

The Light company

Houston Lighting & Power

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

August 23, 1996
ST-HL-AE-005450
STI-30087499
File No.: G25
10CFR 50.90
10CFR 50.92

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

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

Houston Lighting & Power Company (HL&P) as an owner and the licensed operator of the South Texas Project (STP), Units 1 and 2, for itself and on behalf of the City of San Antonio, acting through the City Public Services Board of San Antonio (CPS), Central Power and Light Company (CPL), and City of Austin (COA), (collectively the "Owners") hereby submits the enclosed application for amendment of Facility Operating License Nos. NPF-76 and NPF-80 for STP Units 1 and 2 respectively. This application requests Nuclear Regulatory Commission (NRC) approval for an operating company (hereinafter referred to as "OPCO"), to be formed by the Owners, to become the licensed operator for STP and to have exclusive control over the operation and maintenance of the facility. When the license amendments are issued, the Owners will remain on the STP Units 1 and 2 licenses as owners and will continue to own the assets of the facility in the same respective percentages as before the license amendments.

OPCO will be formed as a Texas non-profit corporation created, controlled and financed by the Owners. OPCO will not be an owner of STP. Once the proposed license amendments become effective, OPCO's sole corporate mission will be the operation of STP.

The proposed license amendments involve no change in plant ownership or entitlement to electric power; all costs of operation and decommissioning of the units will continue to be the sole responsibility of the Owners; and there will be no significant change in nuclear personnel or support organizations. When these amendments become effective, essentially all of HL&P's nuclear personnel will be transferred to OPCO.

9609040222 960823
PDR ADDOCK 05000498
P PDR

Project Manager on Behalf of the Participants in the South Texas Project

August 22, 1996 1750

The Owners and OPCO will enter into an Operating Agreement in accordance with which OPCO will operate STP on behalf of the Owners. In addition, the Owners will revise and restate the existing Participation Agreement among the Owners reflecting the substitution of OPCO for HL&P as the licensed operators of STP. In support of this application, a draft of the proposed Operating Agreement and of the proposed revised and restated Participation Agreement will be submitted to the NRC in the near future. In addition, the name and address of OPCO and the names of the directors and principal officers of OPCO will be sent to the NRC as a supplement to this license amendment application.

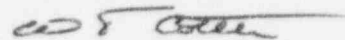
We have evaluated the significant hazard considerations associated with these changes and have determined there are none. We have determined the proposed changes are eligible for categorical exclusion as set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment is needed in connection with the approval of the proposed amendments.

The Plant Operations Review Committee and Nuclear Safety Review Board have reviewed and approved the proposed changes.

HL&P requests the NRC complete its review by December 1, 1996.

In accordance with 10 CFR 50.91(b), HL&P is providing the State of Texas with a copy of this proposed amendments.

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



W. T. Cottle
Executive Vice President &
General Manager, Nuclear

SMH/nl

Attachments:

- Attachment 1 Affidavit
- Attachment 2 Application
- Attachment 3 No Significant Hazards Consideration Evaluation
- Attachment 4 Proposed Changes to the Unit 1 License
- Attachment 5 Proposed Changes to the Unit 2 License
- Attachment 6 Proposed Changes to the Technical Specifications
- Attachment 7 Proposed Changes to Appendix B

Houston Lighting & Power Company
South Texas Project Electric Generating Station

ST-HL-AE-005450
STI No. 30087499
File No.: G25
Page 3

Leonard J. Callan
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Thomas W. Alexion
Project Manager, Mail Code 13H3
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

David P. Loveless
Sr. Resident Inspector
c/o U. S. Nuclear Regulatory Comm.
P. O. Box 910
Bay City, TX 77404-0910

J. R. Newman, Esquire
Morgan, Lewis & Bockius
1800 M Street, N.W.
Washington, DC 20036-5869

M. T. Hardt/W. C. Gunst
City Public Service
P. O. Box 1771
San Antonio, TX 78296

J. C. Lanier/M. B. Lee
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

Central Power and Light Company
ATTN: G. E. Vaughn/C. A. Johnson
P. O. Box 289, Mail Code: N5012
Wadsworth, TX 77483

Rufus S. Scott
Associate General Counsel
Houston Lighting & Power Company
P. O. Box 61067
Houston, TX 77208

Institute of Nuclear Power
Operations - Records Center
700 Galleria Parkway
Atlanta, GA 30339-5957

Dr. Bertran Wolfe
15453 Via Vaquero
Monte Sereno, CA 95030

Richard A. Ratliff
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756-3189

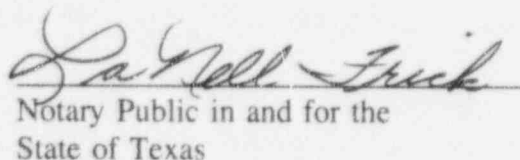
U. S. Nuclear Regulatory Comm.
Attn: Document Control Desk
Washington, DC 20555-0001

J. R. Egan, Esquire
Egan & Associates, P.C.
2300 N Street, N.W.
Washington, D.C. 20037

J. W. Beck
Little Harbor Consultants, Inc.
44 Nichols Road
Cohasset, MA 02025-1166

ATTACHMENT 1

AFFIDAVIT



ATTACHMENT 2

APPLICATION