



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

August 1, 2012
NOC-AE-12002895
10 CFR 50.80
STI: 33578962

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Request for Threshold Determination Under 10 CFR 50.80

Acting on behalf of NRG South Texas LP (NRG South Texas), the STP Nuclear Operating Company (STPNOC) provides notice regarding a proposed merger involving NRG South Texas's ultimate parent company, NRG Energy, Inc. (NRG Energy). NRG South Texas is an owner licensee for 44% of South Texas Project, Units 1 and 2 (STP 1&2). STPNOC is the licensed operator of STP 1&2. STPNOC requests that the NRC staff review the proposed transaction described in this letter and make a threshold determination that it does not involve any direct or indirect transfer of control of NRG South Texas or its licenses for STP 1&2 that would require approval pursuant to 10 CFR 50.80.

NRG Energy, and its wholly owned subsidiary, Plus Merger Corporation (Plus Merger), have entered into an "Agreement and Plan of Merger" dated as of July 20, 2012, with GenOn Energy, Inc. (GenOn Energy). NRG Energy, Plus Merger and GenOn Energy are each a Delaware corporation. NRG Energy and GenOn Energy are publicly traded companies, each with shares that are widely held. Pursuant to the Agreement and Plan of Merger, and subject to obtaining required regulatory approvals, Plus Merger will merge with and into GenOn Energy, with GenOn Energy being the surviving corporation. A copy of the Agreement and Plan of Merger was submitted to the Securities and Exchange Commission as Exhibit 2.1 to an 8-K filed by NRG Energy on July 23, 2012, and available at:

<http://www.sec.gov/Archives/edgar/data/1013871/000110465912050256/0001104659-12-050256-index.htm>

Following the merger, the then existing GenOn Energy shareholders will receive 0.1216 of a share of NRG common stock in exchange for each GenOn Energy share of common stock. Thus, the GenOn Energy shareholders at the time of the merger will emerge with approximately 29% of the shares of NRG Energy, and the shareholders of NRG Energy at the time of the merger will continue to own approximately 71% of the shares of NRG Energy. After the closing, the NRG Energy Board of Directors will have sixteen members, all whom will be U.S. citizens. Twelve of the existing fourteen directors of NRG Energy will continue to serve as directors of NRG Energy, including Mr. Howard E. Cosgrove, who will continue to serve as Chairman of the Board and Mr. David Crane, who will continue to serve as a director as well as President and Chief Executive Officer. Four directors from the existing GenOn Energy Board will join the NRG Energy Board, including GenOn Energy's Chairman and CEO Edward R. Muller, who will join the NRG Energy Board as Vice-Chairman. The identity of the remaining directors of NRG

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Energy and GenOn Energy who will serve on the post-merger NRG Energy Board will be determined prior to the closing of the merger.

NRG Energy's shareholders will constitute a majority of the NRG Energy shareholders after the merger, and the existing NRG Energy Board members will constitute a majority of the NRG Energy Board after the merger. Moreover, the merger will not involve the creation of any new intermediary holding company or affect any of the existing intermediary holding companies in the chain of ownership of NRG South Texas. Attached are simplified organization charts depicting the Pre-Merger and Post-Merger ownership of NRG South Texas.

The conclusion that, based upon these facts, the NRG Energy-GenOn Energy merger does not involve any transfer of control of the NRG South Texas or its licenses is clear, especially when compared with other recent NRC precedents, such as NRC's conclusions regarding the NRC licenses held by a subsidiary of Duke Energy Corporation (Duke) in connection with its merger with Progress Energy, Inc. (Progress) and regarding the NRC licenses held by a subsidiary of Exelon Corporation (Exelon) in connection with its merger with Constellation Energy Group, Inc. (CEG). By letter dated November 14, 2011 (ADAMS Accession Number ML11213A271), NRC agreed that the Duke-Progress merger did not involve any transfer of the Duke licenses requiring NRC approval, and by letter dated December 1, 2011 (ADAMS Accession Number ML112450212), NRC agreed that the Exelon-Constellation merger did not involve any transfer of the Exelon licenses requiring NRC approval. In these mergers, both Duke and Exelon became the parent holding companies, and there was no change in the chain of ownership through which either owned its existing nuclear plants. The Duke and Exelon shareholders each retained a majority of the shares after the merger, and each of their Boards comprised a majority of the Board members of the surviving parent company after the merger. The same is true for NRG Energy with respect to the proposed NRG Energy-GenOn Energy merger.

STPNOC respectfully requests that NRC issue a threshold determination that the proposed NRG Energy-GenOn Energy merger does not involve any direct or indirect transfer of control of NRG South Texas's licenses for STP 1&2 that would require approval pursuant to 10 CFR 50.80. NRG Energy expects to close the merger by the first quarter of 2013, and as such, STPNOC requests that NRC issue its determination as promptly as possible and by no later than November 1, 2012.

This letter contains no NRC commitments.

If there are any questions, please contact either Mr. Jamie Paul at (361) 972-7344 or me at (361) 972-8164.



Michael P. Murray
Manager, Regulatory Affairs

Enclosure:

1. Simplified Organization Charts For NRG South Texas LP Ownership (Pre-Merger and Post-Merger)

cc:

(paper copy)

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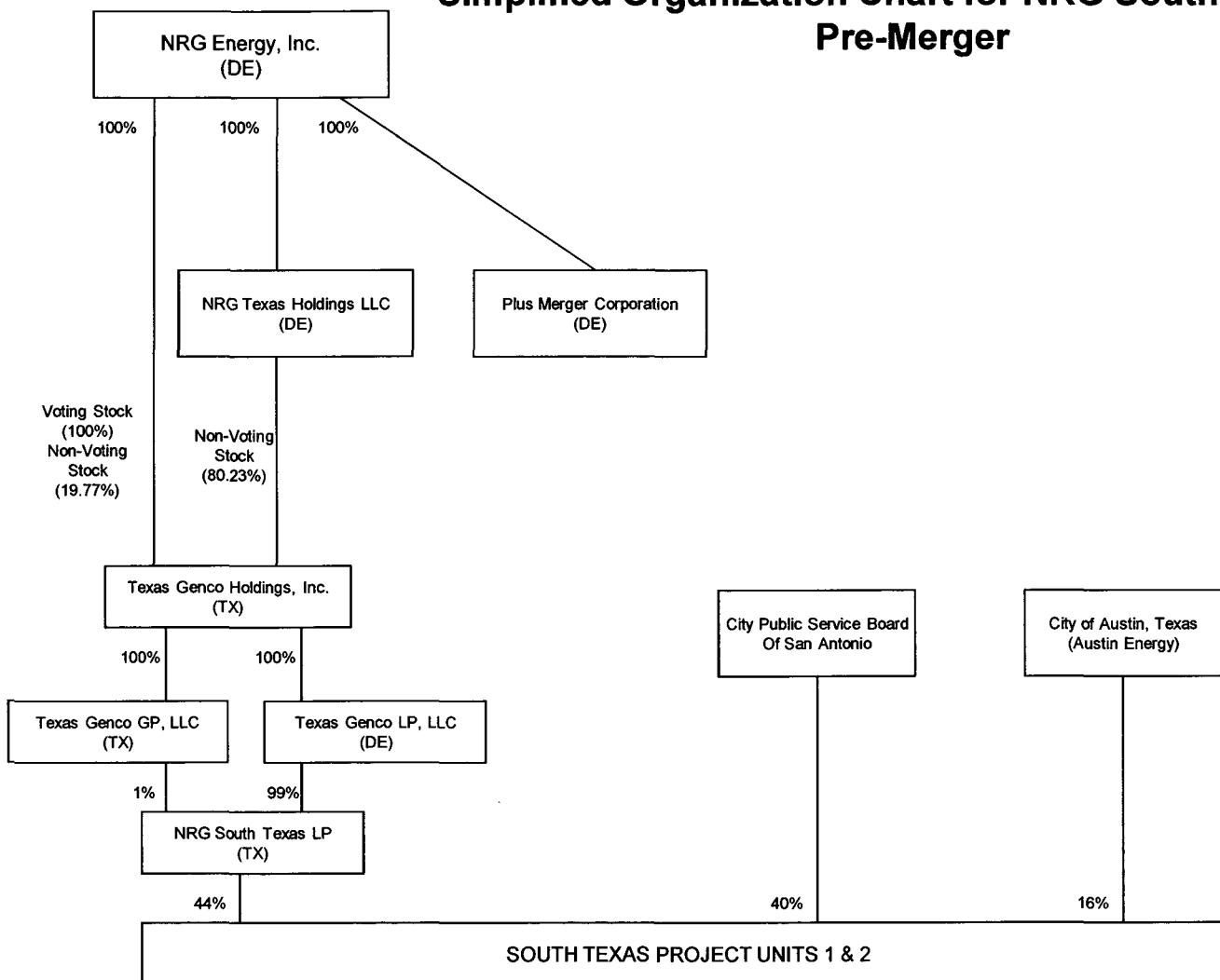
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Simplified Organization Chart for NRG South Texas LP Pre-Merger



Simplified Organization Chart for NRG South Texas LP Post-Merger

