August 31, 2007

James J. Sheppard, President and
Chief Nuclear Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION

Dear Mr. Sheppard:

On August 8, 2007, the NRC staff completed its performance review of the South Texas Project Electric Generating Station for the first half of the calendar year 2007 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only--Security Information" will include the security cornerstone review and resultant inspection plan.

Plant performance for the most recent quarter at South Texas Project Units 1 and 2 was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). In addition to the baseline inspections, we also plan on completing Temporary Instruction 2515/166, "Pressurized Water Reactor Containment Sump Blockage" for both units.

The enclosed inspection plan details the inspections, except those related to security, scheduled through December 31, 2008. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).
The NRC is currently evaluating the scope and frequency of all the baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (817) 860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

[Signature]

Claude E. Johnson, Chief
Reactor Projects Branch A
Division of Reactor Projects

Docket Nos. 50-498, 50-499
License Nos. NPF-76, NPF-80

Enclosure: South Texas Project Inspection/Activity Plan

cc w/Enclosure:
E. D. Halpin
Site Vice President
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

Marilyn Kistler
Sr. Staff Specialist, Licensing
STP Nuclear Operating Company
P.O. Box 289, Mail Code 5014
Wadsworth, TX 77483

Ken Coates
Plant General Manager
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

S. M. Head, Manager, Licensing
STP Nuclear Operating Company
P.O. Box 289, Mail Code: N5014
Wadsworth, TX 77483

J. J. Nesrsta/R. K. Temple/
E. Alercon/Kevin Pollo
City Public Service Board
P.O. Box 1771
San Antonio, TX 78296

C. T. Bowman
General Manager, Oversight
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

Jon C. Wood
Cox Smith Matthews
112 E. Pecan, Suite 1800
San Antonio, TX 78205
A. H. Gutterman, Esq.  
Morgan, Lewis & Bockius  
1111 Pennsylvania Avenue NW  
Washington, DC 20004

Ted Enos  
4200 South Hulen  
Suite 422  
Fort Worth, TX 76109

Institute of Nuclear Power Operations (INPO)  
Records Center  
700 Galleria Parkway SE, Suite 100  
Atlanta, GA 30339

Steve Winn/Christine Jacobs/  
Eddy Daniels/Marty Ryan  
NRC Energy, Inc.  
211 Carnegie Center  
Princeton, NJ 08540

Director, Division of Compliance & Inspection  
Bureau of Radiation Control  
Texas Department of State Health Services  
1100 West 49th Street  
Austin, TX 78756

Lisa R. Hammond, Chief  
Technological Hazards Branch  
National Preparedness Division  
FEMA Region VI  
800 N. Loop 288  
Denton, TX 76209

Brian Almon  
Public Utility Commission  
William B. Travis Building  
P.O. Box 13326  
1701 North Congress Avenue  
Austin, TX 78701-3326

Environmental and Natural Resources Policy Director  
P.O. Box 12428  
Austin, TX 78711-3189

Judge, Matagorda County  
Matagorda County Courthouse  
1700 Seventh Street  
Bay City, TX 77414

Terry Parks, Chief Inspector  
Texas Department of Licensing and Regulation  
Boiler Program  
P.O. Box 12157  
Austin, TX 78711

Susan M. Jablonski  
Office of Permitting, Remediation and Registration  
Texas Commission on Environmental Quality  
MC-122, P.O. Box 13087  
Austin, TX 78711-3087
Electronic distribution by RIV:
Regional Administrator (BSM1)
DRP Director (ATH)
DRS Director (DDC)
DRS Deputy Director (RJC1)
Senior Resident Inspector (JLD5)
Branch Chief, DRP/A (CEJ1)
Senior Project Engineer, DRP/A (TRF)
Team Leader, DRP/TSS (CJP)
RITS Coordinator (MSH3)
RidsNrrDirlspab@nrc.gov
V. Dricks, PAO (VLD)
W. Maier, RSLO (WAM)
L. Owen, RA Secretary (LAO)
DRS Branch Chiefs (WBJ, ATG, LJS, MPS1)
T. Bloomer, Chief, TRPS, OEDO (TEB)
S. Richards, Deputy Director, DIRS, NRR (SAR)
J. Lubinski, Deputy Director, DORL, NRR (JWL)
C. Haney, Director, DORL, NRR (CXH)
T. Hiltz, Chief, PLB IV, DORL, NRR (TGH)
M. Thadani, NRR Project Manager (MCT)
D. Pelton, OEDO RIV Coordinator (DLP1)
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