Nuclear Operating Company

South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

January 29, 2020
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U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk, Director,
Office of Nuclear Material Safety and Safeguard
Washington, D.C. 20555-0001

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and STN 50-499
Notice Regarding Withdrawal of Funds from Nuclear Decommissioning Trust Subaccounts

Reference(s): (1) Letter from G.R. Harrison to NRC Document Control Desk, "Supplement 2 to Notice Regarding Withdrawal of Funds from Nuclear Decommissioning Trust Subaccounts (TAC Nos. ME 0938 and ME 0939)," dated February 11, 2010 (NOC-AE-10002519) (ML100501159)

(2) Letter from J.G. Giitter to E.D. Halpin, "Notice of Planned Withdrawal of Funds from NRG South Texas Nuclear Decommissioning Trust Fund Subaccounts (TAC Nos. ME3296 and ME3297)," dated July 6, 2010 (AE-NOC-10002012)(ML101580250)

STP Nuclear Operating Company (STPNOC), acting on behalf of NRG South Texas LP (NRG South Texas), hereby provides Notice of planned withdrawals of up to $ 7.5 million from NRG South Texas spent fuel management subaccounts in its nuclear decommissioning trust funds (NDTs) in order to pay for NRG South Texas' share of spent fuel management expenses incurred through December 31, 2020.

In accordance with conditions imposed by prior Order of the U.S. Nuclear Regulatory Commission (NRC), Section 2.04 of the trust agreements governing the NRG South Texas NDTs requires that Notice be provided to the NRC at least thirty days prior to any disbursement from the NDTs, other than disbursements to pay administrative costs. NRG South Texas created the spent fuel management subaccounts pursuant to the terms of an Order issued by the Public Utility Commission of Texas on October 10, 2008. Further details regarding the spent fuel management subaccounts were provided in Reference 1. These subaccounts were evaluated by the NRC staff in Reference 2 in connection with a prior notice of planned withdrawals from NRG South Texas large component disposal subaccounts.

NRG South Texas now desires to withdraw funds to pay for spent fuel management expenses. Notice is hereby given that monthly or quarterly withdrawals are planned in order to fund the spent fuel management expenses incurred through the calendar year of 2020. NRG South

Texas currently expects to make withdrawals on a quarterly basis, and therefore, its first withdrawal is expected to be made in April 2020, with subsequent withdrawals to follow in July 2020, October 2020, and January 2021.

STPNOC plans to make further annual Notices to the NRC regarding planned withdrawals for spent fuel management expenses incurred in 2021 and other future years. The proposed amounts of withdrawals will likely vary from year to year due to a variety of factors such as annual fluctuations in expenses, the expected recoveries of certain costs from the U.S. Department of Energy (DOE), and the timing of payments made by DOE, which are expected to provide a further source of funding for ongoing spent fuel management activities.

Provided that the NRC staff has no objection to the planned withdrawals, no further action by the NRC is required. Under the terms of the trust agreements, NRG South Texas will be authorized to make such withdrawals unless the NRC staff makes a written objection to the Trustee within 30 days after this Notice or prior to any actual disbursement.

This letter contains no new commitments.

If the NRC requires additional information concerning this request, please contact Kimberly Harshaw at (361) 972-4778 or Tim Hammons at (361) 972-7347.

George R. Harrison
Executive Vice President and
Chief Financial Officer

cc:

Regional Administrator, Region IV
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