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Item Number - 19

DOCKET NO. 55303

APPLICATION OF NRG SOUTH TEXAS	§	PUBLIC UTILITY COMMISSION
LP FOR REVIEW OF THE COST OF	§	
DECOMMISSIONING UNITS 1 AND 2	§	OF TEXAS
OF THE SOUTH TEXAS PROJECT	§	

JOINT REQUEST TO ADMIT EVIDENCE AND PROPOSED ORDER

NRG South Texas LP (converted to a limited liability company and renamed Constellation South Texas LLC) (the Company)¹ and the Staff (Staff) of the Public Utility Commission of Texas (Commission) hereby file this Joint Request to Admit Evidence and Proposed Order including findings of fact, conclusions of law, and ordering paragraphs. This filing is responsive to the requirements of Order No. 2 in this docket and is timely filed. In order to establish a supporting record, the Company and Staff also request the admission into evidence of a sufficient record to support the Proposed Order. Intervenor, CenterPoint Energy Houston Electric LLC (CenterPoint) and AEP Texas Inc. (AEP Texas), have reviewed and have no objections to the terms of the Proposed Order and to the admission of evidence as requested herein.

I. BACKGROUND

On July 31, 2023, the Company filed its application for Commission review of the annual cost of decommissioning Units 1 and 2 of the South Texas Project Electric Generating Station, pursuant to TEX. UTIL. CODE § 39.205 and 16 Tex. Admin. Code § 25.303. This docket was processed in accordance with the applicable statutes and Commission rules. Notice of the application was provided to affected parties. No protests and no requests for hearing were filed. The Company, Staff, CenterPoint and AEP Texas are the only parties to this proceeding. Staff's Recommendation on Final Disposition was timely filed on October 18, 2023. Staff has reviewed the application and recommends its approval.

¹ NRG South Texas LP has been converted to a limited liability company and renamed Constellation South Texas LLC as a result of the acquisition of NRG South Texas LP by Constellation Energy Generation, LLC. *See* <https://investors.nrg.com/news-releases/news-release-details/nrg-completes-sale-its-interest-south-texas-project>; and <https://investors.constellationenergy.com/static-files/de7711d7-a6f8-4940-b33f-a665a8a9371a>. Texas Secretary of State File No. 805309642, Certificate of Conversion (November 10, 2023). This name change has been accepted by the Commission in the Company's Power Company Generation Registration in Docket No. 55806 [*Notice of Approval*, December 1, 2023.] This transaction does not change the ownership of the assets of the Company or the entity's obligations regarding decommissioning.

II. REQUEST TO ADMIT EVIDENCE

The Company and Staff jointly request to admit the following evidence into the record of this proceeding:

1. The Company's application and all attachments thereto, filed on July 31, 2023;
2. Commission Staff's Recommendation on the Sufficiency of the Application and Notice, filed on August 24, 2023;
3. Affidavit Regarding Proof of Notice, filed on September 5, 2023; and
4. Commission Staff's Recommendation on Final Disposition and the attachment thereto, filed on October 18, 2023.
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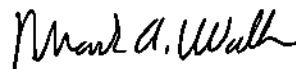
III. PROPOSED ORDER

The attached Proposed Order would grant the Company's application for approval of the Company's proposed funding analysis related to the annual cost of decommissioning STP Units 1 and 2 and approval of an increase in annual funding amounts for decommissioning trusts.

IV. CONCLUSION

The Company and Staff respectfully request that the Commission (i) admit the evidence as specified above; and (ii) adopt the proposed findings of fact, conclusions of law, and proposed ordering paragraphs as set forth in the Proposed Order. The Company is authorized by Staff to make this filing on Staff's behalf. The Company is authorized by CenterPoint and AEP Texas to represent that they have no objections to the request to admit evidence and Proposed Order.

Respectfully submitted,



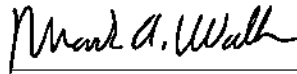
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ATTORNEY FOR THE COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been provided to all parties of record via electronic mail on December 22, 2023 in accordance with the Orders Suspending Rules filed in Project No. 50664.



Mark A. Walker

ATTACHMENT 1**DOCKET NO. 55303**

APPLICATION OF NRG SOUTH	§	PUBLIC UTILITY COMMISSION
TEXAS LP FOR REVIEW OF THE	§	
COST OF DECOMMISSIONING UNITS	§	OF TEXAS
1 AND 2 OF THE SOUTH TEXAS	§	
PROJECT	§	

PROPOSED ORDER

This Order addresses the application of NRG South Texas LP (converted to a limited liability company and renamed Constellation South Texas LLC) (the Company) for review of the annual cost of decommissioning Units 1 and 2 of the South Texas Project Electric Generating Station (STP). The Commission approves the annual funding amounts for the cost of nuclear decommissioning related to the Company's 44.0% ownership interest in STP Units 1 and 2.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact**Applicant**

1. The Company was a wholly-owned subsidiary of NRG Energy, Inc.
2. The Company has been converted to a limited liability company and renamed Constellation South Texas LLC as a result of the acquisition of the Company by Constellation Energy Generation, LLC.² This transaction does not change the ownership of the assets of the Company or the Company's obligations regarding decommissioning.
3. The Company produces and markets wholesale energy and ancillary services related to electricity.

² See <https://investors.nrg.com/news-releases/news-release-details/nrg-completes-sale-its-interest-south-texas-project>; and <https://investors.constellationenergy.com/static-files/de7711d7-a6f8-4940-b33f-a665a8a9371a> Texas Secretary of State File No. 805309642, Certificate of Conversion (November 10, 2023). This name change has been accepted by the Commission in the Company's Power Company Generation Registration in Docket No. 55806 *Notice of Approval*, December 1, 2023.

4. The Company is a power generation company registered with the Commission under power generation company number 20147.
5. The Company is one of three co-owners of STP, along with the City of San Antonio and the City of Austin (collectively, STP Owners).
6. The Company requested that the funding amount for its 30.8% ownership interest in STP be increased from \$197,708 to \$773,292 and that \$670,097 of this amount be deposited in the large component disposal subaccount for Unit 1 and \$103,195 be deposited in the large component disposal subaccount for Unit 2.
7. The Company requested that the funding amount for its 13.2% ownership interest in STP be increased from \$66,643 to \$390,638, with \$179,199 to be deposited in the large component disposal subaccount for Unit 1 and \$211,439 to be deposited in the large component disposal subaccount for Unit 2.
8. The Company also requested to continue the current annual collections for radiological decommissioning and spent-fuel management at zero dollars.

Application

9. On July 31, 2023, the Company filed an application for Commission approval of the proposed funding analysis for the annual cost of nuclear decommissioning related to its 44.0% ownership interest in STP Units 1 and 2.
10. In Order No. 3 issued on August 25, 2023, the administrative law judge (ALJ) found the application sufficient.

Decommissioning Costs and Funding

11. The Company's allocated share of the costs of decommissioning STP Units 1 and 2 are funded by the amounts contained in the nuclear trust funds maintained under (1) the decommissioning master trust created for the Company's 30.8% ownership interest in STP Units 1 and 2, for which CenterPoint Energy Houston Electric, LLC (CenterPoint Energy) is the collecting utility; and (2) the decommissioning master trust created for its 13.2% ownership interest in STP Units 1 and 2, for which AEP Texas Inc. (AEP Texas) is the collecting utility.

12. The Company's current annual funding amounts approved in Docket No. 48447 are \$197,708 for the 30.8% trust and \$66,643 for the 13.2% trust.³
13. The Commission approved the creation of separate spent fuel management, large component disposal, and Department of Energy (DOE) subaccounts within each trust in Docket No. 35772⁴ and Docket No. 36796.⁵

Notice

14. On July 31, 2023, the Company provided notice and a complete copy of the application by electronic mail to the Commission's Financial Review Division, the Office of Public Utility Counsel, CenterPoint Energy and AEP Texas; the Company also provided a courtesy copy to City Public Service Energy (City of San Antonio).
15. In Order No. 3 issued on August 25, 2023, the ALJ found the notice sufficient.

Interventions

16. On July 31, 2023, CenterPoint Energy filed a motion to intervene.
17. On August 4, 2023, AEP Texas filed a motion to intervene.
18. In Order No. 2 issued on August 15, 2023, the ALJ granted the motions to intervene of CenterPoint Energy and AEP Texas.

The Company's Nuclear Decommissioning Trusts

19. Decommissioning funding provides reasonable assurance that adequate funds will be available to pay for the safe dismantlement, decontamination, and disposal of a nuclear generating facility at the completion of its service life.
20. The Company has established two nuclear decommissioning master trusts for its acquired ownership interest in STP Units 1 and 2. The decommissioning funds collected by

³ *Application of NRG South Texas LP for Review of the Cost of Decommissioning Units 1 and 2 of the South Texas Project*, Docket No. 48447, Order (Dec. 12, 2018).

⁴ *Application of NRG South Texas LP for Review of the Cost of Decommissioning Units 1 and 2 of the South Texas Project*, Docket No. 35772, Order (Oct. 10, 2008).

⁵ *Request of NRG South Texas LP for Review of Proposed Amended Nuclear Decommissioning Trust Agreements, Pursuant to PURA § 39.205*, Docket No. 36796, Order (Jul. 13, 2009).

CenterPoint Energy related to the Company's 30.8% ownership interest in STP Units 1 and 2 are administered through the trust created by the Fifth Amended and Restated Decommissioning Master Trust Agreement for the South Texas Project, dated October 13, 2013. The decommissioning funds collected by AEP Texas related to the Company's 13.2% ownership interest in STP Units 1 and 2 are administered through the trust created by the Third Amended and Restated Decommissioning Master Trust Agreement No. 2 for the South Texas Project, dated October 13, 2013.

21. As of December 31, 2022, the total balance in the 30.8% trust was \$603,936,571.
22. As of December 31, 2022, the total balance in the 13.2% trust was \$233,596,803.
23. The Company, as the funds administrator for both the 30.8% and the 13.2% trusts, has established investment policies according to the guidelines in 16 TAC § 25.303(e), so that the decommissioning funds collected, plus the amounts earned from investment of the funds, will be available at the time of decommissioning.
24. Over 99% of the existing balances in the 30.8% trust and over 99% of the existing balances in the 13.2% trust are in "qualified" accounts in accordance with Internal Revenue Code § 468A.

Extended Licenses for STP Units 1 and 2

25. On September 28, 2017, the Nuclear Regulatory Commission approved the STP Nuclear Operating Company's application for a 20-year extension of its operating license resulting in authorization of a 60-year operating life for STP Units 1 and 2, authorizing operations up to 2047 and 2048, respectively. The 2023 cost study prepared by TLG Services, Inc. assumes this 60-year operating life for STP Units 1 and 2.

DOE Recovery Subaccounts

26. Under the standard contract with the DOE for the acceptance of spent nuclear fuel and high-level waste under the Nuclear Waste Policy Act, the DOE was to begin acceptance of spent nuclear fuel from STP no later than January 31, 1998, but the DOE has failed to begin acceptance of spent nuclear fuel from any nuclear units.
27. As of February 5, 2013, the STP Nuclear Operating Company, on behalf of the STP owners, entered into a DOE settlement agreement regarding litigation involving the storage

and disposal of spent nuclear fuel. Under the terms of the DOE settlement agreement, the DOE will reimburse the STP Nuclear Operating Company for certain decommissioning costs that related to continuing on-site storage of all its used nuclear fuel.

28. The DOE settlement agreement has been repeatedly extended based on the same payment provisions and is scheduled to expire at the end of calendar year 2025. The DOE settlement agreement may be extended based on provisions allowing the termination date to be extended upon mutual written agreement of the parties.
29. The Commission approved the creation of the DOE Recovery to facilitate recovery of decommissioning funds from DOE back into the decommissioning trusts used for spent fuel and high-level waste management. The DOE has consistently funded these expenses at a 95% level according to the DOE settlement agreement.
30. For the purposes of the annual funding analysis, the Company and the STP owners have assumed that the DOE settlement agreement will continue to be extended to allow for expense recovery from the DOE throughout the entire period of time required for the DOE to meet its full obligations in terms of acceptance of spent nuclear fuel from the STP site.

Annual Funding Analysis

31. In May 2023, TLG Services, Inc. completed the development of a site-specific constant-dollar decommissioning cost estimate of the expected cash outlays, by year, during the decommissioning process for STP Units 1 and 2. The 2023 cost study concludes that the total cost to decommission and completely dismantle STP Units 1 and 2 is estimated to be \$2.63 billion (assuming a 17.81% contingency). This cost estimate is stated in 2023 dollars and does not include future cost escalation or consider the cost of money over the time period involved. Assuming a contingency percentage of 10% as provided in 16 TAC § 25.303(f)(2), the estimated total decommissioning cost for STP Units 1 and 2 is \$2.45 billion.
32. Based on the existing trust fund balances; the anticipated after-tax investment return of the decommissioning trusts; the assumed fees and expenses of the trustee, consultants, and investment managers; the proposed cost escalation rates determined by TLG Services, Inc., the TLG Services, Inc. estimate for future decommissioning costs; a contingency cost

assumption of 10%; continued expense reimbursement from the DOE regarding spent fuel management; the assumption that STP Units 1 and 2 will operate through their operating authorization from the Nuclear Regulatory Commission, 2047 and 2048 respectively, the Company has calculated the required annual funding amount for each trust to be \$773,292 for the 30.8% trust and \$390,638 for the 13.2% trust through 2026, at which time no additional funding is expected based on current information.

Existing Large Component Disposal Subaccounts

33. The Company will continue the use of the large component disposal subaccounts previously established within both the 30.8% and the 13.2% trusts. All of the amounts collected by CenterPoint Energy on behalf of the Company will be used to fund the large component disposal subaccounts in the 30.8% trust and the amounts collected by AEP Texas on behalf of the Company will be used to fund the large component disposal subaccounts in the 13.2% trust.
34. The funding analysis submitted by the Company concludes that the funding required for the large component disposal subaccounts will be fully funded by December of 2026, at which time no further funding of any of the decommissioning trusts is projected to be required, absent material changes in circumstances.

Other Subaccounts

35. Based on the existing balances in the radiological decommissioning (or license termination), spent-fuel management, and site restoration subaccounts and the funding analysis presented in the application, no additional funding is currently required for license termination, site restoration, or spent-fuel management.

Testimony

36. The Company's application is supported by the written testimonies of Kevin L. Cole, Senior Vice President, Treasurer and Head of Investor Relations of NRG Energy, Inc. and Lori A. Glander, Senior Manager of Decommissioning Services at TLG Services, Inc.

Evidence

37. On November 3, 2023, Staff and the Company filed a joint request to admit evidence.

38. In Order No. ____ issued on December ___, 2023, the ALJ granted the joint request and admitted the following evidence into the record of this proceeding: (a) the Company's application and all attachments filed on July 31, 2023; (b) Staff's Recommendation on the Sufficiency of the Application and Notice filed on August 24, 2023; (c) the Company's affidavit of proof of notice filed on September 5, 2023; (d) Staff's Recommendation on Final Disposition filed on October 18, 2023; and (e) affidavit from Constellation Energy Generation, LLC regarding the conversion of NRG South Texas LP to Constellation South Texas LLC filed on December 22, 2023.

Informal Disposition

39. More than 15 days have passed since the completion of the notice provided in this docket.
40. No party filed protests or requests for hearing.
41. The decision is not adverse to any party.

II. Conclusions of Law

1. The Commission has jurisdiction over the application under PURA⁶ §§ 14.001, 14.002, and 39.205.
2. Notice of the application complies with 16 Texas Administrative Code (TAC) §§ 22.55 and 25.303(f)(2).
3. The Commission processed this application in accordance with PURA, the Administrative Procedure Act,⁷ and Commission rules.
4. The remaining costs associated with nuclear decommissioning obligations continue to be subject to cost of service regulation under PURA § 39.205.
5. Under PURA § 39.205, the Commission is authorized to adopt rules to ensure that decommissioning funds are prudently collected, managed, and spent for the intended purpose of such funds and that any surplus is returned to retail customers.

⁶ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016 (PURA).

⁷ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001—.902.

6. The Company filed its periodic study of the decommissioning costs of its interest in STP Units 1 and 2 and its updated decommissioning funding analysis in accordance with 16 TAC § 25.303(f).
7. The Company has demonstrated that the funds in its nuclear decommissioning trusts are being invested prudently and in compliance with the investment guidelines set forth in 16 TAC § 25.303(e).
8. The Company has demonstrated its efforts to achieve optimum tax efficiency, including efforts to achieve “qualified” status in accordance with Internal Revenue Code § 468A.
9. The annual funding amounts proposed by the Company for each nuclear decommissioning trust are necessary to ensure sufficient funds to decommission STP Units 1 and 2 at the end of their useful life.
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the annual funding amounts for the cost of nuclear decommissioning related to the Company’s 44.0% ownership interest in STP Units 1 and 2.
2. The Commission approves an annual funding amount of \$773,292 through 2026 for the 30.8% trust effective the date of this Order. The Company must deposit all amounts collected on its behalf by CenterPoint Energy through the decommissioning rider into the large component disposal subaccounts for each unit in the following amounts: \$670,097 for Unit 1 and \$103,195 for Unit 2.
3. The Commission approves an annual funding amount of \$390,638 through 2026 for the 13.2% trust effective the date of this Order. The Company must deposit all amounts collected on its behalf by AEP Texas through the decommissioning rider into the large

component disposal subaccounts for each unit in the following amounts: \$179,199 for Unit 1 and \$211,439 for Unit 2.

4. The Commission approves continuing the current funding of the radiological decommissioning (license termination), spent-fuel management, and site restoration subaccounts for both units at zero dollars.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

KATHLEEN JACKSON, INTERIM CHAIR

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

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I. BACKGROUND

On July 31, 2023, the Company filed its application for Commission review of the annual cost of decommissioning Units 1 and 2 of the South Texas Project Electric Generating Station, pursuant to TEX. UTIL. CODE § 39.205 and 16 Tex. Admin. Code § 25.303. This docket was processed in accordance with the applicable statutes and Commission rules. Notice of the application was provided to affected parties. No protests and no requests for hearing were filed. The Company, Staff, CenterPoint and AEP Texas are the only parties to this proceeding. Staff's Recommendation on Final Disposition was timely filed on October 18, 2023. Staff has reviewed the application and recommends its approval.

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III. PROPOSED ORDER

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IV. CONCLUSION

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Respectfully submitted,

Mark A. Walker
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Austin, Texas 78759

Office: (512) 404-7800
Fax: (512) 703-3785
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ATTORNEY FOR THE COMPANY

CERTIFICATE OF SERVICE

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Mark A. Walker

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24. Over 99% of the existing balances in the 30.8% trust and over 99% of the existing balances in the 13.2% trust are in "qualified" accounts in accordance with Internal Revenue Code § 468A.

Extended Licenses for STP Units 1 and 2

25. On September 28, 2017, the Nuclear Regulatory Commission approved the STP Nuclear Operating Company's application for a 20-year extension of its operating license resulting in authorization of a 60-year operating life for STP Units 1 and 2, authorizing operations up to 2047 and 2048, respectively. The 2023 cost study prepared by TLG Services, Inc. assumes this 60-year operating life for STP Units 1 and 2.

DOE Recovery Subaccounts

26. Under the standard contract with the DOE for the acceptance of spent nuclear fuel and high-level waste under the Nuclear Waste Policy Act, the DOE was to begin acceptance of spent nuclear fuel from STP no later than January 31, 1998, but the DOE has failed to begin acceptance of spent nuclear fuel from any nuclear units.
27. As of February 5, 2013, the STP Nuclear Operating Company, on behalf of the STP owners, entered into a DOE settlement agreement regarding litigation involving the storage

and disposal of spent nuclear fuel. Under the terms of the DOE settlement agreement, the DOE will reimburse the STP Nuclear Operating Company for certain decommissioning costs that related to continuing on-site storage of all its used nuclear fuel.

28. The DOE settlement agreement has been repeatedly extended based on the same payment provisions and is scheduled to expire at the end of calendar year 2025. The DOE settlement agreement may be extended based on provisions allowing the termination date to be extended upon mutual written agreement of the parties.
29. The Commission approved the creation of the DOE Recovery to facilitate recovery of decommissioning funds from DOE back into the decommissioning trusts used for spent fuel and high-level waste management. The DOE has consistently funded these expenses at a 95% level according to the DOE settlement agreement.
30. For the purposes of the annual funding analysis, the Company and the STP owners have assumed that the DOE settlement agreement will continue to be extended to allow for expense recovery from the DOE throughout the entire period of time required for the DOE to meet its full obligations in terms of acceptance of spent nuclear fuel from the STP site.

Annual Funding Analysis

31. In May 2023, TLG Services, Inc. completed the development of a site-specific constant-dollar decommissioning cost estimate of the expected cash outlays, by year, during the decommissioning process for STP Units 1 and 2. The 2023 cost study concludes that the total cost to decommission and completely dismantle STP Units 1 and 2 is estimated to be \$2.63 billion (assuming a 17.81% contingency). This cost estimate is stated in 2023 dollars and does not include future cost escalation or consider the cost of money over the time period involved. Assuming a contingency percentage of 10% as provided in 16 TAC § 25.303(f)(2), the estimated total decommissioning cost for STP Units 1 and 2 is \$2.45 billion.
32. Based on the existing trust fund balances; the anticipated after-tax investment return of the decommissioning trusts; the assumed fees and expenses of the trustee, consultants, and investment managers; the proposed cost escalation rates determined by TLG Services, Inc., the TLG Services, Inc. estimate for future decommissioning costs; a contingency cost

assumption of 10%; continued expense reimbursement from the DOE regarding spent fuel management; the assumption that STP Units 1 and 2 will operate through their operating authorization from the Nuclear Regulatory Commission, 2047 and 2048 respectively, the Company has calculated the required annual funding amount for each trust to be \$773,292 for the 30.8% trust and \$390,638 for the 13.2% trust through 2026, at which time no additional funding is expected based on current information.

Existing Large Component Disposal Subaccounts

33. The Company will continue the use of the large component disposal subaccounts previously established within both the 30.8% and the 13.2% trusts. All of the amounts collected by CenterPoint Energy on behalf of the Company will be used to fund the large component disposal subaccounts in the 30.8% trust and the amounts collected by AEP Texas on behalf of the Company will be used to fund the large component disposal subaccounts in the 13.2% trust.
34. The funding analysis submitted by the Company concludes that the funding required for the large component disposal subaccounts will be fully funded by December of 2026, at which time no further funding of any of the decommissioning trusts is projected to be required, absent material changes in circumstances.

Other Subaccounts

35. Based on the existing balances in the radiological decommissioning (or license termination), spent-fuel management, and site restoration subaccounts and the funding analysis presented in the application, no additional funding is currently required for license termination, site restoration, or spent-fuel management.

Testimony

36. The Company's application is supported by the written testimonies of Kevin L. Cole, Senior Vice President, Treasurer and Head of Investor Relations of NRG Energy, Inc. and Lori A. Glander, Senior Manager of Decommissioning Services at TLG Services, Inc.

Evidence

37. On November 3, 2023, Staff and the Company filed a joint request to admit evidence.

38. In Order No. ____ issued on December ____, 2023, the ALJ granted the joint request and admitted the following evidence into the record of this proceeding: (a) the Company's application and all attachments filed on July 31, 2023; (b) Staff's Recommendation on the Sufficiency of the Application and Notice filed on August 24, 2023; (c) the Company's affidavit of proof of notice filed on September 5, 2023; (d) Staff's Recommendation on Final Disposition filed on October 18, 2023; and (e) affidavit from Constellation Energy Generation, LLC regarding the conversion of NRG South Texas LP to Constellation South Texas LLC filed on December 22, 2023.

Informal Disposition

39. More than 15 days have passed since the completion of the notice provided in this docket.
40. No party filed protests or requests for hearing.
41. The decision is not adverse to any party.

II. Conclusions of Law

1. The Commission has jurisdiction over the application under PURA⁶ §§ 14.001, 14.002, and 39.205.
2. Notice of the application complies with 16 Texas Administrative Code (TAC) §§ 22.55 and 25.303(f)(2).
3. The Commission processed this application in accordance with PURA, the Administrative Procedure Act,⁷ and Commission rules.
4. The remaining costs associated with nuclear decommissioning obligations continue to be subject to cost of service regulation under PURA § 39.205.
5. Under PURA § 39.205, the Commission is authorized to adopt rules to ensure that decommissioning funds are prudently collected, managed, and spent for the intended purpose of such funds and that any surplus is returned to retail customers.

⁶ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016 (PURA).

⁷ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001—.902.

6. The Company filed its periodic study of the decommissioning costs of its interest in STP Units 1 and 2 and its updated decommissioning funding analysis in accordance with 16 TAC § 25.303(f).
7. The Company has demonstrated that the funds in its nuclear decommissioning trusts are being invested prudently and in compliance with the investment guidelines set forth in 16 TAC § 25.303(e).
8. The Company has demonstrated its efforts to achieve optimum tax efficiency, including efforts to achieve “qualified” status in accordance with Internal Revenue Code § 468A.
9. The annual funding amounts proposed by the Company for each nuclear decommissioning trust are necessary to ensure sufficient funds to decommission STP Units 1 and 2 at the end of their useful life.
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the annual funding amounts for the cost of nuclear decommissioning related to the Company’s 44.0% ownership interest in STP Units 1 and 2.
2. The Commission approves an annual funding amount of \$773,292 through 2026 for the 30.8% trust effective the date of this Order. The Company must deposit all amounts collected on its behalf by CenterPoint Energy through the decommissioning rider into the large component disposal subaccounts for each unit in the following amounts: \$670,097 for Unit 1 and \$103,195 for Unit 2.
3. The Commission approves an annual funding amount of \$390,638 through 2026 for the 13.2% trust effective the date of this Order. The Company must deposit all amounts collected on its behalf by AEP Texas through the decommissioning rider into the large

component disposal subaccounts for each unit in the following amounts: \$179,199 for Unit 1 and \$211,439 for Unit 2.

4. The Commission approves continuing the current funding of the radiological decommissioning (license termination), spent-fuel management, and site restoration subaccounts for both units at zero dollars.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

KATHLEEN JACKSON, INTERIM CHAIR

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER