

## PMSTPCOL PEmails

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**From:** Joseph, Stacy  
**Sent:** Wednesday, September 14, 2011 3:25 PM  
**To:** 'ccchappell@stpegs.com'; 'wemookhoek@stpegs.com'  
**Cc:** STPCOL  
**Subject:** DRAFT General Financials RAI  
**Attachments:** RAI 6049.doc

Coley,

As discussed, attached is a DRAFT RAI for Ch. 1 General Financials. Please review and let me know if you need a telecon for clarification next week. I expect to send you another RAI related to Foreign Ownership later on this week.

Stacy Joseph  
Project Manager  
U. S. Nuclear Regulatory Commission  
Office of New Reactors  
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**From:** Joseph, Stacy

**Created By:** Stacy.Joseph@nrc.gov

**Recipients:**  
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Request for Additional Information No. 6049 Revision 6

South Texas Project Units 3 and 4  
South Texas Project Nuclear Operating Co  
Docket No. 52-012 and 52-013  
SRP Section: 01 - Introduction and Interfaces  
Application Section: General and Financial

QUESTIONS for Financial, Policy, & Rulemaking Branch (NRR/DPR/PFPB)

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On June 23, 2011, NINA submitted an update to the South Texas Project Units 3 and 4, Combined License Application (COLA) Part 1, General and Financial Information (ML111780305).

Section 1.0 and 1.1 of the COLA describes STP Nuclear Operating Company (STPNOC) and its relationships to the companies who will construct and own the proposed Units 3 and 4. In order for the staff to corroborate these responsibilities and relationships, please provide a copy of the current Operating Agreement(s) between all of the participants of STP 3 & 4.

Section 1.1 of the STP Units 3 and 4 COLA further describes the license actions requested for STPNOC (operator), NINA (construction) and NINA 3 and NINA 4 (owners).

On page 1.0-13 of the application, the applicant states:

.....NINA 3 and NINA 4 are financially qualified based upon the following license condition being met prior to pouring any safety related concrete for STP 3 & 4:

The pouring of safety-related concrete for STP Units 3 and 4 shall not commence before funding is committed, as evidenced by the licensees making available for NRC inspection, executed copies of:

- (a) the Loan Guarantee Documents, the Supplemental Facility Documents, and the Working Capital Documents, as defined in the draft Term Sheet for DOE conditional loan guarantee commitment dated February 9, 2011: or
- (b) other documentation evidencing a financial closing, which includes financing through loan arrangements, including requirements regarding equity commitments and working capital, that are equivalent or substantially comparable to the financing arrangements contemplated by the draft Term Sheet for DOE conditional loan guarantee commitment dated February 9, 2011.

The information provided as described above does not specifically identify the sources of construction funds in sufficient detail for the staff to complete its evaluation in accordance with Section II.A.2 of Appendix C regarding applicants for construction permits or combined licenses. Accordingly, additional information is required for NINA,

NINA 3 and NINA 4, as newly formed entities and proposed owners, regarding the sources of construction funds identified as cash sources on Table 1.3-2.

1. A copy of the February 9, 2011 DOE Term Sheet from the DOE.
2. Name of the agencies (foreign or domestic) and the amount to be contributed from each agency or source;
3. A description in detail of the applicant's legal and financial relationships with the proposed foreign financial agencies/companies upon which the applicants are relying for financial assistance;
4. Information to support the financial capability of each funding source to meet its commitment to the applicants;
5. Documentation evidencing the loan arrangements, equity commitments and/or working capital, and any other financial arrangements necessary to meet the requirements of the DOE loan guarantee terms.
6. Date of conditional approval of the loan guarantee from DOE. If this information is not available at this time, state when it will be available.

The regulatory basis for the above questions is based on the following:

Appendix C to Part 50 states:

[T]he applicant which is a newly formed company established primarily for the purpose of carrying out the licensed activity, with little or no prior operating history, somewhat more detailed data and supporting documentation will generally be necessary.

Further, per Section II.A.2 of Appendix C to Part 50:

*A. Applications for Construction Permits or Combined Licenses*

2. *Source of construction funds.* The application should specifically identify the source or sources upon which the applicant relies for the funds necessary to pay the cost of constructing the facility, and the amount to be obtained from each. With respect to each source, the application should describe in detail the applicant's legal and financial relationships with its stockholders, corporate affiliates, or others (such as financial institutions) upon which the applicant is relying for financial assistance. If the sources of funds relied upon include parent companies or other corporate affiliates, information to support the financial capability of each such company or affiliate to meet its commitments to the applicant should be set forth in the application. This information should be of the same kind and scope as would be required if the parent companies or affiliates were in fact the applicant. Ordinarily, it will be necessary that copies of agreements or contracts among the companies be submitted.