The Light company
Houston Lighting & Power South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

September 19, 1997
ST-HL-AE-005757
File No.: G25
10CFR 50.80
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U. S. Nuclear Regulatory Commission
Washington, DC 20555

Attention: Document Control Desk

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Subject: License Amendment Application

Reference: Order Approving the Formation of a New Operating Company dated April 8, 1997

By Order dated April 8, 1997, the Nuclear Regulatory Commission (NRC) consented to the transfer from Houston Lighting & Power Company (HL&P) to a new operating company, to be called STP Nuclear Operating Company (STPNOC), of operating authority under licenses number NPF-76 and NPF-80. The date of the transfer is not specified in the Order nor in HL&P's application dated August 23, 1996. The purpose of this letter is to advise the NRC of the schedule for the transfer.

STPNOC has been incorporated in the State of Texas, directors have been named, and officers have been elected. The transition of the shift of operating authority will begin on October 1, 1997 with the transfer of all active HL&P employees assigned to the South Texas Project to STPNOC. The transition will continue through the month of October as the four co-owners of the South Texas Project execute the operating agreement between their respective entities and STPNOC. During this transition, HL&P will continue to act as the project manager and the operator of the South Texas Project. HL&P, however, will be utilizing STPNOC personnel to execute these responsibilities. The HL&P officers who are currently responsible for directing the operation of the facility will continue to do so as HL&P officers until the transition of operating authority is complete. At that time, they will continue in their duties as Officers of STPNOC. We anticipate that the transfer of operating authority will be completed by November 1, 1997.

If you have any questions concerning this matter, please contact me or Mr. S. M. Head at (512) 972- 7136.

Sincerely,

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Executive Vice President &
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