

## PMSTPCOL PEmails

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**From:** Anand, Raj  
**Sent:** Thursday, January 28, 2010 11:51 AM  
**To:** Chappell, Coley; Mookhoek, William  
**Cc:** STPCOL; Wunder, George; Tonacci, Mark  
**Subject:** STP Financial RAIs  
**Attachments:** STP RAIs3.doc

Hi Coley,

We would like to discussed the attached RAI in the conference call with STP before issuance. Please let me have the date and the time convenient for the call.

Thanks,

Raj

**Hearing Identifier:** SouthTexas34Public\_EX  
**Email Number:** 2180

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**Subject:** STP Financial RAIs  
**Sent Date:** 1/28/2010 11:50:31 AM  
**Received Date:** 1/28/2010 11:50:33 AM  
**From:** Anand, Raj

**Created By:** Raj.Anand@nrc.gov

**Recipients:**

"STPCOL" <STP.COL@nrc.gov>  
Tracking Status: None  
"Wunder, George" <George.Wunder@nrc.gov>  
Tracking Status: None  
"Tonacci, Mark" <Mark.Tonacci@nrc.gov>  
Tracking Status: None  
"Chappell, Coley" <ccchappell@STPEGS.COM>  
Tracking Status: None  
"Mookhoek, William" <wemookhoek@STPEGS.COM>  
Tracking Status: None

**Post Office:** HQCLSTR01.nrc.gov

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[REDACTED]

DRAFT

REQUEST FOR ADDITIONAL INFORMATION  
RELATED TO PART 1, "GENERAL AND FINANCIAL INFORMATION", REVISION 1  
OF THE COMBINED LICENSE APPLICATION FOR THE  
SOUTH TEXAS PROJECT, UNITS 3 AND 4

The Request for Additional Information pertains to Part 1, "General and Financial Information," Revision 1 of the Combined License Application (COLA) for the South Texas Project, Units 3 and 4. By letter dated, March 30, 2009, South Texas Project Nuclear Operating Company (STPNOC) provided its response to the NRC staff's initial RAIs.

1. Pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50.33(f)(1), "the applicant shall submit information that demonstrates that the applicant possesses or has reasonable assurance of obtaining the funds necessary to cover estimated construction costs and related fuel cycle costs...and shall indicate the source(s) of funds to cover these costs."

In response to the staff's RAI, STPNOC submitted the following response on March 30, 2009 (Attachment 2, page 5, Response to Question 1-2):

The precise terms of any foreign government guarantees that may be placed in connection with the expected project financing to be completed after issuance of the COL have not yet been finalized.

- a. Explain any alternative financing plan in the event that CPS Energy is unable to contribute its respective equity contributions to STP, Units 3 and 4, as identified in "Combined License Application, Part 1, General and Financial Information, Revision 3" (Proprietary), Tables 1.3-1 and 1.3-3 of the application.
  - b. When can the NRC expect to receive complete and final information regarding project financing, including, but not limited to, the amounts and terms of any loans, (either U.S. or foreign) and any equity contributions?
2. Section 1.3 of the application and Response 1-5 in the March 30, 2009 submittal provide information on the construction cost estimates for STP Units 3 & 4, as referenced in Appendix C to Part 50. In the response to the NRC staff's RAI, the applicant stated:

Both owners continue to work with STPNOC and the EPC contractors to refine the project cost estimate. Toshiba is expected to deliver a preliminary cost estimate, taking into account the impact of current economic conditions by late 2009. CPS Energy and NINA believe that the owners will be able to provide an updated cost estimate by late 2009 or early 2010.

[REDACTED]

[REDACTED]

a. When can the NRC expect to receive an updated cost estimate and related statement describing the bases from which the estimate is derived?

3. Section 103d. of the Atomic Energy Act prohibits the NRC from issuing a license to:

“an alien or any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation or a foreign government.”

Section 50.38 of 10 CFR is the regulatory provision that implements this statutory prohibition.

In response to the staff's RAI, STPNOC submitted the following response on March 30, 2009 (Attachment 2, page 5, Response to Question 1-2):

...[S]ection 5(c) of the [LLC Operating] agreement provides that the two Managers each vote in proportion to the percentage of interests held by the member appointing such Manager. Thus the Texas Genco-appointed Manager votes 88% and the TANE-appointed Manager votes just 12%. In this way, control is exercised by Texas Genco Holdings, Inc. a U.S.-owned and U.S. controlled company....As such, there is no need for a separate negotiation action plan to address the minority, 12% ownership interest held by TANE.

a. The above RAI response does not address how the applicants plan to mitigate foreign control or influence over activities licensed by the NRC, including, but not limited to: matters relating to nuclear safety and security. The response does not address special veto rights of foreign owners, quorum provisions or other pertinent operational issues. In light of these facts, provide a negotiation action plan per the NRC Final Standard Review Plan on Foreign Ownership, Control, or Domination; 64 FR 52355 (September 28, 1999).

[REDACTED]