

Bell Bend Nuclear Power Plant

Combined License Application

Part 1: General and Administrative Information

Revision 0
October 2008

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For additional Copyright information contact:

Mr. Greg Gibson
Vice President, UniStar Licensing
UniStar Nuclear Services, LLC
750 E. Pratt Street
Baltimore, Maryland 21202

1.0 GENERAL INFORMATION

This part of the Combined License (COL) Application for the {Bell Bend Nuclear Power Plant} addresses the requirements of 10 CFR 50.33, "Content of applications; general information," (CFR, 2007a) and provides details of the applicant's corporate identity and location, applicant's ownership organization, the type of licenses being applied for, the applicant's financial qualifications, decommissioning funding assurance, foreign ownership, control, or domination information, and agreement limiting access to classified information.

1.1 APPLICANT

{The Applicant for the Bell Bend Nuclear Power Plant (BBNPP) is PPL Bell Bend, LLC. PPL Bell Bend, LLC is not acting as the agent or representative of another person. Applicant's name, address, and principal office is as follows:

PPL Bell Bend, LLC
Two North Ninth Street
Allentown, PA 18101}

1.2 DESCRIPTION OF BUSINESS OR OCCUPATION

{The Applicant is a single purpose limited liability company created for the purpose of owning and operating BBNPP. PPL Bell Bend LLC, is a Delaware limited liability company. It is a subsidiary of PPL Bell Bend Holdings, LLC which was created to facilitate the proposed development and financing of the Bell Bend unit. PPL Bell Bend Holdings, LLC is a subsidiary of PPL Nuclear Development, LLC. PPL Nuclear Development, LLC is a subsidiary of PPL Generation, LLC which in turn is a subsidiary of PPL Energy Supply, LLC. PPL Generation LLC owns and controls generating capacity of 11,556 MW in the United States. PPL Energy Supply, LLC is engaged in the generation of electric power in the U.S. and the delivery of electricity in the U.K. and is a subsidiary of PPL Energy Funding Corporation. PPL Energy Funding Corporation is the parent company for various finance and service companies serving PPL Corporation and certain of its affiliates and is a subsidiary of PPL Corporation. PPL Corporation is the ultimate parent for all PPL's generation assets, generating operating companies, marketing and trading activities and distribution companies.

All subsidiaries of the PPL Corporation are wholly-owned by the PPL Corporation or subsidiaries of the PPL Corporation. There are no participants in the BBNPP project that are not part of the PPL Corporation or subsidiaries of the PPL Corporation.

The principal office of PPL Bell Bend, LLC is located in Allentown, Pennsylvania. Pennsylvania is the principal place of business.}

1.3 ORGANIZATION AND MANAGEMENT

A simplified organizational chart depicting the relationship between the Applicant and its direct and indirect parent compan{ies} is provided in Figure 1.0-1. The organization and management of each of the business entities depicted on the chart are discussed below.

1.3.1 {PPL Bell Bend, LLC

The business and affairs of PPL Bell Bend, LLC are managed under the direction of a Board of Managers, currently consisting of four managers.

The Managers of the PPL Bell Bend, LLC, all of whom are U.S. citizens, are as follows:

James E. Abel

Victor N. Lopiano

Britt T. McKinney

William H. Spence

The Board of Managers is authorized to appoint officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, Victor N. Lopiano, is a U.S. citizen, is selected by the Board of Managers, and is the senior executive responsible for day to day operations of the Company. He has nuclear management experience.

The names, titles and addresses of the principal executives and officers of the Company, all of whom are U.S. citizens, are as follows:

PPL Bell Bend, LLC Principal Executives and Officers

Name	Title	Address
Victor N. Lopiano	President	Two North Ninth Street Allentown, PA 18101
Terry L. Harpster	Vice President - Bell Bend Project Development	38 Bomboy Lane, Suite 2 Berwick, PA 18603
Michael J. Caverly	Vice President - Financial	Two North Ninth Street Allentown, PA 18101
James E. Abel	Treasurer	Two North Ninth Street Allentown, PA 18101

1.3.2 PPL BELL BEND HOLDINGS, LLC

The business and affairs of PPL Bell Bend Holdings, LLC are managed under the direction of a Board of Managers, currently consisting of four managers.

The Managers of the PPL Bell Bend Holdings, LLC, all of whom are U.S. citizens, are as follows:

James E. Abel

Victor N. Lopiano

Britt T. McKinney

William H. Spence

The Board of Managers is authorized to appoint officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, Victor N. Lopiano, is a U.S. citizen, is selected by the Board of Managers, and is the senior executive responsible for day to day operations of the Company. He has nuclear management experience.

The names, titles, addresses, of the principal executives and officers of the Company, all of whom are U.S. citizens, are as follows:

PPL Bell Bend Holdings, LLC Principal Executives and Officers

Name	Title	Address
Victor N. Lopiano	President	Two North Ninth Street Allentown, PA 18101
Terry L. Harpster	Vice President - Bell Bend Project Development	38 Bomboy Lane, Suite 2 Berwick, PA 18603
Michael J. Caverly	Vice President - Financial	Two North Ninth Street Allentown, PA 18101
James E. Abel	Treasurer	Two North Ninth Street Allentown, PA 18101

1.3.3 PPL NUCLEAR DEVELOPMENT, LLC

The business and affairs of PPL Nuclear Development, LLC are managed under the direction of a Board of Managers, currently consisting of four managers.

The managers of PPL Nuclear Development, LLC, all of whom are U.S. citizens, are as follows:

James E. Abel

Victor N. Lopiano

Britt T. McKinney

William H. Spence

The Board of Managers is authorized to appoint officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, Victor N. Lopiano, is a U.S. citizen, is selected by the Board of Managers, and is the senior executive responsible for day-to-day operations of the Company. He has senior nuclear management experience.

The names, titles and addresses of the principal executives and officers of its Company, all of whom are U.S. citizens, are as follows:

PPL Nuclear Development, LLC Principal Executives and Officers

Name	Title	Address
Victor N. Lopiano	President	Two North Ninth Street Allentown, PA 18101
Terry L. Harpster	Vice President - Bell Bend Project Development	38 Bomboy Lane, Suite 2 Berwick, PA 18603
Britt T. McKinney	Vice President	769 Salem Boulevard Berwick, PA 18603
Michael J. Caverly	Vice President - Financial	Two North Ninth Street Allentown, PA 18101
James E. Abel	Treasurer	Two North Ninth Street Allentown, PA 18101

1.3.4 PPL GENERATION, LLC

The business and affairs of PPL Generation, LLC are managed under the direction of a Board of Managers, currently consisting of four managers.

The managers of PPL Generation, LLC, all of whom are U.S. citizens, are as follows:

Paul A. Farr

Robert J. Grey

James H. Miller

William H. Spence

The Board of Managers is authorized to elect officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, William H. Spence, is selected by the Board of Managers, is a U.S. citizen, and is the senior executive responsible for day-to-day operations of the Company.

The names, titles and addresses of the principal executives and officers of its Company, all of whom are U.S. citizens, are as follows:

PPL Generation, LLC Principal Executives and Officers

Name	Title	Address
William H. Spence	President	Two North Ninth Street Allentown, PA 18101
Victor N. Lopiano	Senior Vice President	Two North Ninth Street Allentown, PA 18101
Britt T. McKinney	Senior Vice President and Chief Nuclear Officer	769 Salem Boulevard Berwick, PA 18603
Dennis J. Murphy	Vice President & Chief Operating Officer-Eastern Fossil and Hydro	Two North Ninth Street Allentown, PA 18101
Bradley E. Spencer	Vice President & Chief Operating Officer-Western Fossil and Hydro	303 North Broadway Suite 400 Billings, Montana 59101
Cornelius J. Gannon	Vice President	769 Salem Boulevard Berwick, PA 18603
William E. Riebling	Vice President-Engineering and Construction	Two North Ninth Street Allentown, PA 18101
James E. Abel	Treasurer	Two North Ninth Street Allentown, PA 18101

1.3.5 PPL ENERGY SUPPLY, LLC

The business and affairs of PPL Energy Supply, LLC are managed under the direction of a Board of Managers, currently consisting of five managers.

The managers of PPL Energy Supply, LLC, all of whom are U.S. citizens, are as follows:

James E. Abel

Paul A. Farr

Robert J. Grey

James H. Miller

William H. Spence

The Board of Managers is authorized to elect officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, James H. Miller, is selected by the Board of Managers, is a U.S. citizen, and is the senior executive responsible for day to day operations of the Company.

The names, titles and addresses of the principal executives and officers of the Company, all of whom are U.S. citizens, are as follows:

PPL Energy Supply, LLC Principal Executives and Officers

Name	Title	Address
James H. Miller	President	Two North Ninth Street Allentown, PA 18101
Paul A. Farr	Executive Vice President	Two North Ninth Street Allentown, PA 18101
James E. Abel	Vice President and Treasurer	Two North Ninth Street Allentown, PA 18101
J. Matt Simmons, Jr.	Vice President and Controller	Two North Ninth Street Allentown, PA 18101

1.3.6 PPL ENERGY FUNDING CORPORATION

The business and affairs of PPL Energy Funding Corporation are managed under the direction of a Board of Directors, currently consisting of five directors. There is no Chairman of the Board.

The directors of PPL Energy Funding Corporation, all of whom are U.S. citizens, are as follows:

James E. Abel

Paul A. Farr

Robert J. Grey

James H. Miller

William H. Spence

The Board of Directors is authorized to elect officers for the conduct of the business of the Company and determine their responsibilities and duties.

The President, James H. Miller, is selected by the Board of Directors, is a U.S. citizen, and is the senior executive responsible for day to day operations of the Company.

The names, titles and addresses of the principal executives and officers of the Company, all of whom are U.S. citizens, are as follows:

PPL Energy Funding Corporation Principal Executives and Officers

Name	Title	Address
James H. Miller	President	Two North Ninth Street Allentown, PA 18101
Paul A. Farr	Vice President	Two North Ninth Street Allentown, PA 18101
James E. Abel	Treasurer	Two North Ninth Street Allentown, PA 18101

1.3.7 PPL CORPORATION

The business and affairs of PPL Corporation are managed under the direction of a Board of Directors, currently consisting of eleven directors. The Chairman of the Board is Mr. James H. Miller. Mr. Miller is a U.S. citizen. His address is Two North Ninth Street, Allentown, PA 18101.

The Chairman of the Board of Directors is appointed by, and may only be removed by the PPL Corporation Board Members. The Chairman chairs the meetings of the Board of Directors.

The other directors of PPL Corporation, all of whom are U.S citizens, are as follows:

Frederick M. Bernthal	Stuart Heydt
John W. Conway	Craig A. Rogerson
E. Allen Deaver	W. Keith Smith
Louise K. Goeser	Susan M. Stalnecker
Stuart E. Graham	Keith H. Williamson

The Board of Directors is authorized to elect officers for the conduct of the business of the Company and determine their responsibilities and duties.

Mr. Miller is also the President and Chief Executive Officer (CEO), who is selected by the Board of Directors and has senior nuclear management experience.

The names, titles, addresses, and citizenship of the principal executives and officers of the Company, all of whom are U.S. citizens, are as follows:

PPL Corporation Principal Executives and Officers

Name	Title	Address
James H. Miller	Chairman, President and CEO	Two North Ninth Street Allentown, PA 18101
Paul A. Farr	Executive Vice President and Chief Financial Officer	Two North Ninth Street Allentown, PA 18101
William H. Spence	Executive Vice President and Chief Operating Officer	Two North Ninth Street Allentown, PA 18101
Robert J. Grey	Senior Vice President, General Counsel and Secretary	Two North Ninth Street Allentown, PA 18101
James E. Abel	Vice President - Finance and Treasurer	Two North Ninth Street Allentown, PA 18101
J. Matt Simmons, Jr.	Vice President and Controller	Two North Ninth Street Allentown, PA 18101

1.3.8 FINANCIAL RELATIONSHIP BETWEEN PPL BELL BEND, LLC AND ITS OWNERS

PPL Energy Supply, LLC will provide (1) the initial capitalization and contribution of equity to PPL Bell Bend, LLC, required for projecting financing of construction; (2) a parent support agreement to make certain funding available during plant operations; and (3) a parent guarantee for decommissioning funding. The ability of PPL Energy Supply, LLC to meet these commitments is addressed in Sections 1.5 and 1.6.2 below.}

1.4 REQUESTED LICENSES AND AUTHORIZED USES

This application is for a Class 103 combined license under 10 CFR 52 (CFR, 2007b) to construct and operate a U.S. EPR nuclear power plant unit at the {BBNPP site}, located near {Berwick, Pennsylvania}. This U.S EPR nuclear power plant unit will be used to produce electricity for sale.

The period of time for which the license for the unit is requested shall begin upon the NRC's granting of the combined license for {BBNPP} and shall expire 40 years from the date upon which the NRC makes a finding that acceptance criteria are met under 10 CFR 52.103(g) (CFR, 2007c) or allowing operation during an interim period under 10 CFR 52.103(c) (CFR, 2007c).

In addition, this application is for the necessary licenses issued under 10 CFR 30 (CFR, 2007d), 10 CFR 40 (CFR 2007e), and 10 CFR 70 (CFR, 2007f) to receive, possess, and use by-product, source and special nuclear material. By-product, source, and special nuclear material shall be in the form of sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and fission detectors in amounts as required. By-product, source, and special nuclear material in amounts as required, without restriction to chemical or physical form, shall be for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components. Special nuclear material shall be in the form of reactor fuel, in accordance with limitations for storage and amounts required for reactor operation, as described in Part 2 of this Combined License Application.

The current scheduled date for the completion of construction of {BBNPP and the start of commercial operation for BBNPP is December, 2018}.

The name and address of the regulatory agency that has jurisdiction over the rates and services incident to the proposed activity is:

{Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426}

Local news publications that circulate in the area around the proposed facility and that are considered appropriate to give reasonable notice of the application to those parties that might have a potential interest in the proposed facility are as follows:

{Wilkes Barre Citizens Voice
75 N. Washington Street
Wilkes-Barre, PA 18711

Milton Standard Journal
21 N. Arch Street
Milton, PA 17847

Sunbury Daily Item
200 Market Street
Sunbury, PA 17801

Wilkes Barre Times Leader
15 N. Main Street
Wilkes-Barre, PA 18711}

Bloomsburg Press Enterprise
3185 Lackawanna Ave.
Bloomsburg, PA 17815

1.5 FINANCIAL QUALIFICATIONS

{Historical financial information regarding PPL Corporation and its subsidiaries is set forth in the 2007 annual report for PPL Corporation. This report is provided to the Securities and Exchange Commission (SEC) and is available at <http://www.pplweb.com/investors/research+tools/Annual+Report.htm>.}

That information supports the conclusion that {PPL Bell Bend, LLC possess, or have reasonable assurance of obtaining, the funds necessary to cover the construction and operating costs of BBNPP for the period of the License in accordance with 10 CFR 50.33(f)(2) (CFR, 2007a), and NUREG-1577, the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NRC, 1999).}

Projected income statements, including statements of operating cash flow and project costs, are provided in Table 1.0-1 through Table 1.0-10. Table 1.0-1 and Table 1.0-2 provide projected income statements and operating cash flows for {BBNPP}. Table 1.0-3 provides the total project cost estimated for {BBNPP}. Projected income statement sensitivity evaluations are provided, for {BBNPP}, in Table 1.0-4 through Table 1.0-10.

The projected income statements and operating cash flows for {BBNPP} presented in Table 1.0-1 and Table 1.0-2 demonstrate the project's financial viability. The project's financial robustness is further evidenced by the results of sensitivity analyses presented in Tables Table 1.0-4 through {Table 1.0-10}. The sensitivity analyses, which reflect the financial impact of various potential adverse changes to base case assumptions, including higher borrowing costs, lower market prices, lower output capacity, elimination of Production Tax Credits, and higher construction capital costs, indicate that despite being stressed under various scenarios, the project's proforma income statement continues to remain financially attractive, thus supporting a strong business case for the project.

As reflected in Table 1.0-3, the total project cost estimated for {BBNPP is [Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application] (in nominal as-spent dollars). The project is expected to be financed with approximately 70% debt and 30% equity during pre-construction with 7% cost of borrowing and 90% debt and 10% equity during construction with 5.0% cost of borrowing. The planned debt/equity ratio for the financing of BBNPP is consistent with the provisions for federal loan guarantees included in the Energy Policy Act of 2005 (PLN, 2005). As more detailed information is developed regarding cost and financing of the facility, it will be submitted to the NRC, as appropriate.

PPL Energy Supply, LLC will provide the initial capitalization and contribution of equity to PPL Bell Bend, LLC, required for project financing of plant construction. In addition, PPL Energy Supply, LLC will provide a parent support agreement that will make available \$63 million to PPL Bell Bend, LLC, during plant operation. This amount covers the estimated O&M costs that BBNPP would expect to incur over a six month outage and would provide additional assurance that PPL Bell Bend is financially qualified to operate BBNPP.

The ability of PPL Energy Supply, LLC to meet these financial commitments to PPL Bell Bend, LLC, is demonstrated by PPL Energy Supply's 2007 Form 10-K filing with the Security and Exchange Commission which can be found at <http://www.shareholder.com/ppl/edgar2TEST.cfm?CIK=1161976>. As reflected in this financial statement, PPL Energy Supply, LLC had total assets of approximately \$15 billion at December 31, 2007 and had

operating revenues of approximately \$5 billion for the year ending December 31, 2007. In addition, PPL Energy Supply's senior unsecured debt is currently rated Baa2, BBB and BBB+ by Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Inc., respectively.}

1.6 DECOMMISSIONING FUNDING ASSURANCE

In accordance with the Commission's regulations in 10 CFR 50.33 (CFR, 2007a) and the guidance provided in NUREG-1577, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," (NRC, 1999) decommissioning financial assurance information is provided in this section. The purpose of this section is to provide reasonable assurance that {PPL Bell Bend, LLC} has a viable plan to ensure that funds will be available to decommission {BBNPP}, when required. As such, this subsection {constitutes} the decommissioning report required by 10 CFR 50.75, "Reporting and record-keeping for decommissioning planning," paragraph (b) (CFR, 2007j).

This subsection provides (1) an estimate of total decommissioning costs and the funding methods to cover those costs, as provided in 10 CFR 50.75 (CFR, 2007j) and (2) the required financial assurance certification for decommissioning in an amount no less than that calculated in accordance with 10 CFR 50.75 (CFR, 2007j).

1.6.1 DECOMMISSIONING COST ESTIMATE

COL applicants are required to include, as part of their application, a report containing a certification that financial assurance for decommissioning will be provided in an amount that may be more, but not less, than the amount stated in the table in 10 CFR 50.75(c)(1) (CFR, 2007j).

{For BBNPP, the minimum certification amount has been computed, using the formula provided in 10 CFR 50.75(c)(1) and (2) (CFR, 2007j) and appropriate escalation factors for energy, labor, and waste burial costs. The escalation factors for labor and energy were taken from regional data of the U.S. Department of Labor, Bureau of Labor Statistics and the escalation factor for waste burial was taken from NUREG-1307, "Report of Waste Burial Charges" (NRC, 2007). The certification amount does not include the costs of dismantling or demolishing non-radiological systems and structures. The funding assurance covers only the removal of radiologically contaminated systems and structures, and reduction of residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license, or (2) release of the property under restricted conditions and termination of the license. In addition, the costs of managing and storing spent fuel on site until transfer to the U.S. Department of Energy for permanent disposal are not included. The minimum certification amounts were calculated for both disposition of low level radioactive waste (LLRW) by waste vendors and disposal of LLRW by direct burial options. The minimum certification amounts calculated in 2008 dollars are \$398.6 million for the disposition of LLRW by waste vendors option and \$730.1 million for the disposal of LLRW by direct burial option. The Applicant intends to use the disposition of LLRW by waste vendors option for the decommissioning of BBNPP.}

Therefore, {PPL Bell Bend, LLC} certifies that financial assurance for decommissioning {BBNPP} will be provided in the amount of {\$398.6 million (in 2008 dollars) consistent with the minimum funding amount requirements established by 10 CFR 50.75(c) (CFR, 2007j)}. This financial assurance will be provided, {using a parent company guarantee}, as described below.

1.6.2 DECOMMISSIONING FUNDING MECHANISM

{PPL Bell Bend, LLC the owner-licensee intends to utilize a parent company guarantee from PPL Energy Supply, LLC, as provided in 10 CFR 50.75 (e)(1)(iii) to provide

reasonable assurance of decommissioning funding as required by 10 CFR 50.75 (CFR, 2007j). The specific financial instruments to be utilized will be completed, and signed originals of those instruments will be provided to the NRC, prior to fuel receipt at BBNPP. Specifically, PPL Bell Bend, LLC certifies that financial assurance for decommissioning will be provided no later than 30 days after the NRC publishes a notice of intended operation for BBNPP in the Federal Register under 10 CFR 52.103(a) (CFR, 2007c) in the amount which may be more, but not less, than the amount stated in the table in 10 CFR 50.75(c)(1) (CFR, 2007j), adjusted using a rate equal to that stated in 10 CFR 50.75(c)(2) (CFR, 2007j).}

{PPL Bell Bend, LLC} intends to provide continuous financial assurance from the time period beginning 30 days after the NRC publishes the notice of intended operation for {BBNPP} to the completion of decommissioning and termination of the license.

{The parent company guarantee method adopted by PPL Bell Bend, LLC, consistent with the requirements of 10 CFR 50.75(e)(1)(iii)(B) (CFR, 2007j), will provide an ultimate guarantee that decommissioning costs will be paid in the event the Applicant is unable to meet its decommissioning obligations at the time of decommissioning. The parent company guarantee} will also be structured and adopted consistent with applicable NRC regulatory requirements and in accordance with NRC regulatory guidance contained in Regulatory Guide 1.159 (NRC, 2003). Accordingly, the Applicant intends that the parent company guarantee} documentation will contain, but not be limited to, the following attributes:

- The {parent company guarantee} and financial test shall be as contained in Appendix A, Criteria Related to the Use of Financial Tests and Parent Company Guarantees for Providing Reasonable Assurance of Funds for Decommissioning, of 10 CFR 30 (CFR, 2007d).
- The {parent company guarantee} will remain in force unless the guarantor sends notice of cancellation by certified mail to {PPL Bell Bend, LLC} and to the NRC. Cancellation will not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by {PPL Bell Bend, LLC}, and the NRC, as evidenced by return receipts.
- Within 90 days after receipt by {PPL Bell Bend, LLC} and the NRC of a notice of cancellation of the {parent company guarantee} from the guarantor, if {PPL Bell Bend, LLC} fails to provide alternate financial assurance as specified in regulations, the guarantor will provide such alternative financial assurance in the name of {PPL Bell Bend, LLC}.
- The {parent company guarantee} will be payable to a trust established for decommissioning costs. The trustee and trust will be ones acceptable to the NRC. For instance, the trustee may be an appropriate State or Federal government agency or an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.
- The {parent company guarantee} and financial test provisions will remain in effect until the NRC has terminated the license.

{PPL Energy Supply, LLC will provide the parent guarantee. Its ability to provide this guarantee is demonstrated by compliance with the test specified in 10 CFR Part 30, App. A, Section II, paragraph A.2. A worksheet showing that PPL Energy Supply, LLC meets this test is included as Appendix A.}

1.6.3 DECOMMISSIONING COSTS AND FUNDING - STATUS REPORTING

In accordance with 10 CFR 50.75(e) (CFR, 2007j), {PPL Bell Bend, LLC} will, two years before and one year before the scheduled date for initial loading of fuel, submit a report containing a certification updating the information described in 10 CFR 50.75(b)(1) (CFR, 2007j), including a copy of the financial instrument to be used.

Additionally, in accordance with 10 CFR 50.75(f)(1) (CFR, 2007j), {PPL Bell Bend, LLC} will periodically report on the status of decommissioning funding for {BBNPP}. This report will include, as a minimum, updates to the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) (CFR, 2007j); the amount accumulated to the end of the calendar year preceding the date of the report; a schedule of the annual amounts remaining to be collected; the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; any contracts upon which {PPL Bell Bend, LLC} is relying pursuant to 10 CFR 50.75 (e)(1)(v) (CFR, 2007j); any modifications occurring to the current method of providing financial assurance since the last submitted report; and any material changes to the standby trust agreement. These updates will take into account changes resulting from inflation or site-specific factors, such as changes in facility conditions or expected decommissioning procedures.

{In addition, after the initial financial test for the parent company guarantee, the parent company must repeat the passage of the financial test within 90 days after the close of each succeeding fiscal year. If the parent company no longer meets the requirements of the financial test, PPL Bell Bend, LLC shall send notice to the NRC of intent to establish alternate financial assurance as specified in NRC regulations. The notice shall be sent by certified mail within 90 days after the end of the fiscal year for which the year end financial data show that the parent company no longer meets the financial test requirements. The licensee must provide alternate financial assurance within 120 days after the end of such fiscal year.}

1.6.4 RECORDKEEPING PLANS RELATED TO DECOMMISSIONING FUNDING

In accordance with 10 CFR 50.75(g) (CFR, 2007j), {PPL Bell Bend, LLC} will retain records, until the termination of the license, of information important to the safe and effective decommissioning of {BBNPP}. These records will include the following.

1. Records of spills or other unusual occurrences involving the spread of contamination in and around the facility, equipment, or site. These records may be limited to instances when significant contamination remains after any cleanup procedures or when there is reasonable likelihood that contaminants may have spread to inaccessible areas as in the case of possible seepage into porous materials such as concrete. These records will include any known information on identification of involved nuclides, quantities, forms, and concentrations.
2. As-built drawings and modifications of structures and equipment in restricted areas where radioactive materials are used and/or stored and of locations of possible inaccessible contamination such as buried pipes which may be subject to contamination. If required drawings are referenced, each relevant document need not be indexed individually. If drawings are not available, appropriate records of available information shall be substituted concerning these areas and locations.

3. Records of the cost estimate performed for the decommissioning funding plan or of the amount certified for decommissioning, and records of the funding method used for assuring funds if either a funding plan or certification is used.
4. Records of:
 - a. The licensed site area, as originally licensed, which will include a site map and any acquisition or use of property outside the originally licensed site area for the purpose of receiving, possessing, or using licensed materials;
 - b. The licensed activities carried out on the acquired or used property; and
5. The release and final disposition of any property recorded in item a above, the historical site assessment performed for the release, radiation surveys performed to support release of the property, submittals to the NRC made in accordance with 10 CFR 50.83 (CFR, 2007k), and the methods employed to ensure that the property met the radiological criteria of subpart E of 10 CFR Part 20 (CFR, 2007I) at the time the property was released.

In addition, the financial assurance instruments, signed by the individuals authorized to act for the appropriate parties, shall be maintained in records and available for inspection until termination of the license.

1.7 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

{PPL Corporation is a publicly traded Pennsylvania corporation, and its securities are traded on the New York Stock Exchange and Philadelphia Stock Exchange and are widely held. Section 13 of the Securities Exchange Act of 1934, as amended, 15 USC 78m(d), requires that a person or entity that owns or controls more than 5% of the stock of a company must file notice with the Securities and Exchange Commission (SEC). Based upon the review of the relevant filings with the SEC, the Applicant has identified that FMR LLC ("FMR") and related parties control approximately 6.11% of the voting stock of PPL Corporation. FMR is a Delaware limited liability company. PPL Bell Bend, LLC is not aware of any other alien, foreign corporation, or foreign government that holds more than 5% of the securities of PPL Corporation or will hold more than 5% of the securities of PPL Corporation following the issuance of the combined license.

PPL Energy Funding Corporation, PPL Energy Supply, LLC, PPL Generation, LLC, PPL Nuclear Development, LLC, PPL Bell Bend Holdings, LLC and PPL Bell Bend, LLC are not owned, dominated, or controlled by foreign interests. PPL Energy Funding Corporation is a Pennsylvania corporation. PPL Energy Supply, LLC, PPL Nuclear Development, LLC, PPL Bell Bend Holdings, LLC and PPL Bell Bend, LLC are all Delaware limited liability companies.

Thus, there is no reason to believe that PPL Corporation, PPL Energy Funding Corporation, PPL Energy Supply, LLC, PPL Generation, LLC, PPL Nuclear Development, LLC, PPL Bell Bend Holdings, LLC and PPL Bell Bend, LLC are or will be owned, controlled, or dominated by any alien, foreign corporation, or foreign government. Thus, the issuance of the combined license for BBNPP will not result in any foreign ownership, domination, or control of BBNPP within the meaning of the Atomic Energy Act.}

1.8 RESTRICTED DATA AND CLASSIFIED NATIONAL SECURITY INFORMATION

The combined license application for {BBNPP} does not contain any Restricted Data or other Classified National Security Information, nor does it result in any change in access to any Restricted Data or Classified National Security Information. In addition, it is not expected that activities conducted in accordance with the proposed combined license will involve such information. However, in the event that such information does become involved, and in accordance with 10 CFR 50.37, "Agreement limiting access to Classified Information," (CFR, 2007g), {PPL Corporation, PPL Energy Funding Corporation, PPL Energy Supply, LLC, PPL Generation, LLC, PPL Nuclear Development, LLC, PPL Bell Bend Holdings, LLC and PPL Bell Bend, LLC} agree that they will not permit any individual to have access to, or any facility to possess, Restricted Data or classified National Security Information until the individual and/or facility has been approved for such access under the provisions of 10 CFR Part 25, "Access Authorization for Licensee Personnel," (CFR, 2007h) and/or 10 CFR 95, "Facility Security Clearance and Safeguarding of National Security Information and Restricted Data," (CFR, 2007i).

1.9 REFERENCES

{**CFR, 2007a.** Title 10 Code of Federal Regulations, Part 50.33, Content of applications; general information, 2007.

CFR, 2007b. Title 10 Code of Federal Regulations, Part 52, Early Site Permits; Standard Design Certifications; and Combined Licenses for Nuclear Power Plants, 2007.

CFR, 2007c. Title 10 Code of Federal Regulations, Part 52.103, Operation under a combined license, 2007.

CFR, 2007d. Title 10 Code of Federal Regulations, Part 30, Rules of General Applicability to Domestic Licensing of By-product Material, 2007.

CFR, 2007e. Title 10 Code of Federal Regulations, Part 40, Domestic Licensing of Source Material, 2007.

CFR, 2007f. Title 10 Code of Federal Regulations, Part 70, Domestic Licensing of Special Nuclear Material, 2007.

CFR, 2007g. Title 10 Code of Federal Regulations, Part 50.37, Agreement Limiting Access to Classified Information, 2007.

CFR, 2007h. Title 10 Code of Federal Regulations, Part 25, Access Authorization for Licensee Personnel, 2007.

CFR, 2007i. Title 10 Code of Federal Regulations, Part 95, Facility Security Clearance and Safeguarding of National Security Information and Restricted Data, 2007.

CFR, 2007j. Title 10 Code of Federal Regulations, Part 50.75, Reporting and record-keeper for decommissioning planning, 2007.

CFR, 2007k. Title 10 Code of Federal Regulations, Part 50.83, Release of part of a power reactor facility or site for unrestricted use, 2007.

CFR, 2007l. Title 10 Code of Federal Regulations, Part 20, Standards for Protection Against Radiation, 2007.

NRC, 1999. Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance, NUREG-1577, Revision 1, U.S. Nuclear Regulatory Commission, February 1999.

NRC, 2003. Assuring the Availability of Funds for Decommissioning Nuclear Reactors, Regulatory Guide 1.159, Revision 1, U.S. Nuclear Regulatory Commission, October 2003.

NRC, 2007. Report of Waste Burial Charges, NUREG-1307, Revision 12, U.S. Nuclear Regulatory Commission, February 2007.}

PLN, 2005. Public Law No. 109-58. Energy Policy Act of 2005, August 2005.

Table 1.0-1 {Projected Income Statement for First 5 Years of Operation
 [Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[[[[[[[[[[
Total Revenues	[[[[[[[[[[
Operating Expenses					
Nuclear Fuel	[[[[[[[[[[
O&M, Non-Outage	[[[[[[[[[[
O&M, Refueling Outage	[[[[[[[[[[
Property Taxes	[[[[[[[[[[
Net Decommissioning Expenses	[[[[[[[[[[
Depreciation	[[[[[[[[[[
Total Operating Expenses	[[[[[[[[[[
Operating Income	[[[[[[[[[[
Other (income)/expense					
Interest Expense	[[[[[[[[[[
Total other (income)/expense	[[[[[[[[[[
Pre-tax Income	[[[[[[[[[[
Income Tax Expense	[[[[[[[[[[
Net Income After Tax	[[[[[[[[[[

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing
- Income Taxes net of Production Tax Credits

Table 1.0-2 {Projected Statement of Operating Cash Flows for First 5 years of Operation
 [Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[]	[]	[]	[]	[]
Total Revenues	[]	[]	[]	[]	[]
Operating Expenses					
Nuclear Fuel	[]	[]	[]	[]	[]
O&M, Non-Outage	[]	[]	[]	[]	[]
O&M, Refueling Outage	[]	[]	[]	[]	[]
Property Taxes	[]	[]	[]	[]	[]
Net Decommissioning Expenses	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Working Capital					
Capital project expenditures	[]	[]	[]	[]	[]
Operating Cash Flows Before Income Taxes & Financing Costs					
	[]	[]	[]	[]	[]

Table 1.0-3 {Projected Project Cost

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	Bell Bend Cumulative
Uses:	
Plant Cost	[]
Transmission	[]
Initial Fuel Load	[]
Interest During Construction (Capitalized)	[]
Other Financing Charges	[]
Total Uses	[]
Sources:	
Debt	[]
Equity	[]
Total Funded Sources	[]
Revolving Credit Facility	[]
Letter of Credit Facility	[]
Total Sources:	[]
Notes:	
- Cumulative projected Debt, Equity, and financing balances as of Commercial Operation Date (COD)	
- Includes cumulative DOE application fee, credit subsidy fee, and debt service reserve.	
- Cash from Operations due to income taxes on interest income from debt service reserve fund.	

Table 1.0-4 {Projected Income Statement Sensitivity Cost of Borrowing Increased 200 Basis Points

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[]	[]	[]	[]	[]
Total Revenues	[]	[]	[]	[]	[]
Operating Expenses					
Nuclear Fuel	[]	[]	[]	[]	[]
O&M, Non-Outage	[]	[]	[]	[]	[]
O&M, Refueling Outage	[]	[]	[]	[]	[]
Property Taxes	[]	[]	[]	[]	[]
Net Decommissioning Expenses	[]	[]	[]	[]	[]
Depreciation	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Operating Income	[]	[]	[]	[]	[]
Other (income)/expense					
Interest Expense	[]	[]	[]	[]	[]
Interest Income	[]	[]	[]	[]	[]
Total other (income)/expense	[]	[]	[]	[]	[]
Pre-tax Income	[]	[]	[]	[]	[]
Income Tax Expense	[]	[]	[]	[]	[]
Net Income After Tax	[]	[]	[]	[]	[]

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

Table 1.0-5 {Projected Income Statement Sensitivity Leverage of 64% Debt /36% Equity

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[]	[]	[]	[]	[]
Total Revenues	[]	[]	[]	[]	[]
Operating Expenses					
Nuclear Fuel	[]	[]	[]	[]	[]
O&M, Non-Outage	[]	[]	[]	[]	[]
O&M, Refueling Outage	[]	[]	[]	[]	[]
Property Taxes	[]	[]	[]	[]	[]
Net Decommissioning Expenses	[]	[]	[]	[]	[]
Depreciation	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Operating Income	[]	[]	[]	[]	[]
Other (income)/expense					
Interest expense	[]	[]	[]	[]	[]
Interest Income	[]	[]	[]	[]	[]
Total other (income)/expense	[]	[]	[]	[]	[]
Pre-tax Income	[]	[]	[]	[]	[]
Income Tax Expense	[]	[]	[]	[]	[]
Net Income After Tax	[]	[]	[]	[]	[]

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

Table 1.0-6 {Projected Income Statement Sensitivity 10% Reduction in Projected Market Prices

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[]	[]	[]	[]	[]
Total Revenues	[]	[]	[]	[]	[]
Operating Expenses					
Nuclear Fuel	[]	[]	[]	[]	[]
O&M, Non-Outage	[]	[]	[]	[]	[]
O&M, Refueling Outage	[]	[]	[]	[]	[]
Property Taxes	[]	[]	[]	[]	[]
Decommissioning Expenses	[]	[]	[]	[]	[]
Depreciation	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Operating Income	[]	[]	[]	[]	[]
Other income/expense					
Interest Expense	[]	[]	[]	[]	[]
Total other (income)/expense	[]	[]	[]	[]	[]
Pre-tax Income	[]	[]	[]	[]	[]
Income Tax Expense	[]	[]	[]	[]	[]
Net Income After Tax	[]	[]	[]	[]	[]

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

Table 1.0-7 {Projected Income Statement Sensitivity 10% Reduction in Capacity Factor

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[-]	[-]	[-]	[-]	[-]
Total Revenues	[-]	[-]	[-]	[-]	[-]
Operating Expenses					
Nuclear Fuel	[-]	[-]	[-]	[-]	[-]
O&M, Non-Outage	[-]	[-]	[-]	[-]	[-]
O&M, Refueling Outage	[-]	[-]	[-]	[-]	[-]
Property Taxes	[-]	[-]	[-]	[-]	[-]
Net Decommissioning Expenses	[-]	[-]	[-]	[-]	[-]
Depreciation	[-]	[-]	[-]	[-]	[-]
Total Operating Expenses	[-]	[-]	[-]	[-]	[-]
Operating Income	[-]	[-]	[-]	[-]	[-]
Other (income)/expense					
Interest Expense	[-]	[-]	[-]	[-]	[-]
Total other (income)/expense	[-]	[-]	[-]	[-]	[-]
Pre-tax Income	[-]	[-]	[-]	[-]	[-]
Income Tax Expense	[-]	[-]	[-]	[-]	[-]
Net Income After Tax	[-]	[-]	[-]	[-]	[-]

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

Table 1.0-8 {Projected Income Statement Sensitivity No Receipt of Production Tax Credits

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[[[[[[[[[[
Total Revenues	[[[[[[[[[[
Operating Expenses					
Nuclear Fuel	[[[[[[[[[[
O&M, Non-Outage	[[[[[[[[[[
O&M, Refueling Outage	[[[[[[[[[[
Property Taxes	[[[[[[[[[[
Net Decommissioning Expenses	[[[[[[[[[[
Depreciation	[[[[[[[[[[
Total Operating Expenses	[[[[[[[[[[
Operating Income	[[[[[[[[[[
Other (income)/expense					
Interest expense	[[[[[[[[[[
Total other (income)/expense	[[[[[[[[[[
Pre-tax Income	[[[[[[[[[[
Income Tax Expense	[[[[[[[[[[
Net Income After Tax	[[[[[[[[[[

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

Table 1.0-9 {Projected Income Statement Sensitivity 10% Higher Capital Cost

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

(\$Millions)	2019	2020	2021	2022	2023
Revenue					
Market	[]	[]	[]	[]	[]
Total Revenues	[]	[]	[]	[]	[]
Operating Expenses					
Nuclear Fuel	[]	[]	[]	[]	[]
O&M, Non-Outage	[]	[]	[]	[]	[]
O&M, Refueling Outage	[]	[]	[]	[]	[]
Property Taxes	[]	[]	[]	[]	[]
Net Decommissioning Expenses	[]	[]	[]	[]	[]
Depreciation	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Operating Income	[]	[]	[]	[]	[]
Other (income)/expense					
Interest Expense	[]	[]	[]	[]	[]
Total other (incom)/expense	[]	[]	[]	[]	[]
Pre-tax Income	[]	[]	[]	[]	[]
Income Tax Expense	[]	[]	[]	[]	[]
Net Income After Tax	[]	[]	[]	[]	[]

Notes:

- Base Case assumes leverage of approximately 70% Debt/30% Equity during pre-construction with 7.0% cost of borrowing and 90% Debt/10% Equity during construction with 5.0% cost of borrowing.

- Income Taxes net of Production Tax Credits

- Base Case = \$[], this case = \$ []

Table 1.0-10 {6-Month Non-Regulatory Delay

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

A specific sensitivity was not calculated for the 6-month non-regulatory delay scenario as it is believed that the 10% Higher Capital Cost Sensitivity (Table 1.0-9 on page 30) conservatively bounds the 6-month non-regulatory delay scenario.

A 6-month delay is a scenario whereby the start of operations would be postponed for 6 months due to non-regulatory reasons.

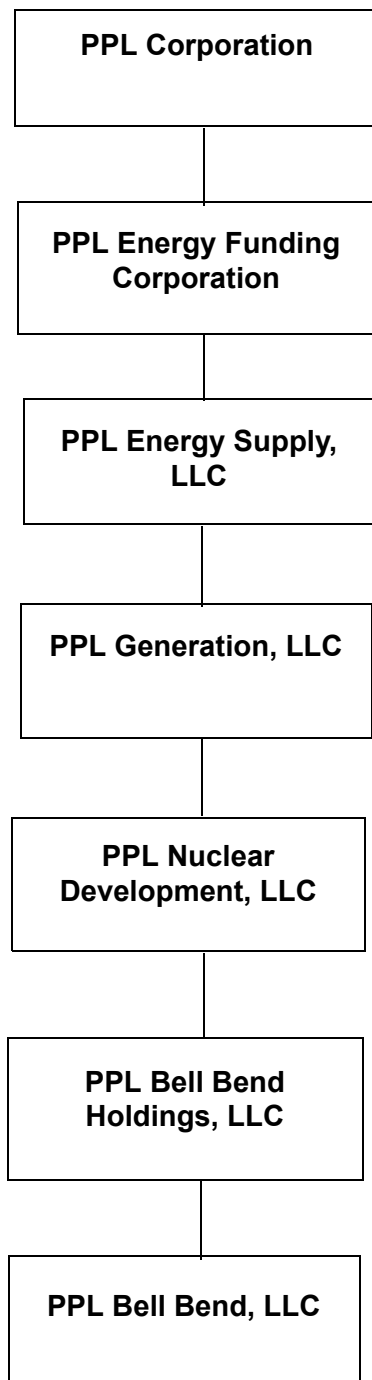
A 6-month non-regulatory delay would increase the Interest During Construction (IDC) and would incur additional operating costs (primarily labor). Operating costs incurred prior to Commercial Operation Date (COD) are capitalized and financed along with other construction costs.

The incremental capitalized interest and capitalized Operating and Maintenance (O&M) costs are estimated as follows.

(\$Millions)	
Total Base Case Capital Cost (from Table 1.0-3)	[]
Additional Interest on debt (from Table 1.0-3)	[]
([] debt * 5.4% weighted average interest rate * ½ year)	[]
Additional Capitalized Operating Costs (fixed O&M Cost, includes labor, overhead, property taxes and insurance)	[]
Total 6-Month Non-Regulatory Delay Capital Cost	[]

The total capital cost would increase from [] million to approximately [] million (an increase of 3.3%), which is significantly less than the [] ([] * 110%) projected for the 10% Higher Capital Cost Sensitivity (Table 1.0-9).}

Figure 1.0-1 {Organizational Structure}



APPENDIX A

**RG 1.159⁽¹⁾ APPENDIX B-6.3, FINANCIAL TEST: ALTERNATIVE II
PPL Energy Supply (as of 12/31/2007)**

[Proprietary Information - Withheld Under 10 CFR 2.390(a)(4) - See Part 9 of the COL Application]

	(\$ in millions)	
1. Decommissioning cost estimates or guaranteed amount for facility [insert license number]	\$	[]
2. Current bond rating of most recent unsecured issuance of this firm		
Rating	BBB	
Name of rating service	Standard and Poor's Rating Service	
3. Date of issuance of bond	7/21/2008	
4. Date of maturity of bond	7/15/2013	
*5. Tangible net worth** (if any portion of estimates for decommissioning is included in total liabilities on your firm's financial statements, you may add the amount of that portion to this line)	\$	[]
*6. Total assets in United States (required only if less than 90 percent of firm's assets are located in the United States)	\$	[]
	<u>Yes</u>	<u>No</u>
7. Is line 5 at least \$10 million?	x	
8. Is line 5 at least 6 times line 1?	x	
9. Are at least 90 percent of firm's assets located in the United States? If not, complete line 10.		x
10. is line 6 at least 6 times line 1?	x	
11. Is the rating specified on line 2 "BBB" or better (if issued by Standard & Poor's) or "Baa" or better (if issued by Moody's)?	x	

* Denotes figures derived from financial statements.

** Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights.

⁽¹⁾ Regulatory Guide 1.159, Assuring the Availability of Funds for Decommissioning Nuclear Reactors, Revision 1, October 2003