

June 29, 2007

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 - ISSUANCE OF AMENDMENTS  
RE: PROPOSED LICENSEE NAME CHANGE (TAC NOS. MD5268 AND  
MD5269)

Dear Mr. Sheppard:

The Commission has issued the enclosed Amendment No. 178 to Facility Operating License No. NPF-76 and Amendment No. 165 to Facility Operating License No. NPF-80 for the South Texas Project, Units 1 and 2, respectively. The amendments consist of changes to the Facility Operating Licenses in response to your application dated April 4, 2006.

The amendments revise South Texas Project Operating Licenses numbered NPF-76 and NPF-80 by changing the name of one licensee, Texas Genco, LP, to NRG South Texas LP.

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosures: 1. Amendment No. 178 to NPF-76  
2. Amendment No. 165 to NPF-80  
3. Safety Evaluation

cc w/encls: See next page

June 29, 2007

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 - ISSUANCE OF AMENDMENTS  
RE: PROPOSED LICENSEE NAME CHANGE (TAC NOS. MD5268 AND  
MD5269)

Dear Mr. Sheppard:

The Commission has issued the enclosed Amendment No. 178 to Facility Operating License No. NPF-76 and Amendment No. 165 to Facility Operating License No. NPF-80 for the South Texas Project, Units 1 and 2, respectively. The amendments consist of changes to the Facility Operating Licenses in response to your application dated April 4, 2006.

The amendments revise South Texas Project Operating Licenses numbered NPF-76 and NPF-80 by changing the name of one licensee, Texas Genco, LP, to NRG South Texas LP.

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosures: 1. Amendment No. 178 to NPF-76  
2. Amendment No. 165 to NPF-80  
3. Safety Evaluation

cc w/encls: See next page

DISTRIBUTION:

PUBLIC	LPLIV Reading
RidsNrrDorlLpl4	RidsNrrPMMThadani
RidsNrrLAJBurkhardt	RidsOgcRp
RidsAcrcAcnwMailCenter	GHill, OIS
RidsNrrDirsltsb	RidsNrrDorlDpr
RidsRgn4MailCenter	

**ADAMS Accession Nos.: Pkg ML071280020** (LTR/AMD: ML071280118, License pgs 1-3: ML071280688)

OFFICE	NRR/LPL4/PM	NRR/LPL4/PM	NRR/LPL4/LA	OGC - NLO	OGC - NLO re FNSHC	NRR/LPL4/BC
NAME	JEargle	MThadani:BVaidya for MCT	JBurkhardt	SUttal	AHodgdon	THiltz
DATE	5/14/07	6/29/07	6/29/07	6/29/07	6/29/07	6/29/07

OFFICIAL RECORD COPY

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-498

SOUTH TEXAS PROJECT, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 178  
License No. NPF-76

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by STP Nuclear Operating Company\* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated April 4, 2006, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

---

\*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended by changes to the Facility Operating License No. NPF-76 as indicated in the attachment to this license amendment.
3. The license amendment is effective as of its date of issuance and shall be implemented within 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

**/RA/**

Thomas G. Hiltz, Chief  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility  
Operating License No. NPF-76

Date of Issuance: June 29, 2007

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-499

SOUTH TEXAS PROJECT, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 165  
License No. NPF-80

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by STP Nuclear Operating Company\* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated April 4, 2006, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

---

\*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended by changes to Facility Operating License No. NPF-80 as indicated in the attachment to this license amendment.
3. The license amendment is effective as of its date of issuance and shall be implemented within 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

**/RA/**

Thomas G. Hiltz, Chief  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility  
Operating License No. NPF-80

Date of Issuance: June 29, 2007

ATTACHMENT TO LICENSE AMENDMENT NOS. 178 AND 165

FACILITY OPERATING LICENSE NOS. NPF-76 AND NPF-80

DOCKET NOS. 50-498 AND 50-499

Replace the following pages of the Facility Operating Licenses, Nos. NPF-76 and NPF-80 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Facility Operating License No. NPF-76

REMOVE

INSERT

-1-

-1-

-2-

-2-

-3-

-3-

-4-

-4-

Facility Operating License No. NPF-80

REMOVE

INSERT

-1-

-1-

-2-

-2-

-3-

-3-

-4-

-4-

## (2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 178, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. STPNOC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Not Used(4) Initial Startup Test Program (Section 14, SER)\*

Any changes to the Initial Test Program described in Section 14 of the Final Safety Analysis Report made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(5) Safety Parameter Display System (Section 18, SSER No. 4)\*

Before startup after the first refueling outage, HL&P[\*\*] shall perform the necessary activities, provide acceptable responses, and implement all proposed corrective actions related to issues as described in Section 18.2 of SER Supplement 4.

(6) Supplementary Containment Purge Isolation (Section 11.5, SSER No. 4)

HL&P shall provide, prior to startup from the first refueling outage, control room indication of the normal and supplemental containment purge sample line isolation valve position.

---

\* The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

\*\* The original licensee authorized to possess, use and operate the facility was HL&P. Consequently, historical references to certain obligations of HL&P remain in the license conditions.



(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 165, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. STPNOC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Not Used

(4) Initial Startup Test Program (Section 14, SR)\*

Any changes to the Initial Test Program described in Section 14 of the Final Safety Analysis Report made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(5) License Transfer

Texas Genco, LP shall provide decommissioning funding assurance, to be held in decommissioning trusts for the South Texas Project, Unit 2 (Unit 2) upon the direct transfer of the Unit 2 license to Texas Genco, LP, in an amount equal to or greater than the balance in the Unit 2 decommissioning trust immediately prior to the transfer. In addition, Texas Genco, LP shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the Unit 2 license to Texas Genco, LP to obtain necessary decommissioning funds for Unit 2 through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

The master decommissioning trust agreement for Unit 2, at the time the direct transfer of Unit 2 to Texas Genco, LP is effected and thereafter, is subject to the following:

---

\* The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
RELATED TO AMENDMENT NOS. 178 AND 165 TO  
FACILITY OPERATING LICENSE NOS. NPF-76 AND NPF-80  
STP NUCLEAR OPERATING COMPANY, ET AL.  
SOUTH TEXAS PROJECT, UNITS 1 AND 2  
DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION

By application dated April 4, 2006 (Agencywide Documents Access and Management System Accession No. ML061010771), STP Nuclear Operating Company (STPNOC, the licensee) requested changes to the Facility Operating Licenses (FOLs) for South Texas Project (STP), Units 1 and 2.

The proposed changes would amend South Texas Project FOLs, NPF-76 and NPF-80, by changing the name of one licensee Texas Genco, LP (Texas Genco), to NRG South Texas LP. The proposed change relates to the purchase of Texas Genco's parent company by NRG Energy, Incorporated, as approved by the Nuclear Regulatory Commission (NRC) in January 2006 for the indirect transfer of licenses for STP as held by Texas Genco.

2.0 EVALUATION

The NRC staff has reviewed the licensee's request for a name change and finds that the proposed amendments would change the name of one of the licensees. There is no change in design, operation, surveillance, or maintenance of the plant. The NRC staff finds that the amendments are administrative in nature, and are, therefore, acceptable.

3.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Texas State official was contacted on June 18, 19, and 29, 2007, for notification of the proposed issuance of the amendment. The State official could not be reached due to a Texas Department of Health building emergency.

4.0 FINAL NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION (NSHCD)

The Commission has previously issued a proposed finding that this amendment involves no significant hazards consideration, and published for public comments, such finding on May 9, 2007 (72 FR 26428). Because this amendment is being issued after the 30-day comment

period and before the expiration of the 60-day period providing opportunity to request a hearing, a final NSHCD is included in this safety evaluation.

As required by 10 CFR 50.91(a), the licensee, in its submission, provided its analysis of the issue of no significant hazards consideration. The NRC staff has reviewed the licensee's analysis against the standards of 10 CFR 50.92(c). The NRC staff's review is presented below:

The proposed amendment[s] would only change the name of a licensee. The proposed name change does not involve a significant increase in the probability or consequences of an accident previously evaluated. The proposed name change does not create the possibility of a new or different kind of accident from any accident previously evaluated. The proposed name change does not involve a significant reduction in a margin of safety.

The NRC staff has determined, based on this review, that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff has determined that the amendment request involves no significant hazards consideration.

#### 5.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR Sections 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact has been published in the *Federal Register* on June 14, 2007 (72 FR 32924). Accordingly, based upon the environmental assessment, the NRC staff has determined that the issuance of these amendments will not have a significant effect on the quality of the human environment.

#### 6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: Jason Eargle

Date: June 29, 2007

South Texas Project, Units 1 & 2

cc:

Senior Resident Inspector  
U.S. Nuclear Regulatory Commission  
P.O. Box 289  
Wadsworth, TX 77483

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

J. J. Nesrsta/R. K. Temple  
E. Alercon/Kevin Pollo  
City Public Service Board  
P.O. Box 1771  
San Antonio, TX 78296

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

Steve Winn/Christie Jacobs  
Eddy Daniels/Marty Ryan  
NRC Energy, Inc.  
211 Carnegie Center  
Princeton, NJ 08540

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

E. D. Halpin  
Site Vice President  
STP Nuclear Operating Company  
South Texas Project Electric  
Generating Station  
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

C. T. Bowman  
General Manager, Oversight  
STP Nuclear Operating Company  
P.O. Box 389  
Wadsworth, TX 77483

Marilyn Kistler  
Sr. Staff Specialist, Licensing  
STP Nuclear Operating Company  
P.O. Box 289, Mail Code 5014  
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

South Texas Project, Units 1 & 2

-2-

cc:

Mr. Ted Enos  
4200 South Hulen  
Suite 422  
Ft. Worth, TX 76109

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

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

Ken Coates  
Plant General Manager  
STP Nuclear Operating Company  
South Texas Project Electric  
Generating Station  
P.O. Box 289  
Wadsworth, TX 77483

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

March 2007