



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

March 3, 2009
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U.S. Nuclear Regulatory Commission
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South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and STN 50-499
Notice Regarding Amendments to Nuclear Decommissioning Trust Agreements

STP Nuclear Operating Company, acting on behalf of NRG South Texas LP, provides this notice regarding planned amendments to the following master trust agreements for the Nuclear Decommissioning Trust funds (NDTs) held by NRG South Texas LP:

1. Third Amended and Restated Decommissioning Master Trust Agreement for the South Texas Project, dated July 10, 2006 ("2006 Agreement")
2. Amended and Restated Decommissioning Master Trust Agreement No. 2 for the South Texas Project, dated October 18, 2007 ("2007 Agreement")

NRG South Texas LP plans to amend the trust agreements to provide for the creation of certain subaccounts within the NDTs in accordance with direction provided by the Public Utility Commission of Texas (PUCT). The proposed amendments also have been submitted for review and approval by the PUCT, and notice will be provided to the NRC if the PUCT requests any material changes to the proposed amendments.

In compliance with License Condition 2.C.(8)(e) of Operating License No. NPF-76 for South Texas Project, Unit 1 and License Condition 2.C.(6)(e) of Operating License No. NPF-80 for South Texas Project, Unit 2, Section 7.01 of the 2006 Agreement and Section 7.02 of the 2007 Agreement require that written notice be given to the NRC Director, Office of Nuclear Reactor Regulation at least 30 days prior to the planned modification of the agreements.

Attached are the amended and restated trust agreements indicating the revisions to be made in each agreement.

There are no commitments in this letter.

STI 32437319

A001
NRG

For additional information regarding this request, please contact either Philip L. Walker at (361) 972-7298 or me at (361) 972-8074.

A handwritten signature in black ink, appearing to read "George R. Harrison". The signature is fluid and cursive, with a long horizontal stroke at the end.

George R. Harrison
Director, Finance

PLW

- Attachments:
1. Annotated Fourth Amended and Restated Decommissioning Master Trust Agreement for the South Texas Project
 2. Annotated Second Amended and Restated Decommissioning Master Trust Agreement No. 2 for the South Texas Project

cc:

(paper copy)

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ATTACHMENT 1

**ANNOTATED FOURTH AMENDED AND RESTATED DECOMMISSIONING
MASTER TRUST AGREEMENT FOR THE SOUTH TEXAS PROJECT**

NRG SOUTH TEXAS LP
~~THIRD~~FOURTH AMENDED AND RESTATED
DECOMMISSIONING MASTER TRUST AGREEMENT FOR
THE SOUTH TEXAS PROJECT

~~July 10, 2006~~

April 1, 2009

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THIRDFOURTH AMENDED AND RESTATED
DECOMMISSIONING MASTER TRUST AGREEMENT
FOR THE SOUTH TEXAS PROJECT

THIS TRUST AGREEMENT originally made July 2, 1990, amended and restated as of the 1st day of October, 1991, further amended by the First Amendment dated as of December 30, 1996, ~~and further amended and restated as of August 31, 2002, is further amended and restated~~ as of July 10, 2006, is further amended and restated as of April 1, 2009, by and between NRG South Texas LP, a Texas limited partnership (the "Company"), and The Bank of New York Mellon (successor by operation of law to Mellon Bank, N.A., a national banking association), a New York state bank having trust powers (the "Trustee");

WHEREAS, the Trust was originally established by Houston Lighting & Power Company, assumed by Reliant Energy, Incorporated ("Reliant Energy") and later assigned to the Company (which was formerly known as Texas Genco, LP);

WHEREAS, the Company is the owner of: (1) a 30.8 percent undivided interest in Unit No. One of the South Texas Project Electric Generating Station ("STP Unit No. 1"); (2) a 30.8 percent undivided interest in Unit No. Two of the South Texas Project Electric Generating Station (STP Unit No. 2"); and (3) a 30.8 percent undivided interest in certain facilities serving both STP Unit No. 1 and STP Unit No. 2 (the "Common Facilities"); and

WHEREAS, the Company for purposes of this Trust is subject to regulation by the Public Utility Commission of Texas (the "PUC"), an agency of the State of Texas, and by the Nuclear Regulatory Commission (the "NRC"), an agency of the United States government; and

WHEREAS, the NRC has promulgated regulations in Title 10, Chapter 1 of the Code of Federal Regulations, Part 50, requiring the Company, as a holder of a license issued pursuant to 10 C.F.R., Part 50, to provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, pursuant to Section 468A of the Internal Revenue Code of 1986, certain Federal income tax benefits are available to the Company by creating and funding qualified decommissioning funds associated with the South Texas Project Electric Generating Station; and

WHEREAS, the PUC has permitted CenterPoint Energy Houston Electric, LLC, a Texas limited liability company ("WiresCo"), on behalf of the Company to include in its cost of service for ratemaking purposes certain amounts to be contributed by the Company or by WiresCo on behalf of the Company to decommissioning funds in order to provide monies for the Company's share of decommissioning costs with respect to the South Texas Project; and

WHEREAS, the Company wishes to maintain the qualified trust fund originally established with respect to each of STP Unit No. 1 and STP Unit No. 2 and one or more non-qualified trust funds with respect to STP Unit No. 1 and SIP Unit No. 2 to accumulate monies with which to pay the Company's share of decommissioning costs for such Units and the Common Facilities;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company hereby agrees to deliver or have delivered to the Trustee, and the Trustee hereby agrees to continue to receive, the Contributions of monies to the Master Trust made by or on behalf of the Company;

TO HAVE AND TO HOLD such monies and such additional monies as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Master Trust");

IN TRUST NEVERTHELESS, for the uses and purposes and upon the terms and conditions hereinafter set forth:

ARTICLE I

DEFINITIONS, PURPOSE AND NAME

1.01 Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Accounting Period" shall mean a tax year, as interpreted in accordance with the Code; Accounting Periods shall end on December 31 of each year.

(b) "Administrative Costs" shall mean all ordinary and necessary expenses and other incidental costs incurred in connection with the operation of the Funds, including, but not limited to, taxes, Trustee fees, Investment Manager fees and the fees and/or compensation of any professional advisors, legal counsel or administrative support hired by the Company as provided in Section 3.01 or incurred in the discharge of the Trustee's fiduciary obligations under this Agreement.

(c) "Agreement" shall mean and include this Decommissioning Master Trust Agreement as the same may from time to time be amended, modified or supplemented.

(d) "Authorized Representative" shall mean the Chief Executive Officer, the President, any Vice President or the Treasurer of the Company.

(e) "Certificate" shall mean a written certificate signed by the Company.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(g) "Common Facilities" shall mean facilities at the South Texas Project Electric Generating Station designed to serve both STP Unit No. 1 and STP Unit No. 2.

(h) "Company" shall have the meaning set forth in the preamble hereto and shall include any successor thereto. The actions of the Company may be performed by an Authorized Representative as provided in Sections 1.01(d) and 2.03 hereof.

(i) “Contributions” shall mean all Non-Qualified Contributions and all Qualified Contributions.

(j) “Decommissioning Costs” shall mean all costs incurred in connection with the entombment, decontamination, dismantlement, removal and disposal of the structures, systems and components of a Unit or Common Facilities, including all costs incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses, and all expenses incurred with respect to the Unit or Common Facilities after actual decommissioning occurs, such as physical security and radiation monitoring expenses.

(k) “Disbursement Certificate” shall mean a document properly completed and executed by the Company and substantially in the form of Exhibit A hereto.

(l) “Eligible Investments” shall mean such securities, bank deposits, collective, commingled or mutual funds or other investments that are permitted to be purchased and held for the account of the Fund in which the investment is proposed to be acquired under (1) applicable federal, state and other governmental laws, rules and regulations, including without limitation PUC Substantive Rule 25.303, and (2) the Investment Guidelines then in effect with respect to the Fund for which the investment is proposed to be acquired. Except for investments in funds tied to market indices or other non-nuclear sector collective, commingled or mutual funds, the assets of the Funds shall not be invested in the securities or other obligations of WiresCo, the Company or affiliates of any thereof, or their successors or assigns, or in any entity owning one or more nuclear power plants. Notwithstanding anything contained in this Agreement to the contrary, the term “Eligible Investments” when used in reference to the Investment

Manager shall mean investments permitted by the applicable Investment Manager Agreement and Investment Guidelines.

(m) “Excess Contribution” shall have the meaning set forth in Section 2.02 hereof.

(n) “Funds” shall mean the Qualified Funds and the Non-Qualified Funds.

(o) “Investment Guidelines” shall mean any written statement or statements of the Company in effect at a given time that complies with the investment requirements and restrictions of PUCT Substantive Rule § 25.303 and details investment criteria and standards which shall be consistent with the investment requirements and restrictions of PUCT Substantive Rule § 25.303 with respect to one or more Funds or portions thereof. The Company may at any time, or from time to time, adopt new or additional Investment Guidelines, or amend, supersede, or terminate effective Investment Guidelines by delivering a copy of the new or additional Investment Guidelines or notice of amendment, supersession or termination to the Trustee and any affected Investment Manager provided that any new, amended, or additional Investment Guidelines shall be consistent with the investment requirements and restrictions of PUCT Substantive Rule § 25.303.

(p) “Investment Manager” shall mean a fiduciary specified in an Investment Manager Agreement:

(i) which has been retained by the Company to manage, acquire or dispose of any asset belonging to the Master Trust; and

(ii) which is:

(A) registered as an investment adviser under the Investment Advisers Act of 1940, or

(B) a bank as defined in that Act, or

(C) an insurance company qualified to perform services described in subsection (i) above, under the laws of more than one state, and

(iii) which has acknowledged, in writing, that it is a fiduciary with respect to the Master Trust, that it is qualified to act under subsection (ii) above, and has agreed to be bound by all of the terms, provisions and covenants of this Agreement applicable to it.

(q) “Investment Manager Agreement” shall mean an agreement between the Company and an Investment Manager selected by the Company, which agreement governs the management of all or a portion of the assets of the Master Trust.

(r) “Master Trust” shall consist of all contributions to any Fund together with investments and reinvestments thereof and any income earnings and appreciation thereon.

(s) “Non-Qualified Contributions” shall mean all amounts contributed to the Non-Qualified Funds.

(t) “Non-Qualified Funds” shall mean the Fund or Funds, as determined by the Trustee and the Company, established and maintained under the Master Trust for decommissioning STP Unit No. 1, STP Unit No. 2, and the Common Facilities to which monies are contributed, which Funds are not subject to the conditions and limitations of Section 468A.

(u) "NRC" shall mean the Nuclear Regulatory Commission, an agency of the United States of America, or its successor.

(v) "PUC" shall mean the Public Utility Commission of Texas, as authorized pursuant to the PURA, or its successor.

(w) "PUC Substantive Rule 25.303" or "16 Tex. Admin. Code § 25.303" shall mean the rules and regulations adopted by the PUC, effective October 26, 2004, published in the Texas Register as Tex. Public Utility Comm'n, 29 Tex. Reg. 9835 et seq. (2004) and codified at 16 Tex. Admin. Code § 25.303, as such section may be amended, and any successors thereto.

(x) "PURA" shall mean the Public Utility Regulatory Act, Texas Utilities Code, Title 2 (1997), as amended from time to time.

(y) "Qualified Contributions" shall mean all amounts contributed to the Qualified Funds for Decommissioning Costs and Administrative Costs of the Units collected by WiresCo as part of the Company's cost of service as approved by the PUC.

(z) "Section 468A" shall mean Section 468A of the Code, and any regulations and rulings of the Service thereunder, as such section and regulations may be amended, and any successors thereto.

(aa) "Service" shall mean the Internal Revenue Service.

(bb) "STP Unit No. 1" shall mean Unit No. One of the South Texas Project Electric Generating Station.

(cc) "STP Unit No. I Qualified Fund" shall mean the Fund established and maintained under the Master Trust for decommissioning STP Unit No. I and Common

Facilities to which monies are contributed subject to the conditions and limitations of Section 468A.

(dd) "STP Unit No 2" shall mean Unit No. Two of the South Texas Project Electric Generating Station.

(ee) "STP Unit No. 2 Qualified Fund" shall mean the Fund established and maintained under the Master Trust for decommissioning STP Unit No. 2 and Common Facilities to which monies are contributed subject to the conditions and limitations of Section 468A.

(ff) "Trustee" shall mean The Bank of New York Mellon Bank, N.A., or its successors.

(gg) "Units" shall, mean STP Unit No. 1, STP Unit No. 2 and the Common Facilities, collectively.

(hh) "WiresCo" shall have the meaning set forth in the preamble hereto and shall include its successors and assigns.

1.02 Authorization. Each of the Trustee and the Company hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all action necessary to authorize the execution of this Agreement by the officers and persons signing it.

1.03 Master Trust Purpose. The exclusive purpose of this Master Trust is to provide funds for the decommissioning of the Units, and in that regard this Master Trust shall accumulate, invest, reinvest and hold monies for the decommissioning of the Units, and to disburse monies for that purpose. The Qualified Funds shall constitute qualified nuclear decommissioning funds for the Units within the meaning of Section 468A. The assets of the

Qualified Funds must be used as authorized by Section 468A. It is not contemplated that the Non-Qualified Funds shall constitute qualified nuclear decommissioning funds for the Units within the meaning of Section 468A.

1.04 Establishment of Master Trust. By execution of this Agreement, the Company irrevocably:

(a) establishes the Master Trust, which shall consist of all Contributions as may now or hereafter be delivered by or on behalf of the Company to the Trustee, investments, and reinvestments thereof and earnings and appreciation thereon;

(b) establishes the Funds, each of which shall constitute a trust consisting of all Contributions as may now or hereafter be delivered to the Trustee by or on behalf of the Company and designated for such Fund, together with investments and reinvestments thereof and earnings and appreciation thereon; and

(c) appoints The Bank of New York Mellon Bank, N.A. as Trustee of the Master Trust and each of the Funds.

It is the intention of the Company and the Trustee that this Agreement create an express trust under the laws of the State of Texas.

1.05 Company to Be Beneficiary. The beneficial ownership of the Funds, subject to the purpose of the Master Trust, shall be at all times in the Company.

1.06 Name of Master Trust. The Master Trust created by this Agreement shall be known as the "NRG South Texas Decommissioning Master Trust for the South Texas Project."

ARTICLE II

DISPOSITIVE PROVISIONS

2.01 Additions to Master Trust. From time to time after the initial Contribution to the Master Trust, additional Contributions may be made by or on behalf of the Company and the Trustee shall accept additional Contributions.

2.02 Adjustments for Excess Contributions. The Trustee and the Company understand and agree that the Contributions made by or on behalf of the Company to any of the Qualified Funds from time to time may exceed the amount permitted to be paid into such Fund(s) pursuant to Section 468A based upon changes in estimates, subsequent developments or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such Contribution was made (an "Excess Contribution"). Upon certification of the Company, setting forth the amount of the Excess Contribution, the Trustee shall transfer to a Non-Qualified Fund, the amount of any Excess Contribution (together with any income accrued thereon) as specified by the Company in such Certificate.

2.03 Authorized Representatives. Each of the Authorized Representatives is authorized and empowered to perform all acts (including the negotiation, execution and delivery of agreements, instruments, certificates and amendments to the Master Trust Agreement and other documents and the delegation of any duties as evidenced in writing) as the Authorized Representative in his sole discretion may deem necessary or appropriate in connection with the activities of the Master Trust.

2.04 Disbursements from the Funds. The Trustee shall make payments from the Funds in accordance with the following procedures:

- (a) Use of Assets. Except for Administrative Costs, the assets in the decommissioning trust funds, in the first instance, shall be used to pay the expenses

related to decommissioning the Units as defined by the NRC in its regulations and issuances, and as provided in the South Texas Project Electric Generating Station licenses and any amendments thereto. The Trustee acknowledges that the total Trustee and investment manager fees paid on an annual basis from the trust for the entire portfolio including commingled funds shall not exceed 0.7% of the entire portfolio's average annual balance, or such amount as is permitted by 16 Tex. Admin. Code § 25.303(e)(2)(B).

(b) Disbursement Certificates. Requests for payments of Decommissioning Costs or Administrative Costs (including the fees and expenses of the Trustee) actually incurred and paid or payable by the Company for goods provided or labor or other services rendered in connection with the decommissioning of the Units or the administration of this Master Trust shall be submitted to the Trustee on a Disbursement Certificate executed by the Company.

(c) Payment of Costs. Subject to the requirements of Section 2.04(d) below, the Trustee shall pay Decommissioning Costs or Administrative Costs when a Disbursement Certificate is filed with the Trustee. The Disbursement Certificate shall include the following:

- (i) the amount of money to be paid;
- (ii) the Fund or Funds from which payment is to be made;
- (iii) the purpose for which the obligation to be paid or reimbursed was incurred and whether the payment is of Decommissioning Costs or Administrative Costs; and
- (iv) the party to which the payment shall be made.

(d) Notice to NRC. Except for disbursements for Administrative Costs, no disbursements or payments from the Funds shall be made by the Trustee unless the Trustee has first provided thirty days prior notice of such disbursement or payment to the NRC and the Trustee has not received written notice of an objection from the NRC Director, Office of Nuclear Reactor Regulation, by the later of (1) the date that is thirty days after the giving of such notice, or (2) the date of disbursement. The Public Utility Commission of Texas shall receive copies of all above notices.

(e) Payment of Taxes. To the extent one or more Funds file separate tax returns, the Trustee shall pay income and other taxes with respect to the Funds to the Service or other appropriate governmental authority. If income from one or more Funds is includable in the consolidated assets, revenues or income of the Company for tax purposes, the Trustee shall pay the Company the amount of tax on such assets, revenue or income allocable to such Funds when a Disbursement Certificate is filed with the Trustee directing payment from one or more Funds. All of such taxes, whether paid directly or indirectly, shall constitute Administrative Costs.

(f) Distribution of Master Trust Upon Termination. Upon complete or partial termination of this Master Trust or of any one or more of the Fund(s) pursuant to Section 2.08 or 2.09 hereof, the Trustee shall assist in liquidating the assets of the Master Trust, or Fund(s), and distributing the then-existing assets of the Master Trust, or Fund(s) (including accrued, accumulated and undistributed net income) to the Company; provided, however, if a Qualified Fund is terminated in whole or in part pursuant to Section 2.09(a) because of the Qualified Fund's disqualification from the applicability of

Section 468A, the funds or securities withdrawn from the Qualified Fund shall be transferred to one or more of the Non-Qualified Funds.

(g) Insufficiency of Funds. Notwithstanding the foregoing, the Trustee shall take no action that would cause a Qualified Fund to become disqualified from the application of Section 468A. If the Assets of any Fund are insufficient to permit the payment in full of amounts to be paid pursuant to this Section, the Trustee, in the absence of liability for such deficiency pursuant to the other provisions of this Agreement, shall have no liability with respect to such insufficiency and no obligation to use its own funds to pay the same. The Trustee shall, however, give the Company immediate notice of any such insufficiency.

2.05 Transfers Between Funds. The Trustee and the Company further understand and agree that it is of the essence that no transfer of monies is to occur between Funds except when such transfer is not contrary to the requirements of Section 468A and is either (a) in accordance with Section 2.02 hereof or (b) pursuant to the direct instructions contained in a Certificate of the Company.

2.06 Designation of Funds. Upon: (a) remittance of Contributions to the Master Trust; (b) any disbursement from the Master Trust; or (c) any adjustment to the Funds pursuant to Section 2.02 or Section 2.05, the Company shall designate, by Certificate, the appropriate Fund(s) accounts or subaccounts which are to be credited or debited by such Contribution, disbursement or adjustment, and the Trustee shall credit or debit the appropriate Fund(s) accounts or subaccounts in accordance with such designation.

2.07 No Transferability of Interest in Master Trust: Exception. The interest of the Company in the Master Trust is not transferable by the Company, whether voluntarily or

involuntarily, nor subject to the claims of creditors of the Company. Notwithstanding the foregoing, however, if the Company sells or transfers all or part of its ownership interest in any Unit or Units, including without limitation a sale or transfer to an affiliate of the Company, the Company may transfer a proportionate part of its interest in the Master Trust or any Fund.

2.08 Termination of Master Trust. Subject to the right of the parties to amend this Agreement as provided in Section 7.01, this Master Trust shall be irrevocable and will terminate upon the earliest of:

(a) receipt by the Trustee of a Certificate from the Company stating that the NRC has terminated the licenses of both Units pursuant to 10 C.F.R. § 50.82(f), or any successor regulation;

(b) except for any sale or transfer permitted under Section 2.07, receipt by the Trustee of a Certificate from the Company stating that the Company has sold, transferred or otherwise disposed of all of its ownership interest in both Units; or

(c) the twentieth anniversary of the date of the death of the survivor from among a class consisting of all of the descendants of John D. Rockefeller, late of New York, New York, born on or prior to January 1, 1990.

2.09 Termination of Funds of Master Trust. Subject to the right of the parties to amend this Agreement as provided in Section 7.01 hereof, one or more of the Funds (in whole or in part) shall terminate upon the earliest of:

(a) with respect to a Qualified Fund only, the Fund's disqualification from the application of Section 468A, whether pursuant to an administrative action on the part of the Service or the decision of any court of competent jurisdiction, but in no event earlier

than the date on which all available appeals have been either prosecuted or abandoned and the period of time for making any further appeals has elapsed;

(b) with respect to a Qualified Fund only, the sale, transfer or other disposition by the Company of any interest in the related Unit, to the extent provided by Section 468A; or

(c) with respect to a Non-Qualified Fund only, the disposition by the Company of any interest in the related Unit, in the same proportion of the Non-Qualified Fund as the Contributions to such Fund are to be used to decommission such Unit.

ARTICLE III

MASTER TRUST MANAGEMENT AND ADMINISTRATION

3.01 Duties of Management. The Trustee shall manage the Master Trust and perform all duties attendant thereto, including the execution of whatever contracts, agreements or other documents necessary to manage and invest such assets, subject to the terms and provisions of this Agreement. In performing its duties under this agreement, the Trustee shall exercise the same care and diligence that it would devote to its own property in like circumstances. The Trustee is authorized to purchase, enter, sell, hold, and generally deal in any manner in and with contracts for the immediate or future delivery of financial instruments and foreign exchange or foreign exchange contracts; to grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, and otherwise to acquire, dispose of, hold and generally deal in any manner with and in all forms of options in any combinations. The Trustee, with the consent of the Company, or the Company may retain the services of such professional advisors, legal counsel and administrative support as may be necessary to administer the Master Trust. The reasonable fees and/or compensation of any party so retained shall, to the extent not already included in the

Trustee's compensation, be regarded as appropriate Administrative Costs payable in accordance with Section 2.04 hereof.

3.02 Limitations on Trustee Actions. The Trustee shall not take any action or participate in any transaction which would violate the terms and conditions of this Agreement. Further, the Trustee shall not take any action or participate in any transaction inconsistent with any instructions provided in a Certificate of the Company so long as the terms and conditions of the Certificate are consistent with this Agreement.

ARTICLE IV

ACCOUNTS AND REPORTS

4.01 Establish Fund Accounts and Subaccounts. In accordance with the provisions of Section 2.06 hereof, the Trustee shall maintain separate accounts and subaccounts (including, but not limited to, spent fuel management and large component disposal subaccounts) as are designated in writing from time to time by the Company for each Fund established by this Agreement to account for Contributions made to each Fund, and all income and other increments to each Fund and disbursements from each Fund.

4.02 Accounts and Subaccounts: Quarterly and Annual Reports. The Trustee shall keep accurate and detailed accounts of all Contributions, investments, receipts and disbursements, Administrative Costs and other transactions hereunder, and all accounts, subaccounts, books and records relating thereto shall be open at all reasonable times to inspection by the Company or by any other person designated by the Company and may be audited not more frequently than once in each fiscal year by the Company or an independent certified public accountant engaged by the Company. Such accounts and subaccounts shall be maintained on an accrual basis and in such a manner as to enable the Trustee to furnish separate accounts and reports for each Fund. Within forty-five days following the close of each fiscal

quarter or year, the Trustee shall prepare and furnish to the Company a written report setting forth with respect to each Fund all Contributions, investments, receipts and disbursements and other transactions effected by it during the preceding fiscal quarter, or year with respect to year-end statements, including a description of all securities and investments purchased and sold, with the cost and net proceeds of such purchases or sales, showing all cash, securities and other property held by each Fund at the end of such fiscal quarter or year and providing a valuation of the cash, securities and other property held by each Fund at the end of such fiscal quarter or year. Within ninety days following the removal or resignation of the Trustee as provided in Article VI hereof, the Trustee shall prepare and furnish to the Company and to any Successor Trustee a written report containing all of the information required for fiscal year-end statements pursuant to this Section with respect to the period from the close of the previous fiscal year to the date of such removal or resignation. The Trustee shall also provide a valuation of the cash, securities and other property held by each Fund on such other dates as may be specified by the Company. Copies of all records relating to the Master Trust and each of the Funds shall be maintained by the Trustee until the termination of the Master Trust and distribution of all of the assets of the Master Trust. Before destruction of any such records, the Trustee shall offer them to the Company. Such copies may be maintained on microfilm or microfiche.

4.03 Tax Returns and Monthly Reports.

(a) Tax Returns. The Trustee and the Company shall cooperate in the preparation of income or franchise tax returns or other reports as may be required from time to time. If deemed necessary or appropriate, the Trustee, with the Company's prior written, consent, or the Company may employ independent certified public accountants or other tax counsel to prepare or review such returns and reports. The Trustee agrees to sign all tax returns or other reports where required by law to do so or arising out of the

Trustee's responsibilities hereunder. The Trustee shall prepare and submit to the Company in a timely manner all information requested by the Company regarding the Funds required to be included in the Company's federal, state and local income tax returns or other reports. Any interest or penalty charges assessed against the Master Trust or any Fund pursuant to Chapters 67 or 68 of the Code or pursuant to any similar state or local tax provisions shall be an Administrative Cost unless caused by the Trustee's negligence or willful misconduct, in which case such interest or penalty charges shall be borne by the Trustee and not the Master Trust. The Trustee agrees to notify the Company immediately of the commencement of the audit of any Fund's federal, state or local tax return, and to participate with the Company on behalf of the Fund in such audits and related inquiries. The Trustee shall provide the Company with any additional information in its possession regarding the Funds which may be required by the Company to be furnished in an audit of the Company's federal, state or local tax returns.

(b) Monthly Investment Activity Reports. The Trustee shall present to the Company on a monthly basis a report setting forth all investments purchased and sold by the Investment Manager(s) or by the Trustee during the previous month.

ARTICLE V

INVESTMENTS

5.01 Investments in Eligible Investment. The Funds shall be invested solely in Eligible Investments, regardless of whether the Trustee, an Investment Manager or the Company is making the investment decision. The Trustee shall have the duty to review all proposed investments and to inform the Company and any Investment Manager if, in the Trustee's opinion, the proposed investment falls within the parameters set forth on Exhibit B (which has been provided to the Trustee by and approved by the Company) attached hereto. The Trustee,

Investment Manager, or, anyone else directing the investments made in the trust shall adhere to the investment guidelines provided by the Company incorporating the standards for such investments as set forth in PUC Substantive Rule 25.303 (Tex. Admin. Code 25.303), as such section may be amended, and any successors thereto.

5.02 Investment Authority. Investment Managers.

(a) Trustee, Investment Manager(s) or Both to Manage Investments. The Company shall from time to time specify by Certificate to the Trustee whether the investment of the Funds shall be managed solely by the Trustee, or shall be directed by one or more Investment Managers appointed by the Company, or whether both the Trustee and one or more Investment Managers are to participate in investment management and if so how the investment responsibility is to be divided with respect to assets, classes of assets, separate Funds, accounts or ~~sub-funds~~ subaccounts specified and defined in such Certificate. In the event that the Company shall fail to specify pursuant to this Section the person or persons who are to manage the investment of the Funds or any portion thereof, the Trustee shall promptly give notice of this fact to the Company. With the consent of the Trustee, the Company may designate the Trustee as Investment Manager of that portion of the Funds. If the Company does not designate an Investment Manager and the Trustee is unable or unwilling to serve as Investment Manager, the Company shall be Investment Manager of that portion of the Funds. If the Trustee is managing the investment of the Funds or any portion thereof, it shall follow any instructions issued by the Company in a Certificate unless those instructions are contrary to the Trustee's fiduciary duties under this Agreement. If investment of all or a portion of any Fund is to be directed in whole or in part by an Investment Manager, the Trustee shall be given written notification of the appointment of the Investment Manager and his

acceptance of such appointment and acknowledgment that he is a fiduciary of this Master Trust. The Investment Manager shall also provide the Trustee a certificate identifying, with specimen signatures, the persons authorized to give instructions or directions to the Trustee on its behalf. The Trustee may continue to rely upon such instruments and certificates until otherwise notified in writing by the Company or the Investment Manager.

(b) Trustee to Follow Investment Manager Directions; Exceptions. The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the portion of the Funds as shall be under management by the Investment Manager, provided that the Trustee shall not follow such directions if to do so would result in a violation of Section 5.03. Except as stated in the foregoing sentences, the Trustee shall be under no duty or obligation, with respect to Funds or portions thereof managed by an Investment Manager, to (i) review any investment to be acquired, held or disposed of pursuant to directions from an Investment Manager or (ii) make any recommendations with respect to the disposition or continued retention of any such investment. The Trustee, if it is managing any investments for any of the Funds or portions thereof; and each Investment Manager, if any, shall have a continuing duty to review the Funds under its management to determine the appropriateness of such assets, investments and funds. With respect to Funds or portions thereof managed by an Investment Manager, the Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any direction from, the Investment Manager, unless (i) such action or inaction would be contrary to the provisions of this Section 5.02(b); (ii) the Trustee has actual knowledge that by such

action or failure to act it will be participating in a breach of fiduciary duty by the Investment Manager; or (iii) such action or inaction would result in a violation of the Trustee's fiduciary duties under the terms of this Agreement.

(c) Trades by Investment Manager. An Investment Manager at any time and from time to time may issue orders for the purchase or sale of Eligible Investments directly to a broker, and in order to facilitate such transaction the Trustee upon request shall execute and deliver appropriate trading authorizations. Written notifications of the issuance of each such order shall be given promptly to the Trustee by the Investment Manager, and the execution of each such order shall be confirmed to the Trustee by the broker. Such notification shall be authority for the Trustee to pay for Eligible Investments purchased against, receipt thereof and to deliver securities sold against payment therefor, as the case may be. All notifications concerning investments made by the Investment Manager shall be signed by such person or persons, acting on behalf of the Investment Manager as may be duly authorized in writing; provided, however, that the transmission to the Trustee of such notifications by telecopy with duplicate or facsimile signature or signatures shall be considered a delivery in writing of the aforesaid notifications until the Trustee is notified in writing by the Investment Manager that the use of such devices with duplicate or facsimile signatures is no longer authorized. The Trustee shall be entitled to rely upon such directions which it receives by such means if so authorized by the Investment Manager and shall in no way be responsible for the consequences of any unauthorized use of such device which was not, in fact, known by the Trustee at the time to be unauthorized. The Trustee shall, as promptly as possible, comply with any written directions given by the Investment Manager hereunder, and,

where such directions are given by photostatic teletransmission with facsimile signature or signatures, the Trustee shall be entitled to presume that any directions so given are fully authorized.

(d) Removal of Investment Manager. The Company shall have the right to remove any Investment Manager. In the event that an Investment Manager should resign or be removed by the Company, the Company shall appoint another Investment Manager (including with the consent of the Trustee, the Trustee) for the portion of the Funds under management by such Investment Manager at the time of its resignation or removal. If the Company does not designate another Investment Manager, and the Trustee is unable or unwilling to serve as Investment Manager for that portion of the Funds, the Company shall be Investment Manager for that portion of the Funds.

5.03 Limitations on Investment Transactions. Notwithstanding anything contained in this Agreement to the contrary, the Trustee may not authorize or carry out (a) any purchase, sale, exchange or other transaction which would constitute an act of “self-dealing” within the meaning of Section 4951 of the Code, as such section is made applicable to the Funds by Section 468A(e)(5) of the Code or (b) any investment which could result in a Fund’s acquisition of an investment that falls within the parameters set forth on Exhibit B hereto. The Trustee shall not (x) lend monies or securities from any of the Funds to itself; its officers or directors or (y) invest or reinvest monies from the Funds directly in securities issued by the Trustee, except for time deposits, demand deposits or money market accounts of the Trustee. Notwithstanding the foregoing (assuming applicable laws so permit), monies from the Funds may be invested in mutual funds or common trust funds that contain securities issued by the Trustee if the securities of the Trustee constitute no more than five percent of the fair market

value, of the assets of such mutual funds at the time of the investment; provided, however, that the Trustee shall have no duties under Section 5.02 with respect to the investment in such mutual fund or common trust fund made at the direction of an investment manager or the Company.

5.04 Disposition of Investments. When required to make any payments under Section 2.04 hereof, the Trustee shall sell investments at the best price reasonably obtainable, or present investments for prepayment, and follow directions from the Company or an Investment Manager if such directions are provided. The proceeds of any such sale or liquidation shall be credited pro rata to the Fund or Funds to which such investments were credited prior to such sale or liquidation. The Trustee shall have no liability, except for its own negligence or willful misconduct, with respect to any sale or prepayment of an investment directed by the Company or an Investment Manager or made by an Investment Manager through a broker-dealer.

5.05 Allocation of Income.

(a) Generally. The Trustee shall not be precluded from pooling amounts in the Funds for investment purposes, provided that all investments are to be made only in Eligible Investments. To the extent amounts in more than one Fund are pooled, the Trustee shall allocate the earnings and losses in a manner permitted by Section 468A (if a Qualified Fund is involved) and, if so permitted, may treat each Fund participating in such investment as having received or accrued a ratable portion of the income from such investment for any period.

(b) Principal and Income. All questions relating to the ascertainment of income and principal and the allocation of receipts and disbursements between income and principal shall be resolved by the Trustee in accordance with the terms of Section 113.102 of the Texas Trust Code. For accounting purposes, as of the end of each Accounting Period of the Master Trust, the income of the Master Trust shall, for purposes

of all subsequent Accounting Periods, be treated as Master Trust principal. The Trustee and any Investment Manager shall have the same duties with regard to Master Trust income as to Master Trust principal.

5.06 Settlement of Transactions. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Trustee shall have no responsibility for nonreceipt of payment (or late payment) by the counterparty.

5.07 Reimbursement. If the Trustee advances cash or securities to facilitate the settlement of a transaction or in the event that the Trustee shall incur or be assessed taxes, interest, charges, expenses, or assessments in connection with the performance of this Agreement, except such as may arise from its own negligent action, negligent failure to act or willful misconduct, any property at any time held for the Fund or under this Agreement shall be security therefor and the Trustee shall be entitled upon reasonable notice to the Company to collect from the Fund sufficient cash for reimbursement, and if such cash is insufficient, dispose of the assets of the Company held under this Agreement to the extent necessary to obtain reimbursement. To the extent the Trustee advances funds to the Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Fund an amount equal to either (i) with respect to domestic assets, an amount equal to what would have been earned on the sums advanced (an amount approximating the "federal funds" interest rate) or (ii) with respect to nondomestic assets, the rate applicable to the appropriate foreign market.

ARTICLE VI

THE TRUSTEE

6.01 General Powers. The Trustee shall have, with respect to the Master Trust, the following fiduciary powers to be exercised in the best interests of ,the Master Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine and, except as otherwise provided, which are intended in no way to limit the powers of the office, namely:

(a) Registration of Securities. To cause any investment, either in whole or in part, in the Fund to be registered in, or transferred into, the Trustee's name or the names of a nominee or nominees, including but not limited to that of the Trustee or an affiliate of the Trustee, a clearing corporation, or a depository, or in book entry form, or to retain any such investment unregistered or in a form permitting transfer by delivery, provided that the books and records of the Trustee shall at all times show that such investments are a part of the Fund; and to cause any such investment, or the evidence thereof; to be held by the Trustee, in a depository, in a clearing corporation, in book entry form, or by any other entity or in any other manner permitted by law; provided that the Trustee shall not be responsible for any losses resulting from the depositor maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign or domestic clearing facility, book-entry system, centralized custodial depository, or similar organization.

(b) Receipt of Money. To collect and receive any and all money and other property due to the Funds and to give full discharge therefor.

(c) Resolution of Claims. To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Master Trust; to commence or

defend suits or legal proceedings to protect any interest of the Master Trust; and to represent the Master Trust in all suits or legal proceedings in any court or before any other body or tribunal.

(d) Voting of Securities. In its discretion, to exercise all voting rights with respect to any investment held in the Funds and to grant proxies, discretionary or otherwise, with respect thereto, except that, at any time when an Investment Manager shall be acting as provided in Section 5.02, the Trustee shall not exercise its discretion with respect to voting any such securities under management of such Investment Manager but shall vote such securities only upon and in accordance with the direction of the Investment Manager or shall send such Investment Manager all proxies and proxy materials relating to such securities, signed by the Trustee without indication of voting preference, and the Investment Manager shall exercise all voting rights with respect thereto.

(e) Location of Assets. To keep the Master Trust domiciled in the United States.

(f) Retention of Professional Services. To execute any of the powers hereof and perform the duties required of it hereunder by or through its employees, agents, attorneys or receivers.

(g) Designation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as the Trustee may deem to be advisable.

(h) Texas Trust Code. To exercise all rights, powers, options and privileges now or hereafter granted to, provided for or vested in, trustees under the Texas Trust Code, except such as conflict with the terms of this Agreement or applicable law.

(i) Powers of Trustee to Continue Until Final Distribution. To exercise any of such powers after the date on which the principal and income of the Master Trust shall have become distributable and until such time as the entire principal of, and income from, the Master Trust shall have been actually distributed by the Trustee. It is intended that distribution of the Master Trust will occur as soon as possible upon termination of the Master Trust, subject, however, to Sections 2.04(d), 2.08 and 2.09.

(j) Discretion in Exercise of Powers. To do any and all other acts, not inconsistent with the Texas Trust Code, which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement.

Notwithstanding the foregoing, however, the Trustee may not do any act or knowingly engage in any transaction which would:

(x) Disqualify either of the Qualified Funds from the application of Section 468A;

(y) Violate the Trustee's fiduciary duties under this Agreement; or

(z) Violate the terms and conditions of any instructions provided by Certificate by the Company to the extent such instructions are consistent with the Trustee's fiduciary duties under this Agreement.

6.02 Designation and Qualification of Successor Trustee(s). The Company by this Agreement has appointed the corporate fiduciary named herein having all requisite corporate power and authority to act as the sole original Trustee. The Trustee shall act in accordance with the directions provided to it by the Company under the terms of this Agreement. At any time during the term of this Master Trust, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified corporation as a Successor Trustee upon thirty

days' notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. In the event that the Trustee or any Successor Trustee shall: (a) become insolvent or admit in writing its insolvency; (b) be unable or admit in writing its inability to pay its debts as such debts mature; (c) make a general assignment for the benefit of creditors; (d) have an involuntary petition in bankruptcy filed against it; (e) commence a case under or otherwise seek to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, statute or proceeding; or (f) resign, the Trustee or Successor Trustee shall cease to act as a fiduciary of this Master Trust and the Company shall appoint a Successor Trustee. Any Successor Trustee shall be a bank or trust company incorporated and doing business within the United States of America and having a combined capital and surplus of at least \$50,000,000, if there be such an institution willing, able and legally qualified to perform the duties of Trustee hereunder upon reasonable or customary terms. Any Successor Trustee shall accept its appointment to serve by a duly acknowledged acceptance of this Master Trust, delivered to the Company and the Trustee then serving. The acceptance shall specify the date on which it will assume its duties as Successor Trustee, which date shall be at least ten days after delivery of the acceptance to the Company and the Trustee then serving, unless both such parties agree to an earlier date. Upon acceptance of such appointment by the Successor Trustee, the Trustee shall assign, transfer and pay over to such Successor Trustee the monies and properties then constituting the Master Trust. Any Successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided above, the Trustee may apply to the United States District Court for the Southern District of Texas, Houston Division, for the appointment of a Successor

Trustee. Any expenses incurred by the Trustee in connection therewith shall be deemed to be an Administrative Cost.

6.03 Resignation. The Trustee or any Successor Trustee hereof may resign and be relieved as Trustee at any time by a duly acknowledged instrument, which shall be delivered to the Company by the Trustee not less than sixty days prior to the effective date of the Trustee's resignation or upon such shorter notice as may be acceptable to the Company. No such resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment.

6.04 Compensation. The Trustee shall be entitled to compensation as may be agreed to from time to time by the Company and the Trustee. Such compensation shall be payable by the Company, shall constitute an Administrative Cost and shall be payable from or reimbursable by the Master Trust.

6.05 Liability. The Trustee shall be liable for the acts, omissions and defaults of its own officers, employees and agents. Except where the Trustee exercises its investment discretion as provided in this Agreement, the Trustee shall not be liable for the acts or omissions of any Investment Manager(s) acting hereunder. The Trustee shall not be responsible or liable for any losses or damages suffered by the Fund arising as a result of the insolvency of any custodian, subtrustee or subcustodian, except to the extent the Trustee was negligent in its selection or continued, retention of such entity, and shall not be liable for any indirect, consequential, or special damages with respect to its role as Trustee.

Notwithstanding the foregoing, the Trustee (and not the Master Trust) shall be liable for (a) any direct damages arising from the failure of the Trustee to comply with the applicable provisions of Section 5.01; (b) any tax imposed pursuant to Section 4951 of the Code (or any

applicable successor provision) as such section is made applicable to the Master Trust or the Trustee; and/or (c) any consequences flowing from violation of the restrictions on the investment of Qualified Fund assets outlined in Section 468A or applicable successor Code sections.

The Trustee is prohibited from doing any act or knowingly engaging in any transaction that would violate the terms and conditions of any instructions provided by written Certificate of the Company to the extent that such instructions are consistent with the Trustee's fiduciary duties under this Agreement. Upon receipt of a Certificate of the Company giving the Trustee notice of either (a) instructions of the Company to the Trustee, or (b) acts or transactions the Company believes constitute a violation by the Trustee of the provisions of this Agreement, the Trustee shall follow the instructions of the Company to the extent that such instructions are consistent with the Trustee's fiduciary duties under this Agreement, and/or cease and desist from the acts identified in the Certificate as violating the provisions of this Agreement. To the extent the Trustee fails to follow the instructions of the Company that are consistent with the Trustee's fiduciary duties under this Agreement, or continues with any act identified in the Certificate as violating the provisions of this Agreement, from the date of receipt of the Certificate providing the instructions and/or notice of violation of the provisions of this Agreement, the Trustee (and not the Master Trust) shall be liable for all direct damages arising from its failure to follow such instructions, and/or arising from a breach by the Trustee of this Agreement. Notwithstanding the foregoing, the Trustee (and not the Master Trust) shall be liable for direct damages arising from any breach by the Trustee of this Agreement, regardless of whether notice thereof was provided by the Company.

6.06 Indemnity of Trustee. The Company shall indemnify and hold harmless the Trustee from all claims, liabilities, losses, damages and expenses, including reasonable

attorneys' fees and expenses, incurred by the Trustee in connection with this Agreement, except as a result of the Trustee's own gross negligence or willful misconduct. This indemnification shall survive the termination of this Agreement.

ARTICLE VII

MISCELLANEOUS

7.01 Alterations and Amendments. The Trustee and the Company understand and agree that modifications or amendments may be required to this Agreement from time to time to effectuate the purposes of this Master Trust. This Agreement may be amended by an instrument in writing executed by the Company and the Trustee. Copies of all such amendments shall be provided to the PUC at its address in Austin, Texas. This Agreement may not be amended so as to violate Section 468A with respect to the Qualified Funds. Notwithstanding any provision herein to the contrary, (i) the Company and the Trustee may, by mutual agreement, revise Exhibit B hereto and (ii) this Agreement cannot be modified in any material respect without first providing thirty days' prior written notice to the NRC Director, Office of Nuclear Reactor Regulation.

7.02 Headings. The section headings set forth in this Agreement and the Table of Contents are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

7.03 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural and as the masculine, feminine or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

7.04 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to any person, other than the Company and the Trustee, any right, remedy or claim under or by reason of this Agreement, or any covenant, condition or stipulation contained herein. The Company shall be entitled to receive payments for Decommissioning Costs and Administrative Costs which the Company may incur.

7.05 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

7.06 Form and Content of Communications. The names of any person authorized to act on behalf of the Company shall be certified, with the specimen signature of such person, to the Trustee by the Company. Until appropriate written evidence to the contrary is received by the Trustee, it shall be fully protected in relying upon or acting in accordance with any written notice, instruction, direction, certificate, resolution or other communication believed by it to be genuine and to be signed and/or certified by any proper person, and the Trustee shall be under no duty to make any investigation or inquiry as to the truth or accuracy of any statement contained therein. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

7.07 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly

given when delivered, or when mailed, postage prepaid, by registered or certified mail, to the person to be notified as set forth below:

If to the Company:

NRG South Texas LP
211 Carnegie Center
Princeton, New Jersey 08540
Attention: Treasurer

If to the Trustee:

~~The Bank of New York Mellon Bank, N.A.~~
One Mellon Bank Center
Pittsburgh, Pennsylvania 15258
Attention: Glen Metzger, Trust Officer

The Company or the Trustee may change its respective address by delivering notice thereof in writing to the other party.

7.08 Successors and Assigns. Subject to the provisions of Section 2.07 and 6.02, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

7.09 Governing Jurisdiction. This Master Trust is a Texas trust, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Texas, including the Texas Trust Code, as if executed in and to be wholly performed within the State of Texas; provided, however, that the Trustee need not be qualified to exercise trust powers in the State of Texas.

7.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.11 Compliance with Laws, Rules and Regulations. The Company and the Trustee intend that this Agreement, all investments made for the Funds and all action taken hereunder shall comply In all respects with federal, state and other laws, rules and regulations applicable to the Funds and this Agreement, including without limitation, rules and regulations promulgated by the NRC and the PUC. Therefore, each of the Trustee, the Company and any Investment Manager shall each comply with all federal, state and other laws, rules and regulations that may be applicable to it in connection with the performance of its duties under this Agreement.

7.12 Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Fund resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians, including but not limited to, nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Fund's property; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event. This Section shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Company and the Trustee have set their hands and seals
to this Agreement as of the day and year first above written.

NRG SOUTH TEXAS LP
By: Texas Genco GP, LLC,
Its General Partner

By _____
Title: Vice President and Treasurer

THE BANK OF NEW YORK MELLON

~~BANK, N.A.~~

By _____
Title: Vice President

ATTACHMENT 2

**ANNOTATED SECOND AMENDED AND RESTATED DECOMMISSIONING
MASTER TRUST AGREEMENT NO. 2 FOR THE SOUTH TEXAS PROJECT**

NRG SOUTH TEXAS LP
SECOND AMENDED AND RESTATED
DECOMMISSIONING MASTER TRUST AGREEMENT NO. 2 FOR
THE SOUTH TEXAS PROJECT

~~October 18, 2007~~

April 1, 2009

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SECOND AMENDED AND RESTATED
DECOMMISSIONING MASTER TRUST AGREEMENT NO. 2
FOR THE SOUTH TEXAS PROJECT

THIS TRUST AGREEMENT, originally made as of May 19, 2005, ~~is amended and~~ restated as of October 18, 2007, is further amended and restated as of April 1, 2009 by and among NRG South Texas LP, a Texas limited partnership (the "Company"), and The Bank of New York Mellon (successor by operation of law to Mellon Bank, N.A., ~~a national banking association~~), a New York state bank having trust powers (the "Trustee"):

WHEREAS, the Company is the owner of: (1) a thirteen and two-tenths percent (13.2%) undivided interest in Unit No. One of the South Texas Project Electric Generating Station (the "STP Unit No. 1 Additional Interest"); (2) a thirteen and two-tenths percent (13.2%) undivided interest in Unit No. Two of the South Texas Project Electric Generating Station (the "STP Unit No. 2 Additional Interest"); and (3) a thirteen and two-tenths percent (13.2%) undivided interest in certain facilities serving both STP Unit No. 1 and STP Unit No. 2 (the "Common Facilities Additional Interest"); all acquired from AEP Texas Central Company ("TCC") pursuant to that certain Purchase and Sale Agreement by and between TCC, City of San Antonio, acting by and through the City Public Service Board of San Antonio ("CPS") and the Company dated as of September 3, 2004 (the "PSA"); and

WHEREAS, the Company for purposes of this Trust is subject to regulation by the Public Utility Commission of Texas (the "PUC"), an agency of the State of Texas, and by the Nuclear Regulatory Commission (the "NRC"), an agency of the United States government; and

WHEREAS, the NRC has promulgated regulations in Title 10, Chapter 1 of the Code of Federal Regulations, Part 50, requiring the Company, as a holder of a license issued pursuant to

10 C.F.R., Part 50, to provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, the PUC has adopted PUC Substantive Rule § 25.303, which, inter alia, prescribes TCC's continuing responsibility for collecting decommissioning funds through its rates pursuant to Public Utility Regulatory Act ("PURA") § 39.205; and

WHEREAS, pursuant to PUC Substantive Rule § 25.303 and the PSA, TCC and the Company have entered into an Amended and Restated Decommissioning Funds Collection Agreement of even date herewith (the "DFCA"); and

WHEREAS, pursuant to Section 468A of the Internal Revenue Code of 1986, certain Federal income tax benefits are available to the Company by creating and funding qualified decommissioning funds associated with the South Texas Project Electric Generating Station; and

WHEREAS, the PUC has authorized TCC, pursuant to PURA § 39.205, to include in its cost of service for ratemaking purposes certain amounts to be collected as nonbypassable charges from retail customers and to be contributed by TCC to decommissioning funds in order to provide monies for the decommissioning costs with respect to the STP Unit No. 1 Additional Interest, the STP Unit No. 2 Additional Interest and the Common Facilities Additional Interest; and

WHEREAS, the Company wishes to maintain a qualified trust fund with respect to each of the STP Unit No. 1 Additional Interest and the STP Unit No 2 Additional Interest, and one or more non-qualified trust funds with respect to the STP Unit No. 1 Additional Interest and the STP Unit No. 2 Additional Interest to accumulate monies with which to pay the Company's share of decommissioning costs for the STP Unit No. 1 Additional Interest, the STP Unit No. 2 Additional Interest and the Common Facilities Additional Interest;

NOW, THEREFORE, in consideration of the mutual promises herein contained, and TCC's agreement pursuant to the DFCA to deliver or have delivered to the Trustee Contributions of monies, the Trustee hereby agrees to continue to receive the Contributions of monies to the Master Trust;

TO HAVE AND TO HOLD such monies and such additional monies as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Master Trust");

IN TRUST NEVERTHELESS, for the uses and purposes and upon the terms and conditions hereinafter set forth:

ARTICLE I

DEFINITIONS, PURPOSE AND NAME

1.01. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Accounting Period" shall mean a tax year, as interpreted in accordance with the Code; Accounting Periods shall end on December 31 of each year.

(b) "Administrative Costs" shall mean all ordinary and necessary expenses and other incidental costs incurred in connection with the operation of the Funds, including, but not limited to, taxes, Trustee fees, Investment Manager fees, and fees and expenses of TCC for acting as the collection agent with respect to the nonbypassable nuclear decommissioning charges to the extent authorized by applicable laws, including rules and orders of the PUC, and the fees and/or compensation of any professional advisors, legal counsel or, administrative support hired by the Company as provided in

Section 3.01 or incurred in the discharge of the Trustee's fiduciary obligations under this Agreement.

(c) "Agreement" shall mean and include this Decommissioning Master Trust Agreement as the same may from time to time be amended, modified or supplemented.

(d) "Authorized Representative" shall mean the Chief Executive Officer, the President, any Vice President or the Treasurer of the Company's general partner, Texas Genco GP, LLC.

(e) "Certificate" shall mean a written certificate signed by the Company.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(g) "Common Facilities" shall mean facilities at the South Texas Project Electric Generating Station designed to serve both STP Unit No. 1 and STP Unit No. 2.

(h) "Common Facilities Additional Interest" shall have the meaning set forth in the preamble hereto.

(i) "Company" shall have the meaning set forth in the preamble hereto and shall include any successor thereto. The actions of the Company may be performed by an Authorized Representative as provided in Sections 1.01(d) and 2.03 hereof.

(j) "Contributions" shall mean all Non-Qualified Contributions and all Qualified Contributions.

(k) "CPS" shall have the meaning set forth in the preamble hereto.

(l) "Decommissioning Costs" shall mean all costs incurred in connection with the entombment, decontamination, dismantlement, removal and disposal of the structures, systems and components of a Unit or Common Facilities, including all costs incurred in

connection with the preparation for decommissioning, such as engineering and other planning expenses, and all expenses incurred with respect to the Unit or Common Facilities after actual decommissioning occurs, such as physical security and radiation monitoring expenses.

(m) “DFCA” shall have the meaning set forth in the preamble hereto.

(n) “Disbursement Certificate” shall mean a document properly completed and executed by the Company, substantially in the form of **Exhibit A** hereto.

(o) “Eligible Investments” shall mean such securities, bank deposits, collective, commingled or mutual funds or other investments that are permitted to be purchased and held for the account of the Fund in which the investment is proposed to be acquired under (1) applicable federal, state and other governmental laws, rules and regulations, including without limitation PUC Substantive Rule 25.303, and (2) the Investment Guidelines then in effect with respect to the Fund for which the investment is proposed to be acquired. Except for investments in funds tied to market indices or other non-nuclear sector collective, commingled or mutual funds, the assets of the Funds shall not be invested in the securities or other obligations of (i) the Company or affiliates of any thereof, or their successors or assigns, or (ii) any entity owning or operating one or more nuclear power plants or any affiliates, subsidiaries, successors or assigns of any such entity. Notwithstanding anything contained in this Agreement to the contrary, the term “Eligible Investments” when used in reference to the Investment Manager shall mean investments permitted by the applicable Investment Manager Agreement and Investment Guidelines.

(p) “Excess Contribution” shall have the meaning set forth in Section 2.02 hereof.

(q) “Funds” shall mean the Qualified Funds and the Non-Qualified Funds.

(r) “Investment Guidelines” shall mean any written statement or statements, attached hereto as **Exhibit C**, of the Company in effect at a given time that incorporates or is consistent with the investment requirements and restrictions of PUC Substantive Rule § 25.303 and details any other applicable investment criteria and standards which shall be consistent with the investment requirements and restrictions of PUC Substantive Rule § 25.303, with respect to one or more Funds or portions thereof. The Company may at any time, or from time to time, adopt new or additional Investment Guidelines, or amend, supersede, or terminate effective Investment Guidelines by delivering a copy of the new or additional Investment Guidelines or notice of amendment, supersession or termination to the Trustee, and any affected Investment Manager, provided that any such new, amended or additional Investment Guidelines shall incorporate (or be consistent with) the investment requirements and restrictions of PUC Substantive Rule § 25.303.

(s) “Investment Manager” shall mean a fiduciary specified in an Investment Manager Agreement:

(i) which has been retained by the Company to manage, acquire or dispose of any asset belonging to the Master Trust; and

(ii) which is:

(A) registered as an investment adviser under the Investment Advisers Act of 1940, or

(B) a bank as defined in that Act, or

(C) an insurance company qualified to perform services described in subsection (i) above, under the laws of more than one state, and

(iii) which has acknowledged, in writing, that it is a fiduciary with respect to the Master Trust, that it is qualified to act under subsection (ii) above, and has agreed to be bound by all of the terms, provisions and covenants of this Agreement applicable to it.

(t) "Investment Manager Agreement" shall mean an agreement between the Company and an Investment Manager selected by the Company, which agreement governs the management of all or a portion of the assets of the Master Trust.

(u) "Master Trust" shall consist of all contributions to any Fund together with investments and reinvestments thereof and any income earnings and appreciation thereon.

(v) "Non-Qualified Contributions" shall mean all amounts contributed to the Non-Qualified Funds.

(w) "Non-Qualified Funds" shall mean the Fund or Funds, as determined by the Trustee and the Company, established and maintained under the Master Trust for decommissioning STP Unit No. 1, STP Unit No. 2, and the Common Facilities to which monies are contributed, which Funds are not subject to the conditions and limitations of Section 468A.

(x) "NRC" shall mean the Nuclear Regulatory Commission, an agency of the United States of America, or its successor.

(y) "PSA" shall have the meaning set forth in the preamble hereto.

(z) “PUC” shall mean the Public Utility Commission of Texas, as authorized pursuant to the PURA, or its successor.

(aa) “PUC Substantive Rule 25.303” shall mean the rules and regulations adopted by the PUC, effective October 26, 2004, published in the Texas Register as Tex. Public Utility Comm’n, 29 Tex. Reg. 9835 et seq. (2004) and codified at 16 Tex. Admin. Code § 25.303, as such section may be amended, and any successors thereto.

(bb) “PURA” shall mean the Public Utility Regulatory Act, Texas Utilities Code, Title 2 (1997), as amended from time to time.

(cc) “Qualified Contributions” shall mean all amounts collected by TCC in cost of service rates approved by the PUC and contributed to the Qualified Funds for Decommissioning Costs and Administrative Costs of the Units pursuant to the DFCA.

(dd) “Qualified Funds” shall mean the STP Unit No. 1 Qualified Fund or the STP Unit No. 2 Qualified Fund.

(ee) “Schedule of Ruling Amounts” shall mean a schedule requested and received in a ruling from the Service in accordance with Section 468A(d)(1) of ruling amounts as defined in Section 468A(d)(2).

(ff) “Section 468A” shall mean Section 468A of the Code, and any regulations and rulings of the Service thereunder, as such section and regulations may be amended, and any successors thereto.

(gg) “Service” shall mean the Internal Revenue Service.

(hh) “STP Unit No. 1” shall mean Unit No. One of the South Texas Project Electric Generating Station.

(ii) “STP Unit No. 1 Additional Interest” shall have the meaning set forth in the preamble hereto.

(jj) “STP Unit No. 1 Qualified Fund” shall mean the Fund established and maintained under the Master Trust for decommissioning STP Unit No. 1 and Common Facilities to which monies are contributed subject to the conditions and limitations of Section 468A.

(kk) “STP Unit No. 2” shall mean Unit No. Two of the South Texas Project Electric Generating Station.

(ll) “STP Unit No. 2 Additional Interest” shall have the meaning set forth in the preamble hereto.

(mm) “STP Unit No. 2 Qualified Fund” shall mean the Fund established and maintained under the Master Trust for decommissioning STP Unit No. 2 and Common Facilities to which monies are contributed subject to the conditions and limitations of Section 468A.

(nn) “TCC” means AEP Texas Central Company, a Texas corporation, in its capacity as collection agent under and pursuant to the DFCA, and shall include its successors and assigns, in such capacity.

(oo) “Trustee” shall mean The Bank of New York Mellon Bank, NA, or its successors.

(pp) “Units” shall mean STP Unit No. 1, STP Unit No. 2 and the Common Facilities, collectively.

1.02. Authorization. Each of the Trustee and the Company hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and

has taken all action necessary to authorize the execution of this Agreement by the officers and persons signing it.

1.03. Master Trust Purpose. The exclusive purpose of this Master Trust is to provide funds for the decommissioning of the Units, and in that regard this Master Trust shall accumulate, invest, reinvest and hold monies for the decommissioning of the Units, and to disburse monies for that purpose. The Qualified Funds shall constitute qualified nuclear decommissioning funds for the Units within the meaning of Section 468A. The assets of the Qualified Funds must be used as authorized by Section 468A. It is not contemplated that the Non-Qualified Funds shall constitute qualified nuclear decommissioning funds for the Units within the meaning of Section 468A.

1.04. Establishment of Master Trust. By execution of this Agreement, the Company:

(a) irrevocably establishes the Master Trust, which shall consist of all Contributions as may now or hereafter be delivered by or on behalf of the Company to the Trustee, investments and reinvestments thereof, and earnings and appreciation thereon;

(b) establishes the Funds, each of which shall constitute a trust consisting of all Contributions as may now or hereafter be delivered to the Trustee by or on behalf of the Company and designated for such Fund, together with investments and reinvestments thereof and earnings and appreciation thereon; and

(c) appoints Mellon Bank, N.A. as Trustee of the Master Trust and each of the Funds.

It is the intention of the Company and the Trustee that this Agreement create an express trust under the laws of the State of Texas.

1.05. Company to Be Beneficiary. The beneficial ownership of the Funds, subject to the purpose of the Master Trust, shall be at all times in the Company.

1.06. Name of Master Trust. The Master Trust created by this Agreement shall be known as the “NRG South Texas LP Amended and Restated Decommissioning Master Trust No. 2 for the South Texas Project.”

ARTICLE II

DISPOSITIVE PROVISIONS

2.01. Additions to Master Trust. From time to time after the initial Contribution to the Master Trust, additional Contributions may be made by TCC pursuant to the DFCA or by or on behalf of the Company and the Trustee shall accept additional Contributions. After the initial Contribution, the Trustee shall not accept any additional Contributions for a Qualified Fund other than cash payments with respect to which the Company is allowed a deduction under section 468A of the Code and Treas. Reg. § 1.468A-2(a) or any corresponding future Treasury Regulations. The Company hereby represents that all additional Contributions (or deemed contributions) designated by the Company pursuant to section 2.06 hereof to be credited to a Qualified Fund shall be deductible under section 468A of the Code and Treas. Reg. § 1468A-2(a) or any corresponding future Treasury Regulation or shall be withdrawn pursuant to Section 2.02 hereof.

2.02. Adjustments for Excess Contributions. The Trustee and the Company understand and agree that the Contributions made by or on behalf of the Company to any of the Qualified Funds from time to time may exceed the amount permitted to be paid into such Fund(s) pursuant to Section 468A based upon changes in estimates, subsequent developments or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such

Contribution was made (an "Excess Contribution"). Upon certification of the Company, setting forth the amount of the Excess Contribution, the Trustee shall transfer to a Non-Qualified Fund, the amount of any Excess Contribution (together with any income accrued thereon) as specified by the Company in such Certificate.

2.03. Authorized Representatives. The Company shall provide the Trustee with a written statement setting forth the names and specimen signatures of its Authorized Representatives. The Authorized Representatives shall provide the Trustee with a written statement setting forth the names and specimen signatures of any delegate of the Authorized Representatives. Each of the Authorized Representatives of the Company is authorized and empowered to perform the acts authorized in this Agreement to be performed by the Company. Each of the Authorized Representatives is authorized and empowered to perform all acts (including the negotiation, execution and delivery of agreements, instruments, certificates and amendments to the Master Trust Agreement and other documents and the delegation of any duties as evidenced in writing) as the Authorized Representative in his sole discretion may deem necessary or appropriate in connection with the activities of the Master Trust.

2.04. Disbursements from the Funds. The Trustee shall make payments from the Funds in accordance with the following procedures:

(a) Use of Assets. Except for Administrative Costs, the assets in the decommissioning trust funds, in the first instance, shall be used to pay the expenses related to decommissioning the Units as defined by the NRC in its regulations and issuances, and as provided in the South Texas Project Electric Generating Station licenses and any amendments thereto. The Trustee acknowledges that the total Trustee and investment manager fees paid on an annual basis from the Master Trust for the entire

portfolio, including commingled funds, shall not exceed 0.7% of the entire portfolio's average annual balance, or such amount as is permitted by PUC Substantive Rule § 25.303(e)(2)(B).

(b) Disbursement Certificates. Requests for payments of Decommissioning Costs actually incurred and paid or payable by the Company for goods provided or labor or other services rendered in connection with the decommissioning of the Units or for Administrative Costs constituting taxes shall be submitted to the Trustee on a Disbursement Certificate executed by the Company. Requests for payments of Administrative Costs (including the fees and expenses of the Trustee, but excluding taxes) actually incurred and paid or payable for the administration of this Master Trust shall be submitted to the Trustee on a Disbursement Certificate executed by the Company.

(c) Payment of Costs. Subject to the requirements of Section 2.04(d) below, the Trustee shall pay Decommissioning Costs or Administrative Costs when a Disbursement Certificate is filed with the Trustee. The Disbursement Certificate shall include the following:

- (i) the amount of money to be paid;
- (ii) the Fund or Funds from which payment is to be made;
- (iii) the purpose for which the obligation to be paid or reimbursed was incurred and whether the payment is of Decommissioning Costs or Administrative Costs; and
- (iv) the party to which the payment shall be made.

(d) Notice to NRC. Except for disbursements for Administrative Costs, no disbursements or payments from the Funds shall be made by the Trustee unless the Trustee has first provided thirty days prior notice of such disbursement or payment to the NRC and the Trustee has not received written notice of an objection from the NRC Director, Office of Nuclear Reactor Regulation, by the later of (1) the date that is thirty days after the giving of such notice, or (2) the date of disbursement. The PUC shall receive copies of all above notices.

(e) Payment of Taxes. To the extent one or more Funds file separate tax returns, the Trustee shall pay income and other taxes with respect to the Funds to the Service or other appropriate governmental authority, if income from one or more Funds is includable in the consolidated assets, revenues or income of the Company for tax purposes, the Trustee shall pay the Company the amount of tax on such assets, revenue or income allocable to such Funds when a Disbursement Certificate is filed with the Trustee directing payment from one or more Funds. All of such taxes, whether paid directly or indirectly, shall constitute Administrative Costs.

(f) Distribution of Master Trust Upon Termination. Upon complete or partial termination of this Master Trust or of any one or more of the Fund(s) pursuant to Section 2.08 or 2.09 hereof, the Trustee shall assist in liquidating the assets of the Master Trust, or Fund(s), and distributing the then-existing assets of the Master Trust, or Fund(s) (including accrued, accumulated and undistributed net income) to the Company; provided, however, if a Qualified Fund is terminated in whole or in part pursuant to Section 2.09(a) because of the Qualified Fund's disqualification from the applicability of Section 468A, the funds or securities withdrawn from the Qualified Fund shall be

transferred to one or more of the Non-Qualified Funds. Upon completion of the decommissioning of a Unit and the related Common Facilities, payment of all Decommissioning Costs and Administrative Costs, and issuance of a final order by the PUC in the final reconciliation proceeding provided for in PUC Substantive Rule 25.303(f)(5), the Company shall submit to the Trustee a Disbursement Certificate requesting payment of any remaining moneys held in the Funds established for such Unit to TCC for refund to TCC customers in accordance with PUC Substantive Rule §25.303(f)(5).

(g) Insufficiency of Funds. Notwithstanding the foregoing, the Trustee shall take no action that would cause a Qualified Fund to become disqualified from the application of Section 468A. If the Assets of any Fund are insufficient to permit the payment in full of amounts to be paid pursuant to this Section, the Trustee, in the absence of liability for such deficiency pursuant to the other provisions of this Agreement, shall have no liability with respect to such insufficiency and no obligation to use its own funds to pay the same. The Trustee shall, however, give the Company immediate notice of any such insufficiency.

2.05. No Commingling; Transfers Between Funds. Except to the extent permitted by PUC Substantive Rule §25.303(e)(3)(C)(iii), all Contributions and the earnings thereon shall be maintained separate and distinct from, and there shall be no commingling with, the nuclear decommissioning funds (or any other funds) received by the Trustee from any other source, including, without limitation, directly or indirectly from any ratepayers other than TCC ratepayers. The Trustee and the Company further understand and agree that it is of the essence that no transfer of monies is to occur between Funds except when such transfer is not contrary to

the requirements of Section 468A and is either (a) in accordance with Section 2.02 hereof or (b) pursuant to the direct instructions contained in a Certificate of the Company.

2.06. Designation of Funds. Upon: (a) any remittance of Contributions to the Master Trust; (b) any disbursement from the Master Trust; or (c) any adjustment to the Funds pursuant to Section 2.02 or Section 2.05, the Company shall designate, by Certificate, the appropriate Fund(s) accounts or subaccounts which are to be credited or debited by such Contribution, disbursement or adjustment. The Trustee shall credit or debit the appropriate Fund(s) accounts or subaccounts in accordance with such designation. The Company shall provide the Trustee with a Schedule of Ruling Amounts for the STP Unit No. 1 Additional Interest and the STP Unit No. 2 Additional Interest and a remittance schedule of Decommissioning Collections (as defined in the DFCA) authorized by final order of the PUC in respect of the STP Unit No. 1 Additional Interest and the STP Unit No. 2 Additional Interest.

2.07. No Transferability of Interest in Master Trust; Exception. The interest of the Company in the Master Trust is not transferable by the Company, whether voluntarily or involuntarily, nor subject to the claims of creditors of the Company. Notwithstanding the foregoing, however, if the Company sells or transfers all or part of its ownership interest in any Unit or Units, including without limitation a sale or transfer to an affiliate of the Company, the Company may transfer a proportionate part of its interest in the Master Trust or any Fund.

2.08. Termination of Master Trust. Subject to the right of the parties to amend this Agreement as provided in Section 7.02, this Master Trust shall be irrevocable and will terminate upon the earliest of:

(a) receipt by the Trustee of a Certificate from the Company stating that the NRC has terminated the licenses of both Units pursuant to 10 C.F.R. § 50.82(f), or any successor regulation;

(b) except for any sale or transfer permitted under Section 2.07, receipt by the Trustee of a Certificate from the Company stating that the Company has sold, transferred or otherwise disposed of all of its ownership interest in both Units; or

(c) the twentieth anniversary of the date of the death of the survivor from among a class consisting of all of the descendants of John D. Rockefeller, late of New York, New York, born on or prior to January 1, 2005.

2.09. Termination of Funds of Master Trust. Subject to the right of the parties to amend this Agreement as provided in Section 7.02 hereof, one or more of the Funds (in whole or in part) shall terminate upon the earliest of:

(a) with respect to a Qualified Fund only, the Fund's disqualification from the application of Section 468A, whether pursuant to an administrative action on the part of the Service or the decision of any court of competent jurisdiction but in no event earlier than the date on which all available appeals have been either prosecuted or abandoned and the period of time for making any further appeals has elapsed;

(b) with respect to a Qualified Fund only, the sale, transfer or other disposition by the Company of any interest in the related Unit, to the extent provided by Section 468A; or

(c) with respect to a Non-Qualified Fund only, the disposition by the Company of any interest in the related Unit, in the same proportion of the Non-Qualified Fund as the Contributions to such Fund are to be used to decommission such Unit.

ARTICLE III

MASTER TRUST MANAGEMENT AND ADMINISTRATION

3.01. Duties of Management. Subject to the terms and provisions of this Agreement, the Trustee shall manage the Master Trust and perform all duties attendant thereto, including the execution of whatever contracts, agreements or other documents necessary to manage and invest such assets. In performing its duties under this agreement, the Trustee shall exercise the same care and diligence that it would devote to its own property in like circumstances. The Trustee is authorized to purchase, enter, sell, hold, and generally deal in any manner in and with contracts for the immediate or future delivery of financial instruments and foreign exchange or foreign exchange contracts; to grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, and otherwise to acquire, dispose of, hold and generally deal in any manner with and in all forms of options in any combinations. The Trustee, with the consent of the Company, may retain the services of such professional advisors, legal counsel and administrative support as may be necessary to administer the Master Trust. The reasonable fees and/or compensation of any party so retained shall, to the extent not already included in the Trustee's compensation, be regarded as appropriate Administrative Costs payable in accordance with Section 2.04 hereof.

3.02. Duties of Administration. The Company shall administer the Master Trust in accordance with PUC Substantive Rule § 25.303 and the terms and provisions of this Agreement and perform all duties therein and herein specified. The Company will not challenge the authority of the PUC to enforce its rules that shall be adopted from time to time with respect to the collection, investment and use of the funds provided by TCC customers for decommissioning of the STP Unit No. 1 Additional Interest, the STP Unit No. 2 Additional Interest, or the Common Facilities Additional Interest.

3.03. Limitations on Actions. Neither the Trustee nor the Company shall take any action or participate in any transaction which would violate the terms and conditions of this Agreement. Further, the Trustee shall not take any action or participate in any transaction inconsistent with any instructions provided in a Certificate of the Company so long as the terms and conditions of the Certificate are consistent with this Agreement.

3.04. Texas Trust Code Controls. To the extent specified by PUC Substantive Rule § 25.303, the Texas Trust Code shall control the administration and management of the Master Trust.

ARTICLE IV

ACCOUNTS AND REPORTS

4.01. Establish Fund Accounts and Subaccounts. In accordance with the provisions of Section 2.06 hereof, the Trustee shall maintain separate accounts and subaccounts (including, but not limited to, spent fuel management and large component disposal subaccounts) as are designated in writing from time to time by the Company for each Fund established by this Agreement to account for Contributions made to each Fund, and all income and other increments to each Fund and disbursements from each Fund.

4.02. Accounts and Subaccounts; Quarterly and Annual Reports. The Trustee shall keep accurate and detailed accounts of all Contributions, investments, receipts and disbursements, Administrative Costs and other transactions hereunder, and all accounts, subaccounts, books and records relating thereto shall be open at all reasonable times to inspection by the Company or by any other person designated by the Company and may be audited not more frequently than once in each fiscal year by an independent certified public accountant engaged by the Company. Such accounts and subaccounts shall be maintained on an

accrual basis and in such a manner as to enable the Trustee to furnish separate accounts and reports for each Fund. Within forty-five days following the close of each fiscal quarter or year, the Trustee shall prepare and furnish to the Company a written report setting forth with respect to each Fund all Contributions, investments, receipts and disbursements and other transactions effected by it during the preceding fiscal quarter, or year with respect to year-end statements, including a description of all securities and investments purchased and sold, with the cost and net proceeds of such purchases or sales, showing all cash, securities and other property held by each Fund at the end of such fiscal quarter or year and providing a valuation of the cash, securities and other property held by each Fund at the end of such fiscal quarter or year. Within ninety days following the removal or resignation of the Trustee as provided in Article VI hereof the Trustee shall prepare and furnish to the Company and to any Successor Trustee a written report containing all of the information required for fiscal year-end statements pursuant to this Section with respect to the period from the close of the previous fiscal year to the date of such removal or resignation. The Trustee shall also provide a valuation of the cash, securities and other property held by each Fund on such other dates as may be specified by the Company. Copies of all records relating to the Master Trust and each of the Funds shall be maintained by the Trustee until the termination of the Master Trust and distribution of all of the assets of the Master Trust. Before destruction of any such records, the Trustee shall offer them to the Company. Such copies may be maintained on microfilm or microfiche.

4.03. Tax Returns and Monthly Reports.

(a) Tax Returns. The Trustee and the Company shall cooperate in the preparation of income or franchise tax returns or other reports as may be required from time to time. If deemed necessary or appropriate, the Trustee, with the Company's prior

written consent, or the Company may employ independent certified public accountants or other tax counsel to prepare or review such returns and reports. The Trustee agrees to sign all tax returns or other reports where required by law to do so or arising out of the Trustee's responsibilities hereunder. The Trustee shall prepare and submit to the Company in a timely manner all information requested by the Company regarding the Funds required to be included in the Company's federal, state and local income tax returns or other reports. Any interest or penalty charges assessed against the Master Trust or any Fund pursuant to Chapters 67 or 68 of the Code or pursuant to any similar state or local tax provisions shall be an Administrative Cost unless caused by the Trustee's negligence or willful misconduct, in which case such interest or penalty charges shall be borne by the Trustee and not the Master Trust. The Trustee agrees to notify the Company immediately of the commencement of the audit of any Fund's federal, state or local tax return, and to participate with the Company on behalf of the Fund in such audits and related inquiries. The Trustee shall provide the Company with any additional information in its possession regarding the Funds which may be required by the Company to be furnished in an audit of the Company's federal, state or local tax returns.

(b) Monthly Investment Activity Reports. The Trustee shall present to the Company on a monthly basis a report setting forth all investments purchased and sold by the Investment Manager(s) or by the Trustee during the previous month.

ARTICLE V

INVESTMENTS

5.01. Investments in Eligible Investments. The Funds shall be invested solely in Eligible Investments, regardless of whether the Trustee, the Company or an Investment Manager

is making the investment decision. The Trustee shall have a continuing duty to review the trust portfolio and to inform the Company and any Investment Manager if, in the Trustee's opinion, any investment is not an Eligible Investment or is not in compliance with the Investment Guidelines. The Company acknowledges that, with respect to Funds or portions thereof managed by an Investment Manager, the Trustee intends to discharge its continuing duty to review the trust portfolio under the preceding sentence by performing certain portfolio review actions as specified in **Exhibit D** hereto. The Trustee, Investment Manager, or anyone else directing the investments made in the trust shall adhere to the Investment Guidelines provided by the Company.

5.02. Investment Authority: Investment Managers.

(a) Trustee, Investment Manager(s) or Both to Manage Investments. The Company shall from time to time specify by Certificate to the Trustee whether the investment of the Funds shall be managed solely by the Trustee, or shall be directed by one or more Investment Managers appointed by the Company, or whether both the Trustee and one or more Investment Managers are to participate in investment management and if so how the investment responsibility is to be divided with respect to assets, classes of assets, separate Funds, accounts or ~~sub-funds~~ subaccounts specified and defined in such Certificate. In the event that the Company shall fail to specify pursuant to this Section the person or persons who are to manage the investment of the Funds or any portion thereof, the Trustee shall promptly give notice of this fact to the Company. With the consent of the Trustee, the Company may designate the Trustee as Investment Manager of that portion of the Funds. If the Company does not designate an Investment Manager and the Trustee is unable or unwilling to serve as Investment Manager, the

Company shall be Investment Manager of that portion of the Funds. If the Trustee is managing the investment of the Funds or any portion thereof; it shall follow any instructions issued by the Company in a Certificate unless those instructions are contrary to the Trustee's fiduciary duties under this Agreement. If investment of all or a portion of any Fund is to be directed in whole or in part by an Investment Manager, the Trustee shall be given written notification of the appointment of the Investment Manager and his acceptance of such appointment and acknowledgment that it is a fiduciary of this Master Trust. The Investment Manager shall also provide the Trustee a certificate identifying, with specimen signatures, the persons authorized to give instructions or directions to the Trustee on its behalf. The Trustee may continue to rely upon such instruments and certificates until otherwise notified in writing by the Company or the Investment Manager.

(b) Trustee to Follow Investment Manager Directions; Exceptions. The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the portion of the Funds as shall be under management by the Investment Manager. Except as stated in this Article, the Trustee shall be under no duty or obligation with respect to Funds or portions thereof managed by an Investment Manager, to (i) review any investment to be acquired, held or disposed of pursuant to directions from an Investment Manager or (ii) make any recommendations with respect to the disposition or continued retention of any such investment. The Trustee, if it is managing any investments for any of the Funds or portions thereof, and each Investment Manager, if any, shall have a continuing duty to review the Funds under its management to determine the appropriateness of such assets, investments and funds. With respect to

Funds or portions thereof managed by an Investment Manager, the Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any direction from, the Investment Manager, unless (i) such action or inaction would be contrary to the provisions of this Section 5.02(b); (ii) the Trustee has actual knowledge that by such action or failure to act it will be participating in a breach of fiduciary duty by the Investment Manager; or (iii) such action or inaction would result in a violation of the Trustee's fiduciary duties under the terms of this Agreement.

(c) Trades by Investment Manager. An Investment Manager at any time and from time to time may issue orders for the purchase or sale of Eligible Investments directly to a broker, and in order to facilitate such transaction the Trustee upon request from an Investment Manager shall execute and deliver appropriate trading authorizations. Notifications, in a format agreed to by the Investment Manager and the Trustee, of the issuance of each such order shall be given promptly to the Trustee by the Investment Manager, and the execution of each such order shall be confirmed by the Trustee. Such notification shall be authority for the Trustee to pay for Eligible Investments purchased against receipt thereof and to deliver securities sold against payment therefor, as the case may be. All notifications concerning investments made by the Investment Manager shall be authorized by such person or persons, acting on behalf of the Investment Manager as may be duly authorized in writing. The Trustee shall be entitled to rely upon such directions which it receives by any means if so authorized by the Investment Manager and shall in no way be responsible for the consequences of any unauthorized use of any device which was not, in fact, known by the Trustee at the time to be unauthorized. The Trustee shall, as promptly as possible, comply with any written directions given by the

Investment Manager hereunder, and, where such directions are given electronically, if agreed to by the Trustee, or by photostatic teletransmission with facsimile signature or signatures, the Trustee shall be entitled to presume that any directions so given are fully authorized.

(d) Removal of Investment Manager. The Company shall have the right, with or without cause, to remove any Investment Manager. In the event that an Investment Manager should resign or be removed by the Company, the Company shall appoint another Investment Manager (including the Trustee) for the portion of the Funds under management by such Investment Manager at the time of its resignation or removal.

5.03. Limitations on Investment Transactions. Notwithstanding anything contained in this Agreement to the contrary, the Trustee may not authorize or carry out any purchase, sale, exchange or other transaction which would constitute an act of "self-dealing" within the meaning of Section 4951 of the Code. The Trustee shall not (x) lend monies or securities from any of the Funds to itself; its officers or directors or (y) invest or reinvest monies from the Funds directly in securities issued by the Trustee, except for time deposits, demand deposits or money market accounts of the Trustee. Notwithstanding the foregoing (assuming applicable laws so permit), monies from the Funds may be invested in mutual funds or common trust funds that contain securities issued by the Trustee if the securities of the Trustee constitute no more than five percent of the fair market value of the assets of such mutual funds at the time of the investment; provided, however, that the Trustee shall have no duties under Section 5.02 with respect to the investment in such mutual fund or common trust fund made at the direction of an investment manager or the Company.

5.04. Disposition of Investments. When required to make any payments under Section 2.04 hereof, the Trustee shall sell investments at the best price reasonably obtainable, or present investments for prepayment, and follow directions from the Company or an Investment Manager if such directions are provided. The proceeds of any such sale or liquidation shall be credited pro rata to the Fund or Funds to which such investments were credited prior to such sale or liquidation. The Trustee shall have no liability, except for its own negligence or willful misconduct, with respect to any sale or prepayment of an investment directed by the Company or an Investment Manager or made by an Investment Manager through a broker-dealer.

5.05. Allocation of Income.

(a) Generally. The Trustee shall not be precluded from pooling amounts in the Funds for investment purposes, provided that all investments are to be made only in Eligible Investments. To the extent amounts in more than one Fund are pooled, the Trustee shall allocate the earnings and losses in a manner permitted by Section 468A (if a Qualified Fund is involved) and, if so permitted, may treat each Fund participating in such investment as having received or accrued a ratable portion of the income from such investment for any period.

(b) Principal and Income. All questions relating to the ascertainment of income and principal and the allocation of receipts and disbursements between income and principal shall be resolved by the Trustee in accordance with the terms of Section 113.102 of the Texas Trust Code. For accounting purposes, as of the end of each Accounting Period of the Master Trust, the income of the Master Trust shall, for purposes of all subsequent Accounting Periods, be treated as Master Trust principal. The Trustee

and any Investment a Manager shall have the same duties with regard to Master Trust income as to Master Trust principal.

5.06. Settlement of Transactions. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Trustee shall have no responsibility for nonreceipt of payment (or late payment) by the counterparty.

5.07. Reimbursement. If the Trustee advances cash or securities to facilitate the settlement of a transaction or in the event that the Trustee shall incur or be assessed taxes, interest, charges, expenses, or assessments in connection with the performance of this Agreement, except such as may arise from its own negligent action, negligent failure to act or willful misconduct, any property at any time held for the Fund or under this Agreement shall be security therefor and the Trustee shall be entitled upon reasonable notice to the Company to collect from the Fund sufficient cash for reimbursement, and if such cash is insufficient, dispose of the assets of the Company held under this Agreement to the extent necessary to obtain reimbursement. To the extent the Trustee advances funds to the Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Fund an amount equal to either (i) with respect to domestic assets, an amount equal to what would have been earned on the sums advanced (an amount approximating the “federal funds” interest rate) or (ii) with respect to nondomestic assets, the rate applicable to the appropriate foreign market.

ARTICLE VI

THE TRUSTEE

6.01. General Powers. Except to the extent greater than the powers of trustees under the Texas Trust Code or inconsistent with PUC Substantive Rule § 25.303 or the terms of this Agreement, the Trustee shall have, with respect to the Master Trust, the following fiduciary powers to be exercised in the best interests of the Master Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, namely:

(a) Registration of Securities. To cause any investment, either in whole or in part, in the Fund to be registered in, or transferred into, the Trustee's name or the names of a nominee or nominees, including but not limited to that of the Trustee or an affiliate of the Trustee, a clearing corporation, or a depository, or in book entry form, or to retain any such investment unregistered or in a form permitting transfer by delivery, provided that the books and records of the Trustee shall at all times show that such investments are a part of the Fund; and to cause any such investment, or the evidence thereof, to be held by the Trustee, in a depository, in a clearing corporation, in book entry form, or by any other entity or in any other manner permitted by law; provided that the Trustee shall not be responsible for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign or domestic clearing facility, book-entry system, centralized custodial depository, or similar organization.

(b) Receipt of Money. To collect and receive any and all money and other property due to the Funds and to give full discharge therefor.

(c) Resolution of Claims. To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Master Trust; to commence or defend suits or legal proceedings to protect any interest of the Master Trust; and to represent the Master Trust in all suits or legal proceedings in any court or before any other body or tribunal.

(d) Voting of Securities. In its discretion, to exercise all voting rights with respect to any investment held in the Funds and to grant proxies, discretionary or otherwise, with respect thereto, except that, at any time when an Investment Manager shall be acting as provided in Section 5.02, the Trustee shall not exercise its discretion with respect to voting any such securities under management of such Investment Manager but shall vote such securities only upon and in accordance with the direction of the Investment Manager or shall send such Investment Manager all proxies and proxy materials relating to such securities, signed by the Trustee without indication of voting preference, and the Investment Manager shall exercise all voting rights with respect thereto.

(e) Location of Assets. To keep the domicile of the Master Trust in the United States.

(f) Retention of Professional Services. To execute any of the powers hereof and perform the duties required of it hereunder by or through its employees, agents, attorneys or receivers.

(g) Designation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as the Trustee may deem to be advisable.

(h) Texas Trust Code. To exercise all rights, powers, options and privileges now or hereafter granted to, provided for or vested in, trustees under the Texas Trust Code, except to the extent inconsistent with the terms of this Agreement, PUC Substantive Rule § 25.303 or other applicable law.

(i) Powers of Trustee to Continue Until Final Distribution. To exercise any of such powers after the date on which the principal and income of the Master Trust shall have become distributable and until such time as the entire principal of, and income from, the Master Trust shall have been actually distributed by the Trustee. It is intended that distribution of the Master Trust will occur as soon as possible upon termination of the Master Trust, subject, however, to Sections 2.04(d), 2.08 and 2.09.

(j) Discretion in Exercise of Powers. To do any and all other acts, not inconsistent with the Texas Trust Code, which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement.

Notwithstanding the foregoing, however, (i) the restrictions in subparagraphs (A)(i)-(v) of PUC Substantive Rule § 25.303(e)(2) shall apply and (ii) the Trustee may not do any act or knowingly engage in any transaction which would: (x) disqualify either of the Qualified Funds from the application of Section 468A; (y) violate the Trustee's fiduciary duties under this Agreement; or (z) violate the terms and conditions of any instructions provided by Certificate by the Company to the extent such instructions are consistent with the Trustee's fiduciary duties under this Agreement.

6.02. Designation and Qualification of Successor Trustee(s). The Company by this Agreement has appointed the corporate fiduciary named herein having all requisite corporate power and authority to act as the sole original Trustee. The Trustee shall act in accordance with

the directions provided to it by the Company under the terms of this Agreement. At any time during the term of this Master Trust, the Company shall have the right, with or without cause, to remove the Trustee acting hereunder and appoint another qualified corporation as a Successor Trustee upon thirty days' notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. In the event that the Trustee or any Successor Trustee shall: (a) become insolvent or admit in writing its insolvency; (b) be unable or admit in writing its inability to pay its debts as such debts mature; (c) make a general assignment for the benefit of creditors; (d) have an involuntary petition in bankruptcy filed against it, (e) commence a case under or otherwise seek to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, statute or proceeding; or (f) resign, the Trustee or Successor Trustee shall cease to act as a fiduciary of this Master Trust and the Company shall appoint a Successor Trustee. Any Successor Trustee shall be a bank or trust company incorporated and doing business within the United States of America and having a combined capital and surplus of at least \$50,000,000, if there be such an institution willing, able and legally qualified to perform the duties of Trustee hereunder upon reasonable or customary terms. Any Successor Trustee shall accept its appointment to serve by a duly acknowledged acceptance of this Master Trust, delivered to the Company and the Trustee then serving. The acceptance shall specify the date on which it will assume its duties as Successor Trustee, which date shall be at least ten days after delivery of the acceptance to the Company and the Trustee then serving unless all such parties agree to an earlier date. Upon acceptance of such appointment by the Successor Trustee, the Trustee shall assign, transfer and pay over to such Successor Trustee the monies and properties then constituting the Master Trust. Any Successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided above, the Trustee may apply to the United States District Court for the Southern District of Texas, Houston Division, for the appointment of a Successor Trustee. Any expenses incurred by the Trustee in connection therewith shall be deemed to be an Administrative Cost.

6.03. Resignation. The Trustee or any Successor Trustee hereof may resign and be relieved as Trustee at any time by a duly acknowledged instrument, which shall be delivered to the Company by the Trustee not less than sixty days prior to the effective date of the Trustee's resignation or upon such shorter notice as may be acceptable to the Company. No such resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment.

6.04. Compensation. The Trustee shall be entitled to compensation as may be agreed to from time to time by the Company and the Trustee. Such compensation shall be payable by the Company, shall constitute an Administrative Cost and shall be payable from or reimbursable by the Master Trust.

6.05. Liability. The Trustee shall be liable for the acts, omissions and defaults of its own officers, employees and agents. Except where the Trustee exercises its investment discretion as provided in this Agreement, the Trustee shall not be liable for the acts or omissions of any Investment Manager(s) acting hereunder. The Trustee shall not be responsible or liable for any losses or damages suffered by the Fund arising as a result of the insolvency of any custodian, subtrustee or subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity, and shall not be liable for any indirect, consequential, or special damages with respect to its role as Trustee.

Notwithstanding the foregoing, the Trustee (and not the Master Trust) shall be liable for (a) any direct damages arising from the failure of the Trustee to comply with the applicable provisions of Section 5.01; (b) any tax imposed pursuant to Section 4951 of the Code (or any applicable successor provision) as such section is made applicable to the Master Trust or the Trustee; and/or (c) any consequences flowing from violation of the restrictions on the investment of Qualified Fund assets outlined in Section 468A or applicable successor Code sections.

The Trustee is prohibited from doing any act or knowingly engaging in any transaction that would violate the terms and conditions of any instructions provided by written Certificate of the Company to the extent that such instructions are consistent with the Trustee's fiduciary duties under this Agreement. Upon receipt of a Certificate of the Company giving the Trustee notice of either (a) instructions of the Company to the Trustee, or (b) acts or transactions the Company believes constitute a violation by the Trustee of the provisions of this Agreement, the Trustee shall follow the instructions of the Company to the extent that such instructions are consistent with the Trustee's fiduciary duties under this Agreement, and/or cease and desist from the acts identified in the Certificate as violating the provisions of this Agreement. To the extent the Trustee fails to follow the instructions of the Company that are consistent with the Trustee's fiduciary duties under this Agreement, or continues with any act identified in the Certificate as violating the provisions of this Agreement, from the date of receipt of the Certificate providing the instructions and/or notice of violation of the provisions of this Agreement, the Trustee (and not the Master Trust) shall be liable for all direct damages arising from its failure to follow such instructions, and/or arising from a breach by the Trustee of this Agreement. Notwithstanding the foregoing, the Trustee (and not the Master Trust) shall be liable for direct damages arising from

any breach by the Trustee of this Agreement, regardless of whether notice thereof was provided by the Company.

6.06. Indemnity of Trustee. The Company shall indemnify and hold harmless the Trustee from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with this Agreement, except as a result of the Trustee's own gross negligence or willful misconduct. This indemnification shall survive the termination of this Agreement.

ARTICLE VII

MISCELLANEOUS

7.01. Schedule of Company Affiliates. The Company shall amend **Exhibit B** from time to time so that it contains a true, complete and correct listing of all affiliates of the Company.

7.02. Alterations and Amendments. The Trustee and the Company understand and agree that modifications or amendments may be required to this Agreement from time to time to effectuate the purposes of this Master Trust. This Agreement may be amended by an instrument in writing executed by the Company and the Trustee. Copies of all such amendments shall be provided to the PUC at its address in Austin, Texas. This Agreement may not be amended so as to violate Section 468A with respect to the Qualified Funds or PUC Substantive Rule § 25.303. Notwithstanding any provision herein to the contrary, (i) the Company may from time to time, revise **Exhibit B** hereto, and the Company may from time to time revise **Exhibits C and D** hereto, and (ii) this Agreement cannot be modified in any material respect without first providing thirty days' prior written notice to the NRC Director, Office of Nuclear Reactor Regulation.

7.03. Headings. The section headings set forth in this Agreement and the Table of Contents are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

7.04. Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural and as the masculine, feminine or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

7.05. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to any person, other than the Company, TCC and the Trustee, any right, remedy or claim under or by reason of this Agreement, or any covenant, condition or stipulation contained herein. The Company shall be entitled to receive payments for Decommissioning Costs and Administrative Costs which the Company may incur, and TCC shall be entitled to receive payments for Administrative Costs which TCC may incur. TCC shall be an express third-party beneficiary of this Trust Agreement and shall be entitled to enforce the terms and conditions thereof.

7.06. Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

7.07. Form and Content of Communications. The names of any person authorized to act on behalf of the Company shall be certified, with the specimen signature of such person, to

the Trustee by the Company. Until appropriate written evidence to the contrary is received by the Trustee, it shall be fully protected in relying upon or acting in accordance with any written notice, instruction, direction, certificate, resolution or other communication believed by it to be genuine and to be signed and/or certified by any proper person, and the Trustee shall be under no duty to make any investigation or inquiry as to the truth or accuracy of any statement contained therein. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

7.08. Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when delivered, or when mailed, postage prepaid, by registered or certified mail, to the person to be notified as set forth below:

If to the Company:

NRG South Texas LP
c/o Texas Genco GP, LLC
211 Carnegie Center
Princeton, New Jersey 08540
Attention: Treasurer

If to the Trustee:

The Bank of New York Mellon Bank, N.A.
One Mellon Bank Center
Pittsburgh, Pennsylvania 15258
Attention: Glen Metzger, Trust Officer

The Company or the Trustee may change its respective address by delivering notice thereof in writing to the other party.

7.09. Successors and Assigns. Subject to the provisions of Section 2.07 and 6.02 this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

7.10. Governing Jurisdiction. This Master Trust is a Texas trust, and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Texas, including the Texas Trust Code, as if executed in and to be wholly performed within the State of Texas; provided, however, that the Trustee need not be qualified to exercise trust powers in the State of Texas.

7.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.12. Compliance with Laws, Rules and Regulations. The Company and the Trustee intend that this Agreement, all investments made for the Funds and all action taken hereunder shall comply in all respects with federal, state and other laws, rules and regulations applicable to the Funds and this Agreement, including without limitation, rules and regulations promulgated by the NRC and the PUC. Therefore, each of the Trustee, the Company and any Investment Manager shall each comply with all federal, state and other laws, rules and regulations that may be applicable to it in connection with the performance of its duties under this Agreement.

7.13. Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Fund resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or

enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Fund's property; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event. This Section shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Company and the Trustee have set their hands and seals to this Agreement as of the day and year first above written.

NRG SOUTH TEXAS LP
a Texas limited partnership

By: Texas Genco GP, LLC,
Its General Partner

By _____
Vice President and Treasurer

THE BANK OF NEW YORK MELLON BANK, N.A.

By: _____
Title: _____