April 4, 2008

Kathy Boydston, Habitat Assessment
Program Manager
Texas Parks and Wildlife Department
4200 Smith School Road
Austin, TX 78744

SUBJECT: APPLICATION FOR COMBINED LICENSES FOR THE SOUTH TEXAS PROJECT (STP), UNITS 3 AND 4

Dear Ms. Boydston:

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing an application submitted by the STP Nuclear Operating Company (applicant or STPNOC) for combined licenses (COLs) for construction and operation of two new nuclear power plants at its South Texas Project site near Bay City, Texas. As part of the review of this COL application, the NRC is preparing an Environmental Impact Statement (EIS) as required by Title 10, Part 51 of the *Code of Federal Regulations*, the NRC's regulation that implements the National Environmental Policy Act of 1969, as amended (NEPA). The EIS will include an analysis of pertinent environmental issues including endangered or threatened species and impacts to fish and wildlife. This letter is also being submitted under the provisions of the Fish and Wildlife Coordination Act of 1934, as amended (FWCA), and the Endangered Species Act of 1973, as amended (ESA).

STP submitted the application for the COL on September 20, 2007, pursuant to NRC requirements in 10 CFR Part 52. The application was accepted for docketing on November 29, 2007, and is available on the public website and through the web-based version of the NRC's Agency-wide Documents Access and Management System (ADAMS) which can be found at http://www.nrc.gov/reading-rm/adams.html. The Environmental Report portion of the application is listed under Accession Number ML072831239. The STP COL application is also available on the Internet at http://www.nrc.gov/reactors/new-licensing/col/south-texas-project.html.

The applicant's preferred location for the new units, if built, is approximately 2,000 feet northwest of the existing STP Site. The proposed Units 3 and 4 will be located on approximately 12,200 acres in a rural area of Matagorda County, Texas, approximately 12 miles south-southwest of the city limits of Bay City, Texas, and 10 miles north of Matagorda Bay, along the west bank of the Colorado River. The applicant plans to use the existing power transmission corridors. There are three corridors that cross the following counties: Brazoria, Matagorda, Wharton, Fort Bend, Colorado, Fayette, Jackson, Lavaca, Victoria, De Witt, Gonzales, Karnes, Wilson, Guadalupe, Calhoun, Refugio, San Patricio, and Nueces County. The applicant also plans modifications to upgrade two transmission lines on an existing right-of-way.

STPNOC proposes to use a closed-loop cooling water system for Units 3 and 4 that will withdraw and discharge water from and to the Main Cooling Reservoir (MCR), similar to the existing cooling system for STP, Units 1 and 2. Makeup water for the MCR will be withdrawn from the Colorado River using the preexisting intake structure.

To support the EIS preparation process, the NRC requests information on State-listed, proposed and candidate species and critical habitat that may be in the vicinity of the STP Nuclear Plant site and the associated transmission line rights-of-way. In addition, please provide any information, comments, or concerns you consider appropriate under the provisions of the FWCA. The NRC, in its review will evaluate the environmental impacts of construction and operation and will also consider alternatives including alternative sites. Your office will receive a copy of the draft EIS along with a request for comments. The anticipated publication date for the draft EIS is to be determined.

If you have any questions concerning the NRC staff's environmental review for the COL application, please contact Mr. Paul Kallan, Environmental Project Manager at 301-415-2809 or by e-mail at pbk1@nrc.gov.

Sincerely,

/RA/

William F. Burton, Branch Chief
Environmental Projects Branch 1
Division of Site and Environmental Reviews
Office of New Reactors

Docket Nos.: 52-012 and 52-013

cc: See next page

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William F. Burton, Branch Chief
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