



## Blue Castle Holdings

January 27, 2010

U.S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Washington, DC 20555-0001

Attn: Mr. David B. Mathews  
Division of New Reactor Licensing  
Office of New Reactors  
Re: Blue Castle Holdings, Inc. and Transition Power Development, LLC  
Submittal of ESP and/or COL Application  
Blue Castle Generation Project

We are pleased to update our previous letter on the development of the Blue Castle Project. Transition Power Development (TPD) has consolidated the Blue Castle Project activities and management into Blue Castle Holdings, Inc. (BCH) a subsidiary of TPD, as of September 2009, reflecting the changing focus from asset development to a site and project licensing focus. BCH's business model is focused on the selection, acquisition and licensing of the nuclear power plant site and reactor technology, while minimizing financial risk and licensing effectiveness. Our management structure has changed accordingly, with Aaron Tilton becoming CEO and President of Blue Castle Holdings, with Tom Retson as Chief Operating Officer and Nils Diaz as Chief Strategic Officer.

The Blue Castle Project continued to conduct developmental and site characterization activities pertinent to meeting NRC physical site requirements, including

- Completed a preliminary site evaluation of publicly available physical site data of the Green River site, which conclusions support siting feasibility. Site evaluations were completed by McCallum Turner and William Lettis and Associates.
- Completed an independent Archeological and Paleontological site study, which conclusions support siting feasibility. The study was conducted by Abajo Archaeology.
- Executed a land purchase agreement on the site Feb. 09, currently in escrow.
- Signed an agreement with licensing contractor ENERCON to prepare, submit and manage first the Early Site Permit (ESP) application and then the Construction and Operating License (COL) application.
- Completed documentation and provided expert testimony at a public hearing held by the Utah State Water Engineer seeking approval for the change in diversion of water rights previously approved. Approval of this change application would move the point of diversion for water use to the Blue Castle Project.



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- Continues to execute and negotiate Blue Castle Project power output. About 2/3 of output is in various stages of negotiations and due diligence with participants. For example, Page Electric Utility signed MOU for 30 MWe of Blue Castle Project power in September of 2009.

Blue Castle Holdings intends to begin site characterization studies to comply with NRC requirements and proceed with pre-application work by June 2010. Our expectations are to submit an Early Site Permit or Combined License Application by September 2011, for nuclear units with approximately 3000 MWe combined rated electrical output. These units will be part of the Blue Castle Generation Project and are now to be located in East-Central Utah, at the Green River site identified at the Water Hearing above mentioned.

Blue Castle Holdings will provide shortly more specific information on the site and associated planning to initiate pre-application activities with the NRC staff by late this spring.

If you have any questions regarding the activities or the schedule being developed, please contact Mr. Tom Retson at (910)256-8477.

Sincerely yours,

Aaron Tilton  
CEO and President  
Blue Castle Holdings, Inc.

cc: Tom Retson  
Dr. Nils Diaz