

**NUCLEAR REGULATORY COMMISSION
[NRC-2008-0252]**

In the Matter of)	
)	
Municipal Electric Authority of Georgia)	Docket Nos. 52-025 & 52-026
)	Combined License Nos. NPF-91 &
)	NPF-92
)	
(Vogtle Electric Generating Plant, Units 3 & 4))	
)	
)	

**ORDER EXTENDING THE DATE BY WHICH
THE DIRECT TRANSFER OF LICENSES IS TO BE COMPLETED**

I.

Georgia Power Company, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia (MEAG Power), the City of Dalton, Georgia, an incorporated municipality in the State of Georgia citing by and through its Board of Water, Light and Sinking Fund Commissioners (City of Dalton), and Southern Nuclear Operating Co., Inc. (SNC) (collectively, the owners) are holders of combined license (COL) Nos. NPF-91 and NPF-92. These COLs authorize SNC to construct, possess, use, and operate Vogtle Electric Generating Plant (VEGP), Units 3 and 4, and the owners to possess but not operate VEGP, Units 3 and 4. The facility, which is currently under construction, is adjacent to existing VEGP, Units 1 and 2, on a 3,169-acre coastal plain bluff on the southwest side of the Savannah River in eastern Burke County, GA. The facility is approximately 15 miles east-northeast of Waynesboro, GA, and 26 miles southeast of Augusta, GA.

II.

The U.S. Nuclear Regulatory Commission's (NRC's) order, dated April 29, 2014, approved three direct transfers of portions of MEAG Power's 22.7 percent undivided ownership

interest in VEGP, Units 3 and 4. Each of these three transfers may occur independently of, or in conjunction with, the others, as follows:

- (1) transfer of a 7.6886571 percent undivided interest in VEGP, Units 3 and 4, from MEAG Power to MEAG Power SPVM, LLC (Project M);
- (2) transfer of a 9.3466423 percent undivided interest in VEGP, Units 3 and 4, from MEAG Power to MEAG Power SPVJ, LLC (Project J); and
- (3) transfer of a 5.6647006 percent undivided interest in VEGP, Units 3 and 4, from MEAG Power to MEAG Power SPVP, LCC (Project P).

The application for the transfers was in connection with the finalization of three loans from the U.S. Federal Finance Bank (U.S. FFB) or one or more third-party lenders to be guaranteed by the U.S. Department of Energy (DOE) through its loan guarantee program for the development of advanced nuclear energy facilities. By its terms, the April 29, 2014, order stated that, "Should the transfer of the license not be completed within one year of this Order's date of issue, this Order shall become null and void, provided, however, that upon written application and for good cause shown, such date may be extended by order."

III.

By letter dated February 12, 2015, SNC on behalf of MEAG Power requested that the April 29, 2014, order be extended by 6 months, to October 29, 2015. SNC, in its February 12, 2015, letter states that:

Diligent efforts have been made to negotiate the definitive financing agreements with the DOE. Those negotiations have, for the most part, concluded. However, certain provisions in those agreements necessitated amendments to preexisting long term "cost passthrough [sic]" contracts between MEAG Power and the counterparties (offtakers) to those contracts. While those negotiations took much longer than MEAG Power anticipated when the license transfer application was submitted in December 2013, those negotiations have concluded, and amended

contracts, dated December 31, 2014, were executed by MEAG Power and each of the offtakers. In addition, on December 23, 2014, MEAG Power's board approved, in substantially final form, the definitive financing agreements among MEAG Power, the Project Companies, and DOE. All that remains at this juncture is the receipt of certain promissory notes and other financing documents from the U.S. FFB. At that point, MEAG Power will be in a position to cause judicial proceedings to be instituted in State court to validate the DOE-guaranteed loans (including the definitive agreements) and the new offtake arrangements with the project companies and to re-validate the existing arrangements (including the bond resolutions and the amended offtake arrangements with the offtakers), all of which include a validation of the enforceability of all of these arrangements in connection with the planned DOE-guaranteed loans. In addition to the validation proceedings, DOE must also conclude its internal agency review of the definitive agreements, which includes input from the U.S. Office of Management and Budget (OMB). While MEAG Power is optimistic that the judicial proceedings will result in validation of the agreements and amended bond resolutions, which is a condition of the financial closing of the DOE-guaranteed loans from the U.S. FFB, and that DOE and OMB will favorably review the definitive loan agreements, it is difficult to be certain that the final Federal review will be concluded and the required State court order will be issued in time to support a closing of the transactions by April 29, 2015.

SNC further states that there have been no changes in the information and technical and financial qualifications presented in its December 2, 2013, request to transfer the licenses. Moreover, the basis for granting that request has not changed and remains valid. The NRC staff notes that its basis for approving the transfers of MEAG Power's licenses for VEGP, Units 3 and 4, is documented in its safety evaluation supporting the April 29, 2014, order. Based on the foregoing representations of SNC, the NRC staff concludes that the basis for approval has not changed since the issuance of the April 29, 2014, order.

The NRC staff has considered the submittal of February 12, 2015, and has determined that good cause has been shown to extend by 6 months, until October 29, 2015, the date by which the license transfers must be completed.

IV.

Accordingly, under Sections 161b, 161i, and 184 of the Act, 42 U.S.C. Sections 2201(b), 2201(i), and 2234; and under Title 10, "Energy," of the *Code of Federal Regulations* Part 50.80,

“Transfers of Licenses—Creditors’ Rights--Surrender of Licenses,” IT IS HEREBY ORDERED that the order granting the direct license transfer, “Order Approving Transfer of License and Conforming Amendment,” dated April 29, 2014, be extended by 6 months, to October 29, 2015. If the proposed direct transfer of licenses is not completed by October 29, 2015, this order and the April 29, 2014, order shall become null and void. However, upon written application and for good cause shown, the October 29, 2015, date may be extended by further order.

This order is effective upon issuance. The order of April 29, 2014, as modified by this order, remains in full force and effect.

For further details with respect to this order, see the submittal dated February 12, 2015, which is available for public inspection at the Commission’s Public Document Room (PDR), at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland and accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland this 27th day of March 2015.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Glenn M. Tracy, Director
Office of New Reactors