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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 22, 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 - ORDER APPROVING INDIRECT
TRANSFER OF FACILITY OPERATING LICENSES (TAC NOS. MD5656 AND
MD5657)

Dear Mr. Sheppard:

By application dated May 3, 2007, as supplemented by electronic mail dated June 28, 2007, and letters dated July 23 and October 3, 2007, STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP (NRG South Texas), and NRG Energy Inc. (NRG Energy), requested that the U.S. Nuclear Regulatory Commission (NRC or Commission), pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, consent to the proposed indirect transfers of control of licenses numbered NPF-76 and NPF-80 for South Texas Project, Units 1 and 2, respectively, to the extent held by NRG South Texas. NRG South Texas holds a 44 percent ownership interest in STP. It is a wholly-owned subsidiary of NRG Energy. Under a proposed corporate restructuring, a new holding company (NRG Holdings, Inc.) will be created, which will become the parent company of NRG Energy. Accordingly, NRG Holdings, Inc. will acquire indirect control of the licenses for STP held by NRG South Texas. In addition, NRG South Texas holds a corresponding interest in STPNOC which is the licensed operator of STP. The proposed corporate restructuring would result in the indirect transfer of control of this interest in STPNOC. The applicant has requested that the NRC consent to the indirect transfer of NRG South Texas' interest in STPNOC, should the NRC conclude that prior NRC consent is necessary.

The enclosed Order (Enclosure 1) approves the proposed indirect transfer of control of the NRG South Texas licenses for STP that will result from the establishment of NRG Holdings, Inc. The Order also approves the indirect transfer of control of the licenses as held by STPNOC to the extent there would be any such indirect transfer resulting from the establishment of NRG Holdings, Inc.

Enclosures 2 and 3 contain the non-proprietary and proprietary versions, respectively, of the NRC staff's safety evaluation (SE) related to the preceding actions. The non-proprietary version of the SE will be placed in the NRC Public Document Room and added to the Agencywide Document Access Management System Public Electronic Reading Room Library.

Document transmitted herewith contains sensitive unclassified information. When Separated from Enclosure 3, this document is DECONTROLLED.

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J. J. Sheppard

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The Order is being forwarded to the Office of the Federal Register for publication. If you have any questions, please contact me at (301) 415-1476 or mct@nrc.gov.

Sincerely,



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. Order
2. Safety Evaluation (Non-proprietary)
3. Safety Evaluation (Proprietary)

cc w/encls. 1 and 2: See next page

mct

South Texas Project, Units 1 & 2

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South Texas Project, Units 1 & 2

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October 2007

ENCLOSURE 1

**Order Approving Indirect Transfer
of Facility Operating Licenses**

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
NRG SOUTH TEXAS LP)	Docket Nos. 50-498 and 50-499
)	
STP NUCLEAR OPERATING COMPANY)	License Nos. NPF-76 and NPF-80
)	
(South Texas Project, Units 1 and 2))	

ORDER APPROVING INDIRECT TRANSFER OF FACILITY OPERATING LICENSES

I.

NRG South Texas LP (NRG South Texas) is a co-holder of the Facility Operating Licenses numbered NPF-76 and NPF-80, which authorize the possession, use, and operation of South Texas Project (STP), Units 1 and 2, respectively. The facilities are located in southwest Matagorda County, Texas, which is approximately 12 miles south-southwest of Bay City and 10 miles north of Matagorda Bay. STP is jointly owned by three entities: NRG South Texas, 44 percent; City of Public Service Board of San Antonio, 40 percent; and City of Austin, Texas, 16 percent. In addition, these entities each hold a corresponding percentage interest in STP Nuclear Operating Company (STPNOC), which operates STP.

II.

By application dated May 3, 2007, as supplemented by electronic mail dated June 28, 2007, and letters dated July 23 and October 3, 2007, STPNOC, on behalf of NRG Energy, Inc. (NRG Energy), and NRG South Texas LP, requested that the U.S. Nuclear Regulatory Commission (NRC, Commission), pursuant to Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), consent to the proposed indirect transfer of control of the STP licenses to the extent held by NRG South Texas with respect to its ownership interest in STP.

Currently, NRG Energy is the indirect owner of 100 percent of NRG South Texas. Under a proposed corporate restructuring, a new holding company, NRG Holdings, Inc., will be created. NRG Energy will become a direct wholly-owned subsidiary of NRG Holdings, Inc. Accordingly, NRG Holdings, Inc. will acquire indirect control of the licenses for STP to the extent currently held by NRG South Texas. In addition, NRG Holdings, Inc. will become an indirect co-owner of STPNOC, with respect to the interest in STPNOC currently held by NRG South Texas. To the extent the proposed corporate restructuring would thus result in the indirect transfer of control of the STP licenses as held by STPNOC, prior NRC consent was also requested.

Notice of the requests for approval and an opportunity for a hearing was published in the *Federal Register* on July 10, 2007 (72 FR 37546). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80(a), no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application as supplemented and other information before the Commission, and relying upon the representations and agreements in the application as supplemented, the NRC staff concludes that the proposed indirect transfer of control of NRG South Texas to NRG Holdings, Inc. as described herein will not affect the qualifications of NRG South Texas as holder of the STP licenses to the extent now held by it, and that the indirect transfer of control of the licenses, to the extent effected by the proposed transaction described in the application, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the NRC pursuant thereto. The NRC staff further concludes that, to the extent the proposed indirect transfer of control of NRG South Texas would result in an indirect transfer of control of the STP licenses as held by STPNOC, such proposed indirect transfer of control of NRG South Texas will not affect the qualifications

of STPNOC to hold the STP licenses, and such indirect transfer of control of the licenses as held by STPNOC is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The findings set forth above are supported by a safety evaluation dated October 22, 2007.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfers related to the proposed establishment of NRG Holdings, Inc. is approved, subject to the following condition:

Should the indirect transfer of control of NRG South Texas to NRG Holdings, Inc. not be completed within one year from the date of this Order, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order.

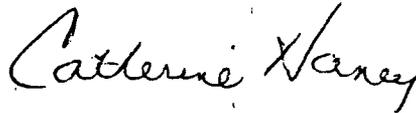
This Order is effective upon issuance.

For further details with respect to this Order, see the application dated May 3, 2007, and supplemental electronic mail dated June 28, 2007, and letters dated July 23 and October 3, 2007, and the safety evaluation dated October 22, 2007, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland and accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>.

Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland this 22nd day of October, 2007.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script that reads "Catherine Haney".

Catherine Haney, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

ENCLOSURE 2

Safety Evaluation Related to Indirect License Transfers

Non-Proprietary



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO INDIRECT LICENSE TRANSFERS RESULTING FROM
INDIRECT TRANSFER OF OWNERSHIP OF NRG SOUTH TEXAS LP AND
PROPOSED CORPORATE RESTRUCTURING BY FORMATION OF A NEW
HOLDING COMPANY

SOUTH TEXAS PROJECT, UNITS 1 AND 2

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

DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION

STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP (NRG South Texas), and NRG Energy Inc. (NRG Energy), submitted an application dated May 3, 2007, and supporting supplemental electronic mail dated June 28, 2007, and letters dated July 23 and October 3, 2007, requesting that the U.S. Nuclear Regulatory Commission (NRC or Commission), pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, consent to the proposed indirect transfers of control of licenses numbered NPF-76 and NPF-80 for South Texas Project, Units 1 and 2, respectively, to the extent held by NRG South Texas. NRG South Texas holds a 44 percent ownership interest in STP. It is a wholly-owned subsidiary of NRG Energy. Under a proposed corporate restructuring, a new holding company (NRG Holdings, Inc.) will be created, which will become the parent company of NRG Energy. Accordingly, NRG Holdings, Inc. will acquire indirect control of the licenses for STP held by NRG South Texas. In addition, NRG South Texas holds a corresponding interest in STPNOC which is the licensed operator of STP. The proposed corporate restructuring would result in the indirect transfer of control of this interest in STPNOC. The applicant has requested that the NRC consent to the indirect transfer of NRG South Texas' interest in STPNOC should the NRC conclude that prior NRC consent is necessary.

2.0 BACKGROUND

STP is composed of two 1268 megawatts electric (MWe) nuclear plants, and the units are located in southwest Matagorda County, Texas, which is approximately 12 miles south-southwest of Bay City and 10 miles north of Matagorda Bay. The two units are jointly owned by three entities: NRG South Texas owns 44 percent, City Public Service Board of San

Antonio owns 40 percent, and the City of Austin, Texas owns 16.0 percent. In addition, these entities hold corresponding percentage interests in STPNOC.

An organizational chart depicting the current corporate structure of NRG Energy was provided in the application as Figure 1.

NRG South Texas is wholly owned by Texas Genco Holdings, Inc., and 100 percent of the voting stock, and 19.77 percent of the non-voting stock of Texas Genco Holdings, Inc. is owned by NRG Energy. The remaining 80.23 percent of the non-voting stock of Texas Genco Holdings, Inc. is owned by NRG Generation Holdings, Inc. NRG Generation Holdings, Inc., in turn, is wholly owned by NRG Energy.

According to the application, under Texas law, NRG South Texas is a registered power generation company and is not subject to cost-based rate regulation. In addition, on October 21, 2003, the Federal Energy Regulatory Commission certified the previous owner of NRG South Texas's share of STP and STPNOC as an exempt wholesale generator under Section 32 of the Public Utility Holding Company Act of 1935 (PUHCA), as amended. In the NRC's Order and supporting safety evaluation dated January 12, 2006, the NRC determined that NRG South Texas was financially qualified to own 44 percent of STP (Agencywide Documents Access and Management System Accession No. ML053630163).

NRG Energy is a wholesale power generation company that is publicly owned and traded on the New York Stock Exchange Inc., (Symbol: NRG). The applicant stated that NRG Energy, Inc. primarily engages in the ownership and operation of power generation facilities, the transaction of and trading in fuel and transportation services, and the marketing and trading of energy capacity and related products in the United States and internationally. As of December 31, 2006, NRG Energy's principal domestic generation assets consisted of approximately 46 percent natural gas, 34 percent coal, 15 percent oil, and 5 percent nuclear facilities (exclusively STP). NRG Energy owns and operates a total net generating capacity of approximately 24,000 MWe worldwide, including more than 1,150 MWe from its indirect 44 percent interest in STP.

According to the applicant, the proposed corporate restructuring of NRG Energy is designed to accomplish certain business and financial objectives, including accommodating financing arrangements and dividend payments. No material changes to NRG Energy's total debt is anticipated.

The applicant also requests consent to the indirect transfer of control of the licenses as held by STPNOC if the NRC determines such consent is necessary in connection with the proposed corporate restructuring of NRG Energy.

3.0 REGULATORY EVALUATION

The applicant requests the approval of the indirect transfer of the licenses to the extent held by NRG South Texas regarding its ownership interest in STP pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80. As stated in 10 CFR 50.80(a), "No license for a production or utilization facility, or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through the transfer of control of the license to any person, unless the Commission shall give its consent in writing."

In addition, the requirements of 10 CFR 50.80(b) and (c) apply. As stated in 10 CFR 50.80(b), "An applicant for transfer of a license shall include as much of the information described in 10 CFR 50.33 and 50.34 of this part with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license." Section 50.80(c) of 10 CFR states, "the Commission will approve the application for the transfer of a license if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of the law, regulations, and orders issued by the Commission pursuant thereto." The Commission has held that in the case of an indirect license transfer, to satisfy the first finding above, the NRC must determine that the proposed indirect transfer of control of the license will not affect the qualifications of the licensee to hold the license.

4.0 EVALUATIONS

4.1 Financial Qualifications

Section 50.33 of 10 CFR provides that each application shall state, among other things, "[e]xcept for an electric utility applicant for a license to operate a utilization facility of the type described in 10 CFR 50.21(b) or 10 CFR 50.22, information sufficient to demonstrate to the Commission the financial qualifications of the applicant to carry out, in accordance with the regulations of this chapter, the activities for which the permit or license is sought."

Section 50.2 of 10 CFR states, in part, that an electric utility is "any entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority."

The NRC staff finds that NRG South Texas does not qualify as an "electric utility" as defined in 10 CFR 50.2 because it is not subject to cost-based rate regulation and does not establish its own rates. Thus, the staff has determined that NRG South Texas must meet the financial qualification requirements for a non-electric utility pursuant to 10 CFR 50.33(f). In this regard, NRG South Texas must provide information: that demonstrates that it possesses or has reasonable assurance of obtaining the necessary funds to cover estimated operating costs for the period of the license. It shall submit estimates for total annual operating costs for each of the first five years of facility operation after the date of the proposed license transfers and indicate the source(s) of funds to cover these costs. Also, 10 CFR 50.33(k)(1) requires that an applicant provide information described in 10 CFR 50.75 indicating how reasonable assurance will be provided that funds will be available to decommission the facilities.

The following is a summary of the projected income statement provided by NRG South Texas for the proposed indirect license transfers.

NRG SOUTH TEXAS LP
SUMMARY OF PROJECTED INCOME STATEMENT
(In \$ millions)

	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Total Revenue:	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]
Total Operating Expenses:	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]
Income before Taxes:	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]
Tax Expenses:	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]
Net Income:	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]

In addition to the staff reviewing the cost and funding projections above, the staff also reviewed the assumptions that supported the projections. The staff concluded that NRG South Texas assumptions and supporting bases appear to be reasonable.

Based on the information provided by NRG South Texas, the NRC finds that the NRG South Texas' projected revenues will be adequate to cover NRG South Texas' 44 percent share of the operating costs of the STP, because its anticipated revenues will exceed its share of the anticipated operating and maintenance and other costs in the 5-year period following the proposed indirect license transfers.

NRG South Texas also has \$120 million financial support agreements in place from NRG Energy as well as NRG Texas LLC (an affiliate of NRG South Texas). The NRG Texas LLC support agreement is in lieu of, and not in addition to, the NRG Energy support agreement. The staff has reviewed information submitted in the application in considering the financial qualifications of NRG Energy and NRG Texas LLC to be able to continue to provide the stated amounts should NRG South Texas need to rely on such funds for its share of costs for STP.

The applicant states that the proposed establishment of NRG Holdings, Inc. as the parent company for NRG Energy will not have any adverse effect on the financial information supplied for NRG Energy and its ability to fund up to the amount provided in its support agreement with NRG South Texas.

Based on all of the foregoing, the NRC staff finds that NRG South Texas has reasonable assurance of obtaining the funds necessary to cover its share of the estimated operating costs for the period of the STP licenses, and thus will continue to be financially qualified to hold the licenses, notwithstanding the indirect transfer of NRG South Texas and its share of STP.

4.2 Decommissioning Funding Assurance

The NRC has determined that the requirements to provide reasonable assurance of decommissioning funding are necessary to ensure the adequate protection of public health and

safety. The regulation in 10 CFR 50.33(k) requires that an application for an operating license for a utilization facility contain information on how reasonable assurance will be provided that funds will be available to decommission the facility.

On behalf of NRG South Texas, STPNOC files decommissioning funding reports with the NRC pursuant to 10 CFR 50.75(f)(1). The applicant stated that no change in STP decommissioning funding assurance is being proposed in connection with the proposed indirect transfer. NRG South Texas maintains an external trust and has access to non-bypassable charges under Texas law. Such charges will continue to include charges from CenterPoint Energy and AEP Texas Central Company, previous co-owners of STP, as approved by the Public Utility Commission of Texas. After the proposed indirect transfer, NRG South Texas will remain responsible for its decommissioning liabilities associated with STP in accordance with 10 CFR 50.75.

In conformance with 10 CFR 50.75(f)(1), STPNOC submitted the biennial decommissioning funding status report on behalf of the joint owners required by March 31, 2007. Currently the STP licenses expire in 2027 and 2028. The regulation requires the licensees for STP to have approximately \$730 million in the decommissioning trust funds. As of December 31, 2006, STP had approximately \$802 million available. The minimum required for NRG Energy's 44 percent share of STP is approximately \$352 million and \$353 million was available as of December 31, 2006. The NRC staff's initial analysis of the March 31, 2007, biennial report submittal concluded that the applicant has complied with the requirements of 10 CFR 50.75 with respect to providing reasonable assurance funds will be available to decommission the facility when the licenses expire.

The NRC staff confirmed that the decommissioning trust funds associated with STP are funded in accordance with NRC's regulations. Based on the discussion above, the NRC staff concludes that the indirect transfer of control of NRG South Texas to NRG Holdings, Inc. will not affect the adequacy of the decommissioning funding arrangements of NRG South Texas or the reasonable assurance of adequate decommissioning funding for STP.

4.3 Antitrust Review

The Atomic Energy Act of 1954 (AEA), as amended, does not require or authorize antitrust reviews of post-operating license transfer applications (*Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999)). This application post-dates the issuance of the STP operating licenses; therefore, no antitrust review is required or authorized.

4.4 Foreign Ownership, Control or Domination

Section 103d of the Atomic Energy Act (AEA), as amended, prohibits the NRC from issuing a license for a nuclear power plant to "any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government." The NRC's regulation, 10 CFR 50.38, contains language to implement this prohibition.

According to the application, NRG Holdings, Inc. will be incorporated in Delaware, and will have its principal place of business in Princeton, New Jersey. The current 10 directors as well as the principal officers of NRG Energy, identified in the application, are expected to be the directors and principal officers of NRG Holdings, Inc. Nine of the ten directors are U.S. citizens, and all but one of the executive officers are also U.S. citizens. The present shareholders of NRG Energy, a widely-held publicly traded company, will become the shareholders of NRG Holdings, Inc.

According to the application, the proposed restructuring will not result in any foreign ownership, domination, or control of NRG South Texas as wholly-owned by NRG Holdings, Inc., within the meaning of the Atomic Energy Act.

The Securities and Exchange Act of 1934, as amended, 15 U.S.C. 78m(d) (1934 Act), requires that a person or entity that owns or controls more than 5 percent of the registered securities of a company subject to the 1934 Act must file notice with the Securities and Exchange Commission (SEC). The applicant states that, based upon SEC filings, NRG Energy found that Orbis Management Ltd and Orbis Asset Management Ltd (Orbis), and associated Bermuda companies with principal offices in Bermuda filed a statement indicating that as of December 31, 2006, Orbis owned approximately 5.9 percent of NRG Energy outstanding shares at that time. Orbis does not have any representation on the NRG Energy Board of Directors, and its SEC filing specifically certifies that it did not acquire its shares to change or influence the control of NRG Energy. The applicant also stated that NRG Energy has not identified any other foreign entities holding ownership interests and/or voting rights for more than 5 percent of its outstanding shares.

Based upon the information provided above, the NRC staff does not know or have reason to believe that the proposed formation of NRG Holdings, Inc., and the resulting transfer of indirect control of NRG South Texas licenses, would result in any foreign ownership, control, or domination of NRG South Texas or STPNOC.

The NRC staff concludes that under the proposed indirect transfer, the requirements of 10 CFR 50.38 will continue to be met.

4.5 Technical Qualifications

According to the applicant the technical qualifications of STPNOC will not be affected by the proposed restructuring of NRG Energy and creation of the new holding company. There will be no physical changes to STP, no changes in the officers or personnel responsible for STP, and no changes in the day-to-day operations of the plant. The applicant represents that it is anticipated that STPNOC will at all times remain the licensed operator of STP.

Based on the foregoing, the staff finds that the proposed indirect transfer of control of NRG South Texas to NRG Holdings, Inc. as the ultimate parent company will not affect the technical qualifications of STPNOC as the licensed operator, and otherwise does not raise any technical qualifications issues.

4.6 Nuclear Insurance and Indemnity

According to the application, the proposed indirect transfer of control of the licenses would not affect the existing Price-Anderson indemnity agreement and the required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance required under Section 170 of the AEA, and 10 CFR Part 140. Also, the NRC staff has no reason to believe that the proposed creation of the new holding company will affect the ability of NRG South Texas to meet its financial obligations for its pro rata share of obligations for retrospective premiums for STP. Therefore, in consideration of the foregoing, the NRC staff concludes the indirect transfer of control of the licenses held by NRG South Texas will not affect NRG South Texas' required nuclear insurance and indemnity coverage and its ability to meet its nuclear insurance obligations.

5.0 CONCLUSION

In consideration of the foregoing, the NRC staff concludes that the proposed indirect transfer of control of NRG South Texas as described herein will not affect the qualifications of NRG South Texas to hold the licenses for STP to the extent now held by it, and that the indirect transfer of control of the licenses to the extent effected by the proposed transaction described herein is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto. The staff further concludes that to the extent the proposed transaction would result in an indirect transfer of control of the STP licenses as held by STPNOC, such transaction will not affect the qualifications of STPNOC to hold the licenses to the extent now held by it, and such indirect transfer of control of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Principal Contributor: Clayton Pittiglio

Date: October 22, 2007

MS7

October 22, 2007

J. J. Sheppard

-2-

The Order is being forwarded to the Office of the Federal Register for publication. If you have any questions, please contact me at (301) 415-1476 or mct@nrc.gov.

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. Order
- 2. Safety Evaluation (Non-proprietary)
- 3. Safety Evaluation (Proprietary)

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NRR-106

*No significant change in SE input

**see previous concurrence

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