



OFFICIAL USE ONLY – PROPRIETARY INFORMATION

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

May 6, 2016

Mr. Ken J. Peters
Senior Vice President and
Chief Nuclear Officer
Attention: Regulatory Affairs
Luminant Generation Company LLC
P.O. Box 1002
Glen Rose, TX 76043

**SUBJECT: COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2 AND
INDEPENDENT SPENT FUEL STORAGE INSTALLATION - ORDER
APPROVING TRANSFER OF LICENSES AND CONFORMING AMENDMENTS
(CAC NOS. MF7075 AND MF7076)**

Dear Mr. Peters:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of the application dated November 12, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15320A093), as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016 (ADAMS Accession Nos. ML15345A048, ML16076A162, ML16091A121, ML16099A291, and ML16112A396, respectively). The application requests approval of the transfer of Facility Operating License (FOL) Nos. NPF-87 and NPF-89 for Comanche Peak Nuclear Power Plant, Unit Nos. 1 and 2, and the general license for the independent spent fuel storage installation facility from the current holder, Luminant Power, to as-yet unnamed companies, herein identified as Comanche Peak LLC, as owner, and Operating Company LLC, as operator. The transfer of the licenses includes elements of both a direct and indirect transfer.

Portions of the letters dated November 12 and December 9, 2015, and March 14, 2016, contain proprietary information; accordingly, those portions are withheld from public disclosure pursuant to Section 2.390, "Public inspections, exemptions, requests for withholding," of Title 10 of the *Code of Federal Regulations* (10 CFR).

The enclosed order approves the proposed direct transfer of ownership and the indirect transfer of control of the licenses pursuant to 10 CFR 50.80, "Transfer of licenses," and 50.90, "Application for amendment of license, construction permit, or early site permit," and subject to the conditions described therein. The order also approves the enclosed draft conforming license amendments for FOL Nos. NPF-87 and NPF-89, to reflect the proposed transfer, which

Enclosure 3 to this letter contains Proprietary Information. Upon separation from Enclosure 3, this letter is DECONTROLLED.

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will be revised only to reflect the final company names yet to be decided, and will be issued and made effective at the time the transfer is completed.

A copy of the order approving the proposed transfer pursuant to 10 CFR 50.80 subject to the conditions described therein, is provided in Enclosure 1. The conforming license amendments pursuant to 10 CFR 50.90 are provided in Enclosure 2. The NRC staff has determined that the related safety evaluation (SE) contains proprietary information pursuant to 10 CFR 2.390. The proprietary version of the SE is provided in Enclosure 3. Accordingly, the NRC staff has also prepared a non-proprietary version of the SE, which is provided in Enclosure 4.

The order has been forwarded to the Office of the Federal Register for publication.

Sincerely,



Margaret M. Watford, Project Manager
Plant Licensing Branch IV-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-445, 50-446,
and 72-74

Enclosures:

1. Order
2. Draft Conforming Amendments to
NPF-87 and NPF-89
3. Safety Evaluation (proprietary)
4. Safety Evaluation (non-proprietary)

cc w/o Enclosure 3: Listserv

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ENCLOSURE 1

ORDER APPROVING DIRECT AND INDIRECT TRANSFER OF
LICENSES AND CONFORMING AMENDMENTS FOR
COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 1 AND 2,
RESULTING FROM TRANSFER OF OWNERSHIP INTERESTS FROM
LUMINANT GENERATION COMPANY LLC TO
OPERATING COMPANY LLC AND COMANCHE PEAK LLC

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Luminant Generation Company LLC)	Docket Nos. 50-445 and 50-446
)	
Comanche Peak Nuclear Power Plant, Unit Nos. 1 and 2)	License Nos. NPF-87 and NPF-89
)	
)	

ORDER APPROVING TRANSFER OF LICENSES AND APPROVING
CONFORMING AMENDMENTS

I.

Luminant Generation Company LLC (Luminant Power, the licensee) is the holder of the Facility Operating License (FOL) Nos. NPF-87 and NPF-89 of the Comanche Peak Nuclear Power Plant, Unit Nos. 1 and 2 (CPNPP), and the holder of the general license for the independent spent fuel storage installation (ISFSI) facility. CPNPP is located in Somervell County, Texas.

II.

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.80, "Transfer of licenses," Luminant Generation Company LLC (Luminant Power) requested that the U.S. Nuclear Regulatory Commission (NRC) consent to the transfer of the FOL Nos. NPF-87 and NPF-89 for CPNPP, and the general license for the ISFSI facility (Docket No. 72-74) from the current holder, Luminant Power, to as-yet unnamed companies, herein identified as Comanche Peak LLC (CP LLC), as owner, and Operating Company LLC (OpCo LLC), as operator (together these entities are referred to as "the licensees"). Luminant Power submitted the

request by application dated November 12, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15320A093), as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016 (ADAMS Accession Nos. ML15345A048, ML16076A162, ML16091A121, ML16099A291, and ML16112A396, respectively).

Luminant Power is acting on behalf of itself and the future to-be-formed companies. These future to-be-formed companies include the ultimate parent of CP LLC and OpCo LLC, Reorganized Texas Competitive Electric Holdings Corporation (Reorganized TCEH), and the intermediate parents, Intermediate Holding Company LLC, Asset Company LLC, and Preferred Stock Company Corporation (together with Luminant Power these entities are referred to as the "Applicants"). Entity names in the licensee's application and supplements are placeholders.

On April 29, 2014, Luminant Power notified the NRC of its filing of a bankruptcy (ADAMS Accession No. ML14120A212). Luminant Power is owned by Energy Future Competitive Holdings Company LLC (EFCH), through its wholly owned subsidiaries. The EFCH is a direct wholly owned subsidiary of Energy Future Holdings Corporation (EFH). The current and intended ownership structure of the facility is depicted in the simplified organizational charts provided in Exhibits A and B of Enclosure 1 in the submittal dated November 12, 2015. As a result of the proposed transactions and consistent with Exhibit B, EFH and EFCH will no longer ultimately own CPNPP. The licenses will be transferred from Luminant Power to CP LLC, responsible for ownership of the facility, and OpCo LLC, responsible for the operation and maintenance of CPNPP. At the emergence from bankruptcy, Reorganized TCEH, the ultimate parent company of CP LLC, will be owned by a numerous and diverse set of independent and unaffiliated stockholders. No single entity is expected to own a majority of, or exercise control over Reorganized TCEH or its Board of Directors. Current Luminant Power nuclear management and technical personnel will be employed by OpCo LLC. Accordingly, there will

be no change in management or technical qualification, and OpCo LLC will continue to be technically qualified to operate the facility. No physical changes to the CPNPP and ISFSI facility or operational changes are proposed in the application.

The transfer of the licenses includes elements of both a direct and indirect transfer. The transfer of ownership is a direct transfer because ownership is changing from one entity to another new and different entity. Ownership is being transferred from Luminant Power to a new company, CP LLC. The transfer of operations is an indirect transfer because the operator is not changing; it is being absorbed into another entity (OpCo LLC), and the operator's parent companies are changing. Luminant Power's parent companies are currently Luminant Holding Company LLC and its parent, Texas Competitive Electric Holdings Company LLC. These companies will cease to exist and in their place, new companies – Intermediate Holding Company LLC and its parent, Reorganized TCEH – will be created. The operator will change to the extent that its name will change from Luminant Power to OpCo LLC; however, the management and technical personnel of the facility will not change. The change of the parent company of a licensed entity is considered an indirect transfer of control of the operating licenses.

Approval of the transfer of the facility operating licenses and conforming license amendments was requested by the Applicants pursuant to 10 CFR 50.80 and 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit." A notice entitled, "Comanche Peak Nuclear Power Plant, Units 1 and 2, and Independent Spent Fuel Storage Installation; Consideration of Approval of Transfer of Licenses and Conforming Amendments," was published in the *Federal Register* on February 8, 2016 (81 FR 6545). The NRC received no comments or hearing requests.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the NRC shall give its consent in

writing. Upon review of the information in the licensee's application, and other information before the Commission, the NRC staff has determined that the Applicants are qualified to hold the licenses to the extent proposed to permit the transfer of Luminant Power as possessor, owner, and operator. It also concludes that the transfer of the licenses are otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities will operate in conformity with the application, the provisions of the Act and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by a safety evaluation dated May 6, 2016 (ADAMS Accession No. ML16096A266).

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC § 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS

HEREBY ORDERED that the application regarding the direct transfer of ownership and the indirect transfer of control of the licenses is approved, subject to the following conditions:

1. The licensees must notify the NRC of the names of the directors and principal officers of Reorganized TCEH and any other changes to these positions that occur before emergence from bankruptcy as soon as they have been identified, but no later than 7 days before implementation of the transfer. Additional changes to these positions may occur post-emergence. The Applicants will notify the NRC no later than 120 days after the transfer of any changes in these personnel made during the first 90 days following emergence from bankruptcy.
2. Following the subject transfer of control of the licenses, all of the directors of CP LLC and OpCo LLC who can vote on activities governed by the CPNPP licenses and all of the officers of CP LLC and OpCo LLC with direct responsibility for activities governed by the CPNPP licenses shall (1) be U.S. citizens and not appointed by a foreign entity and (2) have exclusive authority to ensure and shall ensure that the business and activities of OpCo LLC and CP LLC with respect to the CPNPP licenses is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States.
3. The Reorganized TCEH Board of Directors shall adopt resolutions that any non-U.S. citizens or foreign-appointed U.S. citizens serving as either directors or executive officers of Reorganized TCEH, the ultimate parent,

and intermediate parents of CP LLC and OpCo LLC shall not seek access to any classified information or to special nuclear material in the custody of the CPNPP licensees and shall not participate in or seek to influence operational decisions by the licensees regarding nuclear safety or security matters.

4. CP LLC and OpCo LLC shall provide satisfactory documentary evidence to the Director of the Office of Nuclear Reactor Regulation that, as of the date of the license transfer, the licensees reflected in the amended licenses have obtained the appropriate amount of insurance required of a licensee under 10 CFR Part 140 and 10 CFR 50.54(w).

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed transfer action, Luminant Power shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt within 5 business days, and of the date of the closing of the direct transfer no later than 7 business days before the date of the closing. Should the proposed transfer not be completed within 1 year from the date of this order, this order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order. The conditions of this order may be amended upon application by the licensee and approval by the Director of the Office of Nuclear Reactor Regulation.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), license amendments that make changes, as indicated in Enclosure 2 to the cover letter forwarding this order, to conform the licenses to reflect the subject transfer are approved. The amendments will


be revised only to reflect the final company names (yet to be decided), and shall be issued and made effective at the time the proposed license transfer is completed.

This order is effective upon issuance.

For further details with respect to this order, see the initial application dated November 12, 2015, as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016, and the safety evaluation dated the same date as this order, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <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, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 6th day of May 2016.

FOR THE NUCLEAR REGULATORY COMMISSION



Michele G. Evans, Acting Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 2

DRAFT CONFORMING AMENDMENTS FOR
COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 1 AND 2
FACILITY OPERATING LICENSE NOS. NPF-87 AND NPF-89



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

LUMINANT GENERATION COMPANY LLC
COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NO. 1
DOCKET NO. 50-445
AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-87

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Luminant Generation Company LLC dated November 12, 2015, as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended as indicated in the attachment to this license amendment.
3. The license amendment is effective as of its date of issuance and shall be implemented within 7 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

William M. Dean, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating
License No. NPF-87

Date of Issuance:



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

LUMINANT GENERATION COMPANY LLC

COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NO. 2

DOCKET NO. 50-446

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-89

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Luminant Generation Company LLC dated November 12, 2015, as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of its date of issuance and shall be implemented within 7 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

William M. Dean, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating
License No. NPF-89

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

TO FACILITY OPERATING LICENSE NO. NPF-87

AND AMENDMENT NO. _____

TO FACILITY OPERATING LICENSE NO. NPF-89

DOCKET NOS. 50-445 AND 50-446

Replace the following pages of the Facility Operating License Nos. NPF-87 and NPF-89 and Appendix B, Environmental Protection Plan, with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Facility Operating License No. NPF-87

REMOVE

INSERT

1 through 9

1 through 9

Facility Operating License No. NPF-89

REMOVE

INSERT

1 through 8

1 through 8

Appendix B, Environmental Protection Plan

REMOVE

INSERT

Cover page

Cover page



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

COMANCHE PEAK LLC AND OPERATING COMPANY LLC

DOCKET NO. 50-445

COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-87

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for a license filed by Operating Company LLC ("OpCo LLC"), acting on its own behalf and for Comanche Peak LLC ("CP LLC"), hereinafter individually (licensee) as appropriate, or together (licensees), complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Comanche Peak Nuclear Power Plant, Unit No. 1 (the facility), has been substantially completed in conformity with Construction Permit No. CPPR-126 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I, except as exempted from compliance in Section 2.D below;

- E. OpCo LLC is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. CP LLC has satisfied the applicable provisions of 10 CFR 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-87 subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, except that an exemption to the provisions of 70.24 is granted as described in paragraph 2.D below.
2. Based on the foregoing findings regarding this facility, Facility Operating License No. NPF-87 is hereby issued to the licensee, to read as follows:
- A. This license applies to the Comanche Peak Nuclear Power Plant, Unit No. 1, a pressurized-water nuclear reactor and associated equipment (the facility), owned by the licensee. The facility is located on Squaw Creek Reservoir in Somervell County, Texas about 5 miles north-northwest of Glen Rose, Texas, and about 40 miles southwest of Fort Worth in north-central Texas and is described in the licensee's Final Safety Analysis Report, as supplemented and amended, and the licensee's Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Pursuant to Section 103 of the Act and 10 CFR Part 50, "Domestic Licensing and Production and Utilization Facilities," OpCo LLC to possess, use, and operate the facility at the designated location in Somervell County, Texas in accordance with the procedures and limitations set forth in this license;
 - (2) CP LLC, pursuant to 10 CFR Part 50, to possess the facility at the designated location in Somervell County, Texas in accordance with the procedures and limitations set forth in this license;

- (3) OpCo LLC, pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, and described in the Final Safety Analysis Report, as supplemented and amended;
- (4) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use, at any time, any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required, any byproduct, source, and special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

OpCo LLC is authorized to operate the facility at reactor core power levels not in excess of 3458 megawatts thermal through Cycle 13 and 3612 megawatts thermal starting with Cycle 14 in accordance with the conditions specified herein.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A as revised through Amendment No. , and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. OpCo LLC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

DELETED

(4) License Transfer

The CP LLC Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

(a) DELETED

(b) DELETED

(c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);

(d) DELETED

(e) DELETED

(5) License Transfer

CP LLC shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to CP LLC, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, CP LLC shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to CP LLC, to obtain necessary decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

DELETED

(7) License Transfer

CP LLC agrees to provide the Director, Office of Nuclear Reactor Regulation, a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from CP LLC to its proposed parent, or to any other affiliated company, facilities for the production of electric energy having a depreciated book value exceeding ten percent (10%) of such licensee's consolidated net utility plant, as recorded on CP LLC's book of accounts.

(8) Mitigation Strategy License Condition

The licensee shall develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Pre-defined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials
 - 4. Command and control
 - 5. Training of response personnel

- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications
 - 3. Minimizing fire spread
 - 4. Procedures for implementing integrated fire response strategy
 - 5. Identification of readily-available pre-staged equipment
 - 6. Training on integrated fire response strategy
 - 7. Spent fuel pool mitigation measures

- (c) Actions to minimize release to include consideration of:
 - 1. Water spray scrubbing
 - 2. Dose to onsite responders

(9) License Transfer

OpCo LLC, the parent company of CP LLC, shall enter into the \$300 million support agreement as described in the November 12, 2015 application for license transfer, with CP LLC, no later than the time the proposed license transfer occurs. CP LLC shall take no action to cause OpCo LLC, or its successors and assigns, to void, cancel, or modify the support agreement or cause it to fail to perform, or impair its performance under the support agreement, without the prior written consent of the NRC. The support agreement may not be amended or modified without 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation or his designee. An executed copy of the support agreement shall be submitted to the NRC no later than 30 days after the completion of the proposed transactions and the license transfers. CP LLC shall inform the NRC in writing anytime it draws upon the support agreement.

Following the subject transfer of control of the licenses, all of the directors of CP LLC and OpCo LLC who can vote on activities governed by the CPNPP license and all of the officers of CP LLC and OpCo LLC with direct responsibility for activities governed by the CPNPP license shall (1) be U.S. citizens and not appointed by a foreign entity and (2) have exclusive authority to ensure and shall ensure that the business and activities of OpCo LLC and CP LLC with respect to the CPNPP license is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States. This condition may be amended upon application by either licensee and approval by the Director of the Office of Nuclear Reactor Regulation.

- D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted pursuant to 10 CFR 50.12.
 - (1) The facility requires a technical exemption from the requirements of 10 CFR Part 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5 of Supplement 22 to the Safety Evaluation Report dated January 1990. The staff's environmental assessment was published on November 14, 1989 (54 FR 47430).

Therefore, pursuant to 10 CFR 50.12(a)(1), and 10 CFR 50.12(a)(2)(ii) and (iii), the Comanche Peak Nuclear Power Plant, Unit 1 is hereby granted an exemption from the cited requirement and instead, is required to perform the overall air lock leak test at pressure P_a prior to establishing containment integrity if air lock maintenance has been performed that could affect the air lock sealing capability.

- (2) The facility was previously granted an exemption from the criticality monitoring requirements of 10 CFR 70.24 (see Materials License No. SNM-1912 dated December 1, 1988 and Section 9.1.1 of Supplement 22 to the Safety Evaluation Report dated January 1990). The staff's environmental assessment was published on November 14, 1989 (54 FR 47432). The Comanche Peak Nuclear Power Plant, Unit 1 is hereby exempted from the criticality monitoring provisions of 10 CFR 70.24 as applied to fuel assemblies held under this license.
- (3) The facility requires a temporary exemption from the scheduler requirements of 10 CFR 50.33(k) and 10 CFR 50.75. The justification for this exemption is contained in Section 20.6 of Supplement 22 to the Safety Evaluation Report dated January 1990. The staff's environmental assessment was published on November 14, 1989 (54 FR 47431). Therefore, pursuant to 10 CFR 50.12(a)(1), 50.12(a)(2)(iii) and 50.12(a)(2)(v), the Comanche Peak Nuclear Power Plant, Unit 1 is hereby granted a temporary exemption from the scheduler requirements of 10 CFR 50.33(k) and 10 CFR 50.75 and is required to submit a decommissioning funding report for Comanche Peak Nuclear Power Plant, Unit 1 on or before July 26, 1990.

E. DELETED

F. In order to ensure that CP LLC will exercise the authority as the surface landowner in a timely manner and that the requirements of 10 CFR Part 100.3 (a) are satisfied, this license is subject to the additional conditions specified below: (Section 2.1.1, SER)

- (1) For that portion of the exclusion area which is within 2250 ft of any seismic Category I building or within 2800 ft of either reactor containment building, CP LLC must prohibit the exploration and/or exercise of subsurface mineral rights, and if the subsurface mineral rights owners attempt to exercise their rights within this area, CP LLC must immediately institute immediately effective condemnation proceedings to obtain the mineral rights in this area.
- (2) For the unowned subsurface mineral rights within the exclusion area not covered in item (1), CP LLC will prohibit the exploration and/or exercise of mineral rights until and unless CP LLC and the owners of the mineral rights enter into an agreement which gives CP LLC absolute authority to determine all activities – including times of arrival and locations of personnel and the authority to remove personnel and equipment – in event of emergency. If the mineral rights owners attempt to exercise their rights within this area without first entering into such an agreement, CP LLC must institute immediately effective condemnation proceedings to obtain the mineral rights in this area.

- (3) CP LLC shall promptly notify the NRC of any attempts by subsurface mineral rights owners to exercise mineral rights, including any legal proceeding initiated by mineral rights owners against CP LLC.

- G. OpCo LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report through Amendment 78 and as approved in the SER (NUREG-0797) and its supplements through SSER 24, subject to the following provision:
 - OpCo LLC may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

- H. OpCo LLC shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans, previously approved by the Commission, and all amendments made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain safeguards information protected under 10 CFR 73.21, are entitled: "Comanche Peak Steam Electric Station Physical Security Plan" with revisions submitted through May 15, 2006, with limited approvals as provided for in the Safety Evaluation by the Office of Nuclear Reactor Regulation dated December 5, 2000; "Comanche Peak Steam Electric Station Security Training and Qualification Plan" with revisions submitted through May 15, 2006; and "Comanche Peak Steam Electric Station Safeguards Contingency Plan" with revisions submitted through May 15, 2006. OpCo LLC shall fully implement and maintain in effect all provisions of the Commission-approved cyber security plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). OpCo LLC's CSP was approved by License Amendment No. 155, as supplemented by a change approved by License Amendment 163.

- I. CP LLC shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

- J. NOT USED

- K. This license is effective as of the date of issuance and shall expire at Midnight on February 8, 2030.

FOR THE NUCLEAR REGULATORY COMMISSION

original signed by:

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

1. Appendix A – Technical Specifications (NUREG-1399)
2. Appendix B – Environmental Protection Plan
3. Appendix C – Antitrust Conditions

Date of Issuance: April 17, 1990



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

COMANCHE PEAK LLC AND OPERATING COMPANY LLC

DOCKET NO. 50-446

COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NO. 2

FACILITY OPERATING LICENSE

License No. NPF-89

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for a license filed by Operating Company LLC ("OpCo LLC"), acting on its own behalf and for Comanche Peak LLC ("CP LLC"), hereinafter individually (licensee) as appropriate, or together (licensees), complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Comanche Peak Nuclear Power Plant, Unit No. 2 (the facility), has been substantially completed in conformity with Construction Permit No. CPPR-127 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I, except as exempted from compliance in Section 2.D. below;
 - E. OpCo LLC is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

- F. CP LLC has satisfied the applicable provisions of 10 CFR 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-89 subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, except that an exemption to the provisions of 70.24 is granted as described in paragraph 2.D below.
2. Pursuant to approval by the Nuclear Regulatory Commission at a meeting on April 6, 1993, the License for Fuel Loading and Low Power Testing, License No. NPF-88, issued on February 2, 1993, is superseded by Facility Operating License No. NPF-89 hereby issued to the licensee, to read as follows:
- A. This license applies to the Comanche Peak Nuclear Power Plant, Unit No. 2, a pressurized-water nuclear reactor and associated equipment (the facility), owned by the licensee. The facility is located on Squaw Creek Reservoir in Somervell County, Texas about 5 miles north-northwest of Glen Rose, Texas, and about 40 miles southwest of Fort Worth in north-central Texas and is described in the licensee's Final Safety Analysis Report, as supplemented and amended, and the licensee's Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Pursuant to Section 103 of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," OpCo LLC to possess, use, and operate the facility at the designated location in Somervell County, Texas in accordance with the procedures and limitations set forth in this license;
 - (2) CP LLC, pursuant to 10 CFR Part 50, to possess the facility at the designated location in Somervell County, Texas in accordance with the procedures and limitations set forth in this license;

- (3) OpCo LLC, pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, and described in the Final Safety Analysis Report, as supplemented and amended;
- (4) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use, at any time, any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required, any byproduct, source, and special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) OpCo LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

OpCo LLC is authorized to operate the facility at reactor core power levels not in excess of 3458 megawatts thermal through Cycle 11 and 3612 megawatts thermal starting with Cycle 12 in accordance with the conditions specified herein.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A as revised through Amendment No. _____ and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. OpCo LLC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

DELETED

(4) License Transfer

The CP LLC Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

- (a) DELETED
- (b) DELETED
- (c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);
- (d) DELETED
- (e) DELETED

(5) License Transfer

CP LLC shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to CP LLC, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, CP LLC shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to CP LLC, to obtain necessary decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

DELETED

(7) License Transfer

CP LLC agrees to provide the Director, Office of Nuclear Reactor Regulation, a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from CP LLC to its proposed parent, or to any other affiliated company, facilities for the production of electric energy having a depreciated book value exceeding ten percent (10%) of such licensee's consolidated net utility plant, as recorded on CP LLC's book of accounts.

(8) Mitigation Strategy License Condition

The licensee shall develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

(a) Fire fighting response strategy with the following elements:

1. Pre-defined coordinated fire response strategy and guidance
2. Assessment of mutual aid fire fighting assets
3. Designated staging areas for equipment and materials
4. Command and control
5. Training of response personnel

(b) Operations to mitigate fuel damage considering the following:

1. Protection and use of personnel assets
2. Communications
3. Minimizing fire spread
4. Procedures for implementing integrated fire response strategy
5. Identification of readily-available pre-staged equipment
6. Training on integrated fire response strategy
7. Spent fuel pool mitigation measures

(c) Actions to minimize release to include consideration of:

1. Water spray scrubbing
2. Dose to onsite responders

(9) License Transfer

OpCo LLC, the parent company of CP LLC, shall enter into the \$300 million support agreement as described in the November 12, 2015 application for license transfer, with CP LLC, no later than the time the proposed license transfer occurs. CP LLC shall take no action to cause OpCo LLC, or its successors and assigns, to void, cancel, or modify the support agreement or cause it to fail to perform, or impair its performance under the support agreement, without the prior written consent of the NRC. The support agreement may not be amended or modified without 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation or his designee. An executed copy of the support agreement shall be submitted to the NRC no later than 30 days after the completion of the proposed transactions and the license transfers. CP LLC shall inform the NRC in writing anytime it draws upon the support agreement.

Following the subject transfer of control of the licenses, all of the directors of CP LLC and OpCo LLC who can vote on activities governed by the CPNPP license and all of the officers of CP LLC and OpCo LLC with direct responsibility for activities governed by the CPNPP license shall (1) be U.S. citizens and not appointed by a foreign entity and (2) have exclusive authority to ensure and shall ensure that the business and activities of OpCo LLC and CP LLC with respect to the CPNPP license is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States. This condition may be amended upon application by either licensee and approval by the Director of the Office of Nuclear Reactor Regulation.

D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted:

- (1) The facility requires a technical exemption from the requirements of 10 CFR Part 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5.1 of Supplement 26 to the Safety Evaluation Report dated February 1993. The staff's environmental assessment was published on January 19, 1993 (58 FR 5036). Therefore, pursuant to 10 CFR 50.12(a)(1), 10 CFR 50.12(a)(2)(ii) and (iii), the Comanche Peak Nuclear Power Plant, Unit 2 is hereby granted an exemption from the cited requirement and instead, is required to perform the overall air lock leak test at pressure P_a prior to establishing containment integrity if air lock maintenance has been performed that could affect the air lock sealing capability.

The facility was previously granted exemption from the criticality Monitoring requirements of 10 CFR 70.24 (see Materials License No. SNM-1986 dated April 24, 1989 and Section 9.1.1 of SSER 26 dated February 1993.) The staff's environmental assessment was published on January 19, 1993 (58 FR 5035). The Comanche Peak Nuclear Power Plant, Unit 2 is hereby exempted from the criticality monitoring provisions of 10 CFR 70.24 as applied to fuel assemblies held under this license.

- E. DELETED
- F. In order to ensure that CP LLC will exercise the authority as the surface landowner in a timely manner and that the requirements of 10 CFR 100.3 (a) are satisfied, this license is subject to the additional conditions specified below: (Section 2.1, SER)
- (1) For that portion of the exclusion area which is within 2250 ft of any seismic Category I building or within 2800 ft of either reactor containment building, CP LLC must prohibit the exploration and/or exercise of subsurface mineral rights, and if the subsurface mineral rights owners attempt to exercise their rights within this area, CP LLC must immediately institute immediately effective condemnation proceedings to obtain the mineral rights in this area.
 - (2) For the unowned subsurface mineral rights within the exclusion area not covered in item (1), CP LLC will prohibit the exploration and/or exercise of mineral rights until and unless CP LLC and the owners of the mineral rights enter into an agreement which gives CP LLC absolute authority to determine all activities - including times of arrival and locations of personnel and the authority to remove personnel and equipment - in event of emergency. If the mineral rights owners attempt to exercise their rights within this area without first entering into such an agreement, CP LLC must immediately institute immediately effective condemnation proceedings to obtain the mineral rights in this area.
 - (3) CP LLC shall promptly notify the NRC of any attempts by subsurface mineral rights owners to exercise mineral rights, including any legal proceeding initiated by mineral rights owners against CP LLC.
- G. OpCo LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report through Amendment 87 and as approved in the SER (NUREG-0797) and its supplements through SSER 27, subject to the following provision:
- OpCo LLC may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

- H. OpCo LLC shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans, previously approved by the Commission, and all amendments made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain safeguards information protected under 10 CFR 73.21, are entitled: "Comanche Peak Steam Electric Station Physical Security Plan" with revisions submitted through May 15, 2006, with limited approvals as provided for in the Safety Evaluation by the Office of Nuclear Reactor Regulation dated December 5, 2000; "Comanche Peak Steam Electric Station Security Training and Qualification Plan" with revisions submitted through May 15, 2006; and "Comanche Peak Steam Electric Station Safeguards Contingency Plan" with revisions submitted through May 15, 2006. OpCo LLC shall fully implement and maintain in effect all provisions of the Commission-approved cyber security plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). OpCo LLC's CSP was approved by License Amendment No. 155, as supplemented by a change approved by License Amendment 163.
- I. CP LLC shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- J. NOT USED
- K. This license is effective as of the date of issuance and shall expire at Midnight on February 2, 2033.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by:

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

- 1. Appendix A - Technical Specifications (NUREG-1468)
- 1. Appendix B - Environmental Protection Plan
- 3. Appendix C - Antitrust Conditions

Date of Issuance: April 6, 1993

APPENDIX B
TO FACILITY OPERATING LICENSE NOS. NPF-87 & NPF-89

COMANCHE PEAK LLC AND OPERATING COMPANY LLC
COMANCHE PEAK NUCLEAR POWER PLANT UNITS 1 & 2
DOCKET NOS. 50-445 & 50-446

ENVIRONMENTAL PROTECTION PLAN
(NON RADIOLOGICAL)

Amendment No.

ENCLOSURE 4

NON-PROPRIETARY SAFETY EVALUATION FOR
CONFORMING AMENDMENTS FOR
COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 1 AND 2,
RESULTING FROM TRANSFER OF OWNERSHIP INTERESTS FROM
LUMINANT GENERATION COMPANY LLC TO
OPERATING COMPANY LLC AND COMANCHE PEAK LLC



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
FOR DIRECT AND INDIRECT TRANSFER OF OWNERSHIP INTERESTS FROM
LUMINANT GENERATION COMPANY LLC
TO OPERATING COMPANY LLC AND COMANCHE PEAK LLC
FACILITY OPERATING LICENSE NOS. NPF-87 AND NPF-89
COMANCHE PEAK NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2
DOCKET NOS. 50-445 AND 50-446

1.0 INTRODUCTION

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.80, "Transfer of licenses," Luminant Generation Company LLC (Luminant Power) requested that the U.S. Nuclear Regulatory Commission (NRC) consent to the direct transfer of the Facility Operating License (FOL) Nos. NPF-87 and NPF-89 for Comanche Peak Nuclear Power Plant, Unit Nos. 1 and 2 (CPNPP), and the general license for the independent spent fuel storage installation (ISFSI) facility from the current holder, Luminant Power, to as-yet unnamed companies, herein identified as Comanche Peak LLC (CP LLC), as owner, and Operating Company LLC (OpCo LLC), as operator, together "the licensees." Luminant Power submitted the request by application dated November 12, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15320A093), as supplemented by letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016 (ADAMS Accession Nos. ML15345A048, ML16076A162, ML16091A121, ML16099A291, and ML16112A396, respectively).

Luminant Power is acting on behalf of itself and the future to-be-formed companies. These future to-be-formed companies include the ultimate parent of CP LLC and OpCo LLC, Reorganized Texas Competitive Electric Holdings Corporation (Reorganized TCEH), and the intermediate parents, Intermediate Holding Company LLC, Asset Company LLC, and Preferred Stock Company Corporation (together with Luminant Power titled Applicants). The transfer of the licenses includes elements of both a direct and indirect transfer.

Portions of the letters dated November 12 and December 9, 2015, and March 14, 2016, contain proprietary information; accordingly, those portions are withheld from public disclosure pursuant to 10 CFR Section 2.390, "Public inspections, exemptions, requests for withholding."

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The supplemental letters dated December 9, 2015, and March 14, March 29, April 7, and April 20, 2016 provided additional information that clarified the application and did not expand the scope of the application as originally noticed in the *Federal Register* on February 8, 2016 (81 FR 6545). Pursuant to 10 CFR Part 72, Subpart K, "General License for Storage of Spent Fuel at Power Reactor Sites," the ISFSI facility is licensed under a general license that will be transferred as a result of the direct license transfer of CPNPP. Pursuant to 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit," the licensee also requested NRC approval of conforming amendments for each of the FOLs to reflect the proposed transfers, to be issued and made effective at the time the transfers are consummated. The requested conforming license amendments are administrative in nature and fall within the NRC's generic finding of no significant hazards consideration under 10 CFR 2.1315(a).

Entity names in the licensee's application and supplements are placeholders. When final names for the Applicants are selected, Luminant Power will inform the NRC of the final legal entity names and submit updated proposed operating license revision pages.

2.0 BACKGROUND

On April 29, 2014, Luminant Power notified the NRC of its filing of a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code in accordance with 10 CFR 50.54(cc) (ADAMS Accession No. ML14120A212). In this proceeding, Energy Future Holdings Corp. (EFH), and the substantial majority of its subsidiaries, including Luminant Power, planned to reorganize. As stated in the application, EFH and its subsidiaries that are debtors in the Chapter 11 proceeding filed a proposed Fifth Amended Joint Plan of Reorganization (Plan) and related Disclosure Statement in the Bankruptcy Court for the District of Delaware (Bankruptcy Court) on September 21, 2015. The debtors are EFH and its subsidiaries, including Energy Future Competitive Holdings Company LLC (EFCH), Texas Competitive Electric Holdings Company LLC (TCEH), Luminant Holding Company LLC (Luminant Holding), and Luminant Power. As stated in the application, under the terms of the Plan, certain regulatory consents are required to consummate the transactions contemplated by the Plan, including NRC approval of the license transfer.

Luminant Power is owned by EFCH, through its wholly owned subsidiaries. EFCH is a direct wholly owned subsidiary of EFH. The current and intended ownership structure of the facility is depicted in the simplified organizational charts provided in Exhibits A and B of Enclosure 1 in the application dated November 12, 2015. As a result of the proposed transactions and consistent with Exhibit B, EFH and EFCH will no longer ultimately own the facility. Rather, at the emergence from bankruptcy, Reorganized TCEH, the ultimate parent company of CP LLC, will be owned by a numerous and diverse set of independent and unaffiliated stockholders, as stated in the application. The licensee states that no single entity is expected to own a majority of, or exercise control over, Reorganized TCEH or its board of directors. The licenses will be transferred from Luminant Power to CP LLC, as owner, and OpCo LLC, as operator. Upon consummation of the transactions contemplated by the Plan, Luminant Power expects that the common stock of Reorganized TCEH will be widely held with no owner (including affiliates)

beneficially owning or managing more than 15 percent of the common stock of Reorganized TCEH, as stated in the application.

Although the ownership of the FOLs are being transferred to a new entity, the licensee's employees will remain with Luminant Power's successor (OpCo LLC). The proposed transactions do not involve any physical changes in the plant or any changes to the conduct of operations at CPNPP. After the proposed transactions, CP LLC and OpCo LLC will continue to operate and maintain the facility in accordance with its respective licensing basis.

The transfer of the licenses includes elements of both a direct and indirect transfer. The transfer of ownership is a direct transfer because ownership is changing from one entity to another new and different entity. Ownership is being transferred from Luminant Power to a new company with the name of CP LLC. Where ownership is moving from one entity to another and new entity, that transfer is a direct transfer. The transfer of operations is an indirect transfer because the operator is not changing; it is being absorbed into another entity (OpCo LLC), and it is the operator's parent companies that are changing. Luminant Power's parent companies are currently Luminant Holding and its parent, TCEH. These companies will cease to exist and in their place, new companies – Intermediate Holding Company LLC and its parent, Reorganized TCEH – will be created. The operator will change to the extent that its name will change from Luminant Power to OpCo LLC; however, the management and technical personnel of the facility will not change. The change of the parent company of a licensed entity is considered an indirect transfer of control of the operating licenses.

3.0 REGULATORY EVALUATION

The applicant's request for approval of a transfer of the license for CPNPP, as discussed in this safety evaluation (SE), is made under 10 CFR 50.80(a), which 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.

In addition, the regulations at 10 CFR 50.80(b) and (c) apply. Section 50.80(b) of 10 CFR states that an application for a license transfer shall include as much information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information"; specifically, "with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license."

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Section 50.80(c) of 10 CFR states, in part:

...the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Section 50.90 of 10 CFR states, in part, whenever a holder of a license, including a construction permit and operating license under this part, desires to amend the license or permit, application for an amendment must be filed with the Commission.

Pursuant to 10 CFR 50.33(k)(1), Luminant Power is required to provide information described in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," indicating that there is reasonable assurance that funds will be available to decommission the facility.

The NRC staff utilized guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor License Financial Qualifications and Decommissioning Funding Assurance," issued February 1999, to evaluate whether the financial qualifications of the licensees would be affected by the proposed transfers.

In addressing foreign ownership, control, or domination (FOCD) issues, Sections 103d and 104d of the Act provide, in relevant part, that no license may be issued to the following:

[A]ny 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 regulations at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements the FOCD provisions of the Act. The NRC staff evaluated the license transfer applications in a manner that is consistent with the guidance provided in the Standard Review Plan (SRP), "Foreign Ownership, Control, or Domination of Applicants for Reactor Licenses," dated June 1999 (SRP on FOCD), to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. Additionally, the information regarding each corporate entity required by 10 CFR 50.33(d)(3) is provided in Exhibit C, "General Corporate Information Regarding Intended NRC-Licensees and Their Corporate Parents," of Enclosure 1 to the licensee's application dated November 12, 2015.

The NRC staff also reviewed information that relates to Price-Anderson insurance and indemnity requirements, under Section 170 of the Act, and 10 CFR Part 140, "Financial

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Protection Requirements and Indemnity Agreements” and reviewed the nuclear property damage insurance requirements under 10 CFR 50.54(w).

Specific sections of Chapter 13, “Conduct of Operation,” of NUREG-0800, “Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR [Light-Water Reactor] Edition,” were considered in this review, including Section 13.1.1, “Management and Technical Support Organization,” Revision 5, and Section 13.1.2-3, “Operating Organization,” Revision 6.

4.0 FINANCIAL QUALIFICATIONS

The regulation at 10 CFR 50.33(f) provides that each applicant shall state the following:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

As defined in 10 CFR 50.2, “Definitions,” an electric utility is:

[A]ny entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.

The applicant does not assert that CP LLC, the owner, will be an “electric utility,” as defined in 10 CFR 50.2, because CP LLC will not recover the cost of electricity through rates established by the Public Utility Commission of Texas. Therefore, the NRC staff has determined that CP LLC must meet the financial qualifications requirements for a non-electric utility pursuant to 10 CFR 50.33(f). According to the application, CP LLC, as the facility owner, will have the benefit of the power output of the plant. CP LLC will be responsible to pay OpCo LLC for all costs associated with operations, maintenance, and capital investment of CPNPP. In addition, CP LLC will be the beneficiary of a financial support agreement from OpCo LLC’s other sources of revenue (e.g., sale of electricity generated through other energy sources).

In accordance with 10 CFR 50.33(f), a non-utility applicant must provide information sufficient to demonstrate its financial qualifications to carry out the activities for which the license is being sought. The information must show that the applicant possesses, or has reasonable assurance of obtaining, the funds necessary to cover estimated operating costs for the period of the license. In making this showing, the applicant must submit estimated total annual operating costs for the first 5 years of facility operations and indicate the source(s) of funds to cover these costs. For license transfers, direct or indirect, the relevant 5-year period is that time immediately following the merger.

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In its projected income statements, Luminant Power provides the following information for CP LLC and OpCo LLC, the owner and operator of CPNPP:

TABLE 1
Comanche Peak, LLC
Summary of Pro-Forma Income Statements
(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Revenue:	[[]]
Operating Expense:	[[]]
Other Income:	[[]]
Income before Taxes:	[[]]
Net Income:	[[]]

TABLE 2
Operating Company, LLC
Summary of Pro-Forma Income Statements
(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Revenue:	[[]]
Operating Expense:	[[]]
Other Income:	[[]]
Income before Taxes:	[[]]
Net Income:	[[]]

In its projected income statements for fiscal years (FY) 2016 to 2020, Luminant Power provided information necessary for the NRC staff to evaluate the financial qualifications of CP LLC and OpCo LLC, the future owner and operator of CPNPP. This information included projected revenues, expenses, and net income for the operations and maintenance of CPNPP. The income statements described above identify operating costs and positive net income for the projected years 2016 through 2020. The income statements demonstrate that CP LLC and

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OpCo LLC have reasonable assurance of obtaining the necessary funds, through revenues generated from the sale of electricity, to cover estimated costs for the first 5 years of CPNPP operations.

In its projected income statements, Luminant Power provides the information necessary to evaluate the financial qualifications of CP LLC and OpCo LLC, the future owner and operator of CPNPP. This information includes revenue, expense, and net income for operations and maintenance with respect to all of TCEH's interests in CP LLC and OpCo LLC. Both projections reflect positive net income for the projected years 2016 through 2020 and, thus, indicate that CPNPP has reasonable assurance of obtaining the necessary funds, through revenues generated from the sale of electricity, to cover estimated operating costs for the first 5 years of operations in which CP LLC is the 100-percent owner of CPNPP.

Additionally, the application states that, with the proposed transactions, OpCo LLC will enter into a new financial support agreement in favor of CP LLC. The form and amount of the new financial support agreement from OpCo LLC to CP LLC will be identical to that of the existing financial support agreement from Luminant Holding to Luminant Power approved by the NRC in 2013. The financial support agreement will meet the guidance set forth in NUREG-1577, Revision 1.

Accordingly, Luminant Power proposed the following change to the License Condition 2.C.(9), in part, to reflect the termination of Luminant Power's support agreement with Luminant Investment Company LLC, and the formation of OpCo LLC's new financial support agreement with CP LLC in the amount of \$300 million:

(9) License Transfer

OpCo LLC, the parent company of CP LLC, shall enter into the \$300 million support agreement as described in the November 12, 2015 application for license transfer, with CP LLC, no later than the time the proposed license transfer occurs. CP LLC shall take no action to cause OpCo LLC, or its successors and assigns, to void, cancel, or modify the support agreement or cause it to fail to perform, or impair its performance under the support agreement, without the prior written consent of the NRC. The support agreement may not be amended or modified without 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation or his designee. An executed copy of the support agreement shall be submitted to the NRC no later than 30 days after the completion of the proposed transactions and the license transfers. CP LLC shall inform the NRC in writing anytime it draws upon the support agreement.

The NRC staff has reviewed the proposed license condition and determined that it appropriately reflects the availability of financial resources, if needed, as provided in the application.

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4.1 Financial Qualifications Summary

In consideration of the above, the NRC staff has determined that the applicants, following the transfer transaction, will have reasonable assurance of obtaining the funds necessary to cover estimated operation costs of CPNPP for the period of the license, and that the proposed change of ownership of the CPNPP facility as a result of the direct transfer transaction, will not affect the financial qualification of the licensee to possess, use, and operate CPNPP.

5.0 DECOMMISSIONING FUNDING

Pursuant to 10 CFR 50.75(b), a reactor licensee is required to provide decommissioning funding assurance by one or more of the methods described in 10 CFR 50.75(e). The NRC has determined that the requirement to provide reasonable assurance of decommissioning funding is necessary to ensure the adequate protection of public health and safety. The regulation at 10 CFR 50.33(k) requires that an applicant for an operating license for a utilization facility demonstrate how reasonable assurance will be provided that funds will be available to decommission the facility.

The regulation at 10 CFR 50.75(b) requires, in part, the following:

Each power reactor applicant for or holder of an operating license... for a production or utilization facility of the type and power level specified in paragraph (c) of this section shall submit a decommissioning report, as required by § 50.33(k).

Furthermore, the regulation at 10 CFR 50.75(c) provides the “Table of minimum amounts (January 1986 dollars) required to demonstrate reasonable assurance of funds for decommissioning by reactor type and power level, P (in MWt [megawatt thermal]); adjustment factor.”

Decommissioning Funding Assurance for CPNPP

At the time of transfer, Luminant Power’s existing nuclear decommissioning trust funds (NDTs) for CPNPP will be transferred to CP LLC. Luminant Power’s NDTs are held in external trust funds segregated from Luminant Power’s assets and outside its administrative control. The funds are governed by the Master NDT Agreement with Mellon Bank, N.A. as Trustee. The terms of that agreement comply with the requirements of 10 CFR 50.75(h)(1) and will remain in effect and govern the funds that are to be transferred.

As required by 10 CFR 50.75(f)(1), and by letter dated March 31, 2015 (ADAMS Accession No. ML15103A281), Luminant Power provided information to the NRC on the decommissioning funding status (DFS) for CPNPP as of December 31, 2014. The application provides reference to this report as containing relevant information regarding the status of the NDTs and decommissioning funding assurance. The NRC staff documented its review of the CPNPP’s DFS reports in SECY-15-0122, “Summary Findings Resulting from the Staff Review of the 2015

Decommissioning Funding Status Reports for Operating Power Reactor Licensees,” dated September 28, 2015 (ADAMS Accession No. ML15237A369).

In the letter dated March 31, 2015, the amount of decommissioning funds required for CPNPP to establish reasonable assurance of decommissioning funding using the table of minimum amounts formula was estimated by the licensee to be approximately \$517 million for each unit (2014 dollars). The amount of funds available in NDTs as of December 31, 2014, was approximately \$384 million for Unit 1 and \$443 million for Unit 2. When projected to the license expiration date for each unit using the 2 percent annual real rate of return allowed per 10 CFR 50.75(e)(i), and including non-bypassable charge collections approved by the Public Utility Commission of Texas, the NDT fund balances are greater than the regulatory formula amount.

Additionally, pursuant to 10 CFR 72.30(c), each licensee for an ISFSI facility, including an ISFSI facility licensed under the General License provided for in 10 CFR Part 72, Subpart K, is required, at intervals not to exceed 3 years, to resubmit a decommissioning funding plan with adjustments as necessary to account for changes in costs and the extent of contamination, as well as the information regarding the financial assurance for adjusting such costs. Luminant Power submitted this information with its DFS report for CPNPP dated March 31, 2015. In the report, Luminant Power included funds for decommissioning and decontamination of the ISFSI facility with its amount accumulated at the end of December 31, 2014. Luminant Power also provided an updated decommissioning cost estimate for decommissioning the ISFSI facility. The decommissioning report stated that the total cost of decommissioning the ISFSI facility after 60 years of operation is approximately \$7 million. When considering the combined amounts of the estimated costs to decommission CPNPP and the ISFSI facility, the staff concludes that there is reasonable assurance that the projected NDT fund levels at license expiration will be sufficient to decommission these facilities.

As such, the NRC staff concludes that the transfer of ownership from Luminant Power to CP LLC, including the transfer of associated decommissioning funds, will not affect the decommissioning funding arrangements currently in place for CPNPP facilities. Based on the discussion above, the NRC staff concludes that the applicant has complied with the regulations under 10 CFR 50.75 and 10 CFR 72.30(c) with respect to providing decommissioning funding assurance for CPNPP and the ISFSI.

6.0 TECHNICAL QUALIFICATIONS

The purpose of this technical evaluation is to ensure that the proposed corporate management is involved with, informed of, and dedicated to the safe operation of the CPNPP. In addition, the review is intended to ensure that sufficient technical resources have been, are being, and will continue to be provided to adequately accomplish these objectives.

6.1 Management and Technical Support Organization

The NRC staff reviewed the application to determine whether the corporate management and technical support organization of the licensee/owner/operator will change because of the proposed organization changes. The NRC staff evaluated the application using, in part, the guidance provided in NUREG-0800, Section 13.1.1, "Management and Technical Support Organization," Revision 5, dated March 2007 (ADAMS Accession No. ML070460302).

In Section III.B, "Technical Qualifications," of Enclosure 1 to the application, the licensee indicates that management and technical personnel of the facility will not change as a result of the reorganization with the exception of a Luminant Power's Chief Nuclear Officer (CNO), who has announced his retirement. The qualifications and structure of management and the technical personnel of the facility are unchanged. The qualifications of the CNO position are also unchanged.

The proposed organizational structure in Exhibit B of the application elevates the operator of the facility (OpCo LLC) within the organization, giving it improved access to parent organizations and resources as needed, to address potential safety concerns.

The NRC staff concludes that the placement of OpCo LLC in the proposed organization chart is appropriate because it provides access to resources in the event of a safety concern. There are no changes to the management and technical support personnel or organization (with the exception of the CNO whose replacement meets the existing level of qualifications and has been serving as the acting CNO since December of 2015). Therefore, the staff finds this treatment to be acceptable.

6.2 Operating Organization

The NRC staff reviewed the application to evaluate changes to the operating organization proposed as a result of the transaction. The NRC staff evaluated the application using, in part, the guidance provided in NUREG-0800, Sections 13.1.2.-13.1.3, "Operating Organization," Revision 6, dated March 2007 (ADAMS Accession No. ML070250009).

The licensing review determined the operating organization for the CPNPP to be acceptable. Subsequent safety-related changes to the CPNPP operating organization were evaluated per 10 CFR 50.59, "Changes, tests and experiments," by the licensee or by the NRC using an appropriate methodology. Therefore, the NRC review focused only on proposed changes to the operating organization.

The application indicated that the current operating organization, including the licensed operators, will be maintained through a series of mergers and asset transfers. The new operating organization is referred to as OpCo LLC in the application; however, it is essentially the same as the current organization, with an administrative name change. Therefore, there are no significant changes to the operating organization. OpCo LLC will continue to maintain the facility consistent with the existing licensing basis.

The NRC staff notes that the application does not request any changes (other than administrative changes) to the current operating organization. Because no changes are required for this transaction, the staff concludes that the operations organization proposed for OpCo LLC is acceptable and that no additional review is necessary.

7.0 ANTITRUST REVIEW

The Act does not require or authorize antitrust reviews of post-operating license transfer applications.¹ The application here postdates the issuance of the operating licenses for the units under consideration in this SE and, therefore, no antitrust review is required or authorized. The subject license does not contain any antitrust conditions. Therefore, there are no antitrust issues to be considered in connection with the conforming license amendments.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

Sections 103d and 104d of the Act prohibit the NRC from issuing a license for a nuclear power plant to any corporation or other entity if the Commission knows or has reason to believe the plant is owned, controlled, or dominated by an alien, a foreign corporation or a foreign government.

The NRC's regulation at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements this statute. The NRC staff evaluated the application pursuant to the guidance provided in the SRP on FOCD to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. The NRC's position on FOCD, outlined in the SRP, states that "the foreign control prohibition should be given an orientation toward safeguarding the national defense and security." Furthermore, the SRP on FOCD outlines how the effects of foreign ownership may be mitigated through implementation of a "negation action plan" to ensure that any foreign interest is effectively denied control or domination over the licensee.

The information regarding each corporate entity required by 10 CFR 50.33(d)(3) is provided in Exhibit C, "General Corporate Information Regarding Intended NRC-Licensees and Their Corporate Parents," of Enclosure 1 to the licensee's application dated November 12, 2015. In its application, Luminant Power did not provide all the names and citizenship of the directors and principal officers of Reorganized TCEH and its subsidiaries in the application because the evaluation and selection of the individuals to serve in these positions following emergence from bankruptcy remains ongoing. The applicant states that it will notify the NRC of the names of these personnel (all of whom will be U.S. citizens) once the specific individuals have been selected before emergence, no later than 7 days before implementation of the transfers.

¹ Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999).

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The application states that the initial Board of Directors of Reorganized TCEH (Reorganized TCEH Board), the ultimate parent company of CP LLC and OpCo LLC, will be comprised of seven members appointed by the First Lien Creditor Committee, and is expected to include at least four independent directors. Certain TCEH First Lien Creditors will have the right to designate a director to the Reorganized TCEH Board, including some affiliated with Brookfield Asset Management Private Institutional Capital Adviser L.P. (Brookfield), a Canadian company. In a response to a request for additional information, the applicants stated that one of the directors of the Reorganized TCEH Board is a Canadian citizen. Ultimately, three Reorganized TCEH Board members will be chosen in this manner, while the remaining initial directors will be designated by the First Lien Creditor Committee. The nominees for such director positions at subsequent applicable elections of directors by the stockholders of Reorganized TCEH shall be selected by the Reorganized TCEH Board or a committee thereof or, to the extent permitted under the by-laws, the stockholders. The application states that upon emergence from bankruptcy, no stockholder or affiliated group of stockholders will have the ability to nominate or designate a majority of the members of the Reorganized TCEH Board, and that, “substantially all of the Reorganized TCEH Board members are expected to be U.S. citizens.” The applicant has agreed to notify the NRC of the names of the remaining directors for the Reorganized TCEH Board, all of whom will be U.S. citizens, and any other changes or additions to these positions that occur prior to emergence as soon as they have been identified, but no later than 7 days before implementation of the license transfers.

Regarding CP LLC and OpCo LLC, the proposed licensees, the application states that it is expected that a previous license condition regarding FOCD be retained in the CPNPP licenses such that the officers and directors of the licensee of CPNPP shall be U.S. citizens. Accordingly, Luminant Power proposed the following change to the License Condition 2.C.(9), in part, to reflect the FOCD negation actions:

Following the subject transfer of control of the licenses, all of the directors of CP LLC and OpCo LLC who can vote on activities governed by the CPNPP license and all of the officers of CP LLC and OpCo LLC with direct responsibility for activities governed by the CPNPP license shall (1) be U.S. citizens and not appointed by a foreign entity and (2) have exclusive authority to ensure and shall ensure that the business and activities of OpCo LLC and CP LLC with respect to the CPNPP license is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States. This condition may be amended upon application by either licensee and approval by the Director of the Office of Nuclear Reactor Regulation.

Furthermore, one currently designated director of the Reorganized TCEH Board is a non-U.S. citizen and because the additional initial directors have not yet been identified, Reorganized TCEH will take additional FOCD negation actions with respect to CPNPP. Specifically, the applicants state that at the first meeting of the Reorganized TCEH Board after emergence, the Board will adopt resolutions that any non-U.S. citizens serving as either directors or executive officers of Reorganized TCEH shall not seek access to any classified information or to special

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nuclear material in the custody of the CPNPP licensees and shall not participate in or seek to influence operational decisions by the licensees regarding nuclear safety or security matters.

The NRC staff reviewed the information provided in the application and additional information provided by the applicants regarding FOCD matters, including the proposed negation measures. Based on this review, the staff has reasonable assurance that the licensee will not be foreign owned, controlled, or dominated, as long as the following conditions are imposed in the order approving the transfers:

1. The licensees must notify the NRC of the names of the directors and principal officers of Reorganized TCEH and any other changes to these positions that occur before emergence from bankruptcy as soon as they have been identified, but no later than 7 days before implementation of the transfer. Additional changes to these positions may occur post-emergence. The Applicants will notify the NRC no later than 120 days after the transfer of any changes in these personnel made during the first 90 days following emergence from bankruptcy.
2. Following the subject transfer of control of the licenses, all of the directors of CP LLC and OpCo LLC who can vote on activities governed by the CPNPP licenses and all of the officers of CP LLC and OpCo LLC with direct responsibility for activities governed by the CPNPP licenses shall (1) be U.S. citizens and not appointed by a foreign entity and (2) have exclusive authority to ensure and shall ensure that the business and activities of OpCo LLC and CP LLC with respect to the CPNPP licenses is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States.
3. The Reorganized TCEH Board of Directors shall adopt resolutions that any non-U.S. citizens or foreign-appointed U.S. citizens serving as either directors or officers of Reorganized TCEH, the ultimate parent, and intermediate parents of CP LLC and OpCo LLC shall not seek access to any classified information or to special nuclear material in the custody of the CPNPP licensees and shall not participate in or seek to influence operational decisions by the licensees regarding nuclear safety or security matters.

9.0 NUCLEAR INSURANCE AND INDEMNITY

Pursuant to the requirements of the Price-Anderson Act (Section 170 of the Act) and the NRC's implementing regulations at 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," the current indemnity agreement must be modified to reflect the transfer of ownership for CPNPP from Luminant Power to CP LLC and OpCo LLC.

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Consistent with NRC practice, the NRC staff will require CP LLC and OpCo LLC to provide evidence that they have obtained the appropriate amount of insurance pursuant to 10 CFR 140.11(a)(4) and 50.54(w), and that the insurance is effective concurrent with the date of the license transfer and amended indemnity agreement. Because the issuance of the amended licenses is directly tied to completion of the proposed direct license transfers, the order approving the transfers will be conditioned as follows:

CP LLC and OpCo LLC shall provide satisfactory documentary evidence to the Director of the Office of Nuclear Reactor Regulation that, as of the date of the license transfer, the licensees reflected in the amended license have obtained the appropriate amount of insurance required of a licensee under 10 CFR Part 140 and 10 CFR 50.54(w).

As required by 10 CFR 140.21, "Licensee guarantees of payment of deferred premiums," each reactor licensee should be able to demonstrate its financial capacity to pay into the secondary tier of financial protection for each reactor it is licensed to operate and insure pursuant to 10 CFR 140.11(a)(4); \$121.255 million per incident and up to \$18.963 million per year. By letter dated February 4, 2016, Luminant Power submitted certified financial documents demonstrating a cash flow (i.e., cash available to a company after all operating expenses, taxes, interest charges, and dividends have been paid) can be obtained, and would be available for payment of retrospective premiums within 3 months after this submittal. Luminant Power's submittal also demonstrates the financial capacity to provide secondary financial protection for its entire fleet, which includes CPNPP. Based on its review of this information, the NRC staff concludes that Luminant Power has met the requirements under 10 CFR 140.21 for proof of financial capacity to pay into the secondary tier of financial protection.

10.0 SUMMARY

Based on its review of the information provided in the license transfer application and subsequent submittals, NRC staff concludes that CP LLC and OpCo LLC are financially qualified to conduct the activities under the license, have satisfied the NRC's decommissioning funding assurance requirements for CPNPP and the ISFSI facility, have met the applicable onsite and offsite insurance requirements, and subject to the negotiation action conditions above, are not owned, controlled, or dominated by a foreign entity.

As discussed above, the NRC staff concluded that the proposed transfers will be consistent with the requirements set forth in the Act, NRC regulations, and the relevant NRC licenses and orders. No physical changes will be made to CPNPP, and there will be no changes in the conduct of operations of the plant as a result of these transfers. The staff concludes that the restructuring of the licensee's organization is not likely to have detrimental effects on the nuclear facilities, plant management, or plant operating organization. The qualifications of the licensee/owner/operators currently are, and continue to be, acceptable, and an NRC staff review of the technical qualifications of the associated organizations is not needed for this transaction. The proposed transfers will not have any adverse impact on the public health and safety, nor will this transfer be inimical to the common defense and security.

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Therefore, the NRC staff concludes that, with the subject license conditions, the proposed direct transfer of ownership interest in CPNPP and the ISFSI facility from Luminant Power to CP LLC and OpCo LLC will not affect the qualifications of CP LLC and OpCo LLC to own and operate CPNPP, and that the transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

11.0 CONFORMING AMENDMENTS

11.1 Introduction

Luminant Power requested approval of conforming amendments to FOL Nos. NPF-87 and NPF-89. No physical or operating changes to the facilities are requested.

11.2 Discussion

The changes to be made to the licenses are indicated in the conforming amendments in Enclosure 2 to the cover letter forwarding the NRC staff's order regarding the subject transfer. Entity names in the licensee's application and supplements are placeholders. When final names for Reorganized TCEH, Intermediate Holding Company LLC, OpCo LLC, Asset Company LLC, Preferred Stock Company Corp., and CP LLC are selected, Luminant Power will inform the NRC of the final legal entity names and submit updated proposed operating license revision pages. The proposed changes in the conforming amendments do no more than reflect the approved transfer actions and distinguish the roles of CP LLC as owner and OpCo LLC as operator. As discussed in Section 4.0 to this SE, the licensee revised License Condition 2.C.(9) to reflect OpCo LLC's new financial support agreement with CP LLC. The amendments involve no safety concerns and are administrative in nature. Accordingly, the proposed amendments are acceptable.

11.3 Conclusion With Respect to the Conforming Amendments

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

12.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Texas State official was notified of the proposed issuance of the amendment. The State official had no comment.

13.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of the direct transfer of FOL Nos. NPF-87 and NPF-89 issued by the NRC and approval of conforming license amendments. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

14.0 CONCLUSION

Based on the considerations discussed above, the NRC staff concludes that CP LLC and OpCo LLC are qualified to hold the licenses for CPNPP to the extent proposed in the application, and that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the order approving the transfer of licenses and conforming amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributors: Emil Tabakov, NRR/DIRS/IFIB
Shawn Harwell, NRR/DIRS/IFIB
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Margaret Watford, NRR/DORL/LPL4-1

Date: May 6, 2016

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will be revised only to reflect the final company names yet to be decided, and will be issued and made effective at the time the transfer is completed.

A copy of the order approving the proposed transfer pursuant to 10 CFR 50.80 subject to the conditions described therein, is provided in Enclosure 1. The conforming license amendments pursuant to 10 CFR 50.90 are provided in Enclosure 2. The NRC staff has determined that the related safety evaluation (SE) contains proprietary information pursuant to 10 CFR 2.390. The proprietary version of the SE is provided in Enclosure 3. Accordingly, the NRC staff has also prepared a non-proprietary version of the SE, which is provided in Enclosure 4.

The order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Margaret M. Watford, Project Manager
Plant Licensing Branch IV-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-445, 50-446,
and 72-74

Enclosures:

1. Order
2. Draft Conforming Amendments to NPF-87 and NPF-89
3. Safety Evaluation (proprietary)
4. Safety Evaluation (non-proprietary)

cc w/o Enclosure 3: Listserv

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Encl 4 (SE) Redacted Version ML16096A266; Encl 1 (Order) ML16096A255; Encl 2 (Draft Conforming Amdts) ML16096A264
**email dated *memo dated

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