

February 01, 2001

Mr. Gary R. Hedrick
Vice President, Treasurer & Chief Financial Officer
El Paso Electric Company
P. O. Box 982
El Paso, Texas 79960-0982

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
WITHDRAWAL OF PROPRIETARY INFORMATION SUBMITTED FOR THE
ORDER APPROVING APPLICATION REGARDING EL PASO ELECTRIC
COMPANY RESTRUCTURING, AND APPROVING CONFORMING
AMENDMENTS (TAC NOS. MA9451, MA9452, MA9453, MB0190, MB0191,
MB0192)

Dear Mr. Hedrick:

On December 4, 2000, we issued an Order responding to your application dated July 6, 2000, from El Paso Electric Company (EPE), as supplemented by letter dated July 7, 2000, from counsel for EPE, requesting approval (pursuant to Title 10, of the *Code of Federal Regulations* (CFR), Section 50.80) of the proposed indirect transfer of EPE's licenses to hold minority ownership interests (both owned and leased) in the Palo Verde Nuclear Generating Station (Palo Verde) Units 1, 2, and 3 to a newly created holding company, El Paso Electric Incorporated, in connection with a proposed restructuring of EPE. In your application, you provided information supporting the transfer of licenses, including the proprietary identified financial information in Exhibits A through D of the application.

Because the staff did not use the financial information that was provided in Exhibits A through D of your application to issue the Order, the Commission deems the submitted financial information that was marked as proprietary in Exhibits A through D of your application as no longer relevant and is returning this information to you. Any additional copies of Exhibits A through D of your application will be destroyed. We, however, want to note that the affidavit submitted in your application, that requested that we withhold the financial information in Exhibits A through D in confidence and not disclose the information to the public, is not a valid affidavit for the staff to withhold information from the public in accordance with 10 CFR 2.790. Because we did not use the financial information in Exhibits A through D, the proper request to withhold the information is also no longer relevant.

G.R. Hedrick

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If you have any questions regarding this matter, please contact me at 301-415-1307, or through the internet at jnd@nrc.gov.

Sincerely,

/RA/

Jack N. Donohew, Senior Project Manager, Section 2
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

cc: See next page

G.R. Hedrick

- 2 -

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Sincerely,

/RA/

Jack N. Donohew, Senior Project Manager, Section 2
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

cc: See next page

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| NAME | JDonohew:lcc | MMcAllister | CCarpenter | STurk | SDembek |
| DATE | 01/09/2001 | 1/09/01 | 1/11/01 | 1/30/01 | 2/01/01 |

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Palo Verde Generating Station, Units 1, 2, and 3

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