

August 11, 2003

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - ISSUANCE OF AMENDMENTS
ON NAME CHANGE AND APPLICATION FOR CONFORMING
ADMINISTRATIVE LICENSE AMENDMENTS (TAC NOS. MB8483 AND
MB8484)

Dear Mr. Sheppard:

The Commission has issued the enclosed Amendment No. 155 to Facility Operating License No. NPF-76 and Amendment No. 143 to Facility Operating License No. NPF-80 for the South Texas Project, Units 1 and 2, respectively. The amendments consist of changes to the Facility Operating Licenses (FOLs) in response to your application dated March 31, 2003.

The amendments replace "Central Power and Light Company (CPL)" with "AEP Texas Central Company" throughout the FOL of each unit. This reflects the agreement that CPL entered into, transferring rights to use the name of the other company.

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

Mohan Thadani, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosures: 1. Amendment No. 155 to NPF-76
2. Amendment No. 143 to NPF-80
3. Safety Evaluation

cc w/encls: See next page

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ACCESSION NO: ML032300673

*No legal objection

OFFICE	PDIV-1/PM	PDIV-1/PM	PDIV-1/LA	DRIP/RPRP	OGC*	PDIV-1/SC
NAME	NKalyanam	MThadani	MMcAllister	BThomas	SUttal	RGramm
DATE	7/1/03	8/8/03	7/1/03	7/7/03	7/16/03	8/8/03

OFFICIAL RECORD COPY

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-498

SOUTH TEXAS PROJECT, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 155
License No. NPF-76

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by STP Nuclear Operating Company* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated March 31, 2003, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended as indicated in the attachment to the license amendment.
3. The license amendment is effective as of the date of issuance and shall be implemented within 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Robert A. Gramm, Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility
Operating License

Date of Issuance: August 11, 2003

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-499

SOUTH TEXAS PROJECT, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 143
License No. NPF-80

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by STP Nuclear Operating Company* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated March 31, 2003, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended as indicated in the attachment to the license amendment.
3. The license amendment is effective as of the date of issuance and shall be implemented within 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Robert A. Gramm, Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility
Operating License

Date of Issuance: August 11, 2003

ATTACHMENT TO LICENSE AMENDMENT NOS. 155 AND 143

FACILITY OPERATING LICENSE NOS. NPF-76 AND NPF-80

DOCKET NOS. 50-498 AND 50-499

Replace the following pages of Facility Operating License Nos. NPF-79 and NPF-80 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

INSERT

FACILITY OPERATING LICENSE NPF-76

Page 1
Page 2
Page 3
Page 4

Page 1
Page 2
Page 3
Page 4

FACILITY OPERATING LICENSE NPF-80

Page 1
Page 2
Page 3
Page 4

Page 1
Page 2
Page 3
Page 4

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NOS. 155 AND 143 TO
FACILITY OPERATING LICENSE NOS. NPF-76 AND NPF-80
STP NUCLEAR OPERATING COMPANY, ET AL.
SOUTH TEXAS PROJECT, UNITS 1 AND 2
DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION

By application dated March 31, 2003, STP Nuclear Operating Company (STPNOC, the licensee), submitted a request to amend the Facility Operating Licenses (FOLs) NPF-76 and NPF-80 for South Texas Project Electric Generating Stations (STPEGS), Units 1 and 2, respectively.

The application was submitted by STPNOC, acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio, Central Power and Light Company, and the City of Austin, Texas. The amendments change the operating license to reflect a change in the name of "Central Power and Light Company (CPL)," a licensed co-owner of the facility, to "AEP Texas Central Company (AEP)."

2.0 REGULATORY EVALUATION

Section 80(a) of Part 50 of Title 10 of the *Code of Federal Regulations* (10 CFR 50) requires:

"No license for a production or utilization facility, or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission shall give its consent in writing."

The licensee for STPEGS is STPNOC acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio, Central Power and Light Company, and the City of Austin, Texas. Effective December 23, 2002, CPL was renamed "AEP Texas Central Company," for ownership of 25.2 percent of STPEGS, Units 1 and 2. This change in the name of the licensee requires an amendment to the FOLs.

3.0 BACKGROUND

AEP is the parent company of CPL. Effective December 23, 2002, AEP sold the retail company portion of CPL to Centrica, and transferred the CPL name to Centrica as well. AEP renamed the remaining portions (generation and distribution interests) of CPL as "AEP Texas Central Company." According to the agreement with Centrica, use of CPL name by AEP must be phased out within six months of the effective date of the agreement.

4.0 TECHNICAL EVALUATION

Effective December 23, 2002, CPL was renamed as "AEP Texas Central Company." With the exception of this name change, this transaction does not in any way affect the qualifications of AEP Texas Central Company for ownership of 25.2 percent of STPEGS, Units 1 and Unit 2. Further, this transaction does not involve any direct or indirect transfer of control of STPEGS Operating Licenses. The proposed amendment to replace the CPL name in the operating license with the new name AEP Texas Central Company is purely an administrative action and no substantive changes to the licensee's arrangements or ability to own or decommission STPEGS will result from amending the license to reflect the name change.

As stated in the FOLs, STPNOC is technically qualified to engage in the activities authorized by the FOLs in accordance with the Commission's regulations set forth in 10 CFR Chapter I.

5.0 SUMMARY

The Nuclear Regulatory Commission (NRC) staff concludes that the proposed name change

- does not involve a transfer, direct or indirect, of the operating license for STPEGC.
- will not adversely affect the financial qualifications of CPL (to be renamed AEP) with respect to the ownership and decommissioning of STPEGC.
- there do not appear to be any problematic foreign ownership issues related to the proposed name change and associated transactions.
- will not affect the qualifications of CPL (to be renamed AEP) as one of the holders of the license appears to be consistent with applicable provisions of law, regulations, and orders issued by the Commission.

Therefore, the NRC staff concludes that the application to amend the license to reflect the name change is acceptable. Specifically, the NRC staff finds that pages 1, 2, 3, and 4 of FOLs NPF-76 and NPF-80 should be changed by replacing "Central Power and Light Company" (or variations thereof) with "AEP Texas Central Company" (or variations thereof). The affected areas of the license are in the title and in paragraphs 1A, 2, 2A, 2B2, and 2C3 of the FOLs NPF-76 and NPF-80.

6.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Texas State official was notified of the proposed issuance of the amendments. The State official had no comments.

7.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.21, 51.32, AND 51.35, an environmental assessment and finding of no significant impact was published in the *Federal Register* on July 24, 2003, (68 FR 43766). Accordingly, based upon the environmental assessment, the staff has determined that issuance of the amendments will not have a significant effect on the quality of the human environment.

8.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: N. Kalyanam

Date: August 11, 2003

South Texas, Units 1 & 2

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May 2003

South Texas, Units 1 & 2

-2-

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