

March 8, 2005

Mr. David G. Tees
Manager and President
Texas Genco GP, LLC
1111 Louisiana
Houston, TX 77002

Mr. Jack A. Fusco
Chief Executive Officer
Texas Genco, LLC
12301 Kurland Drive, 4th Floor
Houston, TX 77034

Messrs. Tees and Fusco:

SUBJECT: TEXAS GENCO LLC, AND , TEXAS GENCO LP - REQUEST FOR
WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE FOR SOUTH
TEXAS PROJECT, UNITS 1 AND 2 (TAC NOS. MC4732, MC4733, MC4917,
AND MC4918)

Dear Gentlemen:

By letter dated February 23, 2005, STP Nuclear Operating Company, acting on behalf of Texas Genco LP, and Texas Genco LLC (previously known as GC Power Acquisition LLC), submitted an affidavit dated February 23, 2005, and an affidavit dated February 22, 2005, respectively. The affidavits requested that the information contained in Attachment 7C (proprietary), to the February 23, 2005 letter, be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390.

A nonproprietary copy of this attachment has been placed in the Nuclear Regulatory Commission's (NRC's) Public Document Room and added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

The affidavits state that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- i. This information is and has been held in confidence by the applicants.
- ii. This information is of a type that is customarily held in confidence by the applicants, and there is a rational basis for doing so because the information contains sensitive financial information concerning projected revenues and operating expenses of the applicant.
- iii. This information is being transmitted to the NRC voluntarily and in confidence.

- iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
- v. Public disclosure of this information would create substantial harm to the competitive position of the applicants by disclosing their internal financial projections and proprietary business information.

We have reviewed your applications and the supporting material in accordance with the requirements of 10 CFR 2.390 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the future, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, I may be reached at 301-415-1439.

Sincerely,

/RA/

David H. Jaffe, 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

cc: See next page

- iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
- v. Public disclosure of this information would create substantial harm to the competitive position of the applicants by disclosing their internal financial projections and proprietary business information.

We have reviewed your applications and the supporting material in accordance with the requirements of 10 CFR 2.390 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the future, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, I may be reached at 301-415-1439.

Sincerely,

/RA/

David H. Jaffe, 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

cc: See next page

DISTRIBUTION:

PUBLIC	RidsNrrDlpmLpdiv (HBerkow)	RidsNrrLADBaxley
PDIV-1 R/F	RidsNrrPMDJaffe	RidsRgn4MailCenter (AHowell)
RidsOgcMailCenter	RidsNrrDlpmLpdiv1(AHowe)	BThomas
RidsAcrsAcnwMailCenter		

ADAMS Accession No.: ML050590047

OFFICE	PDIV-1/PM	PDIV-1/LA	RPRP/SC	PDIV-1/SC
NAME	DJaffe	DBaxley	BThomas	AHowe
DATE	3/4/05	3/3/05	3/4/05	3/8/05

OFFICIAL RECORD COPY

South Texas Project, Units 1 & 2

cc:

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

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

Mr. J. J. Nesrsta
Mr. R. K. Temple
City Public Service Board
P. O. Box 1771
San Antonio, TX 78296

Mr. C. A. Johnson/ R. P. Powers
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
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
Cox Smith Matthews
112 East Pecan, Suite 1800
San Antonio, TX 78205

Director
Division of Compliance & Inspection
Bureau of Radiation Control
Texas Department of State Health Services
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

November 2004

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

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