meet the interest payments due in May of this year on its outstanding bonds. Appendix VII: Boston Globe Article: "Seabrook Woes Threaten Subsidiary of Mass. Utility" (February 5, 1988).

12. The Massachusetts Municipal Wholesale Electric Company (MMWEC), the entity with the fourth largest share of the plant (11.5934 percent), has stated publicly that it is not required to and has no intention of assuming any of PSNH's share of plant costs nor will it purchase PSNH's ownership share. Appendix II: Letter dated February 5, 1988 from Thomas E. McHugh, Acting General Manager of MMWEC, to Massachusetts Attorney General James M. Shannon.

13. Three of the MMWEC participants, representing 12.7562 percent of the total MMWEC ownership interest, have withheld payment to MMWEC of their share of the costs of the plant: Washington Electric Cooperative (1.9562 percent), Vermont Electric Cooperative (7.2 percent), and Eastern Maine Electric Cooperative (3.6 percent). Eastern Maine Electric Cooperative itself has filed for protection from its creditors under the bankruptcy code. Appendix VIII: Boston Globe Article: "2d Vt. Utility Stops Paying For Seabrook" (February 15, 1988).

14. Vermont Electric Cooperative owns a separate 0.41259 percent ownership share in the Seabrook plant in addition to its 7.2 percent share of the MMWEC share and it has not made its monthly payment of the costs of the plant since February, 1986.

THE INCREMENTAL CURRENT COSTS OF LOW POWER OPERATION

15. Low power operation of the Seabrook plant will result in an immediate increase in the costs to the Applicants over the costs they presently bear in operation of the plant under a zero-power license.

16. Current costs will increase by $3,658,000 for operational, testing and calibration activities during low power operation, $1,565,000 for an additional insurance premium to be paid upon receipt of a low power license and $1,220,000 for an additional premium to be paid upon completion of low power testing. Appendix IX: PSNH Response to NRC Request for Financial Information, Response to NRC Question 1a (September 3, 1987).

17. Low power operation will result in the irradiation and contamination of the reactor fuel and other plant components, including the reactor pressure vessel and internals, the steam generators, the control rods, incore nuclear instrumentation, and reactor auxiliary system components, equipment, and piping. (Appendix X: Affidavit of Dale G. Bridenbaugh, ¶10).

18. The irradiation and contamination of the reactor fuel and other Seabrook plant components from low power operation will reduce immediately and substantially the salvage value of the plant and its components and thereby result in substantial and immediate economic costs to the Applicants:

a. The loss of all of the approximately $50-80 million estimated salvage value of the nuclear fuel presently loaded into the Seabrook core (compare Appendix IX: PSNH Response to NRC Request for Financial Information, Response to NRC Question 1b:

> the salvage value of the fuel would approximately offset the costs of handling and transportation of the fuel to a third party resulting in no net cost to the Joint Owners for the disposal of the fuel

with Appendix X: Affidavit of Dale G. Bridenbaugh, ¶13:

> Based on present day nuclear fuel costs, the value of the Seabrook fuel is approximately $50-80 million. Salvage value approximately equal to this amount could be realized from the fuel in its present condition. While it is technically possible that irradiated fuel could be transferred to a different reactor of the same design and subsequently used, there would be significant penalties associated with such an action. . . . Consequently, I conclude that the fuel has little or no value if used for testing up to 5% power;

b. The loss of all of the approximately $25-30 million salvage value of the irradiated non-fuel plant components (Appendix X: Affidavit of Dale G. Bridenbaugh, ¶14).

19. PSNH's pro rata share of the incremental costs of low power operation would be approximately $2,291,607: $1,301,000 in incremental operating, maintenance, and testing costs plus $990,607 in incremental insurance premium costs.

20. PSNH's pro rata share of the approximately $75-110 million reduction in the salvage value of Seabrook plant assets will be approximately $26.7-39.1 million.

THE POST LOW POWER TESTING COSTS OF PERMANENTLY SHUTTING DOWN SEABROOK AND MAINTAINING IT IN A SAFE CONDITION

21. If low power testing is conducted, but Seabrook does not receive a full-power operating license, the Applicants must fund the following operating and maintenance costs for a period in excess of two years:

a. According to the Applicants, personnel and program costs associated with the cleaning and decontaminating of various plant components and locations would not exceed the current operating budget ($10-11 million per month) (Appendix IX: Response of PSNH to NRC Request for Financial Information, Response to NRC Question 1b), but would continue for an undetermined number of months (Appendix X: Affidavit of Dale G. Bridenbaugh, ¶15);

b. Post cleaning and decontamination personnel and program costs for on-site storage of the irradiated nuclear fuel would be in the range of approximately $700,000 per month. That cost would continue for a minimum of two to three years until the fuel was disposed of, either to a buyer or to a presently non-existent high-level nuclear waste disposal facility. Appendix IX: Response of PSNH to NRC

Request for Financial Information, Response to NRC Question 1b; Appendix X: Affidavit of Dale G. Bridenbaugh, ¶15;

c. Nuclear liability and property insurance costs associated with on-site storage of high level nuclear waste would be in the range of $2.5 million per year. Appendix IX: Response of PSNH to NRC Request for Financial Information, Response to NRC Question 1b;

d. Miscellaneous costs (taxes, legal, accounting and other administrative expenses) related to the maintenance of the facility, but not included in the $700,000 figure noted in b. above, would be in the range of $2.2 million per month. Id.

22. It is highly unlikely that Seabrook Station will ever receive a full-power operating license. As a result of a remand to the on-site Licensing Board ordered by the Appeal Board, issuance of a low-power license cannot take place until the Applicants develop and implement means to provide early notification and clear instruction to the populace within the Massachusetts EPZ in accordance with 10 C.F.R. §50.47(b)(5). Public Service Co. of New Hampshire (Seabrook Station, Units 1 and 2), ALAB-883 (February 3, 1988). The Applicants have submitted their own emergency response plan in lieu of plans from Massachusetts State and local governments. They must demonstrate under 10 C.F.R. §50.47(a)(1) that their plan provides "reasonable assurance that adequate protective

measures can and will be taken" in the event of a radiological emergency. Utility plans cannot provide that level of protection, as demonstrated by the recent finding of the Shoreham Licensing Board in its evaluation of the exercise of LILCO's utility plan. Long Island Lighting Co. (Shoreham Nuclear Power Station, Unit 1), LBP-88-2, slip. op. (February 1, 1988).

THE CONSEQUENCES OF PSNH'S BANKRUPTCY FILING

23. At present, a trustee has not been appointed and PSNH continues to operate its business, but with the same duties as a trustee would have. 11 U.S.C. §1107. A trustee or debtor in possession has a fiduciary duty to maintain the value of the debtor's estate.

24. A trustee in bankruptcy or debtor in possession may sell, use, or lease estate property (including cash proceeds from operations) in carrying on the ordinary course of the debtor's business. 11 U.S.C. §1108.

25. Prior notice, a hearing and court approval are required for sales, uses, or leases of estate property outside of the ordinary course of the debtor's business. 11 U.S.C. §363(b).

26. Whether or not a particular use or transaction is within the ordinary course of a debtor's business is resolved by application of a standard that focuses on the reasonable expectations of the creditors.

27. The Official Unsecured Creditors Committee recognizes and PSNH admits that the disposition of the Seabrook

plant is the central matter to be resolved in the bankruptcy proceeding. Appendix XI: Motion By Official Unsecured Creditors Committee To Continue Hearing On Request For Rule 2004 For (sic) Examination, ¶4 (February 11, 1988); Appendix XII: Affidavit of Robert J. Harrison, ¶6 (February 10, 1988).

28. The question of whether PSNH's continuing payments of the costs of zero power operations at Seabrook is "in the ordinary course" and "in the best interest of the Debtor, the estate, Debtor's creditors or the effective reorganization of Debtor" has already been raised before the bankruptcy court. Appendix XIII: Motion For Examination Of Debtor Under Bankruptcy Rule 2004, ¶7, Attached Requests for Documents Nos. 6, 8, 10 (February 3, 1988). Discovery on this issue has been deferred pursuant to an oral order of the bankruptcy court.

29. Irrespective of whether zero power operation of the Seabrook plant and the payment of the costs thereof is or is not found to be in the ordinary course of PSNH's business, it is beyond cavil that low power operation and testing represents a substantial alteration of the status quo. Low-power operation and testing will entail substantial additional costs, will irreversibly impair the salvage value of an asset comprising approximately sixty nine percent of the book value of PSNH's estate (Cowans, 2 Bankruptcy Law and Practice 11.9(1) p. 366 (1987 Ed.) ("Any substantial use that would consume assets or decrease their value palpably should be preceded by court permission.")), and, through the creation of nuclear waste, will result in an obligation to fund enormous

future costs. Those costs would be accorded first priority in any reorganization or liquidation of PSNH. Midlantic National Bank v. New Jersey Dept. of Environmental Resources, 474 U.S. 494 (1986); In re Sterns, 68 B.R. 774 (D.Me. 1987). Therefore, initiation of low power operation of the Seabrook plant would not be "in the ordinary course of" PSNH's business. The availability of funds for any payment by PSNH of the incremental costs of low power operation would require prior notice, a hearing and approval by the bankrupt court.

30. Low power operation of the Seabrook plant would, through the irradiation and contamination of the nuclear fuel and plant components, impermissibly preempt the reorganization by de facto resolving the question of the disposition and future use, if any, of the plant. See In re Continental Air Lines, Inc., 780 F.2d 1223, 1228 (2d Cir. 1983)("if a debtor were allowed to reoganize the estate in some fundamental fashion pursuant to 363(b), creditors' rights . . . might become meaningless."). Therefore and because of the uncertainties of full-power operation, it is extremely unlikely that the bankruptcy cou t will authorize PSNH to expend funds on low-power testing prior to the approval of a plan of reorganization.

THE PUBLIC UTILITY EXEMPTION FROM THE COMMISSION'S FINANCIAL QUALIFICATION REQUIREMENTS

31. The Atomic Energy Act of 1954 requires that "each application for a license hereunder . . . [include] such information as the Commission, by rule or regulation, may

determine to be necessary to determine such of the technical and financial qualifications of the applicant . . as the Commission may deem appropriate for the license." 42 U.S.C. §2232(a). The Commission has implemented that statutory provision by requiring that an applicant for an operating license:

> 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, plus the estimated costs of permanently shutting the facility down and maintaining it in a safe condition. 10 C.F.R. §50.33(f)(2).

32. The Commission has stated that the "sole objective of the financial qualification rule is to obtain assurance "that funds needed for safe operation will be made available." 49 Fed. Reg. 35747, 35750 (September 12, 1984).

33. By rulemaking dated September 12, 1984, the Commission exempted publicly regulated utilities, including the Joint Owners of the Seabrook plant, from demonstrating financial qualification prior to receipt of an operating license. The Commission stated the effect of and rationale for the exemption:

> The rule will, in normal circumstances, reduce the time and effort which the applicants, licensees, the NRC staff and NRC adjudicatory boards devote to reviewing the applicant's or licensee's financial qualifications in comparison to the rule which existed before March 31, 1982. The rule eliminates staff review at the operating license stage in cases where the applicant is an electric utility presumed to be able to finance activities authorized under the license. . . . The rationale for the rule is in effect a generic determination that regulated or self-regulating public utilities are financially qualified to operate nuclear power plants.

49 Fed. Reg. 35751.

34. In that rulemaking the Commission stated that:

> the record of this rulemaking demonstrates generically that the rate process assures that funds needed for safe operation will be made available to regulated electric utilities.

49 Fed. Reg. 35751.

See Long Island Lighting Co. (Shoreham Nuclear Power Station, Unit 1), LBP-84-30, 20 NRC 426, 432 (1984). ("The purpose of the financial qualifications regulations, applicable to electric utilities, is to eliminate Staff review of the issue in operating license proceedings on a case-by-case basis.").

35. Notwithstanding the generic finding upon which the public utility exemption was based, the Commission recognized that circumstances "in exceptional cases" may require a waiver of or exception from the exemption, for example, "where a threshold showing is made that, in a particular case, the local public utility commission will not allow the total cost of operating the facility to be recovered through rates." 49 Fed. Reg. 35747.

36. In neither the September, 1984 rulemaking nor in any subsequent pronouncement has the Commission addressed the question of the availability of adequate funds for safe operation during the pendency of the bankruptcy of a public utility licensee.

APPLICATION TO PSNH OF THE COMMISSION'S PUBLIC UTILITY EXEMPTION FROM THE FINANCIAL QUALIFICATION RULE WOULD NOT SERVE THE PURPOSE OF THE EXEMPTION

37. The purpose of the Commission's public utility exemption is to eliminate unnecessary staff and licensee review

in light of the generic finding that the rate process will assure that sufficient funds are available for the costs of safe operation, maintenance and permanent shut down of licensed plants.

38. In light of the extraordinary present circumstances of PSNH, the lead owner and operator of the Seabrook plant, the generic finding with respect to the rate process is inaccurate with respect to the question of the availability of funds for the safe operation of Seabrook under a low-power license. New Hampshire law forbids recovery from ratepayers before commercial operation of any of the costs associated with the Seabrook plant. NHRSA 378:30-a. See In re Public Service Co. of New Hampshire, ____ N.H. ____, slip. op. (January 26, 1988) (upholding constitutionality of NHRSA 378:30-a). Moreover, the availability of funds to PSNH for expenditure on low power operation and testing is presently within the control of the bankruptcy court, not the New Hampshire Public Utilities Commission.

39. The purpose of the public utility exemption from the Commission's financial qualification rule -- the elimination of unnecessary expenditure of Commission and litigant resources on an issue presumptively resolved on a generic basis -- would not be served by its application here. A review of the financial qualifications of the owners of the Seabrook plant is necessary because their particular circumstances are well beyond the scope of the Commission's 1984 generic finding. Moreover, substantial uncertainty exists whether the bankruptcy court

will approve the expenditure of sufficient funds to conduct low-power testing safely at Seabrook and to shut down the plant in a safe condition after its contamination.

CONCLUSION

WHEREFORE, Attorney General James M. Shannon respetfully requests that the Appeal Board:

(1) find that a prima facie case has been made that the application here of the public utility exemption from the requirement of a demonstration of financial qualification would not serve the purpose for which the exemption was adopted and that application of the exemption should be waived or an exception granted;

(2) certify directly to the Commission for a determination whether the public utility exemption from the requirement of a demonstration of financial qualification should be waived or an exception granted with respect to the licensing of the Seabrook plant;

(3) stay the issuance of a license authorizing low power operation and testing pending the resolution by the Commission of the certified issue and, if the Commission determines that in the circumstances of the Seabrook plant a waiver of or exception from the public utility exemption from the financial qualification rule should be granted, a determination of financial qualification; and

(4) issue such other orders and grant such other relief as may be equitable and necessary to insure the public health and safety.

Respectfully submitted

JAMES M. SHANNON
ATTORNEY GENERAL

COMMONWEALTH OF MASSACHUSETTS

By: _____

Stephen A. Jonas
George B. Dean
Assistant Attorneys General
One Ashburton Place
Boston, Massachusetts 02108
(617) 727-1083

DATED: March 7, 1988

APPENDICES

Appendix I: Affidavit of Timothy Newhard

Appendix II: Letter dated February 5, 1988 from Thomas E. McHugh, Acting General Manager of MMWEC to Massachusetts Attorney General James M. Shannon

Appendix III: NEES February 23, 1988 Press Release

Appendix IV: February 18, 1988, Response of United Illuminating Corporation to Question EL-4 B. in CDPUC Doc. No. 84-06-17

Appendix V: Prepared Direct Testimony of Donald G. Pardus, President of EUA Power Corp. before New Hampshire Public Service Commission in NHPSC Docket No. 87-234, pp. 5-6

Appendix VI: EUA Power Corp. Motion To Amend Petition, NHPUC Docket No. 87-234

Appendix VII: Boston Globe Article: "Seabrook Woes Threaten Subsidary Of Mass. Utility" (February 5, 1988)

Appendix VIII: Boston Globe Article: "2d Vt. Utility Stops Paying For Seabrook" (February 15, 1988)

Appendix IX: PSNH Response to NRC Request for Financial Information (September 3, 1987)

Appendix X: Affidavit of Dale G. Bridenbaugh

Appendix XI: Motion By Official Unsecured Creditors Committee To Continue Hearing On Request For Rule 2004 For (sic) Examination (February 11, 1988)

Appendix XII: Affidavit of Robert J. Harrison

Appendix XIII: Motion For Examination Of Debtor Under Bankruptcy Rule 2004

Appendix XIV: NH RSA 378:30-a

APPENDIX I

AFFIDAVIT OF TIMOTHY NEWHARD

I, Timothy Newhard, depose and say as follows:

1. I am a financial analyst with the Utilities Division of the Department of the Attorney General of Massachusetts.

2. In 1981, I received a Master's degree in Business Administration with concentrations in finance and economics from the Northeastern University. From 1981 to the present, I have worked for the Department of the Attorney General analyzing finance, economic, and accounting issues. I have also presented before the Massachusetts Department of Public Utilities expert testimony on the cost of capital for public utilities.

3. Table 1 and Table 2 attached to this affidavit present a history of the bond ratings of investor-owned utilities that have shares in the Seabrook nuclear power station and certain other utilities that have built nuclear power plants. I have compiled this history from available issues of Moody's Bond Record.

4. Tables 1 and 2 show the current bond ratings for those issues outstanding as reported in Moody's Bond Record for the end of January 1988 as well as Moody's bond rating at the end of each of the calendar years 1972 through 1987. The tables show ratings for the following companies or their subsidiaries:

Seabrook Investors:

Canal Electric Company

Connecticut Light and Power Company

Eastern Utilities Associates

New England Power Company

Public Service Company of New Hampshire

The United Illuminating Company

Other Nuclear Construction Utilities:

Cincinnati Gas & Electric Company

Consumers Power Company (CMS Energy Company)

General Public Utilities

Gulf State Utilities

Long Island Lighting Company

Middle South Utilities

Public Service Company of Indiana

5. According to the Seabrook Joint Owners Agreement, the respective ownership shares and proportional share of plant costs of the Seabrook joint owners are as follows:

Canal Electric Company	3.52317
Connecticut Light and Power Company	4.05985
Hudson Light and Power Department	0.07737
Massachusetts Municipal Wholesale Electric Company	11.59340
Montaup Electric Company	2.89989
New England Power Company	9.95766
New Hampshire Electric Cooperative, Inc.	2.17391
Public Service Company of New Hampshire	35.56952
Taunton Municipal Lighting	0.10034
The United Illuminating Company	17.50000
Vermont Electric Cooperative, Inc.	0.41259
EUA Power Corporation	12.13240

6. The last attachment to my affidavit, Table 3, is a true and correct copy of Moody's explanation of its bond ratings taken from Moody's Bond Record.

Signed and sealed under the pains and penalties of perjury this day of March 7, 1988.

Timothy Newhard

	Curr.	1987	1986	1985	1984	1983	1982	1981	1980
Canal Electric									
1st	A2	A2	A2	A2	Aa3	Aa3	Aa3	Aa	Aa
1st & Gen.	A2	A2	A2	A2	Aa3	Aa3	Aa3	Aa	Aa
Conn. L&P									
1st Ref.	Baa1	Baa1	Baa1	Baa2	Baa2	Baa2	Baa2	Baa	Baa
EUA									
Eastern Edison	A3	A3	A3	Baa2	Baa2	Baa2	Baa3	Baa	Baa
Blackstone							Baa3	Baa	Baa
Brockton	Baa2	Baa2	A3	Baa2	Baa2	Baa2	Baa3	Baa	Baa
Fall River	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	Baa	Baa
New England Power									
1st	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa	Aa
Gen. & Ref.	Aa3	Aa3	Aa3	A1	A1	A1	A1	A	A
P.S.N.H.									
1st	Caa	Caa	B1	B3	B3	Ba1	Ba1	Baa	Baa
Gen. Ref.	Caa	Caa	B2	Caa	Caa	Ba3	Ba3	Ba	Ba
Deb.	C	C	Caa	Caa	Caa	Ba3	Ba3		
Bonds	Ca	Ca	B3						
U.I.									
Deb.	Baa3	Baa3	Baa3	Ba2	Ba2	Baa3	Baa3	Baa	Baa
Cincinnati	Baa1	Baa1	Baa1	Baa1	Baa2	Baa3	A1	Aa	Aa
Consumers									
1st	Baa3	Baa3	Ba2	Ba3	B1	Ba1	Baa3	Baa	Baa
S.F. Deb.	Ba1	Ba1	Ba3	B1	B2	Ba2	Ba1	Ba	Ba
GPU									
Jersey 1st	Baa1	Baa1	Baa1	Baa2	Ba1	Ba3	Ba3	Ba	Ba
Deb	Baa2	Baa2	Baa2	Baa3	Ba2	B1	B1	B	B
Metro 1st	Baa1	Baa1	Baa2	Ba1	Ba2	B2	B2	B	B
Deb	Baa2	Baa2	Baa3	Ba2	Ba3	B3	B3	B	B
Penn 1st	A2	A2	A3	Baa2	Ba1	Ba3	Ba3	Ba	Ba
Deb	A3	A3	Baa1	Baa3	Ba2	B1	B1	B	B
GSU									
1st	Ba3	Ba3	Ba2	Baa2	Baa3	Baa2	Baa2	A	A
Euro Deb.	B1	B1	Ba3	Baa3					
Deb.									Baa
Lilco									
1st	Ba3	Ba3	Ba3	Ba3	Ba3	Ba1	Baa1	A	A
Gen. Ref.	B1	B1	B1	B1	B1	Ba2	Baa2	Baa	Baa
Deb.	B1	B1	B1						
MSU									
Ark	Baa1	Baa1	Baa1	Baa2	Baa3	Baa3	Baa3	Baa	Baa
Louis	Baa2	Baa2	Baa2	Ba2	Baa3	Baa3	Baa3	Baa	Baa
Miss	Baa1	Baa1	Baa1	Baa2	Baa2	Baa2	Baa2	A	A
N.O.	Baa3	Baa3	Baa3	Ba2	Baa3	Baa3	Baa3	A	A
M.S. Energy	Baa3	Baa3	Baa3	Ba2	Ba1				
PSCI	Baa2	Baa2	Ba1	Ba3	Ba2	Baa2	A3	A	Aa

TABLE 2

	1979	1978	1977	1976	1975	1974	1973	1972
Canal Electric								
1st	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa
1st & Gen.	Aa	Aa	Aa	Aa				
Conn. L&P								
1st Ref.	A	A	A	A	A	A	Aa	Aa
EUA		Ba	Ba	Ba	Ba	Ba	Baa	Baa
Eastern Edison								
Blackstone	Baa	Baa	Baa	Baa	Baa	Baa	A	A
Brockton	Baa	Baa	Baa	Baa	Baa	Baa	A	A
Fall River	Baa	Baa	Baa	Baa	Baa	Baa	A	A
New England Power								
1st	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa
Gen. & Ref.	A	A	A					
P.S.N.H.								
1st	Baa	Baa	Baa	Baa	Baa	Baa	A	A
Gen. Ref.	Ba							
Deb.								
U.I.								
Deb.	A	A	A	A	A	A	A	A
Cincinnati	Aa	Aa	Aa	Aa	Aa	Aa	Aaa	Aaa
Consumers								
1st	A	A	Baa	Baa	Baa	Baa	Aa	Aa
S.F. Deb.	Baa	Baa	Ba	Ba	Ba	Ba	A	A
GPU								
Jersey 1st	Baa	Baa	Baa	Baa	Baa	Baa	Baa	Baa
Deb.	Ba	Ba	Ba	Ba	Ba	Ba	Ba	Ba
Metro 1st	Baa	A	A	A	A	A	A	A
Deb.	Ba	Baa	Baa	Baa	Baa	Baa	Baa	Baa
Penn 1st	Baa	A	A	A	A	A	A	A
Deb.	Ba	Baa	Baa	Baa	Baa	Baa	Baa	Baa
GSU								
1st	A	Aa	Aa	Aa	Aa	Aa	Aa	Aa
Euro Deb.								
Deb.	Baa	A	A	A	A	A	A	A
Lilco								
1st	A	Aa	Aa	Aa	Aa	Aa	Aa	Aa
Gen. Ref.	A	A	A	A	A			
Deb.								
MSU								
Ark 1st	Baa	Baa	Baa	Baa	A	A	A	A
Deb.							Baa	Baa
Louis	Baa	Baa	Baa	Baa	A	A	A	A
Miss	A	A	A	A	A	A	A	A
N.O.	A	A	A	A	A	A	A	A
M.S. Energy								
PSCI	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa

MOODY'S BOND RATINGS

Purpose: The system of rating securities was orginated by John Moody in 1909.

The purpose of Moody's Ratings is to provide the investors with a simple system of gradation by which the relative investment qualities of bonds may be noted.

Rating Symbols: Gradations of investment quality are indicated by rating symbols, each symbol representing a group in which the quality characteristics are broadly the same. There are nine symbols as shown below, from that used to designate least investment risk (i.e., highest investment quality) to that denoting greatest investment risk (i.e., lowest investment quality):

Aaa Aa A Baa Ba B Caa Ca C

For explanation of municipal rating symbols, in particular the A 1 and Baa 1 groups see page 234.

Absence of Rating: Where no rating has been assigned or where a rating has been suspended or withdrawn, it may be for reasons unrelated to the quality of the issue.

Should no rating be assigned, the reason may be one of the following:

1. An application for rating was not received or accepted.
2. The issue or issuer belongs to a group of securities or companies that are not rated as a matter of policy.
3. There is a lack of essential data pertaining to the issue or issuer.
4. The issue was privately placed, in which case the rating is not published in Moody's publications.

Suspension or withdrawal may occur if new and material circumstances arise, the effects of which preclude satisfactory analysis; if there is no longer available reasonable up-to-date data to permit a judgment to be formed; if a bond is called for redemption; or for other reasons.

Changes in Rating: The quality of most bonds is not fixed and steady over a period of time, but tends to undergo change. For this reason changes in ratings occur so as to reflect these variations in the intrinsic position of individual bonds.

A change in rating may thus occur at any time in the case of an individual issue. Such rating change should serve notice that Moody's observes some alteration in the investment risks of the bond or that the previous rating did not fully reflect the quality of the bond as now seen. While because of their very nature, changes are to be expected more frequently among bonds of lower ratings than among bonds of higher ratings, nevertheless, the user of bond ratings should keep close and constant check on all ratings-both high and low ratings-thereby to be able to note promptly any signs of change in investment status which may occur.

Limitations to Uses of Ratings: Bonds carrying the same rating are not claimed to be of absolutely equal quality. In a broad sense they are alike in position, but since there are a limited number of rating classes used in grading thousands of bonds, the symbols cannot reflect the fine shadings of risks which actually exist. Therefore, it should be evident to the user of ratings that two bonds identically rated are unlikely to be precisely the same in investment quality.

As ratings are designed exclusively for the purpose of grading bonds according to their investment qualities, they should not be used alone as a basis for investment operations. For example, they have no value in forecasting the direction of future trends of market price. Market price movements in bonds are influenced not only by the quality of individual issues but also by changes in money rates and general economic trends, as well as by the length of maturity, etc. During its life even the best quality bond may have wide price movements, while its high investment status remains unchanged.

The matter of market price has no bearing whatsoever on the determination of ratings which are not to be construed as recommendations with respect to "attractiveness." The attractiveness of a given bond may depend on its yield, its maturity date or other factors for which the investor may search, as well as on its investment quality, the only characteristic to which the rating refers.

Since ratings involve judgments about the future, on the one hand, and since they are used by investors as a means of protection, on the other, the effort is made when assigning ratings to look at "worst" potentialities in the "visible" future, rather than solely at the past record and the status of the present. Therefore, investors using the rating should not expect to find in them a reflection of statistical factors alone, since they are an appraisal of long term risks, including the recognition of many non statistical factors.

Though ratings may be used by the banking authorities to classify bonds in their bank examination procedure, Moody's Ratings are not made with these bank regulations in view. Moody's Investors Service's own judgment as to desirability or non-desirability of a bond for bank investment purposes is not indicated by Moody's Ratings.

Moody's Ratings represent the mature opinion of Moody's Investors Service, Inc., as to the relative investment classification of bonds. As such, they should be used in conjunction with the description and statistics appearing in Moody's Manuals. Reference should be made to these statements for information regarding the issuer. Moody's Ratings are not commercial credit ratings. In no case is default or receivership to be imputed unless expressly so stated in the Manual.

KEY TO MOODY'S CORPORATE RATINGS

Aaa

Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa

Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long term risks appear somewhat larger than in Aaa securities.

A

Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa

Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unrealiable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba

Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during other good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B

Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa

Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca

Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C

Bonds which are rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Note: Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Moody's bond ratings, where specified, are applied to senior bank obligations with an original maturity in excess of one year. Among the bank obligations covered are bank deposits and obligations to deliver foreign exchange. Obligations relying upon support mechanisms such as letters-of-credit are excluded unless explicitly rated. Obligations of a branch of a bank are considered to be domiciled in the country in which the branch is located. Unless noted as an exception, Moody's rating on a bank's ability to repay senior obligations extends only to branches located in countries which carry a Moody's sovereign rating. Such branch obligations are rated at the lower of the bank's rating or Moody's sovereign rating for the bank deposits for the country in which the branch is located. When the currency in which the [illegible] same as the currency of the country [illegible] ratings do not incorporate an opinion as to [illegible] be affected by the actions of the government [illegible] nation. In addition, risk associated with bilateral conflicts between an investor's home country and either the issuer's home country or the country where an issuer branch is located are not incorporated into Moody's ratings. Moody's makes no representation that rated bank obligations are exempt from registration under the U.S. Securities Act of 1933 or issued in conformity with any other applicable law or regulation. Nor does Moody's represent any specific bank obligation is legally enforceable or a valid senior obligation of a rated issuer.

APPENDIX II

11114851

CORRESPONDENCE OFFICE

88 FEB -8 PM 12:06

MMWEC

Massachusetts Municipal Wholesale Electric Company
Stony Brook Energy Center Post Office Box 426 Ludlow, Massachusetts 01056
(413)589-0141 589-0801

cc: Frank D. Ty...

February 5, 1988

Honorable James M. Shannon
Attorney General
Commonwealth of Massachusetts
Department of the Attorney General
One Ashburton Place
Boston, MA. 02108-1695

Dear Attorney General Shannon;

The purpose of this letter is to acknowledge receipt of your February 3, 1988 letter on the Seabrook Nuclear Power Plant and provide an interim response.

Your request, as outlined in your letter, will be presented to the MMWEC's Seabrook Participants at a meeting scheduled to be on February 10, 1988. A copy of your letter has been furnished to each MMWEC Seabrook Participant.

I would, at this time, like to advise you that MMWEC is not required under the Seabrook Joint Ownership agreement, nor is it MMWEC's intent, to meet any financial obligations or shortfalls of the Seabrook Joint Owners, including Public Service of New Hampshire. Neither is it our intent to purchase any of PSNH's share of ownership in Seabrook.

Following the MMWEC Seabrook Participant's meeting on February 10, 1988 it is our desire to meet with you personally in your office at a mutually convenient time to provide you a more complete response to your February 3, 1988 letter. We look forward to discussing this issue with you.

Sincerely,

Thomas E. McHugh
Acting General Manager

TEM/jrj

New England Electric System
25 Research Drive
Westborough Massachusetts 01582

FOR IMMEDIATE RELEASE: February 23, 1988

CONTACT: Jeff Dennard 617-366-9011 (days) 401-885-6278 (evenings)

NEES and PSNH
hold discussions

New England Electric System (NEES) and Public Service Company of New Hampshire (PSNH) announced today that they have begun preliminary discussions about the NEES system acquiring PSNH's operating assets. The contemplated purchase would not include PSNH's share of the Seabrook nuclear power plant. Any transaction resulting from these discussions would require various approvals, including the bankruptcy court and regulatory agencies, as well as the Boards of Directors of both companies.

On January 28, 1988, PSNH filed a voluntary petition under Chapter 11 in the U.S. Bankruptcy Court in Manchester, New Hampshire.

Samuel Huntington, president and chief executive officer of NEES, said, "We believe that a consolidation would be in the best

-more-

long-term interests of customers, employees, investors of the NEES system and PSNH, and of New England in general. A natural fit exists between PSNH and NEES due to our geographic closeness and a shared commitment to provide our customers with reliable, low-cost electricity. New England Power Company (NEP) and Granite State Electric Company are two NEES companies that have a long history of serving the people of New Hampshire well. Our transmission lines, in some cases, traverse PSNH service territory, and our distribution company abuts PSNH in southeastern and western New Hampshire. Additionally, the two companies share a common border at the boundary between Massachusetts and New Hampshire."

Robert J. Harrison, president and chief executive officer of PSNH, said today that he "welcomes NEES' interest in PSNH. It should offer an opportunity to solve PSNH's financial problems in a way that will also bring stability to New Hampshire's future power supply, which would otherwise face continued uncertainty. Despite these benefits, it's clear that consummation of any plan will not come overnight. It will take substantial time and effort, and will also require the involvement of our creditors, regulators, and other parties in interest."

PSNH owns 35.6 percent of the Seabrook nuclear power plant. NEP, NEES' wholesale electric generation and transmission subsidiary, owns 10 percent. Construction of Seabrook is complete, but a Nuclear Regulatory Commission (NRC) operating license must be obtained for operation of the plant. Contested licensing proceedings are pending before the NRC.

Huntington said he envisions that any NEES acquisition of PSNH's non-Seabrook assets would leave PSNH with its existing Seabrook ownership and able to meet its share of ongoing project costs. Huntington reaffirmed NEES' support for prompt operation of Seabrook.

###

UI United Illuminating

General Offices 80 Temple Street, P.O. Box 1564, New Haven, Conn. 06506-0901

February 18, 1988

Department of Public Utility Control
One Central Park Plaza
New Britain, Connecticut 06501

Attn: Mr. Robert J. Murphy
Executive Secretary

Re: Docket No. 84-06-17 - DPUC Review of Seabrook Unit 1 - Establishment of Limit on Construction Costs Pursuant to Public Act 84-201, Section 2

Gentlemen:

Enclosed are an original and 28 copies of UI's responses to Questions EL-1 through EL-8.

Very truly yours,

THE UNITED ILLUMINATING COMPANY

By _____
Robert deR. Stein
Manager, Revenue Requirements

RdeRS:cst:el1-8
Enclosures

cc: 84-06-17 Service List

Q-EL-4 A. What, if any, contingency plans are available to address the bankruptcy of one of the joint owners?

B. Are any joint owners prepared to cover any short-falls in payments for Seabrook 1 resulting from the PSNH default? Explain and give UI's position.

A-EL-4 A. Starting in September 1987, UI and several other investor-owned utility participants in the Seabrook project took action to engage special bankruptcy counsel in anticipation of a possible bankruptcy filing by PSNH. All of the investor-owned Seabrook participants other than PSNH (minority participants) have since joined in this effort. The purpose of this effort is to protect the value of the minority participants' investment in the Seabrook project. In this context, the effort was initially focused upon taking steps prior to a bankruptcy filing that were considered necessary to minimize potential impacts of a filing if and when it occurred. Since the filing, counsel for the minority participants has been working in concert with counsel for PSNH, which has a common interest in protecting the value of its Seabrook investment. The minority participants plan to continue to work with PSNH in this regard and also intend to participate in all relevant proceedings and other matters to the fullest extent permissible and necessary to protect the value of the Seabrook investment.

B. To the best of our knowledge, no Seabrook owners have made any commitment to meet payment short-falls, if any, which may result from PSNH's bankruptcy filing. UI's publicity announced position is that it expects that PSNH will continue to meet its obligations to the project or, failing that, PSNH's obligations will be met by some other entity. UI would consider increasing its share of payments to the project only as a last resort to protect the value of its investment and would not increase its share of payments without DPUC approval.

EUA Power Corporation
Docket No. 87-234

PREPARED DIRECT TESTIMONY
OF
DONALD G. PARDUS

Q. Please state your name and business address?

A. My name is Donald G. Pardus and my business address is One Liberty Square, Boston, Massachusetts 02107.

Q. Mr. Pardus, will you please state your present positions with Eastern Utilities Associates and its subsidiaries?

A. I am President and a Trustee of Eastern Utilities Associates ("EUA"). EUA has six subsidiary companies, Montaup Electric Company ("Montaup"), Blackstone Valley Electric Company ("Blackstone Valley"), Eastern Edison Company ("Eastern Edison"), EUA Service Corporation ("EUA Service"), EUA Cogenex Corporation ("Cogenex") and EUA Power Corporation ("EUA Power"), the applicant herein. I am President and member of the Board of Directors of Montaup, EUA Service and EUA Power. I am Vice Chairman and a member of the Board of Directors of Blackstone, Eastern Edison and Cogenex.

Q. What is the business of EUA and its subsidiaries?

A. EUA, which has its office in Boston, Massachusetts, is a holding company registered under the Public Utility Holding Company Act of 1935. Two of its subsidiaries, Blackstone and Eastern Edison are retail electric companies whose service areas are in Rhode Island and Massachusetts, respectively. Eastern Edison owns all of the stock and long-term debt of Montaup, a generation and transmission company, which supplies electricity to Blackstone, to Eastern Edison and to three unaffiliated utilities for resale. Montaup owns or has interests in various generating facilities, and owns a 2.89989% interest in the Seabrook nuclear project. EUA Service is a direct subsidiary of EUA and renders various services to EUA and other subsidiaries. Cogenex is involved in the conservation, load-management and cogeneration business. Those five companies, together with EUA Power, the Petitioner herein, are referred to as the "EUA System."

Q. Will you describe your education and business background?

A. Yes. I have appeared as a financial witness before the Federal Energy Regulatory Commission in rate proceedings. I have also appeared before the Massachusetts Department of Public Utilities, the Connecticut Public Utilities Control Authority and the Rhode Island Public Utilities Commission in numerous proceedings involving financing authorizations, as well as testifying previously before this Commission in DF-85-338; 85-351; and 86-150. I have testified on financial matters in rate proceedings for Blackstone Valley before the Rhode Island Public Utilities Commission. I have also testified on financial matters in rate proceedings before the Massachusetts Department of Public Utilities on behalf of Eastern Edison.

Q. Mr. Pardus, will you please briefly describe EUA Power.

A. EUA Power Corporation was organized in February of 1985 as a New Hampshire corporation with broad corporate powers. It has an address of P.O. Box 709, One Eagle Square, Concord, New Hampshire 03301. It is authorized by this Commission pursuant to RSA 374:22 and 26, to engage in business as a public utility solely for the purpose of participating as a joint

owner in the construction of the Seabrook Power Project and, upon completion of construction, for the purpose of selling its share of the output of the plant for resale, which authorization is set forth in this Commission's Order No. 18,058 in DF 85-338 and DF 85-351 dated January 15, 1986. On November 25, 1986, EUA Power acquired the ownership interest in the Seabrook Power Project of Central Maine Power Company, Bangor Hydro-ElectricCompany, Maine Public Service Company, Central Vermont Public Service Company, and Fitchburg Gas & Electric Company. The original capitalization of EUA Power was as follows:

Long-Term Borrowings:	
Secured Notes	
Series A-1, 17-1/2%, due 11/15/1991	$149,450,000
Series A-2, 17-1/2%, due 11/15/1991	30,550,000
Total Long-Term Borrowings:	$180,000,000
Total Debt:	$180,000,000

APPENDIX VI

ORR AND RENO
PROFESSIONAL ASSOCIATION
ONE EAGLE SQUARE
P O BOX 709
CONCORD, NEW HAMPSHIRE 03302-0709
TELEPHONE 603 224-2381
TELECOPIER 603 224-2318

MALCOLM MCLANE
RONALD L. SNOW
CHARLES F. LEAHY
RICHARD B. COUSER
MARY SUSAN LEAHY
WILLIAM L. CHAPMAN
HOWARD M. MOFFETT
DAVID W. MARSHALL
JAMES E. MORRIS
THOMAS N. MASLAND
THOMAS C. PLATT III
CONNIE L. RAKOWSKY
PETER W. MOSSEAU
JILL K. BLACKMER
CORDELL A. JOHNSTON
JAMES P. BASSETT
SABIN WILLETT
BRADFORD W. KUSTER
ELIZABETH L. HODGES
CHARLES A. SZYPSZAK
MARY N. WILKE
TRICIA H. LUCAS

DUDLEY W. ORR
ROBERT H. RENO
CHARLES H. TOLL JR.
OF COUNSEL

January 15, 1988

HAND-DELIVERED

Mr. Wynn E. Arnold
Executive Director
Public Utilities Commission
8 Old Suncook Road - Building 1
Concord, New Hampshire 03301-5185

Re: EUA Power Corporation
Docket No. 87-234

Dear Mr. Arnold:

Enclosed herewith for filing are the original and nine copies of EUA Power Corporation's motion to amend its November 24, 1987 petition. Company will file supplemental testimony and revised schedules as soon as possible.

Very truly yours,

David W. Marshall

DWM/nc
Enclosures
cc: Richard B. Couser, Esquire (w/encs.)
Alan F. Lefkowitz, Esquire (w/encs.)

THE STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

EUA POWER CORPORATION

DF 87-234

MOTION TO AMEND PETITION

NOW COMES EUA Power Corporation, Petitioner in the above-entitled matter ("Petitioner"), and hereby moves to amend its Petition dated November 24, 1987 (the "Petition") by increasing the amount of the financing proposed in said Petition, and in support thereof says the following:

1. As set forth in Paragraphs 3 and 6 of the Petition, the amount of the financing originally proposed, i.e., $80 million of Series B Notes and $20 Million of additional Class A preferred stock, was selected based upon anticipated cash requirements that in turn were based upon Petitioner's estimate of the date of the commencement of commercial operation of Seabrook Unit 1. Petitioner assumed in its Petition that Seabrook Unit 1 would commence commercial operation in January, 1989 (See Petition, Attachment E).

2. As a result of Petitioner's latest evaluation of the progress of proceedings for licensing operation of Seabrook, Petitioner believes it prudent to assume a commercial operation date for Unit 1 during the third or fourth quarter of 1989. In light of this anticipated delay, Petitioner believes its cash requirements may be greater than originally thought, and that the amount of the proposed financing should therefore be increased.

3. Specifically, Petitioner now proposes to issue and sell at private sale for cash equal to the principal amount thereof, (i) additional Class A 25% cumulative preferred shares, $100 par value, to Eastern Utility Associates, at one time or from time to time, in an aggregate amount up to but not exceeding $25 million; and (ii) Series B Notes secured under and pursuant to the First Mortgage Indenture, as modified by the First Supplemental Indenture and, if required, a Second Supplemental Indenture to be issued, in an aggregate principal face amount up to but not exceeding $100 million, the total additional capital not to exceed $125 million so as to maintain the equity component of the capitalization of Petitioner at 25% of its debt component, exclusive of any consideration of unappropriated retained earnings.

4. Petitioner will submit as soon as possible supplemental testimony and revised exhibits to reflect the changes occasioned by the increase in amount of the proposed financing.

WHEREFORE, Petitioner prays that this Commission:

A. Allow Petitioner to amend its Petition of November 24, 1987, as aforesaid;

B. Make a finding, pursuant to RSA 369:1-4, that (i) the issuance and sale, at one time or from time to time, by Petitioner to Eastern Utilities Associates of up to but not more than 250,000 shares of Class A 25% cumulative convertible preferred shares, $100 par value, in an aggregate amount not exceeding $25,000,000, the amount to be sufficient to maintain the equity component of its capitalization at 25% of the debt component; and (ii) the issuance and sale to institutional or other accredited private investors of Series B Notes for cash secured by the First Mortgage Indenture, as supplemented by the First Supplemental Indenture and, if required, a Second Supplemental Indenture to be issued, of up to but not more than the aggregate face principal amount of $100,000,000; and (iii) the mortgaging of Petitioner's property to secure the payment of said Series B Notes and issuance, if required, of a Second Supplemental Indenture in connection therewith; is consistent with the public good, and that the Commission approve and authorize the same, and approve the terms thereof and proposed application of proceeds; and

C. Grant such other or further relief and make such other or further findings or orders as shall be lawful and necessary or desirable in the premises.

Respectfully submitted,

EUA POWER CORPORATION

By Its Attorneys:

ORR AND RENO, PROFESSIONAL ASSOCIATION
One Eagle Square, P.O. Box 709
Concord, New Hampshire 03302-0709
(603) 224-2381

David W. Marshall

Dated: January 15, 1988

THE BOSTON GLOBE FRIDAY, FEBRUARY 5, 1988 21

NESS

Seabrook woes threaten subsidiary of Mass. utility

By Charles Stein
Globe Staff

Public Service Co. of New Hampshire is not the only owner of the Seabrook nuclear power plant in serious financial trouble.

EUA Power Corp., a subsidiary of a Massachusetts utility and a 12 percent owner of Seabrook, said yesterday it does not have the money to meet a bond interest payment due in May.

The company said it would not be able to make any more interest payments until Seabrook goes on line and would ask bondholders to accept more bonds instead of cash interest.

"We are laying it on the line," said John Eichorn, EUA Power's chairman. "There is not any choice."

Wall Street analysts speculated that bondholders probably would accept the offer, because the alternative is even worse. "I think we are talking about the 'B' word – bankruptcy," said Daniel Scotto, an analyst with L.F. Rothschild. "There investors could not be more at risk."

Public Service, Seabrook's largest owner, filed for bankruptcy last week when it was unable to satisfy its creditors. It was the first time a major utility had gone bankrupt in 50 years.

EUA Power is a subsidiary of Eastern Utilities Associates, a utility that serves parts of southeastern Massachusetts and northern Rhode Island. EUA Power was set up in 1985 purely as an investment vehicle for Seabrook. The company bought up pieces of Seabrook once owned by utilities in Vermont, Maine and Massachusetts, with the hope it could eventually sell the power from Seabrook at a large profit.

Eastern Utilities put in $45 million of its own money and raised another $180 million through the sale of junk bonds that pay investors 17.5 percent interest. The deal was set up on the assumption that by early 1988 Seabrook would be on line and there would be plenty of money to pay back investors.

But Seabrook is still unlicensed and it is not clear when or if it will be. Until it is, said Eichorn, EUA Power will not have the money to pay bondholders the $30 million in annual interest payments they are owed.

JOHN EICHORN
'We're laying it on the line'

Because Eastern Utilities has a limited connection to its subsidiary, the parent company is in no financial danger, said analysts.

In an interview, both Eichorn and Donald Pardus, Eastern's president, said Eastern would put enough money into EUA Power to allow the subsidiary to keep up its regular Seabrook payments.

They said they were meeting with bondholders in an effort to come up with a plan investors could live with. The plan would need approval from regulators in Washington and New Hampshire, the subsidiary's official home.

EUA Power bonds were sold to a group of institutional investors, including a number of money management firms based in Boston. According to a March 9, 1987 statement filed with the Securities

EUA, Page 22

Seabrook woes threaten subsidiary of utility

■ EUA
Continued from Page 21

and Exchange Commission, both Putnam Co. and Massachusetts Financial Services Co. own EUA Power bonds.

A Putnam report dated Aug. 31, 1987 put the mutual fund's investment at $6 million. The SEC filing listed Massachusetts Financial's stake at $17 million. Both companies yesterday declined to comment on the status of their holdings.

According to Scotto, the bondholders do not have many choices. Since EUA Power owns nothing but a share of Seabrook, investors have, in effect, made an all or nothing bet that the plant will someday be finished. "They are betting all their chips on Seabrook," he said. "Without Seabrook, the securities they are getting could be nothing more than expensive wallpaper."

Eichorn did not dispute that point. He said if Seabrook never opens, the parent company, Eastern Utilities, is under no obligation to pay bondholders of EUA Power. "That was clear from the outset," said Eichorn. "That is why we were paying 17.5 percent interest when the prime rate was 10 percent."

One bondholder, who asked to remain anonymous, said EUA Power's situation was not as dire as Public Service's. "I think this company has some alternatives," he said. "There are things that can be worked out."

2d Vt. utility stops paying for Seabrook

Associated Press

EAST MONTPELIER, Vt. – A second Vermont electrical utility has voted to withhold payments to New Hampshire's Seabrook nuclear power plant.

Trustees of the Washington Electric Cooperative Inc. on Saturday voted unanimously to withhold indefinitely the co-op's $93,000 monthly payment for Seabrook.

The nine-member board made the decision at a private meeting, and officials would not explain the reason for withholding payments for the troubled plant, which has not yet produced electricity.

Washington Electric Cooperative joins the Vermont Electric Cooperative in Johnson and the Eastern Maine Electric Cooperative, Maine's only Seabrook investor, in cutting off funds. Eastern Maine filed for bankrupcty protection last fall.

The five Vermont municipal utilities investing in Seabrook – in Stowe, Morrisville, Ludlow, Northfield and Lyndonville – are continuing to make their payments.

The $5.2 billion Seabrook plant is completed but has not yet been granted a license to operate, primarily because neighboring Massachusetts communities have challenged emergency evacuation plans.

Seabrook's major investor, the Public Service Co. of New Hampshire, which sank $2.1 billion into Seabrook, last month became the first major investor-owned utility since the Great Depression to file for bankruptcy.

Washington Electric Cooperative, which has 7,200 members, was scheduled to pay $1.1 million toward Seabrook this year, an obligation that equals about 22 percent of the utility's operating budget this year.

Trustees had held off payments since December while they reviewed options designed to ease the burden of the Seabrook investment on ratepayers.

sit Authority today carries 49 percent more commuter rail riders and 15 percent more rapid transit riders than in 1983. While ridership plummeted in the 1950s and 1960s, the number of people entering downtown Boston by public transportation grew 5.9 percent between 1972 and 1982.

571,000 by
lation has g
tween 1982
far below 1
of passenger
Boston has
in 1970 to
222,799 in
increase in
percent inc

Passenger vehicle registrations

Registrations in Boston and 41 surroundin[g] and along Route 128.

City/town	1970	1982	
Boston	156,088	185,978	2[illegible]
Arlington	21,609	26,102	[illegible]
Bedford	5,732	8,225	
Belmont	9,858	14,492	[illegible]
Billerica	7,570	14,961	[illegible]
Braintree	15,188	20,922	[illegible]
Brookline	18,169	21,530	[illegible]
Burlington	8,629	14,705	[illegible]
Cambridge	27,866	34,763	[illegible]
Canton	7,336	10,428	[illegible]
Chelsea	7,677	9,013	[illegible]
Dedham	11,683	15,012	[illegible]
Everett	13,654	16,896	[illegible]
Lexington	14,742	19,091	[illegible]
Lincoln	NA	3,341	[illegible]
Lynn	49,514	61,088	[illegible]
Lynnfield	5,279	7,153	[illegible]
Malden	18,820	25,137	[illegible]
Marblehead	10,018	12,324	[illegible]
Medford	22,440	28,256	[illegible]
Melrose	13,793	17,045	[illegible]
Milton	8,632	14,633	[illegible]
Needham	11,071	11,962	[illegible]
Newton	8,694	7,961	[illegible]
Peabody	19,630	27,871	[illegible]
Quincy	21,091	25,658	[illegible]
Randolph	11,037	16,101	[illegible]
Reading	9,542	13,387	[illegible]
Revere	14,263	19,435	[illegible]
Salem	14,471	18,415	[illegible]
Somerville	11,055	11,459	[illegible]
Stoneham	8,591	12,388	[illegible]
Wakefield	10,664	14,113	[illegible]
Waltham	25,102	31,323	[illegible]
Watertown	14,782	18,153	[illegible]
Wellesley	12,968	15,786	[illegible]
Weston	5,249	6,886	[illegible]
Westwood	6,138	8,254	[illegible]
Weymouth	7,369	8,531	[illegible]
Wilmington	6,951	10,105	[illegible]
Winchester	9,984	12,344	[illegible]
Winthrop	6,896	9,207	[illegible]
Totals	689,845	880,444	[illegible]

Note: Registration totals for Nahant, Saugus and Swampscott
NA – not available
Source: Massachusetts Registry of Motor Vehicles

PSNH

Public Service of New Hampshire

Robert J. Harrison
President and Chief Executive Officer

NYN-87104

September 3, 1987

United States Nuclear Regulatory Commission
Washington, DC 20555

Attention: Document Control Desk

References: a) Facility Operating License NPF-56
Docket No. 50-443

b) USNRC Letter dated August 17, 1987
"Recent Filings by Public Service Company
of New Hampshire Before the Securities
and Exchange Commission"
B. A. Boger to R. J. Harrison

Re: Request for Financial Information

Gentlemen:

In Reference (b), the NRC requested clarification as to the ability of Public Service Company of New Hampshire (PSNH) to provide financial coverage for certain activities at Seabrook Station.

At the outset, PSNH reaffirms its intention to continue its participation in Seabrook Station and to successfully complete the licensing process in the most expeditious manner in order to permit Seabrook Station to commence operation. Toward that end, PSNH remains firmly committed to providing its share of all necessary support, financial and otherwise, to ensure safe low power testing and to maintain the Seabrook Station in a safe condition following that testing.

While PSNH's most recent Form 8-K Report, dated July 22, 1987 underscored the severe financial difficulties being experienced by PSNH as the result of several factors, including primarily the costly licensing delay for Seabrook Station, it also outlined the affirmative financial plans which PSNH intended to pursue to counter those difficulties. Since then PSNH has continued to work toward the implementation of those plans. Further, on August 5, 1987, PSNH filed a petition with the New Hampshire Public Utilities

United States Nuclear
Regulatory Commission

September 3, 1987

Commission (NHPUC) for an emergency rate relief increase of approximately $71,000,000 annually. The NHPUC has set hearings on that petition for October 5-9, 1987, the earliest dates possible after compliance with its regulatory procedures. Second, pursuant to a PSNH request submitted with the petition, the NHPUC on August 11, 1987, transferred a question of law to the New Hampshire Supreme Court, concerning the application of NH Statute RSA 378:30-a, the so-called anti-CWIP law, to the Company's investment in the Seabrook Station under the extreme financial circumstances currently being experienced by PSNH. On September 2, 1987, that Court issued an order directing the NHPUC to make, on an expedited basis, certain findings of fact regarding the Company's cash requirements to meet its interest payments, debt maturities, and customer service expansion needs for the remainder of 1987. The Court indicated that upon receipt of the NHPUC findings it would move promptly to consider the constitutional issues of applicability of the anti-CWIP law to PSNH. Third, PSNH has instituted a program of cash conservation which is designed to substantially reduce its capital and operating expenditures, thereby enabling PSNH to extend its current available cash resources. Fourth, PSNH will, in the near future, formally file with the Securities and Exchange Commission and with the NHPUC a detailed program for restructuring certain of is indebtedness. This program is designed to substantially reduce PSNH's need for external financing and lessen the burden of interest and maturity payments on its debt, which has become difficult and costly due to the lengthy Seabrook Station licensing delays.

Further, the permanent shutdown scenario described in your letter is considered to be a hypothetical situation that will never occur, irrespective of PSNH's financial status. Detailed responses to your questions, which are set forth in the attachment to this letter, have been prepared to the best of our ability based on the assumptions indicated.

If you need any further information or clarification, please contact me.

Sincerely,

Robert J. Harrison

RJH:kb
Attach.

cc: ASLB Service List

NRC Question 1:

Please provide detailed estimates of (a) the total cost to operate Seabrook Unit No. 1 at low power only (up to five percent power); and (b) the total cost to permanently shut down the facility after low power operation only and to maintain it in a safe condition. Also provide an estimate of the cost to store or dispose of the irradiated fuel assuming low power operation only. Describe in detail the assumptions underlying the estimates. Include assumptions as to power level, duration of operation, method of fuel disposal or storage and method of permanent shutdown and safe maintenance.

Response to NRC Question 1a:

The current operating budget for Seabrook Station averages $10 million per month. In conjunction with the performance of low power testing, certain incremental costs beyond the current operating budget will be incurred. These costs, which cover all required manpower, material and electrical power for preparatory work, heatup and actual performance of low power testing, are estimated to be $3,658,000, which will be incurred over a three month period. A further breakdown is included in Table 1.

PSNH's share of this cost is 35.56942%, as defined in the Joint Owners' Agreement, or approximately $1,301,000. In addition to the above costs, there will be increased costs incurred for premiums on insurance coverage for Seabrook Station associated with the receipt of the low power license and upon completion of low power testing. It is expected that this cost for insurance will increase by approximately $2,785,000 per annum, of which $1,565,000 will be paid upon receipt of the low power license and $1,220,000 will be paid, in installments, following completion of the testing. PSNH's share of these increased premiums, aggregating approximately $991,000, would be payable at the times indicated above.

Response to NRC Question 1b:

Seabrook Station's low power testing program calls for five to six days of intermittent testing at between 1/100th of 1% power and 1 10th of 1% power followed by two days of intermittent testing at 2% power and one-half day of intermittent testing at 5% power. These tests will result in a fuel burn-up of approximately equivalent to 1.1 2

effective full power hours and will occur over a period of three weeks.

Upon completion of the testing program, the unit would be cooled down and maintained in a cold shutdown (Mode 5) condition. Depending on the licensing status at that time, certain systems could be placed in a lay-up condition to afford maximum protection of plant equipment. The costs associated with these efforts are included in the normal operating budget of $10-11 million per month.

If the unit was permanently shut down at some point following low power testing, the fuel would be moved to the spent fuel storage pool. In addition, the reactor coolant systems, decay heat removal systems and associated auxiliaries would be decontaminated, as necessary, following this short duration of low power testing. These systems would be cleaned by flushing the systems, hydrolasing, and/or localized chemical cleaning. This cleaning process would be repeated as necessary until contamination levels have been reduced below required control limits. The radiological controlled area would then be limited to the Fuel Storage Building and associated auxiliaries. The operating costs during this phase are not expected to exceed the normal budget of $10-11 million per month.

In the unlikely event of a decision to permanently shut down the unit, the Joint Owners would seek to sell or transfer ownership of the fuel to others such that the fuel could be removed from the site. It is estimated that it would take 2-3 years before the fuel could be removed from the site.

In order to determine the actual salvage value of the fuel after the low power testing program, a market analysis would have to be undertaken at that time together with a study of special costs for handling and shipping the fuel. Although the Joint Owners have not performed a rigorous study of these costs, a review was performed in late 1986 which indicated that the salvage value of the fuel would approximately offset the costs of handling and transportation of the fuel to a third party resulting in no net cost to the Joint Owners for the disposal of the fuel.

Following a permanent shutdown of the unit and during the transition period when the fuel remains on-site, certain personnel and program costs would be incurred to ensure the proper storage of the fuel in the on-site spent fuel storage pool. These direct costs are estimated to be approximately $700,000 per month which includes costs for operations, maintenance, health physics, environmental monitoring, security and electric power.

In addition, certain nuclear liability and nuclear property insurance costs, estimated not to exceed $2.5 million per year, can also be expected to be incurred. Finally, there are other miscellaneous costs which are not directly related to maintenance of the facility, including such items as taxes, legal, accounting, and other administrative costs, which are not included in the $700,000 monthly estimate provided above. While the amount of these costs cannot be precisely estimated, they are not expected to exceed the current level of such expenditures or approximately $2.2 million per month, which includes $1.8 million for taxes. Therefore, the estimated total monthly operating cost for Seabrook Station while the fuel is being stored on site in the fuel storage building is not expected to exceed $3.1 million.

As indicated in response to question 1(a), all the above monthly costs are for the entire unit. PSNH's share of those potential costs would be in proportion to its ownership share (i.e., 35.56942%), or $1.1 million per month.

NRC Question 2:

Please provide a detailed statement of the source of funds for covering total costs of low power operation and total costs of permanent shutdown of the facility and maintenance in a safe condition after a period of low power operation only. Identify each of the sources as to when it will be available and estimated dollar amount. Indicate the assumptions underlying the projection of each source of funds.

Response to NRC Question 2:

The Seabrook Project is currently being funded by several utility companies (the "Joint Owners") which are participants under the Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units, dated May 1, 1973, as amended (the "Joint Ownership Agreement"). The Ownership Shares of these utilities are shown in Table 2. Approval for funding is determined by the Joint Owner Executive Committee or the Joint Owners collectively in accordance with the procedures set forth in the Joint Ownership Agreement. Once a funding level has been established, each Joint Owner is obligated under the Joint Ownership Agreement to provide its Ownership Share of the operating expenses of the Seabrook Project. Invoices are rendered as required and payments are due monthly. Each Joint Owner raises such funds as part of its normal financial sources. The Seabrook Project maintains a positive cash balance to be available to meet its monthly

obligations and to provide additional flexibility should fluctuations in monthly cash requirements occur. This account balance, supplemented by the Joint Owner payments, is the source for meeting Seabrook Station's cash operating requirements.

NRC Question 3:

In the event that Public Service Company of New Hampshire (PSNH) were to enter bankruptcy proceedings how would this affect PSNH's ability to pay its share of Seabrook's low power operating costs and the costs of permanently shutting the facility down and maintaining it in a safe condition? If PSNH were unable to pay its share of costs, what are the sources and likelihood of availability of funds to cover the PSNH's share? Please describe in detail?

Response to NRC Question 3

The initiation of bankruptcy proceedings for PSNH would not of itself affect the obligations of PSNH under the Joint Ownership Agreement to pay currently its share of Seabrook's low-power operating costs and to pay ultimately its share of the costs of permanently shutting down the facility and maintaining it in a safe condition. To the extent that such obligations are contained in executory contracts a debtor with bankruptcy court approval has a right to reject or affirm such contracts. However, because of the magnitude of PSNH's investment in Seabrook Station (approximately 69% of its total assets) and the potential significant level of revenues to be derived from the sale of Seabrook Station electricity by PSNH, PSNH intends to make every available effort to protect that asset. Even if a bankruptcy proceeding were to intervene, PSNH has no intention of rejecting its contractual obligations under the Joint Ownership Agreement or abandoning its interest in Seabrook Station. In the event of bankruptcy, PSNH, as debtor in possession, will have access to a cash flow from its continuing utility operations substantially equivalent to that currently generated by those operations and must be assumed to have access to external borrowings for administration expenses. These combined resources would be more than sufficient to meet PSNH's share of the Seabrook Station low power operating costs (as enumerated above) due in principal part because PSNH would have been temporarily relieved of the obligation to pay interest charges on its outstanding unsecured indebtedness incurred prior to the institution of the proceedings. If Seabrook Station were subsequently shut down, these resources would similarly be sufficient to cover PSNH's share of the shutdown costs enumerated above. Furthermore, if Seabrook Station were

shut down after completion of low-power testing, it is reasonable to conclude that because of the presence of the nuclear fuel and the NRC license conditions with respect thereto, PSNH's obligation to Seabrook Station could not be avoided by it, as a debtor in possession (Midlantic National Bank v. New Jersey Dept. of Environmental Resources, 474 U.S. 494 (1986)) and that the cost of meeting those obligations would be an administration expense (In re Sterns, 68 B.R. 774 (D. Me. 1987)).

Given the nature of the on-going utility operations of PSNH after an assumed bankruptcy filing and the ability and obligation of PSNH, as debtor in possession, to fulfill its commitments to the Seabrook Project and its present intention to do so, PSNH cannot hypothesize any plausible situation in which those obligations would remain unpaid.

TABLE 1

NEW HAMPSHIRE YANKEE
SEABROOK STATION - UNIT 1
INCREMENTAL COSTS FOR LOW POWER OPERATION*

	Activity			
Cost Area	Mobilization & Heatup Preparation	Heatup	Low Power Testing	Total (By Cost Area)
Manpower	1,000,550	572,000	667,600	2,240,150
Material	45,900	69,700	157,800	273,400
Electrical Power**	-	572,100	572,100	1,144,200
Total (By Activity)	1,046,450	1,213,800	1,397,500	3,657,750

*The current budget for Seabrook Station averages $10 million per month.

**Electrical power service to Seabrook Station during the test program will all be purchased from PSNH.

TABLE 2

Owner	Ownership Share
Public Service Company of New Hampshire	35.56942%
The United Illuminating Company	17.50000
EUA Power Corporation	12.13240
Massachusetts Municipal Wholesale Electric Company	11.59340
New England Power Company	9.95766
The Connecticut Light and Power Company	4.05985
Canal Electric Company	3.52317
Montaup Electric Company	2.89989
New Hampshire Electric Cooperative, Inc.	2.17391
Vermont Electric Generation and Transmission Cooperative, Inc.	0.41259
Taunton Municipal Lighting Plant	0.10034
Hudson Light and Power Department	0.07737
	100.00000%

AFFIDAVIT OF DALE G. BRIDENBAUGH

1. My name is Dale G. Bridenbaugh. I am President of MHB Technical Associates ("MHB"), a technical consulting firm specializing in nuclear power plant safety, licensing, and regulatory matters, located at 1723 Hamilton Avenue, Suite K, San Jose, California 95125. I received a Bachelor of Science degree in mechanical engineering from South Dakota School of Mines and Technology in 1953 and am a licensed professional nuclear engineer. I have more than 30 years experience in the engineering field, primarily in power plant analysis, construction, maintenance, and operations. Since 1976, I have been employed by MHB and have acted as a consultant to domestic and foreign government agencies and other groups on nuclear power plant safety and licensing matters. Between 1966 and 1976, I was employed by the Nuclear Energy Division of General Electric Company ("GE") in various managerial capacities relating to the sale, service, and product improvement of nuclear power reactors manufactured by that company. Between 1955 and 1966, I was employed in various engineering capacities working with gas and steam turbines for GE. Included in my duties at GE was supervision of startup testing of equipment in fifteen to twenty fossil and nuclear power plants. I also was responsible for various nuclear fuel projects ranging from the remote disassembly of irradiated

fuel to the supply of reload fuel for operating nuclear plants. I have authored technical papers and articles on the subject of nuclear power equipment and nuclear power plant safety and have given testimony on those subjects. Other details of my experience and qualifications are contained in Attachment #1.

2. My direct experience with the Seabrook plant began in September 1983 when my firm was retained by the Massachusetts Attorney General to evaluate the prudence of expenditures by Fitchburg Gas and Electric Company on Seabrook Unit 2. Including that initial assignment, I have evaluated various phases of the Seabrook project in six different engagements. In my work as consultant on the Seabrook plant, I have performed diverse assignments, focusing primarily on technical reviews and analysis of safety and cost issues. I have visited the plant on several occasions and have participated in a number of interviews and/or depositions of key Seabrook management personnel.

3. The purpose of this Affidavit is to explain the technical reasons why low power testing to 5 percent power at Seabrook is of no value if subsequent power operation at or near full power is not authorized. It will further explain that there are, in fact, several irreversible changes which would result from testing at the 5% level

while no significant electrical power would be produced. These changes would limit the options available for the plant and plant site in the event that full power operation is not subsequently authorized, and would cause additional financial cost with no apparent off-setting benefit.

SEQUENCE OF TESTING AND POWER OPERATION

4. Every nuclear plant needs to have fuel loaded and systems tested before it is permitted to operate at power levels sufficient to turn the turbine and generate electric power. The typical test sequence is to perform non-nuclear zero-power tests first, then proceed to "zero-power" nuclear tests and subsequently to low-power nuclear operation with no electrical production. Electrical production is usually deferred until the test program achieves a power level of 10-15%. Permission to proceed to a higher power level is in general predicated on fulfillment of the test objectives at the lower levels. When the testing is completed satisfactorily at the lower levels and other requirements are satisfied, the plant is then permitted to operate at a power level at which sufficient steam is generated to allow production of electricity. Power levels are increased in steps and tests are conducted at the steps until full power operation has been achieved. Most power ascension programs include a

demonstration run at full power for 100 hours after which the unit is declared to be in commercial operation. The minimum length of time in which this process can be completed is about three months. At Seabrook, the test program as specified in the Final Safety Analysis Report was scheduled for four months. A more recent and detailed Power Ascension flow chart dated 1/20/86 shows a 90 day schedule for Seabrook (furnished by PSNH in response to NHPUC Staff Set #1, Request 48, Docket DR 85-151).

5. All other factors being equal, the initial operating phase at a new nuclear unit can be most efficiently performed if a smooth transition is made from fuel loading to low power operation and on to the power testing above 5%. If a significant delay between the testing steps occurs, it is most burdensome for that delay to take place after power operation has begun. The reason for this is because the power test program is designed so as to be able to proceed from the completed tests at a lower authorized power level to tests at the next power step. If lengthy delays are introduced, it then becomes necessary to repeat certain activities such as instrument calibrations, water chemistry adjustments, thermal expansion measurements, radiation surveys, control system realignments and heat balance calculations to assure safe and smooth transition to the next authorized level. An additional complicating factor can be the need to conduct

surveillance tests that are required at certain frequencies specified by the plant Technical Specifications. If the schedule is known ahead of time, such required activities can be programmed into the Power Ascension program. A delay prior to initial nuclear operation minimizes the need for duplication of such operations.

6. In the case of Seabrook Unit 1, the loading of fuel into the reactor has now been completed and the Company has completed the tests intended to be performed prior to nuclear operation of the unit. This work was authorized by the granting of a "zero" power license by the Nuclear Regulatory Commission ("NRC") on October 17, 1986, and fuel loading was begun on October 22, 1986. William B. Derrickson's 1/ September 26, 1986 presentation to the NRC's Advisory Committee of Reactor Safeguards ("ACRS") indicated that the scheduled time for completion of the non-nuclear tests following fuel loading was 4 to 6 weeks:

> Our request is to be able to load fuel and do the hot testing with the coolant system at operating temperature and pressure.
>
> We have several tests to run, from tests from the original hot function tests. This whole effort from the day we receive the license to completion of the hot functional tests will take about a month or six weeks. (ACRS Transcript, pp. 14-15)

1/ Mr. Derrickson is a Senior Vice-President of Public Service of New Hampshire and has primary responsibility for the Seabrook project.

This estimate is in general agreement with the 1/20/86 Power Ascension schedule which shows a 34 day period of time between fuel load and initial criticality, which is the first time that nuclear operation begins.

7. In the case of Seabrook, the operating license has now been requested in not one, but three separate phases. The first phase which consists of fuel loading and hot functional tests (but no criticality and no irradiation of the fuel) has now been completed. The second phase, now under review, would permit low power testing and subsequent heatups involving operation at up to 5% of full power. The third phase, if authorized, will permit operation between 5% and 100% power.

8. The NRC action to permit low power operation at Seabrook, if granted at this time is a deviation from common past practice. The traditional licensing practice was in the past to grant an operating license as a result of a single licensing action. In those cases, fuel loading and low power test activities were then performed and integrated with ascension to full power. Shortly after the Three Mile Island accident, the NRC began to issue licenses in a two-step (low power-full power) process. This two-step process was implemented to help ease the licensing review backlog which resulted from the licensing hiatus following the 1979 accident. Initially, this two-step

process worked reasonably well. Plants that were granted a low power license generally completed the fuel loading and low power testing by the time the full power license was issued, with the low power testing and the full power licensing relatively close together in time. 2/ Since 1984, however, there have been several cases of lengthy delay between the low power license and the approval for operation above 5%. Examples of these delayed cases include:

1) Diablo Canyon 1, where a three year delay was experienced between the initial low power license (September 1981) and full power approval (November 1984).

2) Shoreham, where a low power license was awarded in July 1985 and full power authorization is yet to be issued.

3) Perry, which received low power authorization in March 1986, did not receive full power approval until December 1986.

These delays illustrate clearly that NRC approval of low power operation gives no assurance that timely authorization of power operation is forthcoming. This

---

2/ Of the 15 plants licensed for low power operation between March 1979 and June 1984 which also received a full power license during that period, the average time between the low power and full power licenses was less than 5 months. The average time from initial criticality to award of the full power license was only 1/2 month (excluding Grand Gulf which was delayed for approximately two years because of improperly drafted Technical Specifications). See Attachment #2, portions of letter from NRC Chairman Palladino to Congressman Edward Markey, June 15, 1984.

would appear to be particularly relevant for Seabrook which is now heavily engaged in the resolution of complex emergency planning issues.

IRREVERSIBLE CHANGES IN STATUS QUO RESULTING FROM LOW POWER OPERATION

9. Before a reactor "goes critical" as it does for the first time during low power testing, neither the nuclear fuel nor the reactor or its components, are irradiated or contaminated by radiation. (The uranium contained in the fuel is of course naturally radioactive, but this material is at a very low level and is fully contained within the fuel rods.) Low power testing, however, necessarily causes irreversible changes to the nuclear fuel and to portions of the nuclear reactor.

10. There is necessarily irradiation of the nuclear fuel as a result of low power testing. This irradiation results in the build-up of quantities of fission products within the fuel which requires that the fuel subsequently be handled, transported, and treated as irradiated fuel. Once these fission products have been produced, they cannot be removed from the fuel by any usual means. Thus, the irradiation from low power testing is irreversible. In addition to this, low power testing would result in some components of the Seabrook plant becoming irreversibly

irradiated while other components will become contaminated with activated corrosion products and fission products if fuel rod leaks or perforations are present. The level of irradiation and/or contamination would depend both on the length of time and the power level of operation, on the performance of the fuel, and on the purity and chemical conditions of the reactor coolant. Potentially affected components include portions of the reactor pressure vessel and internals, the steam generators, the control rods, incore nuclear instrumentation, and reactor auxiliary system components, equipment, and piping. If contaminated by substantial quantities of radioactive fission products, special care would be required in handling these items.

11. The irreversible changes to the plant resulting from power operation as described above makes a significant change in the way in which the Seabrook plant must be considered. Prior to power operation, the plant equipment and components are radiation free (with the exception of readily removable nuclear fuel and some sensors), and there is no limitation as to what future option for the plant and the plant site may be selected. It is possible in this condition that the plant could be abandoned, converted to non-nuclear use, or ultimately operated as a nuclear unit as planned. Once radioactive, the options are reduced. Both the plant and plant site become nearly irreversibly committed to a nuclear facility. This is because some of

the plant equipment will be made radioactive and because the site itself becomes (de-facto) a long-term radioative waste storage facility since there is no approved storage facility available to receive the irradiated nuclear fuel.

12. Because of the unavoidable irradiation and contamination described above, the conduct of low power testing of necessity requires some worker exposure to potentially harmful radiation during the course of the testing as well as after the testing is completed. The amount of exposure may not be large and unless errors are made, probably would not exceed allowable limits. However, it is an additional unavoidable impact which results from low power testing. The necessity of performing the associated health physics protection requirements further complicates maintenance and operation steps and makes plant security a more critical and time consuming function.

13. In its non-irradiated condition, the fuel loaded into the Seabrook core probably has a recovery (or salvage) value that is likely equal to or a major fraction of the original purchase value of that fuel. This fuel, if not irradiated, likely could be sold to other nuclear plants to use as is, or, if necessary, to be reconfigured for a different reactor. (For example, some bundles might require manual disassembly and rod rearrangement or reconfiguration of the pellets for the necessary pattern of

enrichment.) Once the fuel is irradiated and there is a build-up of fission products as would occur during the proposed 5% power operation, it makes fuel shipment and reconfiguration, and therefore most opportunities for reuse of the fuel, more complicated and costly and therefore far less likely to be implemented. Based on present day nuclear fuel costs, value of the Seabrook fuel is approximately $50-80 million. 3/ Salvage value approximately equal to this amount could be realized from the fuel in its present condition. While it is technically possible that irradiated fuel could be transferred to a different reactor of the same design and subsequently used, there would be significant penalties associated with such an action. It would be necessary to ship the fuel in shielded casks which may or may not be readily available. The fuel itself would not be of optimum design for equilibrium operation. Such a transfer has, to my knowledge, never been done in U.S. power reactors and would probably require lengthy review by the NRC and/or other regulatory bodies. Consequently, I conclude that the fuel has little or no value if used for testing up to 5% power. My conclusion is supported by recent letter from Mr. Harrison, President and CEO of PSNH to the NRC (NYN-87104 dated September 3, 1987) transmitting the following statement:

3/ See Attachment 3 for derivation of the fuel value.

> In order to determine the actual salvage value of the fuel after the low power testing program, a market analysis would have to be undertaken at that time together with a study of special costs for handling and shipping the fuel. Although the Joint Owners have not performed a rigorous study of these costs, a review was performed in late 1986 which indicated that the salvage value of the fuel would approximately offset the costs of handling and transportation of the fuel to a third party resulting in no net cost to the Joint Owners for the disposal of the fuel.

14. The proposed 5% power operation would also result in the loss of potential salvage value for other plant components that would be substantially irradiated or contaminated (i.e., steam generators, reactor components such as control rods and other internals, coolant pumps and seals, valves, piping and instrumentation sensors). I estimate the salvage value of these components to be at least $20-30 million. These components are virtually identical in all Westinghouse Pressurized Water Reactors, many are periodically replaced, and others are useful for replacement in the event of component failures. A resale market for them should exist but it would be severely limited or negated if they are irradiated. In an interview conducted in conjunction with a Vermont proceeding (Vermont Public Service Board, Docket 5132), William B. Derrickson, Vice-President of PSNH stated his estimate of the salvage value of the cancelled Seabrook Unit 2 to be approximately $25 million. (See November 12, 1986 Interview, William B.

Derrickson, p. 74.) It is likely, however, that if these same components were irradiated and/or contaminated by power operation, they would have little or no or perhaps negative salvage value.

15. Additional costs resulting from a decision to perform low power testing are the costs of decontaminating, decommissioning, and disposal of the fuel and portions of the reactor system following a low power testing period in the event that a full power license is not obtained. The cost of necessary removal/disposal/decontamination efforts could be tens of millions of dollars, depending on the specific disposal requirements. Mr. Harrison's September 3, 1987 letter states the belief that the decontamination following low power operation could be accomplished within the "normal budget" of $10-11 million per month. He does not speculate on the number of months that might be required nor whether the "normal" budget could be reduced quickly if that effort were not necessary. Such efforts also carry with them the potential for additional worker radiation exposure. If PSNH is not successful in selling the irradiated fuel to another user, it will also need to be treated as high level radioactive material and would likely ultimately be disposed of as spent fuel. Because of the lengthy time periods during which spent fuel must be isolated from the environment, Federal law has assigned the responsibility for its ultimate disposition to the U.S.

Department of Energy (DOE). 4/ DOE will perform the ultimate disposal of high level waste, but is also required to recover the full cost of disposal from the utility. DOE has published expected costs for the receipt and ultimate disposal of irradiated fuel. These expected costs are currently being collected at a rate of $.001/kwhr of generation for fuel exposed now to be disposed of by DOE in the future. Fuel typically operates at a design exposure

---

4/ Guidelines for the recommendation of nuclear waste sites were enacted in 10 CFR Chapter III, Part 960 on November 30, 1984. These guidelines do not specify precisely the length of time that high level waste must be safeguarded from the environment. The guidelines do, however, give an indication of the time periods required by including numerous statements of "Qualifying" and "Favorable" Conditions such as:

> (b) Favorable Conditions. (1) Site conditions such that the pre-waste-emplacement ground-water travel time along any path of likely radionuclide travel from the disturbed zone to the accessible environment would be more than 10,000 years.
>
> (2) The nature and rates of hydrologic processes operating within the geologic setting during the Quaternary Period would, if continued into the future, not affect or would favorably affect the ability of the geologic repository to isolate the waste during the next 100,000 years.
>
> (Part 960 - General Guidelines For the Recommendation of Sites for Nuclear Waste Repositories, 10 CFR, Chapter III)

Citation of the above guideline is not intended to imply that the Seabrook Site will be required to store the irradiated fuel for the next 10,000 to 100,000 years. It does however, give an indication of the irreversible effects involved in the decision being considered.

of 20,000 MWD (t)/ton. For such fuel, this collection rate is equivalent to approximately $150,000 per ton. DOE has not established a rate for fuel exposed to the lower level associated with the 5% power test operation, but there is no reason to expect that the cost per ton could be negotiated to much below DOE's published rates as DOE is required by law to obtain full cost recovery and the same disposal care would likely be required. Accordingly, the potential cost for disposal by DOE of the 90 tons at Seabrook could be as much as $13,000,000, not counting transportation or possible cost increases. In addition, no disposal facility is planned or expected until after the year 2000, at least 15 years in the future. It would therefore be necessary to store and safeguard the spent fuel on site until that time. Mr. Harrison's September 3, 1987 letter gives an estimate for the onsite storage of the fuel of approximately $700,000 per month. If this estimate is correct, the cost of spent fuel storage and disposal becomes nearly a $140 million obligation. Reactor components removal, handling and disposal would be additionally required. I do not believe the costs would actually be that high, but it is clear they could total tens of millions of dollars.

THERE IS NO PURPOSE SERVED, AND THE BENEFITS PRODUCED BY LOW POWER TESTING ARE OUTWEIGHED BY THE ADVERSE AND IRREVERSIBLE CHANGES IN THE STATUS QUO

16. The essential purpose of a low power license is to test reactor systems which cannot be effectively tested in noncritical conditions. It is necessary to conduct such testing prior to operating the plant at higher power levels (i.e., greater than 5% power). At 5% power, the reactor would barely produce enough steam to spin the turbine and synchronize the generator. Taking into account the station auxiliary power needs, it is not likely that net electric power would be supplied to the grid as a result of the testing, and there would be no displaced oil or fuel cost savings. Instead, power from the grid would be required to run the plant during the tests. Mr. Harrison's September 3, 1987 letter contains as an enclosure Table 1, showing PSNH's estimated incremental costs for low power operation. This Table shows a total cost for electric power for the low power testing of $1.144 million. This seems to verify that no positive electrical power will be produced. Thus, none of the benefits assumed in the NRC's Environmental Impact Statement for Seabrook would be achieved by low power testing; however, as noted, low power operation would result in environmental impacts, such as plant contamination with radioactive material, the likely loss of the resale value of the fuel and other components once they become irradiated, the cost of decontamination, decommissioning and disposal, worker exposure, and last but

not least, the potential commitment of the site to lengthy radioactive waste storage use.

17. Because low power testing standing alone produces no net benefits but does have potential adverse effects, it is my opinion that there is no reason to conduct low power testing just for its sake alone. Rather, low power testing can be rationally justified only in circumstances where there is no substantial doubt that the plant subsequently will operate at higher power levels so that its benefits (i.e., generation of electricity) will be available to offset the adverse effects (fuel irradiation, radioactive contamination, potential worker exposure) which cannot be avoided. In my technical opinion, the optimum time for performing low-power testing of any nuclear reactor is shortly before full-power operational approval is reliably anticipated to be obtained.

Dale G. Bridenbaugh

DALE G. BRIDENBAUGH

Subscribed and sworn to before me on this 29th day of Oct, 1987.

Myrna L. Barry

NOTARY PUBLIC

My Commission expires: 6/24/91

OFFICIAL SEAL
MYRNA L BARRY
NOTARY PUBLIC - CALIFORNIA
SANTA CLARA COUNTY
My comm. expires JUN 24, 1991

ATTACHMENT 1

PROFESSIONAL QUALIFICATIONS OF DALE G. BRIDENBAUGH

PROFESSIONAL QUALIFICATIONS OF DALE G. BRIDENBAUGH

DALE G. BRIDENBAUGH
MHB Technical Associates
1723 Hamilton Avenue
Suite K
San Jose, California 95125
(408) 266-2716

EXPERIENCE:

1976 - PRESENT

President - MHB Technical Associates, San Jose, California

Co-founder and partner of technical consulting firm. Specialists in energy consulting to governmental and other groups interested in evaluation of nuclear plant safety and licensing. Consultant in this capacity to state agencies in California, New York, Illinois, New Jersey, Pennsylvania, Oklahoma and Minnesota and to the Norwegian Nuclear Power Committee, Swedish Nuclear Inspectorate, and various other organizations and environmental groups. Performed extensive safety analysis for Swedish Energy Commission and contributed to the Union of Concerned Scientists's Review of WASH-1400. Consultant to the U.S. NRC - LWR Safety Improvement Program, performed Cost Analysis of Spent Fuel Disposal for the Natural Resources Defense Council, and contributed to the Department of Energy LWR Safety Improvement Program for Sandia Laboratories. Served as expert witness in NRC and state utility commission hearings.

1976 - (FEBRUARY - AUGUST)

Consultant, Project Survival, Palo Alto, California

Volunteer work on Nuclear Safeguards Initiative campaigns in California, Oregon, Washington, Arizona, and Colorado. Numerous presentations on nuclear power and alternative energy options to civic, government, and college groups. Also resource person for public service presentations on radio and television.

1973 - 1976

Manager, Performance Evaluation and Improvement, General Electric Company - Nuclear Energy Division, San Jose, California

Managed seventeen technical and seven clerical personnel with responsibility for establishment and management of systems to monitor and measure Boiling Water Reactor equipment and system operational performance. Integrated General Electric resources in customer plant modifications, coordinated correction of causes of forced outages and of efforts to improve reliability and performance of BWR systems. Also responsible for development of Division Master Performance Improvement Plan as well as for numerous Staff special assignments on long-range studies. Was on special assignment for the management of two different ad hoc projects formed to resolve unique technical problems.

1972 - 1973

Manager, Product Service, General Electric Company - Nuclear Energy Division, San Jose, California

Managed group of twenty-one technical and four clerical personnel. Prime responsibility was to direct interface and liaison personnel involved in corrective actions required under contract warranties. Also in charge of refueling and service planning, performance analysis, and service communication functions supporting all completed commercial nuclear power reactors supplied by General Electric, both domestic and overseas (Spain, Germany, Italy, Japan, India, and Switzerland).

1968 - 1972

Manager, Product Service, General Electric Company - Nuclear Energy Division, San Jose, California

Managed sixteen technical and six clerical personnel with the responsibility for all customer contact, planning and execution of work required after the customer acceptance of department-supplied plants and/or equipment. This included quotation, sale and delivery of spare and renewal parts. Sales volume of parts increased from $1,000,000 in 1968 to over $3,000,000 in 1972.

1966 - 1968

Manager, Complaint and Warranty Service, General Electric Company - Nuclear Energy Division, San Jose, California

Managed group of six persons with the responsibility for customer contacts, planning and execution of work required after customer acceptance of department-supplied plants and/or equipment--both domestic and overseas.

1963 - 1966

Field Engineering Supervisor, General Electric Company, Installation and Service Engineering Department, Los Angeles, California

Supervised approximately eight field representatives with responsibility for General Electric steam and gas turbine installation and maintenance work in Southern California, Arizona, and Southern Nevada. During this period was responsible for the installation of eight different central station steam turbine-generator units, plus much maintenance activity. Work included customer contact, preparation of quotations, and contract negotiations.

1956 - 1963

Field Engineer, General Electric Company, Installation and Service Engineering Department, Chicago, Illinois

Supervised installation and maintenance of steam turbines of all sizes. Supervised crews of from ten to more than one hundred men, depending on the job. Worked primarily with large utilities but had significant work with steel, petroleum and other process industries. Had four years of

experience at construction, startup, trouble-shooting and refueling of the first large-scale commercial nuclear power unit.

1955 - 1956

Engineering Training Program, General Electric Company, Erie, Pennsylvania, and Schenectady, New York

Training assignments in plant facilities design and in steam turbine testing at two General Electric factory locations.

1953 - 1955

United States Army - Ordnance School, Aberdeen, Maryland

Instructor - Heavy Artillery Repair. Taught classroom and shop disassembly of artillery pieces.

1953

Engineering Training Program, General Electric Company, Evendale, Ohio

Training assignment with Aircraft Gas Turbine Department.

EDUCATION & AFFILIATIONS:

BSME - 1953, South Dakota School of Mines and Technology, Rapid City, South Dakota. Upper 1/4 of class.

Professional Nuclear Engineer - California. Certificate No. 0973.

Member - American Nuclear Society

Various Company Training Courses during career including Professional Business Management, Kepner Tregoe Decision Making, Effective Presentation, and numerous technical seminars.

HONORS & AWARDS:

Sigma Tau - Honorary Engineering Fraternity.

General Managers Award, General Electric Company.

PERSONAL DATA:

Born November 20, 1931, Miller, South Dakota
Married, three children
6'2", 190 lbs., health - excellent
Honorable discharge from United States Army
Hobbies: Skiing, hiking.

PUBLICATIONS & TESTIMONY OF DALE G. BRIDENBAUGH:

1. Operating and Maintenance Experience, presented at Twelfth Annual Seminar for Electric Utility Executives, Pebble Beach, California, October 1972, published in General Electric NEDC-10697, December 1972.

2. Maintenance and In-Service Inspection, presented at IAEA Symposium on Experience From Operating and Fueling of Nuclear Power Plants, Bridenbaugh, Lloyd & Turner, Vienna, Austria, October, 1973.

3. Operating and Maintenance Experience, presented at Thirteenth Annual Seminar for Electric Utility Executives, Pebble Beach, California, November 1973, published in General Electric NEDO-20222, January 1974.

4. Improving Plant Availability, presented at Thirteenth Annual Seminar for Electric Utility Executives, Pebble Beach, California, November 1973, published in General Electric NEDO-20222, January, 1974.

5. Application of Plant Outage Experience to Improve Plant Performance, Bridenbaugh and Burdsall, American Power Conference, Chicago, Illinois, April 14, 1974.

6. Nuclear Valve Testing Cuts Cost, Time, Electrical World, October 15, 1974.

7. Testimony of D. G. Bridenbaugh, R. B. Hubbard, and G. C. Minor before the United States Congress, Joint Committee on Atomic Energy, February 18, 1976, Washington, D.C. (Published by the Union of Concerned Scientists, Cambridge, Massachusetts.)

8. Testimony of D. G. Bridenbaugh, R. B. Hubbard, and G. C. Minor to the California State Assembly Committee on Resources, Land Use, and Energy, March 8, 1976.

9. Testimony by D. G. Bridenbaugh before the California Energy commission, entitled, Initiation of Catastrophic Accidents at Diablo Canyon, Hearings on Emergency Planning, Avila Beach, California, November 4, 1976.

10. Testimony by D. G. Bridenbaugh before the U. S. Nuclear Regulatory Commission, subject: Diablo Canyon Nuclear Plant Performance, Atomic Safety and Licensing Board Hearings, in the matter of Pacific Gas and Electric Company, (Diablo Canyon Nuclear Power Plant, Units 1 and 2), Docket Nos. 50-275-OL, 50-323-OL December, 1976.

11. Testimony by D. G. Bridenbaugh before the California Energy Commission, subject: Interim Spent Fuel Storage Considerations, March 10, 1977.

12. Testimony of D. G. Bridenbaugh before the New York State Public Service Commission Siting Board Hearings concerning the Jamesport Nuclear Power Station, subject: Effect of Technical and Safety Deficiencies on Nuclear Plant Cost and Reliability, in the matter of Long Island Lighting Company (Jamesport Nuclear Power Station, Units 1 and 2), Case No. 80003, April, 1977.

13. Testimony by D. G. Bridenbaugh before the California State Energy Commission, subject: Decommissioning of Pressurized Water Reactors, Sundesert Nuclear Plant Hearings, in the matter of San Diego Gas and Electric Company (Notice of Intention to File Application for Certification of Site and Related Facilities), Docket No. 76-NOI-2, June 9, 1977.

14. Testimony by D. G. Bridenbaugh before the California State Energy Commission, subject: Economic Relationships of Decommissioning, Sundesert Nuclear Plant, for the Natural Resources Defense Council, in the matter of San Diego Gas and Electric Company; Notice of Intention to File Application for Certification of Site and Related Facilities, Docket No. 76-NOI-2, July 15, 1977.

15. The Risks of Nuclear Power Reactors: A Review of the NRC Reactor Safety Study WASH-1400, Kendall, Hubbard, Minor & Bridenbaugh, et. al., for the Union of Concerned Scientists, August, 1977.

16. Testimony by D. G. Bridenbaugh before the Vermont State Board of Health, subject: Operation of Vermont Yankee Nuclear Plant and Its Impact on Public Health and Safety, October 6, 1977.

17. Testimony by D. G. Bridenbaugh before the U.S. Nuclear Regulatory Commission, Atomic Safety and Licensing Board, subject: Deficiencies in Safety Evaluation of Non-Seismic Issues, Lack of a Definitive Finding of Safety, Diablo Canyon Nuclear Units, October 18, 1977, Avila Beach, California.

18. Testimony by D. G. Bridenbaugh before the Norwegian Commission on Nuclear Power, subject: Reactor Safety/Risk, October 26, 1977.

19. Swedish Reactor Safety Study: Barsebaack Risk Assessment, MHB Technical Associates, January, 1978. (Published by the Swedisn Department of Industry as Document Dsi 1978:1)

20. Testimony by D. G. Bridenbaugh before the Louisiana State Legislature Committee on Natural Resources, subject: Nuclear Power Plant Deficiencies Impacting on Safety & Reliability, Baton Rouge, Louisiana, February 13, 1978

21. Spent Fuel Disposal Costs, report prepared by D. G. Bridenbaugh for the Natural Resources Defense Council (NRDC), August 31, 1978.

22. Testimony of D. G. Bridenbaugh, G. C. Minor, and R. B. Hubbard before the Atomic Safety and Licensing Board, in the matter of the Black Fox Nuclear Power Station Construction Permit Hearings, September 25, 1978, Tulsa, Oklahoma.

23. Testimony of D. G. Bridenbaugh and R. B. Hubbard before the Louisiana Public Service Commission, Nuclear Plant and Power Generation Costs, November 16, 1978, Baton Rouge, Louisiana.

24. Testimony by D. G. Bridenbaugh before the City Council and Electric Utility Commission of Austin, Texas, Design, Construction, and Operating Experience of Nuclear Generating Facilities, December 5, 1978, Austin, Texas.

25. Testimony by D. G. Bridenbaugh for the Commonwealth of Massachusetts, Department of Public Utilities, Impact of Unresolved Safety Issues, General Deficiencies, and Three Mile Island-Initiated Modifications on Power Generation Cost at the Proposed Pilgrim-2 Nuclear Plant, June 8, 1979.

26. Improving the Safety of LWR Power Plants, MHB Technical Associates, prepared for U.S. Dept. of Energy, Sandia Laboratories, September 28, 1979.

27. BWR Pipe and Nozzle Cracks, MHB Technical Associates, for the Swedish Nuclear Power Inspectorate (SKI), October, 1979.

28. Uncertainty in Nuclear Risk Assessment Methodology. MHB Technical Associates, for the Swedish Nuclear Power Inspectorate (SKI), January 1980.

29. Testimony of D. G. Bridenbaugh and G. C. Minor before the Atomic Safety and Licensing Board, in the matter of Sacramento Municipal Utility District, Rancho Seco Nuclear Generating Station following TMI-2 accident, subject: Operator Training and Human Factors Engineering, for the California Energy Commission, Docket No. 50-312-SP, February 11, 1980.

30. Italian Reactor Safety Study: Caorso Risk Assessment, MHB Technical Associates, for Friends of the Earth, Italy, March, 1980.

31. Decontamination of Krypton-85 from Three Mile Island Nuclear Plant, H. Kendall, R. Pollard, and D. G. Bridenbaugh, et al, The Union of Concerned Scientists, delivered to the Governor of Pennsylvania, May 15, 1980.

32. Testimony by D. G. Bridenbaugh before the New Jersey Board of Public Utilities, on behalf of New Jersey Public Advocate's Office, Division of Rate Counsel, Analysis of 1979 Salem-1 Refueling Outage, in the matter of the Petition of Public Service Electric and Gas Company for approval of an increase in Electric and Gas rates and for changes in the tariffs for Electric and Gas service., P.U.C. N.J. No. 7, Electric, and P.U.C. N.J. No. 5, Gas, Pursuaut to R.S. 48:2-21, August 1980.

33. Minnesota Nuclear Plants Gaseous Emissions Study, MHB Technical Associates, for Minnesota Pollution Control Agency, September, 1980.

34. Position Statement, Proposed Rulemaking on the Storage and Disposal of Nuclear Waste, Joint Cross-Statement of Position of the New England Coalition on Nuclear Pollution and the Natural Resources Defense Council, September, 1980.

35. Testimony by D. G. Bridenbaugh and G. C. Minor, before the New York State Public Service Commission, in the matter of Long Island Light Company Temporary Rate Case, prepared for the Shoreham Opponents Coalition, September 22, 1980, Case No. 27774, Shoreham Nuclear Plant Construction Schedule.

36. Supplemental Testimony by D. G. Bridenbaugh before the New Jersey Board of Public Utilities, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Analysis of 1979 Salem-1 Refueling Outage, in the matter of the Petition of Public Service Electric and Gas Company for approval of an increase in Electric and Gas rates and for changes in the tariffs for Electric and Gas Service, P.U.C. N.J. No. 7, Electric, and P.U.C. N.J. No. 5, Gas, Pursuant to R.S. 48:2-21, Docket No. 794-310, OAL Docket No. PUL-877-79, December, 1980.

37. Testimony by D. G. Bridenbaugh and G. C. Minor, before the New Jersey Board of Public Utilities, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Oyster Creek 1980 Refueling Outage Investigation, in the matter of the Petition of Jersey Central Power and Light Company for approval of an increase in the rates for electrical service and adjustment clause and factors for such service, OAL Docket No. PUC-3518-80, BPU Docket Nos. 804-285, 807-488, February 1981.

38. Economic Assessment: Ownership Interest in Palo Verde Nuclear Station, MHB Technical Associates, for the City of Riverside, September 11, 1981.

39. Testimony of D. G. Bridenbaugh before the Public Utilities Commission of Ohio, in the Matter of the Regulation of the Electric Fuel Component Contained Within the Rate Schedules of the Toledo Edison Company and Related Matters, subject: Davis-Besse Nuclear Power Station 1980-81 Outage Review, Case No. 81-306-EL-EFL November, 1981.

40. Supplemental Testimony of D. G. Bridenbaugh before the Public Utilities Commission of Ohio, in the matter of the Regulation of the Electric Fuel Component Contained within the Rate Schedules of the Toledo Edison Company and Related Matters, subject: Davis-Besse Nuclear Power Station 1980-81 Outage Review, Case No. 81-306-EL-EFL November 1981.

41. Systems Interaction and Single Failure Criterion, Phase 2 Report, MHB Technical Associates for the Swedish Nuclear Power Inspectorate (SKI), January, 1982.

42. Testimony of D. G. Bridenbaugh and G. C. Minor on behalf of Governor Edmund G. Brown Jr., before the Atomic Safety and Licensing Board, regarding Contention 10, Pressurizer Heaters, in the matter of Pacific Gas and Electric Company (Diablo Canyon Nuclear Power Plant, Units 1 and 2), Docket Nos. 50-275-OL 50-323-OL January 11, 1982.

43. Testimony of D. G. Bridenbaugh and G. C. Minor on behalf of Governor Edmund G. Brown Jr., before the Atomic Safety and Licensing Board, regarding Contention 12, Block and Pilot Operated Relief Valves, in the matter of Pacific Gas and Electric Company (Diablo Canyon Nuclear Power Plant, Units 1 and 2), Docket Nos. 50-275-OL 50-323-OL January 11, 1982.

44. Testimony of D. G. Bridenbaugh before the Commonwealth of Massachusetts, Department of Public Utilities, on behalf of the Massachusetts Attorney General, Pilgrim Nuclear Power Station, 1981-82 Outage Investigation, in the matter of Boston Edison Company, DPU Docket No. 1009-F, March 11, 1982.

45. Testimony of D. G. Bridenbaugh before the Pennsylvania Public Utility Commission, on behalf of the Pennsylvania Office of Consumer Advocate, Beaver Valley Outage, March, 1982.

46. Interim testimony of D. G. Bridenbaugh and G. C. Minor before the Atomic Safety and Licensing Board, on behalf of Suffolk County, in the matter of Long Island Lighting Company, Shoreham Nuclear Power Station, Unit 1, regarding Suffolk County Contention 11, Passive Mechanical Valve Failures, Docket No. 50-322-OL April 13, 1982.

47. Testimony of D. G. Bridenbaugh and G. C. Minor before the Atomic Safety and Licensing Board, on behalf of Suffolk County, in the matter of Long Island Lighting Company, Shoreham Nuclear Power Station, Unit 1, regarding Suffolk County Contention 11, Passive Mechanical Valve Failures, Docket No. SD-322-OL April 13, 1982.

48. Testimony of D. G. Bridenbaugh and R. B. Hubbard, in the Matter of Jersey Central Power and Light Company For an Increase in Rates for Electrical Service, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Three Mile Island Units 1 & 2, Cleanup and Modification Programs, DPU Docket Nos. 818-726, 818-736, May, 1982.

49. Testimony of D. G. Bridenbaugh and G. C. Minor on behalf of Suffolk County, before the Atomic Safety and Licensing Board, in the matter of Long Island Lighting Company, Shoreham Nuclear

Power Station, Unit 1, regarding Suffolk County Contention 22, SRV Test Program, Docket No. 50-322-OL, May 25, 1982.

50. Testimony of D. G. Bridenbaugh and G. C. Minor on behalf of Suffolk County, before the Atomic Safety and Licensing Board, in the matter of Long Island Lighting Company, Shoreham Nuclear Power Station, Unit 1, regarding Suffolk County Contention 28(a)(vi) and SOC Contention 7A(6), Reduction of SRV Challenges, Docket No. 50-322-OL, June 14, 1982.

51. Testimony of D. G. Bridenbaugh before the Illinois Commerce Commission, on behalf of the Illinois Attorney General's Office, Expected Lifetimes and Performance of Nuclear Power Plants, in the matter of Commonwealth Edison (Proposed general increase in electric rates), ICC Docket No. 82-0026, June 18, 1982.

52. Testimony of D. G. Bridenbaugh and R. B. Hubbard on behalf of the Ohio Consumers Counsel, before the Public Utilities Commission of Ohio, regarding Construction of Perry Nuclear Generating Unit No. 1, in the matter of the application of the Cleveland Electric Illuminating Company for authority to amend and increase certain of its filed schedules fixing rates and charges for electric service, Case No. 81-1378-EL-AIR, October 7, 1982.

53. Issues Affecting the Viability and Acceptability of Nuclear Power Usage in the United States, prepared by MHB Technical Associates for Congress of the United States, Office of Technology Assessment for use in conjunction with Workshop on Technological and Regulatory Changes in Nuclear Power, December 8 & 9, 1982.

54. Testimony of D. G. Bridenbaugh on behalf of Rockford League of Women Voters, before the Atomic Safety and Licensing Board, in the matter of Commonwealth Edison Company, Byron Station, Units 1 and 2, regarding Contention 22, Steam Generators, Docket Nos. 50-454, 50-455, March 1, 1983.

55. Testimony of G. C. Minor and D. G. Bridenbaugh before the Pennsylvania Public Utility Commission, on behalf of the Office of Consumer Advocate, Regarding the Cost of Constructing the Susquehanna Steam Electric Station, Unit I, Re: Pennsylvania Power and Light, Docket No. R-822169, March 18, 1983.

56. Surrebuttal Testimony of D. G. Bridenbaugh before the Pennsylvania Public Utility Commission, on behalf of the Office of Consumer Advocate, Regarding the Cost of Constructing the Susquehanna Steam Electric Station, Unit I, Re: Pennsylvania Power and Light, Docket No. R-822169, April 20, 1983.

57. Testimony of D. G. Bridenbaugh in the Matter of Public Service Gas & Electric, Base Rate Case, Nuclear Construction Expenditures, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Docket No. 836-620, OAL Docket No. PUC-04930-83, October 13, 1983.

58. Affidavit of D. G. Bridenbaugh, in the Matter of Jersey Central Power and Light, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, TMI Fault Investigation, DPU Docket No. 836-500, November 23, 1983.

59. Testimony of D. G. Bridenbaugh, in the Matter of Public Service Electric & Gas, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, LEAC Investigation, Salem-1 Outages, DPU Docket No. 831-25, December 1, 1983.

60. Rebuttal Testimony of D. G. Bridenbaugh, in the Matter of Public Service Electric & Gas, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, LEAC Investigation, Salem-1 Outages, DPU Docket No. 831-25, January 18, 1984.

61. Testimony of D. G. Bridenbaugh, L. M. Danielson, R. B. Hubbard and G. C. Minor before the State of New York Public Service Commission, PSC Case No. 27563, in the matter of Long Island Lighting Company Proceeding to Investigate the Cost of the Shoreham Nuclear Generating Facility – Phase II, on behalf of County of Suffolk, February 10, 1984.

62. Testimony of D. G. Bridenbaugh, in the Matter of Jersey Central Power & Light Company, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Base Rate Case, Oyster Creek 1983-84 Outage and O&M and Capital Expenditures, OAL Docket No. PUL-00797-84, BPU Docket No. 841-55, May 23, 1984.

63. Direct Testimony of Dale G. Bridenbaugh and Richard B. Hubbard, Before the Illinois Commerce Commission, Illinois Power Company, Clinton Nuclear Station, on its own motion, an investigation to consider a plan for moderating the initial rate increase associated with placing Illinois Power Company's Clinton Unit No. 1 generating station in service, Docket No. 84-0055, available from Illinois Governor's Office of Consumer Services, July 30, 1984.

64. Joint Direct Testimony of Dr. Robert N. Anderson, Professor Stanley G. Christensen, G. Dennis Eley, Dale G. Bridenbaugh and Richard B. Hubbard Regarding Suffolk County's Emergency Diesel Generator Contentions, Before the Atomic Safety and Licensing Board, in the matter of Long Island Lighting Company, Shoreham Nuclear Plant Unit 1, NRC Docket No. 50-322-OL, July 31, 1984.

65. Surrebuttal Testimony of Dale G. Bridenbaugh, Lynn M. Danielson, Richard B. Hubbard, and Gregory C. Minor, Before the New York State Public Service Commission, PSC Case No. 27563, Shoreham Nuclear Station, Long Island Lighting Company, on behalf of Suffolk County and New York State Consumer Protection Board, in the matter of Long Island Lighting Company Proceding to Investigate the cost of the Shoreham Nuclear Generating Facility - Phase II, October 4, 1984.

66. Direct Testimony of Dale G. Bridenbaugh, Lynn M. Danielson and Gregory C. Minor on Behalf of Massachusetts Attorney General, DPU 84-145, Before the Massachusetts Department of Public Utilities, regarding the prudency of expenditures by Fitchburg Gas and Electric Light Company on Seabrook Unit 2, November 23, 1984, 84 pgs.

67. Direct Testimony of Dale G. Bridenbaugh, Richard B. Hubbard and Lynn K. Price on Behalf of Massachusetts Attorney General, DPU 84-152, Before the Massachusetts Department of Public Utilities, regarding the investigation by the Department of the Cost and Schedule of Seabrook Unit 1, December 12, 1984.

68. Direct Testimony of Dale G. Bridenbaugh, Lynn M. Danielson and Gregory C. Minor on Behalf of Maine Public Utilities Commission Staff regarding Seabrook Unit 2, Docket No. 84-113, December 21, 1984.

69. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor Regarding Suffolk County's Emergency Diesel Generator Load Contention, Docket No. 50-322-OL, January 25, 1985.

70. Direct Testimony of Dale G. Bridenbaugh, in the Matter of the Motion of Public Service Electric & Gas, on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, Motion

To Increase The Level of the Levelized Energy Adjustment Clause, Docket No. ER 8501166 and Docket No. 837-620, April 24, 1985.

71. Direct Testimony of Dale G. Bridenbaugh on behalf of the Attorney General of the Commonwealth of Massachusetts, in the Matter of Boston Edison Company DPU 85-1B, A Hearing to Determine Whether Fuel and Purchased Power Costs Associated with the Outage at Pilgrim Nuclear Power Station Which Began on December 10, 1983 and Ended on December 30, 1984 Were Reasonably and Prudently Incurred. May 13, 1985.

72. Direct Testimony of Dale G. Bridenbaugh on behalf of the Residential Ratepayer Consortium, in the Matter of the Application of Consumers Power Company for a Power Supply Cost Reconciliation proceeding for the 12-month period ended December 13, 1984, regarding Palisades Outage Review, Case No. U-7785-R, August 28, 1985.

73. Direct Testimony of Dale G. Bridenbaugh, Lynn M. Danielson, and Gregory C. Minor on behalf of the Department of Public Service, State of Vermont Public Service Board Docket No. 5030, Central Vermont Public Service Corporation, November 11, 1985.

74. Direct Testimony of Dale G. Bridenbaugh on behalf of New Jersey Department of the Public Advocate, in the matter of JCP&L for an increase in rates, Base Rate Case, Oyster Creek O&M and Capital Expenditures, OAL Docket No. 4929-85, BPU Docket No. 8507-698, November 25, 1985.

75. Direct Testimony of Dale G. Bridenbaugh on behalf of New Jersey Department of the Public Advocate, in the matter of JCP&L TMI-Restart - LEAC, Re: TMI-Restart Commercial Operation Standards & Reliability of Service, January 31, 1986.

76. Direct Testimony of Dale G. Bridenbaugh, Gregory C. Minor, Lynn K. Price, and Steven C. Sholly on behalf of State of Connecticut Department of the Public Utility Control Prosecutorial Division and Division of Consumer Counsel in the matter of Connecticut Light and Power Company Retrospective Audit of the Prudence of the Management and Financing of the Construction of Millstone Unit 3, February 18, 1986.

77. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of Massachusetts Attorney General regarding the prudence of expenditures by New England Power Co. on Seabrook Unit 2, Docket Nos. ER 85-646-000, ER 85-647-000, February 21, 1986.

78. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of Massachusetts Attorney General regarding WMECo Construction Prudence for Millstone Unit 3, in the matter of investigation by the department on it own motion as to the priority of the rates and charges set forth in schedules filed with the department Dec. 17, 1985 by Western Massachusetts Electric Co. to become effective Jan. 1, 1986, Docket No. 85-270, March 19, 1986.

79. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of Massachusetts Attorney General regarding WMECo's Commercial Operating Dates and Deferred Capital Additions on Millstone Unit 3, Docket No. 85-270, March 19, 1986.

80. Rebuttal Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of Massachusetts Attorney General regarding New England Power Company's Seabrook 2 Rebuttal, Docket Nos. ER 85-646-001, ER 85-647-001, April 2, 1986.

81. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of State of Maine Staff of Public Utilities Commission regarding Construction Prudence of Millstone Unit 3, in the matter of Maine Power Company Proposed Increase in Rates, Docket No. 85-212, April 21, 1986.

82. Direct Testimony of Dale G. Bridenbaugh and Peter M. Strauss on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, regarding Base Rate Case: In-Service Criteria for Hope Creek, Hope Creek O&M and Decommissioning Costs, and Operating Plant O&M Costs, OAL Docket No. PUL 0231-86, BPU Docket No. ER 85121163, May 19, 1986, 107 pp.

83. Direct Testimony of Dale G. Bridenbaugh on behalf of New Jersey Department of the Public Advocate, Division of Rate Counsel, regarding Base Rate Case: Hope Creek Commercial Operating Date and Criteria, Hope Creek O&M Costs, Operating Life, Capital Additions, and Decommissioning Costs, in the matter of Atlantic City Electric Company increasing its rates for electric service - Phase II, OAL Docket No. PUL 3290-85, BPU Docket No. ER 8504-434, May 27, 1986, 85 pp.

84. Direct Testimony of Dale G. Bridenbaugh, Richard B. Hubbard, and Lynn K. Price on behalf of State of Illinois Office of the Attorney General and Office of Public Counsel, in the matter of Illinois Commerce Commision on its own motion, an investigation to consider a plan for moderating the initial rate increase associated with placing Illinois Power Company's Clinton Unit 1 generating station in service, Docket No. 84-0055, July 9, 1986.

85. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of the Vermont Department of Public Service, regarding Tariff Filing of Central Vermont Public Service Corporation Requesting a 12% Increase in Rates, Docket No. 5132, August 25, 1986.

86. Direct Testimony of Dale G. Bridenbaugh and Richard B. Hubbard on behalf of the Pennsylvania Office of Consumer Advocate, regarding Pennsylvania Public Utility Commission vs. Duquesne Light Company and Pennsylvania Power Company, Docket Nos. R-860378 and R-850267, September 22, 1986.

87. Direct Testimony of Dale G. Bridenbaugh and Richard B. Hubbard on behalf of The Public Parties Committee, Public Utility Commission of Texas, regarding the Evaluation of Costs of River Bend Nuclear Generating Station, in the matter of application of Gulf States Utilities for authority to change rates, Docket Nos. 7195 and 6755, February 23, 1987.

88. Direct Testimony of Dale G. Bridenbaugh on behalf of Maryland People's Counsel, in the matter of the Application of the Baltimore Gas and Electric Company to Adjust Its Electric Fuel Rate Charges, Pursuant to Section 54F of Article 78 of the Annotated Code of Maryland, Case No. 8520-D, April 29, 1987.

89. Direct Testimony of Dale G. Bridenbaugh on behalf of Florida Office of Public Counsel, in regard to Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor (Florida Power Corporation - Crystal River 3), Docket No. 860001-EI-B, June 12, 1987.

90. Direct Testimony of Dale G. Bridenbaugh on behalf of the Residential Ratepayer Consortium, before the Michigan Public Service Commission, in the matter of the Application of Consumers Power Company for a Reconciliation of Power Supply Cost Recovery Costs and Revenues for Calendar Year 1985, Palisades Nuclear Power Plant, Case No. U-8286-R, July 13, 1987.

91. Direct Testimony of Dale G. Bridenbaugh on behalf of the City of El Paso, before the Public Utility Board, in the matter of the Application of the El Paso Electric Company for a Rate Increase in the City of El Paso. Evaluation of Costs of Palo Verde Units 1 and 2, July 15, 1987.

92. Direct Testimony of Dale G. Bridenbaugh on behalf of the City of El Paso, before the Public Utility Commission of Texas, in the matter of the Application of the El Paso Electric Company for Authority to Increase Electric Rates. Evaluation of Operational and Decommissioning Costs of Palo Verde Units 1 and 2. Docket No. 7460, July 29, 1987.

93. Direct Testimony of Dale G. Bridenbaugh and Gregory C. Minor on behalf of Massachusetts Attorney General, before the Federal Energy Regulatory Commission, regarding Canal Electric Company Prudence Related to Seabrook Unit 2 Construction Expenditures. Docket No. ER86-704-001, July 31, 1987.

94. Direct Testimony of Dale G. Bridenbaugh on behalf of Maryland People's Counsel, before the Public Service Commission of Maryland, in the matter of the Application of Delmarva Power & Light Company for Electric Fuel Rate Adjustment, Pursuant to Section 54F of Article 78, of the Annotated Code of Maryland, Case No 8521, Phase II, August 10, 1987, PROPRIETARY.

ATTACHMENT 2

LETTER, NUNZIO J. PALLADINO, NRC, TO

THE HONORABLE EDWARD J. MARKEY

DATED JUNE 15, 1984

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CHAIRMAN

June 15, 1984

The Honorable Edward J. Markey, Chairman
Subcommittee on Oversight and Investigations
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Markey:

Your letter of March 30, 1984 requested an explanation of the risks associated with low power operation at commercial nuclear power reactors. In addition, you raised five specific questions which we have responded to in Attachment 1 to this letter.

With regard to the risks associated with low power operation, Attachment 2 is a Commission paper developed by the staff addressing this issue. As indicated by this paper, the overall conclusion that the staff must reach for fuel loading and low power testing up to 5 percent power, is that there is no undue risk to the health and safety of the public for the limited operations authorized. In practice, the staff has developed analyses that indicate that the risks of 5 percent power operation can be expected to be appreciably less than the risks of 100 percent power operation.

Commissioner Gilinsky did not participate in the preparation of this reply.

We trust that this information is responsive to your concerns.

Sincerely,

Nunzio J. Palladino

Attachments:
As stated

cc: Rep. Ron Marlenee

QUESTION 5: For all reactors licensed since the accident at Three Mile Island, please provide the following (A) the date of issuance of the low power license; (B) the date of initial criticality; (C) the date of 5 percent power operation; (D) the date of issuance of the full power license; (E) the date that power levels of 25 percent or higher were first attained; (F) the date that power levels of 90 percent or higher were first attained; (G) exemptions granted by the NRC to the low power licensee and, (H) exemptions granted by the NRC to the full power licensee.

ANSWER.

The data requested is provided in the attached Table 5.1. We interpreted the date of 5 percent power operation to be the date that this power level was exceeded. Where the plant has not achieved the event listed the symbol N/A has been used.

TABLE 5.1

[illegible]

PLANT	DATE OF RECEIPT LOW POWER LICENSE	DATE OF INITIAL CRITICALITY	DATE OF RECEIPT FULL POWER LICENSE	DATE OF EXCEEDING 5 PERCENT POWER OPERATION	DATE POWER LEVELS OF 75 PERCENT OR HIGHER INITIALLY ATTAINED	DATE POWER LEVELS OF 90 PERCENT OR HIGHER INITIALLY ATTAINED
NORTH ANNA 2	4/11/80	6/12/80	8/21/80	7/23/80	9/16/80	10/12/80 (100%)
SEQUOYAH 1	2/29/80	7/5/80	9/17/80	10/16/80	11/17/80	1/11/81
FARLEY 2	10/23/80	5/8/81*	3/31/81	5/21/81	6/17/81	7/18/81
SALEM 2	4/18/80	8/2/80	5/20/81	6/3/81	6/25/81	8/15/81
McGUIRE 1	1/23/81	8/8/81	7/8/81	9/11/81	9/18/81	1/8/82
SEQUOYAH 2	6/25/81	11/5/81	9/15/81	12/22/81	2/2/82	3/5/82
DIABLO CANYON 1	9/22/81					
[illegible]	11/19/81	N/A	N/A	N/A	N/A	N/A
[illegible]	11/[illegible]/83					
(FUEL LOAD AND LOW-POWER ONLY)						
SAN ONOFRE 2	2/16/82	7/26/82	9/07/82	9/17/82	10/26/82	6/15/83 (100%)
LASALLE 1	4/17/82	[illegible]	8/13/82	8/15/82	9/21/82	8/2/83
GRAND GULF 1	6/16/82	[illegible]	N/A	N/A	N/A	N/A
SUSQUEHANNA 1	7/17/82	9/10/82	11/12/82	11/12/82	11/82	2/15/83 (100%)
SUMMER 1	8/6/82	10/22/82	11/12/82	11/16/82	11/24/82	6/19/83** (100%)
SAN ONOFRE 3	11/15/82	[illegible]	9/16/83	9/16/83	9/25/83	11/17/83 (100%)
McGUIRE 2	3/3/83	[illegible]	5/27/83	5/27/83	8/15/83	2/09/83
ST. LUCIE 2	4/6/83	[illegible]	6/10/83	6/13/83	6/18/83	7/26/83
LASALLE 2	12/16/83	[illegible]	[illegible]	[illegible]	N/A	N/A
WNP-2	12/20/83	[illegible]	4/13/84	N/A	N/A	N/A
SUSQUEHANNA 2	3/23/84	N/A	N/A	N/A	N/A	N/A

*FARLEY 2 DID NOT ACHIEVE INITIAL CRITICALITY UNTIL AFTER FULL POWER LICENSE DATE OF 3/31/81.
**[illegible]

STATE OF VERMONT

PUBLIC SERVICE BOARD

IN RE: Tariff Filing Of Central Vermont Public Service Corporation Requesting A 12 Percent Increase In Rates To Take Effect June 2, 1986.	:	Docket No. 5132

INTERVIEW WITH: WILLIAM B. DERRICKSON

- - - -

Seabrook Station
New Hampshire Yankee
General Office Building
Seabrook, New Hampshire
Wednesday, November 12, 1986
10:07 a.m.

TAMMIE J. TISCHLER
CERTIFIED SHORTHAND REPORTER
REGISTERED PROFESSIONAL REPORTER

P.O. Box 571
Exeter, N.H. 03833

(603) 778-7470 or
1-800-527-3311

PRESENT:

M.H.B. Technical Associates
Gregory C. Minor, Vice President and
Judith R. Lieberman, Associate Consultant
1723 Hamilton Avenue, Suite K
San Jose, California 95125

Cahill, Gordon & Reindel
(by Thomas R. Jones, Esquire)
80 Pine Street
New York, New York 10005;
for Public Service Company of New Hampshire.

Downs, Rachlin & Martin
(by Elizabeth B. Mullikin, Esquire)
100 Dorset Street, Suite 1
P.O. Box 190
Burlington, Vermont 05402-0190;
for Central Vermont Public Service Corporation.

Department of Public Service
(by Christopher Micciche, Special Counsel)
120 State Street
Montpelier, Vermont 05602

Swidler & Berlin (by Andrew Weissman, Esquire)
1000 Thomas Jefferson Street, NW
Washington, D.C. 20007;
for C.V.P.S.C.

I N D E X
- - - - -

P R O C E E D I N G S

EXAMINATION

BY MR. MINOR:

Q This is not a deposition. I guess I should start by saying that. Just for the usual pattern of these type of things, I will introduce myself. I am Greg Minor of M.H.B. To my right is Judy Lieberman, also of M.H.B.; Chris Micciche of the Department of Public Services in Vermont.

And we are here, Mr. Derrickson, to ask you some questions about the project; and I understand you have schedule restraints; and I appreciate your being here today.

I would like to just go back and start, if you would, by telling me your first association with this project and whether that was as a consultant to Florida Power and Light or direct involvement with the position at New Hampshire Yankee.

A Okay. We did have an involvement at Florida Power and Light Company with respect to Public Service to send some people up here to provide some assistance to Public Service in 1983, I believe, and we did

uniquely cut and bent for this plant. Structural steel is the same way, uniquely cut, specific connections out here. You would have to design a building around that structural steel. I don't think we are going to find too many people excited to do that. I think moisture separators, reheaters, simply because not that many plants are being built. They have copper nickel tubes, and I don't think there is much of a market for those.

Other components we are going to have to look at on a case-by-case basis. Original large motors for replacement, and we will go to and make an attempt to see what we can do in those areas. Other than that, I don't know. We haven't looked at that. We have to get a team together to really go out and catalog model, make and see if we can find a match up around the country someplace.

Q Is it viable to sell the Model F steam generators as a replacement part unit?

A There are two uses for them. One would be a complete steam generator change out in another facility that could use them. Another would be a lot of utilities are putting training facilities in

where they are taking the tube section, the tube sheet section and using it to practice any current testing and tube plugging. We may be able to do something like that. I don't know. We will work on it. If that is the marching orders, that is what we will do.

Q Have you made any estimate of salvage values?

A I think the guys did. I think they are looking at $26 million. I say 25 plus or minus. That is for scrap and for what they thought they could sell intact, which is a lot.

Again, we are competing with Marble Hill's exact nuclear steam system, so we are competing with someone else's parts. I have been around the country, and I found Marble Hill all over the country. So it's quite interesting.

MR. MINOR: Thank you very much for coming in, Mr. Derrickson.

(Whereupon, at 11:50 a.m., the interview was adjourned.)

C E R T I F I C A T E

STATE OF NEW HAMPSHIRE

I, Marianne Kusa-Ryll, Registered Professional Reporter, do hereby certify the foregoing to be a true copy of the interview of WILLIAM B. DERRICKSON, held at the New Hampshire Yankee General Office Building, Seabrook, New Hampshire, on Wednesday, November 12, 1986.

Marianne Kusa-Ryll

Marianne Kusa-Ryll, CSR, RPR

ATTACHMENT 3

SEABROOK FUEL VALUE DERIVATION

ATTACHMENT 3

SEABROOK FUEL VALUE DERIVATION

Assumptions:

Uranium content of core: 90 metric tonnes
Average thermal output of initial core: 12,000 MWt-days/tonne
Thermal efficiency of plant: 31%
Fuel cycle cost increment: $10/MW hr
Fuel disposal cost included in fuel cycle cost: $1/MW hr

$$12{,}000 \ \frac{\text{MWtD}}{\text{T}} \times 90 \text{ T} \times \frac{24 \text{ Hr}}{\text{D}} \times 0.31 \ \frac{\text{MWe}}{\text{MWt}} = 8.035 \times 10^6 \text{ MW hrs}$$

8.035×10^6 MW hrs X $9.00/MW hr = $72.3 million

12,000 MWt days/Tonne could vary substantially up or down.
Round to $50-80 million.

Note: Eastern Utilities Associates letter of February 18, 1987 to the Honorable Lawrence R. Alexander estimated the (market) value of the core at $5-23 million. The letter contained no basis for this number. It would appear to be an estimate of resale rather than replacement value.

APPENDIX XI

UNITED STATES BANKRTUPCY COURT
FOR THE
DISTRICT OF NEW HAMPSHIRE

In re:	
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE a/k/a PUBLIC SERVICE OF NEW HAMPSHIRE, PSNH, NEW HAMPSHIRE YANKEE,	Chapter 11 No. BK-88-043
DEBTOR	

MOTION BY OFFICIAL UNSECURED CREDITORS COMMITTEE TO CONTINUE HEARING ON REQUEST FOR RULE 2004 FOR EXAMINATION

NOW COMES, the Official Unsecured Creditors Committee (the "Committee"), by its attorneys pro tempore, Deasy & Dwyer P.A., and hereby moves that the hearing on the "Motion for Examination of Debtor under Bankruptcy Rule 2004" filed by First Fidelity Bank, National Association (the "Motion"), scheduled for Friday, February 12, 1988 at 10:00 a.m. be continued to a date no earlier than Thursday, February 18, 1988 at 2:00 p.m. In support of this Motion, the Committee alleges and represents as follows:

1. The Committee was appointed by and held its first meeting with Virginia Greiman, United States Trustee, on Wednesday afternoon, February 10, 1988. At that time, the United States Trustee advised the Committee of hearings currently scheduled before the Court, including the hearing which is the subject of this Motion.

2. Subsequent to this meeting with the United States Trustee, the Committee elected co-chairmen, appointed Deasy & Dwyer P.A. as counsel pro tempore and scheduled an organizational meeting for Tuesday, February 16, 1988 at which time the Committee intends inter alia, to interview and select counsel for the Committee, subject to approval of this Court.

3. The Motion is an attempt to commence discovery from the debtor regarding its ownership interest in Seabrook Station and its continuing financial obligations with respect to that ownership interest.

4. Since the debtor's investment in Seabrook Station may represent a majority of the debtor's assets, the conduct of any such investigation, its impact on the debtor in the early stages of this proceeding, as well as its impact on the ability of the Committee to meet its responsibilities under Section 1103(c) of the Bankruptcy Code, are matters of concern to the Committee.

5. The Committee cannot properly appear and be represented at the hearing scheduled for February 12, 1988.

WHEREFORE, the Committee respectfully requests that this Court:

A. Continue the hearing on the Motion, currently scheduled for 10:00 a.m. on February 12, 1988, for a reasonable period of time in order to allow the Committee to organize and obtain counsel, so that it may properly appear and be represented at any such hearing, with such hearing being scheduled no earlier than Thursday, February 18, 1988 at 2:00 p.m.; and

B. For such other and further relief as may be equitable and just.

Respectfully submitted,

Official Unsecured Creditor's Committee
By Its Attorneys, pro tempore
Deasy & Dwyer P.A.

DATED: February 11, 1988

By: _____
J. Michael Deasy, Esquire
Richard C. Gagliuso, Esquire
Deasy & Dwyer P.A.
60 Main Street
Nashua, New Hampshire 03060
(603) 595-9700

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion has this date been forwarded to the parties on the attached service list.

DATED: February 11, 1988

By: _____
J. Michael Deasy, Esquire

Denied by Vacca, J.

L0191

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF NEW HAMPSHIRE

In re:	
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE a/k/a PUBLIC SERVICE OF NEW HAMPSHIRE, PSNH, NEW HAMPSHIRE YANKEE, Debtor	Chapter 11 Case No. BK-88-043-JEY

AFFIDAVIT OF ROBERT J. HARRISON

ROBERT J. HARRISON, being duly sworn, deposes and says:

1. I have been employed by Public Service of New Hampshire, Debtor-in-Possession ("Debtor"), since 1957 and have been its President and Chief Executive Officer since 1983.

2. I make this affidavit in opposition to the motion of First Fidelity Bank, National Association, New Jersey ("First Fidelity") to conduct discovery pursuant to Bankruptcy Rule 2004.

3. I am informed and believe that First Fidelity seeks leave to depose me, along with Debtor's Chief Financial Officer, Charles E. Bayless, and other of Debtor's officers and employees generally concerning Debtor's investment in Seabrook Station, Unit 1, an 1100-megawatt nuclear powered electric generating facility in Seabrook, New Hampshire

("Seabrook"). Our schedules simply do not permit such examination at this time.

4. My efforts and that of those under my direct supervision have been devoted since Debtor's Chapter 11 filing primarily to organizing Debtor to continue delivering essential services to our consumers, as well as selecting and consulting with professionals concerning the complex financial and legal issues Debtor faces in this reorganization proceeding. Taking time out of our hectic schedules to respond to First Fidelity's questions at this time would severely impede Debtor's reorganization efforts.

5. Over the coming weeks and months, we anticipate focusing our efforts on developing a plan of reorganization that we hope will be satisfactory to all parties in interest to this proceeding.

6. I would anticipate that in the course of this effort I and others representing Debtor will consult with First Fidelity and/or other representatives of secured and unsecured creditors, as well as equity holders, in our efforts to develop a consensual plan. I would expect that discussions with them would include questions concerning Debtor's investment in Seabrook, an issue Debtor recognizes is central to these proceedings.

7. Debtor is the lead owner of Seabrook, holding a 35.6% share. This investment is carried at $2.1 billion on

Debtor's books, and represents approximately 70% of Debtor's total assets. Debtor's New Hampshire Yankee Division has been vested with the responsibility for the current maintenance and upkeep of Seabrook. That division employs approximately 800 full-time workers.

8. The rights and duties of Seabrook's joint owners with respect to the project are governed by a Joint Ownership Agreement, as amended, which among other things provides for the joint owners to make regular monthly payments for pre-commercial capital, operational and other expenses for maintenance and upkeep of the plant, proportioned to their individual ownership interests. Debtor has been making these regular monthly payments since construction was completed in October, 1986. Seabrook is awaiting receipt of applicable licenses from the United States Nuclear Regulatory Commission to begin operation. Debtor's regular monthly payments totaled $51.522 million in 1987 and have totaled $11.190 million in January and February, 1988. Debtor has no present plans to stop future monthly payments. The funds provided on a monthly basis for the joint owners are used to meet payroll, miscellaneous materials and fuel purchases, emergency planning expenses, taxes (when due), utilities and governmental and regulatory fees. No construction costs are being or are to be funded.

9. Debtor has already publicly disclosed the extent of the cost of its continuing investment in Seabrook and the possible effect on Debtor. Debtor estimated in September, 1987, for example, that Debtor's pre-operational cash expenditures for Seabrook would be $4 million per month. It is not currently anticipated that future expenditures will vary materially from that amount for the next several months.

10. Debtor has publicly disclosed its Seabrook-related cash requirements and its views on matters related to Seabrook licensing. Debtor's views on these issues are well known to First Fidelity and those it represents. Pursuant to a trust indenture, dated February 15, 1986, between Debtor and First Fidelity, First Fidelity is trustee for holders of Debtor's 13 3/4% Deferred Interest Third Mortgage Bonds, Series A, due 1996 ("Third Mortgage Bonds"). Upon information and belief, First Fidelity's actions are being directed by a group led by Consolidated Utilities & Communications, Inc. ("CUC"). CUC claims to "control" the largest bloc of Third Mortgage Bonds of Debtor and, in total, to "control" $175 million principal amount of indebtedness of Debtor.

11. CUC and Fidelity Trust already have made up their minds about how to reorganize Debtor, including how to dispose of Debtor's Seabrook investment. Their agenda is reflected in CUC's Reorganization Plan, transmitted to Debtor

and each of its directors under cover of an October 6, 1987 letter from CUC's Chairman. A copy of the letter and Reorganization Plan is attached hereto as Exhibit A. Moreover, it should be noted that Debtor and CUC are currently engaged in litigation in the United States District Court for the District of New Hampshire commenced by Debtor seeking injunctive relief and damages for CUC's alleged violation of federal securities laws in connection with solicitation of proxies relating to competing reorganization plans proposed by Debtor and CUC. A preliminary injunction was entered on December 11, 1987 barring CUC from continuing to solicit proxies without first complying with the requirements of the federal proxy laws. In that litigation, CUC is seeking to take my deposition, as well as that of Mr. Bayless. It also has sought discovery of documents.

12. CUC's Reorganization Plan would place Debtor's Seabrook investment in a separate corporation, to be 80% owned by Debtor's unsecured creditors and 20% by holders of Debtor's preferred and common shares. The entity holding Debtor's non-Seabrook assets would be owned approximately 90% by owners of the Third Mortgage Bonds, and approximately 10% by all Debtor's unsecured creditors combined, a group that includes holders of $700 million principal amount of debentures, in addition to certain unsecured short term and trade debt. CUC's plan would eliminate all existing debt

obligations other than $455 million principal amount senior to, or on a par with, the Third Mortgage Bonds.

13. The Seabrook project, which dates to 1972, has generated massive documentation. I am informed that much, if not all, of this documentation appears to be called for by First Fidelity's document request, and that the request seeks all documents "relating to the Debtor's financial affairs," which literally interpreted could cover financial records dating to the company's founding in 1926. It would require an enormous effort by Debtor's employees and attorneys to locate and review the documents apparently within the scope of First Fidelity's request. This effort would take away resources that could otherwise be devoted to Debtor's reorganization effort at this time.

Signed under the pains and penalties of perjury this 10th day of February, 1988.

Robert J. Harrison
President and Chief Executive Officer
Public Service Company of New Hampshire, Debtor-in-Possession

County of Hillsborough
State of New Hampshire ss.

Sworn to before me this 10th day of February, 1988.

Notary Public
My Commission expires June 26, 1990

EXHIBIT A

OCT - 8 1987 by Federal Express

CONSOLIDATED UTILITIES AND COMMUNICATIONS, INC

October 6, 1987

Robert J. Harrison
President
Public Service Company of New Hampshire
1000 Elm Street
P.O. Box 330
Manchester, New Hampshire 03105

Dear Bob:

Enclosed is a copy of the CUC Reorganization Plan for Public Service Company of New Hampshire. Since it is our firm belief that it is the only reorganization scenario that has any prospect of being consummated -- aside from an uncontrolled Chapter 11 -- we are also sending a copy of the CUC Reorganization Plan to each member of the PSNH Board of Directors for his or her study and consideration. This plan has to be the basis for the negotiation of a consensual plan of reorganization if the draconian consequences of an uncontrolled Chapter 11 proceeding are to be avoided.

CUC controls approximately $175 million principal amount of PSNH secured debt. CUC representatives would like to meet with the PSNH Board of Directors to discuss the current situation in PSNH and the CUC Reorganization Plan. I would appreciate it if you could make arrangements so that we can attend a meeting of the Board to be held anytime during the month of October.

I'll phone you early next week.

Sincerely yours,

Martin J. Whitman
Chairman of the Board

MJW:mkc
Encls.

cc: Hilary P. Cleveland
George A. Dorr, Jr.
John C. Duffett
Philip S. Dunlap
Fred B. Roedel
Philip B. Ryan
William J. Scharffenberger
John T. Schiffman
William M. Scranton
Edward M. Shapiro
William C. Tallman
Hugh C. Tuttle

595 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 310-1502

CONSOLIDATED UTILITIES AND COMMUNICATIONS, INC.

October 6, 1987

CUC REORGANIZATION PLAN

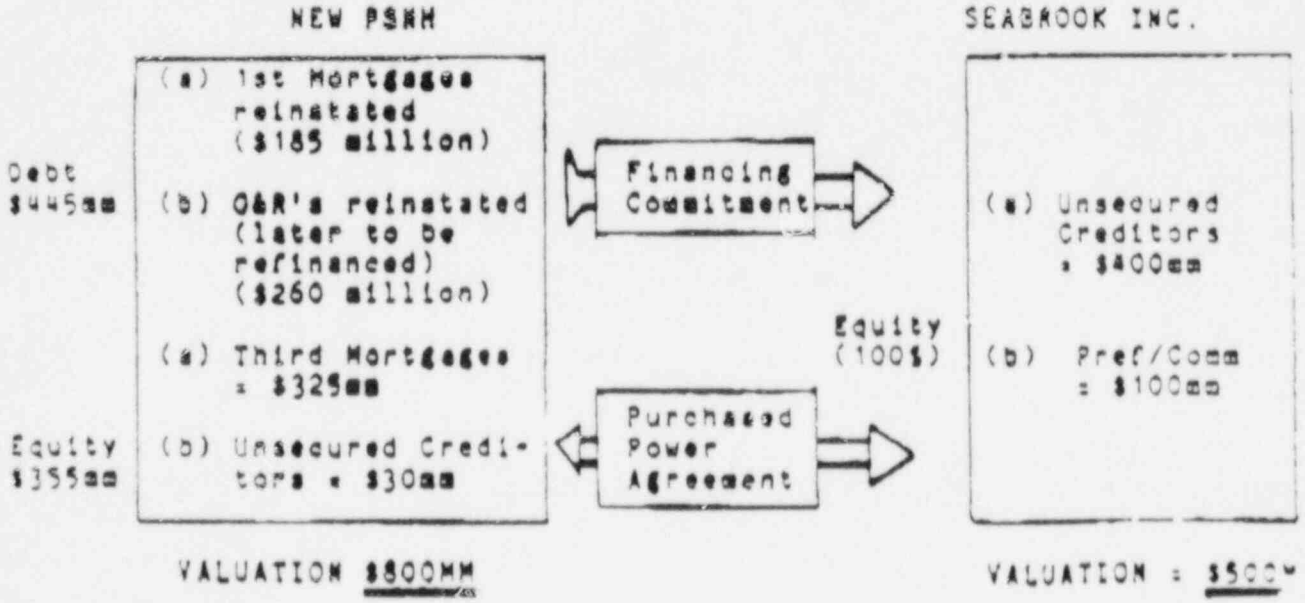
Consolidated Utilities and Communications, Inc. ("CUC") controls approximately $175 million principal amount of Public Service of New Hampshire ("PSNH") mortgage debt consisting of PSNH General and Refunding Mortgage Debt ("G & R's") and PSNH Third Mortgage Debt ("Third"). In light of PSNH's dire financial straits, as articulated in the New Hampshire Public Utility Commission ("PUC") hearings held in September and October of 1987, and upon review of PSNH's proposed solution to its problems, as set forth in an S-4 filed with the SEC on September 18, 1987, CUC has adopted the following positions: (a) The Exchange Offer set forth in the S-4 is, for myriad reasons, unworkable and will be vigorously resisted by CUC in every available forum and (b) the CUC Reorganization Plan ("The Plan") as set forth below, provides a permanent solution to the PSNH problems while addressing the broad range of concerns of PSNH's many constituencies.

1. Structure of the Plan.

1.1. Base Rate Freeze. PSNH will enter into an agreement with the PUC providing for no base rate changes through December 1990. Rates would be adjusted, where appropriate, for fuel adjustments and purchased power agreements.

1.2. Seabrook Inc. The Plan calls for the PSNH interest in Seabrook to be separated from PSNH into a new corporation ("Seabrook Inc.")

1.3. Schematic Structure.



505 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 310-1502

1.4. Purchased Power Agreement. PSNH will enter into a long-term purchased power agreement with Seabrook Inc. Prices for such power will initially reflect the 3-year rate freeze until December 31, 1990 and thereafter be derived from a percentage return on the reduced value of Seabrook or market prices for long-term energy estimated today to be approximately 5-1/2 cents per kilowatt in the year to end December 31, 1991.

1.5. Financing Obligation/Rights Offering. The New PSNH will be in a position to fund all its necessary and desirable capital expenditure and to provide financing to Seabrook Inc. to the extent required under the agreement with the joint owners of Seabrook ("Joint Owners Agreement") in order to complete the licensing and operation of Seabrook as soon as possible. The financing obligations will be met in part by access to capital markets and in part by a combination of (a) PSNH cash flows (encumbered now by $44 million of debt service down from the current $230 million) and and (b) a $100 million Rights Offering (the "Rights Offering"). The Rights Offering which will be available to Third Mortgage holders and unsecured creditors will offer subscribers a strip of a new issue of Third Mortgage debt in PSNH and a strip of a new issue of common stock in PSNH. CUC will agree to stand-by for the entire $100 million.

1.6. The New PSNH. Upon consummation of the Plan, the new PSNH emerges with a reasonable capitalization ($800 million), a 1.2::1 debt/equity ratio, annual operating income before income taxes between $125 and $150 million, debt service of $44 million, Seabrook obligations of $48 million in 1988 (declining thereafter) and approximately $75 million annually in non-Seabrook capital expenditures. As such, PSNH becomes an able competitor in the New England utilities market and, importantly, the historic PSNH problems are not postponed but ended.

1.7. Seabrook Inc. Under the Plan, Seabrook is capitalized at $500 million and has liabilities limited to future borrowings from PSNH. Once Seabrook comes on line, Seabrook Inc.'s Purchased Power Agreement with PSNH becomes a valuable and financeable asset. Further, Seabrook Inc. is positioned to be flexible enough to sell a significant portion of its power at market prices and to diversify as its management may direct. With Seabrook operational, the holders of the Seabrook Inc. common stock have an opportunity to realize substantial gain and to own the common stock of a company with substantial dividend paying ability.

585 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 310-1602

2. Objectives of the Plan.

2.1. A Permanent Solution. PSNH has historically dealt with the spiraling Seabrook costs by ever larger and ever more frequent trips to the capital markets. But as costs have continued to escalate and the Seabrook in-service date has continued to slip, each crisis has spawned only a temporary solution. The current S-4 only postpones the next financial crisis to 1990 or 1991 in the best of scenarios. The Plan is designed to afford a one time permanent solution.

2.2. Reduced Capitalization. At the heart of the Plan is a reduction in the PSNH/Seabrook capitalization to levels commensurate with economic reality. In essence the Plan de-leverages PSNH.

2.3. Importance of Seabrook. Both PSNH and CUC have acknowledged that under PSNH's S-4 or the Plan unless Seabrook comes into service the interests of the unsecured creditors together with the preferred and common shareholders will be worthless. The Plan is designed to divorce Seabrook from PSNH's financial problems.

2.4. Creation of Two Viable Companies. The Plan creates two healthy companies, New PSNH and Seabrook, Inc., each of which will be well-capitalized and have the ability, by providing competitively priced power, to take advantage of the growth opportunities that New Hampshire and New England are projected to present in the years ahead.

2.5. Fairness to All Security Holders. The Plan gives effect to the principles that govern the Federal Bankruptcy Act, most notably the "Rule of Absolute Priority". However, the Plan contemplates that the reorganization can take place through a voluntary reorganization rather than seeking relief through the Federal Bankruptcy Act. The Plan respects the rank of each class of security and allocates to each that to which it would be entitled in a Chapter 11 Bankruptcy, except that values are preserved for each class of security holder, even PSNH common stock.

2.6. Achievability. Because of its broad base of natural constituencies, the Plan, if adopted by management, can be implemented on an aggressive timetable which would comport with PSNH's cash flow demands.

2.7. Avoidance of an Uncontrolled Chapter 11 Bankruptcy. An uncontrolled and prolonged Chapter 11 bankruptcy probably would devastate the unsecured creditors and unquestionably would devastate the preferred and common stockholders. It

505 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 310-1502

also would create considerable uncertainties for significant constituencies, including New Hampshire ratepayers and the Joint Owners. It would also jeopardize the future of Seabrook.

2.8. Risk and Reward. The Plan places the risk of further delays in the operation of Seabrook on those who have been rewarded by high interest rates on their financings, namely the unsecured creditors. The Plan also allocates the benefits of a fully operational Seabrook to that group. Shifting the risks of Seabrook to the New Hampshire citizenry by ever-escalating rates defies the risk/reward principles upon which a free market economy is based in addition to being fundamentally wrong.

2.9. No Disruption of Service. The Plan, in contrast to recent PSNH public statements, contemplates no disruption of service to any ratepayer.

2.10. Continuation of Non-Seabrook Capital Expenditures. The Plan provides for the continued financing of all non-Seabrook capital projects as well as financing for Seabrook itself.

3. Implementation of the Plan.

3.1. Withdrawal of the S-4. PSNH should immediately withdraw the S-4 which it has filed with the SEC.

3.2. Withdrawal of the Statutory Challenge. PSNH has appealed to the Supreme Court of New Hampshire to declare the State's Anti-CWIP statute unconstitutional. This lawsuit should be immediately discontinued as a rate increase is no longer necessary.

3.3. Adoption of the Plan. PSNH, its principal officers and directors, and its financial advisors (Merrill Lynch and Drexel Burnham) should immediately adopt the Plan as their own and aggressively promote its consummation.

3.4. Solicitation of Consents. At the same time as it is soliciting voluntary exchanges, PSNH will also solicit consents to the Plan as a reorganization Plan under Chapter 11 of the Bankruptcy Code. If the requisite super majorities are not obtained on the voluntary exchange but sufficient numbers are received to confirm a Chapter 11 reorganization plan (2/3 in amount and a majority in number) then the voluntary exchange will be abandoned and a Chapter 11 petition will be filed. The consents to the reorganization plan are then immediately filed and PSNH will move toward confirmation and an exit from Chapter 11.

585 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 310-1508

4. The Plan and its Various Constituencies.

4.1. New Hampshire Ratepayers. The Plan is squarely within the interest of ratepayers due to (a) the proposed 3-year rate freeze and (b) the rationalization of the capitalization of PSNH which reduces the likelihood of substantial increases in the future. The Plan should eliminate further defections of major customers as PSNH has experienced this past year.

4.2. Joint Owners. The Plan divorces the licensing process from the financial problems of PSNH. The interests of the Joint Owners are further served by PSNH honoring its obligations under the Joint Owners Agreement to provide financing to Seabrook Inc. for all expenses prior to the achievement of commercial service.

4.3. New Hampshire Public Officials. By protecting the interests of the New Hampshire citizens, and by providing a long-term solution to the PSNH problems, CUC is hopeful that the Plan will appeal both to elected officials and to the members of the PUC.

4.4. Isolation of Nuclear Issues. There is a long history of challenge by anti-nuclear groups to the Seabrook installation. The separation of PSNH and Seabrook isolates the focus of such challenges to the plant itself and eliminates the ability of anti-nuclear forces to intervene in rate-making and other non-Seabrook PSNH matters. As such, the ability of the courts expeditiously to resolve specific issues related to Seabrook should be enhanced.

4.5. Security Holders. Finally, the Plan presents each class of debt and equity security holders with an opportunity to survive and prosper.

4.6. The State of New Hampshire. For the past 10 years the State of New Hampshire has been beleaguered by the ever worsening condition of its principal utility. Implementation of the Plan ends one chapter and begins another.

595 MADISON AVENUE, NEW YORK, NEW YORK 10022 • TELEPHONE (212) 319-7600

APPENDIX XIII

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF NEW HAMPSHIRE

In re:	
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE a/k/a/ PUBLIC SERVICE OF NEW HAMPSHIRE, PSNH, NEW HAMPSHIRE YANKEE, DEBTOR	Chapter 11 Case No. BK-88-043-JEY

MOTION FOR EXAMINATION OF DEBTOR UNDER BANKRUPTCY RULE 2004

NOW COMES, First Fidelity Bank, National Association, New Jersey ("Movant"), by its attorneys, WIGGIN & NOURIE, and hereby moves that an order be entered compelling the Debtor, Public Service Company of New Hampshire, to appear for an examination by the Movant, pursuant to Bankruptcy Rule 2004, on the following grounds:

1. On Thursday, January 28, 1988, Public Service Company of New Hampshire (the "Debtor") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor is acting as Debtor in Possession of Debtor's estate.

2. No creditors committee has been formed in this case as of the date of this Motion and a meeting of creditors pursuant to 11 U.S.C. Section 341 has not yet been held.

3. The Debtor has not yet filed complete schedules or statements of affairs.

4. The Debtor has announced that it intends to make a $3,000,000.00 payment (the "Seabrook Payment") on or about Wednesday, February 3, 1988 to Yankee Atomic or other persons or entities in control of, managing, or otherwise operating the nuclear power plant known as Seabrook Station in Seabrook, New Hampshire. The Debtor has stated that the aforesaid $3,000,000.00 payment is a "maintenance" payment relative to the Debtor's 35.6% ownership interest in Seabrook Station (the "Seabrook Investment").

5. On information and belief, the Debtor has asserted that the aforesaid Seabrook Payment is a payment in the ordinary course of Debtor's business.

6. On information and belief, the Debtor's investment in Seabrook Station is a major contributing factor to the Debtor's bankruptcy.

7. On information and belief, the Debtor's continued investment in and payment to or on account of the Seabrook Investment and Seabrook Station may not be in the ordinary course of Debtor's business and may not be in the best interest of the Debtor, the estate, Debtor's creditors or the effective reorganization of Debtor.

8. The Movant seeks to examine the Debtor under oath, and to transcribe its testimony by means of stenographic record

relative to the proposed Seabrook Payment and continuing payments due on account of the Seabrook Investment.

9. The Movant also wishes to examine all documents in the Debtor's possession or control containing information related to the Debtor's financial affairs, specifically but not limited to, the Debtor's continuing investment in Seabrook Station, the schedule of future payments on account of the Seabrook Investment, the effect of the Seabrook Payment and future payments on the Debtor's cash flow, Debtor's assets and Debtor's ability to conduct its business and ability to reorganize; the effect of non-payment of the Seabrook Payment and non-payment of future scheduled payments on the Seabrook Investment; and the effect of the existing and further investment by the Debtor in Seabrook Station.

10. On information and belief, the next scheduled Seabrook Payment is due from the Debtor within thirty (30) days of the February 3 Seabrook Payment.

11. On information and belief, some portion of the Seabrook Payment may be on account of pre-petition expenses and pre-petition claims.

12. In order to review and examine the details of the Seabrook Payment and the effect of the Seabrook Payment and the Seabrook Investment on Debtor and the Debtor's estate, without delaying or jeopardizing the intended Seabrook Payment prior to a

full examination of or determination of its effect on the Debtor, the estate and the reorganization of the Debtor's business, it is in the best interest of the Debtor, the estate and the creditors to exam the Debtor as requested herein as soon as possible.

WHEREFORE, First Fidelity Bank, National Association, New Jersey, your Movant, respectfully requests that this Court grant the following relief:

A. Direct the Debtor, including its Chief Executive Officer, Chief Financial Officer, and such other officers, employees, representatives and agents as have knowledge of the Seabrook Payment and Seabrook Investment, to appear one (1) week after production of documents before a notary or some other person qualified to administer an oath at the law offices of Movant's counsel, Wiggin & Nourie, in Manchester, New Hampshire, and to submit to an examination by the Movant's, pursuant to Bankruptcy Rule 2004;

B. Authorize the Movant to transcribe the Debtor's testimony at said examinations by means of stenographic records;

C. Direct the Debtor, its Chief Executive Officer, Chief Financial Officer and other officers, employees representatives and agents as have knowledge of the Seabrook Payment and Seabrook Investment, to produce within ten (10) days for examination and copying by the Movant all documents in their possession containing information relating to the Debtor's

financial affairs, the Seabrook Payment and the Seabrook Investment, including but not limited to the documents set forth in the attached schedule of documents to be produced;

D. Grant such other and further relief as this Court deems just and equitable.

Respectfully submitted,
FIRST FIDELITY BANK,
NATIONAL ASSOCIATION,
NEW JERSEY

By its attorneys,
WIGGIN & NOURIE

Date: FEB. 3'98

By: _____
Anthony C. Marts
Arnold Rosenblatt
Franklin & Market Streets
P.O. Box 808
Manchester, NH 03105
(603) 669-2211

I hereby certify that a copy of the within Motion for Examination of Debtor Under Bankruptcy Rule 2004 has this date been forwarded to Debtor's counsel, the Office of the U.S. Trustee, and the attached Service List.

Date: FEB. 3'98

By: _____
Anthony C. Marts, Esq.

SCHEDULE A (DOCUMENTS TO BE PRODUCED)

Movant, First Fidelity Bank, National Association, New Jersey, requests that Debtor produce the following documents within ten days of the signing of the Bankruptcy Rule 2004 Order by this Court at the offices of the undersigned, and permit Movant and its attorneys or other persons acting on their behalf to inspect and copy said documents.

DEFINITIONS AND INSTRUCTIONS

In connection with this request for production of documents:

A. "Document" shall mean any material, whether typed, handwritten, printed or otherwise recorded, all tangible things from which information can be processed or transcribed, notes reflecting telephone conversations, and all other date compilations from which information can be obtained or translated, if necessary, into reasonably usable form, whether in draft or otherwise, whether sent or received or neither, whether or not known by plaintiff to be still in existence, including without limitation the original, a copy (if the original is not available) and any non-identical copy (whether different from the original because of underlining, editing marks, notes made or attached to such copy, or otherwise), as well as all underlying, supporting or preparatory material and drafts thereof.

B. "Debtor" means Public Service Company of New Hampshire a/k/a Public Service of New Hampshire, PSNH, New Hampshire YanKee

and each of its officers, directors, employees, agents, representatives, successors, assigns, predecessors, subsidiaries and affiliates, or any other person or entity acting on its behalf.

C. If any document is withheld from production on grounds of privilege or work product, please identity each such document by author(s) or preparer(s), recipient(s), date, subject matter(s), nature or privilege claimed, and paragraph(s) of this request to which the document corresponds.

D. In the event that any document falling within this request has been destroyed, discarded, or otherwise disposed of, that document is to be identified as follows: (a) author(s) or preparer(s); (b) addressee(s); (c) indicated or blind copies; (d) date; (e) subject matter(s); (f) number of pages; (g) attachments or appendices; (h) all persons to whom distributed, shown or explained; (i) date of destruction or other disposition; (j) manner of destruction or other disposition; (k) reasons(s) for destruction or other disposition; (l) persons(s) authorizing destruction or other disposition; (m) person(s) destroying or disposing of the document; and (n) the paragraph(s) in this request to which the document corresponds.

E. This request shall be deemed continuing so as to require further and supplemental production if defendant, witnesses, and/or such other persons who are served herewith obtain additional documents between the time of initial production and the time of hearing or trial.

REQUESTS

1. All documents evidencing, relating or referring to Debtor's relationship with Yankee Atomic or other persons or entities in control of, managing or otherwise operating the nuclear plant known as Seabrook Station.

2. All documents evidencing, relating or referring to any obligations by Debtor to make payments relating to Seabrook Station.

3. All documents evidencing, relating or referring to the ownership and/or corporate control of Seabrook Station.

4. All documents evidencing, relating or referring to the management of Seabrook Station. Such documents should include, but not be limited to management agreements.

5. All documents evidencing, relating or referring to the financial statements relating to Seabrook Station and related projects, companies and/or entities.

6. All documents evidencing, relating or referring to Debtor's assertion that payments relating to Seabrook Station are payments in the ordinary course of Debtor's business.

7. All documents evidencing, relating or referring to Debtor's decision to invest in or participate in the Seabrook Station venture.

8. All documents evidencing, relating or referring to the effect of the proposed February 1, 1988 payment or any other proposed payments by Debtor, concerning Seabrook Station on Debtor's cashflow and Debtor's ability to conduct any other business and ability to reorganize.

9. All documents evidencing, relating or referring to the effect of non-payment by Debtor of payments or obligations on, Seabrook Station.

10. All documents not produced in response the above request that evidence, relate or refer in any way to payments or obligations of Debtor concerning Seabrook Station, the Seabrook Station investment and effect of such payment on debtor's financial affairs.

ANNOTATIONS

1. Purpose

This section and RSA 378:27 were designed to protect utilities against confiscatory rates and to permit recoupment of any deficiency in return suffered under a temporary order. State v. New England Telephone & Telegraph Co. (1961) 103 NH 394, 173 A2d 728.

It may reasonably be assumed that the purpose of RSA 378:27 and this section, when enacted in 1941, was to permit a temporary order affecting a reduction in rates, and at the same time to foreclose a constitutional issue of confiscation by guaranteeing the utility a minimum below which such temporary rates should not go, and a right of recoupment should the temporary rates ultimately be found too low. Public Service Co. of New Hampshire v. State (1959) 102 NH 66, 150 A2d 810.

2. Allowance of recoupment

An order for recoupment in the event of higher permanent rates is permitted only when the commission has prescribed current rates by temporary order under RSA 378:27. New England Telephone & Telegraph Co. v. State (1949) 95 NH 515, 68 A2d 114.

3. Cited

Cited in Chicopee Manufacturing Co. v. Public Service Co. of New Hampshire (1953) 98 NH 5, 93 A2d 820; Public Service Co. of New Hampshire v. State (1959) 102 NH 71, 150 A2d 521; Pennichuck Water Works v. State (1960) 103 NH 49, 164 A2d 669.

378:30 Bond. If temporary rates are prescribed under RSA 378:27 which are higher than those previously in effect, the commission may require the public utility to file a bond in such form and with such sureties, if any, as the commission may determine, to secure the repayment to the customers of the public utility of the difference between the amounts collected under such temporary rates and the rates which the commission finds should have been in effect during the continuance of such temporary rates.

HISTORY

Source. 1951, 203:46 par. 30, eff. Sept. 1, 1951.

ANNOTATIONS

1. Purpose of section

This section protects the public against loss. Public Service Co. of New Hampshire v. State (1959) 102 NH 66, 150 A2d 810.

2. Application of section

The commission could properly find that this section was intended to apply in a situation where temporary rates are not higher than those previously in effect, but permanent rates might well prove lower than current rates. State v. New England Telephone & Telegraph Co. (1961) 103 NH 394, 173 A2d 728.

378:30-a Public Utility Rate Base; Exclusions. Public utility rates or charges shall not in any manner be based on the cost of construction work in progress. At no time shall any rates or charges be based upon any costs associated with construction work if said construction work is not completed. All costs of construction work in progress, including, but not limited to, any costs associated with constructing, owning, maintaining or financing construction work in progress, shall not be included in a utility's rate base nor be allowed as an expense for rate making purposes until, and not before, said construction project is actually providing service to consumers.

HISTORY

Source. 1979, 101: 1, eff. May 7, 1979.

CROSS REFERENCES

Determination of fares, rates and charges generally, see RSA 378: 7.
Determination of permanent rates, see RSA 378: 29.
Determination of temporary rates, see RSA 378: 27.

ANNOTATIONS

1. Cited

Cited in Appeal of Legislative Utility Consumers' Council (1980) 120 NH 173, 412 A2d 738; Appeal of Public Service Co. of New Hampshire (1982) 122 NH 919, 451 A2d 1321; Appeal of Public Service Co. of New Hampshire (1982) 122 NH 1062, 454 A2d 435.

378: 31 Appeals. Procedure to be followed in connection with appeals shall be in accordance with RSA 541.

HISTORY

Source. 1941, 148: 3. RL 292: 30. 1951, 203: 46 par. 31, eff. Sept. 1, 1951.

ANNOTATIONS

1. Cited

Cited in New England Telephone & Telegraph Co. v. State (1962) 104 NH 229, 183 A2d 237.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING APPEAL BOARD

Before Administrative Judges:
Alan S. Rosenthal, Chairman
Thomas Moore
Howard A. Wilber

In the Matter of	Docket Nos. 50-443-OL-1 50-444-OL-L
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, ET AL.,	(On-Site Emergency Planning and Safety Issues)
(Seabrook Station, Units 1 and 2)	

CERTIFICATE OF SERVICE

I, Stephen A. Jonas, Assistant Attorney General, hereby certify that on March 7, 1988, I made service of the within Massachusetts Attorney General James M. Shannon's Petition Under 10 C.F.R. 2.758 For A Waiver Of Or An Exception From The Public Utility Exemption From The Requirement Of A Demonstration Of Financial Qualification, by mailing copies thereof, postage prepaid, by first class mail:

Ivan W. Smith, Chairman
Atomic Safety & Licensing Board
U.S. Nuclear Regulatory Commission
East West Towers Building
4350 East West Highway
Third Floor Mailroom
Bethesda, MD 20814

Gustave A. Linenberger, Jr.
Atomic Safety & Licensing Board
U.S. Nuclear Regulatory Commissi
East West Towers Building
4350 East West Highway
Third Floor Mailroom
Bethesda, MD 20814

Dr. Jerry Harbour
Atomic Safety & Licensing Board
U.S. Nuclear Regulatory Commission
East West Towers Building
4350 East West Highway
Third Floor Mailroom
Bethesda, MD 20814

H. Joseph Flynn, Esq.
Assistant General Counsel
Office of General Counsel
Federal Emergency Management Agency
500 C Street, S.W.
Washington, DC 20472

Docketing and Service
U.S. Nuclear Regulatory Commission
Washington, DC. 20555
EXPRESS MAIL

Roberta C. Pevear
State Representative
Town of Hampton Falls
Drinkwater Road
Hampton Falls, NH 03844

Atomic Safety & Licensing Appeal Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Atomic Safety & Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Paul McEachern, Esq.
Matthew T. Brock, Esq.
Shaines & McEachern
25 Maplewood Avenue
P.O. Box 360
Portsmouth, NH 03801

Ms. Sandra Gavutis, Chairperson
Board of Selectmen
RFD 1, Box 1154
Route 107
E. Kingston, NH 03827

Sherwin E. Turk, Esq.
Office of the Executive Legal Director
U.S. Nuclear Regulatory Commiss:
7735 Old Georgetown Road
Tenth Floor
Bethesda, MD 20814

Stephen E. Merrill
Attorney General
George Dana Bisbee
Assistant Attorney General
Office of the Attorney General
25 Capitol Street
Concord, NH 03301

Paul A. Fritzsche, Esq.
Office of the Public Advocate
State House Station 112
Augusta, ME 04333

Ms. Diana P. Randall
70 Collins Street
Seabrook, NH 03874

Robert A. Backus, Esq.
Backus, Meyer & Solomon
116 Lowell Street
P.O. Box 516
Manchester, NH 03106

Jane Doughty
Seacoast Anti-Pollution League
5 Market Street
Portsmouth, NH 03801

J. P. Nadeau
Board of Selectmen
10 Central Road
Rye, NH 03870

Mr. Calvin A. Canney
City Manager
City Hall
126 Daniel Street
Portsmouth, NH 03801

Senator Gordon J. Humphrey
U.S. Senate
Washington, DC 20510
Attention: Tom Burack

Senator Gordon J. Humphrey
1 Eagle Square, Suite 507
Concord, NH 03301
Attention. Herb Boynton

Mr. Donald E. Chick
Town Manager
Town of Exeter
10 Front Street
Exeter, NH 03833

Brentwood Board of Selectmen
RFD Dalton Road
Brentwood, NH 03833

Philip Ahrens, Esq.
Assistant Attorney General
Department of the Attorney General
State House Station #6
Augusta, ME 04333

Thomas G. Dignan, Esq.
George H. Lewald
Ropes & Gray
225 Franklin Street
Boston, MA 02110

Beverly Hollingworth
209 Winnacunnet Road
Hampton, NH 03842

William Armstrong
Civil Defense Director
Town of Exeter
10 Front Street
Exeter, NH 03833

Robert Cartigg, Chairman
Board of Selectmen
Town Office
Atlantic Avenue
North Hampton, NH 03862

Mr. Angelo Machitos, Chairman
Board of Selectmen
25 High Road
Newbury, MA 10950

Mr. Peter J. Matthews
Mayor
City Hall
Newburyport, MA 01950

Mr. William Lord
Board of Selectmen
Town Hall
Friend Street
Amesbury, MA 01913

Gary W. Holmes, Esq.
Holmes & Ellis
47 Winnacunnet Road
Hampton, NH 03841

Diane Curran, Esq.
Harmon & Weiss
2001 S Street, N.W.
Suite 430
Washington, DC 20009

Richard A. Hampe, Esq.
Hampe & McNicholas
35 Pleasant Street
Concord, NH 03301

Edward A. Thomas
Federal Emergency Management Agency
442 J.W. McCormack (POCH)
Boston, MA 02109

Michael Santosuosso, Chairman
Board of Selectmen
Jewell Street, RFD 2
South Hampton, NH 03827

Mrs. Anne E. Goodman, Chairperso
Board of Selectmen
13-15 Newmarket Road
Durham, NH 03824

Allen Lampert
Civil Defense Director
Town of Brentwood
20 Franklin Street
Exeter, NH 03833

Charles P. Graham, Esq.
McKay, Murphy & Graham
Old Post Office Square
100 Main Street
Amesbury, MA 01913

Rep. Edward J. Markey, Chairman
U.S. House of Representatives
Subcommittee on Energy
Conservation and Power
Room H2-316
House Office Building
Annex No. 2
Washington, DC 20515
Attention: Linda Correia

Howard A. Wilber
Atomic Safety & Licensing
Appeal Board
U.S. Nuclear Regulatory
Commission
4350 East West Highway
East West Towers Building
Third Floor Mailroom
Bethesda, MD 20814

Sheldon J. Wolfe, Chairperson
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Commissi
Washington, D.C. 20555

Judith H. Mizner, Esq.
Silvergate, Gertner, Baker,
Fine, Good & Mizner
88 Broad Street
Boston, MA 02110

Alan S. Rosethal, Chairman
Atomic Safety & Lic. Appeal Bd.
U.S. Nuclear Regulatory Commissi
4350 East West Highway
East West Towers Building
Third Floor Mailroom
Bethesda, MD 20814

Thomas Moore
Atomic Safety & Lic. Appeal Bd.
U.S. Nuclear Regulatory Commissi
Washington, DC 20555

Stephen A. Jonas
Assistant Attorney General
(617) 727-4878

DATED: March 7, 1988