

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
HOUSTON LIGHTING & POWER COMPANY)	Docket Nos. 50-498
CITY PUBLIC SERVICE BOARD OF)	and 50-499
SAN ANTONIO)	
CENTRAL POWER AND LIGHT COMPANY)	
CITY OF AUSTIN, TEXAS)	
STP NUCLEAR OPERATING COMPANY)	
)	
(South Texas Project, Units 1 and 2))	

ORDER EXTENDING THE EFFECTIVENESS OF THE APPROVAL OF THE
INDIRECT TRANSFER OF LICENSES (MERGER OF CENTRAL AND SOUTH WEST
CORPORATION AND AMERICAN ELECTRIC POWER COMPANY)

I.

By Order dated November 5, 1998, the Nuclear Regulatory Commission (the Commission) approved the indirect transfer of Facility Operating Licenses Nos. NPF-76 and NPF-80 to the extent such would be effected by the proposed corporate merger of Central and South West Corporation (CSW) and American Electric Power Company, Inc. (AEP). CSW is the parent holding company of Central Power and Light Company (CPL), one of the holders of the licenses. The approval was given in response to an application filed by CPL dated June 16, 1998, as supplemented, for consent of the NRC under 10 CFR 50.80. By its terms, the Order of November 5, 1998, becomes null and void if the merger is not completed by December 31, 1999, unless upon application and for good cause shown, such date is extended by the Commission.

II.

By letter dated October 25, 1999, CPL and AEP, through counsel, submitted a request for an extension of the effectiveness of the Order of November 5, 1998, such that it would

remain effective until June 30, 2000. According to the submittal, because of unavoidable delays in securing all regulatory approvals, the merger between AEP and CSW will not close prior to December 31, 1999. The request further asserts that, notwithstanding the best efforts of AEP and CSW to provide complete and timely information, the Federal Energy Regulatory Commission (FERC) has not completed its review of the pending merger application before it and has not granted the necessary approvals required for consummation of the merger. FERC has issued an order in which it states that a final decision should be issued no later than March 2000.

According to their submittal, CSW and AEP have been diligent in seeking to obtain all required regulatory approvals from Federal and State agencies. The merger has received conditional approval by State regulatory commissions in Arkansas and Louisiana, and approval in Oklahoma. Also, an administrative law judge, who conducted hearings in proceedings held by the Public Utility Commission of Texas (PUCT), recommended approval of the pending merger after AEP, CSW, the PUCT staff, and other parties reached a stipulated settlement. In addition, AEP and CSW have announced settlement agreements with the Indiana Utility Regulatory Commission, with the Missouri Public Service Commission, and with parties in Kentucky (approved by the Kentucky Public Service Commission).

CPL and AEP state that they have reviewed the original application for NRC approval of the indirect license transfers and the information relied upon by the NRC as reflected in the safety evaluation, dated November 5, 1998, and that there has been no material change in the information presented in the original application and relied upon by the NRC staff.

The staff has considered the foregoing request of October 25, 1999, and has determined that good cause has been shown to extend the effectiveness of the Order of November 5, 1998, as requested.

III.

Accordingly, pursuant to Sections 161b and 161i of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2201(b) and 2201(i), IT IS HEREBY ORDERED that the effectiveness of the Order of November 5, 1998, described herein is extended such that if the subject merger is not consummated by June 30, 2000, the Order of November 5, 1998, shall become null and void, unless upon application and for good cause shown, such date is further extended.

This Order is effective upon issuance.

For further details with respect to this action, see the request by CPL and AEP dated October 25, 1999, submitted by John O'Neill, Esq., Shaw Pittman (Counsel Jointly for CPL and AEP), which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC 20555-0001.

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY

Roy P. Zimmerman, Acting Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,
this 7th day of December 1999

*see previous concurrence

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