

EDO Principal Correspondence Control

FROM: DUE: / /

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FINAL REPLY:

David Crane, NRG Energy, Inc.

TO:

Luis Reyes

FOR SIGNATURE OF :

** GRN **

CRC NO:

DESC:

Letter of Intent to Submit Application for
Combined Operating License

ROUTING:

Reyes
Virgilio
Kane
Silber
Dean
RIV
Cyr/Burns

DATE: 07/06/06

ASSIGNED TO:

CONTACT:

NRR

Dyer

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action
Note in letter is not to be made publicly available
until NRG's public announcement of intent.



NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540

Phone: 609.524.4500
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June 19, 2006

Luis A. Reyes
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, D.C.

Letter of Intent to Submit Application for Combined Operating License

NRG Energy, Inc., an indirect owner of 44% of the South Texas Project, wishes to inform the Nuclear Regulatory Commission of our intent to submit an application for a Combined Operating License (COL) for two nuclear units to be located on the current South Texas Project site. In accordance with the project agreements, the other owners of the South Texas Project are considering their rights to participate; therefore, the ultimate applicant may be NRG Energy alone or together with one or more of the current owners of the South Texas Project, and STP Nuclear Operating Company, or some combination thereof. To support this decision, the owners will plan to complete a study by September comparing the advantages and disadvantages of the various advanced reactor technologies.

NRG believes that the Advanced Boiling Water Reactor (ABWR) technology best supports our objectives and is the most readily licensable advanced design given that the design is certified by NRC, units are currently operating in Japan and under construction in Taiwan, and the design is essentially complete and ready for construction in the U.S. Accordingly, NRG has requested the STP Nuclear Operating Company (STPNOC) to proceed on its behalf and develop a COL application for ABWRs, subject to confirmation based on the results of the study discussed above.

STPNOC is currently in the process of establishing a detailed licensing schedule; however, for planning purposes, it is our intent to submit the COL application in the later part of 2007. The COL license application will be structured consistent with the generic work currently in progress on the other advanced designs and in a manner that will best facilitate NRC's review, including minimizing deviations from the certified design. STPNOC will arrange a meeting with the appropriate NRC staff in late July or early August to discuss plans for the application.

We request that you withhold this letter from public disclosure until we make a public announcement of our intent as the information is financially sensitive.

If there are any questions regarding this letter of intent, please contact me at (609) 524-4511; Joe Sheppard, President and Chief Executive Officer, STPNOC at (361) 972-8757; or Mark McBurnett, Manager Nuclear Safety Assurance, STPNOC at (361) 972-7206.

David Crane

President & Chief Executive Officer
NRG Energy, Inc.

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11:11 AM

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cc: Nils J. Diaz
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C.

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Commissioner
U.S. Nuclear Regulatory Commission
Washington, D.C.

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