March 4, 2009

Mr. Edward D. Halpin, Chief Nuclear Officer  
STP Nuclear Operating Company  
P.O. Box 289  
Wadsworth, TX 77483

SUBJECT: ANNUAL ASSESSMENT LETTER - SOUTH TEXAS PROJECT ELECTRIC  
GENERATING STATION (REPORT 05000498/2009001 AND 5000499/2009001)

Dear Mr. Halpin:

On February 10, 2009, the NRC staff completed its performance review of the South Texas Project Electric Generating Station. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2008. 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-Related Information" will include the security cornerstone review and resultant inspection plan.

Overall, South Texas Project Electric Generating Station operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, 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). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through June 30, 2010. 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 mid-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).
If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (817) 860-8249 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/R/A/

George D. Replogle, Chief
Reactor Projects Branch A
Division of Reactor Projects

Dockets: 50-498, 50-499
Licenses: NPF-76, NPF-80

Enclosure: South Texas Project Electric Generating Station Inspection/Activity Plan

cc w/Enclosure:
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OFFICIAL RECORD COPY  T=Telephone  E=E-mail  F=Fax
### Inspection Activity Plan

**South Texas Project**

**Inspection / Activity Plan**

**03/01/2009 - 06/30/2010**

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<th>Unit Number</th>
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*This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.*