

February 13, 2004

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 - WITHDRAWAL OF
APPLICATION FOR AN ORDER APPROVING PROPOSED CORPORATE
RESTRUCTURING (TAC NOS. MC0903 AND MC0904)

Dear Mr. Sheppard:

By application dated September 29, 2003, STP Nuclear Operating Company requested the consent of the U.S. Nuclear Regulatory Commission (NRC) to the proposed indirect transfer of control of the South Texas Project (STP), Units 1 and 2, licenses by virtue of the transfer of ownership of approximately 81% of the stock of Texas Genco, LP's (Texas Genco) parent company, Texas Genco Holdings, Inc. from CenterPoint Energy, Inc. to Reliant Resources, Inc.

By letter dated January 29, 2004, you informed the NRC staff that Reliant Resources has declined to exercise the option it holds to purchase CenterPoint Energy's interest in Texas Genco Holdings, Inc. and withdrew the September 29, 2003 application. Accordingly, we consider this matter closed.

The Commission has filed the enclosed Notice of Withdrawal of Application with the Office of the Federal Register for publication. If you have any questions regarding this matter, please contact me at 301-415-1347.

Sincerely,

/RA by W.Reckley for/

Michael K. Webb, Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: Notice of Withdrawal

cc w/encl: See next page

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ADAMS ACCESSION NUMBER:ML040440297

*See previous concurrence

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|--------|-----------|-----------|---------|---------------------|
| NAME | DJaffe | DJohnson | CMarco* | WReckley for RGramm |
| DATE | 2/11/04 | 2/12/04 | 2/10/04 | 2/13/04 |

OFFICIAL RECORD COPY

UNITED STATES NUCLEAR REGULATORY COMMISSION
STP NUCLEAR OPERATING COMPANY, ET AL.
SOUTH TEXAS PROJECT, UNITS 1 AND 2
DOCKET NOS. 50-498 AND 50-499
NOTICE OF WITHDRAWAL OF APPLICATION
REGARDING PROPOSED CORPORATE RESTRUCTURING

The U.S. Nuclear Regulatory Commission (the Commission) has granted the request of STP Nuclear Operating Company (the licensee) to withdraw the September 29, 2003, application for an order under Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR) approving the indirect transfer of Facility Operating Licenses Nos. NPF-76 and NPF-80 for South Texas Project (STP), Units 1 and 2, respectively, to the extent held by Texas Genco, LP (Texas Genco). STP, Units 1 and 2, are located in Matagorda County, Texas.

The Commission had previously issued a Notice of Consideration of Approval of Application and Opportunity for a Hearing in the FEDERAL REGISTER on November 5, 2003 (68 FR 62641). However, by letter dated January 29, 2004, the licensee withdrew the proposed change.

For further details with respect to this action, see the application for amendment dated September 29, 2003, and the licensee's withdrawal letter dated January 29, 2004, which withdrew the application for license amendment. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the internet at the NRC

Web site, <http://www.nrc.gov/reading-rm/adams/html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, or 301-415-4737 or by email to pdr@nrc.gov.

Dated at Rockville, Maryland, this 13th day of February, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

William D. Reckley, Acting Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

South Texas Project, Units 1 & 2

cc:

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77414

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

Mr. L. K. Blaylock
Mr. W. C. Gunst
City Public Service Board
P. O. Box 1771
San Antonio, TX 78296

Mr. C. A. Johnson/A. C. Bakken
AEP Texas Central Company
P. O. Box 289
Mail Code: N5022
Wadsworth, TX 77483

INPO
Records Center
700 Galleria Parkway
Atlanta, GA 30339-3064

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011

D. G. Tees/R. L. Balcom
Texas Genco, LP
P. O. Box 1700
Houston, TX 77251

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, TX 77414

A. H. Gutterman, Esq.
Morgan, Lewis & Bockius
1111 Pennsylvania Avenue, NW
Washington, DC 20004

Mr. T. J. Jordan, Vice President
Engineering & Technical Services
STP Nuclear Operating Company
P. O. Box 289
Wadsworth, TX 77483

S. M. Head, Manager, Licensing
Nuclear Quality & Licensing Department
STP Nuclear Operating Company
P. O. Box 289, Mail Code: N5014
Wadsworth, TX 77483

Environmental and Natural Resources
Policy Director
P. O. Box 12428
Austin, TX 78711-3189

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

Arthur C. Tate, Director
Division of Compliance & Inspection
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756

Brian Almon
Public Utility Commission
William B. Travis Building
P. O. Box 13326
1701 North Congress Avenue
Austin, TX 78701-3326

May 2003

South Texas Project, Units 1 & 2

-2-

Susan M. Jablonski
Office of Permitting, Remediation
and Registration
Texas Commission on
Environmental Quality
MC-122
P.O. Box 13087
Austin, TX 78711-3087

Mr. Terry Parks, Chief Inspector
Texas Department of Licensing
and Regulation
Boiler Division
P. O. Box 12157
Austin, TX 78711

Mr. Ted Enos
4200 South Hulen
Suite 630
Ft. Worth, Texas 76109