

July 18, 2003

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT
IMPACT RELATED TO THE SOUTH TEXAS PROJECT, UNITS 1 AND 2 -
(TAC NO. MB8483 AND MB8484)

Dear Mr. Sheppard:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to your application for amendments dated March 31, 2003. The proposed amendments would revise Facility Operating License (FOL) No. NPF-76 and NPF-80 for the South Texas Projects, Units 1 and 2 respectively, by replacing "Central Power and Light Company (CPL)" with "AEP Texas Central Company" throughout the FOL of each unit. This reflects the agreement that CPL entered into, transferring rights to use the name of the other company.

The assessment is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Mohan C. Thadani. Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: Environmental Assessment

cc w/encl: See next page

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ACCESSION NO: ML031990184

*No legal objection

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UNITED STATES NUCLEAR REGULATORY COMMISSION

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-498 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 issuance of amendments to Facility Operating Licenses No. NPF-76 and NPF-80, issued to STP Nuclear Operating Company* (STPNOC) acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), Central Power and Light Company (CPL), and the City of Austin, Texas (COA) (the licensees), dated March 31, 2003, (the licensee), for operation of the South Texas Project, Units 1 and 2 located in Matagorda County, Texas. Therefore, as required by Section 10 CFR 51.21 of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, the Commission is issuing this environmental assessment and finding of no significant impact.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would revise Facility Operating Licenses No. NPF-76 and NPF-80, replacing "Central Power and Light Company (CPL)" with "AEP Texas Central Company" throughout the Operating License of each unit.

*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, Central Power and Light Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

The proposed action is in accordance with the licensee's application dated March 31, 2003.

The Need for the Proposed Action:

The application was submitted by STPNOC, acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio, Central Power and Light Company, and the City of Austin, Texas. The amendments change the operating license to reflect a change in the name of "Central Power and Light Company (CPL)," a licensed co-owner of the facility, to "AEP Texas Central Company (AEP)," effective December 23, 2002.

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed action and changes to the licenses. We agree with the licensee that the name change will not impact the existing ownership of South Texas Project, Units 1 and 2 or the existing entitlement to power and will not alter the existing antitrust license conditions applicable to STPNOC's ability to comply with these conditions or with any of its other obligations or responsibilities. As stated by the licensee, "With the exception of this name change, this transaction does not in any way affect the qualifications of AEP Texas Central Company for ownership of 25.2% [percent] of South Texas Project Electric Generating Station Units 1 and 2 (STPEGS), nor does it involve any direct or indirect transfer of control of the STPEGS Operating Licenses." Therefore, the change will not increase the probability or consequences of accidents, no changes are being made in the types or amounts of any effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not affect nonradiological plant effluents and has no other environmental impact. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action:

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed 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 similar.

Alternative Use of Resources:

This action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for the South Texas Project, Units 1 and 2.

Agencies and Persons Consulted:

On July 15, 2003, the staff consulted with the Texas State official, Arthur Tate of the Division of Compliance and Inspection, Texas Department of Health, Bureau of Radiation Control, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC 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 application dated March 31, 2003. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21,

11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 18th day of July 2003.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Robert A. Gramm, Chief, Section 1
Project Directorate IV
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Office of Nuclear Reactor Regulation

South Texas, Units 1 & 2

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May 2003

South Texas, Units 1 & 2

-2-

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