



Control Number: 56972



Item Number: 17

Thomas J. Gleeson
Chairman

Kathleen Jackson
Commissioner

Courtney K. Hjaltman
Commissioner



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TO: Chairman Thomas J. Gleeson
Commissioner Kathleen Jackson
Commissioner Courtney K. Hjaltman

All Parties of Record

FROM: Shelah Cisneros, Commission Counsel

A handwritten signature in black ink, appearing to be "SC" or similar initials.

DATE: 12 February 2025

RE: February 20, 2025 Open Meeting – Item No. XX

Docket No. 56972 – Joint Application of the City of San Antonio, Acting by and through the City Public Service Board (CPS Energy), Constellation South Texas, LLC, and AEP Texas Inc. for Commission Review of Agreements Related to the Transfer of Nuclear Decommissioning Trust Funds Under 16 TAC § 25.303(d)

A proposed order in the above-referenced docket is posted for consideration by the Commission. If the Commission adopts the proposed order, I recommend the following changes.

The Commission should divide proposed finding of fact 1 into two findings of fact and make modifications for completeness and clarity. The remaining findings of fact should be renumbered accordingly.

X. South Texas Nuclear Project, Units 1 and 2 (STP) is owned by three co-owners: Constellation, CPS Energy, and Austin Energy.

X. Austin Energy's ownership interest in STP is unaffected by There are three co-owners of STP, two of which are affected by this application.

The Commission should modify proposed finding of fact 10 for accuracy, clarity, and completeness.

10. On August 4221, 2024, CPS Energy, Constellation, and AEP Texas filed a joint application for Commission review and approval of the following agreements in keeping accordance with a proposed transaction that would between CPS Energy and Constellation to transfer 2% STP ownership from Constellation to CPS Energy.

- a. CPS Energy Amended and Restated Decommissioning Funds Collection Agreement with AEP Texas (application attachment A);
- b. CPS Energy Amended and Restated Decommissioning Master Trust Agreement, with Frost Bank as trustee (application attachment B);
- c. CPS Energy Investment Management Agreements that were not previously submitted to or approved by the Commission—one with William Blair Investment Management, LLC (application attachment C) and one with State Street Global Advisors Trust Company (application attachment D);
- d. Constellation Second Amended and Restated Decommissioning Funds Collection Agreement with AEP Texas (application attachment F); and
- e. Constellation Fourth Amended and Restated Decommissioning Master Trust Agreement No. 2, with The Bank of New York Mellon as trustee (application attachment G).

The Commission should modify proposed findings of fact 11 and 12 for clarity.

- 11. The proposed changes to the previously approved agreements do not change the overall amount of funds in the trust fund accounts and do not change the amount of nuclear decommissioning expense currently authorized by the Commission.
- 12. The proposed changes to the previously approved agreements do not impact AEP Texas's collection and remittance requirements.

The Commission should modify proposed findings of fact 13 and 22 for accuracy and completeness.¹

- 13. The agreements in application attachments A, B, F, and G were~~Each of the Agreements was~~ previously approved by the Commission,³ whereas the agreements in application attachments C and D have not been previously approved by the Commission.

³ See *Commission Review of Agreements Relating to the Transfer of Nuclear Decommissioning Trust Funds from AEP Texas Central Company to Texas Genco, LP Pursuant to P.U.C. Subst. R. 25.303(d)*, Docket No. 30749, Order at 7 (May 11, 2005); *Application of NRG South Texas LP and AEP Texas Central Company for Transfer of Responsibility for Administration of Nuclear Decommissioning Trust Funds*, Docket No. 34171, Order at 4 (Sept. 18, 2007); and *Application of NRG South Texas LP for Review of the Cost of Decommissioning Units 1 and 2 of the South Texas Project*, Docket No. 41580, Order at 7–8 (Oct. 7, 2013).

¹ Application at 4–5.

22. Commission Staff recommended approval of the two investment manager agreements, which are Attachments C and D to the joint application.

The Commission should modify proposed conclusion of law 5 for completeness.

5. The proposed amendments to the previously approved agreements and the two proposed new investment manager agreements comply with 16 TAC § 25.303(d).

The Commission should modify proposed ordering paragraph 1 for accuracy to reference the non-blacklined versions of the agreement.

1. The Commission approves the agreements, included with the application at attachments A-1, B-1, C, D, F-1, and G-1.

Additionally, the Commission should delegate to the Office of Policy and Docket Management the authority to modify the order to conform to the Citation and Style Guide for the Public Utility Commission of Texas and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

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