



Nuclear Innovation
North America LLC
4000 Avenue F, Suite A
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September 5, 2012
U7-C-NINA-NRC-120061

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville MD 20852-2738

South Texas Project
Units 3 and 4
Docket Nos. 52-012 and 52-013
Supplemental Information in Support of Request for Additional Information

- Reference 1: Letter, Patricia J. Vokoun to Mark A. McBurnett, "Requests for Additional Information Related to the Foreign Ownership, Control and Domination Review for the Combined License Application for South Texas Project, Units 3 and 4," dated April 18, 2012 (ML121010460); and Enclosure (ML121010491).
- Reference 2: Letter, Scott Head to Document Control Desk, "Response to Request for Additional Information" dated May 17, 2012 (U7-C-NINA-NRC-120037) (ML12144A310)

This letter provides Supplemental Information in support of the Request for Additional Information (RAI) Letter dated April 18 2012 (Reference 1) related to the foreign, ownership, control or domination review for the South Texas Project (STP) Units 3 & 4 Combined License Application (COLA) Part 1, General and Financial Information (April 18, 2012 RAIs). Nuclear Innovation North America LLC (NINA) previously provided its response to these RAIs in Reference 2.

By letter dated August 1, 2012 (Enclosure 1), STP Nuclear Operating Company (STPNOC) submitted, on behalf of NRG South Texas LP (the licensed owner for 44% of STP Units 1&2), a request for a threshold determination seeking confirmation that the proposed merger of NRG South Texas LP's ultimate parent holding company, NRG Energy, Inc. (NRG Energy), with GenOn Energy, Inc. (GenOn Energy) does not involve a direct or indirect transfer of control of NRG South Texas LP's licenses requiring NRC approval under 10 CFR 50.80.

By letter dated August 29, 2012 (Enclosure 2), STPNOC submitted Supplemental Information regarding foreign ownership issues for NRC's consideration in connection with the threshold determination request. The Supplemental Information confirms the names and U.S. citizenship of GenOn Energy, Inc.'s Board of Directors, four of whom will eventually become members of NRG Energy's Board of Directors in connection with the proposed merger, and it provides other shareholder information regarding NRG Energy and GenOn Energy based upon public records.

STI 33591591

DO9/NRO

The proposed NRG Energy and GenOn Energy merger is expected to be completed in the first quarter of 2013. However, the merger has not yet occurred, and as such, there is no basis for NINA to revise the existing COLA. Nevertheless, the enclosed information is provided for consideration by the NRC staff. NRG Energy is and will remain a publicly held U.S. company, with shares that are widely held, with a U.S. citizen Board of Directors, and with an executive management team dominated by U.S. citizens. There is no basis for concluding that NRG Energy is, or is likely in the future to be, subject to foreign, ownership, control or domination within the meaning of 10 CFR 50.38.


There are no changes to the COLA required as a result of this response.

There are no commitments in this letter.

If there are any questions regarding this response, please contact me at (361) 972-7136, or Bill Mookhoek at (361) 972-7274.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 9/5/12



Scott Head
Manager, Regulatory Affairs
South Texas Project Units 3 & 4

Attachments:

1. Letter, Michael P. Murray to Document Control Desk, dated August 1, 2012, (NOC-AE-12002895) (ML12228A380)
2. Letter, Michael P. Murray to Document Control Desk, dated August 28, 2012 (NOC-AE-12002899).

cc: w/o attachment except*
(paper copy)

(electronic copy)

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

August 1, 2012
NOC-AE-12002895
10 CFR 50.80
STI: 33578962

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Request for Threshold Determination Under 10 CFR 50.80

Acting on behalf of NRG South Texas LP (NRG South Texas), the STP Nuclear Operating Company (STPNOC) provides notice regarding a proposed merger involving NRG South Texas's ultimate parent company, NRG Energy, Inc. (NRG Energy). NRG South Texas is an owner licensee for 44% of South Texas Project, Units 1 and 2 (STP 1&2). STPNOC is the licensed operator of STP 1&2. STPNOC requests that the NRC staff review the proposed transaction described in this letter and make a threshold determination that it does not involve any direct or indirect transfer of control of NRG South Texas or its licenses for STP 1&2 that would require approval pursuant to 10 CFR 50.80.

NRG Energy, and its wholly owned subsidiary, Plus Merger Corporation (Plus Merger), have entered into an "Agreement and Plan of Merger" dated as of July 20, 2012, with GenOn Energy, Inc. (GenOn Energy). NRG Energy, Plus Merger and GenOn Energy are each a Delaware corporation. NRG Energy and GenOn Energy are publicly traded companies, each with shares that are widely held. Pursuant to the Agreement and Plan of Merger, and subject to obtaining required regulatory approvals, Plus Merger will merge with and into GenOn Energy, with GenOn Energy being the surviving corporation. A copy of the Agreement and Plan of Merger was submitted to the Securities and Exchange Commission as Exhibit 2.1 to an 8-K filed by NRG Energy on July 23, 2012, and available at:

<http://www.sec.gov/Archives/edgar/data/1013871/000110465912050256/0001104659-12-050256-index.htm>

Following the merger, the then existing GenOn Energy shareholders will receive 0.1216 of a share of NRG common stock in exchange for each GenOn Energy share of common stock. Thus, the GenOn Energy shareholders at the time of the merger will emerge with approximately 29% of the shares of NRG Energy, and the shareholders of NRG Energy at the time of the merger will continue to own approximately 71% of the shares of NRG Energy. After the closing, the NRG Energy Board of Directors will have sixteen members, all whom will be U.S. citizens. Twelve of the existing fourteen directors of NRG Energy will continue to serve as directors of NRG Energy, including Mr. Howard E. Cosgrove, who will continue to serve as Chairman of the Board and Mr. David Crane, who will continue to serve as a director as well as President and Chief Executive Officer. Four directors from the existing GenOn Energy Board will join the NRG Energy Board, including GenOn Energy's Chairman and CEO Edward R. Muller, who will join the NRG Energy Board as Vice-Chairman. The identity of the remaining directors of NRG

Energy and GenOn Energy who will serve on the post-merger NRG Energy Board will be determined prior to the closing of the merger.

NRG Energy's shareholders will constitute a majority of the NRG Energy shareholders after the merger, and the existing NRG Energy Board members will constitute a majority of the NRG Energy Board after the merger. Moreover, the merger will not involve the creation of any new intermediary holding company or affect any of the existing intermediary holding companies in the chain of ownership of NRG South Texas. Attached are simplified organization charts depicting the Pre-Merger and Post-Merger ownership of NRG South Texas.

The conclusion that, based upon these facts, the NRG Energy-GenOn Energy merger does not involve any transfer of control of the NRG South Texas or its licenses is clear, especially when compared with other recent NRC precedents, such as NRC's conclusions regarding the NRC licenses held by a subsidiary of Duke Energy Corporation (Duke) in connection with its merger with Progress Energy, Inc. (Progress) and regarding the NRC licenses held by a subsidiary of Exelon Corporation (Exelon) in connection with its merger with Constellation Energy Group, Inc. (CEG). By letter dated November 14, 2011 (ADAMS Accession Number ML11213A271), NRC agreed that the Duke-Progress merger did not involve any transfer of the Duke licenses requiring NRC approval, and by letter dated December 1, 2011 (ADAMS Accession Number ML112450212), NRC agreed that the Exelon-Constellation merger did not involve any transfer of the Exelon licenses requiring NRC approval. In these mergers, both Duke and Exelon became the parent holding companies, and there was no change in the chain of ownership through which either owned its existing nuclear plants. The Duke and Exelon shareholders each retained a majority of the shares after the merger, and each of their Boards comprised a majority of the Board members of the surviving parent company after the merger. The same is true for NRG Energy with respect to the proposed NRG Energy-GenOn Energy merger.

STPNOC respectfully requests that NRC issue a threshold determination that the proposed NRG Energy-GenOn Energy merger does not involve any direct or indirect transfer of control of NRG South Texas's licenses for STP 1&2 that would require approval pursuant to 10 CFR 50.80. NRG Energy expects to close the merger by the first quarter of 2013, and as such, STPNOC requests that NRC issue its determination as promptly as possible and by no later than November 1, 2012.

This letter contains no NRC commitments.

If there are any questions, please contact either Mr. Jamie Paul at (361) 972-7344 or me at (361) 972-8164.



Michael P. Murray
Manager, Regulatory Affairs

Enclosure:

1. Simplified Organization Charts For NRG South Texas LP Ownership (Pre-Merger and Post-Merger)

cc:

(paper copy)

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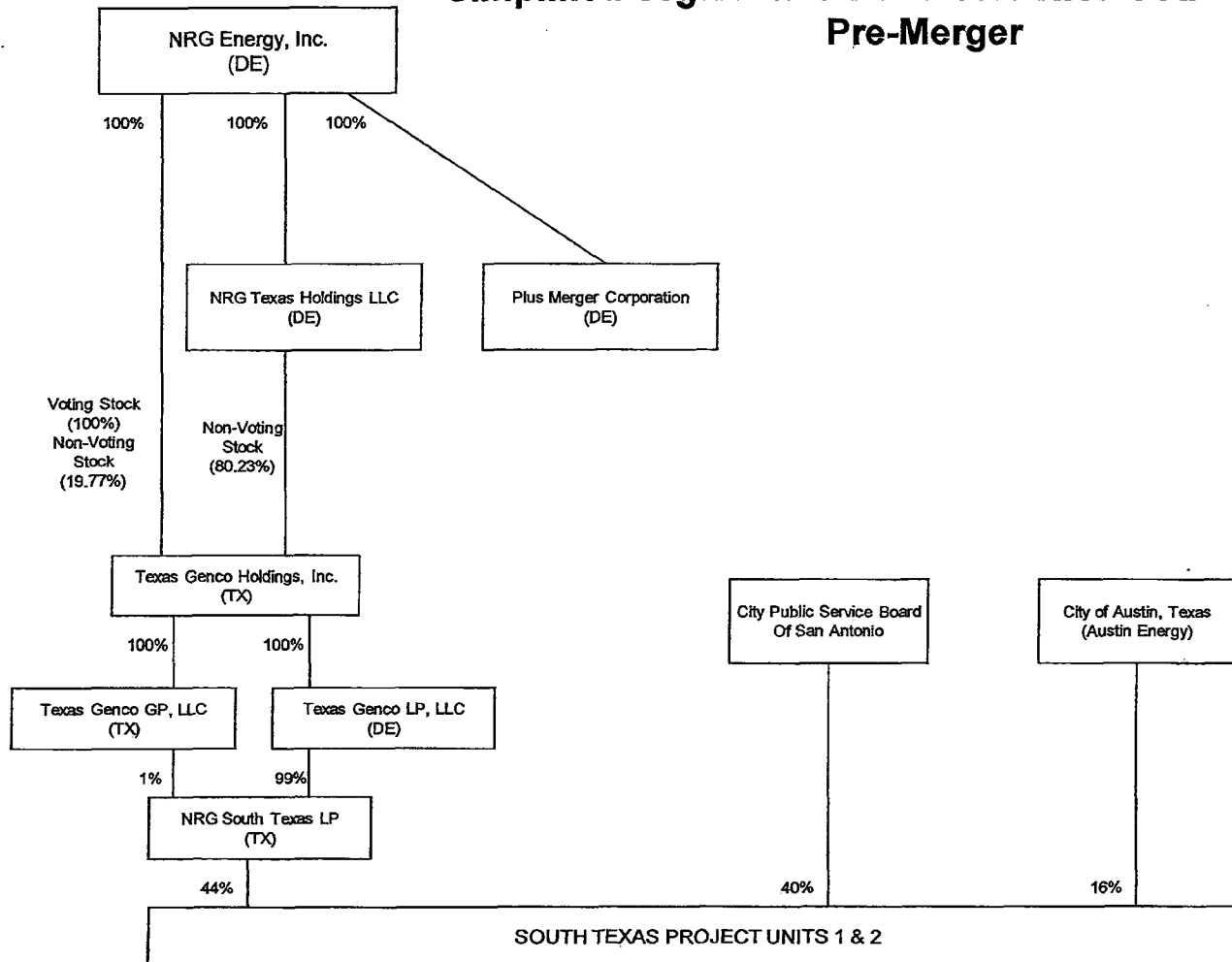
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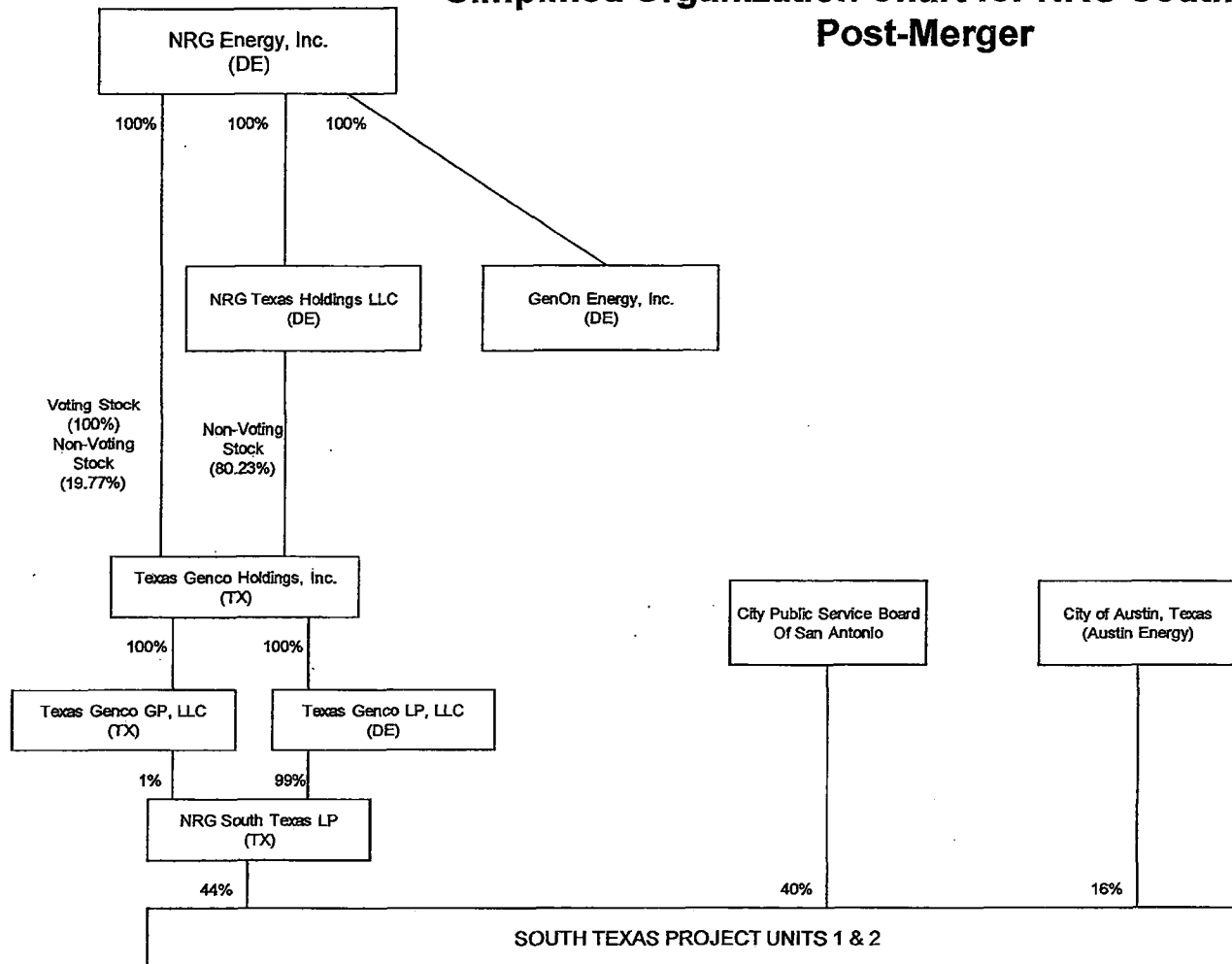
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Simplified Organization Chart for NRG South Texas LP Pre-Merger



Simplified Organization Chart for NRG South Texas LP Post-Merger





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

August 28, 2012
NOC-AE-12002899
10 CFR 50.80
STI: 33588699

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Supplemental Information Regarding Request for Threshold Determination Under 10 CFR 50.80
(TAC Nos. ME9166 AND ME9177)

Reference: Letter from M.P. Murray NRC Document Control Desk, "Request for Threshold Determination Under 10 CFR 50.80, dated August 1, 2012 (NOC-AE-12002895) ML12228A380

STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP (NRG South Texas), provided notice regarding a proposed merger involving NRG South Texas's ultimate parent company, NRG Energy, Inc. (NRG Energy). NRG South Texas is an owner licensee for 44% of South Texas Project, Units 1 and 2 (STP 1 & 2). STPNOC is the licensed operator of STP 1 & 2. STPNOC requested that the NRC staff review the proposed transaction described in the Reference above and make a threshold determination that it does not involve any direct or indirect transfer of control of NRG South Texas LP or its licenses for STP 1 & 2 that would require approval pursuant to 10 CFR 50.80.

Attached is supplemental information regarding foreign ownership that may be helpful in reviewing the Request for Threshold Determination in the above Reference.

This letter contains no NRC commitments.

If there are any questions, please contact either Mr. Jamie Paul at (361) 972-7344 or me at (361) 972-8164.

A handwritten signature in black ink, appearing to read "M.P. Murray", is positioned above the typed name.

Michael P. Murray
Manager, Regulatory Affairs

Enclosure:

Supplemental Information Regarding Foreign Ownership

cc:
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Supplemental Information Regarding Foreign Ownership

NRG Energy, Inc. ("NRG Energy") and GenOn Energy, Inc. ("GenOn Energy") are both Delaware corporations that are publicly traded companies. Their securities are traded on the New York Stock Exchange and are widely held.

The following is a list of the Directors of GenOn Energy, all of whom are U.S. citizens (none have any dual citizenship):

Edward R. Muller, Chairman	Steven L. Miller
Spencer Abraham	Robert C. Murray
Terry G. Dallas	Laree E. Perez
Thomas H. Johnson	Evan J. Silverstein
Elizabeth A. "Betsy" Moler	William L. Thacker

Four of these existing GenOn Energy directors, including the Chairman of the GenOn Energy Board of Directors, Edward R. Muller, are expected to join the Board of Directors of NRG Energy in connection with the merger.

In addition, NRG Energy has reviewed public records to identify any potential foreign shareholders. Section 13(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5% of the securities of a company must file notice with the Securities and Exchange Commission ("SEC"). Based upon these filings with the SEC, NRG Energy is aware of one alien, foreign corporation, or foreign government that held or may have held more than 5% of the securities of NRG Energy as of December 31, 2011 or that owns more than 5% of GenOn Energy.

Orbis Investment Management (U.S.), LLC ("OIMUS"), a Delaware limited liability company, has reported shares held by OIMUS and two Bermuda based affiliated companies, Orbis Investment Management Ltd ("OIML") and Orbis Asset Management Ltd ("OAML") (together, "Orbis"). The following Table summarizes the Orbis holdings, based upon the available public records:

<i>Entity</i>	<i>SEC Filing Date</i>	<i>NRG Ownership %</i>	<i>GenOn Ownership %</i>	<i>Pro Forma Post-Merger Ownership %</i>
Orbis	As of December 31, 2011	5.3% ¹	8.7% ²	NA
Orbis	As of June 30, 2012	3.9% ³	7.8% ⁴	5.0%

¹ Amended SEC Schedule 13G filing dated April 4, 2012.

² SEC Schedule 13G filed by OIML on February 13, 2012,

³ SEC Form 13F filing dated August 14, 2012.

⁴ SEC Form 13F filing dated August 14, 2012.

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Assuming that Orbis retained all of the shares of GenOn Energy and NRG Energy that it held on June 30, 2012 through the date of the proposed merger, Orbis likely would own approximately 5.0% of the voting common stock of NRG Energy following the proposed merger. However, Orbis does not have, and after the merger Orbis will not have, any rights to appoint any manager or director of NRG Energy. It does not have and will not have any special voting rights beyond those held by all other voting shareholders of NRG Energy. Moreover, the Schedule 13G filings specifically certify that Orbis did not acquire its shares for the purpose of or with the effect of changing or influencing the control of NRG Energy or GeOn Energy. See 17 CFR 240.13d-1(c)(1) (requirements for Schedule 13G filings).

In addition, NRG Energy has identified that in an amended SEC Schedule 13G filing dated February 13, 2012, Blackrock, Inc., a Delaware corporation, reported that it owned 10.2% of the voting common stock of NRG Energy on December 31, 2011 and that an undisclosed number of these shares are held by one or more foreign domiciled subsidiary. Based upon more recent August 13, 2012 Form 13F filings with the SEC, NRG Energy believes that the Blackrock, Inc. and others of its affiliated group owned approximately 8.3% of the outstanding shares of NRG Energy on June 30, 2012. Of these shares, the 13F Filings indicate that approximately 1.6% of the voting shares of NRG Energy are held by two foreign Blackrock entities: (1) Blackrock Group Limited of the United Kingdom (~1.2%), and (2) Blackrock Japan Co, Ltd. of Japan (~0.4%).

Also, State Street Corporation, a Massachusetts corporation, has reported in a Schedule 13G dated February 9, 2012 that as of December 31, 2011, it owned 5.3% of the voting common stock of NRG Energy and that an undisclosed number of these shares are held by one or more foreign domiciled subsidiary.

Blackrock, Inc. and State Street Corporation are U.S. companies, and they have no right to appoint any manager or director of NRG Energy and have no special voting rights beyond those held by all other voting shareholders of NRG Energy. Moreover, their SEC filings specifically certify that they did not acquire their respective shares for the purpose of or with the effect of changing or influencing the control of NRG Energy.