

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	Docket Nos. 52-012-COL
NUCLEAR INNOVATION NORTH AMERICA LLC)	52-013-COL
)	
(South Texas Project Units 3 and 4))	February 7, 2013
)	

**NINA’S UNOPPOSED SUPPLEMENT TO MOTION TO PROCEED WITH A
HEARING ON CONTENTION FC-1**

I. INTRODUCTION

On December 21, 2012, Nuclear Innovation North America LLC (“NINA”) filed a Motion to Proceed with a Hearing on Contention FC-1 (“Motion to Proceed”).¹ The Nuclear Regulatory Commission (“NRC”) Staff and the Intervenors filed answers opposing the Motion to Proceed on January 4, 2013.² Thereafter, on January 9, 2013, the Atomic Safety and Licensing Board (“Licensing Board”) issued an Order holding the Motion to Proceed in abeyance pending release of the Staff’s schedule for completing its foreign ownership, control, and domination (“FOCD”) determination, which relates to Contention FC-1. Additionally, the Licensing Board instructed NINA to file, within ten days following the issuance of the Staff’s FOCD schedule, a supplement to NINA’s Motion to Proceed, “detailing the impact, if any, of the Staff FOCD Schedule on the Motion to Proceed.”³

¹ NINA’s Motion to Proceed with a Hearing on Contention FC-1 (Dec. 21, 2012).

² NRC Staff’s Answer to NINA’s Motion to Proceed with a Hearing on Contention FC-1 (Jan. 4, 2013); Intervenors’ Response to NINA’s Motion to Proceed with a Hearing on Contention FC-1 (Jan. 4, 2013).

³ Order (Holding Motion to Proceed to Hearing in Abeyance), at 2 (Jan. 9, 2013) (“Order”) (unpublished).

On January 28, 2013, the NRC Staff submitted a letter to the Licensing Board with the Staff's FOCD schedule, stating:

The NRC staff intends to issue its determination and the basis for such determination by the later of the following: (i) April 2013; or (ii) one month after the Applicant updates the information in Part 1 of its combined license application to reflect the merger between NRG Energy, Incorporated, and GenOn Energy, Incorporated, that was completed on December 14, 2012. This schedule assumes that the updated information does not significantly differ from the description of the proposed merger that the Applicant submitted on September 5, 2012.⁴

NINA appreciates the NRC Staff's responsiveness in providing this schedule for issuing a FOCD determination, and would like to supplement its Motion to Proceed accordingly. Thus, pursuant to the Licensing Board's Order, NINA submits the following supplement to its Motion to Proceed ("Supplement"). This Supplement supersedes the Motion to Proceed in its entirety.

II. DISCUSSION

The Staff's letter of January 28, 2013 provides new information regarding the Staff's review of the merger of GenOn Energy, Inc. ("GenOn Energy") into NRG Energy, Inc. ("NRG Energy") and the Staff's review schedule for FOCD issues. The effects of each of these issues on NINA's Motion to Proceed are discussed below.

A. Effect of Merger of GenOn Energy into NRG Energy

On January 31, 2013, NINA submitted its planned update to the South Texas Project ("STP") Units 3 and 4 Combined License Application ("COLA") Part 1, General and Financial Information. This update is provided as Attachment 1. The update accounts for changes to COLA Part 1 as a result of the merger of NRG Energy, NINA's publicly traded, parent holding company (90% owner of NINA), with GenOn Energy, a publicly traded, Delaware corporation.

⁴ Letter from R. Harper, Counsel for the NRC Staff, to the Licensing Board (Jan. 28, 2013).

The merger, which involved NRG Energy acquiring GenOn Energy, closed on December 14, 2012.

By letter dated November 1, 2012, the NRC Staff issued a “Threshold Determination,” in which the NRC Staff concluded that “the proposed merger between NRG Energy and GenOn Energy will not constitute direct or indirect transfer of control of the licenses for South Texas Project, Units 1 and 2, and, therefore, NRG Energy, Inc. does not require the NRC’s approval under Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80 in connection with the proposed merger between NRG Energy and GenOn Energy.”⁵ In addition, the NRC Staff conducted a Safety Evaluation in which, *inter alia*, it reviewed FOCD issues. In particular, NRG Energy had identified certain U.S. financial institutions that had reported holding shares of more than 5% of the voting shares of NRG Energy and/or GenOn Energy, with some of these shares being held by foreign domiciled subsidiaries of these U.S. financial institutions. In reviewing these matters, the NRC Staff concluded that “the Commission does not know or have reason to believe that the subject licensee will be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.”⁶ Copies of the correspondence relating to the NRC’s Threshold Determination are provided as Attachments 2 to 7.

NINA’s update to COLA Part 1 provides information regarding the U.S. financial institutions that in 2012 reported owning shares of GenOn Energy and NRG Energy, and that now presumably hold shares of NRG Energy stock. None of these holdings presents any material FOCD concerns, for the reasons discussed in the NRC Staff’s November 1, 2012 Safety Evaluation. The COLA Part 1 update also incorporates updates to the tables of Officers and

⁵ Letter from B. Singal, Senior Project Manager, NRC, to D. Koehl, President & CEO, STP Nuclear Operating Company, South Texas Project, Units 1 and 2 – Request for Threshold Determination Under 10 CFR 50.80 (TAC Nos. ME9166 and ME9167), at 1 (Nov. 1, 2012).

⁶ *Id.*, Enclosure, at 5.

Directors, including the addition of four of the GenOn Energy Directors, all of whom are U.S. citizens, to the NRG Energy Board of Directors. The revised COLA Part 1 does not present any issues that differ from the issues discussed in NINA's September 5, 2012 letter to the NRC. Furthermore, the merger does not involve any material changes impacting the FOCD issue.⁷ Therefore, with the January 31, 2013 COLA Part 1 update, NINA has completed the action regarding this merger specified in the Staff's January 28, 2013 schedule letter.

B. Effect of Staff's Schedule for Its FOCD Determination

Because NINA has already submitted its COLA revisions regarding the NRG Energy and GenOn Energy merger, the NRC Staff's January 28, 2013 schedule letter indicates that the Staff will be issuing its FOCD determination and underlying basis by the end of April 2013. NINA appreciates that the Staff has now established a schedule for its FOCD determination, and accordingly is superseding its Motion to Proceed with this Supplement. In light of the Staff's schedule, NINA requests that the Licensing Board establish April 30, 2013 as the trigger date for the initiation of the hearing process for Contention FC-1, in accordance with the Board's Revised Scheduling Order (Oct. 3, 2012). If the NRC Staff submits its FOCD determination before April 30, 2013, NINA requests that the Licensing Board revise the trigger date accordingly. Counsel for the Intervenors and the NRC Staff have informed NINA counsel that they agree with this request to establish the trigger date.

⁷ See Letter from S. Head, Manager, South Texas Project Units 3 and 4, NINA, to NRC, Supplemental Information in Support of Request for Additional Information (Sept. 5, 2012), *available at* ADAMS Accession No. ML12255A037.

III. CONCLUSION

For the reasons discussed above, the Licensing Board should establish a trigger date for the beginning of the evidentiary hearing process for Contention FC-1 of April 30, 2013, or earlier based on the date the NRC Staff submits its FOCD determination and supporting basis.

Respectfully submitted,

Executed in Accord with 10 C.F.R. § 2.304(d)

/s/ Steven P. Frantz

Steven P. Frantz

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Counsel for Nuclear Innovation North America LLC

Dated in Washington, D.C.
this 7th day of February 2013

CERTIFICATION

I certify that I have made a sincere effort to contact the other parties in this proceeding, to explain to them the factual and legal issues raised in this motion, and to resolve those issues, and I certify that my efforts have been successful.

Executed in Accord with 10 C.F.R. § 2.304(d)

/s/ Steven P. Frantz

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Counsel for Nuclear Innovation North America LLC

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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In the Matter of)	Docket Nos. 52-012-COL
)	52-013-COL
NUCLEAR INNOVATION NORTH AMERICA LLC)	
)	
(South Texas Project Units 3 and 4))	February 7, 2013
_____)	

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of “NINA’s Unopposed Supplement to Motion to Proceed with a Hearing on Contention FC-1” was filed through the Electronic Information Exchange.

Signed (electronically) by Stephen J. Burdick
Stephen J. Burdick
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Washington, D.C. 20004
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Fax: 202-739-3001
E-mail: sburdick@morganlewis.com

Counsel for Nuclear Innovation North America LLC

Attachment 1



~~PROPRIETARY~~

Nuclear Innovation
North America LLC
4000 Avenue F, Suite A
Bay City, Texas 77414

January 31, 2013
U7-C-NINA-NRC-130008
10 CFR 2.390

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
Proposed Update to COLA Part 1 Information

- Reference 1: Letter, Scott Head to Document Control Desk, "Supplemental Information in Support of Request for Additional Information" dated September 5, 2012 (U7-C-NINA-NRC-120061) (ML12255A037)
- Reference 2: Letter, Balwant K. Singal to Dennis Koehl, "South Texas Project Units 1 and 2 – Request for Threshold Determination Under 10 CFR 50.80 dated November 1, 2012 (ML12297A134)

Reference 1 provided supplemental information on the proposed merger of NRG Energy and GenOn Energy. The letter included information related to a request from STP Nuclear Operating Company (STPNOC) for a threshold determination on the NRG Energy merger with GenOn Energy under 10 CFR 50.80. NINA provided this information on the South Texas Project Units 3 and 4 docket since it is germane to the General and Financial Information review. The threshold determination review request was for a decision on the necessity for prior NRC approval of the merger.

Reference 2 provides the NRC Staff Evaluation of the proposed merger under 10 CFR 50.80. Based on the information provided by STPNOC the Staff concluded that "the Commission does not know or have reason to believe that the subject licensee will be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government." The Staff further concluded that "the proposed merger between NRG Energy and GenOn Energy will not constitute direct or indirect transfer of control of the licenses for STP, Units 1 and 2, and, therefore, NRG Energy does not require the NRC's approval under Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80 in connection with the proposed merger between NRG Energy and GenOn Energy."

This letter provides a proposed update related to South Texas Project Units 3 & 4 (STP 3 & 4) Combined License Application (COLA) Part 1, General and Financial Information. This proposed change to COLA Part 1 incorporates the changes necessary due to the merger of NRG Energy with GenOn Energy on December 14, 2012 in the form of an update to the tables of Officers and Directors and a discussion of the minor foreign ownership of the merged company, which was discussed in the NRC Staff evaluation of the merger. Additionally some other updates to addresses and tables of Officers and Directors not related to the merger are included.

The attachments to this letter contain planned revisions to COLA Part 1. This material will be incorporated into COLA Revision 9, scheduled to be submitted to the NRC in the second quarter of this year.

The proposed change to COLA Part 1 is provided in both a proprietary and non-proprietary version. Additions are shown in gray highlighted text and deletions are shown in red strikeout text. When separated from the proprietary material, this letter is not proprietary.

There are no commitments in this letter.

If there are any questions regarding this submittal, please contact me at 979-316-3011, or Bill Mookhoek at 979-316-3014.

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

Executed on 1/31/13



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

Attachments: 1. Proprietary Affidavit
~~2. COLA Part 1 – Proprietary~~
3. COLA Part 1 – Non-proprietary

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

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Rockville, MD 20852-2738

Regional Administrator, Region IV
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CPS Energy

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)		
)		
Nuclear Innovation North America LLC)	Docket No.	52-012
)		52-013
South Texas Project)		
Units 3 and 4)		

AFFIRMATION

I, Scott Head, being duly sworn, hereby depose and say that I am Manager, Regulatory Affairs, of the South Texas Project Units 3 & 4 (STP 3&4); that I am duly authorized to sign and file with the Nuclear Regulatory Commission (NRC) this affidavit on behalf of Nuclear Innovation North America LLC (NINA); and state:

1. The accompanying Attachment 2 includes information specifically considered to be proprietary to NINA that should be held in confidence by the NRC and withheld from public disclosure pursuant to 10 CFR 2.390(a)(4), because:
 - i. This information is and has been withheld in confidence by NINA.
 - ii. This information is of a type that is customarily held in confidence by NINA and there is a rational basis for doing so because the information contains sensitive schedule information.
 - iii. This information is being submitted to the NRC voluntarily and in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of NINA by providing computer input information.

2. The basis for this claim of competitive harm is that the use of the information by a competitor would reduce the competitor's expenditure of resources, or otherwise improve its competitive position, in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.

3. Information proprietary to NINA included in the attachment to this letter is marked on each affected page with a proprietary information statement at the top of the page.

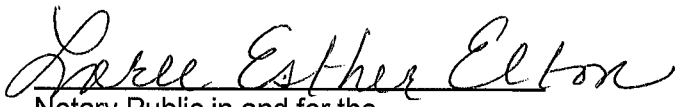
Accordingly, NINA requests that Attachment 2 accompanied by this affidavit and identified as described above be withheld from public disclosure pursuant to 10 CFR 2.390.



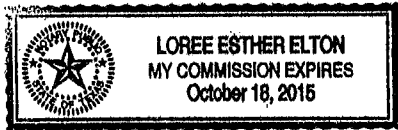
Scott Head
Manager, Regulatory Affairs

STATE OF TEXAS)
)
COUNTY OF BRAZORIA)

Subscribed and sworn to before me, a Notary Public in and for the State of Texas,
this 21 day of January, 2013.



Notary Public in and for the
State of Texas



STP 3 & 4

General and Financial Information

Part 1 General and Financial Information

1.0 Introduction

Effective January 28, 2009, STP 3 & 4 Investments LLC changed its name to Nuclear Innovation North America LLC (NINA), NRG South Texas 3 LLC changed its name to NINA Texas 3 LLC (NINA 3), and NRG South Texas 4 LLC changed its name to NINA Texas 4 LLC (NINA 4).

This Combined License Application (COLA) is submitted by NINA on behalf of itself, the STP Nuclear Operating Company (STPNOC), NINA 3, NINA 4, and the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy), for the construction and operation of two nuclear powered generating plants designated as South Texas Project Units 3 & 4 (STP 3 & 4). In addition, special nuclear material licenses, by-product material licenses, and source material licenses as required for construction and operation are requested. NINA will be the lead applicant and lead licensee responsible for design and construction of each unit until the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR

52.103(g) or allows operation during an interim period under the combined license (COL) under 10 CFR 52.103(c), at which point STPNOC will be the lead licensee responsible for operations.

STP 3 & 4 will each utilize the NRC-Certified Advanced Boiling Water Reactor (ABWR) light water reactor design. This COLA presents descriptions and analyses of the station design, and incorporates by reference Appendix A to 10 CFR Part 52 as required by Section III.B of that Appendix.

The Application has been divided into parts as follows:

Part 1 - General and Financial Information

Part 2 - Final Safety Analysis Report

Part 3 - Environmental Report

Part 4 - Plant-Specific Technical Specifications

Part 5 - Emergency Plan

Part 6 - Site Redress Plan

Part 7 - Generic DCD Departures Report

Part 8 - Security Plans (under separate cover)

Part 9 - Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC)

Part 10 - Proprietary Information

Part 11 - Mitigative Strategies Report 10 CFR 52.80(d)

STP 3 & 4

General and Financial Information

Two complete COLAs were submitted. One included proprietary and security sensitive information that is subject to a request for withholding from public dissemination. The other has such information redacted and is available for public dissemination.

Subsequent COLA revisions will submit only the COLA Parts impacted by the current revision. The unaffected COLA Parts will remain valid at their last submittal revision level.

Proprietary information shall be marked in the COLA file as follows:

The beginning of the proprietary information shall be marked with the designation '[s#]' and the designation '[e#]' at the end of the proprietary information. The "#" shall be a number between 1 and 7, denoting the reason the information is being requested to be withheld from public disclosure as proprietary. The number designation is in accordance with NRC Regulatory Issue Summary 2004-11: "Supporting Information Associated with Requests for Withholding Proprietary Information."

The number designators indicating the reason the information is being requested to be withheld from public disclosure as proprietary, are as follows:

- (1) The information is considered Security Sensitive. (Short title: Security Sensitive)
- (2) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) whose use by any of the submitter's competitors, without a license from the submitter, would constitute a competitive economic disadvantage to the submitter. (Short Title: Distinguishing Aspects of a Process)
- (3) The information consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), and the application of the data secures a competitive economic advantage, as described more fully in the affidavit. (Short Title: Supporting Data Relative to a Process)
- (4) Use by a competitor of the information would reduce the competitor's expenditure of resources, or improve its competitive position, in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product. (Short Title: Competitive Advantage)
- (5) The information reveals cost or price information, production capacities, budget levels, or commercial strategies of the submitter or customers or suppliers. (Short Title: Financial and Commercial)
- (6) The information reveals aspects of privately funded development plans or programs of commercial value to the submitter or owner of the information. (Short Title: Development Plans)
- (7) The information consists of patentable ideas. (Short Title: Patentable Ideas)

STP 3 & 4

General and Financial Information

The number will serve as notification to the NRC of the reason the information is being requested to be withheld from public disclosure.

1.1 License Actions Requested

The purpose of this COLA is to obtain NRC approval to construct and operate two nuclear powered generating plants. The plants will be located at the existing South Texas Project Electric Generating Station in Matagorda County, Texas.

In support of this objective, NINA requests the following license actions:

- License NINA, pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Part 52 to construct, possess, and use South Texas Project Unit 3 at the designated location in Matagorda County, Texas. It is requested that the license contains a provision that includes the applicable license under 10 CFR Part 70 (including Reporting Criteria of 10 CFR 70) to receive, possess, and use at any time such quantities of source, byproduct and special nuclear material as needed to construct the utilization facility and transition the utilization facility to STPNOC for operation on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c).
- License STPNOC pursuant to Section 103 of the Act and 10 CFR Part 52 to possess, use, and operate South Texas Project Unit 3 at the designated location in Matagorda County, Texas, beginning on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103 (c). It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c), and contains a provision that includes the applicable license under 10 CFR Part 70 (including Reporting Criteria of 10 CFR 70) to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to operate the utilization facility.
- License NINA 3 and CPS Energy pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 3 and own a 92.375% and a 7.625% undivided interest, respectively, therein, at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c).
- License NINA pursuant to Section 103 of the Act and 10 CFR Part 52 to construct, possess, and use South Texas Project Unit 4 at the designated location in Matagorda County, Texas. It is requested that the license contains a provision that includes the applicable license under 10 CFR Part 70 (including Reporting Criteria of 10 CFR 70) to receive, possess, and use at any time such quantities of source,

STP 3 & 4

General and Financial Information

byproduct, and special nuclear material as needed to construct the utilization facility and transition the utilization facility to STPNOC for operation on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103 (c).

- License STPNOC pursuant to Section 103 of the Act and 10 CFR Part 52 to possess, use, and operate South Texas Project Unit 4 at the designated location in Matagorda County, Texas, beginning on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c). It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c), and contains a provision that includes the applicable license under 10 CFR Part 70 (including Reporting Criteria of 10 CFR 70) to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to operate the utilization facility.
- License NINA 4 and CPS Energy pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 4 and own a 92.375% and a 7.625% undivided interest, respectively, therein, at the designated location in Matagorda County, Texas. It is requested that the term of the license be for a period of 40 years from the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c).

Pursuant to the license for each facility, NINA will be responsible for meeting all of the requirements of the license, including compliance with the regulations and maintaining all of the programs required by each license (such as quality assurance program, security program, records management, etc.) until responsibility under each license is transitioned to STPNOC on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c). To the extent that STPNOC engages in activities prior to such date in order to prepare for operations, it will do so pursuant to the licenses and NINA's programs, processes and procedures; NINA will be responsible for such activity conducted by STPNOC.

Responsibility under each license, including compliance with the regulations and maintaining all of the programs required by each license, will be completely transitioned to STPNOC on the date for each unit on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c). To the extent that NINA conducts construction activities relating to a facility after responsibility for the license has been transitioned to STPNOC, STPNOC will be the responsible licensee, and NINA will conduct such activities pursuant to STPNOC's programs, processes, and procedures.

STP 3 & 4

General and Financial Information

Revisions have been made to this COLA in Part 1 and in Part 2 Chapters 1, 13, and 17 of the Final Safety Analysis Report, in order to properly reflect the division of responsibility under the licenses as between NINA and STPNOC. Otherwise, throughout the COLA and supplemental information submitted regarding the COLA, all other references to STPNOC should be construed to mean the licensee with primary responsibility for each license, i.e., NINA during design and construction and thereafter STPNOC, unless the context requires otherwise. For example, references to historical actions taken by STPNOC (e.g., "STPNOC performed an analysis of . . .") reflect such actions. Other references may reflect future actions (e.g., "STPNOC will . . .") to be taken either by NINA during design and construction or thereafter, by STPNOC. Nevertheless, the applicable licensee with primary responsibility assumes full responsibility under the application and licenses for responsibilities associated with all historical references.

1.2 General Information

The applicants for STP 3 & 4 are NINA 3, NINA 4, CPS Energy, STPNOC and NINA as described in the requested license actions above. Effective as of January 24, 2011, NINA became the applicant with overall responsibility for the COLA, including design and quality activities conducted prior to issuance of the requested licenses. The required general information for the applicants is provided below separated by applicant.

Nuclear Innovation North America LLC

NINA is a company whose focus is to market and promote ABWR nuclear technology, and to develop and construct ABWR nuclear power generation facilities in the U.S. NINA has assumed responsibility for the design and construction of STP 3 & 4, and it has organized itself for this purpose by transitioning the previously existing STPNOC organization responsible for the development of STP 3 & 4 from STPNOC to NINA. This transition includes the programs, processes and procedures developed by STPNOC for STP 3 & 4.

NINA is a Delaware limited liability company that was formed in February 2008 by NRG Energy, Inc. (NRG Energy). On February 29, 2008, Toshiba Corporation (Toshiba) entered into agreements with NRG Energy to invest up to \$300 million in NINA in return initially for 12% of the membership interests, with NRG Energy owning the remaining 88%. The ownership interests are subject to change based upon ongoing capital contributions by the members. The parties closed on the joint venture transaction on May 1, 2008.

NINA is currently owned approximately 90% by the NRG Member of NINA, Texas Genco Holdings, Inc. (Texas Genco), a Texas corporation, and less than 10% by the Toshiba Member of NINA, Toshiba America Nuclear Energy Corporation (Toshiba America Nuclear), a Delaware corporation. NRG Energy, a Delaware corporation, owns 100% of the voting stock of Texas Genco. Toshiba America Nuclear is a wholly owned subsidiary of Toshiba America, Inc., a Delaware corporation, which is a wholly owned subsidiary of Toshiba Corporation, a Japanese corporation (together, with its

STP 3 & 4

General and Financial Information

U.S. subsidiaries, referred to as the Toshiba Companies). The existing ownership structure of these companies is reflected in Figure 1.1-1.

In addition, NINA has entered into certain agreements with Stone & Webster Inc. (S&W), a Louisiana corporation, whereby S&W has the right to acquire an ownership interest in NINA from NRG Energy, which would reduce NRG Energy's interest in NINA. S&W is a wholly owned subsidiary of The Shaw Group Inc., a Louisiana corporation, which is publicly traded on the New York Stock Exchange. In 2012, The Shaw Group, Inc. announced plans to be acquired by Chicago Bridge & Iron Company N.V., which is also publicly traded on the New York Stock Exchange. The acquisition is expected to be completed in early 2013.

Nevertheless, NINA has secured funding through loans to NINA for its current development and licensing activities from Toshiba America Nuclear. NINA does not anticipate any material change in its current ownership prior to issuance of the requested licenses, and Toshiba America Nuclear will maintain its ownership of not more than 10% unless a higher ownership percentage is approved or otherwise authorized in writing by the NRC. Following issuance of the COLs, NINA will assure that any loans procured exclusively from foreign sources may only be used for purposes of project development and maintaining the licenses. NINA will assure that at least 50% of the funding for any licensed construction activity is funded from U.S. sources whether through loans or through equity.

After issuance of the COL, any changes in the ownership of NINA may require prior review by the NRC under NRC's existing regulations. NRC review may be required for purposes of either: (1) obtaining prior written consent of the NRC pursuant to 10 CFR 50.80, if such changes involve a direct or indirect transfer of control of any NINA license; or (2) obtaining a threshold determination by the NRC that no such approval is required.

NINA will assure that, prior to execution of the documents necessary to implement any proposed change of ownership of NINA that, either individually or when combined with prior changes, would result in a change in ownership of 5% or more of NINA, NINA will provide complete information to the NRC regarding the proposed transaction and seek either an NRC threshold determination that no license transfer approval is required or NRC's prior written consent to a license transfer pursuant to 10 CFR 50.80.

In a May 5, 2011 Form 10 Q filing with the Securities and Exchange Commission, NRG stated as follows:

NRG evaluated its investment in NINA for impairment. As part of this process, NRG evaluated the contractual rights and economic interests held by the various stakeholders in NINA, and concluded that **while it continues to hold majority legal ownership**, NRG ceased to have a controlling financial interest in NINA at the end of the first quarter of 2011. Consequently, NRG deconsolidated NINA as of March 31, 2011, in accordance with ASC-810, Consolidation, or ASC 810.

(Emphasis added.) The phrase "ceased to have a controlling financial interest" relates to financial accounting standards, and NRG's conclusion that it would

STP 3 & 4

General and Financial Information

deconsolidate its financial interests in NINA as of March 31, 2011, for purposes of NRG's accounting treatment, which has impacts on NRG's consolidated balance sheet. However, NRG continues to have a controlling legal ownership interest in NINA, and it will continue to exercise control over nuclear safety and security matters, *i.e.*, control of NINA within the meaning of Section 103.d of the Act and 10 CFR 50.38, until such time as the earlier of either: (1) the implementation of the NAP described in Section 1.5 below; or (2) the occurrence of NINA ownership changes that amount to a change in control of NINA for purposes of 10 CFR 50.80 (if such regulation were to apply, *i.e.*, after issuance of a license), but which in any event will be subject to the implementation of the NAP as described in Section 1.5 below.

NINA's principal offices and NINA's STP 3 & 4 organization that is focused on the design and construction of STP 3 & 4 and coordination with STPNOC for the operation of STP 3 & 4 are located at:

~~4000 Avenue F
Bay City, Texas 77414~~

122 West Way
Suite 405
Lake Jackson, Texas 77566

The name, address, and citizenship of each director and principal officer of NINA are provided in Table 1.2-1.

NRG Energy, Inc.

NRG Energy is a wholesale power generation company with a significant presence in major competitive power markets in the United States. NRG Energy is engaged in the ownership, development, construction and operation of power generation facilities, the transacting in and trading of fuel and transportation services, and the trading of energy, capacity and related products in the United States and select international markets. ~~As of December 31, 2009, NRG Energy had a total global generation portfolio of 187 active operating fossil fuel and nuclear generation units, at 44 power generation plants, with an aggregate generation capacity of approximately 24,115 MW, and approximately 400 MW under construction which includes partner interests of 200 MW. In addition to its fossil fuel plant ownership, NRG Energy has ownership interests in operating renewable facilities with an aggregate generation capacity of 365 MW, consisting of three wind farms representing an aggregate generation capacity of 345 MW (which includes partner interest of 75 MW) and a solar facility with an aggregate generation capacity of 20 MW.~~ As of January 1, 2013, NRG maintained a diverse portfolio of power generating facilities having a capacity of about 47,000 megawatts. Its retail electricity providers — Reliant, Green Mountain Energy Company and Energy Plus — and thermal energy division serve more than two million residential, business, commercial and industrial customers in 16 states.

NRG Energy is incorporated in the State of Delaware and was formed in 1992 as the non-utility subsidiary of Northern States Power Company, which was itself merged into New Century Energies, Inc. to form Xcel Energy, Inc., in 2000. NRG Energy is no longer affiliated with Northern States Power or Xcel Energy, Inc. NRG Energy is a

STP 3 & 4

General and Financial Information

wholesale power generation company that is publicly owned and traded on the New York Stock Exchange. It primarily engages in the ownership and operation of power generation facilities, the transacting in and trading of fuel and transportation services, and the marketing and trading of energy, capacity and related products in the United States and internationally. NRG Energy has a diverse portfolio of electric generation facilities in terms of geography, fuel type, and dispatch levels. In the Texas deregulated electricity market, NINA 3 and NINA 4 will sell their portions of the electrical energy produced at STP to the general ERCOT market described below.

NRG Energy's principal offices are located at:

211 Carnegie Center
Princeton, NJ 08540

The name, address, and citizenship of each director and principal officer of NRG Energy are provided in Table 1.2-2.

Texas Genco's principal offices are located at:

211 Carnegie Center
Princeton, NJ 08540

The name, address, and citizenship of each director and principal officer of Texas Genco are provided in Table 1.2-6.

NINA Texas 3 LLC and NINA Texas 4 LLC

NINA 3 and NINA 4 are limited liability companies organized under the laws of the State of Delaware, and they operate in the state of Texas. NINA 3 and NINA 4 are wholly owned subsidiaries of NINA Investments LLC, a limited liability company organized under the laws of the State of Delaware, which in turn is a wholly owned subsidiary of NINA Investments Holdings LLC (NINA Holdings), a limited liability company organized under the laws of the State of Delaware, and a wholly owned subsidiary of NINA. Through its wholly owned subsidiaries, NINA owns 100% of NINA 3 and NINA 4.

The offices for NINA 3 and NINA 4, their controlling parent companies, and the Toshiba Companies are located at:

Nuclear Innovation North America LLC
NINA Investments Holdings LLC
NINA Investments LLC
NINA Texas 3 LLC
NINA Texas 4 LLC
~~4000 Avenue F~~
~~Bay City, Texas 77414~~
122 West Way
Suite 405
Lake Jackson, Texas 77566

STP 3 & 4

General and Financial Information

NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540

Toshiba Corporation
1-1, Shibaura 1-chome, Minato-ku,
Tokyo 105-8001, Japan

Toshiba America Nuclear Energy Corporation
3545 Whitehall Park Drive, Suite 500
Charlotte, NC 28273

Toshiba America, Inc.
1251 Avenue of the Americas, Suite 4110
New York, NY 10020

The name, address, and citizenship of each of the directors and officers of NINA 3 and NINA 4 are provided in Table 1.2-3.

City Public Service Board of the City of San Antonio

CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. The City of San Antonio, Texas acquired its electric and gas utilities in 1942 from the American Light and Traction Company, which had been ordered by the federal government to sell properties under provisions of the Holding Company Act of 1935. Today, CPS Energy is the nation's largest municipally owned energy company providing both natural gas and electric service, serving more than 700,000 electric customers and approximately 320,000 natural gas customers in and around the seventh largest city in the United States. CPS Energy has earned the highest financial rating of any municipal gas and electric system in the nation.

The offices for CPS Energy are located at:

CPS Energy
145 Navarro
San Antonio, Texas 78205

CPS Energy
PO Box 1771
San Antonio, Texas
78296

The name, address, and citizenship of each of the trustees and senior executive team members of CPS Energy are provided in Table 1.2-4.

STP 3 & 4

General and Financial Information

STP Nuclear Operating Company

Pursuant to an Operating Agreement between the participants of STP 1 & 2, STPNOC is responsible for the licensing, operation, maintenance, modification, decontamination, and decommissioning of STP 1 & 2, and STPNOC will have the same responsibility for STP 3&4 after responsibility under each license is transitioned to STPNOC on the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license under 10 CFR 52.103(c). The participants of STP 1 & 2 are liable for payments that are chargeable to STP 1 & 2 in proportion to each of the participant's respective undivided ownership interest in STP 1 & 2. During commercial operation, the participants in STP 3 & 4 will be liable for payments chargeable to STP 3 & 4 in proportion to each of the participant's respective undivided ownership interest in STP 3 & 4. Common facilities charges are shared by the STP 1 & 2 and STP 3 & 4 participants. STPNOC will operate STP 3 & 4 pursuant to terms of the existing Operating Agreement. STPNOC is a Texas non-profit corporation. The offices for STPNOC are located at:

STP Nuclear Operating Company
4000 Avenue F
Bay City, Texas 77414
PO Box 289
Wadsworth, Texas 77483

The name, address, and citizenship of each of the directors and officers of STPNOC are provided in Table 1.2-5

Regulatory Agencies with Jurisdiction over Rates and Services

Retail Service Rates:

Under the Texas Public Utility Regulatory Act (PURA), significant original jurisdiction over the rates, services, and operations of "electric utilities" is vested in the Public Utility Commission of Texas (PUCT). In this context, "electric utility" means an electric investor-owned utility. Since the electric deregulation aspects of PURA became effective on January 1, 2002, the PUCT's jurisdiction over electric investor-owned utility (IOU) companies primarily encompasses only the transmission and distribution functions.

The PUCT has jurisdiction over the electric market in the Electric Reliability Council of Texas (ERCOT) region. That authority is focused on wholesale and retail market oversight, customer protection rules, utility (delivery) ratemaking and oversight, reliability compliance, and matters related to the transition to the competitive market, such as oversight of nuclear decommissioning trusts of existing nuclear plants in ERCOT. Traditional retail ratemaking for much of the ERCOT region has been replaced with a "customer choice" model where retail rates are established in a competitive market, subject to PUCT customer protection rules. Likewise, the wholesale electric market pricing is set by competitive processes (under the market oversight of the PUCT and a Wholesale Market Monitor selected by the PUCT), both through bilateral power agreements and as part of ERCOT ancillary service auctions. The ERCOT corporate organization serves as the independent system operator responsible for transmission system open access, energy scheduling and accounting, transmission control area management, system planning, and support of

STP 3 & 4

General and Financial Information

the competitive retail market and financial settlement of the wholesale market. Municipal utilities, including CPS Energy, and electric cooperatives have authority to acquire energy and set retail rates under their own authority and may choose to be exempt from the competitive market.

PURA generally excludes municipally-owned utilities (Municipal Utilities), such as CPS Energy, from PUCT jurisdiction, although the PUCT has jurisdiction over electric wholesale transmission rates. Under the PURA, a municipal governing body or the body vested with the power to manage and operate a Municipal Utility such as CPS Energy has exclusive jurisdiction to set rates applicable to all services provided by the Municipal Utility with the exception of electric wholesale transmission activities and rates. Unless and until the City Council and Board choose to opt-in to electric retail competition, CPS Energy retail service electric rates are subject to appellate, but not original rate regulatory jurisdiction by the PUCT in areas that CPS Energy serves outside the San Antonio City limits. To date, no such appeal to the PUCT of CPS Energy retail electric rates has ever been filed. CPS Energy is not subject to the annual PUCT gross receipts fee payable by electric utilities.

Transmission Access and Related Rate Regulation:

ERCOT manages the flow of electric power to approximately 20 million Texas customers, representing 85 percent of the state's electric load and 75 percent of the Texas land area. As the independent system operator for the region, ERCOT schedules power on an electric grid that connects 38,000 miles of high-voltage transmission lines and more than 500 generation units. ERCOT also manages financial settlements for the competitive wholesale bulk-power market and administers customer switching for 5.9 million Texans in competitive choice areas. ERCOT is a membership-based nonprofit corporation, governed by a board of directors and subject to oversight by the PUCT and the Texas Legislature. ERCOT's members include retail consumers, investor- and municipal-owned electric utilities, rural electric cooperatives, river authorities, independent generators, power marketers and retail electric providers.

Pursuant to amendments made by the Texas Legislature in 1995 to the PURA (PURA95), Municipal Utilities, including CPS Energy, became subject to the regulatory jurisdiction of the PUCT for transmission of wholesale energy. PURA95 requires the PUCT to establish open access transmission on the interconnected Texas grid for all utilities, co-generators, power marketers, independent power producers and other transmission customers.

The 1999 Texas Legislature amended the PURA95 to expressly authorize rate authority over Municipal Utilities for wholesale transmission and to require that the postage stamp method be used exclusively for pricing wholesale transmission transactions. The PUCT in late 1999 amended its transmission rule to incorporate fully the postage stamp pricing method which sets the price for transmission at the system average for ERCOT. CPS Energy's wholesale open access transmission charges are set out in tariffs filed at the PUCT, and are based on its transmission cost of service approved by the PUCT, representing CPS Energy's input to the calculation of the statewide postage stamp pricing method. The PUCT's rule, consistent with provisions in PURA §35.005(b), also provides that the PUCT may require construction or enlargement of transmission facilities in order to facilitate wholesale transmission service.

STP 3 & 4

General and Financial Information

The offices for PUCT and ERCOT are located at:

Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Electric Reliability Council of Texas
7620 Metro Center Drive
Austin, Texas 78744

Trade and News Publications

Table 1.2-7 provides a list of trade and news publications that would be appropriate to provide reasonable notice of the application to those municipalities, private utilities, public bodies, and cooperatives that might have a potential interest in the facility.

1.3 Financial Qualifications

NINA 3 and NINA 4

As of January 31, 2010, the owners (NINA 3, NINA 4, and CPS Energy) had incurred expenditures of approximately \$706 million developing STP 3 & 4, and funding for these costs has already been committed to the project. CPS Energy has completely funded its entire share of the costs incurred through January 31, 2010. The remaining funding for the construction of STP 3 will be provided by NINA 3, and the remaining funding for the construction of STP 4 will be provided by NINA 4.

On March 1, 2010, the owners reached an agreement whereby CPS Energy has reduced its ownership interest in the project to 7.625%, and NINA 3 and NINA 4 will be responsible for arranging for the financing and equity contributions necessary to complete development and construction of STP 3 & 4. CPS Energy is not responsible for any further funding obligations until commercial operation. As such, NINA 3 and NINA 4 demonstrate herein that, upon meeting certain conditions, there is reasonable likelihood that they will have sources for funding 100% of the remaining costs during construction.

The financial qualifications of NINA 3 and NINA 4 are demonstrated through the information provided in Tables 1.3-1 through 1.3-4. Further background information is provided below.

All tables referenced above are proprietary and confidential, and should be withheld from public disclosure.

NINA 3 and NINA 4 are financially qualified based upon the following license condition being met prior to commencing construction authorized by each license:

Excepting only construction otherwise authorized by an exemption granted by the NRC, construction pursuant to this license shall not commence before funding is fully committed at a Financial Closing with Lenders in connection with a Project Finance for STP 3&4. At least 30 days prior to the Financial Closing, the Licensee shall make available for NRC inspection, draft copies of documents to be executed at the Financial Closing of the Project Finance that demonstrate the following:

STP 3 & 4

General and Financial Information

1. The United States Department of Energy, or other agency of the United States Government, will either loan the funding for or guarantee loans for at least 50% of the construction funding to be provided through loans;
2. The Lenders' Independent Engineer has provided an updated estimate of the Total Project Costs;
3. Funding totaling not less than the amount of Total Project Costs estimated by the Lenders' Independent Engineer shall have been funded or will be made available through: (1) equity either funded or committed by a Qualified Investor; and/or (2) loans committed by a government institution of the United States and/or one or more Qualified Financial Institution; and
4. In order to provide financial support during operations, provisions are made in the Financial Closing for the following to be maintained upon initial plant operation: (1) a debt service Reserve in amount not less than one year's worth debt service payments (e.g., initially more than \$600 million); and (2) a revolving credit facility of at least \$100 million for operating and maintenance expenses, with a requirement that a zero balance be maintained at least once per year.

For purposes of the foregoing, a Qualified Investor must have a senior, unsecured and unenhanced credit rating of Baa3- or higher by Moody's and BBB or better by Standard & Poor's (S&P), or a rating meeting other comparable international standards, and a Qualified Financial Institution must have a senior, unsecured and unenhanced credit rating of A2 or higher by Moody's and A or better by Standard & Poor's (S&P), or a rating meeting other comparable international standards.

Nuclear Innovation North America LLC

NINA is a company whose focus is to market and promote ABWR nuclear technology, and develop and construct ABWR nuclear power generation facilities in the U.S. NINA was formed in February 2008 by NRG Energy. On February 29, 2008, Toshiba entered into agreements with NRG Energy to invest up to \$300 million in NINA in return initially for 12% of the membership interests, with NRG Energy owning the remaining 88%. The ownership interests are subject to change based upon ongoing capital contributions by the members. The parties closed on the joint venture transaction on May 1, 2008. In addition to its up to \$300 million investment in NINA, Toshiba has extended EPC terms exclusively to NINA for an additional four units beyond STP 3 & 4 in order to facilitate the development of additional ABWR plants in the U.S. With the support of its shareholders, NINA is uniquely positioned to lead the nuclear renaissance in the U.S. with ABWR as the nuclear technology of choice. NRG energy currently owns more than 90% of the voting membership interests in NINA, and Toshiba owns less than 10% of the voting membership interests in NINA.

NINA plans to execute a licensing, design and construction services agreement with NINA 3 and NINA 4. The licensing, design and construction services agreement will clearly delineate NINA's authority with respect to design and construction, the authority of NINA 3 and NINA 4 with respect to financial decisions, and the obligation of NINA 3 and NINA 4 to pay for the costs of construction. As such, NINA's financial qualifications are derived from the reasonable assurance that NINA 3 and NINA 4 will provide funding during construction.

STP 3 & 4

General and Financial Information

CPS Energy

CPS Energy is the trademarked name through which the City of San Antonio, acting by and through the City Public Service Board, does business. CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. CPS Energy generates and distributes electricity and recovers the cost of this electricity through rates approved by its rate regulator, the City of San Antonio, thus meeting the definition of an "electric utility" in 10 CFR 50.2. Therefore, CPS Energy is exempt from financial qualification review for the operating license pursuant to 10 CFR 50.33(f) and in accordance with Section III.1.b. of NUREG-1577, Rev. 1. As noted above, CPS Energy has already provided substantial funding for the development of STP 3 & 4, originally as a 50% owner. It now is relying upon NINA 3 and NINA 4 to provide funding for the remaining costs to develop and construct STP 3 & 4, including CPS Energy's 7.625% interests in STP 3 & 4.

CPS Energy is an "electric utility" as defined in 10 CFR 50.2 and in COL-ISG-02, "Interim Staff Guidance on Financial Qualifications of Applicants for Combined License Applications," and therefore, in accordance with 10 CFR 50.33(f), CPS Energy is not required to provide detailed O&M finance estimates as part of this submittal.

STPNOC

Pursuant to an Operating Agreement between the participants of STP 1 & 2, STPNOC is responsible for the licensing, operation, maintenance, modification, decontamination, and decommissioning of STP 1 & 2, and during the operation of STP 3 & 4, STPNOC will have the same responsibility for STP 3 & 4. STPNOC is not responsible for construction activities; therefore, the NRC review of STPNOC's financial qualifications is limited to its ability to fund activities during operations. As indicated above, the terms of the Operating Agreement provide that the owners fund STPNOC's costs for operating STP 1 & 2 and STP 3 & 4. As such, STPNOC's financial qualifications are derived from the reasonable assurance that NINA 3, NINA 4, and CPS Energy will provide funding during operations.

1.4 Decommissioning Funding Assurance

The plant owners certify that prior to initial fuel load they will provide assurance for funding decommissioning based upon the NRC minimum "formula" amount calculated pursuant to 10 CFR 50.75(c). Table 1.4-1 provides the current calculation of the NRC formula amount, which is the same for STP 3 and STP 4. This amount will be adjusted annually in accordance with 10 CFR 50.75(b)(2). The plant owners' funding proposals to cover those costs in accordance with 10 CFR 50.75 are set forth below.

CPS Energy will provide decommissioning funding assurance for its proportionate obligation for decommissioning based upon its percentage interests of 7.625% in each unit using the external sinking fund method as provided for in 10 CFR 50.75(e)(1)(ii). CPS Energy qualifies to use this as its exclusive mechanism under the provisions of 10 CFR 50.75(e)(1)(ii)(A), because it is a municipality that establishes its own rates and is able to recover its cost of service allocable to decommissioning. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), CPS Energy will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from its assets and outside its administrative control and in which the total amount of funds will be sufficient to fund decommissioning at

STP 3 & 4

General and Financial Information

the time permanent cessation of operations is expected.

In accordance with the terms of 10 CFR 50.75(e)(1)(vi), NINA 3 and NINA 4 will provide decommissioning funding assurance for their proportionate obligations for decommissioning based upon their percentage interests of 92.375% in each unit as described in Section 1.1 above using the external sinking fund method consistent with the provisions of 10 CFR 50.75(e)(1)(ii), except that NINA 3 and NINA 4 will not ordinarily collect funding from ratepayers. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), NINA 3 and NINA 4 will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from their assets and outside of their administrative control and in which the total amount of funds will be sufficient to fund decommissioning at the time permanent cessation of operations is expected. However, the funds periodically set aside are expected to be generated from sales of power. Although NINA 3 and NINA 4 will not ordinarily collect funds from ratepayers as required by 10 CFR 50.75(e)(1)(ii)(A), exclusive reliance on this mechanism should be acceptable, because Texas Law provides a mechanism whereby NINA 3 and NINA 4 can elect to set aside funds under the jurisdiction and oversight of the PUCT, and pursuant to this mechanism, Texas law provides that ratepayers would be obligated to fund the total cost of decommissioning in the event that NINA 3 and NINA 4 fail to periodically set aside funds as planned. Tex. Util. Code Ann. § 39.206 (Vernon 1998 and Supp. 2007); P.U.C. Subst. R. 25.304. Thus, if NINA 3 and NINA 4 do not provide periodic funding from their own revenues, Texas Law would provide for a mechanism for funding decommissioning that does meet the requirements of 10 CFR 50.75(e)(1)(ii)(A).

A Decommissioning Report and certifications are provided in Table 1.4-1 consistent with the requirements of 10 CFR 50.75(b) and 10 CFR 50.75(e)(3).

1.5 Foreign Ownership Restrictions

CPS Energy

CPS Energy is a Texas municipal utility and an independent Board of the City of San Antonio. CPS Energy is neither owned, controlled, nor dominated by an alien, foreign corporation or foreign government.

NRG Energy

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 filings with the SEC, as of June 30, 2010, the only alien, foreign corporation, or foreign government that NRG Energy is aware of that holds more than 5% of the securities of NRG Energy is Orbis Investment Management, which is located in the United Kingdom and holds 15,435,027 shares of NRG Energy (which equates to an approximate ownership of 6%).~~ Based upon filings with the SEC, NINA has from time to time identified investors that have reported owning more than 5% of the voting stock of NRG Energy. These investors are typically financial institutions that hold investments in NRG Energy stock as part of one or more mutual funds, exchange traded funds, private equity funds, or other similar funds. In some cases, these financial institutions report that some shares may be held by one or more foreign domiciled subsidiary. In 2012, NINA identified such reports filed by Orbis Investment Management (U.S.), LLC, a Delaware limited liability company, Blackrock, Inc., a Delaware corporation, and State Street Corporation, a Massachusetts corporation.

STP 3 & 4

General and Financial Information

In each case where such financial institutions have held voting common stock of NRG Energy, these entities only have had the same rights as other voting shareholders of NRG Energy. Other than such voting rights, they have no rights to participate in matters affecting the management or operation of NRG Energy, NINA or STPNOC, including no right to vote on or nominate any Director(s) to NINA's or STPNOC's Board of Directors.

They have no rights with respect to the management or development of new nuclear units by NINA, or with respect to the management or operation of nuclear units by STPNOC, and therefore, they: (1) have no right or ability to participate in decisions concerning nuclear safety or security; (2) have no right or ability to obtain access to or responsibility for special nuclear material; and (3) have no right or ability to gain access to Restricted Data or any other classified National Security Information. These entities also have no unanimous consent rights relating to the governance of NRG Energy, NINA or STPNOC.

Other than their status as shareholders of NRG Energy, NINA is not aware of any legal, contractual or financial arrangements, between these entities and NINA or STPNOC. Moreover, NINA has no reason to believe that any of these entities are owned, controlled, or dominated, directly or indirectly, by any foreign entity. Rather, the filings by these entities with the SEC indicate that each of these entities is a U.S. company.

The directors and executive officers of NRG Energy are United States citizens, except for ~~one~~ two executive officers. The ~~one~~ executive officers with foreign citizenship will not be able to exercise control over NRG Energy. As such, neither NRG Energy, nor the subsidiaries that it controls are owned, controlled, or dominated by any alien, foreign corporation, or foreign government.

NINA, NINA 3 and NINA 4

NINA is owned approximately 90% by NRG Energy, and NRG Energy exercises voting control over NINA. NINA does not anticipate any material change in its current ownership prior to issuance of the requested licenses. Toshiba America Nuclear will not own more than 10% unless a higher ownership percentage is approved or otherwise authorized in writing by the NRC.

Funding for NINA's current development and licensing activities is being provided primarily through loans from Toshiba America Nuclear. These additional loans represent a small percentage of the total funding that has been spent and that is anticipated to be spent prior to beginning licensed construction activities. Given its small ownership share and its relatively small contribution to the overall funding for the project prior to issuance of the COLs, Toshiba America Nuclear is not able to exert direct or indirect control over NINA within the meaning of 10 CFR 50.38 by virtue of its loans to support current activities. Following issuance of the COLs, NINA will assure that at least 50% of the funding for any licensed construction activity is funded from U.S. sources whether through loans or through equity.

If NINA's ownership structure changes following issuance of the COLs, NINA commits that, prior to execution of the documents necessary to implement any proposed change of ownership of NINA that, either individually or when combined with prior changes, would result in a change in ownership of 5% or more of NINA, NINA will provide complete information to the NRC regarding the proposed transaction and seek either an NRC threshold determination that no license transfer approval is

STP 3 & 4

General and Financial Information

required or the NRC's prior written consent to a license transfer pursuant to 10 CFR 50.80.

In addition, NINA has implemented the STP 3&4 Negation Action Plan (NAP) to provide requirements and guidance to ensure negation of potential foreign ownership, control or domination (FOCD) over the STP 3&4 licenses. The NAP currently provides that control over nuclear safety or security decisions is exercised by the Chief Executive Officer (CEO) and Chief Nuclear Officer (CNO), who are required by the

NAP to be U.S. citizens. As the 90% owner of NINA, NRG Energy controls the appointment of the CEO and CNO, and they can only be replaced by the vote of the NRG Energy member on the NINA Board of Directors. Additional negation measures would be implemented prior to beginning any licensed construction activity. This includes formation of a Nuclear Advisory Committee to review and advise on FOCD matters including the effectiveness of the NAP, and adoption of corporate governance provisions that formally delegate exclusive decision-making authority over nuclear safety and security matters to a Security Committee of the NINA Board consisting of a majority of independent, U.S. citizen directors whose selection is controlled by the NRG Member Director. Moreover, STP 3&4 will be operated by STPNOC, an independent U.S. company that is controlled by NRG Energy, the City of San Antonio and the City of Austin, Texas.

The measures undertaken in the NAP provide the basis to conclude that NINA, NINA 3 and NINA 4 will not be owned, dominated, or controlled by foreign interests within the meaning of the Atomic Energy Act, and that issuance of a COL would not be inimical to the common defense and security. The NAP is provided as Appendix 1D of Final Safety Analysis Report Chapter 1, and implements measures to fully negate FOCD with respect to matters involving the nuclear safety, security, and reliability of STP 3&4 throughout the design, construction and operation of STP 3&4. The NAP describes the controls implemented to assure that the governance of NINA and the licensed activities undertaken by NINA, NINA 3 and NINA 4 are not subject to FOCD within the meaning 10 CFR 50.38 and Section 103.d of the Atomic Energy Act of 1954, as amended (Section 103.d of the Act).

The NAP was developed using the guidance provided by the NRC's "Final Standard Review Plan on Foreign Ownership, Control, or Domination," 64 FR 52355 (September 28, 1999) (FOCD SRP). Defense-in-depth is provided through a number of measures in order to assure that there is U.S. control over matters relating to nuclear safety, security and reliability, including most significantly the security programs and safety programs, including Quality Assurance. These measures effectively negate the risk that the foreign owned parent companies might exercise control, domination, or influence over matters that are required to be under U.S. control pursuant to the terms of 10 CFR 50.38 and Section 103.d of the Act.

STPNOC

STPNOC is a not for profit Texas corporation that is controlled by a board of four directors, three members of which are appointed by the City of Austin (Austin), CPS Energy, and NRG South Texas LP, an indirect wholly owned subsidiary of NRG Energy. These three directors choose the fourth director, who then also serves as the Chief Executive Officer. Austin and CPS Energy are governmental organizations in the State of Texas that are controlled by city councils elected by the citizens of

STP 3 & 4

General and Financial Information

these U.S. cities. NRG Energy is a publicly traded, widely held U.S. corporation, and it is not under FOCD.

Pursuant to Article VI of STPNOC's Restated Articles of Incorporation, Austin, CPS Energy and NRG South Texas LP appoint the three "Participant Directors" of STPNOC. Notably, NRG South Texas LP is the successor to "Texas Genco LP," which is the entity named in the Restated Articles of Incorporation dated April 27, 2005. The three Participant Directors elect a fourth CEO/Director by a unanimous vote of all three. As such, all of the STPNOC directors currently are U.S. citizens appointed by organizations that are under U.S. control. The STPNOC directors control STPNOC pursuant to Article V of the Restated Articles of Incorporation, which provides that STPNOC "is to have no members," i.e., it has no owners, but rather "its affairs are managed by a Board of Directors."

STPNOC is subject to U.S. control, and it will exercise authority over nuclear safety, security, and reliability matters free from any potential for foreign domination or control over its decision making in any area of concern to the NRC under the Atomic Energy Act of 1954, as amended. The NAP provides further information regarding STPNOC and the reasons that STPNOC is and will remain free from any foreign control or domination with regard to nuclear safety, security or reliability matters.

1.6 Restricted Data and Classified National Security Information

The COLA for STP 3 & 4 does not contain any Restricted Data or other Classified National Security Information, nor does it result in any change in access to any Restricted Data or Classified National Security Information. In addition, it is not expected that activities conducted in accordance with the proposed combined license will involve such information. In compliance with Section 145(a) of the Act and 10 CFR 50.37, the applicants agree that they will not permit any individual to have access to, or any facility to possess, Restricted Data or Classified National Security Information until the individual and/or facility has been approved for such access under the provisions of 10 CFR Part 25 and/or 10 CFR Part 95.

STP 3 & 4

General and Financial Information

Table 1.2-1 Officers and Directors of Nuclear Innovation North America LLC

**Nuclear Innovation North America LLC
4000 Avenue F, Suite A
Bay City, TX 77414**

Contact Name	Position / Title	Citizenship
Officers		
McBurnett, Mark	Chief Executive Officer and Chief Nuclear Officer	United States
Directors		
Wilson, Denise	Manager	United States
Okamura, Kiyoshi	Manager	Japan

STP 3 & 4**General and Financial Information****Table 1.2-2 Officers and Directors of NRG Energy, Inc.**

NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540

Contact Name	Position / Title	Citizenship
DIRECTORS		
Abraham, Spencer	Director	US
Caldwell, Kirbyjon H.	Director	US
Chlebowski, John F.	Director	US
Coben, Lawrence S.	Director	US
Cosgrove, Howard E.	Director (Chairman of the Board)	US
Crane, David	Director, President, Chief Executive Officer	US
Dallas, Terry G.	Director	US
William E. Hantke	Director	US
Hobby, Paul W.	Director	US
Luterman, Gerald	Director	US
McGinty, Kathleen	Director	US
Edward R. Muller	Director (Vice Chairman of the Board)	US
Schaumburg, Anne C.	Director	US
Evan J. Silverstein	Director	US
Weidemeyer, Thomas H.	Director	US
Young, Walter	Director	US
OFFICERS		
Andrews, Kirkland B.	Executive Vice President, Chief Financial Officer	US
Chillemi, John	Senior Vice President and Regional President, West	US
Curci, Brian	Corporate Secretary	US
Davis, William Lee	Senior Vice President and Regional President, Northeast	US
Dehne, Tanuja M.	Senior Vice President, Human Resources	US
Doyle, Thomas P.	President and Chief Executive Officer, NRG Solar	US
Garcia, Gary	Senior Vice President, Treasurer	US
Gutierrez, Mauricio	Executive Vice President, Chief Operating Officer	Mexico
Helfer, Patti	Senior Vice President and Chief Administrative Officer	US
Hill, David R.	Executive Vice President and General Counsel	US
Keane, Daniel M.	Corporate Tax Officer	US
Killinger, Elizabeth	President, Reliant	US
Mackey, Glen	Chief Risk Officer	Canada
Moser, Christopher S.	Senior Vice President, Commercial Operations	US
Ragan, John	Executive Vice President and Regional President, Gulf Coast	US
Sotos, Christopher S.	Senior Vice President, Strategy & Mergers and Acquisitions	US
Stark, Ronald B.	Vice President and Chief Accounting Officer	US
Steffes, James	President, Green Mountain Energy Company	US
Wilson, Denise	Executive Vice President and President, New Business	US

STP 3 & 4

General and Financial Information

Table 1.2-3 Officers and Directors of NINA Texas 3 LLC, NINA Texas 4 LLC, and their Parent Companies

**Nuclear Innovation North America Investments LLC
NINA Texas 3 LLC
NINA Texas 4 LLC
4000 Avenue F, Suite A
Bay City, TX 77414**

Name	Position	Citizenship
McBurnett, Mark	Chief Executive Officer and Chief Nuclear Officer	United States

STP 3 & 4

General and Financial Information

Table 1.2-4 Trustees and Senior Executive Team of CPS Energy

**City Public Service Board of San Antonio, Texas
 (CPS Energy)
 P.O. Box 1771
 San Antonio, Texas 78296**

Name	Position	Citizenship
Howard, Derrick	Chair, Board of Trustees	US
Guevara, Homer	Vice Chair, Trustee	US
Chavez, Nora W.	Trustee	US
Kelley, Edward	Trustee	US
Castro, Julian	Mayor; ex-officio Trustee	US
Beneby, Doyle	President and CEO	US
Shellman, Carolyn E.	Exec VP; Gen Counsel	US
Gold-Williams, Paula Y.	Exec VP; CFO	US
LeBlanc-Burley, Jelynn	Exec VP	US
Eugster, Cris	Exec VP	US
Peña, Richard	Senior VP	US
Herbst, David	Senior VP, Interim	US
James, Frederick A.	Senior VP	US
Koudouris, Maria	Senior VP	US
Garza, Rudy	VP	US
Benedict, John	VP	US
Lewis, Lisa	VP	US
Almaraz, Frank	VP	US

STP 3 & 4

General and Financial Information

Table 1.2-5 Officers and Directors of STP Nuclear Operating Company

STP Nuclear Operating Company				
Name	Position	Citizenship	Address	
Mele, Cheryl	Director	US	721 Barton Springs Road Austin, TX 78704	
Ragan, John	Director	US	1201 Fannin Houston, TX 77002	
Peña, Richard	Director	US	145 Navarro San Antonio, TX 78205	
Koehl, Dennis	President and CEO	US	PO Box 289 Wadsworth, TX 77483	
Richards, Kevin	Senior Vice President	US	PO Box 289 Wadsworth, TX 77483	
Meier, Mike	VP and Assistant to the President & CEO	US	PO Box 289 Wadsworth, TX 77483	
Powell, Tim	VP, Generation	US	PO Box 289 Wadsworth, TX 77483	
Rencurrel, Dave	Senior Vice President	US	PO Box 289 Wadsworth, TX 77483	
John Crenshaw	VP, Projects, Outages, & IT	US	PO Box 289 Wadsworth, TX 77483	
Nemeth, Peter	Board Secretary	US	1401 McKinney Street Suite 1700 Houston, TX 77010	

STP 3 & 4

General and Financial Information

Table 1.2-6 Officers and Directors of Texas Genco

**Texas Genco Holdings, Inc.
 211 Carnegie Center
 Princeton, NJ 08540**

Name	Position / Title	Citizenship
Officers		
Banskota, Arun	Vice President	United States
Martin, Sherrie	Vice President and Controller	United States
O'Hara, Christopher	Vice President and Secretary	United States
Ragan, John	President	United States
Garcia, Gary	Vice President and Treasurer	United States
Directors		
O'Hara, Christopher	Director	United States
Ragan, John	Director	United States

STP 3 & 4**General and Financial Information****Table 1.2-7 Trade and News Publications**

Organization	Contact	Phone	Fax	E-mail
Bay City Tribune	Mike Reddell	979-245-5555	979-244-5908	news@baycitytribune.com mike.reddell@baycitytribune.com
Victoria Advocate	Allison Miles	361-580-6511	361-574-1220	amiles@vicad.com
Matagorda Advocate	Adriana Acosta Sandra Hudgeons	979-244-1330	979-244-1708	aacosta@vicad.com shudgeons@vicad.com
Brazosport Facts	Nathaniel Lukefahr	979-237-0151	979-265-7885	nathaniel.lukefahr@thefacts.com news@thefacts.com
El Campo Leader-News	Chris Barbee	979-543-3363	979-543-0097	cbarbee@leader-news.com
Palacios Beacon	Nick West Bert West	361-972-3009	361-972-2610	palaciosbeacon@gmail.com bert.palaciosbeacon@gmail.com
Houston Chronicle	Tom Fowler Laura Goldberg	713-220-7171	713-220-6806	tom.fowler@chron.com laura.goldberg@chron.com
Austin American Statesman	Kathy Warbelow	512-912-3500	512-445-3971	kwarbelow@statesman.com
Corpus Christi Caller Times	Fanny S. Chirinos	361-886-3759	361-886-3732	chirinosf@caller.com
San Antonio Express News	City Desk Craig Thomason	210-250-3000 210-250-3244	210-250-3105 210-250-3232	citydesk@express-news.net cthomason@express-news.net
Associated Press	Mike Graczyk	281-872-8900	281-872-9988	mgraczyk@ap.org
Houston Business Journal	Bill Schadewald	713-395-9634	713-968-8025 713-963-0482	bschadewald@bizjournals.com
Wall St. Journal	Angel Gonzalez	713-547-9214	713-547-9228	angel.gonzalez@dowjones.com
Reuters	Eileen O'Grady Eileen Moustakis	713-210-8522 646-223-6074	646-223-6079	eileen.ogrady@reuters.com eileen.moustakis@reuters.com
Dow Jones	Michael Rieke Kristen McNamara	713-227-5440 201-938-2061	713-547-9234	kristen.mcnamara@dowjones.com
Nuc Net	John Shepherd	+41-58-286-6111	+41-58-286-6845	john.shepherd@worldnuclear.org
Nucleonics Week	Jenny Weil Elaine Hiruo	202-383-2170 202-383-2163	202-383-2125	jenny_weil@platts.com elaine_hiruo@platts.com
Nuclear News	Rick Michal	708-579-8244	708-352-6464	rmichal@ans.org
Nuclear Plant Journal	Newal Agnihotri Michelle Gaylord	630-858-6161	630-858-8787	newal@goinfo.com michelle@goinfo.com
Nuclear Engineering International	Will Dalrymple	+44-20-8269-7773	+44-20-8269-7804	wdal@neimagazine.com
NEI	Scott Peterson Steve Kerekes	202-739-8044 202-739-8073	202-785-4113	jsp@nei.org sck@nei.org
Power Engineering	David Wagman	918.831.9866		pe-editor@pennwell.com
KIOX/KXGJ 96.9 FM	R. Zillarreal	713-315-3400		rzillarreal@lbimedia.com
KMKS 102.5 FM	Kay/Larry Sandlin	979-244-4242	979-245-0107	kmks@kmks.com
KTRH AM 740	Bryan Erickson	713-212-8812	713-212-8957	bryanerickson@clearchannel.com
KUHF 88.7 FM	Robert Stevenson	713-743-0887	713-743-1818	bstevenson@kuhf.org
KZRC 92.5 FM	Ernie Cunnar	979-323-7771	708-671-1202	KZRC@KZRC.com

STP 3 & 4

General and Financial Information

Table 1.2-7 Trade and News Publications (Continued)

Organization	Contact	Phone	Fax	E-mail
KAVU TV (Victoria Ch. 25)	Don Bradley	361.575.2500	361.575.2255	
KHOU TV (CBS 11)	Bill Bishop	713-521-4388	713-521-4381	news@khou.com
KNWS TV 51		713-974-5151	713-974-5188	
KPRC TV (NBC 2)	Ken Cockroft	713-778-4972	713-781-4930	kcockroft@kprc.com
KRIV TV (FOX 26)	Ruben Dominquez	713-479-2801	713-479-2859	newsdesk@fox26.com
KTRK TV (ABC 13)	Dave Strickland	713-663-4501	713-663-4648	dave.strickland@abc.com
Northland Cable TV for PSAs	Kelly Hermenitt	979-543-6858	979-543-9501	

STP 3 & 4

General and Financial Information

Table 1.3-1 Projected Total Project Costs for STP Units 3 and 4 (Proprietary)

[s5]



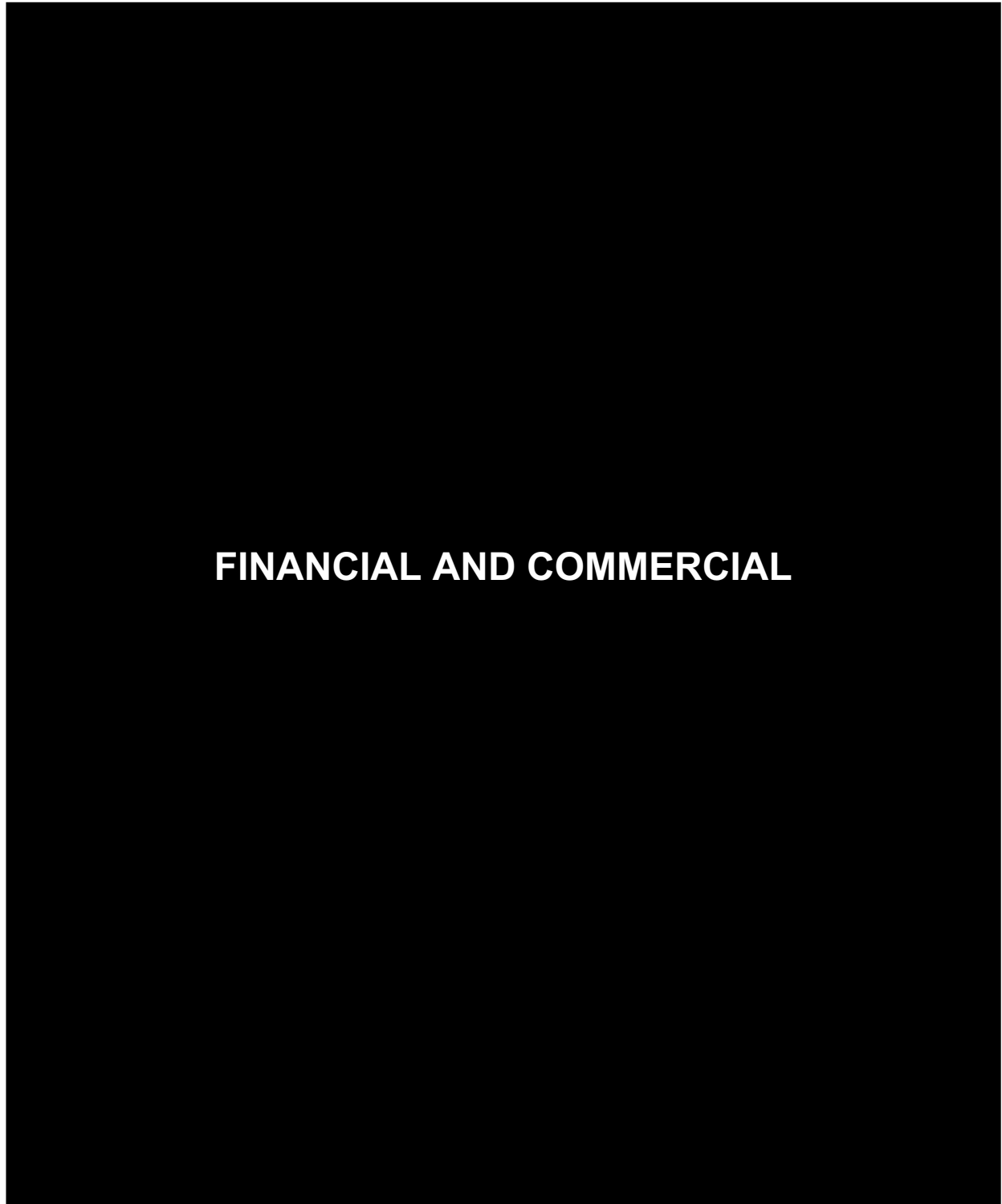
[e5]

STP 3 & 4

General and Financial Information

Table 1.3-2 Sources and Uses for STP Units 3 & 4 (Proprietary)¹

[s5]



FINANCIAL AND COMMERCIAL

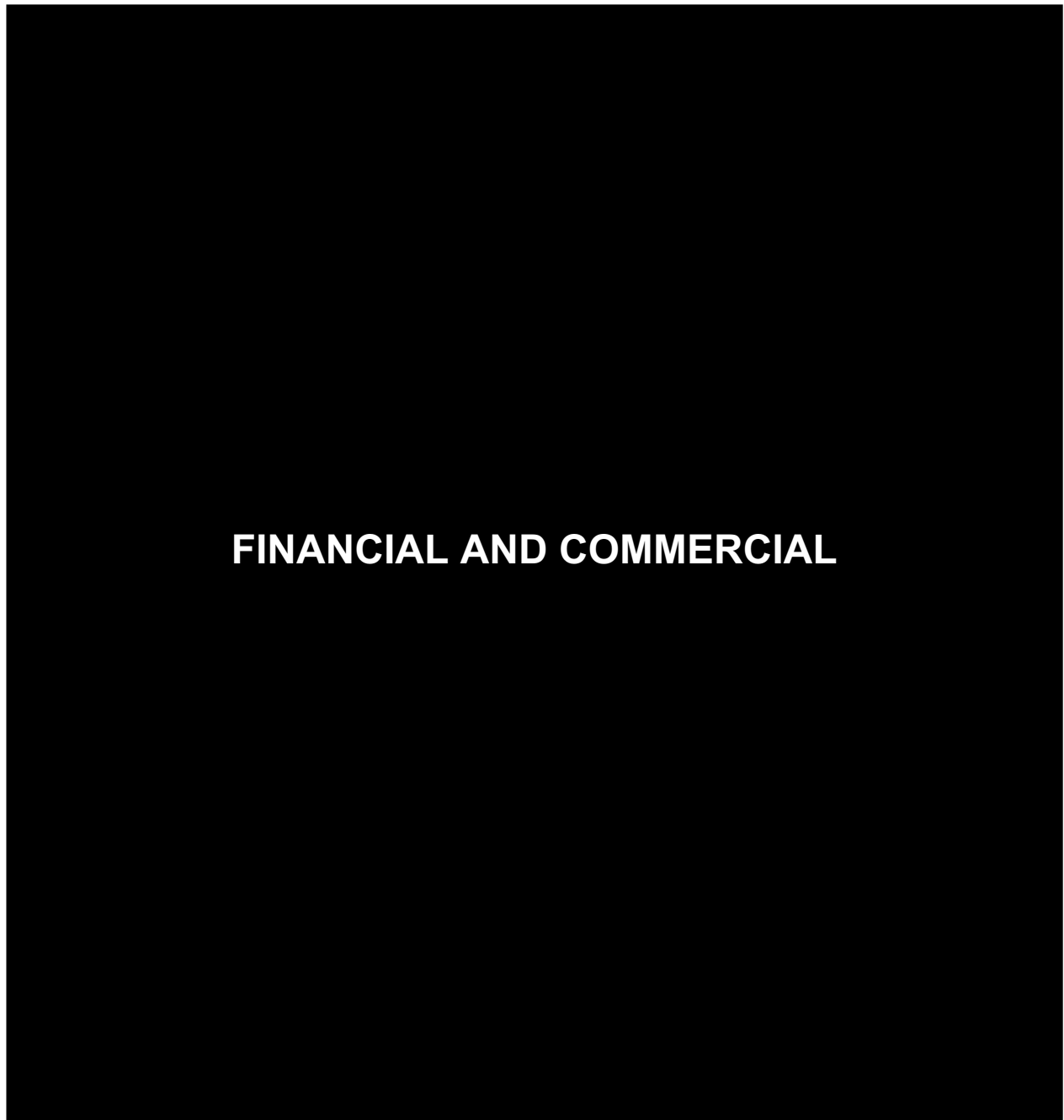
[e5]

STP 3 & 4

General and Financial Information

Table 1.3-3 STP Units 3 & 4 O&M Costs for the First Five Years (Proprietary)

[s5]



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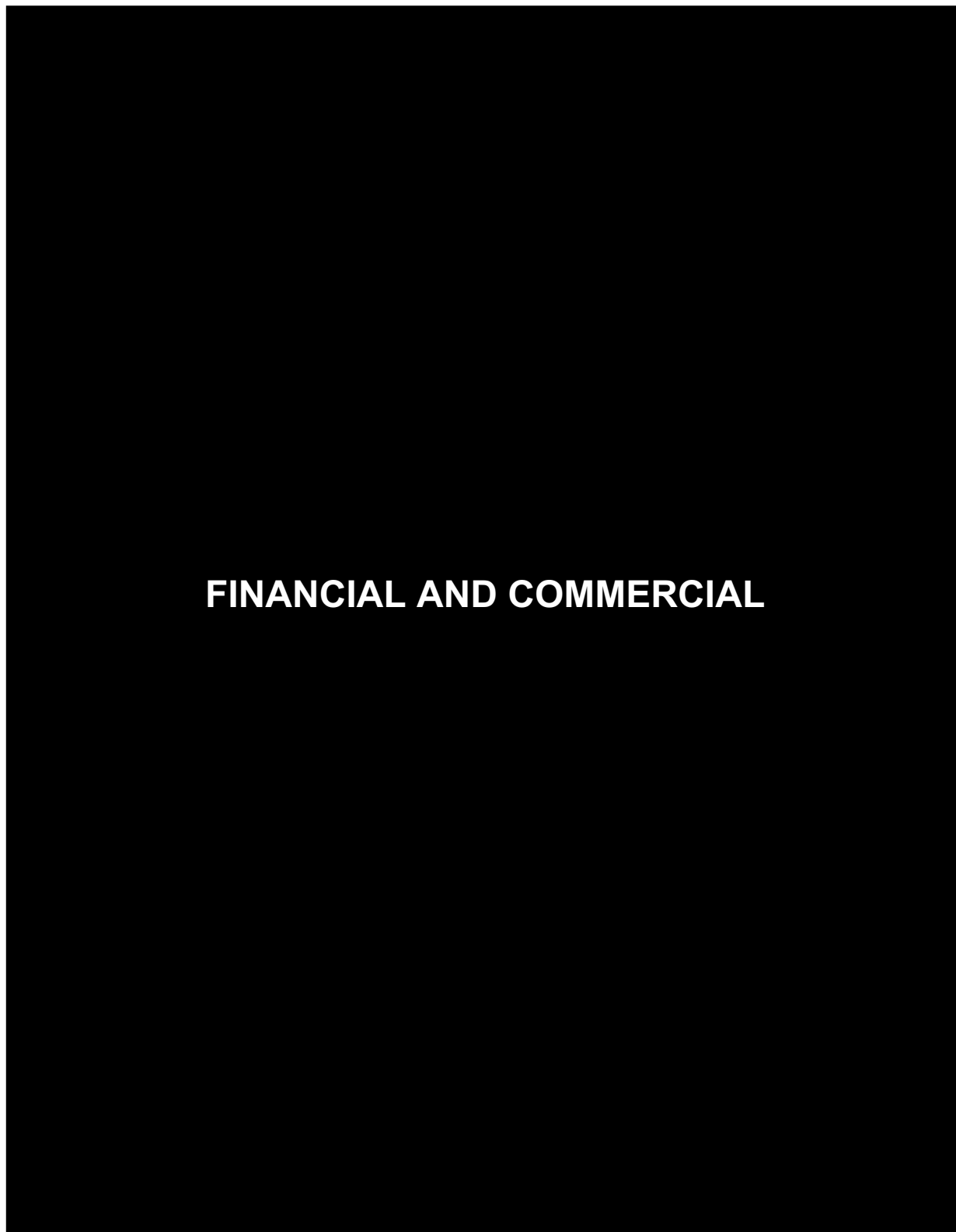
[e5]

STP 3 & 4

General and Financial Information

Table 1.3-4 Summary of PPA Agreements for STP Units 3 & 4 (Proprietary)

[s5]



FINANCIAL AND COMMERCIAL

[e5]

STP 3 & 4

General and Financial Information

Table 1.4-1 Report and Certification Regarding Decommissioning Funding Assurance

The following reports the calculation of the formula amount as of December 31, 2009 for each of the two nuclear powered generating plants designated as STP 3 & 4, calculated in accordance with the provisions of 10 CFR 50.75(c) and the guidance provided in NUREG-1307, Rev. 13.

**NRC MINIMUM CALCULATION (4Q 2009)
REACTOR TYPE / BASE COST
BWR
\$135,000,000**

ESCALATION FACTOR	Labor	Energy		Waste (Waste Vendor)	
		Power	Fuel		
(0.65L + 0.13E + 0.22B)	South Regional Data L = 4Q 2009 / 2005 (110.7 x 1.98 / 100) 110.7	P = 4Q 2009 / 1986 187.1 / 114.2 1.638	F = 4Q 2009 / 1986 197.7 / 82 2.41098	Barnwell (100%) B = 11.198	
	2.192	E = (0.54P + 0.46F) E = (0.54 x 1.638) + (0.46 x 2.41098) 1.9938		11.198	
0.65L + 0.13E + 0.22B) =	0.65 x 2.192	+	0.13 x 1.9938	+	0.22 x 11.198
(L + E + B) =	1.4248	+	0.259194	+	2.46356
Escalation Factor =	4.1474578				
Total Escalated Cost =	\$135,000,000	x	4.1474578	=	\$559,906,800

The plant owners will annually adjust the minimum formula amount calculation in accordance with 10 CFR 50.75(b)(2).

The plant owners hereby certify that, no later than 30 days after the Commission publishes a notice in the *Federal Register* under 10 CFR 52.103(a), they will provide decommissioning funding assurance using the methods in accordance with 10 CFR 50.75(e)(1), as described in COLA Part 1, Section 1.4, or as otherwise permitted by 10 CFR 50.75(e)(1) after having provided prior written notice to the NRC Staff of any proposed change(s) in the method of providing decommissioning funding assurance.

Table 1.4-1 Report and Certification Regarding Decommissioning Funding Assurance (cont'd)

They further certify that they will provide such funding assurance in amounts not less than the formula amount calculation. Each owner of a share in each unit will provide its *pro rata* share of the decommissioning funding assurance based upon the ratio of its percentage ownership share to the total formula amount for such unit. Taking into account credit for projected earnings on trust fund balances and annual contributions using a two percent real rate of return, as permitted by 10 CFR 50.75(e)(1), the annual funding for each plant would be expected to be in the range of \$12,000,000 per unit in current year dollars. However, the plant owners expect that actual annual contributions by CPS Energy will be established in connection with its setting of its own rates, and the actual annual contributions by NINA 3 and NINA 4 will be established in connection with proceedings to be conducted by the Public Utility Commission of Texas.

In addition, both two years and one year before the scheduled date of initial loading of fuel, and consistent with the schedule required by 10 CFR 50.75(e)(3), the plant owners will submit a report updating this certification and the information provided in this report, as well as a copy of the form(s) of financial instrument(s) to be used in providing assurance of funding for decommissioning (e.g., a decommissioning trust agreement for an external sinking fund).

STP 3 & 4

General and Financial Information

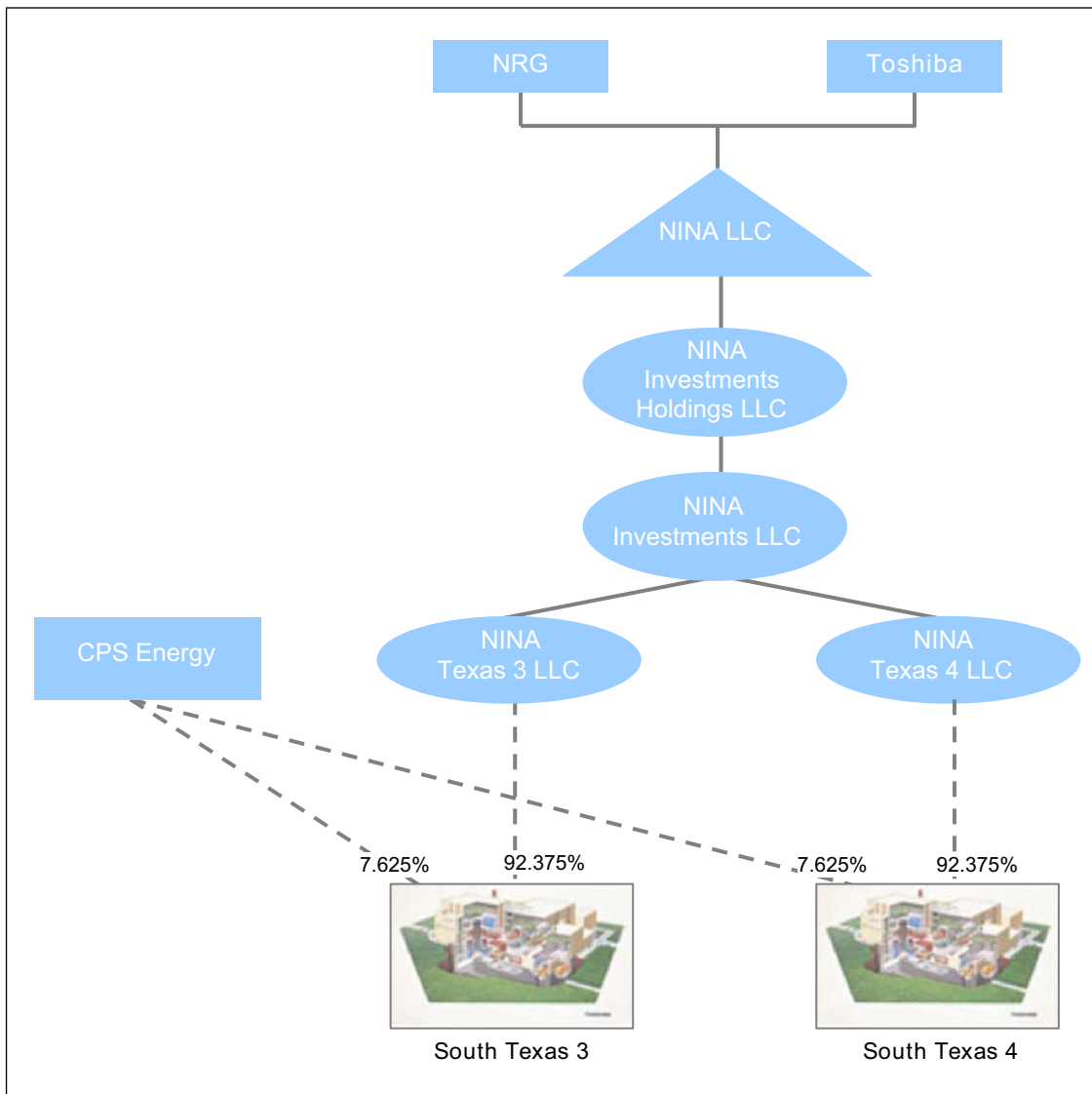


Figure 1.1-1 South Texas Units 3 and 4 Corporate Ownership Structure

Attachment 2



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.

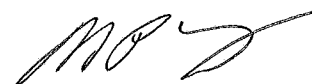
NRG Energy's shareholders will constitute a majority of the NRG Energy shareholders after the merger, and the existing NRG Energy Board members will constitute a majority of the NRG Energy Board after the merger. Moreover, the merger will not involve the creation of any new intermediary holding company 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)

Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
1600 East Lamar Boulevard
Arlington, TX 76011-4511

Balwant K. Singal
Senior Project Manager
U.S. Nuclear Regulatory Commission
One White Flint North (MS 8 B1)
11555 Rockville Pike
Rockville, MD 20852

NRC Resident Inspector
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

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

(electronic copy)

A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP

Balwant K. Singal
U. S. Nuclear Regulatory Commission

John Ragan
Chris O'Hara
Jim von Suskil
NRG South Texas LP

Kevin Pollo
Richard Pena
City Public Service

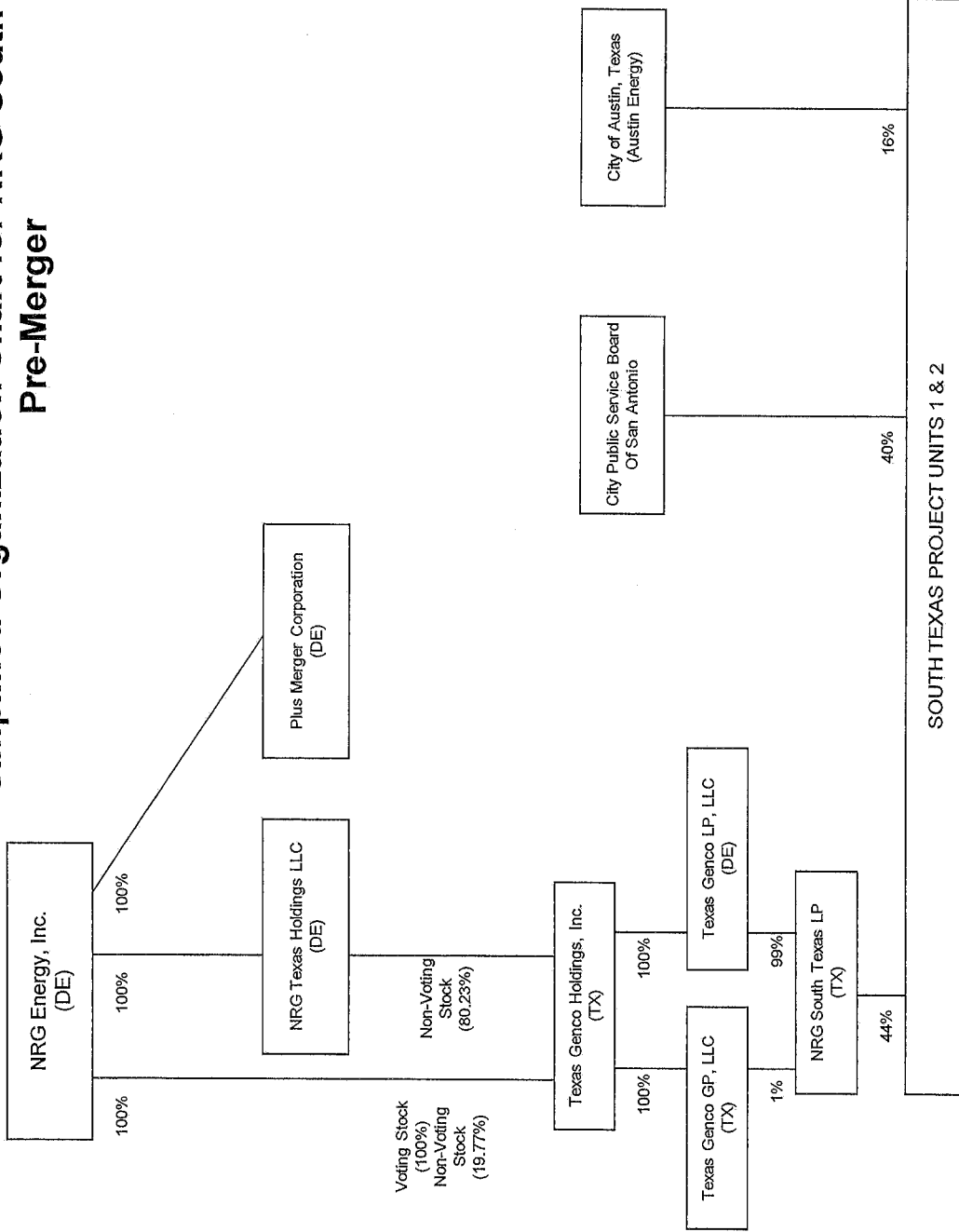
Peter Nemeth
Crain Caton & James, P.C.

C. Mele
City of Austin

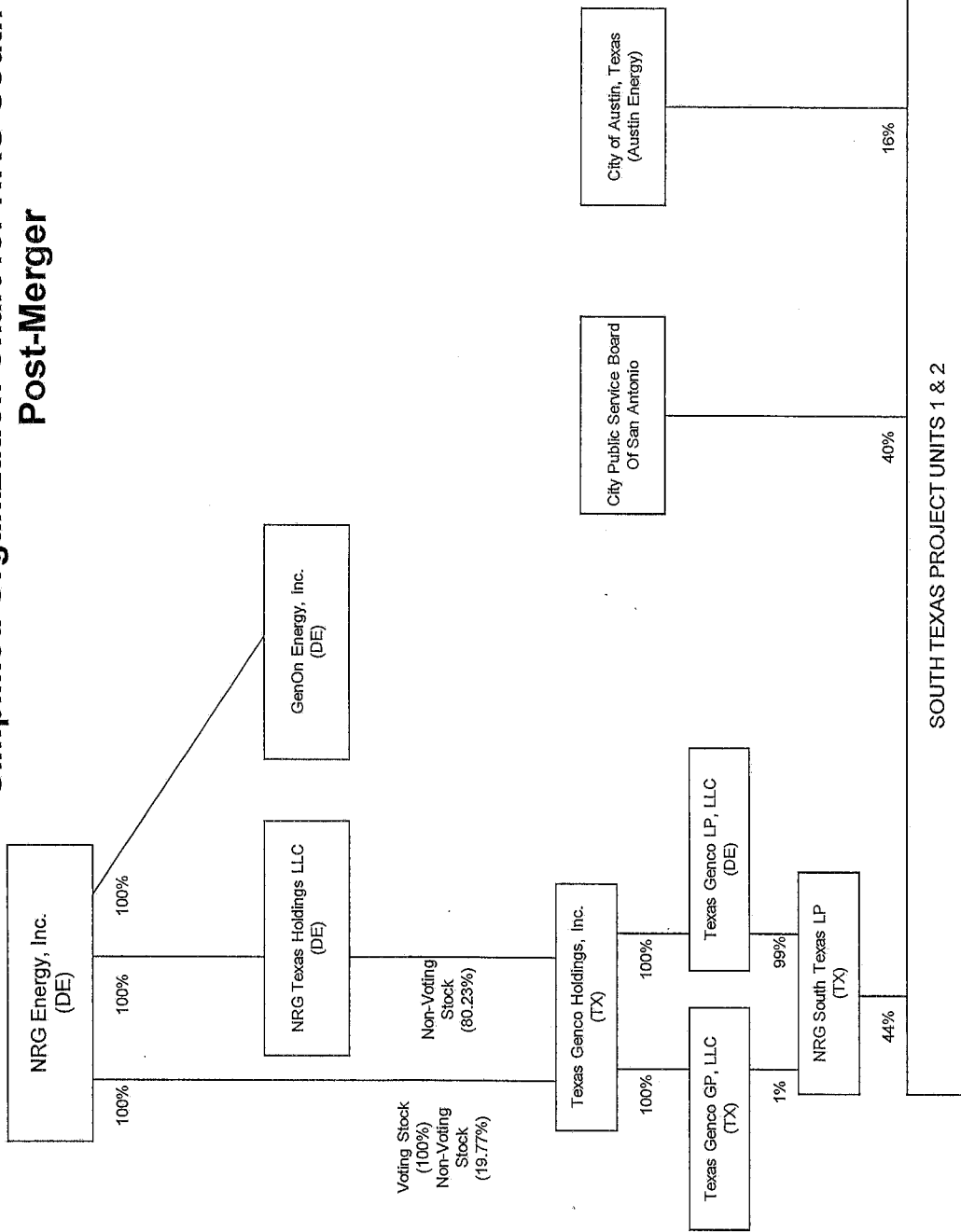
Richard A. Ratliff
Texas Department of State Health
Services

Alice Rogers
Texas Department of State Health
Services

Simplified Organization Chart for NRG South Texas LP Pre-Merger



Simplified Organization Chart for NRG South Texas LP Post-Merger



Attachment 3



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.

Michael P. Murray
Manager, Regulatory Affairs

Enclosure:

Supplemental Information Regarding Foreign Ownership

cc:
(paper copy)

Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
1600 East Lamar Boulevard
Arlington, TX 76011-4511

Balwant K. Singal
Senior Project Manager
U.S. Nuclear Regulatory Commission
One White Flint North (MS 8 B1)
11555 Rockville Pike
Rockville, MD 20852

Senior Resident Inspector
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

(electronic copy)

A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP

Balwant K. Singal
U. S. Nuclear Regulatory Commission

John Ragan
Chris O'Hara
Jim von Suskil
NRG South Texas LP

Kevin Pollo
Richard Pena
City Public Service

Peter Nemeth
Crain Caton & James, P.C.

C. Mele
City of Austin

Richard A. Ratliff
Texas Department of State Health Services

Alice Rogers
Texas Department of State Health Services

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:

Entity	SEC Filing Date	NRG Ownership %	GenOn Ownership %	Pro Forma Post-Merger Ownership %
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.

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.

Attachment 4



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 28, 2012

Mr. Kevin D. Richards
President and Chief Executive Officer/
STP Nuclear Operating Company
South Texas Project
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 – REQUEST FOR ADDITIONAL INFORMATION REGARDING THRESHOLD DETERMINATION UNDER 10 CFR 50.80 RELATED TO THE PROPOSED MERGER BETWEEN NRG ENERGY, INC. AND GENON ENERGY, INC. (TAC NOS. ME9166 AND ME9167)

Dear Mr. Richards:

By letter dated August 1, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12228A380), as supplemented by letter dated August 28, 2012 (ADAMS Accession No. ML12261A334), STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP, requested the U.S. Nuclear Regulatory Commission (NRC) staff to make a threshold determination that a proposed merger between NRG Energy, Inc., and GenOn Energy, Inc., would not involve a direct or indirect transfer of control of NRG South Texas's licenses for South Texas Project, Units 1 and 2, and, therefore, require approval pursuant to Section 50.80, "Transfer of licenses," of Title 10 of *Code of Federal Regulations*.

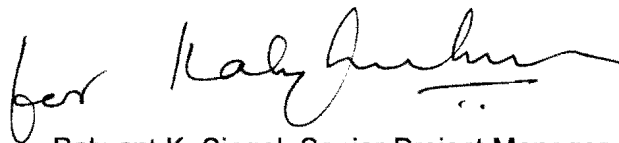
The NRC staff has reviewed the information provided in your application and determined that additional information is required in order to complete its review. The NRC staff's request for additional information (RAI) is enclosed. STPNOC has requested an expedited review in order for the NRC staff to issue its determination by November 1, 2012. The need for an expedited response to the RAI was discussed with Mr. Jamie Paul of your organization and it was agreed that STPNOC will provide its response to RAI within 15 days from the date of this letter.

K. Richards

- 2 -

If you have any questions, please contact me at 301-415-3016 or balwant.singal@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Balwant K. Singal". The signature is fluid and cursive, with a horizontal line underlining the name.

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure:
As stated

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION
THRESHOLD DETERMINATION UNDER 10 CFR 50.80 REGARDING THE
PROPOSED MERGER BETWEEN NRG ENERGY, INC., AND GENON ENERGY, INC.
STP NUCLEAR OPERATING COMPANY
SOUTH TEXAS PROJECT, UNITS 1 AND 2
DOCKET NOS. 50-498 AND 50-499

By letter dated August 1, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12228A380), as supplemented by letter dated August 28, 2012 (ADAMS Accession No. ML12261A334), STP Nuclear Operating Company (STPNOC, the licensee), acting on behalf of NRG South Texas LP, requested the U.S. Nuclear Regulatory Commission (NRC) staff to make a threshold determination that a proposed merger between NRG Energy, Inc. (NRG Energy), and GenOn Energy, Inc. (GenOn Energy), would not involve a direct or indirect transfer of control of NRG South Texas's licenses for South Texas Project (STP), Units 1 and 2, and therefore require approval pursuant to Section 50.80, "Transfer of licenses," of Title 10 of *Code of Federal Regulations* (10 CFR).

The NRC staff has reviewed the information provided in your application and determined that the following additional information regarding foreign ownership, control, or domination (FOCD) is required in order to complete its review

In the supplement dated August 28, 2012, STPNOC provided additional information to the NRC regarding FOCD as it relates to NRG Energy and GenOn Energy. In particular, STPNOC states, in part, that

NRG Energy has identified that in an amended SEC [Securities and Exchange Commission] 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.

In letter dated August 28, 2012, STPNOC further stated, in part that

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.

Enclosure

In addition, during its review of the license renewal application for STP, Units 1 and 2, by letter dated May 22, 2012 (ADAMS Accession No. ML12143A031), the NRC staff issued a request for additional information (RAI) on FOCD regarding Orbis Investment Management, a Delaware limited liability company, which has shares held by OIMUS and two Bermuda-based affiliated companies, Orbis Investment Management Ltd. and Orbis Asset Management Ltd. In response to the NRC staff's RAI, by letter dated May 31, 2012 (ADAMS Accession No. ML12163A334), STPNOC stated that NRG Energy previously established a Nuclear Oversight Committee of the NRG Energy Board and a Nuclear Oversight Subcommittee, which are made up entirely of U.S. citizens, and Board authority has been delegated to the Nuclear Oversight Subcommittee over any matters that could have implications for compliance with 10 CFR 50.38, "Ineligibility of certain applicants." The STPNOC provided the "Charter of the Nuclear Oversight Committee of the Board of Directors of NRG Energy, Inc.," in Attachment 1, and a copy of the delegation of actions to the Nuclear Oversight Subcommittee in Attachment 2 of its letter dated May 31, 2012.

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

[a]n 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 order for the NRC staff to complete its review regarding FOCD, please provide the following additional information:

1. Please provide information on the State Street Corporation foreign domiciled subsidiary that holds an undisclosed number of voting common stock of NRG Energy.

K. Richards

- 2 -

If you have any questions, please contact me at 301-415-3016 or balwant.singal@nrc.gov.

Sincerely,

/RA by NKalyanam for/

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure:
As stated

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ADAMS Accession No. ML12258A128

***Concurrence via e-mail**

OFFICE	NRR/DORL/LPL4/PM	NRR/DORL/LPL4/LA	NRR/DIRS/IFAIB/BC(A)
NAME	BSingal	JBurkhardt	MDusaniwskyj
DATE	9/16/12	9/17/12	9/26/12
OFFICE	OGC	NRR/LPL4/BC w./ changes	NRR/LPL4/PM
NAME	SUttal	MMarkley	BSingal (NKalyanam for)
DATE	Not Required	9/28/12	9/28/12

OFFICIAL RECORD COPY

Attachment 5



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

October 3, 2012
NOC-AE-12002905
10 CFR 50.80
STI: 33603195

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
Response to Request for Additional Information Regarding Threshold
Determination Under 10 CFR 50.80 (TAC Nos. ME9166 AND ME9167)

- Reference:
- (1) Letter from M.P. Murray to NRC Document Control Desk, "Request for Threshold Determination Under 10 CFR 50.80," dated August 1, 2012 (NOC-AE-12002895) (ML12228A380)
 - (2) Letter from M.P. Murray to NRC Document Control Desk, "Supplemental Information Regarding Request for Threshold Determination Under 10 CFR 50.80," dated August 28, 2012 (NOC-AE-12002899) (ML12261A334)
 - (3) Letter from B.K. Singal to K.D. Richards, "Request for Additional Information Regarding Threshold Determination Under 10 CFR 50.80," dated September 28, 2012 (ML12258A128)

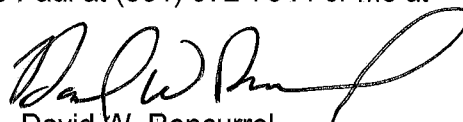
In Reference 1, the STP Nuclear Operating Company ("STPNOC"), acting on behalf of NRG South Texas LP ("NRG South Texas"), provided notice regarding a proposed merger involving NRG South Texas's ultimate parent company, NRG Energy, Inc. ("NRG Energy"). NRG South Texas is an owner licensee for 44% of South 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 Reference 1 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.

In Reference 2, STPNOC provided supplemental information regarding foreign ownership.

In Reference 3, the NRC staff has requested additional information regarding the Request for Threshold Determination Under 10 CFR 50.80. Attached is a Response to the NRC Request for Additional Information. The attachment also includes updated information. NRG Energy and GenOn Energy have now identified four individuals from the GenOn Energy Board of Directors who will join the existing NRG Energy Board of Directors.

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) 972-7867.


David W. Rencurrel
Chief Nuclear Officer

Enclosure: Response to Request for Additional Information

cc:
(paper copy)

Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
1600 East Lamar Boulevard
Arlington, Texas 76011-4511

Balwant K. Singal
Senior Project Manager
U.S. Nuclear Regulatory Commission
One White Flint North (MS 8B1)
11555 Rockville Pike
Rockville, MD 20852

NRC Resident Inspector
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

(electronic copy)

A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP

Balwant K. Singal
U. S. Nuclear Regulatory Commission

John Ragan
Christopher C. O'Hara
Jim von Suskil
NRG South Texas LP

Kevin Pollo
Richard Pena
City Public Service

Peter Nemeth
Crain Caton & James, P.C.

C. Mele
City of Austin

Richard A. Ratliff
Texas Department of State Health Services

Alice Rogers
Texas Department of State Health Services

Response to Request for Additional Information (RAI)

NRC RAI:

- 1. Please provide information on the State Street Corporation foreign domiciled subsidiary that holds an undisclosed number of voting common stock of NRG Energy.***

NRG Response:

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. In response to the Commission's Request for Information ("RFI"), NRG has identified information regarding potential foreign shareholders of the combined company, based upon various filings with the Securities and Exchange Commission ("SEC").

The RAI requests additional information about State Street Corporation ("State Street"). State Street is incorporated in Massachusetts. According to State Street's August 3, 2012 10-Q filing with the SEC, "State Street Corporation . . . is a financial holding company headquartered in Boston, Massachusetts. . . . Our principal banking subsidiary is State Street Bank and Trust Company, or State Street Bank. At June 30, 2012, we had total assets of \$200.78 billion, total deposits of \$143.77 billion, total shareholders' equity of \$19.90 billion and 29,665 employees."

State Street's SEC Schedule 13G and Form 13F, both filed with the SEC on February 9, 2012, and its SEC Form 13F dated August 13, 2012 (filed August 14, 2012), report the holdings of State Street and its subsidiaries as of December 31, 2011 and June 30, 2012, respectively. Based upon these filings, NRG Energy can provide the following summary of ownership of the combined company:

<i>Entity</i>	<i>SEC Filing Date</i>	<i>NRG Ownership %</i>	<i>GenOn Ownership %</i>	<i>Pro Forma Post-Merger Ownership %</i>
State Street	As of December 31, 2011	5.3% ¹	1.3% ²	NA
State Street	As of June 30, 2012	5.1% ³	2.2% ⁴	4.3%

Item 7 of the State Street Schedule 13G dated February 9, 2012 indicates that the reported amount of shares held by State Street include several subsidiaries identified on

¹ SEC Schedule 13G dated February 9, 2012.

² SEC Form 13F dated February 9, 2012.

³ SEC Form 13F dated August 13, 2012.

⁴ SEC Form 13F dated August 13, 2012.

Exhibit 1 of the filing. The State Street subsidiary companies named in Exhibit 1 are as follows:

State Street Bank and Trust Company
SSgA Funds Management, Inc.
State Street Global Advisors Limited
State Street Global Advisors Ltd.
State Street Global Advisors, Australia Limited
State Street Global Advisors Japan Co., Ltd.
State Street Global Advisors, Asia Limited
State Street Global Advisors France S.A.

The SEC does not require State Street to report how many shares each of these subsidiaries might hold. In any event, the foreign domiciled entities are subsidiaries of State Street, and each is presumably owned and controlled by State Street, which is a U.S. company. Thus, the shares would be under U.S. control.

State Street has no right to appoint any manager or director of NRG Energy, and it has no special voting rights beyond those held by all other voting shareholders of NRG Energy. Moreover, the SEC Schedule 13G filing specifically certifies that State Street did not acquire its shares for the purpose of or with the effect of changing or influencing the control of NRG Energy.

Additional Information Regarding NRG Directors:

In addition to the above information, NRG Energy and GenOn Energy have now identified four individuals from the GenOn Energy Board of Directors who will join the existing NRG Energy Board of Directors. The Board of Directors of the combined company will be:

1. David Crane, Pres & CEO
2. Howard Cosgrove, Chairman
3. Kirbyjon Caldwell
4. John Chlebowski
5. Larry Coben
6. Bill Hantke
7. Paul Hobby
8. Gerald Luterman
9. Kathleen McGinty
10. Anne Schaumburg
11. Tom Weidemeyer
12. Walter Young
13. Evan J. Silverstein - GenOn
14. Edward R. Muller – GenOn (will be Vice Chair)
15. Terry G. Dallas - GenOn
16. Edward Spencer Abraham – GenOn

All of the Directors are U.S. citizens.

Attachment 6



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 1, 2012

Mr. Dennis L. Koehl
President and CEO/CNO
STP Nuclear Operating Company
South Texas Project
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - REQUEST FOR THRESHOLD
DETERMINATION UNDER 10 CFR 50.80 (TAC NOS. ME9166 AND ME9167)

Dear Mr. Koehl:

By letter dated August 1, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12228A380), as supplemented by letters dated August 28 and October 3, 2012 (ADAMS Accession Nos. ML12261A334 and ML12292A387, respectively), STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP, requested the U.S. Nuclear Regulatory Commission (NRC) staff to make a threshold determination that a proposed merger between NRG Energy, Inc. (NRG Energy), and GenOn Energy, Inc. (GenOn Energy), would not involve a direct or indirect transfer of control of NRG South Texas LP's licenses for South Texas Project, Units 1 and 2, and, therefore, require approval pursuant to Section 50.80, "Transfer of licenses," of Title 10 of *Code of Federal Regulations* (10 CFR).

Based on the information provided by STPNOC, the NRC staff has completed its evaluation of the request and determined that the proposed merger between NRG Energy and GenOn Energy will not constitute direct or indirect transfer of control of the licenses for South Texas Project, Units 1 and 2, and, therefore, NRG Energy, Inc. does not require the NRC's approval under Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80 in connection with the proposed merger between NRG Energy and GenOn Energy.

D. Koehl

- 2 -

The NRC's related staff evaluation is enclosed. If you have any questions, please contact me at 301-415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,

Lauren Kate Gibson for

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure:
As stated

cc w/encl: Distribution via Listserv



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

STAFF EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

REQUEST FOR THRESHOLD DETERMINATION UNDER 10 CFR 50.80

PROPOSED MERGER BETWEEN NRG ENERGY, INC., AND GENON ENERGY, INC.

STP NUCLEAR OPERATING COMPANY

SOUTH TEXAS PROJECT, UNITS 1 AND 2

DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION

By letter dated August 1, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12228A380), as supplemented by letters dated August 28 and October 3, 2012 (ADAMS Accession Nos. ML12261A334 and ML12292A387, respectively), STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP (NRG South Texas), requested the U.S. Nuclear Regulatory Commission (NRC) staff to make a threshold determination that a proposed merger between NRG Energy, Inc. (NRG Energy), and GenOn Energy, Inc. (GenOn Energy), would not involve a direct or indirect transfer of control of NRG South Texas LP's Facility Operating License Nos. NFP-76 and NFP-80 for South Texas Project (STP), Units 1 and 2, respectively, and, therefore, require approval pursuant to Section 50.80, "Transfer of licenses," of Title 10 of *Code of Federal Regulations* (10 CFR).

NRG Energy is the ultimate parent company of NRG South Texas, which is the owner licensee of 44 percent of STP, Units 1 and 2, and STPNOC is the licensed operator of STP, Units 1 and 2.

2.0 EVALUATION

The NRC staff reviewed STPNOC's request for a threshold determination that the proposed merger between NRG Energy and GenOn Energy, will not involve a direct or indirect transfer of control of the operating licenses for STP, Units 1 and 2 that would require approval pursuant to 10 CFR 50.80. The regulation at 10 CFR 50.80(a) states:

No license for a production or utilization facility (including, but not limited to, permits under this part and part 52 of this chapter, and licenses under parts 50 and 52 of this chapter), or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

Enclosure

On July 20, 2012, NRG Energy and its direct wholly owned subsidiary, Plus Merger Corporation (Plus Merger), and GenOn Energy reached a definitive merger agreement by which NRG Energy would acquire GenOn Energy in an all-stock transaction. The Agreement and Plan of Merger (the Merger Agreement) dated July 20, 2012, is publicly available and was filed with the U.S. Securities and Exchange Commission (SEC).¹

The proposed merger will be effected by the merger of Plus Merger with and into GenOn Energy, with GenOn Energy being the surviving Corporation.² As a result of the proposed merger, each shareholder of GenOn Energy will receive a 0.1216 share of NRG Energy common stock in exchange for each GenOn Energy share of common stock. Upon completion of the merger, GenOn Energy shareholders will own approximately 29 percent of the shares of NRG Energy, and the NRG Energy shareholders will continue to own approximately 71 percent of the shares of NRG Energy.

Pursuant to the Merger Agreement, upon consummation of the proposed merger, the NRG Energy Board will be comprised of 16 directors, all of whom will be U.S. citizens. Twelve of the existing 14 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 (CEO). The four additional directors will come from the existing GenOn Energy Board, including GenOn Energy's Chairman and CEO Edward R. Muller, who will join the NRG Energy Board as Vice-Chairman. In STPNOC's letter dated October 3, 2012, NRG Energy identified the four additional directors from the GenOn Energy Board of Directors who will join the existing NRG Energy Board of Directors post-merger, all of whom are U.S. citizens.

The proposed corporate structure that will exist after the merger will not change the existing chain of ownership with respect to NRG South Texas and its 44 percent ownership interest in STP, Units 1 and 2. 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 consummation of the proposed merger. In addition, the proposed merger will not involve the creation of any intermediary holding company or affect any of the existing intermediary holding companies in the chain of ownership of NRG South Texas. Furthermore, there will be no changes in the operation or management of STP, Units 1 and 2, as a result of the proposed merger between NRG Energy and GenOn Energy since STPNOC will remain the licensed operator of STP, Units 1 and 2.

¹ Merger Agreement - http://sec.gov/Archives/edgar/data/1013871/000110465912050257/a12-16819_1ex2d1.htm.

² See the Simplified Organization Chart for NRG South Texas LP Post-Merger included as an Enclosure to STPNOC's letter dated August 1, 2012.

3.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The analysis regarding the existence of foreign ownership, control, or domination (FOCD) is separate from the analysis regarding the threshold for review under 50.80, and will be made without regard to the threshold finding. Section 103d of the Atomic Energy Act of 1954, as amended, provides, in relevant part, that

No license may be issued to 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. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

The NRC's regulation 10 CFR 50.38, "Ineligibility of certain applicants," contains language to implement this statutory prohibition.

As previously stated, as a result of the proposed transaction, the NRG Energy Board of Directors will have 16 members, all of whom will be U.S. citizens. Both NRG Energy and GenOn Energy are Delaware corporations that are publicly traded companies, each with securities that are traded on the New York Stock Exchange and are widely held.

In addition, NRG Energy 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 percent of the securities of a company must file notice with the SEC. Based upon these filings with the SEC, NRG Energy stated it is aware of one alien, foreign corporation, or foreign government that held or may have held more than 5 percent of the securities of NRG Energy as of December 31, 2011, or that owns more than 5 percent of GenOn Energy.

3.1 Orbis Investment Management Ltd and Orbis Asset Management Ltd

In its letter dated August 28, 2012, STPNOC provided additional information to the NRC regarding FOCD as it relates to NRG Energy and 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). As of June 30, 2012, Orbis held 3.9 percent of the shares of NRG Energy and 7.8 percent of the shares of GenOn Energy. According to NRG Energy, assuming that Orbis retained all of the shares of NRG Energy and GenOn Energy that it held on June 30, 2012, through the date of the proposed merger, Orbis's shares of NRG Energy and GenOn Energy would be diluted to approximately 5 percent of the voting common stock of NRG Energy following the proposed merger. In addition, Orbis does not have, and after the merger Orbis will not have, any rights to appoint any manager or director of NRG Energy. According to NRG Energy, Orbis does not have and will not have any special voting rights beyond those held by all other voting shareholders of NRG Energy. Moreover, the SEC 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 GenOn Energy.

As part of its review the license renewal application for STP, Units 1 and 2, the NRC staff reviewed the potential FOCD concerns regarding Orbis, and by letter dated May 22, 2012 (ADAMS Accession No. ML12143A031), the NRC staff issued a request for additional information (RAI) to address FOCD concerns regarding Orbis. In response to the NRC staff's RAI, by letter dated May 31, 2012 (ADAMS Accession No. ML12163A334), STPNOC stated that Orbis has the same shareholder voting rights with respect to these shares of common stock as NRG Energy's other shareholders. Further, Orbis has no right to participate in matters affecting the management or operation of STPNOC and Orbis has no rights to nominate any Director(s) to STPNOC's Board of Directors. In addition, the applicant also stated that Orbis does not have any shareholder rights in NRG Energy that could result in Orbis participating in decisions concerning nuclear safety or security; obtaining responsibility for special nuclear material; or gaining access to restricted data through its status as an NRG shareholder.

3.2 Blackrock, Inc., and State Street Corporation

NRG Energy identified that in an amended SEC Schedule 13G Filing dated February 13, 2012, Blackrock, Inc., a Delaware corporation, reported that it owned 10.2 percent 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. According to NRG Energy, based upon more recent August 13, 2012, SEC Schedule 13F Filings, NRG Energy believes that the Blackrock, Inc., and others of its affiliated group, owned approximately 8.3 percent of the outstanding shares of NRG Energy on June 30, 2012. Of these shares, the SEC Schedule 13F Filings indicate that approximately 1.6 percent of the voting shares of NRG Energy are held by two foreign Blackrock, Inc., entities.

State Street Corporation, a Massachusetts corporation, is a financial holding company that has reported in a SEC Schedule 13G dated February 9, 2012, that as of December 31, 2011, it owned 5.3 percent 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. In the October 3, 2012, supplement, STPNOC stated that as of June 30, 2012, State Street Corporation had 5.1 percent of the shares of NRG Energy and 2.2 percent of the shares of GenOn Energy. Assuming that State Street Corporation retained all of the shares of NRG Energy and GenOn Energy that it held on June 30, 2012, through the date of the proposed merger, State Street Corporation's shares of NRG Energy and GenOn Energy would be diluted to approximately 4.3 percent of the voting common stock of NRG Energy following the proposed merger.

According to NRG Energy, item 7 of the State Street Corporation's SEC Schedule 13G dated February 9, 2012, indicates that the reported amount of shares held by State Street Corporation include several subsidiaries identified on Exhibit 1 of the filing. The SEC does not require State Street Corporation to report how many shares each of these subsidiaries might hold. However, the foreign domiciled entities are subsidiaries of State Street, and each is presumably owned and controlled by State Street Corporation, which is a U.S. company.

State Street Corporation has no right to appoint any manager or director of NRG Energy, and it has no special voting rights beyond those held by all other voting shareholders of NRG Energy. STPNOC further states that the SEC Schedule 13 G Filing certifies that State Street Corporation did not acquire its shares for the purpose of or with the effect of changing or influencing the control of NRG Energy.

3.3 Nuclear Oversight Subcommittee

Further, regarding FOCD, NRG Energy previously established a Nuclear Oversight Committee of the NRG Energy Board and a Nuclear Oversight Subcommittee, which are made up entirely of U.S. citizens, and Board authority has been delegated to the Nuclear Oversight Subcommittee over any matters that could have implications for compliance with 10 CFR 50.38, "Ineligibility of certain applicants." STPNOC provided the "Charter of the Nuclear Oversight Committee of the Board of Directors of NRG Energy, Inc.," in Attachment 1, and a copy of the delegation of actions to the Nuclear Oversight Subcommittee in Attachment 2 of its letter dated May 31, 2012, which the NRC concludes are acceptable for negation FOCD.

3.4 Foreign Ownership, Control, or Domination Conclusion

Based on the forgoing, the Commission does not know or have reason to believe that the subject licensee will be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

4.0 CONCLUSION

The NRC staff concludes that the proposed merger between NRG Energy and GenOn Energy will not constitute direct or indirect transfer of control of the licenses for STP, Units 1 and 2, and, therefore, NRG Energy does not require the NRC's approval under Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80 in connection with the proposed merger between NRG Energy and GenOn Energy.

Principal Contributor: Jo Ann Simpson, IFIB/DIRS/NRR

Date: November 1, 2012

D. Koehl

- 2 -

The NRC's related staff evaluation is enclosed. If you have any questions, please contact me at 301-415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,

/RA by LGibson for/

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure:
As stated

cc w/encl: Distribution via Listserv

DISTRIBUTION:

PUBLIC
LPLIV Reading
RidsAcrcsAcnw_MailCTR Resource
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ADAMS Accession No.: ML12297A134

Memo dated 10/22/2012

OFFICE	NRR/LPL4/PM	NRR/LPL4/LA	NRR/DIRS/IFIB/BC	OGC	NRR/LPL4/BC	NRR/LPL4/PM
NAME	FLyon for BSingal	JBurkhardt	RTurtill(A)*	SUttal NLO w/chg	MMarkley	LGibson for BSingal
DATE	10/31/12	10/24/12	10/22/12	10/26/12	11/01/12	11/01/12

OFFICIAL RECORD COPY

Attachment 7



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

January 14, 2013
NOC-AE-13002949
10 CFR 50.80
STI: 33645647

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and STN 50-499
Notice Regarding Completion of Merger
(TAC NOS. ME9166 and ME9167)

- Reference(s): (1) Letter from M.P. Murray to NRC Document Control Desk, "Request for Threshold Determination Under 10 CFR 50.80," dated August 1, 2012 (NOC-AE-12002895) (ML12228A380)
- (2) Letter from Balwant Singal to D.L. Koehl, "South Texas Project, Units 1 and 2 – Request for Threshold Determination Under 10 CFR 50.80 (TAC NOS. ME9166 and ME9167)," dated November 1, 2012 (ML12297A134)

STP Nuclear Operating Company ("STPNOC"), acting on behalf of NRG South Texas LP, hereby provides Notice that on December 14, 2012 NRG Energy, Inc. has completed the merger with GenOn Energy, Inc. described in Reference 1. The NRC staff previously evaluated the information provided in Reference 1, as supplemented by letters dated August 28 and October 3, 2012 (ADAMS Accession Nos. ML12261A334 and ML12292A387, respectively) and concluded in Reference 2 that the proposed merger would not involve a direct or indirect transfer of control of NRG South Texas LP's licenses for South Texas Project, Units 1 and 2.

This letter contains no commitments.

If NRC requires additional information concerning this request, please contact Jamie Paul at (361) 972-7344 or me at (361) 972-8164.

Michael P. Murray
Manager, Regulatory Affairs

ADD
NRR

cc:

(paper copy)

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Peter Nemeth
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