



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

September 15, 2004
NOC-AE-04001790
10CFR50.80
10CFR50.90

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
Withdrawal of Application for Consent to Transfer Non-Operating
Ownership Interest and Conforming License Amendments

- References:
1. 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)
 2. Letter, E. D. Halpin to J. E. Dyer, "Suspension of Review of Application for Consent to Transfer Non-Operating Ownership Interest and Conforming License Amendments," dated June 10, 2004 (NOC-AE-04001740)

Reference 1 requested NRC consent to the transfer of AEP Texas Central Company's (TCC) non-operating ownership interest in South Texas Project Units 1 and 2 (STP) to Cameco South Texas Project LP (CSTP). Reference 2 requested that the NRC staff suspend its review of the request for NRC consent because two of the STP owners, Texas Genco, LP and City Public Service Board of San Antonio, had announced their intention to exercise their rights of first refusal and acquire all or a portion of TCC's ownership interests in STP.

Texas Genco, LP and City Public Service Board of San Antonio have now negotiated and signed a mutually satisfactory purchase and sale agreement (PSA) with TCC. The execution of the PSA effectively exercised their rights of first refusal with respect to TCC's non-operating interest in STP that was the subject of the transaction between TCC and CSTP. Therefore, on behalf of TCC and CSTP, STP Nuclear Operating Company hereby withdraws the request for NRC consent submitted in Reference 1.

If the NRC requires additional information regarding this request, please contact John Conly at (361) 972-7336 or me at (361) 972-7849.

E. D. Halpin
Vice President and Assistant to the
President & Chief Executive Officer

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cc:

(paper copy)

Bruce S. Mallett
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
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

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

Jeffrey Cruz
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

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

(electronic copy)

A. H. Gutterman
Morgan, Lewis & Bockius LLP

L. D. Blaylock
City Public Service

David H. Jaffe
U. S. Nuclear Regulatory Commission

R. L. Balcom
Texas Genco, LP

C. A. Johnson
AEP Texas Central Company

John Matthews
Morgan, Lewis & Bockius LLP

Jon C. Wood
Matthews & Branscomb

David A. Repka
Winston & Strawn

Jay E. Silberg
Shaw Pittman

Matias F. Travieso-Diaz
Shaw Pittman

Sean Quinn
Cameco South Texas Project LP