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NuStart Energy<sup>sm</sup>

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December 7, 2004

U.S. Nuclear Regulatory Commission  
Document Control Desk  
Washington, D.C. 20555

Attn.: Mr. William D. Beckner, Program Director  
New, Research and Test Reactors Programs

SUBJECT: NuStart Energy Plans for Submitting a Combined License Application

Dear Mr. Beckner:

NuStart Energy Development, LLC (NuStart) was recently formed to investigate the design, certification, and licensing of advanced nuclear power reactors. The purpose of this letter is to announce our intention to prepare and submit to the NRC at least one combined construction and operating license (COL) application. The NuStart member companies<sup>1</sup>, along with the Tennessee Valley Authority, General Electric Company (GE), and Westinghouse Electric Company comprise the NuStart consortium. The NuStart consortium intends to prepare and seek a COL in connection with a government / industry cost sharing initiative pursuant to the U.S. Department of Energy's (DOE) *Nuclear Power 2010* program.

The terms of this cost sharing initiative are currently under negotiation and are premised on a proposal submitted by NuStart to the DOE in which NuStart would prepare a COL application for each of the GE Economic Simplified Boiling Water Reactor (ESBWR) and the Westinghouse Advanced Passive (AP) 1000 technologies with the intent of submitting at least one COL application to the NRC in 2008. Based on this tentative submission schedule, we also anticipate initiation of pre-application discussions with the NRC in early 2007.

<sup>1</sup> The NuStart member companies are: Constellation Generation Group, LLC, Duke Energy Corporation, EdF-International North America, Inc., Entergy Nuclear, Inc., Exelon Generation Company, LLC, Florida Power & Light Company, Progress Energy, and Southern Company Services, Inc.

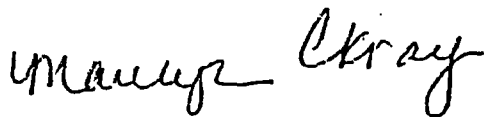
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Further, depending on the outcome of our ongoing site selection efforts and the availability of funding, NuStart may elect to submit two COL applications, one for each of the two technologies. NuStart will provide the NRC with its detailed plans and schedule for our COL activities by November 1, 2005. This date is consistent with the milestones being incorporated in the cost sharing agreement with the DOE.

Finally, while the NuStart project will seek at least one COL, NuStart has not made any decisions with respect to a construction commitment. Any construction decision will come later based on various economic and regulatory factors. We recognize the need for the NRC to initiate its construction inspection program for long lead-time manufactured items, and will advise the NRC promptly of any future construction decision.

NuStart is pleased to have been selected by the DOE as a cost sharing award candidate, and is eager to work with the NRC as we embark on this most important endeavor for the future of the nuclear industry. If you have any questions or comments concerning the NuStart project, please feel free to contact me at (610) 765-5610.

Sincerely,



Marilyn C. Kray  
President

MCK:TPM/tpm

cc: G. Zinke, NuStart Licensing Lead  
T. Mundy, NuStart Project Manager  
A. Heymer, NEI