

Part 1 General and Financial Information

1.0 Introduction

This Combined License Application (COLA) is submitted by the STP Nuclear Operating Company (STPNOC) on behalf of itself, NRG South Texas 3 LLC, NRG South Texas 4 LLC, and the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy), for the construction and operation of two nuclear powered generating plants designated as South Texas Project Units 3 & 4 (STP 3 & 4). In addition, special nuclear material licenses, by-product material licenses, and source material licenses as required for construction and operation are requested.

STP 3 & 4 will each utilize the GE Advanced Boiling Water Reactor (ABWR) light water reactor design. This COLA presents descriptions and analyses of the station design, and incorporates by reference Appendix A to 10 CFR Part 52 as required by Section III.B of that Appendix. Also included with this Application is a verified electronic copy of the generic ABWR Design Control Document (DCD), Rev. 4.

The Application has been divided into parts as follows:

- Part 1 - General and Financial Information
- Part 2 - Final Safety Analysis Report
- Part 3 - Environmental Report
- Part 4 - Plant-Specific Technical Specifications
- Part 5 - Emergency Plan
- Part 6 - Site Redress Plan
- Part 7 - Generic DCD Departures Report
- Part 8 - Security Plans (under separate cover)
- Part 9 - Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC)
- Part 10 - Verified Electronic Copy of the ABWR DCD, Rev. 4

1.1 License Actions Requested

The purpose of this COLA is to obtain NRC approval to construct and operate two nuclear powered generating plants. The plants will be located at the existing South Texas Project Electric Generating Station in Matagorda County, Texas.

In support of this objective, STPNOC requests the following license actions:

- License STPNOC pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Part 52 to construct, possess, use, and operate South Texas Project Unit 3 at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allowing operation during an interim period under the combined license under 10 CFR 52.103(c), and contain provisions that include the applicable licenses under 10 CFR Parts 30, 40, and 70 to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to construct and operate the utilization facility.

- License NRG South Texas 3 LLC and the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy) pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 3 at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allowing operation during an interim period under the combined license under 10 CFR 52.103(c).
- License STPNOC pursuant to Section 103 of the Act and 10 CFR Part 52 to construct, possess, use, and operate South Texas Project Unit 4 at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allowing operation during an interim period under the combined license under 10 CFR 52.103(c), and contain provisions that include the applicable licenses under 10 CFR Parts 30, 40, and 70 to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to construct and operate the utilization facility.
- License NRG South Texas 4 LLC and the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy) pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 4 at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allowing operation during an interim period under the combined license under 10 CFR 52.103(c).

1.2 General Information

The applicants for STP 3 & 4 are NRG South Texas 3 LLC, NRG South Texas 4 LLC, CPS Energy, and STPNOC as described in the requested license actions above. The required general information for the applicants is provided below separated by applicant.

NRG South Texas 3 LLC and NRG South Texas 4 LLC

NRG South Texas 3 LLC and NRG South Texas 4 LLC operate in the state of Texas and will be indirectly wholly owned subsidiaries of NRG Energy, Inc. (NRG Energy), which is expected to be a wholly owned subsidiary of NRG Holdings, Inc. following a planned restructuring. The existing ownership structure of these companies is reflected in Figure 1.2-1 and the ownership structure planned at the time a COL would be issued is reflected in Figure 1.2-2.

NRG Energy is incorporated in the State of Delaware and was formed in 1992 as the non utility subsidiary of Northern States Power Company, which was itself merged into New Century Energies, Inc. to form Xcel Energy, Inc., in 2000. NRG Energy is no longer affiliated with Northern States Power or Xcel Energy, Inc. NRG Energy is a wholesale power generation company that is publicly owned and traded on the New York Stock Exchange. It primarily engages in the ownership and operation of power generation facilities, the transacting in and trading of fuel and transportation services, and the marketing and trading of energy, capacity and related products in the United States and internationally. NRG Energy has a diverse portfolio of electric generation facilities in terms of geography, fuel type, and dispatch levels.

In the Texas deregulated electricity market, NRG South Texas 3 LLC and NRG South Texas 4 LLC will sell their portions of the electrical energy produced at STP 3 & 4 to the general ERCOT market described below.

NRG South Texas 3 LLC	NRG Holdings, Inc.
NRG South Texas 4 LLC	NRG Energy, Inc.
1301 McKinney, Suite 2300	211 Carnegie Center
Houston, Texas 77010	Princeton, New Jersey 08540

The name, address, and citizenship of the directors and officers of the corporations are provided in Table 1.2-1.

CPS Energy

CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. The City of San Antonio, Texas acquired its electric and gas utilities in 1942 from the American Light and Traction Company, which had been ordered by the federal government to sell properties under provisions of the Holding Company Act of 1935. Today, CPS Energy is the nation's largest municipally owned energy company providing both natural gas and electric service, serving more than 662,000 electric customers and approximately 315,000 natural gas customers in and around the eighth largest city in the United States. CPS Energy has earned the highest financial rating of any electric system in the nation.

CPS Energy	CPS Energy
145 Navarro	PO Box 1771
San Antonio, Texas 78205	San Antonio, Texas 78296

The names, addresses, and citizenship of the trustees and senior executive team members of CPS Energy are provided in Table 1.2-2.

STP Nuclear Operating Company

Pursuant to an Operating Agreement between the participants of STP 1 & 2, STPNOC is responsible for the licensing, operation, maintenance, modification, decontamination, and decommissioning of STP 1 & 2, and for the construction of any additional generating units and support facilities that may be constructed at the South Texas Project Electric Generating Station. The participants are liable for payments that are chargeable to STP 1 & 2 in proportion to each of the participant's respective undivided ownership interest in STP 1 & 2. The participants in STP 3 & 4 are liable for payments chargeable to STP 3 & 4 in proportion to each of the participant's respective undivided ownership interest in STP 3 & 4. Common facilities charges are shared by the STP 1 & 2 and STP 3 & 4 participants. STPNOC will operate STP 3 & 4 pursuant to amended terms of the existing Operating Agreement or another appropriate arrangement. STPNOC is a Texas non-profit corporation.

STP Nuclear Operating Company
PO Box 289
Wadsworth, Texas 77483

The name, address, and citizenship of the directors and officers of STPNOC are provided in Table 1.2-3

Regulatory Agencies with Jurisdiction over Rates and Services

The Public Utility Commission of Texas (PUCT) has jurisdiction over the electric market in the Electric Reliability Council of Texas (ERCOT) region. That authority is focused on wholesale and retail market oversight, customer protection rules, utility (delivery) ratemaking and oversight, reliability compliance, and matters related to the transition to the competitive market, such as oversight of nuclear decommissioning trusts of existing nuclear plants in ERCOT. Traditional retail ratemaking has been replaced with a “customer choice” model where retail rates are established in a competitive market, subject to PUCT customer protection rules. Likewise, the wholesale electric market pricing is set by competitive processes (under the market oversight of the PUCT and a Wholesale Market Monitor selected by the PUCT), both through bilateral power agreements and as part of ERCOT ancillary service auctions. The ERCOT corporate organization serves as the independent system operator responsible for transmission system open access, energy scheduling and accounting, transmission control area management, system planning, and support of the competitive retail market and financial settlement of the wholesale market. Municipal utilities and electric cooperatives have authority to acquire energy and set retail rates under their own authority.

ERCOT manages the flow of electric power to approximately 20 million Texas customers, representing 85 percent of the state’s electric load and 75 percent of the Texas land area. As the independent system operator for the region, ERCOT schedules power on an electric grid that connects 38,000 miles of high-voltage transmission lines and more than 500 generation units. ERCOT also manages financial settlements for the competitive wholesale bulk-power market and administers customer switching for 5.9 million Texans in competitive choice areas. ERCOT is a membership-based nonprofit corporation, governed by a board of directors and subject to oversight by the PUCT and the Texas Legislature. ERCOT’s members include retail consumers, investor- and municipal-owned electric utilities, rural electric cooperatives, river authorities, independent generators, power marketers and retail electric providers.

Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Electric Reliability Council of Texas
7620 Metro Center Drive
Austin, Texas 78744

Trade and News Publications

Table 1.2-4 provides a list of trade and news publications that would be appropriate to provide reasonable notice of the application to those municipalities, private utilities, public bodies, and cooperatives that might have a potential interest in the facility.

1.3 Financial Qualifications

NRG Energy

NRG Energy provides the following information required by 10 CFR 50.33(f), 10 CFR 50 App

C, and NUREG-1577, Rev. 1 to demonstrate that NRG Energy possesses or has reasonable assurance of obtaining the funds necessary to cover estimated construction costs and related fuel cycle costs.

NRG Energy's mission is to provide reliable wholesale electricity safely and in a manner consistent with its civic and environmental commitment to the communities it serves. NRG Energy strives to be the leading non-utility power generation company in the world, primarily through continuously enhancing the operational and technical capability of its generating fleet, and through savvy trading and marketing of electricity-related commodities.

NRG Energy is a wholesale power generation company with a significant presence in major competitive power markets in the U. S. NRG is primarily engaged in the ownership, development, construction and operation of power generation facilities, the transacting in and trading of fuel and transportation services, and the trading of energy, capacity and related products in the U. S. and internationally.

On February 2, 2006, NRG Energy acquired Texas Genco LLC by purchasing all of the outstanding equity interests in Texas Genco. The purchase price of approximately \$6.1 billion consisted of approximately \$4.4 billion in cash and the issuance of approximately 35.4 million shares of NRG Energy common stock valued at approximately \$1.7 billion, and NRG Energy assumed approximately \$2.7 billion of Texas Genco's outstanding debt. The purchase price is subject to adjustment due to acquisition costs. Texas Genco is now a wholly owned subsidiary of NRG Energy and it is managed and accounted for as a new business segment referred to as NRG Texas.

As of December 31, 2006, the combined company had a total global portfolio of 223 active operating generation units at 51 power generation plants, with an aggregate generation capacity of approximately 24,175 MW. Within the U. S., the combined company has one of the largest and most diversified power generation portfolios in terms of geography, fuel-type, and dispatch levels, with approximately 22,940 MW of generation capacity in 207 active generating units at 45 plants. These power generation facilities are primarily located in the company's core regions in the ERCOT market (~ 10,760 MW), and in the Northeast (~ 7,240 MW), South Central (~ 2,850 MW), and Western (~ 1,965 MW) regions of the U. S. The company has an additional 125 MW from thermal assets. The sale of capacity and power from baseload generation facilities accounts for the majority of the company's revenues and provides a stable source of cash flow. In addition, NRG Energy's diverse generation portfolio provides the company with opportunities to capture additional revenues by selling power during periods of peak demand, offering capacity or similar products to retail electric providers and others, and providing ancillary services to support system reliability.

The company's power generation assets are diversified by fuel type, dispatch level, and region, which helps mitigate the risks associated with fuel price volatility and market demand cycles. NRG Energy's U.S. baseload facilities, which consist of approximately 8,745 MW of generation capacity measured as of December 31, 2006, provide the company with a significant source of stable cash flow, while its intermediate and peaking facilities, with approximately 14,195 MW of generation capacity as of December 31, 2006, provide NRG Energy with opportunities to capture the significant upside potential that can arise from time to time during periods of high demand. In addition, approximately 15% of the company's domestic generation

facilities have dual or multiple fuel capability, which allows most of these plants to dispatch with the lowest cost fuel option.

NRG Energy has sold forward or otherwise hedged a significant portion of its expected baseload generation capacity through 2012. The company has the capacity and intent to enter into additional hedges in later years when market conditions are favorable. In addition, as of December 31, 2006, the company has purchased forward under fixed price contracts (with contractually-specified price escalators) to provide fuel for approximately 73% of its expected baseload coal generation output from 2007 to 2012. These forward positions provide a stable and reliable source of future cash flow for NRG Energy's investors, while preserving a portion of its generation portfolio for opportunistic sales to take advantage of market dynamics.

In 2006, approximately 83% of the company's domestic generation was fueled by coal or nuclear fuel. In many of the competitive markets where NRG Energy operates, the price of power is typically set by the marginal costs of natural gas-fired and oil-fired power plants that currently have substantially higher variable costs than solid fuel baseload power plants. As a result of NRG Energy's lower marginal cost for baseload coal and nuclear generation assets, the company expects these ERCOT assets to generate power nearly 100% of the time they are available.

Many of NRG Energy's generation assets are located within densely populated areas that are characterized by significant constraints on the transmission of power from generators outside the region. Consequently, these assets are able to benefit from the higher prices that prevail for energy in these markets during periods of transmission constraints. NRG Energy has generation assets located within New York City, southwestern Connecticut, Houston, and the Los Angeles and San Diego load basins; all areas with constraints on the transmission of electricity. This gives the company the opportunity to capture additional revenues through offering capacity to retail electric providers and others, selling power at prevailing market prices during periods of peak demand and providing ancillary services in support of system reliability. These facilities are often ideally situated for repowering or the addition of new capacity, as well, because their location and existing infrastructure give them significant advantages over newly developed sites in their regions.

Tables 1.3-1 and 1.3-2 provide the summary of project costs for STP Unit 3 and Unit 4, respectively. Both tables are considered proprietary and should be withheld from public disclosure.

The construction period for the project is 108 months per unit, which includes the COLA processing time. The sources of construction funds for STP Unit 3 and for STP Unit 4 are described in Tables 1.3-3 and 1.3-4 (both proprietary), respectively. The Department of Energy guarantees are expected to be important to get the capital market and debt market to invest in the project. The construction financing will be provided by the equity sponsors or otherwise arranged by the sponsors (e.g., vendor financing) until the COLA application is approved, at which time the debt market will be used to finance the construction period. Further details regarding these plans are provided in Table 1.3-5 (proprietary).

NRG Energy reports to the SEC and the SEC filings may be found at "www.edgar.gov" or at "www.nrgenergy.com."

Tables 1.3-6 and 1.3-7 (both proprietary) provide the operations and maintenance costs for the first five years for STP Unit 3 and Unit 4, respectively. The sources to cover the operating costs will come from the sale of electricity through Power Purchase agreements. The power plant is expected to be at least 70% subscribed with the remaining 30% or less sold as merchant energy. NRG Energy has negotiated three term letter agreements with purchasers. Figure 1.3-1 (proprietary) provides a projection of the market price of power through the year 2045.

Tables 1.3-8 and 1.3-9 (both proprietary) provide plant net output and electricity sales for STP Unit 3 and Unit 4, respectively.

CPS Energy

CPS Energy is the trademarked name through which the City of San Antonio, acting by and through the City Public Board, does business. CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. CPS Energy generates and distributes electricity and recovers the cost of this electricity through rates approved by its rate regulator, the City of San Antonio, thus meeting the definition of an “electric utility” in 10 CFR 50.2. Therefore, CPS Energy is exempt from financial qualification review for the operating license pursuant to 10 CFR 50.33(f) and in accordance with Section III.1.b. of NUREG-1577, Rev. 1. Information regarding CPS Energy’s financial qualifications to support the construction of STP 3 & 4 is provided below.

In its most recent bond offering, CPS Energy received “investment-grade” ratings for its Bonds and Commercial Paper from Fitch Ratings, Moody’s Investors Service, Inc., and Standard and Poor’s Ratings Service, including ratings from these agencies for its senior lien bonds of “AA+”, “Aa1”, and “AA”, respectively. Further detailed financial information regarding CPS Energy is provided in its Annual Reports and Bond Statements available at “www.cpsenergy.com.”

The CPS Energy electric system serves a territory consisting of substantially all of Bexar County and small portions of the adjacent counties of Comal, Guadalupe, Atascosa, Medina, Bandera, Wilson, and Kendall. Certification of this service area has been approved by the PUCT. CPS Energy is currently the exclusive provider of electric service within this service area, including the provision of electric service to some Federal military installations located within the service area that have their own distribution facilities.

In addition to the area served at retail rates, CPS Energy sells wholesale electricity to the Floresville Electric Light & Power System, the City of Hondo, and the City of Castroville. These three wholesale supply agreements have remaining terms ranging from less than one to ten years until expiration, although all of the agreements provide for extensions. Discussions are ongoing with all three entities to renew their respective long-term wholesale power agreements. Additionally, CPS Energy has recently entered into several one-year wholesale supply agreements with other various municipalities and cooperatives. CPS Energy plans to seek additional opportunities to enter into long-term wholesale electric power agreements in the future. The requirements under the existing and any new wholesale agreements would be firm energy obligations of CPS Energy.

The CPS Energy gas system serves the City of San Antonio (the City) and its environs, although there is no certificated CPS Energy gas service area. In Texas, no legislative provision or

regulatory procedure exists for certification of natural gas service areas. As a result, CPS Energy competes against other gas supplying entities on the periphery of its service area. Pursuant to the authority provided by Section 181.026, Texas Utilities Code, among other applicable laws, the City has executed a license agreement (“License Agreement”) with the City of Grey Forest, Texas (“Licensee”), dated as July 28, 2003, for a term through May 31, 2028. Pursuant to this License Agreement, the City permits the Licensee to provide, construct, operate and maintain certain natural gas lines within the boundaries of the City which it originally established in 1967 and to provide extensions and other improvements thereto upon compliance with the provisions of the License Agreement and upon the payment to the City of a quarterly license fee of 3.0% of the gross revenues received by the Licensee from the sale of natural gas within the Licensed Area (as defined in the License Agreement). Thus, in the Licensed Area, CPS Energy is in direct competition with Grey Forest Utilities as a supplier of natural gas.

CPS Energy also has 20-year Franchise Agreements with 28 incorporated communities in the San Antonio area. These Franchise Agreements permit CPS Energy to operate its facilities in the city’s streets and public ways in exchange for a franchise fee of 3.0% on electric and natural gas revenues earned within their respective municipal boundaries. Of these 28 agreements, 24 expire in 2010; the others expire in 2011, 2017, 2023 and 2024.

Projected costs and other information regarding the source of funds for construction of STP 3 & 4 pursuant to project financing with a DOE loan guarantee have been developed by NRG Energy. This information, which is reflected in Tables 1.3-1 through 1.3-4, is described in further detail in the discussion regarding NRG Energy, and this same information applies to CPS Energy.

1.4 Decommissioning Funding Assurance

The plant owners certify that prior to initial fuel load they will provide financial assurance for decommissioning based upon the NRC minimum “formula” amount calculated pursuant to 10 CFR 50.75(c). Table 1.4-1 provides the current calculation of the NRC formula amount, which is the same for STP 3 and STP 4. This amount will be adjusted annually in accordance with 10 CFR 50.75(b)(2). The applicants’ funding proposals to cover those costs in accordance with 10 CFR 50.75 are set forth below.

CPS Energy will provide decommissioning funding assurance for its proportionate obligation for decommissioning based upon its percentage interests in each unit using the external sinking fund method as provided for in 10 CFR 50.75(e)(1)(ii). CPS Energy qualifies to use this as its exclusive mechanism under the provisions of 10 CFR 50.75(e)(1)(ii)(A), because it is a municipality that establishes its own rates and is able to recover its cost of service allocable to decommissioning. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), CPS Energy will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from its assets and outside its administrative control and in which the total amount of funds will be sufficient to fund decommissioning at the time permanent cessation of operations is expected.

In accordance with the terms of 10 CFR 50.75(e)(1)(vi), NRG Energy will provide decommissioning funding assurance for its proportionate obligation for decommissioning based upon its percentage interests in each unit using the external sinking fund method

consistent with the provisions of 10 CFR 50.75(e)(1)(ii), except that NRG Energy will not ordinarily collect funding from ratepayers. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), NRG Energy will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from its assets and outside its administrative control and in which the total amount of funds will be sufficient to fund decommissioning at the time permanent cessation of operations is expected. However, the funds periodically set aside are expected to be generated from sales of power. Although NRG Energy does not technically qualify to use the external sinking fund method as its exclusive mechanism under the provisions of 10 CFR 50.75(e)(1)(ii)(A)&(B), exclusive reliance of this mechanism should be acceptable, because pursuant to House Bill 1386 passed by the Texas Legislature on May 28, 2007 and signed into law by the Governor on June 15, 2007, Texas Law effective September 1, 2007, provides that ratepayers would be obligated to fund the total cost of decommissioning in the event that NRG Energy fails to periodically set aside funds as planned. Tex. Util. Code Ann. § 39.206 (Vernon 1998 and Supp. 2007). Thus, if NRG Energy does not provide periodic funding from its own revenues, Texas Law would provide for a mechanism for funding decommissioning that does meet the requirements of 10 CFR 50.75(e)(1)(ii)(A).

A Decommissioning Report and certifications are provided in Table 1.4-1 consistent with the requirements of 10 CFR 50.75(b) and 0 CFR 50.75(e)(3).

1.5 Foreign Ownership Restrictions

CPS Energy

CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. CPS Energy is neither owned, controlled, nor dominated by an alien, foreign corporation or foreign government.

NRG Energy

NRG South Texas 3 LLC and NRG South Texas 4 LLC operate in the state of Texas and are wholly owned subsidiaries of NRG Energy. NRG Energy is a publicly traded company; its securities are traded on the New York Stock Exchange and are widely held. If NRG Holdings, Inc. is created as NRG Energy's parent, as currently planned, NRG Holdings, Inc. would become the public traded corporation with the same shareholders as NRG Energy. NRG Energy, Inc. would become a wholly owned subsidiary of NRG Holdings, Inc. Thus, the information provided below with respect to NRG Energy would also apply to NRG Holdings, Inc.

Section 13(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5% of the securities of a company must file notice with the Securities and Exchange Commission (SEC). Based upon filings with the SEC, NRG Energy is aware of one alien, foreign corporation, or foreign government that holds or may hold more than 5% of the securities of NRG Energy. Orbis Investment Management Ltd and Orbis Asset Management Ltd (Orbis), and associated Bermuda companies with principal offices in Bermuda, have filed a statement indicating that as of December 31, 2006, Orbis owned approximately 5.91% of the NRG Energy shares outstanding at that time. Orbis does not have any representation on the NRG Energy Board of Directors and its SEC filing

specifically certifies that Orbis did not acquire these NRG Energy shares for the purpose of or with the effect of changing or influencing the control of NRG Energy.

The directors and executive officers of NRG Energy are United States citizens, except for one director, Maureen Miskovic, who is a citizen of the United Kingdom and permanent resident of the United States, and one executive officer. A single director with foreign citizenship will not be able to exercise control over NRG Energy, nor will a single executive officer.

There is no reason to believe that NRG Energy is owned, controlled, or dominated by any alien, foreign corporation, or foreign government.

1.6 Restricted Data and Classified National Security Information

The COLA for STP 3 & 4 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. In compliance with Section 145(a) of the Act and 10 CFR 50.37, the applicants 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 and/or 10 CFR Part 95.

**Table 1.2-1 Directors and Officers of NRG South Texas 3 LLC,
South Texas 4 LLC, and their Parent Companies**

NRG South Texas 3 LLC NRG South Texas 4 LLC 1301 McKinney, Suite 2300 Houston, Texas 77010		
Name	Position	Citizenship
Daniels, Edmund	Manager; VP & Secretary	US
Hampton, Dean	VP; Controller	US
Hill, John B., III	VP	US
Howell, Kevin	VP	US
Freeland, Clint Champion	VP; Treasurer	US
Porlier, Brad	VP	US
Winn, Steve	Manager; President	US
NRG Nuclear Development Company, LLC STP 3 & 4 Investments, LLC 211 Carnegie Center Princeton, New Jersey 08540		
Name	Position	Citizenship
Crane, David	Manager	US
Daniels, Edmund	VP & Secretary	US
Flexon, Robert C.	Manager	US
Freeland, Clint Champion	VP; Treasurer	US
Hampton, Dean	VP; Controller	US
Hill, John B., III	VP	US
Howell, Kevin	VP	US
Porlier, Brad	VP	US
Winn, Steve	Manager; President	US

**Table 1.2-1 Directors and Officers of NRG South Texas 3 LLC,
South Texas 4 LLC, and their Parent Companies (Continued)**

NRG Holdings, Inc. NRG Energy, Inc. 211 Carnegie Center Princeton, New Jersey 08540		
Name	Position	Citizenship
Baudier, Jeffrey M.	Sr VP; President South Central Region	US
Brewster, John P.	Exec VP	US
Burke, Carolyn J.	VP; Controller	US
Chlebowski, John F.	Board - Director	US
Coben, Lawrence S.	Board - Director	US
Cosgrove, Howard E.	Director; Chairman of the Board	US
Crane, David	Director; President; CEO	US
Cropper, Stephen L.	Board - Director	US
Dehne, Tanuja M.	Corporate Secretary	US
Flexon, Robert C.	Exec VP; CFO	US
Hantke, William E.	Board - Director	US
Hill, John B., III	Exec VP; President Texas Region	US
Hobby, Paul W.	Board - Director	US
Hoffman, Steve	Sr VP; President West Region	US
Howell, Kevin T.	Exec VP; President Commercial Ops	US
Miskovic, Maureen	Board - Director	UK *
Murphy, John Andrew	Exec VP; General Counsel	US
Ragan, John W.	Exec VP; President Northeast Region	US
Schaumberg, Anne C.	Board - Director	US
Tate, Herbert H.	Board - Director	US
Weidemeyer, Thomas H.	Board - Director	US
Winn, Steve	Exec VP	US
Young, Walter R.	Board - Director	US

* Permanent resident of the United States

Table 1.2-2 Trustees and Senior Executive Team of CPS Energy

City Public Service Board of San Antonio, Texas (CPS Energy) P.O. Box 1771 San Antonio, Texas 78296		
Name	Position	Citizenship
Bartley, Stephen L.	Exec VP	US
Gay, Clayton T., Jr.	Trustee	US
Geis, Aurora	Trustee	US
Hardberger, Phil	Mayor; ex-officio Trustee	US
Hennigan, Stephen S.	Trustee	US
Kotara, Michael K.	Exec VP	US
Lee, Milton B.	General Manager and CEO	US
Lujan, Al	Exec VP	US
Sanchez, Alvaro, Jr.	Trustee	US
Shellman, Carolyn E.	Sr VP; Gen Counsel	US
Williamson, Richard E.	Exec VP; CFO	US

Table 1.2-3 Directors and Officers of STP Nuclear Operating Company

Name	Position	Citizenship	Address
Crane, David	Director	US	211 Carnegie Center Princeton, NJ 08540
Crenshaw, John	VP Engineering & Construction, Units 3 & 4	US	PO Box 289 Wadsworth, TX 77483
Halpin, Ed	Site VP	US	PO Box 289 Wadsworth, TX 77483
Kirksey, Chris	Director	US	721 Barton Springs Road Austin, TX 78704
Mallen, Frank	GM & Asst to the CEO	US	PO Box 289 Wadsworth, TX 77483
McBurnett, Mark	VP Oversight/Regulatory Affairs, Units 3 & 4	US	PO Box 289 Wadsworth, TX 77483
Meier, Mike	VP Shared Services	US	PO Box 289 Wadsworth, TX 77483
Nesrsta, Jim, Jr.	Director	US	145 Navarro San Antonio, TX 78205
Rencurrel, Dave	VP Engineering & Alliances	US	PO Box 289 Wadsworth, TX 77483
Richards, Kevin	Group VP, Units 3 & 4	US	PO Box 289 Wadsworth, TX 77483
Sheppard, Joe	President & CEO, President of the Board	US	PO Box 289 Wadsworth, TX 77483
Wood, Jon	Board Secretary	US	112 E. Pecan Street, Suite 1800 San Antonio, TX 78205

Table 1.2-4 Trade and News Publications

Organization	Contact	Phone	Fax	e-mail
Bay City Tribune	Mike Reddell	979-245-5555	979-244-5908	news@baycitytribune.com mike.reddell@baycitytribune.com
Victoria Advocate	Thomas Doyle	361-574-1271	361-574-1220	tdoyle@vicad.com
Matagorda Advocate	Judy Triplett Sharon Howerton	979-244-1330	979-244-1708	jtriplett@vicad.com showerton@vicad.com
Brazosport Facts	Elliott Blackburn	979-265-7411	979-265-7885	Elliott.blackburn@thefacts.com news@thefacts.com
El Campo Leader-News	Chris Barbee	979-543-3363	979-543-0097	cbarbee@leader-news.com
Palacios Beacon	Nick West Leita Hooper	361-972-3009	361-972-2610	editor@palaciosbeacon.com nickwest@wcnet.net
Houston Chronicle	Tom Fowler Laura Goldberg	713-220-7171	713-220-6806	Tom.fowler@chron.com Laura.goldberg@chron.com
Austin American Statesman	Kathy Warbelow, Bus. Editor	512-912-3500	512-445-3971	kwarbelow@statesman.com
Corpus Christi Caller Times	Tom Whitehurst	361-884-2011	361-886-3732	whitehurst@caller.com
San Antonio Express News	City Desk Gary Newsom	210-250-3000 210-250-3219	210-250-3105	nfoy@express-news.net gnewsom@express-news.net
S.A. Current	Eric Ketcherside	210-828.7660	210.828.7883	
Associated Press	Mike Graczyk	281-872-8900	281-872-9988	mgraczyk@ap.org
Houston Business Journal	Bill Schadewald	713.688.8811 ext. 133	713.968.8025 713.963.0482	bschadewald@bizjournals.com
Wall St. Journal	Thaddeus Herrick	713.547.9211	713.547.9228	thaddeus.herrick@wsj.com
Reuters	Eileen OGrady Eileen Moustakis	713-210-8522 646-223-6074 Cell: 646-281-6074	646-223-6079	Eileen.ogrady@reuters.com Eileen.Moustakis@reuters.com
Dow Jones	Michael Rieke Kristen McNamara	713.227.5440 201.938.2061	713.547.9234	<u>kristen.mcnamara@dowjones.com</u>
Nuc Net	John Shepherd	011-41-58-286-6111	011-41-58-286-6845	editors@worldnuclear.org
Nucleonics Week	Jenny Weil Elaine Hiruo	202-383-2170 202-383-2163	202.383.2125	jenny_weil@platts.com elaine_hiruo@platts.com

Table 1.2-4 Trade and News Publications (Continued)

Organization	Contact	Phone	Fax	e-mail
Nuclear News	Rick Michal	708.579.8244	708.352.6464	rmichal@ans.org
Nuclear Plant Journal	Newal Agnihotri Jolinda Capello	630.858.6161	630.858.8787	jolinda@goinfo.com
Nuclear Engineering Internat'l	David Flin	011-44-20-8269-7772	011-44-20-8269-7804	dflin@wilmington.co.uk
NEI	Scott Peterson Steve Kerekes Thelma Wiggins	202-739-8044 -8073 -8046	202-785-4113	jsp@nei.org sck@nei.org tlw@nei.org
Power Engineering	Douglas J. Smith, Senior Editor	918.831.9851		douglas@pennwell.com
KIOX/KXGJ 96.9 FM	Tim Michaels	979-245-4642	979-245-6463	tmichael@x97.com
KMKS 102.5 FM	Kay/Larry Sandlin	979-244-4242	979-245-0107	kmks@kmks.com
KTRH AM 740	Bryan Erickson	713-212-8812	713-212-8957	bryanerickson@clearchannel.com
KUHF 88.7 FM	Debra Fraser	713-743-0887	713-743-1818	Dfraser@kuhf.org
KZRC 92.5 FM	Ernie Cunnar	979-323-7771	708-671-1202	KZRC@KZRC.com
KAVU TV (Victoria Ch. 25)		512.575.2500	512.575.2255	
KHOU TV (CBS 11)	Bill Bishop	713-521-4388	713-521-4381	news@khou.com
KNWS TV 51		713.974.6397	713.975.6397	
KPRC TV (NBC 2)	Ken Cockroft	713-778-4972	713-781-4930	kcockroft@kprc.com
KRIV TV (FOX 26)	Ruben Dominiquez	713-479-2801	713-479-2859	newsdesk@fox26.com
KTRK TV (ABC 13)	Phil Grant Dave Strickland (VP & News Director)	713-663-4505 713-663-4501	713-663-4595 713-663-4648	phil.grant@abc.com dave.strickland@abc.com
Northland Cable TV for PSAs	Dan Bayliss Betty Jiminez	979-245-5511	979-245-8256	

Table 1.3-1 Summary of Project Costs for STP Unit 3 (Proprietary) *

Table 1.3-2 Summary of Project Costs for STP Unit 4 (Proprietary) *

Table 1.3-3 Sources of Construction Funds, STP Unit 3 (Proprietary)

Table 1.3-4 Sources of Construction Funds, STP Unit 4 (Proprietary)

Table 1.3-5 Combined Funding Sources for STP 3 & 4 (Proprietary)

**Table 1.3-6 STP Unit 3 Operations and Maintenance Costs for the
First Five Years (Proprietary)**

**Table 1.3-7 STP Unit 4 Operations and Maintenance Costs for the
First Five Years (Proprietary)**

Table 1.3-8 STP Unit 3 Plant Performance (Proprietary)

Table 1.3-9 STP Unit 4 Plant Performance (Proprietary)

Table 1.4-1 Report and Certification Regarding Decommissioning Funding Assurance

The following reports the calculation of the formula amount as of December 31, 2006 for each of the two nuclear powered generating plants designated as STP 3 & 4, calculated in accordance with the provisions of 10 CFR 50.75(c) and the guidance provided in NUREG-1307, Rev. 12.

NRC MINIMUM CALCULATION (4Q2006)				
BWR (greater than 3400 MWt) = \$135,000,000 (base cost)				
ESCALATION FACTOR	LABOR (L)	ENERGY (E)		WASTE BURIAL (B) (Waste Vendor)
(0.65L + 0.13E + 0.22B)	South Regional Data L = 4Q2006 / 2005 (103.5 x 1.98 / 100)	Power (P)	Fuel (F)	Barnwell (100%) B = 10.206
		P = 4Q 2006 / 1986 167.6 / 114.2 1.46760	F = 4Q 2006 / 1986 201.4 / 82 2.45610	
		E = (0.54P + 0.46F) E = (0.54 x 1.46760) + (0.46 x 2.45610)		
	2.04930	1.92231		10.206
(0.65L + 0.13E + 0.22B) =	0.65 x 2.04930	+ 0.13 x 2.18995	+	0.22 x 10.206
(L + E + B) =	1.33205	+ 0.24990	+	2.24532
Escalation Factor =	3.8272652			
Total Escalated Cost =	\$135,000,000	x	3.8272652	= \$516,680,802

The Applicants will annually adjust the minimum formula amount calculation in accordance with 10 CFR 50.75(b)(2).

The Applicants hereby certify that, no later than 30 days after the Commission publishes a notice in the *Federal Register* under 10 CFR 52.103(a), they will provide decommissioning funding assurance using the methods in accordance with 10 CFR 50.75(e)(1), as described in COLA Part 1, Section 1.4, or as otherwise permitted by 10 CFR 50.75(e)(1) after having provided prior written notice to the NRC Staff of any proposed change(s) in the method of providing decommissioning funding assurance. They further certify that they will provide such funding assurance in amounts not less the formula amount calculation. Each owner of a share

in each unit will provide its *pro rata* share of the financial assurance based upon the ratio of its percentage ownership share to the total formula amount for such unit. Taking into account credit for projected earnings on trust fund balances and annual contributions using a two percent real rate of return, as permitted by 10 CFR 50.75(e)(1), the annual funding for each plant would be expected to be in the range of \$8,000,000 per unit in current year dollars. However, the Applicants expect that actual annual contributions by CPS Energy will be established in connection with its setting of its own rates, and the actual annual contributions by NRG will be established in connection with proceedings to be conducted by the Public Utility Commission of Texas.

In addition, both two years and one year before the scheduled date of initial loading of fuel, and consistent the schedule required by 10 CFR 50.75(e)(3), the Applicants will submit a report updating this certification and the information provided in this report, as well as a copies of the form(s) of financial instrument(s) to be used in providing financial assurance for decommissioning), e.g., a decommissioning trust agreement for an external sinking fund.

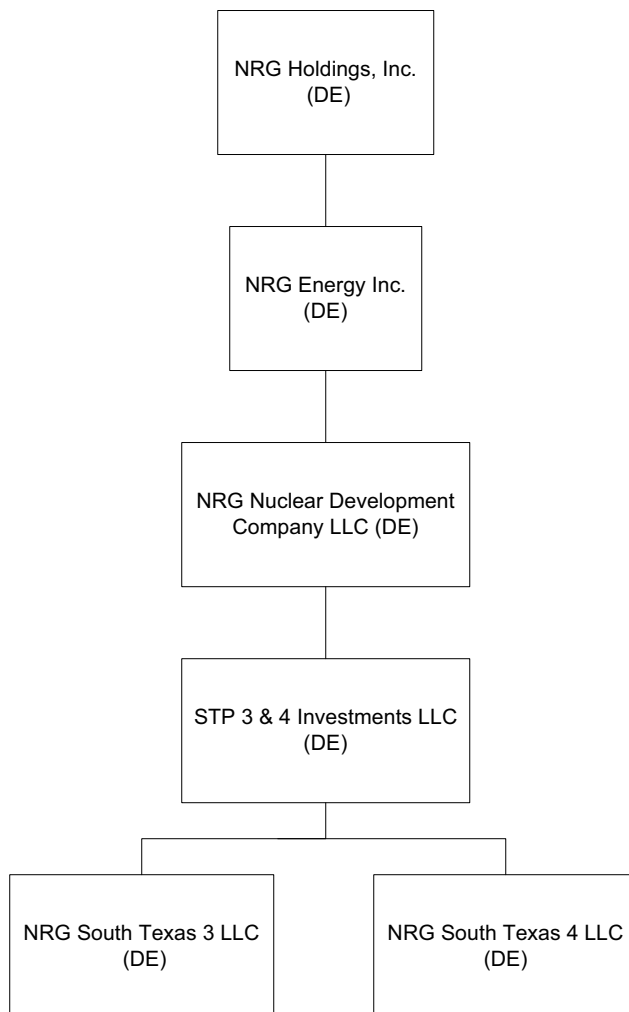


Figure 1.2-2 NRG Energy Corporate Structure - Planned

Figure 1.3-1 Market Price Projection (Proprietary)

