



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

November 7, 2001  
NOC-AE-01001215  
10CFR50.80

U. S. Nuclear Regulatory Commission  
Attention: Samuel J. Collins  
Director, Office of Nuclear Reactor Regulation  
Washington, DC 20555-0001

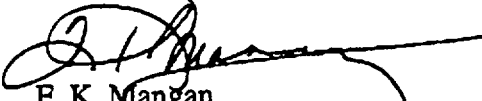
South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498 and STN 50-499  
Supplemental Information Regarding Application for Order and  
Conforming Administrative Amendments for Transfers of Licenses

Reference: Letter, J. J. Sheppard to S. J. Collins, "Application for Order and Conforming Administrative Amendments for Transfers of Licenses," May 31, 2001 (NOC-AE-01001112)

On behalf of Reliant Energy, Inc. (formerly known as Houston Lighting & Power Company and referred to herein as Reliant Energy), STP Nuclear Operating Company submits the following supplemental information regarding its Application for Order and Conforming Administrative Amendments for Transfers of Licenses (Application) submitted in the referenced letter. The pending license transfer application requests that the Nuclear Regulatory Commission (NRC) consent to the direct and indirect transfers of control of Reliant Energy's ownership interest in the South Texas Project Electric Generating Station, Units 1 and 2 (STPEGS).

This confirms that to the extent that Reliant Energy continues to hold its ownership interest in STPEGS upon the formation of CenterPoint Energy, Inc., Reliant Energy will remain financially qualified to retain such ownership interest, because it will continue to recover its costs through a traditional ratemaking mechanism under rates in effect until January 1, 2002. After January 1, 2002, Reliant Energy will operate its generation assets, obtain revenues, and pay its costs in the manner described in the five-year *pro forma* projections for Texas Genco LP that were previously submitted. As such, the same five-year *pro forma* applies to Reliant Energy with respect to the requested NRC approval of an indirect transfer of control of STPEGS in connection with the formation of CenterPoint Energy, Inc. In addition, Reliant Energy's revenues from its transmission and distribution business (but not its sales from its generating facilities) will remain subject to cost-of-service rate regulation, and the company will continue to maintain investment grade credit ratings. As the *pro forma* and this information demonstrate, Reliant Energy will remain financially qualified.

If NRC requires additional information concerning this license transfer request, please contact Mr. Scott Head, Manager, Licensing at (361) 972-7136.



F. K. Mangan  
Vice President, Business Services

jtc

cc:

Ellis W. Merschoff  
Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, Texas 76011-8064

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

Mohan C. Thadani  
Addressee Only  
U. S. Nuclear Regulatory Commission  
Project Manager, Mail Stop OWFN/7-D-1  
Washington, DC 20555-0001

Cornelius F. O'Keefe  
c/o U. S. Nuclear Regulatory Commission  
P. O. Box 910  
Bay City, TX 77404-0910

A. H. Gutterman, Esquire  
Morgan, Lewis & Bockius  
1800 M. Street, N.W.  
Washington, DC 20036-5869

M. T. Hardt/W. C. Gunst  
City Public Service  
P. O. Box 1771  
San Antonio, TX 78296

A. Ramirez/C. M. Canady  
City of Austin  
Electric Utility Department  
721 Barton Springs Road  
Austin, TX 78704

Institute of Nuclear Power  
Operations - Records Center  
700 Galleria Parkway  
Atlanta, GA 30339-5957

Jon C. Wood  
Matthews & Branscomb  
112 East Pecan, Suite 1100  
San Antonio, Texas 78205-3692

Steven R. Hom  
U. S. Nuclear Regulatory Commission  
Mail Stop OWFN/15-D-21  
Washington, DC 20555-0001

Richard A. Ratliff  
Bureau of Radiation Control  
Texas Department of Health  
1100 West 49th Street  
Austin, TX 78756-3189

D. G. Tees/R. L. Balcom  
Reliant Energy, Inc.  
P. O. Box 1700  
Houston, TX 77251

C. A. Johnson/R. P. Powers  
AEP - Central Power and Light Company  
P. O. Box 289, Mail Code: N5012  
Wadsworth, TX 77483

Michael A. Dusaniwskyj  
U. S. Nuclear Regulatory Commission  
Mail Stop OWFN/11-F-1  
Washington, DC 20555-0001

Robert S. Wood  
U. S. Nuclear Regulatory Commission  
Mail Stop OWFN/11-F-1  
Washington, DC 20555-0001


Grace H. Kim  
U. S. Nuclear Regulatory Commission  
Mail Stop OWFN/15-D-21  
Washington, DC 20555-0001

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
STP Nuclear Operating Company	)	Docket Nos. 50-498
	)	50-499
South Texas Project Units 1 and 2	)	
	)	

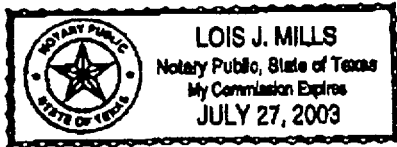
AFFIRMATION

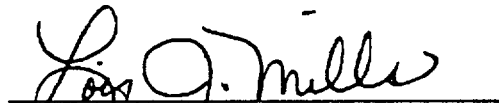
I, F. K. Mangan, being duly sworn, hereby depose and state that I am Vice President, Business Services of STP Nuclear Operating Company; that I am duly authorized to sign and file with the Nuclear Regulatory Commission the supplemental information being provided herewith; that I am familiar with the content thereof; and that the matters set forth therein with regard to STP Nuclear Operating Company are true and correct to the best of my knowledge and belief.

  
 F. K. Mangan  
 Vice President, Business Services

STATE OF TEXAS )  
 )  
 COUNTY OF MATAGORDA )

Subscribed and sworn to before me, a Notary Public in and for the State of Texas, this 7<sup>th</sup> day of November, 2001.




  
 Notary Public in and for the  
 State of Texas

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)		
	)		
STP Nuclear Operating Company	)	Docket Nos.	50-498
	)		50-499
South Texas Project Units 1 and 2	)		
	)		

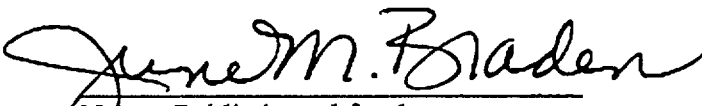
AFFIRMATION

I, David G. Tees, being duly sworn, hereby depose and state that I am Senior Vice President for Generation Operations of Houston Lighting & Power Company; that I am familiar with the content of the supplemental information being provided herewith; and that the matters set forth therein with regard to Reliant Energy, Inc. are true and correct to the best of my knowledge and belief.

  
 David G. Tees  
 Senior Vice President  
 Generation Operations

STATE OF TEXAS            )  
   )  
 COUNTY OF HARRIS        )

Subscribed and sworn to before me, a Notary Public in and for the State of Texas, this 6<sup>th</sup> day of November, 2001.

  
 Notary Public in and for the  
 State of Texas