



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

June 10, 2004
NOC-AE-04001740
10 CFR 50.80
10 CFR 50.90

U. S. Nuclear Regulatory Commission
Attention: James E. Dyer
Director, Office of Nuclear Reactor Regulation
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and STN 50-499
Suspension of Review of Application for Consent to Transfer Non-Operating
Ownership Interest and Conforming License Amendments

Reference: Letter, J. J. Sheppard to J. E. Dyer, "Application for Consent to Transfer Non-Operating Ownership Interest and Conforming License Amendments," dated April 21, 2004 (NOC-AE-04001712)

This is a follow-up to the referenced application, in which STP Nuclear Operating Company ("STPNOC"), acting on behalf of current licensee AEP Texas Central Company ("TCC") and prospective licensee Cameco South Texas Project LP ("CSTP"), requested NRC consent to the transfer of TCC's non-operating ownership interests in South Texas Project Units 1 and 2 (collectively, TCC's ownership interest in "STP") to CSTP.

As stated in the referenced application, completion of the transaction that would result in the transfer of TCC's ownership interests to CSTP is subject to the other STP owners' rights of first refusal, which could be exercised through June 1, 2004. Texas Genco, LP and City Public Service of San Antonio have announced their intention to acquire all or a portion of TCC's ownership interests in STP.

The effectiveness of the offers by Texas Genco, LP and City Public Service of San Antonio is predicated on the ability of the parties to negotiate mutually satisfactory purchase and sale agreements. STPNOC anticipates that the negotiations will be conducted in the near future. While these negotiations are pending, STPNOC requests that the NRC staff suspend its review of the referenced application. STPNOC will promptly advise the NRC of additional developments on this matter as they occur.

STI: 31755584

ASD

If there are any questions regarding this request, please contact Scott Head at (361) 972-7136.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: June 10, 2004



E. D. Halpin
Vice President and
Assistant to the President & CEO

jtc

cc:
(paper copy)

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