



The U.S. Nuclear Plant Market: The Search for Value

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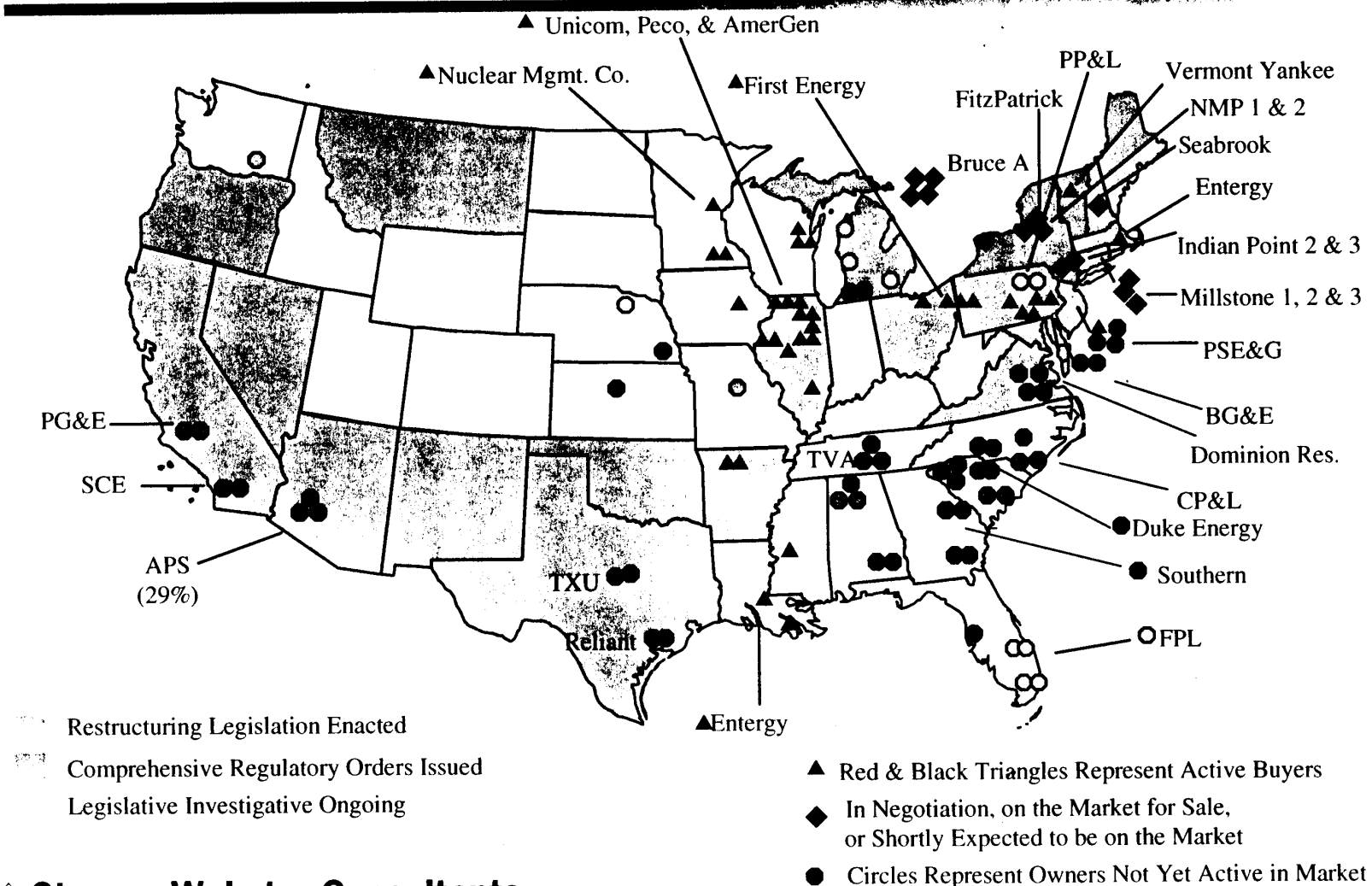
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Agenda

- **The Market**
- **Transactions to Date**
- **Announced Sale Prices**
- **Adjustments**
- **Adjusted Sale Prices**
- **Conclusion**

The Market: U.S. Nuclear Units and State Restructuring Status



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Competition

- **AmerGen**
 - 20 units (10 GW) in next 5 years
- **Entergy**
 - 5-9 plants (\$1.7 B) in next 5 years
- **Dominion Resources**
 - New Entrant
- **Constellation Energy Group**
 - Threatening to Enter
- **Nuclear Management Co.**
 - Mid 2000?
- **Others?**

Transactions to Date

	Date Announced	Plant	Sellers	Buyers	Total MW	Sale Price \$	\$/KW
1	25-Jun-98	Seabrook	EUA	Great Bay	33.7	3,200,000	95
2	17-Jul-98	TMI	GPU	AmerGen	786.0	100,600,000	128
3	19-Nov-98	Pilgrim	Boston Ed	Entergy	670.0	80,000,000	119
4	1-Apr-99	Clinton	Illinova	AmerGen	950.0	20,000,000	21
5	24-Jun-99	Nine Mile 1	Nimo	AmerGen	614.0	71,700,000	117
6	24-Jun-99	Nine Mile 2	Nimo/Nyseg	AmerGen	672.6	91,450,000	136
7	14-Sep-99	Oyster Creek	GPU	AmerGen	619.0	10,000,000	16
8	30-Sep-99	PB-HC-Salem	Conectiv	PSE&G/PECO	708.0	20,000,000	28
9	15-Oct-99	Vt Yankee	Vt Yankee	AmerGen	540.0	23,500,000	44
10	14-Feb-00	<u>Fitz-IP3</u>	NYPA	<u>Entergy</u>	<u>1,805.0</u>	<u>806,000,000</u>	447
			Total Nuclear		7,398.3	1,226,450,000	166

Adjustments

- **Power Purchase Agreements**
- **Installment Payments**
- **O&M Payments**
- **Employee Benefits**
- **Surplus/Deficit of Decommissioning Fund**
- **Fuel**
- **Remaining Life**

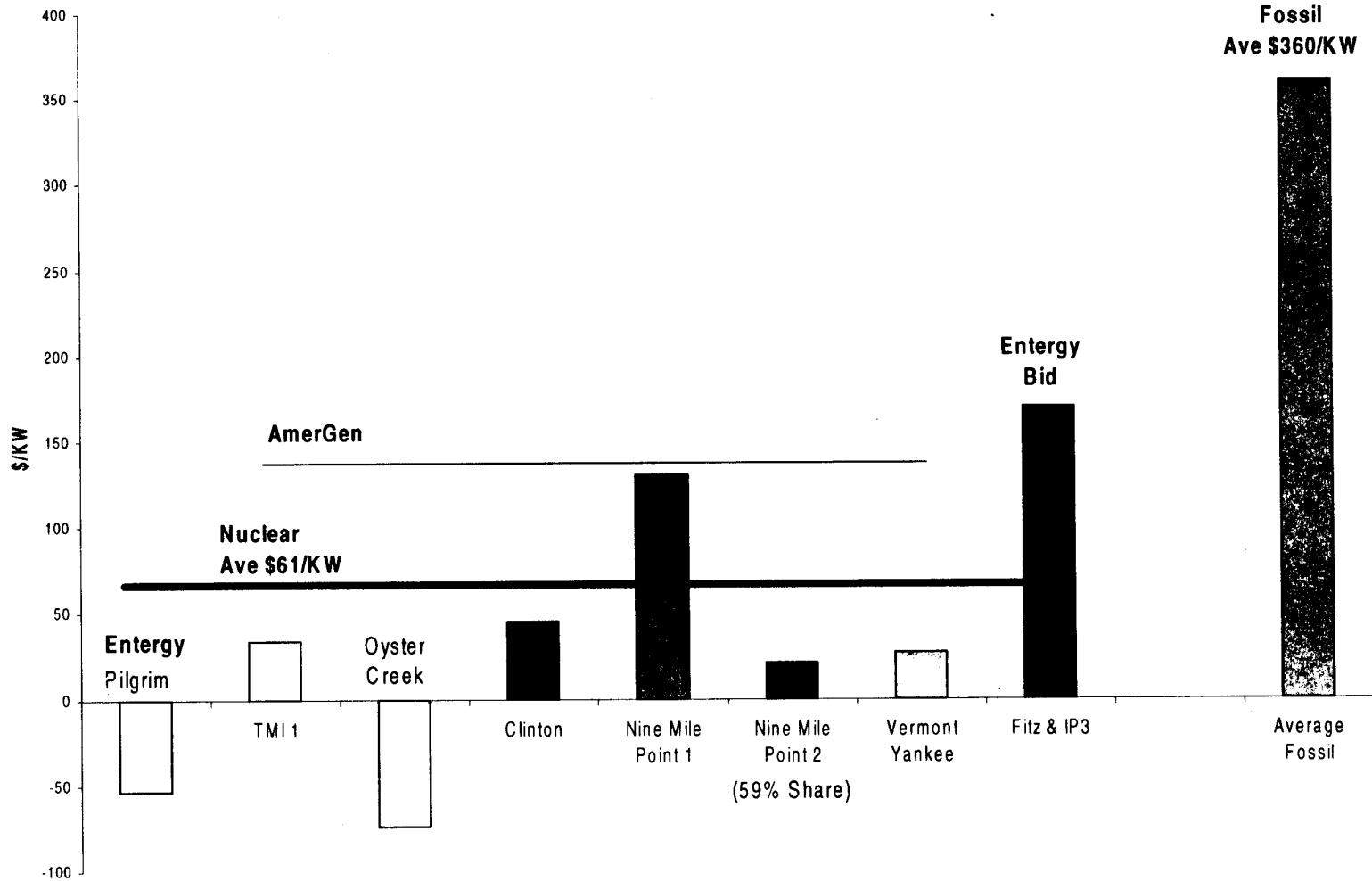
Adjustments & New Prices

	Pilgrim	TMI 1	Clinton	Nine Mile 1	Nine Mile 2	Oyster Creek	Vermont Yankee	Fitz & IP3 /Entergy
Capacity (MW)	670	786	950	614	673	619	540	1,805
Announced Price								
Fuel	\$74,500	\$77,000						\$168,000
Plant	<u>5,500</u>	<u>23,600</u>						<u>638,000</u>
Total Announced Price	\$80,000	\$100,600	\$20,000	\$71,700	\$91,450	\$10,000	\$23,500	\$806,000
Adjustments								
PPA	(63,000)	(5,000)	(62,000)	(78,000)	(61,000)	(44,000)	(43,000)	(139,000)
(1) Other Adjustments	10,000	(28,000)	36,000	0	0	41,000	0	(363,000)
Decom Adjustment	<u>(63,000)</u>	<u>(41,000)</u>	<u>49,000</u>	<u>86,000</u>	<u>(16,000)</u>	<u>(53,000)</u>	<u>34,000</u>	<u>3,000</u>
Total Adjustments	<u>(116,000)</u>	<u>(74,000)</u>	<u>23,000</u>	<u>8,000</u>	<u>(77,000)</u>	<u>(56,000)</u>	<u>(9,000)</u>	<u>(499,000)</u>
Adjusted Price	-\$36,000	\$26,600	\$43,000	\$79,700	\$14,450	-\$46,000	\$14,500	\$307,000
Adjusted \$/kW	-54	34	45	130	21	-74	27	170

Notes:

1 Other Adjustments include adjustments for installment payments, O&M, other fuel costs and employee benefits.

Adjusted Sale Prices



Conclusions

- **The Market for Nuclear Power Plants is Heating Up**
 - **\$/kW Prices for Nuclear Appear to be Rising, But Still Less Than Fossil**
 - **Expect More Plants to Come to Market**
 - **New Buyers?**
- **Valuing Nuclear Plants is Complex**
 - **Many Important Adjustments**
 - **Wild Card Value Adjustments: Taxes and Revenue Sharing**
- **Nuclear Discount to Fossil**
 - **Regulatory, Waste Disposal, & Decommissioning**
 - **Significant and Difficult to Measure**