NuStart Energy℠

PART OF THE SOLUTION TO AMERICA'S ENERGY CHALLENGE.
A consortium for new nuclear energy development.

What is NuStart?

NuStart Energy Development, LLC, formed in 2004, is a limited liability corporation that comprises ten members. These members and two U.S. reactor vendors have formed the NuStart Consortium.

DTE Energy
Detroit, MI (NYSE: DTE)
www.dteenergy.com

Duke Energy
Charlotte, NC (NYSE: DUK)
www.duke-energy.com

EDF International North America, Inc.
Washington, DC (EDF-INA)
www.edf.com

Entergy Nuclear
Jackson, MS; a subsidiary of Entergy Corporation, New Orleans, LA (NYSE: ETR)
www.entergy.com

Exelon Corporation
Chicago, IL (NYSE: EXC)
www.exeloncorp.com

FPL Group
Juno Beach, FL (NYSE: FPL)
www.fplgroup.com

Progress Energy
Raleigh, NC (NYSE: PGN)
www.progress-energy.com

SCANA Corporation
Columbia, SC (NYSE: SCG)
www.scana.com

Southern Company
Atlanta, GA (NYSE: SO)
www.southerncompany.com

Tennessee Valley Authority
Knoxville, TN
www.tva.gov

GE Energy
Atlanta, GA (NYSE: GE)
www.gepower.com

Westinghouse Electric Company, LLC
Pittsburgh, PA
www.westinghousenuclear.com

What is NuStart's purpose?

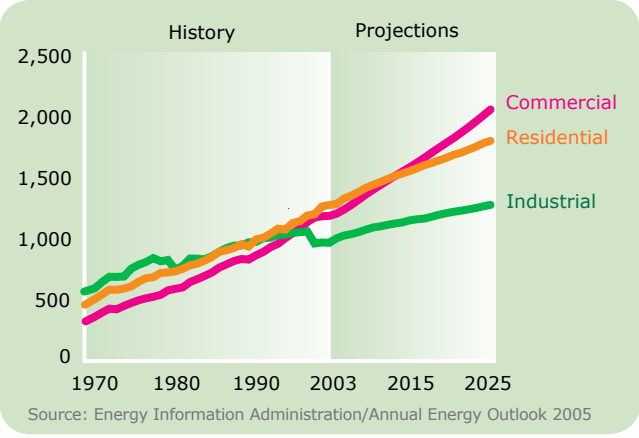
Stated simply: To promote the use of nuclear energy and improve the quality of life through new nuclear power.

NuStart's goal is to keep the nuclear option open for future generation investment decisions. This goal will be accomplished by meeting the following objectives: 1) demonstrate that a Combined Construction and Operating License (COL) can be obtained from the Nuclear Regulatory Commission in a timely and cost-efficient manner; and 2) complete the design engineering for the two selected reactor designs.

What are NuStart's core values?

- Commitment to quality in all activities.
- Win/Win solutions through teamwork.
- Perseverance through adversity.
- Proactive open and honest communication.
- Work for common good of industry.
- Safe, reliable, cost-competitive nuclear power.

Why is NuStart's effort important?



Annual electricity sales by sector, 1970-2025
(billion kilowatthours)

To meet the demand for 50% more electricity by 2025, the US needs to look at every available option. No new nuclear plants have been ordered since the 1970s or completed since the 1990s.

The situation is critical, if we are to maintain America's current quality of life and independence. For a healthy economy, personal comfort, national security, and because the environment matters, we must consider new sources of power. This includes nuclear power in its advanced technologies—which promise even greater safety, lower-cost energy production, and domestic fuel sources.

What does America's electric generation supply look like now?

We believe that all components of our country's fuel portfolio are critical. We see that there are certain challenges unique to a nuclear investment, and that it is our responsibility to address these challenges. Our consortium's efforts devoted to preserving the nuclear option are not to the exclusion of other electricity sources. Maintaining fuel diversity will help lessen our country's dependence on foreign sources of fuel, and make us less vulnerable to price spikes or supply interruptions of any one fuel source.

How can nuclear plants help the environment?

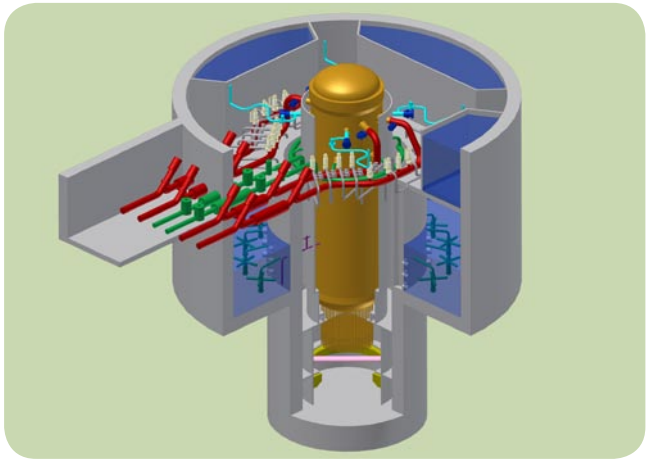
Nuclear generation is the only mature technology we have that can generate high volumes of electricity at low cost, dependably, without contributing to global warming. Looking beyond today, advanced nuclear plants are also being considered for the potential to produce low-cost, clean-burning hydrogen that could then be used as a fuel. Such an affordable, domestically-produced fuel could revolutionize our economy, and give us independence from foreign oil and gas.

What about nuclear waste?

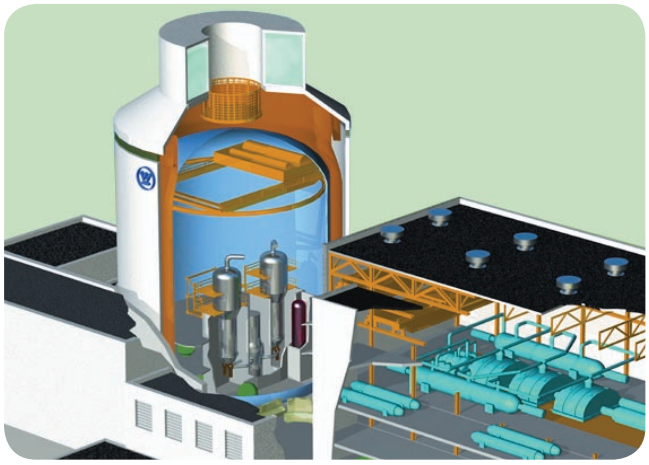
While the ultimate disposal of nuclear waste remains an unresolved political issue, other attributes of nuclear waste should be acknowledged. Every ounce of nuclear waste is inventoried, numbered, contained and stored. All the used fuel from the 103 reactors in this country, since they began operating, could be stacked in a space the size of a football field, and would be just five yards high. Since the beginning of the industry, the waste has been stored safely at the 103 plants in steel-lined concrete pools of water and robustly-designed dry storage casks. Yucca Mountain, next to the original Nevada nuclear testing site, has been chosen by Congress to be the federal repository of all high-level nuclear waste. Continued efforts are needed to ensure that this facility is licensed and constructed as planned.

How has nuclear technology advanced?

The newest technologies incorporate passive safety features based on the laws of physics. This further improves the already high level of safety of nuclear plants, and results in cost savings. Because the plants are simpler in design, there is less equipment to construct and maintain.



GE's ESBWR Reactor Design



Westinghouse's AP-1000 Reactor Design

How is NuStart funded?

NuStart is participating in a 50-50 cost sharing program that is part of the Department of Energy's (DOE) Nuclear Power 2010 initiative. The DOE and the industry are jointly sharing the costs associated with completing one-time activities that will assist others in applying for approval to construct new nuclear plants.

What does the licensing process look like?

The NRC's licensing process, as defined in 10 CFR, Part 52, requires a COL applicant to provide comprehensive analyses demonstrating both the acceptability of the selected site and the design adequacy of the selected technology. These analyses must prove that the NRC safety and environmental requirements are met. If available, a COL applicant can rely on analyses already approved by the NRC through an Early Site Permit or Design Certification. The NRC process invites meaningful public participation throughout the process. This includes public meetings to educate the community on the process and the issues, public access to information shared between the applicant and the NRC and mandatory hearings.

The Part 52 process appears to be conceptually sound. NuStart applauds the NRC for the improvements made as well as for its efforts to position its resources for implementation. In practice, however, the industry and the financial community need to experience successful demonstration of the process to obtain the needed assurance of its effectiveness.

Where does NuStart stand in the process now?

Accomplishments and projected milestones:

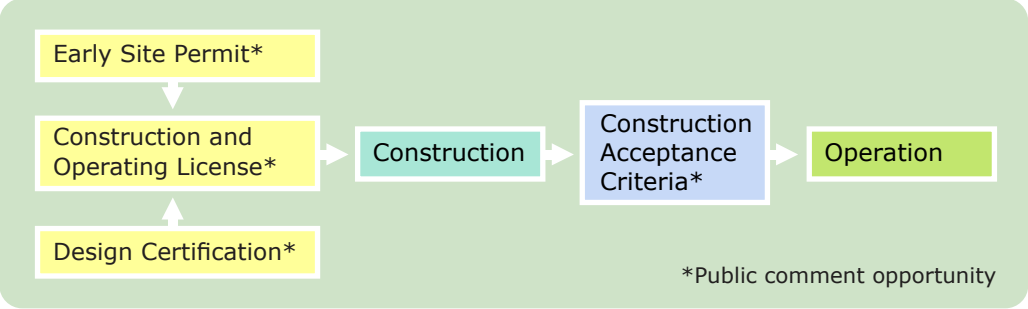
2004: NuStart Energy consortium is organized and formed to respond to a Department of Energy (DOE) issued solicitation to demonstrate the NRC's COL process. NuStart submits a proposal seeking to demonstrate the COL process and to complete the engineering for the two selected advanced technologies.

2005: Selection process for two COL sites. Candidate sites will be evaluated against established screening and evaluation criteria. Process completed mid 2005. Design Certification activities for two selected technologies continue. Engineering work needed to support the preparation of two COL applications begins.

2008: Completion of COL engineering work, followed by completion and submission of COL application(s). Nuclear Regulatory Commission begins review of applications.

2011: Projected date for issuance of the COL(s). Although there are currently no commitments to build a new nuclear plant at this time, construction would be permitted following NRC issuance of a COL.

2015: Earliest projected date for commencement of operations at the first new nuclear plant licensed in the US in over 20 years.



The New NRC Licensing Process