

**Date:** December 15, 2010  
**To:** Taplett, Kenneth  
**Cc:** Pham, Bo  
**Subject:** RAI 1.1.4-1 in regards acceptance review

Mr. G. T. Powell  
Vice President, Technical Support and Oversight  
South Texas Project Units 1 and 2

By letter dated October 25, 2010, South Texas Project Nuclear Operating Company (STPNOC or the applicant) submitted an application for renewal of operating licenses NPF-76 and NPF-80 for the South Texas Project Electric Generating Station (STPEGS) Units 1 and 2, respectively. The staff of the U.S. Nuclear Regulatory Commission (the staff) is reviewing this application for acceptance and sufficiency for docketing in accordance with the guidance in NUREG-1800, "Standard Review Plan for the Review of License Renewal Applications for Nuclear Power Plants." During its review, the staff has identified an area where additional information is needed to complete the review. The staff's request for additional information is included below. Further requests for additional information may be issued in the future.

Also note that, since this issue affects the acceptance and sufficiency review, satisfactory completion of the acceptance and sufficiency review may be delayed beyond 60 days in order to account for STPNOC's response, and for staff review of that response.

This item has been discussed with Mr. Ken Taplett, of the STPNOC staff, and a mutually agreeable date for the response is within 15 days from the date of this communication. If you have any questions, please contact me by telephone at 301-415-3873 or by e-mail at [John.Daily@nrc.gov](mailto:John.Daily@nrc.gov).

Reference ADAMS Accession #: ML10xxxxxxx.

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**REQUEST FOR ADDITIONAL INFORMATION**  
**RELATED TO PART 1, ADMINISTRATIVE INFORMATION**  
**OF THE LICENSE RENEWAL APPLICATION FOR THE**  
**SOUTH TEXAS PROJECT, UNITS 1 AND 2**

**RAI Number: RAI 1.1.4-1**

**Background:**

The Request for Additional Information pertains to Section 1 of the License Renewal Application for the South Texas Project, Units 1 and 2.

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.

Guidance regarding foreign ownership, control or domination and associated negation action plans is provided in the NRC’s Final Standard Review Plan on Foreign Ownership, Control, or Domination; 64 FR 52355 (September 28, 1999).

**Issue:**

On page 1.1-6 the application lists a non-U.S citizen, Mr. Mauricio Gutierrez as the Executive Vice President and Chief Operating Officer of NRG Energy, Inc. Further the application lists Mr. Gutierrez as the Vice President of Texas Genco GP on page 1.1-9.

**Request:**

In light of these facts, please describe, in sufficient detail for the staff to make a determination, how South Texas plans to mitigate foreign control or influence over activities licensed by the NRC, including, but not limited to, matters relating to nuclear safety and security and responsibility for special nuclear material.

For the following questions, the term “organization” should include all owners, operators, applicants, parent companies of South Texas Unit 1 and 2.

- a) List any non-U.S. citizens who serve as members of your organization's board of directors (or similar governing body), officers, executive personnel, general partners, regents, trustees or senior management officials and indicate the dates and terms of their appointments.
- b) Does any foreign person(s) have the power, direct or indirect, to control the election, appointment, or tenure of members of your organization's board of directors (or similar governing body) or other management positions responsible for NRC licensed activities, including nuclear safety and security, of your organization?
- c) Does any foreign person have the power to control or cause the direction of any decisions related to activities licensed by the NRC of your organization?
- d) Does your organization have any contracts, agreements, understandings, or arrangements with a foreign person(s)?
- e) Describe any unanimous consent issues (issues where a foreign person’s vote has effective veto power) which would potentially include foreign board members, quorum provisions, and other pertinent operational issues which may be subject to foreign control, either indirect or direct.