

August 29, 2008

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 – WITHDRAWAL OF REQUEST
FOR EXEMPTION FROM TITLE 10 OF CODE OF *FEDERAL REGULATIONS*
50.82(A)(8) (TAC NOS. MD6869 AND MD6870)

Dear Mr. Sheppard:

By letter dated September 19, 2007 (NOC-AE-07002210, Agencywide Documents Access and Management System (ADAMS) Accession No. ML072750459), South Texas Project Nuclear Operating Company (STPNOC), acting on behalf of the NRG South Texas LP, the City Public Service Board of San Antonio, and the City of Austin, Texas, requested an exemption from the provisions of Title 10 of the *Code of Federal Regulations* (10 CFR) 50.82(a)(8)(i) and (ii) to permit the immediate withdrawal of up to \$20 million per unit from the decommissioning trust funds established to meet the requirements of 10 CFR 50.75, for the South Texas Project, Units 1 and 2. The licensee stated that the withdrawals would be used to dispose of four steam generators presently stored at the facility, as well as the reactor pressure vessel heads to be removed in fall 2009 for Unit 1 and spring 2010 for Unit 2 to eliminate the cost of ongoing maintenance and eventual decommissioning of the storage facility. STPNOC responded to a request for additional information in its letter dated April 9, 2008 (NOC-AE-08002286, ADAMS Accession No. ML081070281).

By letter dated August 20, 2008 (NOC-AR08002344, ADAMS Accession No. ML082410096), STPNOC withdrew the above request in its letter dated September 19, 2007. STPNOC stated in the letter that it has decided to no longer pursue approval of the request and hereby withdraws it from further NRC review.

The purpose of this letter is to advise you that the above-cited application is being treated as withdrawn and the work on the subject actions is stopped.

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

cc: See next page

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Division of Operating Reactor Licensing
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ADAMS Accession No. ML081980514

OFFICE	DORL/LPL4/PM	DORL/LPL4/LA	DORL/LPL4/BC(A)	DORL/LPL4/PM
NAME	MThadani	JBurkhardt, GKL for	BSingal MTM for	MThadani
DATE	8/29/08	8/29/08	8/29/08	8/29/08

OFFICIAL RECORD COPY

South Texas Project, Units 1 and 2

7/29/2008

cc:

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