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OCT 24 2014

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555-0001

**SUSQUEHANNA STEAM ELECTRIC STATION
RESPONSE TO REQUEST FOR ADDITIONAL
INFORMATION RE: APPLICATION FOR
APPROVAL OF INDIRECT TRANSFER OF
CONTROL
PLA-7245**

**Docket Nos. 50-387
50-388
and 72-28**

References: 1. PLA-7191, T. S. Rausch (PPL Susquehanna, LLC) to U.S. NRC, "Request for Order Approving Indirect Transfer of Control and Conforming License Amendments," dated July 11, 2014.

2. Letter, J. A. Whited (U.S. NRC) to T. S. Rausch (PPL Susquehanna, LLC), "Request for Additional Information Re: Request for Order Approving Indirect Transfer of Control and Conforming License Amendments (TAC Nos. MF4426 and MF4427)," dated October 9, 2014.

By letter dated July 11, 2014 (Reference 1) PPL Susquehanna, LLC (PPL Susquehanna) submitted an Application for Approval of Indirect Transfer of Control of the Licenses for the Susquehanna Steam Electric Station, Units 1 and 2 in accordance with Section 184 of the Atomic Energy Act of 1954, 10 CFR § 50.80, and 10 CFR § 72.50. On October 9, 2014 (Reference 2) the NRC provided a Request for Additional Information (RAI) regarding the PPL Susquehanna application; the purpose of this letter is to respond to the NRC request.

The Enclosure to this letter provides a non-proprietary version of PPL Susquehanna's response to each RAI question suitable for public disclosure. PPL Susquehanna's complete responses to RAI 1 and RAI 4 contain confidential commercial and financial information. PPL Susquehanna therefore requests that this information be withheld from public disclosure pursuant to 10 CFR § 2.390 for the reasons described in my Affidavit (Attachment 1 to the Enclosure). A proprietary version of RAI 1 is provided as Attachment 2 to the Enclosure. The response to RAI 4 is provided in the form of two CDs: one non-proprietary and suitable for public disclosure (Attachment 4 to the Enclosure) and one that contains the proprietary information (Attachment 5 to the Enclosure).

UNRESTRICTED UPON REMOVAL OF ATTACHMENTS 2 AND 5

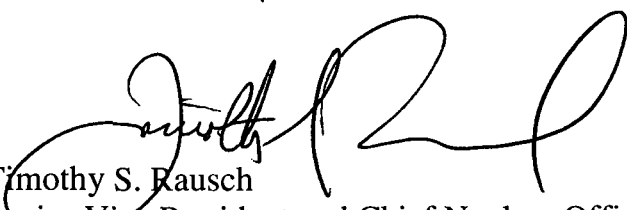
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There are no new regulatory commitments associated with this response.

In the event that the NRC has questions on this response, please contact Mr. Rocco R. Sgarro at (610) 774-7552.

I declare under penalty of perjury that the responses pertaining to PPL Susquehanna and Talen Energy are true and correct. A separate affirmation is provided as Attachment 3 to the Enclosure in support of the responses to those portions of RAI 2 pertaining to Riverstone's ownership, management, or operations.

Executed on: 10/24/14



Timothy S. Rausch
Senior Vice President and Chief Nuclear Officer

Enclosure: PPL Susquehanna Responses to NRC Request for Additional Information dated October 9, 2014

cc: NRC Region I (non-proprietary att. only)
Mr. J. Greives, NRC Sr. Resident Inspector (non-proprietary att. only)
Mr. J. Whited, NRC Project Manager (non-proprietary att. only)
Mr. L. Winker, PA DEP/BRP (non-proprietary att. only)

Enclosure to PLA-7245

**PPL Susquehanna Responses to NRC Request for
Additional Information dated October 9, 2014**

RAI 1: Based on the information provided in the application, provide the following additional information, pursuant to 50.33(l) regarding financial qualifications:

- a. In its application for transfer of control dated December 15, 1999, PPL Susquehanna submitted a proprietary projected income statement as Attachment 4A. Justify the apparent change in operating expenses for SSES since 1999, considering PPL Corporation's statements in its 10-K SEC filing.**
- b. Provide supporting documentation to justify the projected market prices per megawatt hour (MWh), capacity factors and expenses.**
- c. Provide a cashflow statement for SSES for the period 2015-2019.**

PPL Susquehanna Response:

- a. Table 1-1 provides variance explanations for all categories of expenses included in Attachment 4A of the 1999 Application and the 2014 Application. The change in operating expenses is unrelated to the statements in the 10-K SEC filing, which addresses the parent corporation's reduced margin mainly attributable to reduced revenues across the fleet, and not any increase in expenses incurred by PPL Susquehanna, LLC (PPL Susquehanna).

During a conference call on October 1, the NRC Staff also inquired whether the projected expenses included turbine repairs. PPL Susquehanna's projected expenses do not include payments to the vendor for the currently planned work to remedy the turbine blade cracking issue. Consistent with the parties' past practice, those expenses are expected to be borne by the vendor as part of PPL Susquehanna's warranty claim, although the vendor has not acknowledged the validity of PPL Susquehanna's warranty claim at this time. PPL Susquehanna's incremental internal costs are included in the budget.

- b. Table 1-2 provides a comparison of PPL Susquehanna's assumed Energy Prices to those projected by IHS CERA in its "Energy North American Power Market Outlook, Mid-Year Update, August 2014." IHS CERA is a well-recognized independent market expert. The prices projected in the Application are all lower than those projected by IHS CERA's independent analysis. The margin calculation for each unit is derived using monthly on-peak and off-peak pricing. Within the month, historical price curves are used to develop hourly prices against which the unit is dispatched. The single price presented in the Application was calculated as an "around the clock" (ATC) value by taking total energy revenue and dividing it by total production. The same ratios used in calculating that price were applied to the CERA on-peak and off-peak prices to calculate the values presented as the PJM West Hub ATC CERA prices in Table 1-2.

As discussed in the Application, the capacity factors for 2015-2018 were derived from the specific planned outage dates for each unit in each year along with an unplanned outage factor corresponding to the average unplanned outage rate over the last five years. These planned outage dates were taken from the PPL Susquehanna 5-year business plan (Table 1-3 provides the plan assumptions, and Table 1-4 provides the detail to the calculation of the assumption). Because the specific dates for the refueling outage in the last year of the projections (2019) have not yet been determined, the planned outage duration in 2019 was assumed to be the same as in 2018. The number of planned outage days for each unit in each

year produces the Equivalent Planned Outage Factor (EPOF), as described later in this response. The unplanned outage factor is the average of the Equivalent Unplanned Outage Factor (EUOF) derived from the Generating Availability Data System (GADS) data reported to NERC/PJM for the last five years, as shown in Table 1-4. The capacity factor of each unit is also affected by the Unit's utilization factor, which accounts for the unit's ability to produce more than the summer tested capacity during months with colder temperatures. The annual utilization factors for each unit are based on historic generation in each month and differ slightly from year to year depending on the months in which planned outages are scheduled.

Table 1-3 shows the number of planned outage days taken from the business plan to produce the EPOF, the applied five-year average EUOF (derived as shown in Table 1-4), and the utilization factors, and then shows the resulting generation (MWh) and capacity factors calculated by this method. Table 1-3 also provides the calculation of and assumptions supporting the generation projected in our income statements (base case). Assumptions A through I on Table 1-3 are defined as follows:

- A. PPL Susquehanna's 90% share of the rated capacity of each unit (90% of 1260 MWe) as reflected in the business plan on which this calculation is based. Please note that the rating used was the reported rating determined by summer test in 2013. A more recent summer test reflects a rating of 1247 MWe. The 2013 rating remains appropriate for the projected income statement not only to maintain consistency with the business plan but also because actual plant utilization has exceeded the higher rated capacity (as would be expected with ratings based on summer tests, because the efficiency of the plant is greater in cooler months). If the rated capacities of the units were decreased, the utilization factor would increase, essentially offsetting any potential impact.
 - B. Hours in the year. Please note that 2016 reflects greater hours because it is a leap year.
 - C. Assumed planned outage days in each year.
 - D. Equivalent Planned Outage Factor (EPOF) calculated as equivalent planned outage hours divided by period hours.
 - E. Equivalent Unplanned Outage Factor (EUOF) calculated as the sum of the equivalent forced outage hours and the equivalent maintenance outage hours divided by total period hours. See Table 1-4 for the SSES monthly Historical Equivalent Unplanned Outage Factor.
 - F. Utilization Factor based upon expected monthly unit output. Utilization Factor is greater than 100% due to the units' ability to produce more than the summer tested capacity during months with colder temperatures.
 - G. Generation (MWh) as projected in the PPL Susquehanna 2014-18 business plan and the Application, taking into account the EPOF, EUOF, and Utilization Factor.
 - H. Potential Generation calculated as Capacity * Period Hours. The product of the rated capacity and total hours equals the total generation that would result if the plant operated without interruption throughout the year at its rated capacity.
 - I. Capacity Factor calculated as Generation / Potential Generation.
- c. See Table 1-5 for projected cash flows for PPL Susquehanna (to be renamed Susquehanna Nuclear).

Table 1-1: Variance Explanation from 1999 Application to 2014 Application

<i>\$ in 000's</i>	2000	2001	2002	2003	2004	2004-2015					Variance Explanation	
						CAGR	2015	2016	2017	2018		2019
Fuel - Expense												
Unit 1												
Unit 2												
Total SSES (90%)												Largely driven by escalation in uranium prices and increase production due to the Extended Power Uprate (EPU) project.
Spent fuel - D&D												
Unit 1												
Unit 2												
Total SSES (90%)												Reflect 2014 DOE adjustment to rate per mill for decommissioning
Decommissioning												
Unit 1												
Unit 2												
Total SSES (90%)												Change in accounting principle with adoption of SFAS 143, Asset Retirement Obligations.
Direct O&M (90%)												
Unit 1												
Unit 2												
Total SSES (90%)												Normal escalation in cost, plus certain additional NRC requirements.
Intercompany charges												
Unit 1												
Unit 2												
Total SSES (90%)												Driven by increased support group cost, increase SSES cost and head count relative to the rest of Energy Supply's fleet.
Taxes other than income												
Unit 1												
Unit 2												
Total SSES (90%)												
Depreciation												
Unit 1												
Unit 2												
Total SSES (90%)												Normal escalation in cost, plus increase in capital expenditures for EPU (\$355 million) and other projects.
Total Expense												
Unit 1												
Unit 2												
Total SSES (90%)												

Table 1-2: Support for Assumed Energy Prices, CERA vs PPL
 (\$/MWh)

	PJM West Hub On-Peak			PJM West Hub Off-Peak			PJM West Hub ATC		
	CERA*	PPL	Variance	CERA*	PPL	Variance	CERA*	PPL	Variance
2015									
2016									
2017									
2018									
2019									

* IHS CERA Energy North American Power Market Outlook, Mid-Year Update, August 2014; Source: HIS Inc. This content is extracted from IHS Energy North American Power service and was developed as part of an ongoing subscription service. No part of this content was developed for or is meant to reflect a specific endorsement of a policy or regulatory outcome. The use of this content was approved in advance by IHS. Any further use or redistribution of this content is strictly prohibited without written permission by IHS. All rights reserved.

** See PPL Susquehanna Response to RAI 1.b for explanation of how these values were derived.

Table 1-3: Capacity Factor Assumptions

		BASE CASE				
		2015	2016	2017	2018	2019
A Capacity (MW)						
	Unit 1					
	Unit 2					
	Station					
B Period Hours						
C Planned Outage Days						
	Unit 1					
	Unit 2					
	Station					
D EPOF [(C * 24)/B]						
	Unit 1					
	Unit 2					
	Station					
E EUOF						
F Utilization Factor*						
	Unit 1					
	Unit 2					
	Station					
G Generation (MWh) [A*B*(1-D-E)*F]						
	Unit 1					
	Unit 2					
	Station					
H Potential Generation (MWh) [A*B]						
	Unit 1					
	Unit 2					
	Station					
I Capacity Factor [G/H]						
	Unit 1					
	Unit 2					
	Station					

* Utilization Factor is greater than 100% due to the units' ability to produce more than the summer tested capacity on file with PJM during months with colder temperatures.

Table 1-4: Historical Equivalent Unplanned Outage Factor

	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	
SUSQ1																
SUSQ2																
	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	
SUSQ1																
SUSQ2																
	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	
SUSQ1																
SUSQ2																
	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
SUSQ1																
SUSQ2																
	60 Month Average															
SUSQ1																
SUSQ2																
STATION																

Table 1-5: PPL Susquehanna Cash Flow Statement

Unit 1 Base Case	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

Unit 1 Sensitivity 1 (10% Reduction in Capacity Factor)	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

Unit 1 Sensitivity 2 (10% Reduction in Energy Price)	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

Unit 2 Base Case	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

Unit 2 Sensitivity 1 (10% Reduction in Capacity Factor)	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

Unit 2 Sensitivity 2 (10% Reduction in Energy Price)	
OPERATING ACTIVITIES	
Net Income	
Non-Cash Items Included in Net Income:	
Depreciation, Amortization, Decommissioning and Taxes	
Net cash flow provided / (used in) operating activities	
INVESTING ACTIVITIES	
Construction Expenditures	
Nuclear fuel purchases	
Net cash flow provided / (used in) investing activities	
FINANCING ACTIVITIES	
Net cash flow provided / (used) by financing activities	
Net Increase (Decrease) in Cash & Cash Equivalents	

RAI 2: In order to make a determination on FOCD, the NRC staff requests the licensee:

- a. Provide the name of the non-U.S. citizen director of Riverstone Energy GP V LLC.
- b. Explain the Director's responsibilities and authority over SSES regarding NRC activities, specifically as they relate to nuclear safety, security, reliability, or special nuclear material.
- c. Explain how the non-U.S. citizen director of Riverstone Energy GP V LLC, and any non-U.S. citizen directors or officers of Talen Energy or the RJS Shareholders will be excluded from having decision-making authority regarding SSES plant and special nuclear materials. In addition, state whether there are any procedures in place to assure that non-U.S. citizen Directors or Officers of any direct or indirect owner will not participate in decisions concerning nuclear safety or security; obtaining responsibility for special nuclear material; or gaining access to restricted data. If so, provide a list of those procedures.
- d. Describe any unanimous consent or special voting rights for the Board of Talen Energy.
- e. Describe the legal, contractual or financial arrangements, if any, between Susquehanna Nuclear, LLC and any entity in the corporate ownership structure between Susquehanna Nuclear LLC and Riverstone Holdings LLC that is owned, controlled, or dominated, directly or indirectly, by a foreign entity. Indicate the percentage of foreign ownership of Riverstone Holdings LLC.
- f. Describe any financial, contractual or other business relationships, arrangements, ownership interests, or interlocking directors with entities, subsidiaries or affiliates of Riverstone Holdings LLC, the RJS Entities, and or Susquehanna Nuclear LLC and any entities conducting commercial activity in Iran subject to the regarding exports and sanctions regulations administered by the Office of Foreign Assets Control.

PPL Susquehanna Response (substantially provided by Riverstone Holdings LLC):

- a. To clarify the RAI, and as stated in the license transfer Application, Riverstone Energy GP V, LLC is a Delaware limited liability company managed by a board of managers, not "directors." In the case of Riverstone Energy GP V, LLC, there are seven managers, six of whom are U.S. citizens. As stated in the Application, Enclosure to PLA-7191, at p. 7, the non-U.S. citizen is John Browne, The Lord Browne of Madingley, who is a U.K. citizen.
- b. We assume that the "Director" referred to in RAI 2(b) is the non-U.S. citizen member of the board of managers of Riverstone Energy GP V, LLC referred to in RAI 2(a), John Browne, The Lord Browne of Madingley.

The exclusive responsibilities for and authority over NRC-licensed activities will remain with PPL Susquehanna, renamed Susquehanna Nuclear, LLC ("Susquehanna Nuclear"), who will remain the sole licensed operator of Susquehanna Steam Electric Station (SSES). PPL Susquehanna (renamed Susquehanna Nuclear) and Allegheny Electric Cooperative will remain the licensed owners (PPL Susquehanna owns 90% each of SSES Units 1 and 2; the remaining 10% is owned by Allegheny Electric Cooperative, Inc.). Riverstone Energy GP V, LLC will not be an NRC licensee.

As a manager of Riverstone Energy GP V, LLC, The Lord Browne of Madingley will have no responsibilities or authorities over SSES regarding NRC-licensed activities related to nuclear safety, security, reliability, or special nuclear material. In addition, The Lord Browne of Madingley is one of seven members of the board of managers of Riverstone Energy GP V, LLC and, therefore, does not control Riverstone Energy GP V, LLC.

As explained in the Application, the RJS Shareholder(s), will hold only a non-controlling 35% share of the common stock of Talen Energy Corporation (Talen Energy) as of the closing of the proposed transaction.¹ Riverstone Energy GP V, LLC indirectly controls Raven Holdings. Riverstone Energy GP V, LLC is 100% owned by Riverstone Energy GP V Corporation, which is 100% owned by Riverstone Holdings LLC (“Riverstone”), a Delaware limited liability company. Because of the nature of their membership interests (i.e., Class A membership interests), Mr. Pierre Lapeyre and Mr. David Leuschen have full and equal control over Riverstone. Both are U.S. citizens based in New York.

- c. No foreign ownership, control, or domination (“FOCD”) negation actions are necessary for Riverstone, Riverstone Energy GP V, LLC, or the RJS Shareholder(s) to exclude non-U.S. citizens from participating in decisions concerning nuclear safety or security; obtaining responsibility for special nuclear material; or gaining access to restricted data – whether to comply with NRC requirements related to “foreign ownership, control, or domination” of the NRC licensee or to comply with NRC requirements related to “foreign ownership, control or influence” related to access to classified information or restricted data.

As discussed above, the responsibilities for and authority over NRC-licensed activities will remain with PPL Susquehanna (renamed Susquehanna Nuclear), as the sole NRC-licensed operator of SSES. None of Riverstone, Riverstone Energy GP V, LLC, the RJS Shareholder(s), or other Riverstone subsidiary will be an NRC licensee with respect to the operation of SSES. Susquehanna Nuclear will operate the plant; maintain procedures to control access to SSES, special nuclear material, and security information such as Safeguards Information, in each case in accordance with applicable law; and maintain its program to comply with 10 C.F.R. Part 95 with respect to clearances for gaining access to classified information and restricted data.

As discussed in response to RAI 2(b) above, the non-U.S. citizen member of the board of managers of Riverstone Energy GP V, LLC will have no specific responsibilities or authorities with respect to SSES. With respect to RJS, as identified in the Application (at Attachment 3), all of the members of the Boards of Directors of Raven Holdings, Jade Holdings, and Sapphire Holdings are U.S. citizens.

As mentioned in the Application, Talen Energy expects to have one non-U.S. citizen member of its Board of Directors, Philip G. Cox, who is a U.K. citizen, and current member of PPL Corp.’s Board of Directors. While SSES operation does not involve restricted data as that term is defined, access to national security information is limited to PPL Susquehanna as the

¹ “RJS Shareholder(s),” as defined in the Application, Enclosure to PLA-7191, at p. 3, will receive 35% of Talen Energy’s common stock in the aggregate. The “RJS Shareholder(s)” will either be (a) Raven Power Holdings LLC (“Raven Holdings”), C/R Energy Jade, LLC (“Jade Holdings”), and Sapphire Power Holdings LLC (“Sapphire Holdings”) (collectively “RJS”), where Raven Holdings would hold the majority of the 35% share of Talen Energy common stock; or (b) a special purpose entity wholly owned by RJS and controlled by Raven Holdings.

entity holding the facility clearance and to specific employees holding personnel clearances under 10 CFR Part 95. Board resolutions delegate full authority to PPL Susquehanna to act completely independently in all matters relating to PPL Susquehanna's responsibility to safeguard any classified information and/or special nuclear material and preclude the parent companies of PPL Susquehanna from seeking access to any classified information and/or special nuclear material in the custody of PPL Susquehanna. As discussed in the Application, such resolutions will be put in place for Talen Energy and the new intermediate parent companies of PPL Susquehanna prior to the closing of the Transaction.

- d. Pursuant to the terms of the Transaction Agreement entered into by PPL Corp., PPL Energy Supply, certain other subsidiaries of PPL Corp. and RJS, the certificates of incorporation and bylaws of Talen Energy "shall be customary for publicly-traded companies of [its] size and type . . . , generally consistent with those of [PPL Corp.] (with such changes as are necessary to reflect that [Talen Energy is a] Delaware corporation[] whereas [PPL Corp.] is a Pennsylvania corporation)," and contain such other terms as are set forth in Exhibit A to the Transaction Agreement. It is the intent of the parties to the Transaction Agreement to provide that, consistent with the bylaws of PPL Corp., actions and resolutions taken by the board of Talen Energy will be passed by a simple majority of the directors present and voting at a meeting at which a quorum is present, subject to the terms of the Shareholders Agreement to be entered into by the RJS Shareholder(s) and Talen Energy described below. A majority of directors in office will constitute a quorum.

Pursuant to the terms of the Transaction Agreement, the Stockholders Agreement to be entered into by the RJS Shareholder(s) and Talen Energy will contain certain minority shareholder protections with respect to certain enumerated fundamental transactions involving Talen Energy or its subsidiaries; namely, that Talen Energy shall not take certain actions without the affirmative vote or consent of the RJS Shareholder(s): (1) the creation, authorization, or issuance of any class of capital stock or series of preferred stock in an amount greater than \$100 million, the terms of which expressly provide that such class or series will rank senior to the common stock of Talen Energy; (2) the declaration or making of any direct or indirect dividend other than in cash or shares of common stock that are distributed ratably to all holders of Talen Energy's common stock; (3) any amendment or repeal of Talen Energy's certificate of incorporation or bylaws in a manner that would adversely affect the rights or obligations of the RJS Shareholder(s) under the Stockholders Agreement; (4) except to the extent approved unanimously by Talen Energy's board (excluding designees of the RJS Shareholder(s) to the board (other than any "independent" director designated by the RJS Shareholder(s))), any acquisition by Talen Energy or its subsidiaries of any capital stock, ownership or equity interests or assets of any person or any disposition of assets of Talen Energy or its subsidiaries or of the ownership or equity interests of Talen Energy's subsidiaries, in each case, where the amount of consideration for any such acquisition or disposition exceeds 20% of Talen Energy's market capitalization individually; (5) other than arms' length transactions that do not exceed \$100 million in value in any calendar year and subject to certain other exclusions, entering into or amending any transaction or arrangement with or for the benefit of PPL Corp. or its subsidiaries; (6) any merger or consolidation of Talen Energy; (7) the adoption, approval of or issuance of any "poison pill" or similar rights plan that would treat the RJS Shareholder(s) as an acquiring person; (8) effecting a liquidation or dissolution of Talen Energy or any of its subsidiaries; (9) insolvency events with respect to Talen Energy or any of its subsidiaries; and (10) increasing the size of Talen Energy's board of directors. See Exhibit B to the Transaction Agreement. The foregoing minority protections for the benefit of the RJS Shareholder(s) do not relate to matters in the ordinary course of business or the day-to-day management and operation of

Talen Energy or its subsidiaries, but rather focus exclusively on fundamental transactions by Talen Energy and customary minority stockholder protections.

- e. As noted above, the sole NRC-licensed operator of SSES will remain PPL Susquehanna (renamed Susquehanna Nuclear). There will be no specific contractual or financial arrangements between Susquehanna Nuclear and either Riverstone or its affiliates.

There is no entity in the proposed corporate ownership structure between Susquehanna Nuclear and Talen Energy that is owned, controlled, or dominated, directly or indirectly, by a foreign entity. This is discussed in the Application, Enclosure to PLA-7191, at pp. 8 – 9.

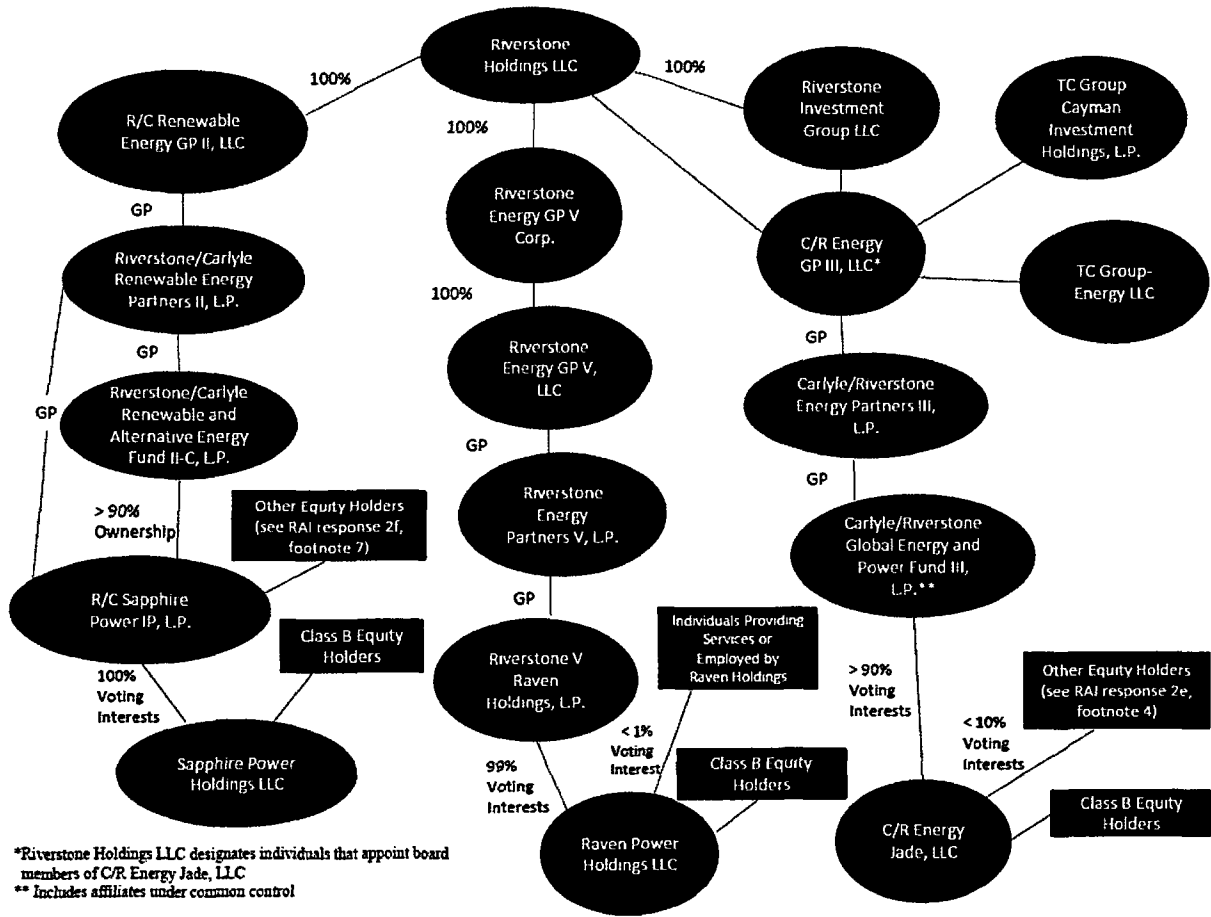
Following the closing of the transaction, the RJS Shareholder(s) will hold a non-controlling interest in Talen Energy in the form of a 35% share of the common stock of Talen Energy. The RJS Shareholder(s) will be ultimately controlled by Riverstone. None of Riverstone, the RJS Shareholder(s), or their intermediate affiliates will have control over Talen Energy or SSES. None of Riverstone, the RJS Shareholder(s), or the intermediate controlling affiliates in the corporate ownership structure between Riverstone and the RJS Shareholders is a foreign entity or will be controlled, or dominated by a foreign entity.

All of the voting interests in Riverstone are held equally by two U.S. citizens – David Leuschen and Pierre Lapeyre – who are the Class A members of Riverstone. There are Class B membership interests in Riverstone, which are held by senior investment professionals employed by Riverstone or trusts established by them and senior advisors of Riverstone. But the Class B membership interests are passive interests that convey only limited consent rights. Other than John Browne, The Lord Browne of Madingley, there are no Class B members of Riverstone that are non-U.S. citizens. There are no foreign individuals or entities that exercise control, directly or indirectly, over Riverstone.

Attached are tables identifying the intermediate controlling entities in the Riverstone organization through the RJS Shareholder(s), the location of formation, and the citizenship of the controlling managers or directors. The relationships of the entities identified in the tables can be found in the “Organizational chart showing Riverstone, the RJS Entities and relevant affiliates prior to the closing of the Proposed Transaction,” included in the filing with the Pennsylvania Public Utilities Commission (“PUC”) addressed in RAI 4. Figure 1 below is a clarified version of that Riverstone organizational chart. Limited partners investing in the limited partnerships have no management responsibilities, voting interests, or control and are not included in the Riverstone organizational chart and the attached table. The passive investment of The Carlyle Group L.P. in some of those intermediate companies is described further below.

As explained in the Application, Enclosure to PLA-7191, at pp. 7 – 8, Raven Holdings, Jade Holdings and Sapphire Holdings are portfolio companies sponsored by Riverstone that will, directly or indirectly, receive the non-controlling 35% share of the common stock of Talen Energy (to be held by the RJS Shareholder(s)). That interest will be controlled by Raven Holdings, which, as noted above, is ultimately controlled by Riverstone.

Figure 1



Raven Holdings

Raven Holdings is a Delaware limited liability company. Because it will hold the majority of the 35% of the common stock of Talen Energy to be held by the RJS Shareholder(s) (if RJS is the RJS Shareholder) or will control any special purpose entity that is the RJS Shareholder, information on the intermediate parents of Raven Holdings was previously provided in the Application, Enclosure to PLA-7191, at pp. 7 – 10, and Attachment 3.²

Riverstone V Raven Holdings, L.P. owns approximately 99% of the Class A Units of Raven Holdings. Certain individuals providing services to or employed by Raven Holdings own less than 1% in the aggregate of the outstanding Class A Units. The Class A Units constitute 100% of the voting interests in Raven Holdings. According to Raven Holdings' records, each of these individuals is a U.S. citizen. As stated in the Application, there is also a group of individuals providing services to or employed by Raven Holdings who own Class B Units, which are profits interests without voting rights.³ According to Raven Holdings' records, all of the Class B members of Raven Holdings are U.S. citizens.

Jade Holdings

Jade Holdings is a Delaware limited liability company. Over 90% of the Class A Units (voting interests) of Jade Holdings are owned by investment vehicle affiliates of Carlyle/Riverstone Global Energy and Power Fund III, L.P. that are controlled by Carlyle/Riverstone Energy Partners III, L.P. ("Fund III GP"), a Delaware limited partnership (such investment vehicle affiliates, collectively, the "Fund III Vehicles").⁴ Each of the Fund III Vehicles is organized in the State of Delaware.

A group of individuals providing services to or employed by Jade Holdings owns Class B Units, which are profits interests without voting rights.⁵ According to Jade Holdings' records, all of these Class B members are U.S. citizens.

² As stated in the Application, Enclosure to PLA-7191, at p. 7, if the RJS Shareholder is a special purpose entity wholly owned by RJS, Raven will control such entity directly or through the appointment of a Board of Directors of the special purpose entity. Because a special purpose entity has not yet been established, the Board of Directors of that entity has not yet been established.

³ These were depicted as "Other Equity Holders" in the Riverstone organizational chart previously submitted to the Pennsylvania PUC in the filing addressed in RAI 4.

⁴ There are two entities that collectively hold less than 10% of Class A Units of Jade Holdings and are not controlled by the Fund III GP: (i) Carlyle Energy Coinvestment III, L.P., a Delaware limited partnership, whose general partner is Carlyle Energy Coinvestment III GP, L.L.C., a Delaware limited liability company, which is ultimately controlled by the senior executives of The Carlyle Group; and (ii) Riverstone Energy Coinvestment III, L.P., a Delaware limited partnership, whose general partner is Riverstone Coinvestment GP LLC, a Delaware limited liability company, which is wholly-owned by Riverstone.

⁵ These were depicted as "Other Equity Holders" in the Riverstone organizational chart previously submitted to the Pennsylvania PUC in the filing addressed in RAI 4.

There is no “managing member” of Jade Holdings. Instead, Jade Holdings is controlled by its board of directors. The general partner and controlling entity of Fund III GP is C/R Energy GP III, LLC (“C/R GP LLC”), a Delaware limited liability company. C/R GP LLC is managed by its Managing Committee, composed of William E. Conway, Jr., Daniel D’Aniello, David M. Rubinstein, Edward Mathias, Pierre F. Lapeyre, Jr., David M. Leuschen, and Michael B. Hoffman, all of whom are U.S. citizens.

Riverstone and Riverstone Investment Group LLC, a Delaware limited liability company and a wholly-owned, direct subsidiary of Riverstone, on the one hand, and TC Group Cayman Investment Holdings, L.P., a Cayman Islands limited partnership, and TC Group-Energy LLC, a Delaware limited liability company, both affiliates of Carlyle, on the other hand, own all of the membership interests of C/R GP LLC. Although both Riverstone and Carlyle have indirect interests in Jade Holdings, by unanimous written consent of the Managing Committee of C/R GP LLC, the authority to appoint all of the directors of Jade Holdings is delegated to the managers appointed by Riverstone. As such, Jade Holdings is ultimately controlled by Riverstone.

Sapphire Holdings

Sapphire Holdings is a Delaware limited liability company. All of the Class A Units or voting interests in Sapphire Holdings are held by R/C Sapphire Power IP, L.P., a Delaware limited partnership. A group of individuals providing services to or employed by Sapphire Holdings owns Class B Units, which are profits interests without voting rights.⁶ According to Sapphire Holdings’ records, all of these Class B members are U.S. citizens.

There is no “managing member” of Sapphire Holdings. Instead, Sapphire Holdings is controlled by its board of directors, which is appointed by R/C Sapphire Power IP, L.P. R/C Sapphire Power IP, L.P.⁷ is controlled by its general partner, Riverstone/Carlyle Renewable Energy Partners II, L.P., a Delaware limited partnership whose general partner and controlling entity is, in turn, R/C Renewable Energy GP II, LLC, a Delaware limited liability company. The sole member of R/C Renewable Energy GP II, LLC is Riverstone. As

⁶ These were depicted as “Other Equity Holders” in the Riverstone organizational chart previously submitted to the Pennsylvania PUC in the filing addressed in RAI 4.

⁷ R/C Sapphire Power IP, L.P. is approximately 92% owned by Riverstone/Carlyle Renewable and Alternative Energy Fund II-C, L.P., a Delaware limited partnership that is also controlled by Riverstone/Carlyle Renewable Energy Partners II, L.P. (the same general partner that controls R/C Sapphire Power IP, L.P.). In addition, approximately 5% of R/C Sapphire Power IP, L.P. is owned by another Delaware limited partnership that is controlled by Riverstone/Carlyle Renewable Energy Partners II, L.P. The remaining interests (less than 3%) in R/C Sapphire Power IP, L.P. are held by the following: (i) Riverstone Renewable Energy Coinvestment II (Cayman), L.P., a Cayman Islands exempted limited partnership that is controlled by its general partner, Riverstone Renewable Energy Coinvestment II GP, LLC, a Delaware limited liability company, which is itself wholly-owned by Riverstone; and (ii) Carlyle Renewable Energy Coinvestment II (Cayman), L.P., a Cayman Islands exempted limited partnership, which is ultimately controlled by its general partner Carlyle Renewable Energy Co-Investment II (Cayman) GP, Ltd., a Cayman Islands exempted limited company, which is controlled by the senior executives of The Carlyle Group.

discussed above, Riverstone is controlled by Pierre F. Lapeyre, Jr. and David M. Leuschen, both of whom are U.S. citizens. As such, Sapphire Holdings is ultimately controlled by Riverstone.

- f. The RJS Shareholder(s) will hold a non-controlling 35% share of the common stock of Talen Energy.

To the extent the RAI is addressing whether Riverstone, Riverstone subsidiaries, or PPL Susquehanna (renamed Susquehanna Nuclear) have financial or commercial relationships with third parties (such as SSES vendors or investors in Riverstone-controlled portfolio companies) that separately may be conducting commercial activities or have relationships with others conducting commercial activities in Iran, the parties are unable to respond. The Iran sanctions do not create prohibitions or disclosure obligations that apply to PPL Susquehanna/Susquehanna Nuclear, Riverstone, or the Riverstone subsidiaries with respect to such third parties (vendors or investors) in which they do not have a majority ownership interest or control. PPL Susquehanna/Susquehanna Nuclear, Riverstone, and the Riverstone subsidiaries cannot address the commercial activities of unaffiliated entities, whether in Iran or elsewhere.

To the extent the RAI is addressing business or financial relationships whereby Riverstone or its controlled portfolio companies are themselves directly engaged in business relationships, investments, or other transactions with Iran, Riverstone believes that Riverstone and its subsidiaries are in compliance with applicable U.S. laws and disclosure obligations. Riverstone is not aware of any direct investments by its controlled portfolio companies in, or relationships with, Iran.

The preamble to the RAI identifies that Riverstone “operates in part” through joint ventures with The Carlyle Group L.P. (“Carlyle”). Those relationships are described above. Riverstone and Carlyle are separate entities, and neither entity controls the other. Riverstone has no involvement in, or knowledge of, activities related to Iran as reported by Carlyle in the three referenced SEC filings from March 2013, other than the information set forth in the filings.

The Carlyle Securities Exchange Commission (“SEC”) filings referenced in the RAI identify on their face that Carlyle private equity funds (unrelated to Riverstone) have invested in Applus Sevicios Technologicos S.L.U. – a European company that Carlyle states may be considered to be a Carlyle affiliate. The disclosure states that Applus had dealings with the Government of Iran but that the activities were not prohibited by law at the time they were conducted, and that all such dealings were discontinued prior to March 8, 2013.

Neither Riverstone nor the RJS Shareholder(s) has any interests in Applus, nor does Applus hold any interests in Riverstone or the RJS Shareholder(s). Moreover, because Carlyle does not have control over Riverstone and will not have control over Talen Energy, the activities of Carlyle’s affiliates or companies in which they invest will not implicate direct or indirect control of SSES.

Neither PPL Susquehanna nor its affiliates conduct commercial activities in Iran.

RAI 2 Tables: Intermediate Controlling Entities in the Riverstone Organization

Name	Raven Power Holdings, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Topaz Power Management, L.P. 2901 Via Fortuna Drive, Building 6, Suite 650 Austin, Texas 78746-7574	
Board of Directors	Name	Citizenship
	Michael Hoffman	U.S.
	Stephen Schaefer	U.S.
	Carl Williams	U.S.
Class B Members (Passive interests)	All are U.S. citizens.	

Name	Riverstone V Raven Holdings, L.P.	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, Riverstone Energy Partners V, L.P.	

Name	Riverstone Energy GP Partners V, L.P.	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, Riverstone Energy Partners V, LLC.	

RAI 2 Tables: Intermediate Controlling Entities in the Riverstone Organization

Name	Riverstone Energy GP V, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Managers	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.
	John Brown, The Lord Browne of Madingley	U.K.
	James T. Hackett	U.S.
	Michael B. Hoffman	U.S.
	N. John Lancaster, Jr.	U.S.
	Andrew W. Ward	U.S.

Name	Riverstone Energy GP V Corp.	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.
	Thomas J. Walker	U.S.

Name	C/R Energy Jade, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Topaz Power Management, L.P. 2901 Via Fortuna Drive, Building 6, Suite 650 Austin, Texas 78746-7574	
Board of Directors	Name	Citizenship
	Michael Hoffman	U.S.
	Stephen Schaefer	U.S.
	Carl Williams	U.S.
Class B Members (Passive interests)	All are U.S. citizens.	

RAI 2 Tables: Intermediate Controlling Entities in the Riverstone Organization

Name	Carlyle/Riverstone Global Energy and Power Fund III, L.P.
Place of Formation	Delaware
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, Carlyle/Riverstone Energy Partners III, L.P.

Name	Carlyle/Riverstone Energy Partners III, L.P.
Place of Formation	Delaware
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, C/R Energy GP III, LLC.

Name	C/R Energy GP III, LLC*	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Managing Committee	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.
	William E. Conway, Jr.	U.S.
	Daniel D’Aniello	U.S.
	David M. Rubinstein	U.S.
	Edward Mathias	U.S.
	Michael B. Hoffman	U.S.

1. *Riverstone Holdings LLC, Riverstone Investment Group LLC, TC Group Cayman Investment Holding, L.P., and TC Group-Energy LLC own all of the membership interests of C/R Energy GP III, LLC. TC Group Cayman Investment Holding, L.P. and TC Group-Energy LLC are affiliates of The Carlyle Group L.P. that hold investment interests in this entity. By unanimous written consent of the Managing Committee of C/R Energy GP III, LLC, the authority to appoint all of the directors of Jade Holdings is delegated to the managers appointed by Riverstone. The Carlyle affiliates do not control Jade Holdings.

RAI 2 Tables: Intermediate Controlling Entities in the Riverstone Organization

Name	Riverstone Investment Group, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.

Name	Sapphire Power Holdings, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Topaz Power Management, L.P. 2901 Via Fortuna Drive, Building 6, Suite 650 Austin, Texas 78746-7574	
Board of Directors	Name	Citizenship
	Michael Hoffman	U.S.
	Stephen Schaefer	U.S.
	Carl Williams	U.S.
Class B Members (Passive interests)	All are U.S. citizens.	

Name	R/C Sapphire Power IP, L.P.	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, Riverstone/Carlyle Renewable Energy Partners II, L.P.	

Name	Riverstone/Carlyle Renewable and Alternative Energy Fund II-C, L.P.	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, Riverstone/Carlyle Renewable Energy Partners II, L.P. (Riverstone/Carlyle Renewable and Alternative Energy Fund II-C, L.P. owns approximately 92% of R/C Sapphire Power IP, L.P., but does not control R/C Sapphire Power IP, L.P.)	

RAI 2 Tables: Intermediate Controlling Entities in the Riverstone Organization

Name	Riverstone/Carlyle Renewable Energy Partners II, L.P.
Place of Formation	Delaware
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019
Board of Directors	There is no board of directors of this entity. It is controlled by its general partner, R/C Renewable Energy GP II, LLC.

Name	R/C Renewable Energy GP II, LLC	
Place of Formation	Delaware	
Principal Business Address	c/o Riverstone Holdings LLC 712 Fifth Avenue, 36 th Floor New York, New York 10019	
Board of Managers	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.
	Ralph Alexander	U.S.
	Daniel D’Aniello	U.S.
	Edward Mathias	U.S.
	Michael B. Hoffman	U.S.
	Stephen Schaefer	U.S.
	John Browne, The Lord Browne of Madingley	U.K.

Name	Riverstone Holdings, LLC	
Place of Formation	Delaware	
Principal Business Address	712 Fifth Avenue, 36 th Floor New York, New York 10019	
Class A Members (Own 100% Voting Control)	Name	Citizenship
	Pierre F. Lapeyre, Jr.	U.S.
	David M. Leuschen	U.S.
Class B Members (Passive interests conveying only limited consent rights)	All are U.S. citizens except John Brown, The Lord Browne of Madingley, who is a U.K. citizen	

RAI 3: In order to make a determination on FOCD, the NRC staff requests the licensee:

- a. State whether there are any unanimous consent requirements for decisions made by the Board of Directors of Talen, and whether BlackRock, Inc. or any foreign entities have any right to participate in unanimous decisions. If so, provide a list of their rights.
- b. Describe the legal, contractual or financial arrangements, if any, between and among Talen or Susquehanna Nuclear LLC and BlackRock, Inc. and its subsidiaries.
- c. Describe the type of shares (e.g., common or preferred stock) and shareholder rights of the shares of Talen that BlackRock, Inc. (including BlackRock's foreign subsidiaries or affiliates) will own as a result of the February 10, 2014, Schedule 13G filing with the SEC. In addition, state what rights these entities will have to participate in matters affecting the management or operation of the Talen Energy, including, but not limited to, the right to nominate any Director(s) to Talen's Board of Directors.
- d. State whether there are any procedures in place to assure that BlackRock, Inc. and its subsidiaries or any entity that is owned, controlled, or dominated, directly or indirectly, by a foreign entity, does not result in their participation in decisions concerning nuclear safety or security; obtaining responsibility for special nuclear material; or gaining access to restricted data. If so, provide a list of those procedures.

PPL Susquehanna Response:

- a. As discussed in the response to RAI 2.d, there are no unanimous consent requirements for decisions made by the Board of Directors of Talen Energy required by Delaware law or by Talen Energy's Certificate of Incorporation. If, however, the Board desires to act without holding an in-person meeting, Delaware law requires all members of the Board to consent in writing. This provision of Delaware law does not confer any control on individual directors, as the Board may always meet in person where unanimous consent is not required.

BlackRock, Inc. reported in its Schedule 13G/A filed with the SEC on February 14, 2014 that it is the beneficial owner of 6.9% of PPL Corporation's (PPL Corp.) common stock through certain of its affiliates, none of which individually own more than 5%. Neither BlackRock, Inc. nor any of its affiliates have any special rights as a shareholder of PPL Corp., including participating in any unanimous decisions of the PPL Corp. Board, and are not expected to have any special rights as stockholders of Talen Energy.

It should be noted that BlackRock, Inc. is a U.S. corporation, and its 13G/A filing does not indicate that foreign subsidiaries or affiliates, either individually or collectively, hold more than 5% of PPL Corp.'s common stock. Further, reports on Schedule 13G/A signify holdings that are passive investments and do not represent and are not seeking to influence or control. While they do not preclude foreign beneficial ownership, filings made to the SEC by BlackRock entities on Form 13F indicate that over 5% of PPL Corp.'s common stock (i.e. most of the BlackRock holdings) is managed by three U.S. subsidiaries: Blackrock Institutional Trust Company, N.A. (2.5%), Blackrock Fund Advisors (2.2%), and Blackrock Advisors, LLC (0.44%). It should also be noted that because PPL Corp. shareholders will be receiving only 65% of the Talen Energy common stock, BlackRock's current holdings are expected to be less than 5% of Talen Energy's outstanding common stock.

- b. As a result of beneficially owning more than 5% of PPL Corp.'s common stock, PPL Corp. reported in its April 8, 2014 proxy statement filed with the SEC that BlackRock is currently considered a "related person" under PPL Corp.'s related-person transaction policy. After conducting a review of any relationships between BlackRock and its subsidiaries, and PPL Corp. and its subsidiaries, PPL Corp. determined that it invests its short-term cash overnight in money market funds managed by BlackRock Institutional Management Corporation, which is a Delaware corporation that received fees in the amount of about \$173,000 during 2013. Other subsidiaries of PPL Corp. also invested in a variety of capital appreciation and liquidity funds managed by BlackRock affiliates, which received fees of approximately \$20,000 during 2013. In addition, several affiliates of BlackRock provided asset management investment services for PPL Corp.'s U.S. retirement plan trust and pension trusts in the United Kingdom, all of which are separate from PPL Corp. and are managed by independent trustees. These relationships were reviewed and ratified by the Board of Directors in compliance with PPL Corp.'s related-person transaction policy. PPL Corp. has no legal, contractual, or financial arrangements with BlackRock and its subsidiaries in their role as shareholders other than the legal relationship that PPL Corp. has with any holder of its common stock.

There are no legal, contractual or financial arrangements between Talen Energy and BlackRock, Inc. and its subsidiaries other than as shareholders of PPL Corp. who will be entitled to receive Talen Energy shares of common stock as of the spin, which is the same right as any other shareholder of PPL Corp. It is possible that Talen Energy could use BlackRock affiliates for investment services after the closing of the Transaction similar to the services that BlackRock currently provides to PPL Corp.

There are no legal, contractual or financial arrangements between PPL Susquehanna and BlackRock, Inc. or BlackRock's subsidiaries.

- c. BlackRock, Inc., through its affiliates, is the beneficial owner of shares of common stock of PPL Corp. BlackRock, Inc. and its affiliates will receive the same pro rata number of Talen Energy shares of common stock as any other shareholder of PPL Corp. The BlackRock entities will have no special rights to participate in matters affecting the management or operation of the Talen Energy and will have no right to nominate any Director to Talen's Board of Directors. Any of the BlackRock entities that have the ability to vote common shares of stock of Talen Energy will have the right, as does each and every other stockholder, to cast its vote to elect directors and to vote on any other matters submitted to stockholders at each annual meeting of stockholders of Talen Energy.
- d. There are no such procedures in place as neither BlackRock, Inc. and its subsidiaries have, nor any foreign entity has, the right to participate in decisions concerning nuclear safety or security; to obtain responsibility for special nuclear material; or to gain access to restricted data. Decisions concerning nuclear safety and security are made by the management of PPL Susquehanna, as the licensed operator. Access to SSES is controlled under PPL Susquehanna's Site Access Program. Access to safeguards information is carefully controlled and limited under PPL Susquehanna's Safeguards Information Program. While SSES operation does not involve restricted data as that term is defined, access to national security information is limited to PPL Susquehanna as the entity holding the facility clearance and to specific employees holding personnel clearances under 10 CFR Part 95. Board resolutions delegate full authority to PPL Susquehanna to act completely independently in all matters relating to PPL Susquehanna's responsibility to safeguard any classified information and/or special nuclear material and preclude the parent companies of

PPL Susquehanna from seeking access to any classified information and/or special nuclear material in the custody of PPL Susquehanna. As discussed in the Application, such resolutions will be put in place for Talen Energy and the new intermediate parent companies of PPL Susquehanna (to be renamed Susquehanna Nuclear) prior to the closing of the Transaction.

RAI 4: Provide the following documents to the NRC which were provided to the Pennsylvania Public Utilities Commission on July 30, 2014: Separation Agreement and Separation Agreement Schedules; Transaction Agreement; Organizational chart showing PPL Corporation and its subsidiaries prior to the closing of the Proposed Transaction (June 1, 2014); Organizational chart showing Riverstone, the RJS Shareholders and relevant affiliates prior to the closing of the Proposed Transaction, Organizational chart showing PPL and its subsidiaries following the closing, and Organizational chart showing Riverstone, the RJS Shareholders and relevant affiliates following the closing of the Proposed Transaction.

PPL Susquehanna Response:

PPL Susquehanna's response is provided in the form of two CDs: one non-proprietary and suitable for public disclosure (Attachment 4) and one that contains the proprietary information (Attachment 5).

RAI 5: Attachment 8 to the licensee’s application provides a list of regulatory commitments associated with the license transfer request. However, after reviewing the Commitment Description, it appears that these actions are required as part of the review of the license transfer request. Please provide an explanation as to why categorizing these actions as regulatory commitments is appropriate.

PPL Susquehanna Response:

The listing of regulatory commitments in Attachment 8 was intended to create visible tracking of open items that were not available at the time the Application was submitted, but were still necessary or desirable to provide in support of the NRC review. PPL Susquehanna agrees that they do not represent the accepted definition of regulatory commitments, which if made in support of a license action would not be legally binding and therefore could not be relied upon by the staff as a basis for their approval. All of these items will be resolved in a timely manner under separate cover prior to issuance of the conforming license amendments (i.e. on or before closing of the Transaction) and PPL Susquehanna accepts that anything relied on by the staff in their safety evaluation that stems from these items will be legally binding.

Based on the above, PPL Susquehanna withdraws its classification of Attachment 8 of the Application as Regulatory Commitments.

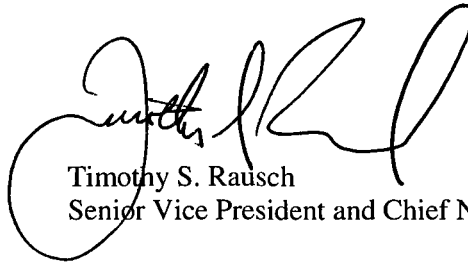
Attachment 1 to Enclosure of PLA-7245

**Affidavit of Timothy S. Rausch
(Request for Withholding)**

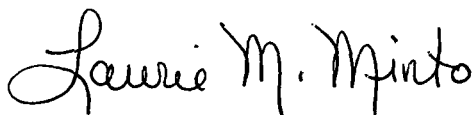
Attachment 1
Affidavit of Timothy S. Rausch

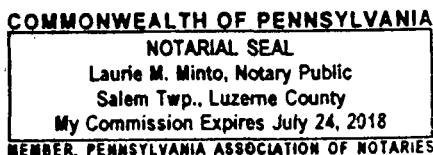
I, Timothy S. Rausch, Senior Vice President and Chief Nuclear Officer, PPL Susquehanna, LLC, do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of PPL Susquehanna, LLC;
2. PPL Susquehanna, LLC requests that its responses to RAI 1 and RAI 4 in the Enclosure of its letter PLA-7245, and labeled "CONFIDENTIAL INFORMATION SUBMITTED UNDER 10 C.F.R. § 2.390", be withheld from public disclosure under the provisions of 10 C.F.R. § 2.390(a)(4). Non-proprietary versions of RAI 1 and RAI 4, suitable for public disclosure, are provided in Attachments 2 and 4, respectively, to the Enclosure.
3. The PPL Susquehanna, LLC responses to RAI 1 and RAI 4 contain confidential commercial information, the disclosure of which would adversely affect PPL Susquehanna, LLC.
4. This information has been held in confidence by PPL Susquehanna, LLC. To the extent that PPL Susquehanna, LLC has shared this information with others, it has done so on a confidential basis.
5. PPL Susquehanna, LLC customarily keeps such information in confidence, and there is a rational basis for holding such information in confidence. The information is not available from public sources and could not be gathered readily from other publicly available information.
6. Public disclosure of this information would cause substantial harm to the competitive position of PPL Susquehanna, LLC because such information has significant commercial value to PPL Susquehanna, LLC.


Timothy S. Rausch
Senior Vice President and Chief Nuclear Officer

Subscribed and sworn before me,
a Notary Public in and for the
Commonwealth of Pennsylvania,
this 24th day of October, 2014.





Attachment 3 to Enclosure of PLA-7245

**Oath and Affirmation of Riverstone for Response to
RAI 2**



**SUSQUEHANNA STEAM ELECTRIC STATION REQUEST FOR ORDER
APPROVING INDIRECT TRANSFER OF CONTROL AND
CONFORMING LICENSE AMENDMENTS, PLA-7191
DOCKET NOS. 50-387 AND 50-388
RESPONSE TO NRC REQUEST FOR ADDITIONAL INFORMATION**

I, Stephen J. Schaefer, state as follows:

- (1) I am a Partner of Riverstone Holdings LLC and as such I am authorized to provide information regarding Riverstone Holdings LLC and its affiliates in response to Request for Additional Information 2.

I declare under penalty of perjury that the foregoing response to Request for Additional Information 2 is true and correct, to the best of my knowledge and belief.

Executed on:

October 21, 2014



Stephen J. Schaefer
Partner

Riverstone
Holdings LLC

DC:763118.1

1000 Louisiana, Suite 1450
Houston, TX 77002

713.357.1400 telephone
713.357.1391 facsimile

Attachment 4 to Enclosure of PLA-7245

**Non-Proprietary Version of PPL Susquehanna
Response to RAI 4 (CD)**
