


Part 1 General and Financial Information

1.0 Introduction

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| United States Nuclear Regulatory Commission Official Hearing Exhibit NUCLEAR INNOVATION NORTH AMERICA LLC (South Texas Project Units 3 and 4) | Identified: 1/6/2014 Withdrawn: Stricken: |
| ASLBP #: 09-885-08-COL-BD01 Docket #: 05200012 05200013 Exhibit #: NRC000115-00-BD01 Admitted: 1/6/2014 Rejected: Other: |  |

Effective January 28, 2009, STP 3 & 4 Investments LLC changed its name to Nuclear Innovation North America (~~NINA~~)-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 the STP Nuclear Operating Company (STPNOC) on behalf of itself, NINA ~~3Texas 3 LLC ("NINA 3")~~ and NINA ~~4Texas 4 LLC ("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.

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)

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)

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, STPNOC requests the following license actions:

- License STPNOC pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Part 52 to construct, possess, use, and operate South Texas Project Unit 3 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 allowing operation during an interim period under the combined license under 10 CFR 52.103(c), and contain provisions that include the applicable licenses under 10 CFR Parts 30, 40, and 70 to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to construct and operate the utilization facility.
- License NINA ~~3 Texas 3 LIG~~ and ~~the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy)~~ pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 3, ~~each owning a 50% undivided interest~~ 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 allowing 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 construct, possess, use, and operate South Texas Project Unit 4 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 allowing operation during an interim period under the combined license under 10 CFR 52.103(c), and contain provisions that include the applicable licenses under 10 CFR Parts 30, 40, and 70 to receive, possess, and use at any time such quantities of source, byproduct, and special nuclear material as needed to construct and operate the utilization facility.
- License NINA ~~4 Texas 4 LIG~~ and the ~~City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy)~~ pursuant to Section 103 of the Act and 10 CFR Part 52 to possess South Texas Project Unit 4, ~~each owning a 50% undivided interest~~ 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 allowing operation during an interim period under the combined license under 10 CFR 52.103(c).

1.2 General Information

The applicants for STP 3 & 4 are NINA ~~3Texas-3 LLC~~, NINA ~~4Texas-4 LLC~~, CPS Energy, and STPNOC as described in the requested license actions above. The required general information for the applicants is provided below separated by applicant.

Nuclear Innovation North America LLC

~~Nuclear Innovation North America LLC~~ (NINA) is a newly formed company whose focus is to market and promote ABWR nuclear technology, and develop ABWR nuclear power generation facilities in the U.S. NINA is a Delaware limited liability company that was formed in February 2008 by NRG Energy, Inc. (NRG or 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 89.5% by NRG Energy and 10.5% by Toshiba America Nuclear Energy Corporation (Toshiba America Nuclear), a Delaware corporation. 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 U.S. subsidiaries, referred to as the Toshiba Companies). The existing ownership structure of these companies is reflected in Figure 1.1-1.

NINA's principal offices are located at:

521 Fifth Avenue, 30th Floor
New York, NY 10175

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, ~~Inc. (NRG)~~ 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, ~~2007~~2009, NRG Energy had a total global generation portfolio of ~~494~~187 active operating fossil fuel and nuclear generation units, at ~~4944~~ power generation plants, with an aggregate generation capacity of

approximately 24,115 MW, and approximately ~~740~~400 MW under construction which includes partners' interests of 200 MW. ~~Within the United States,~~ 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. NRG Energy has one of the largest and most diversified power generation portfolios in ~~terms of geography, fuel type and dispatch levels~~ the United States, with approximately ~~22,880~~23,110 MW of fossil fuel and nuclear generation capacity in ~~175~~179 active generating units at ~~43~~42 plants. ~~These power generation facilities are primarily located in Texas (approximately 10,805 MW), the Northeast (approximately 6,980 MW), South Central (approximately 2,850 MW), and West (approximately 2,130 MW) regions of the United States, with approximately 115 MW of additional generation capacity from NRG's thermal assets, and 365 MW renewable generation capacity, which consists of ownership interests in three wind farms and a solar facility.~~

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 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.

NINA Texas 3 LLC and NINA Texas 4 LLC

~~NINA Texas 3 LLC and NINA Texas 4 LLC (the NRG Licensees)~~ 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 and will be. They are indirectly majority-owned and controlled by NRG Energy, Inc. (NRG Energy), which has a controlling interest in Nuclear Innovation North America LLC (NINA) in NINA. 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 ~~will own~~ 100% of NINA ~~3 Texas 3 LLC~~ and NINA ~~4 Texas 4 LLC~~. It is anticipated that there will be additional equity investors in NINA and/or its subsidiaries. ~~NINA itself is a joint venture currently owned 88% by NRG Energy and 12% by Toshiba America Nuclear Energy Corporation (Toshiba America Nuclear). Toshiba America Nuclear Energy Corporation is a wholly owned subsidiary of Toshiba America, Inc., a Delaware corporation, which is a wholly owned subsidiary of Toshiba Corporation, a Japanese corporation. The existing ownership structure of these companies is reflected in Figure 1.1-1.~~ If additional foreign or domestic investors agree to participate in the ownership of NINA 3 and NINA 4, any such investors will be subject to a foreign ownership control and domination Negation Action Plan as described in greater detail in Section 1.5 below.

~~Because Toshiba America Nuclear is only a minority (12%), non-controlling investor in an intermediate holding company in the corporate ownership chain of the NRG Licensees, further detailed corporate information is not provided regarding the various direct, intermediate, and ultimate parent companies of the Toshiba America Nuclear.~~

~~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 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 Texas 3 LLC and NINA Texas 4 LLC will sell their portions of the electrical energy produced at STP to the general ERCOT market described below.~~

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
521 5th Avenue, 30th Floor
New York, New York 10175

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 the corporations are provided in Table 1.2-3.

~~CPS Energy~~ 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 ~~690,000~~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 names, addresses, and citizenship of each of the trustees and senior executive team members of CPS Energy are provided in Table 1.2-4.

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 for the construction of any additional generating units and support facilities that may be constructed at the South Texas Project Electric Generating Station. The participants 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. ~~The~~During commercial operation, the participants in STP 3 & 4 ~~are~~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 ~~amended~~ terms of the existing Operating Agreement, amended terms or another appropriate arrangement. 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

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 ~~Public Utility Commission of Texas~~ (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 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.

[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 1.2-6 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

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 already funded nearly its entire share of the costs incurred through January 31, 2010, and the total amount remaining to be paid by CPS Energy as of May 1, 2010 was less than \$10 million. 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. Excepting obligations regarding the funding of costs incurred by January 31, 2010, CPS Energy is not responsible for any further funding obligations until commercial operation. As such, NINA 3 and NINA 4 demonstrate herein that there is reasonable likelihood that they will have sources for funding 100% of the remaining costs during construction.

Tables 1.3-1 and 1.3-3 provides a summary of project costs for Units 3 and 4 STP 3 & 4 as estimated by NINA and CPS Energy, respectively. Project costs are shown on a 100% basis, of which, NINA Texas 3 LLC and NINA Texas 4 LLC and CPS Energy would each fund its respective share of the Project. Due to differences in cost assumptions, methods of financing, etc., the project cost estimates are not exact matches. However, the total project cost estimates are comparable, and as shown in Tables 1.3-2 and 1.3-4, NINA 3 Texas 3 LLC, and NINA 4 Texas 4 LLC and CPS Energy each demonstrates the ability to fund its pro rata share of the Project utilizing its respective sources of funding. Under the terms of the settlement agreement, NINA 3 and NINA 4 are expected to make certain payments to CPS Energy in the future. As such, CPS Energy's projected "net" contribution toward construction is reflected as a source of funds in Table 1.3-2, rather than an amount equal to 50% of the costs incurred through January 31, 2010.

Table 1.3-3~~5~~ provides the operations and maintenance costs corresponding to NINA's share of the Project for the first five years for Unit 3 and Unit 4. The sources to cover the operating costs for NINA will come from the sale of electricity through Power

Purchase Agreements (PPAs) as well as through merchant sales to the wholesale power market. A description of the PPAs is provided in Table 1.3-46.

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.

The financial qualifications of the proposed licensees are demonstrated through the information provided in Tables 1.3-1 through 1.3-46. Further background information is provided below.

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

Nuclear Innovation North America LLC

NINA is a newly formed company whose focus is to market and promote ABWR nuclear technology, and develop 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. NINA intends to use the combination of NRG Energy's leadership position in the power generation industry along with Toshiba's premier position in nuclear engineering, design and construction to develop and build its own new nuclear units as well as provide value added solutions to other companies pursuing new nuclear development.

NRG Energy

NRG Energy provides the following information required by 10 CFR 50.33(f), 10 CFR 50 App C, and NUREG-1577, Rev. 1 to demonstrate that NRG Energy possesses or has reasonable assurance of obtaining the funds necessary to cover estimated construction costs and related fuel cycle costs.

~~NRG Energy is among the largest independent power producers in the U. S. with a proven track record of developing, constructing and operating power generation facilities.~~ As of December 31, ~~2007~~2009, NRG Energy had a total global portfolio of ~~494~~187 active operating fossil fuel and nuclear generation units, at ~~494~~44 power generation plants, with an aggregate generation capacity of approximately 24,115 MW, and approximately ~~740~~400 MW under construction which includes partner interests of 200 MW. ~~Within the U.S., NRG is the 2nd largest unregulated generation company by capacity.~~ 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. NRG Energy has one of the largest and most diversified power generation portfolios in ~~terms of geography, fuel-type and dispatch levels~~ the United States, with approximately 23,110 MW of fossil fuel and nuclear generation capacity in 179 active generating units at 42 plants and 365 MW renewable generation capacity, which consists of ownership interests in three wind farms and a solar facility. ~~NRG's principal domestic power plants consist of a diversified mix of natural gas, coal, oil fired and nuclear facilities.~~

On February 23, 2010, NRG Energy reported full year 2009 and fourth quarter results. 2009 was a record year for NRG Energy both in terms of Earnings Before Interest, Taxes, Depreciation and Amortization (known as EBITDA) and cash flow, despite challenging economic conditions. Adjusted cash from operations increased 26% to a record \$1.862 billion for the full year. Liquidity for the company continues to grow, with a year-end total of \$3.8 billion, including \$2.3 billion in cash.

Full-year 2009 financial highlights include:

- \$2,618 million of adjusted EBITDA - up 14% from 2008
- \$1,862 million of adjusted cash from operating activities - up 26% from 2008
- \$941 million of net income and \$3.44 per diluted common share
- \$500 million of common stock (19.3 million shares) repurchased during the year

~~NRG's financial profile is robust, characterized by significant free cash flow generation and prudent financial and capital management.~~ For the year ended December 31, ~~2007~~2009, NRG Energy generated approximately \$2.1 billion of free cash flow from operations and had total assets of approximately \$~~1923~~ billion. The company aggressively manages its credit profile, and targets credit metrics well beyond its stipulated ratings from the credit rating agencies. ~~At As of~~ December 31, ~~2007~~2009, NRG Energy maintained a Debt to Total Capitalization ratio of ~~59~~55% and Debt to EBITDA of ~~3.9x~~3.1x. Commensurate with aggressively managing its credit profile, NRG Energy employs a disciplined approach to capital allocation. The process within NRG Energy of devoting capital to new projects is a rigorous one, with only the most deserving projects receiving funding. ~~To date, NRG together with CPS has devoted over \$175 million to the development of STP 3 & 4.~~ With respect to the future, NRG Energy is expected to generate \$9.2 billion in free cash flow (excluding STP 3 & 4 development costs) or 5.5x its funding requirement for STP 3 & 4 through COD. Accordingly, NRG Energy is capable of fully funding its share of Project costs through COD by relying solely on cash flow from operations.

Further detailed financial information on NRG Energy may be found at www.sec.gov or at www.nrgenergy.com.

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. ~~Information regarding CPS Energy’s financial qualifications to support the construction of STP 3 & 4 is provided below.~~ 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.

~~In its most recent bond offering, CPS Energy received “investment grade” ratings for its Bonds and Commercial Paper from Fitch Ratings, Moody’s Investors Service, Inc., and Standard and Poor’s Ratings Service, including ratings from these agencies for its senior lien bonds of “AA+”, “Aa1”, and “AA”, respectively. Further detailed financial information regarding CPS Energy is provided in its Annual Reports and Bond Official Statements available at “www.cpsenergy.com.”~~

~~The CPS Energy electric system serves a territory consisting of substantially all of Bexar County and small portions of the adjacent counties of Comal, Guadalupe, Atascosa, Medina, Bandera, Wilson, and Kendall. Certification of this service area has been approved by the PUCT. CPS Energy is currently the exclusive provider of electric service within this service area, including the provision of electric service to some Federal military installations located within the service area that have their own distribution facilities.~~

~~In addition to the area served at retail rates, CPS Energy sells wholesale electricity to the Floresville Electric Light & Power System, the City of Hondo, and the City of Castroville. These three wholesale supply agreements have remaining terms ranging from less than one to ten years until expiration, although all of the agreements provide for extensions. Discussions are ongoing with all three entities to renew their respective long term wholesale power agreements. Additionally, CPS Energy has recently entered into several one year wholesale supply agreements with other various municipalities and cooperatives. CPS Energy plans to seek additional opportunities to enter into long term wholesale electric power agreements in the future. The requirements under the existing and any new wholesale agreements would be firm energy obligations of CPS Energy.~~

~~The CPS Energy gas system serves the City of San Antonio (the City) and its environs, although there is no certificated CPS Energy gas service area. In Texas, no legislative provision or regulatory procedure exists for certification of natural gas service areas. As a result, CPS Energy competes against other gas supplying entities on the periphery of its service area. Pursuant to the authority provided by Section 181.026, Texas Utilities Code, among other applicable laws, the City has executed a license agreement (“License Agreement”) with the City of Grey Forest, Texas (“Licensee”),~~

~~dated as July 28, 2003, for a term through May 31, 2028. Pursuant to this License Agreement, the City permits the Licensee to provide, construct, operate and maintain certain natural gas lines within the boundaries of the City which it originally established in 1967 and to provide extensions and other improvements thereto upon compliance with the provisions of the License Agreement and upon the payment to the City of a quarterly license fee of 3.0% of the gross revenues received by the Licensee from the sale of natural gas within the Licensed Area (as defined in the License Agreement). Thus, in the Licensed Area, CPS Energy is in direct competition with Grey Forest Utilities as a supplier of natural gas.~~

~~CPS Energy also has 20-year Franchise Agreements with 28 incorporated communities in the San Antonio area. These Franchise Agreements permit CPS Energy to operate its facilities in the city's streets and public ways in exchange for a franchise fee of 3.0% on electric and natural gas revenues earned within their respective municipal boundaries. Of these 28 agreements, 24 expire in 2010; the others expire in 2011, 2017, 2023 and 2024.~~

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 the time permanent cessation of operations is expected.

In accordance with the terms of 10 CFR 50.75(e)(1)(vi), NINA ~~3 Texas 3 LLC~~ and NINA 4 NINA Texas 4 LLC (the NRG Licensees) 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 ~~the NRG Licensees~~ 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), ~~the NRG Licensees~~ 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 ~~the NRG Licensees do not technically qualify to use the external sinking fund method as their exclusive mechanism under the provisions of NINA 3 and NINA 4 will not ordinarily collect funds from ratepayers as required by 10 CFR 50.75(e)(1)(ii)(A)&(B),~~ exclusive reliance ~~on~~ this mechanism should be acceptable, because ~~pursuant to House Bill 1386 passed by the Texas Legislature on May 28, 2007 and signed into law by the Governor on June 15, 2007, Texas Law effective September 1, 2007,~~ 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 ~~the NRG Licensees~~ 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 ~~the NRG Licensees~~ 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

~~NINA Texas 3 LLC and NINA Texas 4 LLC operate in the state of Texas and will be indirectly majority owned and controlled by NRG Energy, Inc. (NRG Energy), which has a controlling interest in Nuclear Innovation North America LLC (NINA). Through its wholly owned subsidiaries, NINA will own 100% of NINA Texas 3 LLC and NINA Texas 4 LLC. NINA itself is a joint venture currently owned 88% by NRG Energy and 12% by Toshiba America Nuclear Energy Corporation (Toshiba America Nuclear). 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. The existing ownership structure of these companies is reflected in Figure 1.1-1. Toshiba America Nuclear itself is indirectly owned, controlled and dominated by a foreign corporation. However, Toshiba America Nuclear is only a minority (12%), non-controlling investor in an intermediate holding company in the corporate ownership chain of the NRG Licensees. NINA is controlled by NRG Energy, which owns 88% of NINA, and Toshiba America Nuclear is not able to exercise domination or control over NINA or any of the subsidiaries controlled by NINA.~~

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, ~~NRG Energy is not aware of any~~ as of June 30, 2010, the only alien, foreign corporation, or foreign government that NRG Energy is aware of that holds ~~or may hold~~ 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 NRG Energy (which equates to an approximate ownership of 6%).

The directors and executive officers of NRG Energy are United States citizens, except for ~~two~~ one executive officers. The ~~two~~ 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

As previously indicated, NINA is currently owned approximately 89.5% by NRG Energy and 10.5% by Toshiba America Nuclear, a Delaware corporation. 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. The existing ownership structure of these companies is reflected in Figure 1.1-1. Toshiba America Nuclear itself is indirectly owned, controlled and dominated by a foreign corporation. However, Toshiba America Nuclear is only a minority (approximately 10.5%), non-controlling investor in an intermediate holding company in the corporate ownership chain of NINA 3 and NINA 4. NINA currently is controlled by NRG Energy, which owns approximately 89.5% of NINA, and Toshiba America Nuclear is not able to exercise domination or control over NINA or any of the subsidiaries controlled by NINA. Under the terms of Section 5.1(d)(ii) of the LLC Agreement governing NINA, unanimous consent is required for certain matters such as change in business activity, indebtedness subject to certain terms, member transactions, change in investor rights, amendments to the LLC agreement, and liquidation. In addition, Toshiba America Nuclear's consent is required for certain matters specified in Section 5.1(d)(iii), including issuance of additional membership units and certain distributions. As such, Toshiba America Nuclear has voting rights regarding these limited high level decisions. However, these rights do not implicate control or domination over NINA, NINA 3 and NINA 4, or over STPNOC, as the licensee responsible for operation of the units.

NINA anticipates that there will be further equity investors in NINA and/or its subsidiaries, and such investors are likely to include foreign equity participants. As such, NINA will implement additional measures as part of its foreign ownership, control or domination (FOCD) negation action plan, by amending the terms of its governance under the applicable limited liability company operating agreement(s) or LLC Agreement(s) to assure that control over matters relating to the NRC licenses is exercised through a Subcommittee of the Board made up of two independent directors who are U.S. citizens and a U.S. citizen director appointed directly or indirectly by NRG Energy. The following terms, or substantially similar terms, will be included in the voting provisions of the LLC Agreement(s) for NINA and any subsidiary that has a foreign member or directors appointed by a foreign member:

Voting Regarding Nuclear Safety, Security and Reliability.

The Director of NINA appointed by NRG Energy, who must be a U.S. citizen, and two independent Directors, who are U.S. citizens, shall constitute a Subcommittee of the Board and shall have the exclusive authority to vote and decide on the following matters:

- (1) Any matter that, in view of U.S. laws or regulations, requires or makes it reasonably necessary to assure U.S. control;
- (2) Any matter relating to nuclear safety, security or reliability, including, but not limited to, the following matters:
 - (i) Implementation or compliance with any NRC generic letter, bulletin, order, confirmatory order or similar requirement issued by the NRC;
 - (ii) Prevention or mitigation of a nuclear event or incident or the unauthorized release of radioactive material;
 - (iii) Placement of the plant in a safe condition following any nuclear event or incident;
 - (iv) Compliance with the Atomic Energy Act, the Energy Reorganization Act, or any NRC rule;
 - (v) The obtaining of or compliance with a specific license issued by the NRC and its technical specifications;
 - (vi) Conformance with a specific Final Safety Analysis Report, or other licensing basis document; and
 - (vii) Implementation of security plans and procedures, control of security information, administration of access to controlled security information, and compliance with government clearance requirements regarding access to restricted data.
- (3) Any other issue reasonably determined by such Members, in their prudent exercise of discretion to be an exigent nuclear safety, security or reliability issue; and
- (4) Staffing of key executive officer positions of the Company.

The authority to be exercised by this Subcommittee assures U.S. control and assures that there will be no exercise of FOCD within the meaning of the prohibition in Section 103 of the Atomic Energy Act of 1954, as amended.

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 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 and security 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. In particular, STPNOC is and will remain free from any foreign control or domination with regard to security matters, and STPNOC is subject to ongoing U.S. government oversight regarding foreign ownership, control or influence. STPNOC maintains a Facility Security Clearance, and it has individual employees who maintain U.S. government security clearances. In connection with ongoing oversight of these security clearances, STPNOC periodically updates a "Certificate Regarding Foreign Interests" using Standard Form 328 (SF 328), which provides for disclosures regarding potential foreign ownership, control or influence.

The SF 328 includes various questions regarding a range of potential areas of foreign influence, including debt, foreign source income, foreign directors and executive personnel, contracts and agreements with foreigners, etc. Material changes to answers to any questions in the SF 328 are reported to NRC in accordance with 10 CFR 95.17(a)(1). Submittals to U.S. government security officials include the Department of Energy's forms identifying owners, officers, directors and executive personnel (OODEPs), and their citizenship. These OODEPs are submitted and periodically updated for STPNOC, as well as Austin, CPS Energy and the NRG Energy entities in the chain of control of NRG South Texas LP. Austin, CPS Energy and NRG South Texas LP do not "own" STPNOC, but they are treated like owners in connection with the government's security reviews, because they have the right to appoint the STPNOC Participant Directors. Notably, neither NINA 3 nor NINA 4 has any rights regarding the appointment of the directors of STPNOC. If NINA 3 and/or NINA 4 acquired rights regarding appointment of directors, any such rights would be subject to NRC notice and review requirements, e.g., RIS 2000-01.

The owner licensees for STP 3&4 (CPS Energy, NINA 3, and NINA 4) have certain rights and decision making authority regarding financial and other matters pursuant to

the terms of the Amended and Restated Participation Agreement effective November 17, 1997 (the "Participation Agreement"). However, the pending application specifies that STPNOC is to be the licensee responsible for operation pursuant to the STP 3&4 licenses. As such, throughout the operation of STP 3&4, STPNOC will have sole responsibility with respect to matters involving nuclear safety, quality, security or reliability, including compliance with all NRC nuclear safety and security requirements (STPNOC's "Sole Authority"). This includes denying unauthorized persons access to security information and assuring compliance with U.S. government requirements governing access to restricted data.

Notably, Section 3.2(2) of the Standard Review Plan on Foreign Ownership, Control and Domination specifically provides that further consideration is to be given to "whether the applicant is seeking authority to operate the reactor." STPNOC is the entity to be licensed as the operator, and its role as a U.S. controlled entity that will be responsible for nuclear safety and security throughout the operating life of STP 3&4 should be given great weight in evaluating FOCD issues.

Based upon the above information, there is no reason to believe that ~~NINA Texas 3 LLC or NINA Texas 4 LLC~~ the licensees for STP 3 & 4 are or will be owned, controlled, or dominated by any alien, foreign corporation, or foreign government. In addition, NINA will establish a nuclear advisory committee as follows:

Nuclear Advisory Committee

As a further enhancement to the FOCD negation action plan, NINA will establish a nuclear advisory committee (NAC) in order to provide independent oversight throughout the design, construction and operation of STP 3&4, with respect to any matter relating to nuclear safety, quality, security or reliability. The NAC will provide transparency to the NRC and other U.S. Governmental Authorities regarding any potential for foreign control or domination of STPNOC with respect to its Sole Authority. The NAC will be governed by a charter and organized as follows:

- The NAC will be composed of not less than three independent individuals who are U.S. citizens, but who are not officers, directors or employees of STPNOC, NINA, or any of the STP Owners or their affiliates.
- At least annually, the members of the committee shall prepare a report and supporting documentation to be delivered to the Management Committee of NINA, with a copy provided to the Chief Executive Officer of STPNOC. Such report shall assess: (i) whether or not NINA and/or its subsidiaries are subject to foreign control or domination with respect to their role as owners of STP 3&4; and (ii) whether or not STPNOC exercises its Sole Authority free from foreign control or domination. In addition, such report shall provide advice as to whether additional measures should be taken to assure compliance with U.S. laws and regulations regarding foreign control or domination of STPNOC with respect to its Sole Authority.
- The NAC shall have requisite authority and freedom of access to perform its duties and exercise its responsibility, including both support from NINA and STPNOC and access to physical facilities and personnel, as reasonably requested by the NAC.

As such, the NAC will provide additional assurance that any potential for FOCD will be negated by performing an ongoing, independent oversight function.

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.

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

Nuclear Innovation North America LLC
521 Fifth Avenue, 30th Floor
New York, NY 10175

| Contact Name | Position / Title | Citizenship |
|---|--|---------------|
| Officers | | |
| Steve -Winn, <u>Steve</u> | President and CEO | United States |
| John -Bates, <u>John</u> | Chief Operating Officer | United States |
| Bruce -Chung, <u>Bruce</u> | Chief Financial Officer | United States |
| Jamey -Seely, <u>Jamey</u> | General Counsel and Secretary | United States |
| David -Galvin, <u>David</u> | Sr. Vice President, Finance & Strategy | United States |
| Directors | | |
| David -Crane, <u>David</u> | Manager | United States |
| Drew -Murphy, <u>Drew</u> | Alternate Manager | United States |
| Yasuharu Igarashi, <u>Yasuharu</u> | Manager | Japan |
| Hiroshi Sakamoto, <u>Hiroshi</u> | Alternate Manager | Japan |

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 |
|--|--|--------------------------|
| Officers | | |
| David Crane, <u>David</u> | President and CEO | United States |
| Robert Flexon <u>Schade,</u> <u>Christian S.</u> | EVP <u>Executive Vice President</u> and Chief Financial Officer | United States |
| Kevin Howell | Executive Vice President and President, Texas Region | United States |
| Michael Liebelson | Executive Vice President, Renewables | United States |
| Jonathan Baliff, <u>Jonathan</u> | Executive Vice President, Strategy | United States |
| Drew Murphy, <u>J. Andrew</u> | Executive Vice President and President, Northeast Region | United States |
| John Ragan, <u>John</u> | Executive Vice President and Chief Operations Officer <u>President, Texas Region</u> | United States |
| Jeff Baudier, <u>Jeff</u> | Senior Vice President and President, South Central Region | United States |
| Steve Hoffmann, <u>Steve</u> | Senior Vice President and President, West Region | United States |
| Jim Ingoldsby, <u>Jim</u> | <u>Senior</u> Vice President and Chief Accounting Officer | United States |
| Denise Wilson, <u>Denise</u> | Executive Vice President and Chief Administrative Officer | United States |
| Michael Bramnick, <u>Michael</u> | Senior Vice President and General Counsel | United States |
| Mauricio Gutierrez, <u>Mauricio</u> | Executive Vice President <u>and Chief Operating Officer,</u> Commerical Operations | Mexico |
| Directors | | |
| Kirbyjon H. Caldwell, <u>Kirbyjon</u> <u>H.</u> | Director | United States |
| John Chlebowski, <u>John</u> | Director | United States |
| Lawrence Coben, <u>Lawrence</u> | Director | United States |
| Howard Cosgrove, <u>Howard</u> | Chairman and Director | United States |
| David Crane, <u>David</u> | Director, President and CEO | United States |
| Stephen Cropper, <u>Stephen</u> | Director | United States |
| William Hantke, <u>William</u> | Director | United States |
| Paul Hobby, <u>Paul</u> | Director | United States |
| <u>Luterman, Gerald</u> | <u>Director</u> | <u>United States</u> |
| Kathleen McGinty, <u>Kathleen</u> | Director | United States |
| Anne Schaumburg, <u>Anne</u> | Director | United States |
| Herbert Tate, <u>Herbert</u> | Director | United States |
| Thomas Weidemeyer, <u>Thomas</u> | Director | United States |
| Walter Young, <u>Walter</u> | Director | United States |

Table 1.2-3 Directors and Officers 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
 521 Fifth Avenue, 30th Floor
 New York, NY 10175

| Name | Position | Citizenship |
|---------------------------|--------------------------------------|------------------------------------|
| Winn, Steve | President <u>and CEO</u> | US <u>United States</u> |
| <u>Bates, John</u> | <u>Chief Operating Officer</u> | <u>United States</u> |
| <u>Chung, Bruce</u> | <u>Chief Financial Officer</u> | <u>United States</u> |
| <u>Seely, Jamey</u> | <u>General Counsel and Secretary</u> | <u>United States</u> |
| Galvin, <u>David</u> | VP | US <u>United States</u> |
| <u>Przychodzki, Lynne</u> | <u>Assistant Secretary</u> | <u>United States</u> |

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 |
|--|---|--------------------|
| Bartley, Stephen L. | Interim General Manager | US |
| Geis, Aurora <u>Foster, Charles E.</u> | Chair, Board of Trustees | US |
| <u>Howard, Derrick</u> | <u>Vice Chair, Trustee</u> | <u>US</u> |
| Hennigan, Stephen S. | Trustee | US |
| Guevera, Homer | Trustee | US |
| Castro, Julian | Mayor; ex-officio Trustee | US |
| <u>Beneby, Doyle</u> | <u>President and CEO</u> | <u>US</u> |
| Moore, John | Exec VP | US |
| Shellman, Carolyn E. | Exec VP; Gen Counsel | US |
| Howard, Derick <u>Gold-Williams, Paula Y.</u> | Trustee <u>Exec VP; CFO</u> | US |
| Kotara, Michael K. <u>LeBlanc-Burley, Jelynne</u> | Exec VP | US |
| Eugster, Cris | Exec VP | US |
| <u>Peña, Richard</u> | <u>Senior VP</u> | <u>US</u> |
| Lee, Milton B. <u>Kotara, Michael</u> | General Manager and CEO <u>Senior VP</u> | US |
| <u>Saenz, John</u> | <u>Senior VP</u> | <u>US</u> |

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

| STP Nuclear Operating Company | | | | |
|---|--|-------------|---|--|
| Name | Position | Citizenship | Address | |
| Mele, Cheryl | Director | US | 721 Barton Springs Road Austin, TX 78704 | |
| Grane, David Ragan, John | Director | US | 211 Carnegie Center <u>1301 McKinney, Suite 2300</u> Princeton, NJ 08540 <u>Houston, TX 77010</u> | |
| Nesrsta, Jim, Jr. Peña, Richard | Director | US | 145 Navarro San Antonio, TX 78205 | |
| Halpin, Ed | Chief Nuclear Officer <u>President</u> <u>& CEO, Chairman of the Board</u> | US | PO Box 289 Wadsworth, TX 77483 | |
| Crenshaw, John | VP Engineering & Construction, Units 3 & 4 | US | PO Box 289 Wadsworth, TX 77483 | |
| McBurnett, Mark | VP Oversight / Regulatory Affairs, Units 3 & 4 | US | PO Box 289 Wadsworth, TX 77483 | |
| Meier, Mike | VP Shared Services | US | PO Box 289 Wadsworth, TX 77483 | |
| Powell, Tim | VP Engineering | US | PO Box 289 Wadsworth, TX 77483 | |
| Rencurrel, Dave | Site-VP <u>Senior VP Units 1 & 2</u> | US | PO Box 289 Wadsworth, TX 77483 | |
| Richards, Kevin | Group VP, Units 3 & 4 | US | PO Box 289 Wadsworth, TX 77483 | |
| Weed, Jon <u>Nemeth, Peter</u> | Board Secretary | US | 112 E. Pecan Street, <u>1401 McKinney Street</u> Suite 4800 <u>1700</u> San Antonio, TX 78205 <u>Houston, TX 77010</u> | |

Table 1.2-6 Trade and News Publications

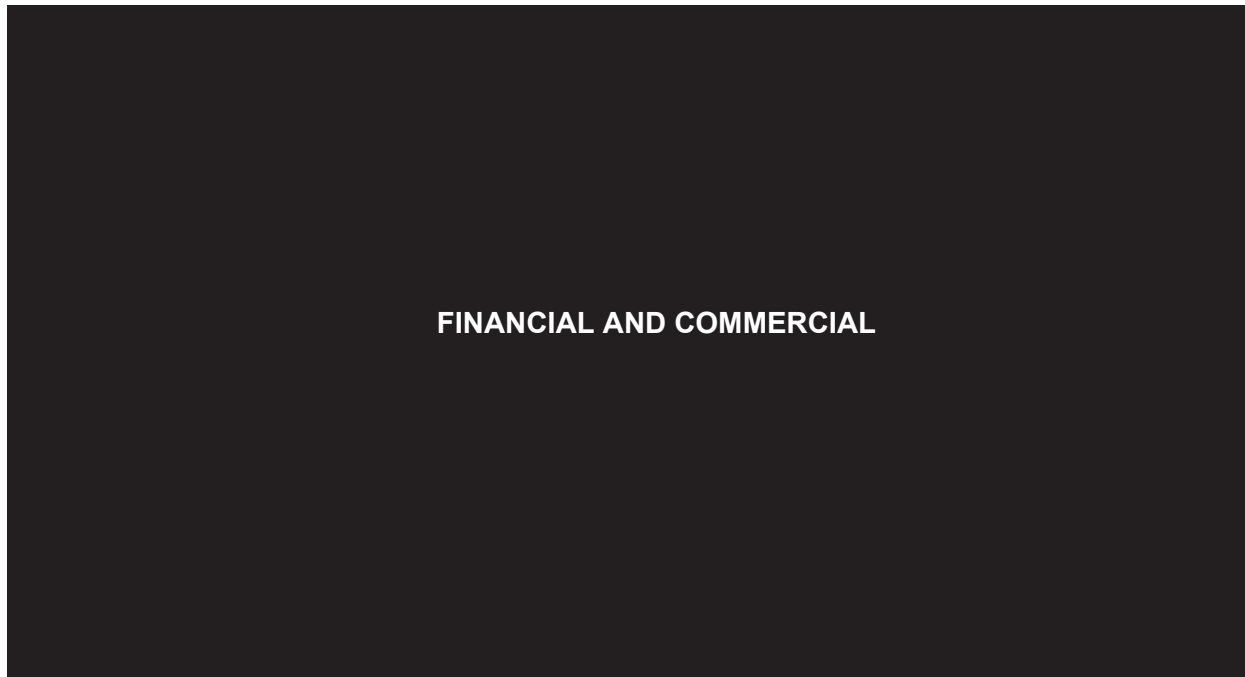
| Organization | Contact | Phone | Fax | E-mail |
|-----------------------------|--|--|------------------------------|--|
| Bay City Tribune | Mike Reddell | 979-245-5555 | 979-244-5908 | news@baycitytribune.com mike.reddell@baycitytribune.com |
| Victoria Advocate | Thomas Doyle Allison Miles | 361-574-1271 361-580-6511 | 361-574-1220 | tdoyle@vicad.com amiles@vicad.com |
| Matagorda Advocate | Judy Triplett Adriana Acosta Sharon Howerton Sandra Hudgeons | 979-244-1330 | 979-244-1708 | jtriplett@vicad.com aacosta@vicad.com showerton@vicad.com shudgeons@vicad.com |
| Brazosport Facts | Elliott Blackburn Nathaniel Lukefahr | 979-265-7444 979-237-0151 | 979-265-7885 | elliott.blackburnnathaniel.lukefahr@hefacts.com news@thefacts.com |
| El Campo Leader-News | Chris Barbee | 979-543-3363 | 979-543-0097 | cbarbee@leader-news.com |
| Palacios Beacon | Nick West Leita Hooper Bert West | 361-972-3009 | 361-972-2610 | editor@palaciosbeacon.com palaciosbeacon@gmail.com nickwest@wcn.net 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 | Tom Whitehurst Fanny S. Chirinos | 361-884-2044 361-886-3759 | 361-886-3732 | whitehurstt@caller.com chirinosf@caller.com |
| San Antonio Express News | City Desk Veronica Flores Craig Thomason | 210-250-3000 210-250-3244 3174 | 210-250-3105 210-250-3232 | citydesk@express-news.net vflores@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 | 713-688-8811 ext. 133 713-395-9634 | 713-968-8025 713-963-0482 | bschadewald@bizjournals.com |
| Wall St. Journal | Thaddeus Herrick Angel Gonzalez | 713-547-9211 713-547-9214 | 713-547-9228 | thaddeus.herrick@wsj.com 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 | editors@worldnuclear.org 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 Jolinda Capello Michelle Gaylord | 630-858-6161 | 630-858-8787 | jolinda@goinfo.com newal@goinfo.com michelle@goinfo.com |

Table 1.2-6 Trade and News Publications (Continued)

| Organization | Contact | Phone | Fax | E-mail |
|-----------------------------------|--|---|--|--|
| Nuclear Engineering International | David Flin Will Dalrymple | +44-20-8269-7773 2 | +44-20-8269-7804 | dflin@wilmington.co.uk wdal@neimagazine.com |
| NEI | Scott Peterson Steve Kerekes Thelma Wiggins | 202-739-8044 202-739-8073 202-739-8046 | 202-785-4113 | jsp@nei.org sck@nei.org tlw@nei.org |
| Power Engineering | Douglas J. Smith David Wagman | 918-831-9854 918-831-9866 | | douglas@pennwell.com pe-editor@pennwell.com |
| KIOX/KXGJ 96.9 FM | Tim Michaels R. Zillarreal | 979-245-4642 713-315-3400 | 979-245-6463 | tmichael@x97.com 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 | Debra Fraser Robert Stevenson | 713-743-0887 | 713-743-1818 | Dfraser@kuhf.org rbstevenson@kuhf.org |
| KZRC 92.5 FM | Ernie Cunnar | 979-323-7771 | 708-671-1202 | KZRC@KZRC.com |
| KAVU TV (Victoria Ch. 25) | Don Bradley | 512-575-2500 361-575-2500 | 512-575-2255 361-575-2255 | |
| KHOU TV (CBS 11) | Bill Bishop | 713-521-4388 | 713-521-4381 | news@khou.com |
| KNWS TV 51 | | 713-974-6397 5151 | 713-975-6397 4-5188 | |
| 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) | Phil Grant Dave Strickland | 713-663-4505 713-663-4501 | 713-663-4595 713-663-4648 | phil.grant@abc.com dave.strickland@abc.com |
| Northland Cable TV for PSAs | Dan Baylies Betty Jiminez Kelly Hermenitt | 979-543-6858 245-5544 | 979-245-8256 543-9501 | |

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

[s5]



FINANCIAL AND COMMERCIAL

[e5]

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

[s5]

FINANCIAL AND COMMERCIAL

[e5]

Reasonable Assurance of Obtaining Funds

GPS Energy is one of the largest public power and gas utilities in the Country. In its most recent bond offering, GPS Energy received “investment grade” ratings for its bonds and commercial paper from Fitch Ratings (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”), and Standard and Poor’s Ratings Service (“S&P”), including ratings from these agencies for its senior lien bonds of “AA+”, “Aa1”, and “AA”, respectively. The ratings are based on a history of sound management practices, strategic vision, competitive position, financial performance, and fuels diversification among other factors. GPS Energy has long enjoyed one of the highest credit ratings among its peer group.

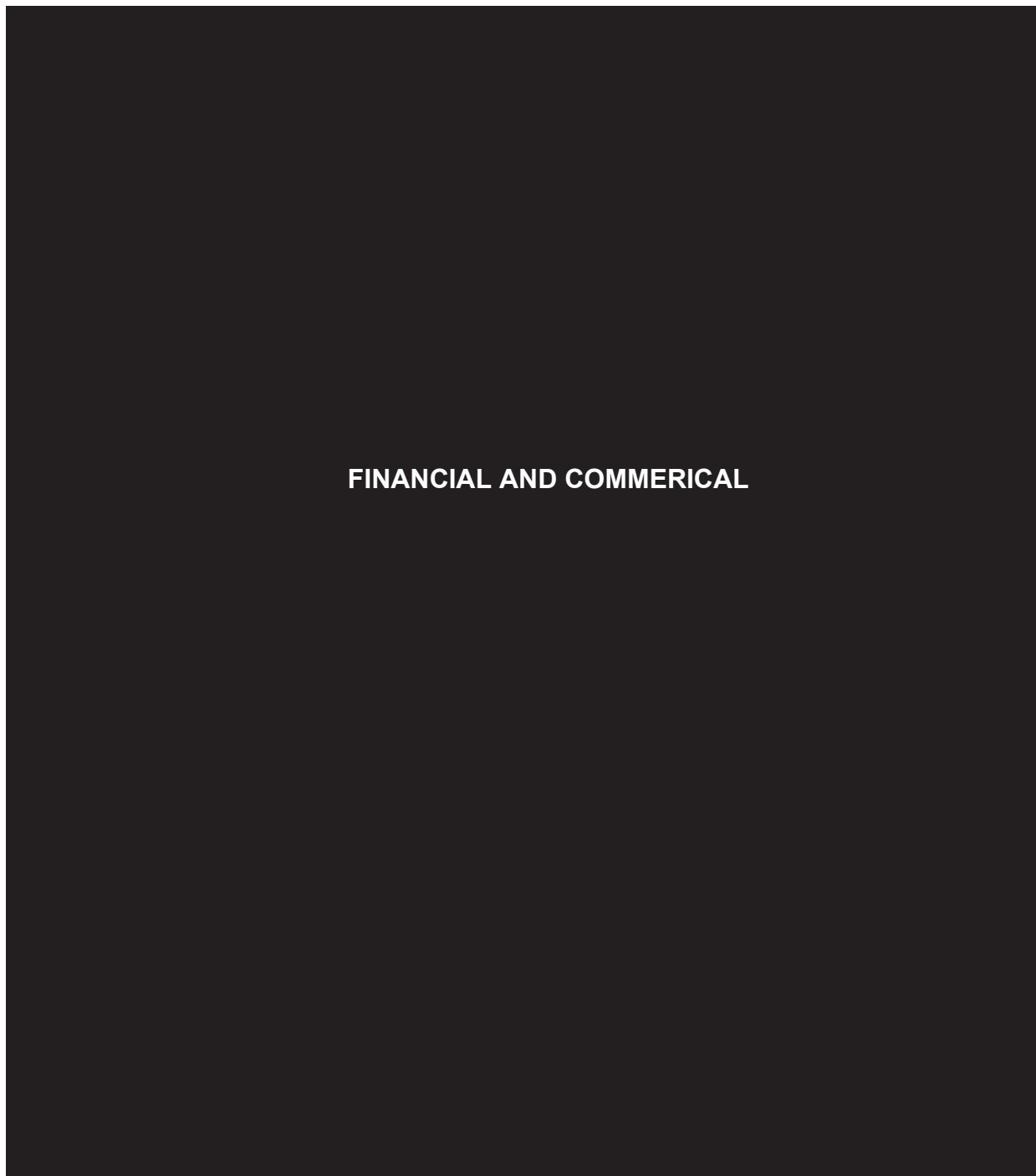
This assessment of the financial health of GPS Energy gives assurance that investors will have sufficient appetite for additional GPS Energy debt. In addition, GPS Energy will diversify the type of debt issued (e.g. fixed vs. variable vs. synthetic; tax exempt vs. taxable), maturity ranges, and structuring features (e.g. callable vs. noncallable debt; insured vs. uninsured) to attract the widest investor base possible. GPS Energy is currently seeking financing from the Federal Financing Bank as an alternative to its customary participation in the tax exempt market.

Bond Ordinances require GPS Energy to at all times maintain rates and charges which will produce income and revenues sufficient to pay, first and foremost, all maintenance and operating expenses, inclusive of fuel. Rates are therefore established at levels sufficient to cover any and all fuel costs. Market price fluctuations in fuel costs over base rate coverage are recovered monthly by means of a fuel adjustment factor applied to customer bills.

GPS Energy has never defaulted on any provision of its governing ordinances, due primarily to sound financial planning and conservative operating practices. Comprehensive programs for planning and construction to meet current and future electric and gas systems needs are continually being reviewed and updated, and are aligned with a strategic plan. GPS Energy utilizes computer based mathematical models for its forecasting processes. Forecasts are supported by a 35 year electric resource plan and a 25 year electric transmission facilities plan, and these are integrated in the long term financial plan.

GPS Energy expects to see continued growth in its customer base for the electric and gas systems due to projected population growth in the San Antonio area. GPS Energy has continued to expand its electric customer extensions, with ongoing construction growth in this area. It is anticipated that the increased native load will be sufficient to generate revenue to cover fuel and other costs. Alternatively, excess generation could be sold on the ERCOT grid, which is also experiencing load growth and demand is nearing generation reserve margins.

Table 1.3-3 ~~Table 1.3-5~~ STP Units 3 & 4 O&M Costs for the First Five Years (Proprietary)
[s5]



FINANCIAL AND COMMERICAL

[e5]

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

[s5]



FINANCIAL AND COMMERCIAL

[e5]

~~NINA intends for its portion of the Project to be significantly contracted through long-term PPAs with credit worthy counterparties prior to financial closing. NINA intends to minimize or eliminate any direct exposure to merchant power prices. NINA expects the PPAs will have terms consistent with those traditionally utilized to support power project financings. Currently, up to 800 MW are subject to non-binding MOUs with the LCRA and Dow Chemical ("Dow"). NINA, LCRA and Dow intend to convert these existing agreements into binding PPAs in 2009. NINA is commencing discussions with additional industrial and public power entities at this time for the remaining amount of uncontracted output. NINA does not believe there is significant risk in contracting the remaining output given the fundamentals of the ERCOT market. ERCOT reserve margins are declining and are anticipated to remain low for the foreseeable future. The addition of future, baseload capacity is difficult to determine at this time due to uncertainties in air permitting processes and carbon legislation impacts. More importantly, electric price volatility, due to existing significant reliance on natural gas-fired generation, is a key driver for many customers now seeking long term predictable and competitive prices. In total, NINA has preliminary agreements for offtake or is in preliminary discussions with 11 counterparties totaling approximately 3,200-4,200 MW of plant capacity.~~

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, ~~2007~~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. ~~12~~13.

**NRC MINIMUM CALCULATION (4Q~~2009~~2007)
REACTOR TYPE / BASE COST
BWR
\$135,000,000**

| ESCALATION FACTOR | Labor | Energy | | Waste (Waste Vendor) | |
|--------------------------|---|---|------------------------------------|------------------------------|--------------------------------------|
| (0.65L + 0.13E + 0.22B) | South Regional Data | <u>Power</u> | <u>Fuel</u> | Barnwell (100%) | |
| | L = 4Q 2007 2009 / 2005 | P = 4Q 2007 2009 / 1986 | F = 4Q 2007 2009 / 1986 | B = 11.198 10.206 | |
| | (406.7 1110.7 x 1.98 / 100) | 180.0 187.1 / 114.2 | 266.7 197.7 / 82 | | |
| | 406.7 1110.7 | 4.576 181.638 | 3.252 442.41098 | | |
| | | E = (0.54P + 0.46F) | | | |
| | | E = (0.54 x 1.638 4.57618) + (0.46 x 2.41098 3.25244) | | | |
| | 2.412 662.192 | 2.347 261.9938 | | 10.206 11.198 | |
| 0.65L + 0.13E + 0.22B) = | 0.65 x 2.192 2.11266 | + | 0.13 x 1.9938 2.34726 | + | 0.22 x 11.198 10.206 |
| (L + E + B) = | 4.373 231.4248 | + | 0.305 140.259194 | + | 2.245 322.46356 |
| Escalation Factor = | 3.923 69284.1474578 | | | | |
| Total Escalated Cost = | \$135,000,000 | x | 3.923 69284.1474578 | = | \$520,698,533 559.906.800 |

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 ~~\$8,000,000~~ \$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 ~~the NRG Licensees~~ 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 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 copies 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).

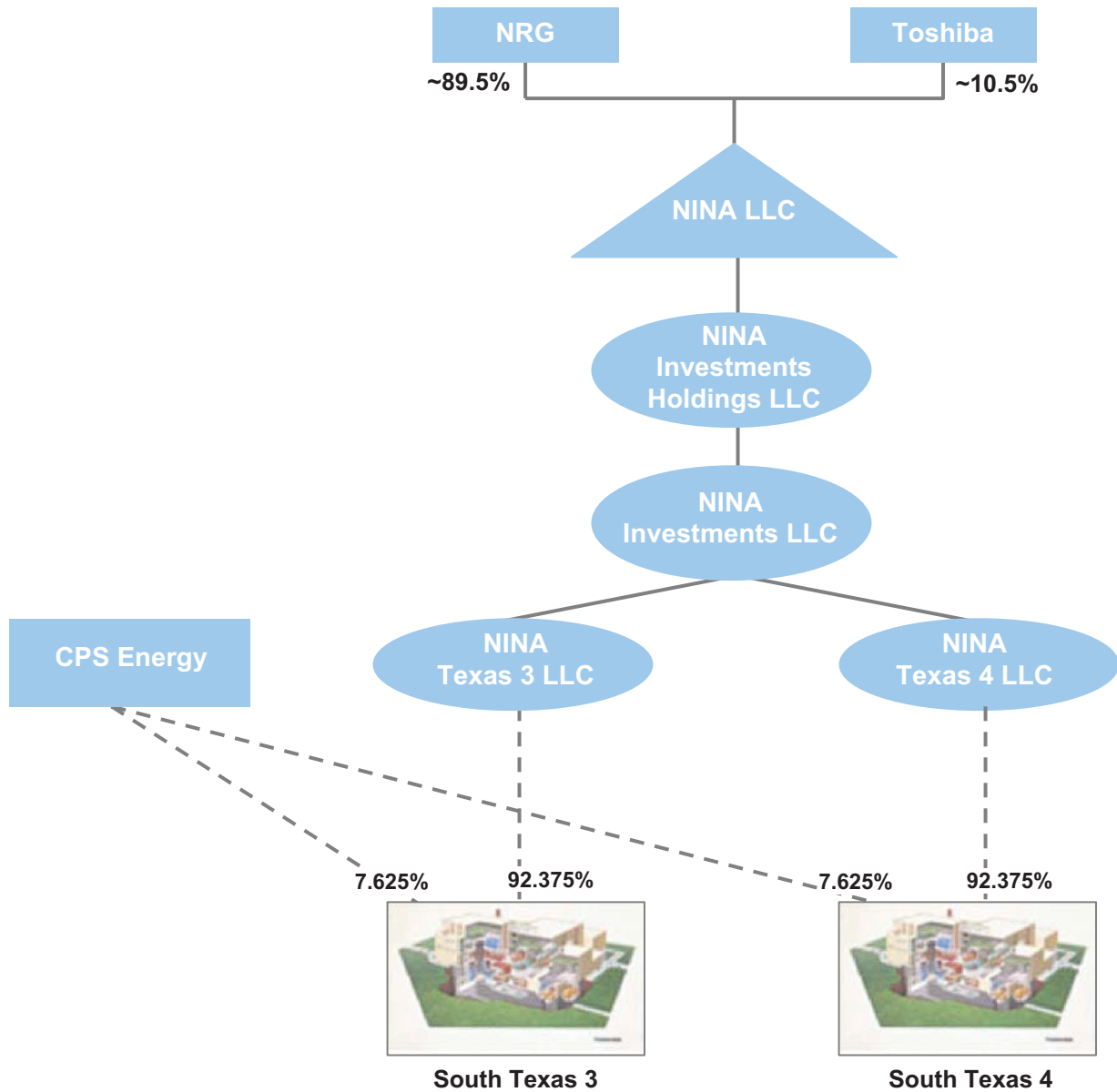


Figure 1.1-1 South Texas Units 3 and 4 Corporate Ownership Structure

