

UNITED STATES NUCLEAR REGULATORY COMMISSION  
HOUSTON LIGHTING AND POWER COMPANY  
CITY PUBLIC SERVICE BOARD OF SAN ANTONIO  
CENTRAL POWER AND LIGHT COMPANY  
CITY OF AUSTIN, TEXAS  
DOCKET NOS. 50-489 AND 50-499  
SOUTH TEXAS PROJECT, UNITS 1 AND 2  
ENVIRONMENTAL ASSESSMENT AND FINDING OF  
NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering approval under 10 CFR 50.80 of the transfer of Facility Operating License Nos. NPF-76 and NPF-80, issued to Houston Lighting & Power Company, et al., (HL&P, the licensee) with respect to operating authority thereunder for the South Texas Project, located in Matagorda County, Texas, and considering issuance of conforming amendments under 10 CFR 50.90.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action

The proposed action would approve the transfer of operating authority under the licenses to a new operating company to allow it to use and operate South Texas Project Units 1 and 2 (STP) and to possess and use related licensed nuclear materials in accordance with the same conditions and authorizations included in the current operating licenses. The proposed action would also approve issuance of license amendments reflecting the transfer of operating authority. The operating company would be formed by the

owners to become the licensed operator for STP and would have exclusive control over the operation and maintenance of the facility.

Under the proposed arrangement, ownership of STP will remain unchanged with each owner retaining its current ownership interest. The new operating company will not own any portion of STP. Likewise, the owners' entitlement to capacity and energy from STP will not be affected by the proposed change in operating responsibility for STP from HL&P to the new operating company. The owners will continue to provide all funds for the operation, maintenance, and decommissioning by the operating company of STP. The responsibility of the owners will include funding for any emergency situations that might arise at STP.

The proposed action is in accordance with the licensee's application dated August 23, 1996, as supplemented by letters dated October 1 and 15, 1996, for approval of transfer of licenses and conforming amendments.

#### Need for the Proposed Action

The proposed action is needed to enable HL&P to transfer operating authority to an operating company as discussed above. HL&P has submitted that this will enable it to enhance the already high level of public safety, operational efficiency, and cost-effective operations at STP.

#### Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that there will be no physical or operational changes to STP. The technical qualifications of the new operating company to carry out its responsibilities under the Operating Licenses for STP, as amended, will be equivalent to the present technical qualifications of HL&P. The operating

company will assume responsibility for, and control over, operation and maintenance of the facility. The present plant organization, the oversight organizations, and the engineering and support organizations will be transferred essentially intact from HL&P to the new operating company. The technical qualifications of the proposed operating company organization, therefore, will be at least equivalent to those of the existing organization.

The Commission has evaluated the environmental impact of the proposed action and has determined that the probability or consequences of accidents would not be increased and that post-accident radiological releases would not be greater than previously determined. Further, the Commission has determined that the proposed action would not affect routine radiological plant effluents and would not increase occupational radiological exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action would not affect nonradiological plant effluents and would have no other environmental impact. Therefore, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

#### Alternative to the Proposed Action

Since the Commission concluded that there are no significant environmental effects that would result from the proposed action, any alternative with equal or greater environmental impacts need not be evaluated.

The principal alternative would be to deny the requested action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are identical.

#### Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement related to the operation of South Texas Project, Units 1 and 2," dated August 1986.

#### Agencies and Persons Contacted

In accordance with its stated policy, on October 17, 1996, the staff consulted with the Texas State official, Arthur C. Tate, of the Bureau of Radiation Control, Texas Department of Health, regarding the environmental impact of the proposed action. The State official had no comments.

#### Finding of No Significant Impact

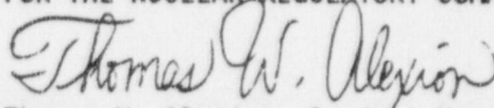
Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated August 23, 1996, as supplemented by letters dated October 1 and 15, 1996, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW.,

Washington, DC, and at the local public document room located at the Wharton County Junior College, J. M. Hodges Learning Center, 911 Boling Highway, Wharton, Texas 77488.

Dated at Rockville, Maryland, this 8th day of November 1996.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script that reads "Thomas W. Alexion".

Thomas W. Alexion, Project Manager  
Project Directorate IV-1  
Division of Reactor Projects - III/IV  
Office of Nuclear Reactor Regulation