

The Light company

Houston Lighting & Power

P.O. Box 1700 Houston, Texas 77001 (713) 228-9211

June 9, 1988
ST-HL-AE-2639
File No.: G9.4
10CFR50.30
10CFR50.90

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

South Texas Project Electric Generating Station
Units 1 and 2
Docket Nos. STN 50-498 and 50-499
Amendment 10 to Application for Construction Permits
and Operating Licenses and Request for Amendments to
Construction Permit No. CPPR-129 and Operating License No. NPF-71

Gentlemen:

Pursuant to 10CFR50.30 and 50.90, Houston Lighting & Power Company (HL&P), as Project Manager of the South Texas Project (STP), acting for itself and the City of Austin, and the other licensees named in the above referenced Construction Permit and Operating License, hereby requests amendment of said Permit and License as described below.

A. Proposed Amendment of Construction Permit and Operating License

Applicants propose the amendments to reflect an adjustment in ownership interests in the South Texas Project which results from the settlement of litigation between HL&P and the City of Austin (Austin), memorialized in a Settlement Agreement dated March 17, 1988. The Agreement provides for transfer to HL&P of Austin's interest, subject to certain conditions precedent and to regulatory approvals including the Commission's approval. One condition precedent for settlement to occur is that the City of San Antonio and Central Power and Light Company waive or fail to exercise their rights of first refusal to acquire any portion of Austin's interest in the South Texas Project pursuant to the Participation Agreement among the joint owners. If the conditions precedent are met

L1/NRC/am

8806170175 880609
PDR ADOCK 05000498
DCD

subsidiary of Houston Industries Incorporated

ADD: LTR ENCL

AEOD/DOA
AEOD/DOA/TYAG
NRR/PX'S/PTSD

B021 ~~1/40~~
1/40
REC'D W/OUT CHECK

or waived, Applicants request that the Commission issue the amendments to reflect reallocation of ownership interests in the South Texas Project and condition the amendments to make them effective on the date of the completion of the transfer of the ownership interest; on such date, the transfer of Austin's 16% ownership interest to HL&P, which already holds a 30.8% interest in the South Texas Project, would result in HL&P having an aggregate undivided interest of 46.8%, and would leave unchanged the respective interests of the other owners, the City of San Antonio (28%) and Central Power and Light Company (25.2%).

Applicants believe that there are no common defense and security, public health and safety, environmental or antitrust considerations standing in the way of the transfer and, therefore, request that the Commission approve these amendments and make them effective on the date of completion of the transfer of the ownership interest. Additionally, since HL&P & Austin would like to settle as soon as possible, it is requested that the Commission issue the amendments no later than July 29, 1988.

B. Supporting Material

In support of the request, the following information is supplied:

In order to demonstrate the financial qualifications of HL&P for the proposed additional interest in Unit 2, the following information is provided in Attachment A, Revision 10 to the Application for Construction Permits and Operating Licenses for the South Texas Project Units 1 and 2:

- (a) an estimate of the total cost remaining to complete Unit 2;
- (b) a brief statement of HL&P's general financial plan for financing its proposed share of the cost to complete Unit 2; and,
- (c) HL&P's most recent SEC Form 10K for the Fiscal Year Ended December 31, 1987.

The most recent Annual Reports of HL&P and the other owners are enclosed, as part of Attachment A. In addition, Amendment 3 of the Participation Agreement is provided as Attachment B.

C. General

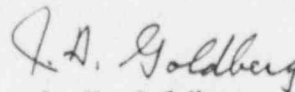
This request is being submitted, pursuant to 10CFR50.30 and 50.90, by Houston Lighting & Power Company, acting as Project Manager on behalf of itself and on behalf of all the current owners.

The amendments herein requested are administrative in nature and involve only the transfer of an ownership interest from one entity to another entity which is already an owner and licensee. This transfer will in no way affect (1) the provision of the South Texas Project Participation Agreement with respect to responsibility for the operation and control of the Project; (2) the Project Manager's technical qualifications; or (3) the design of the facility. Accordingly, under 10CFR50.92 the proposed transfer does not involve any increase in the probability or consequences of an accident previously evaluated, does not create the possibility of a new or different kind of accident from any evaluated previously, does not involve any decrease in a safety margin, and therefore does not involve a significant hazards consideration. Moreover, under 51 Fed. Reg. 7744 et 7751 (March 6, 1986) at I.e.(viii), "Examples of Amendments That are Considered Not Likely to Involve Significant Hazards Considerations...", "A change to a license to reflect a minor adjustment in ownership shares among co-owners already shown in the license" is considered not to involve significant hazards considerations. For the same reasons, since under 10CFR51.21 and the categorical exclusions in 51.22, the proposed transfer simply changes some administrative procedures and requirements, it will not have a significant impact on the environment, and thus does not need an environmental impact statement or assessment.

Pursuant to 10CFR170.12(c), this application for amendments to the referenced permit and license is accompanied by a check for \$150 to cover the application fee.

In view of the fact that the transfer proposed by this Amendment does not raise any complex health, safety, common defense, security, environmental or antitrust issue, and that substantial aspects of the proposed transfer are subject to the jurisdiction of the NRC and other regulatory agencies whose approval is a condition precedent to the transfer, HL&P respectively requests an expedited processing of this Amendment so that the transfer can be consummated at the earliest possible date.

If you should have any questions on this matter, please contact Mr. J. N. Bailey at (512) 972-8663.



J. H. Goldberg
Group Vice President, Nuclear

JNB/yd

Attachments:

- A. Revision 10 to the Application for Construction Permits and Operating Licenses for the South Texas Project Units 1 and 2
- B. Amendment 3 to the Participation Agreement

L1/NRC/am

cc:

Regional Administrator, Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

George Dick, Project Manager
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Jack E. Bess
Resident Inspector/Operations
c/o U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77414

Don L. Garrison
Resident Inspector/Construction
c/o U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77414

J.R. Newman, Esquire
Newman & Holtzinger, P.C.
1615 L Street, N.W.
Washington, DC 20036

R. L. Range/R. P. Verret
Central Power & Light Company
P. O. Box 2121
Corpus Christi, TX 78403

R. John Miner (2 copies)
Chief Operating Officer
City of Austin Electric Officer
721 Barton Springs Road
Austin, TX 78704

R. J. Costello/M. T. Hardt
City Public Service Board
P. O. Box 1771
San Antonio, TX 78296

Rufus S. Scott
Associate General Counsel
Houston Lighting & Power Company
P. O. Box 1700
Houston, TX 77001

INPO
Records Center
1100 Circle 75 Parkway
Atlanta, GA 30339-3064

Dr. Joseph M. Hendrie
50 Bellport Lane
Bellport, NY 11713

Houston Lighting & Power Company

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

Houston Lighting & Power
Company, et al.,

South Texas Project
Units 1 and 2

§
§
§
§
§
§
§
§
§
§

Docket Nos. 50-498
50-499

AFFIDAVIT

J. H. Goldberg being duly sworn, hereby deposes and says that he is Vice President, Nuclear of Houston Lighting & Power Company; that he is duly authorized to sign and file with the Nuclear Regulatory Commission the attached Amendment 10 to the STP Application; that he is familiar with the content thereof; and that the matters set forth therein are true and correct to the best of his knowledge and belief.

J. H. Goldberg
J. H. Goldberg
Group Vice President, Nuclear

STATE OF TEXAS §

Subscribed and sworn to before me, a Notary Public in and for the State of Texas, this 9th day of June, 1988.



Beverly J. Fite
Beverly J. Fite
Notary Public in and for the
State of Texas

My commission expires:

