

Hinkley Point C

Development Consent Order Application

Compulsory Purchase Information

Doc Ref 6.2
October 2011

Funding Statement



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Funding Statement

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009
Regulation 5(2)(h)
The Hinkley Point C (Nuclear Generating Station) Order
APPLICANT'S PROPOSALS FOR FUNDING

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1. CAPITAL EXPENDITURE

- 1.1.1 NNB Generation Company Limited (No. 6937084) (**NNB Gen Co**) is a special purpose vehicle incorporated to promote the construction, operation and eventual decommissioning of low carbon electricity generation facilities including a new nuclear power station at Hinkley Point, known as Hinkley Point C. NNB Gen Co is a wholly owned subsidiary of NNB Holding Company Ltd (no 6937080) (**NNB Hold Co**). NNB Hold Co is a joint venture 80% owned by EDF Energy Holdings Ltd (No. 6930266) and 20% owned by GB Gas Holding Ltd (No. 3186121) (**Centrica**). The NNB Hold Co Shareholders' Agreement governs the basis on which NNB Hold Co and NNB Gen Co will be financed.
- 1.1.2 NNB Gen Co is making an application under s37 Planning Act 2008 for a development consent order to authorise the construction, operation and decommissioning of Hinkley Point C and associated development. The development consent order, if granted, would also authorise NNB Gen Co to acquire land and rights and interests in land necessary to construct and operate Hinkley Point C and the associated development.
- 1.1.3 NNB Gen Co has taken expert advice on the likely cost of implementing the proposed development, including the cost of construction and the funding of the necessary land acquisition. NNB Gen Co has assessed the commercial viability of the proposed development in light of this information and is confident that the project will be commercially viable and will therefore be funded if development consent is granted. NNB Gen Co has already committed significant resources to date and thus demonstrated its commitment to the project.
- 1.1.4 In accordance with the NNB Hold Co Shareholders' Agreement, NNB Hold Co will be funded via a semi-annual cash call process for all amounts relating to the pre-development and construction costs of Hinkley Point C and the associated development. The cash call funding to be provided by each shareholder will be proportionate to their shareholding in NNB Hold Co (i.e. 80% by EDF Energy Holdings Ltd, 20% by Centrica). On receipt of the cash call money, NNB Hold Co must make funds available to NNB Gen Co in accordance with the approved NNB Hold Co budget.
- 1.1.5 During 2009, 2010 and 2011, NNB Hold Co successfully made cash calls to its Shareholders in order to secure the financing required by NNB Gen Co's pre-development activities. The NNB Hold Co Board of Directors recently approved the business plan of NNB Gen Co which permits expenditure on the project up until the end of the financial year December 2011. This expenditure includes but is not limited to any acquisitions of land deemed necessary by the project and authorised by the NNB Gen Co Board of Directors.
- 1.1.6 NNB Gen Co anticipates that the further cost of funding the acquisition of land interests and procurement of construction of Hinkley Point C and associated development will be met through further cash calls identified above.
- 1.1.7 The availability of funding is not an impediment to the implementation of Hinkley Point C and associated development or to the acquisition of land deemed necessary.

2. BLIGHT EXPENDITURE

Should claims for blight arise as a consequence of this application the expenditure will be met from the sources of funding described above.