

Part 1 General and Financial Information

1.0 Introduction

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

This Combined License Application (COLA) is submitted by NINA on behalf of itself, the STP Nuclear Operating Company (STPNOC), NINA 3, NINA 4, and the City of San Antonio, Texas, acting by and through the City Public Service Board (CPS Energy), for the construction and operation of two nuclear powered generating plants designated as South Texas Project Units 3 & 4 (STP 3 & 4). In addition, special nuclear material licenses, by-product material licenses, and source material licenses as required for construction and operation are requested. NINA will be the lead applicant and lead licensee responsible for design and construction of each unit until the date on which the Commission makes a finding that acceptance criteria are met under 10 CFR 52.103(g) or allows operation during an interim period under the combined license (COL) under 10 CFR 52.103(c), at which point STPNOC will be the lead licensee responsible for operations.

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

The Application has been divided into parts as follows:

Part 1 - General and Financial Information

Part 2 - Final Safety Analysis Report

Part 3 - Environmental Report

Part 4 - Plant-Specific Technical Specifications

Part 5 - Emergency Plan

Part 6 - Site Redress Plan

Part 7 - Generic DCD Departures Report

Part 8 - Security Plans (under separate cover)

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

Part 10 - Proprietary Information

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

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

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

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

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

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

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

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

1.1 License Actions Requested

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

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

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

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

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

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

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

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

1.2 General Information

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

Nuclear Innovation North America LLC

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

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

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

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

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

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

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

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

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

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

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

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

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

122 West Way
Suite 405
Lake Jackson, Texas 77566

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

NRG Energy, Inc.

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

NRG Energy is incorporated in the State of Delaware and was formed in 1992 as the non utility subsidiary of Northern States Power Company, which was itself merged into New Century Energies, Inc. to form Xcel Energy, Inc., in 2000. NRG Energy is no longer affiliated with Northern States Power or Xcel Energy, Inc. NRG Energy is a wholesale power generation company that is publicly owned and traded on the New York Stock Exchange. It primarily engages in the ownership and operation of power generation facilities, the transacting in and trading of fuel and transportation services, and the marketing and trading of energy, capacity and related products in the United States and internationally. NRG Energy has a diverse portfolio of electric generation facilities in terms of geography, fuel type, and dispatch levels. In the Texas deregulated electricity market, NINA 3 and NINA 4 will sell their portions of the electrical energy produced at STP to the general ERCOT market described below.

NRG Energy's principal offices are located at:

211 Carnegie Center
Princeton, NJ 08540

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

Texas Genco's principal offices are located at:

211 Carnegie Center
Princeton, NJ 08540

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

NINA Texas 3 LLC and NINA Texas 4 LLC

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

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

Nuclear Innovation North America LLC
 NINA Investments Holdings LLC
 NINA Investments LLC
 NINA Texas 3 LLC
 NINA Texas 4 LLC

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

122 West Way
Suite 405
Lake Jackson, Texas 77566

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

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

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

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

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

City Public Service Board of the City of San Antonio

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

The offices for CPS Energy are located at:

CPS Energy
145 Navarro
San Antonio, Texas 78205

CPS Energy
PO Box 1771
San Antonio, Texas
78296

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

STP Nuclear Operating Company

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

The offices for STPNOC are located at:

STP Nuclear Operating Company
~~4000 Avenue F~~
~~Bay City, Texas 77414~~

PO Box 289
Wadsworth, Texas 77483

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

Regulatory Agencies with Jurisdiction over Rates and Services

Retail Service Rates:

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

utility (IOU) companies primarily encompasses only the transmission and distribution functions.

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

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

Transmission Access and Related Rate Regulation:

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

river authorities, independent generators, power marketers and retail electric providers.

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

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

The offices for PUCT and ERCOT are located at:

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

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

Trade and News Publications

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

1.3 Financial Qualifications

NINA 3 and NINA 4

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

On March 1, 2010, the owners reached an agreement whereby CPS Energy has reduced its ownership interest in the project to 7.625%, and NINA 3 and NINA 4 will be

responsible for arranging for the financing and equity contributions necessary to complete development and construction of STP 3 & 4. CPS Energy is not responsible for any further funding obligations until commercial operation. As such, NINA 3 and NINA 4 demonstrate herein that, upon meeting certain conditions, there is reasonable likelihood that they will have sources for funding 100% of the remaining costs during construction.

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

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

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

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

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

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

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

Nuclear Innovation North America LLC

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

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

CPS Energy

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

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

STPNOC

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

1.4 Decommissioning Funding Assurance

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

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

In accordance with the terms of 10 CFR 50.75(e)(1)(vi), NINA 3 and NINA 4 will provide decommissioning funding assurance for their proportionate obligations for decommissioning based upon their percentage interests of 92.375% in each unit as described in Section 1.1 above using the external sinking fund method consistent with the provisions of 10 CFR 50.75(e)(1)(ii), except that NINA 3 and NINA 4 will not ordinarily collect funding from ratepayers. In accordance with the requirements of 10 CFR 50.75(e)(1)(ii), NINA 3 and NINA 4 will set aside funds periodically, no less frequently than annually, in a trust fund account segregated from their assets and outside of their administrative control and in which the total amount of funds will be sufficient to fund decommissioning at the time permanent cessation of operations is expected. However, the funds periodically set aside are expected to be generated from sales of power. Although NINA 3 and NINA 4 will not ordinarily collect funds from ratepayers as required by 10 CFR 50.75(e)(1)(ii)(A), exclusive reliance on this mechanism should be acceptable, because Texas Law provides a mechanism whereby NINA 3 and NINA 4 can elect to set aside funds under the jurisdiction and oversight of the PUCT, and pursuant to this mechanism, Texas law provides that

ratepayers would be obligated to fund the total cost of decommissioning in the event that NINA 3 and NINA 4 fail to periodically set aside funds as planned. Tex. Util. Code Ann. § 39.206 (Vernon 1998 and Supp. 2007); P.U.C. Subst. R. 25.304. Thus, if NINA 3 and NINA 4 do not provide periodic funding from their own revenues, Texas Law would provide for a mechanism for funding decommissioning that does meet the requirements of 10 CFR 50.75(e)(1)(ii)(A).

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

1.5 Foreign Ownership Restrictions

CPS Energy

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

NRG Energy

Section 13(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5% of the securities of a company must file notice with the Securities and Exchange Commission (SEC).

~~Based upon filings with the SEC, as of June 30, 2010, the only alien, foreign corporation, or foreign government that NRG Energy is aware of that holds more than 5% of the securities of NRG Energy is Orbis Investment Management, which is located in the United Kingdom and holds 15,435,027 shares of NRG Energy (which equates to an approximate ownership of 6%).~~ Based upon filings with the SEC, NINA has from time to time identified investors that have reported owning more than 5% of the voting stock of NRG Energy. These investors are typically financial institutions that hold investments in NRG Energy stock as part of one or more mutual funds, exchange traded funds, private equity funds, or other similar funds. In some cases, these financial institutions report that some shares may be held by one or more foreign domiciled subsidiary. In 2012, NINA identified such reports filed by Orbis Investment Management (U.S.), LLC, a Delaware limited liability company, Blackrock, Inc., a Delaware corporation, and State Street Corporation, a Massachusetts corporation. In a Schedule 13G dated February 14, 2013, Orbis Management (U.S.), LLC reported that its holdings of NRG stock, including holdings of its affiliates, had reduced to 0% as of December 31, 2012.

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

They have no rights with respect to the management or development of new nuclear units by NINA, or with respect to the management or operation of nuclear units by

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

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

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

NINA, NINA 3 and NINA 4

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

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

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

In addition, NINA has implemented the STP 3&4 Negation Action Plan (NAP) to provide requirements and guidance to ensure negation of potential foreign ownership, control or domination (FOCD) over the STP 3&4 licenses. The NAP currently provides

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

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

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

STPNOC

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

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

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

1.6 Restricted Data and Classified National Security Information

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

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

Nuclear Innovation North America LLC

~~4000 Avenue F, Suite A~~ 122 West WaySuite 405~~Bay City, TX 77414~~ Lake Jackson, Texas 77566

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

Table 1.2-2 Officers and Directors of NRG Energy, Inc.

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

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

Table 1.2-2 ~~Officers and Directors of NRG Energy, Inc.~~

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

| Contact Name | Position / Title | Citizenship |
|----------------------------------|---|--------------------------|
| Officers | | |
| Crane, David | President and Chief Executive Officer | United States |
| Andrews, Kirkland | Executive Vice President and Chief Financial Officer | United States |
| Murphy, J. Andrew | Executive Vice President, Strategy and M&A | United States |
| Davis, Lee | Senior Vice President and President, Northeast Region | United States |
| Ragan, John | Executive Vice President and President, Gulf Coast Region | United States |
| Few, Jason | Executive Vice President, Chief Customer Officer, and President, Reliant Energy | United States |
| Doyle, Thomas | Executive Vice President, NRG Energy, Chief Executive Officer, NRG Solar, and President, West Region | United States |
| Stark, Ron | Vice President and Chief Accounting Officer | United States |
| Wilson, Denise | Executive Vice President and President, Alternative Energy Services | United States |
| Helfer, Patti | Senior Vice President and Chief Administrative Officer | United States |
| Gutierrez, Mauricio | Executive Vice President and Chief Operating Officer | Mexico |
| Barnes, Steve | President, Energy Plus Holdings | United States |
| Steffes, James | President, Green Mountain Energy Company | United States |
| Directors | | |
| Caldwell, Kirbyjon H. | Director | United States |
| Chlebowski, John | Director | United States |
| Coben, Lawrence | Director | United States |
| Gosgrove, Howard | Chairman and Director | United States |
| Crane, David | Director, President and Chief Executive Officer | United States |
| Hantke, William | Director | United States |
| Hobby, Paul | Director | United States |
| Luterman, Gerald | Director | United States |
| McGinty, Kathleen | Director | United States |
| Schaumburg, Anne | Director | United States |
| Tate, Herbert | Director | United States |
| Weidemeyer, Thomas | Director | United States |
| Young, Walter | Director | United States |

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

Nuclear Innovation North America Investments LLC

NINA Texas 3 LLC

NINA Texas 4 LLC

~~4000 Avenue F, Suite A~~ 122 West WaySuite 405~~Bay City, TX 77414~~ Lake Jackson, Texas 77566

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

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

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

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

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

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

Table 1.2-6 Officers and Directors of Texas Genco

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

| Name | Position / Title | Citizenship |
|----------------------------------|---|--------------------------|
| Officers | | |
| Banskota, Arun | Vice President | United States |
| Martin, Sherrie | Vice President and Controller | United States |
| O'Hara, Christopher | Vice President and Secretary | United States |
| Ragan, John | President | United States |
| Sotos, Christopher S. | Vice President and Treasurer | United States |
| <u>Garcia, Gary</u> | <u>Vice President and Treasurer</u> | <u>United States</u> |
| Directors | | |
| O'Hara, Christopher | Director | United States |
| Ragan, John | Director | United States |

Table 1.2-7 Trade and News Publications

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

Table 1.2-7 Trade and News Publications (Continued)

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

Table 1.3-1 Projected Total Project Costs for STP Units 3 and 4 (Proprietary)
[s5]

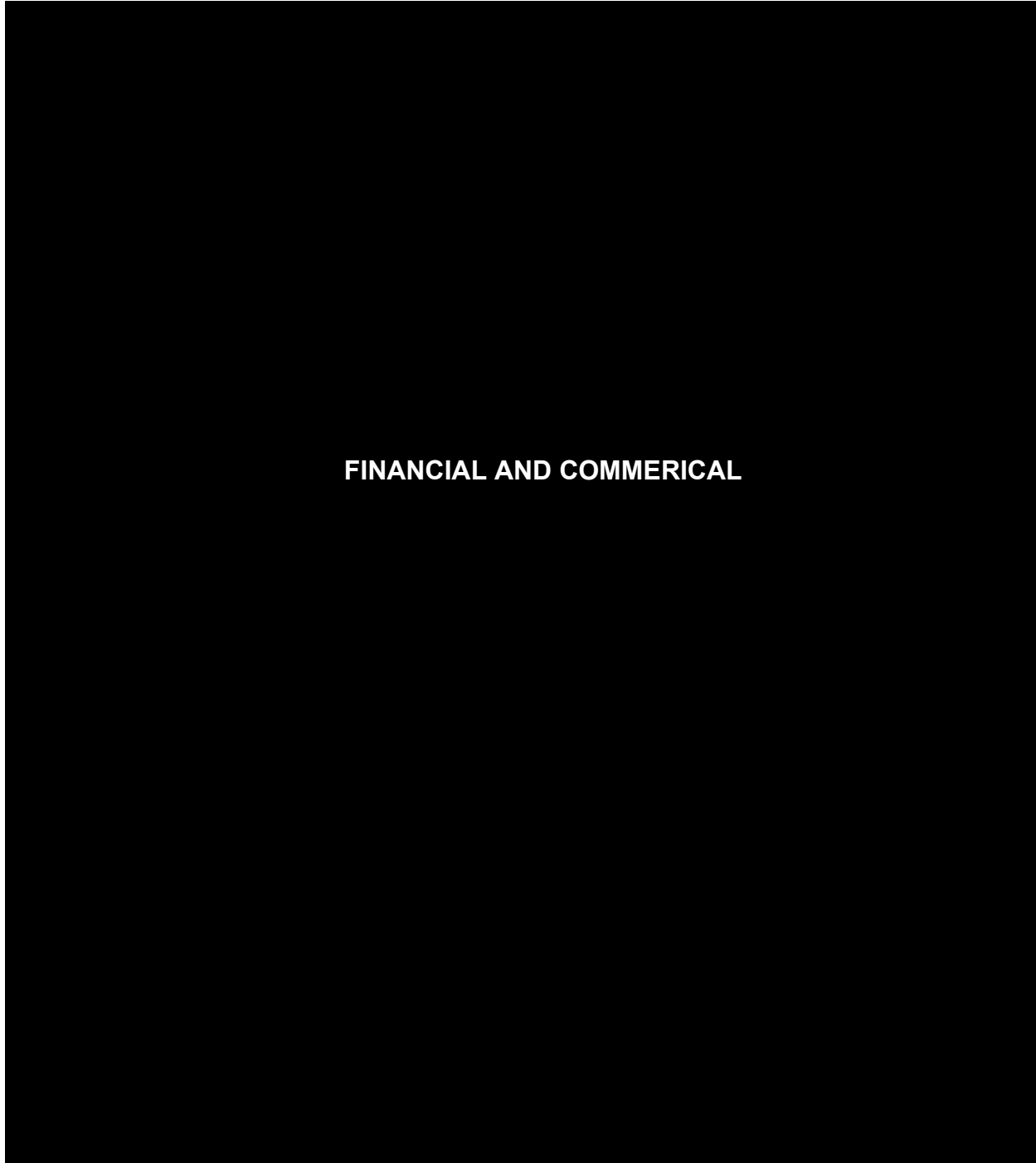


FINANCIAL AND COMMERCIAL

[e5]

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

[s5]

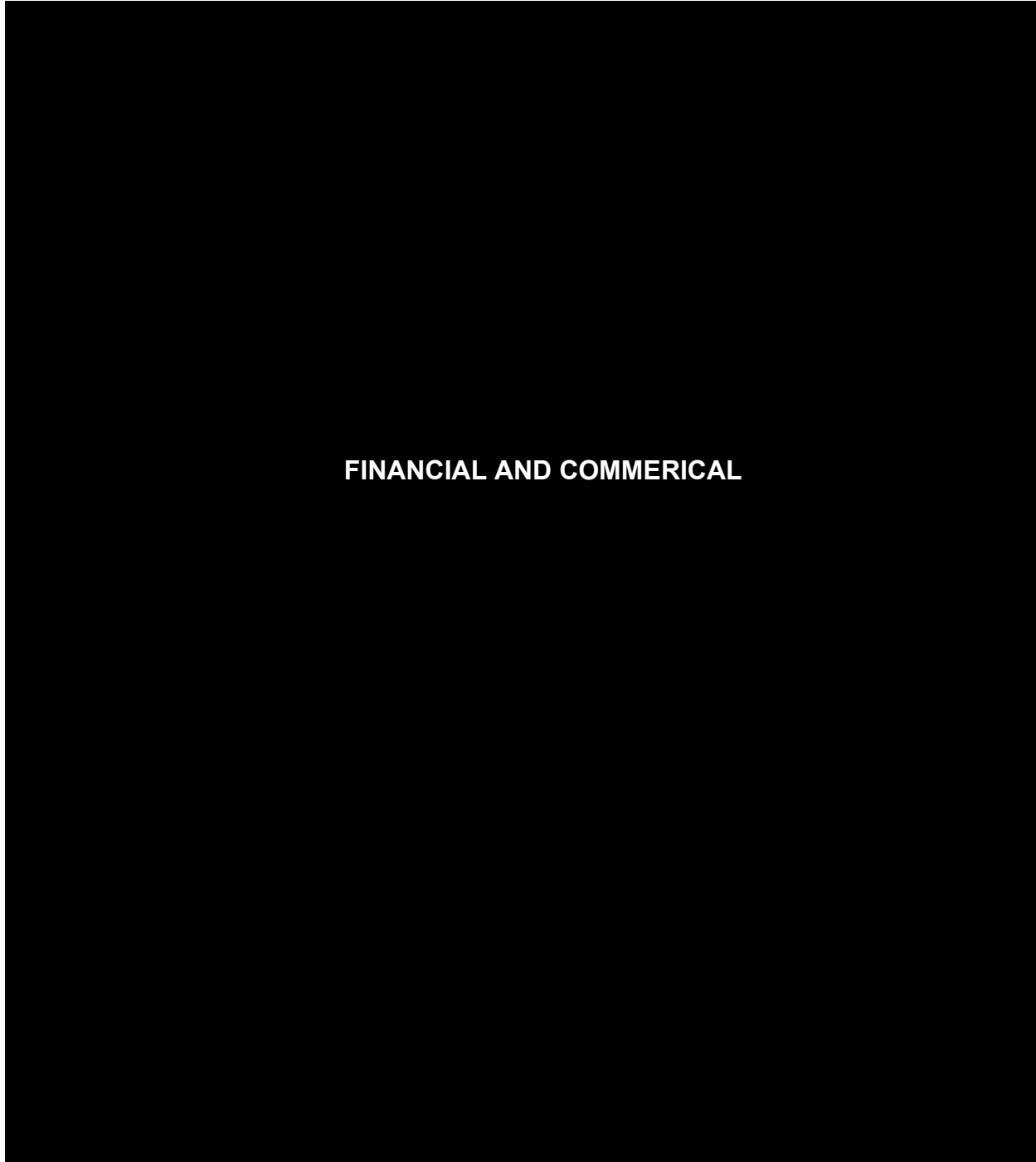


FINANCIAL AND COMMERICAL

[e5]

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

[s5]



FINANCIAL AND COMMERICAL

[e5]

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

[s5]



FINANCIAL AND COMMERCIAL

[e5]

Table 1.4-1 Report and Certification Regarding Decommissioning Funding Assurance

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

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

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

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

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

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

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

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

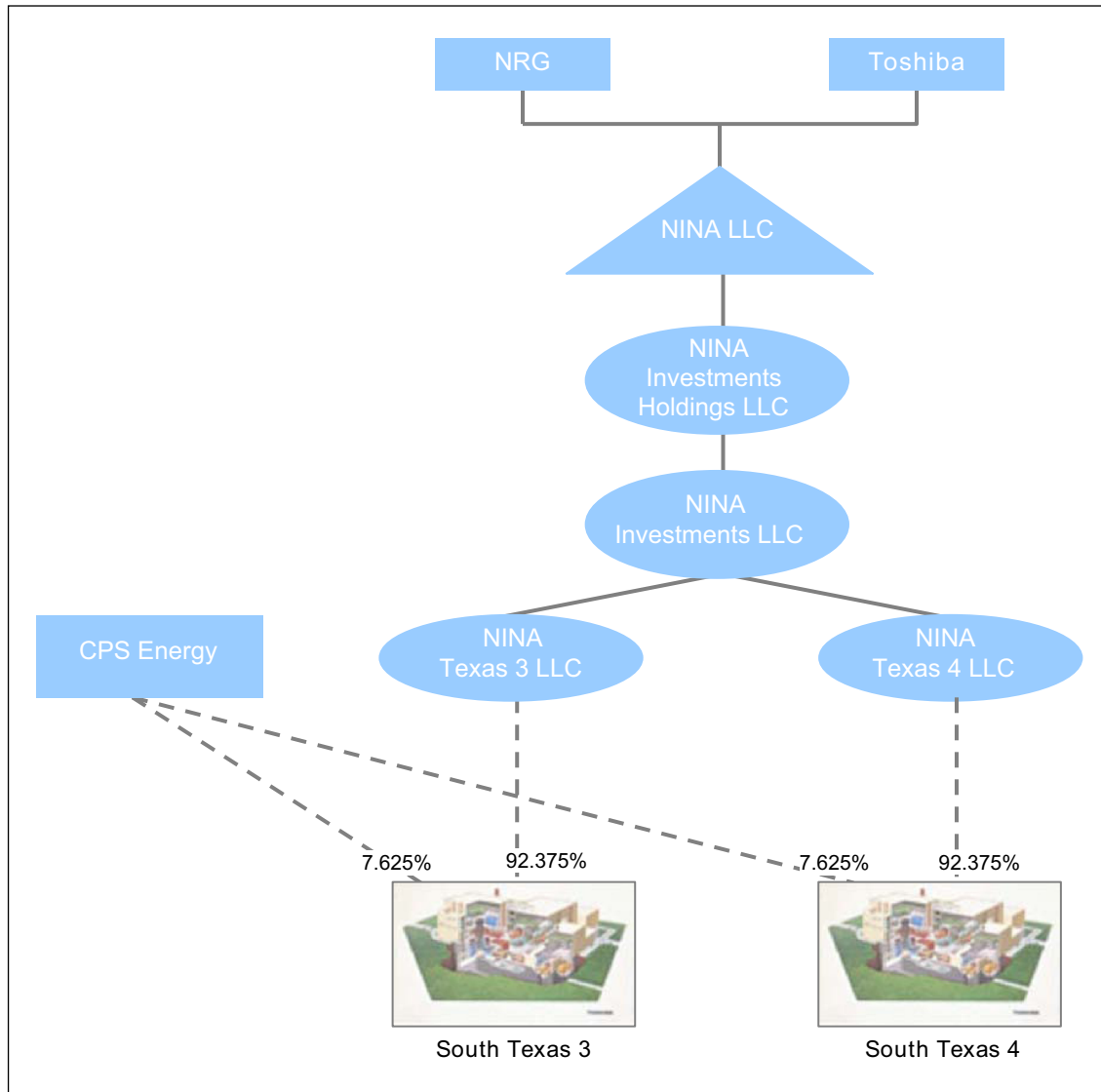


Figure 1.1-1 South Texas Units 3 and 4 Corporate Ownership Structure

