NSTAR ELECTRIC GAS
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February 20, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: Cambridge Electric Light Company
D.T.E. 01-94

Dear Madam Secretary:

Cambridge Electric Light Company (the "Company") is pleased to supply its responses to the information requests listed on the attached sheet.

Sincerely,

John Cope-Flanagan

John Cope-Flanagan

Enclosures

cc: Jesse S. Reyes, Hearing Officer (2 copies)
Esat Serhat Guney, Analyst, Rates and Revenue Requirements Division
Joseph Tiernan, Analyst, Rates and Revenue Requirements Division
Miguel Maravi, Analyst, Rates and Revenue Requirements Division
Alexander Cochis, Esq., Assistant Attorney General
Carrol R. Wasserman, Esq.
David Rosenzweig, Esq.
Stephen Klionsky, Esq.

Responses to Information Requests

AG-1-7
AG-1-8
DTE-CEL-2-8
DTE-CEL-2-19

February 20, 2002

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Cambridge Electric Light Company	)	D.T.E. 01-94

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing responses to information requests in accordance with Department rules.

John Cope-Flanagan

John Cope-Flanagan
Attorney for
NSTAR Electric & Gas Corporation
800 Boylston St., Floor 17
Boston, MA 02199

DATED: February 20, 2002

Information Request AG-1-7

Please provide a complete and detailed description of all of the terms of the agreement with the buyer to transfer legal and regulatory liability associated with the with each facility and its operations to buyer, providing cites to the Sales Documents when applicable.

Response

A description of transferred liabilities is contained in Section 2.3 of the Purchase and Sale Agreement dated as of August 15, 2001 ("PSA"). The PSA is included in the Company's initial filing as Exhibit CEL-RHM-3.

Information Request AG-1-8

Please provide a complete and detailed description of all of the legal and regulatory liabilities associated with each generation facility and their operations that will remain with the Company after the sale of the unit.

Response

Please refer to Section 2.4 of the Purchase and Sale Agreement ("PSA") (Exhibit CEL-RHM-3). Two principal liabilities which are retained by Vermont Yankee Nuclear Power Corporation ("Vermont Yankee") are: (1) the Pre–1983, Department of Energy ("DOE") Spent-Nuclear-Fuel or "SNF" obligation and (2) the DOE Decontamination & Decommissioning Fee ("DOE D&D Fee").

Regarding the SNF, under the Nuclear Waste Policy Act of 1982, each nuclear utility was obligated to enter into a contract known as the "Standard DOE Contract" with DOE that provides for certain payments to DOE to compensate for the government's obligation to dispose of spent-nuclear fuel. These payments consist of a one-time fee for fuel consumed prior to April 7, 1983 (or the "One-time Fee"), which was either payable at that time or could be deferred, accruing interest at the Treasury bill rate, until the spent fuel is delivered to DOE (currently anticipated to be no earlier than 2008) and an on-going fee of 1 mill per kwh generated after that date, payable quarterly in arrears.

Vermont Yankee elected to defer payment of the One-time Fee rather than pay in advance and has been paying the generation fee as it comes due. To prepare for meeting the One-time Fee obligation when it becomes due, Vermont Yankee established an irrevocable grantor trust, the Spent Nuclear Fuel Disposal Trust (the "SNF Trust"), into which it has been making regular deposits to build the required fund. Currently, the assets in the SNF Trust amount to about $113 million and the appreciated obligation for the One-time Fee amounts to about $119 million. The earnings on the assets in the SNF Trust are expected to grow that fund so that it will equal or exceed the One-time Fee when it becomes payable to the DOE.

The PSA provides that the Standard DOE Contract, and all obligations thereunder accruing after the closing, will be assigned to Entergy. The PSA also provides that the One-time Fee is a liability retained by Vermont Yankee and that Vermont Yankee also retains the SNF Trust which secures that obligation.

Regarding the DOE D&D Fee, in October 1992, Congress passed the Energy Policy Act of 1992 (the "Act"). The Act requires, among other things, that certain utilities help pay for the cleanup of DOE's enrichment facilities over a fifteen-year period. The company's annual fee is based on its historical share of enrichment services provided by the DOE and is indexed to inflation. The Act stipulates that the annual fee shall be fully recoverable in rates in the same manner as other fuel costs. Vermont Yankee has retained the liability to pay this annual fee. However, this obligation terminates in 2006.

Information Request DTE-CEL-2-8

Please refer to the Petition at paragraphs 9 and 10. Please provide the following information:

(a) an explanation of the main differences and/or the common terms between the Entergy PPA and the 2001 Amendatory Agreement, as well as how those two contracts are related.

(b) the cost per kilowatt hour for Station output purchased by Vermont Yankee under the Entergy PPA, and the cost per kilowatt hour resold by Vermont Yankee to Cambridge under the 2001 Amendatory Agreement.

Response

(a) As stated in the testimony of Robert H. Martin, the Entergy PPA is a purchase power agreement between Entergy Nuclear Vermont Yankee, LLC ("Entergy") and Vermont Yankee Nuclear Power Corporation ("Vermont Yankee") under which Vermont Yankee will purchase from Entergy 100 percent of the output of the Vermont Yankee Nuclear Power Station (the "Station") through 2012, the end of the Station's current license term (Exhibit CEL-RHM-1, page 9). The 2001 Amendatory Agreement is a separate agreement between Vermont Yankee and Cambridge that will amend the current Power Contract between Vermont Yankee and Cambridge to provide for (i) Cambridge's purchase of its 2.5 percent share of the electricity that Vermont Yankee purchases under the Entergy PPA and (ii) Cambridge's payment to Vermont Yankee of the sponsorship share of Vermont Yankee's continuing cost of service (id. at 10-11).

(b) The electricity that Cambridge purchases from Vermont Yankee under the 2001 Amendatory Agreement will be at the same cost per kilowatt hour that is specified in the Entergy PPA.

Information Request DTE-CEL-2-19

Please refer to Exhibit CEL-RHM-1 at page 9. Provide the cost of "all liabilities of Vermont Yankee associated with the Station's operation," including decommissioning costs. Explain what are the "certain limited exceptions stated in the PSA" and their respective costs.

Response

Please see the response to Information Request AG-1-7 for a description of the liabilities associated with the Station's operation. Please see the response to Information Request AG-1-8 for a description of the liabilities that are retained by Vermont Yankee. For ease of reference, each of these responses is attached.