



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

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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
STP Plans for Improved Technical Specifications

Reference: Letter from Lawrence Martin, STPNOC, to USNRC Document Control Desk,
dated April 29, 1998 (NOC-AE-000152)

In the referenced letter, STPNOC deferred STP's plans to implement Improved Technical Specifications (ITS) until 2001. Based on upcoming plant activities and current plans to develop a broader set of risk-informed Technical Specifications for STP, STPNOC has decided to further defer its decision regarding implementation of ITS until after the Unit 2 Steam Generator Replacement outage in 2002.

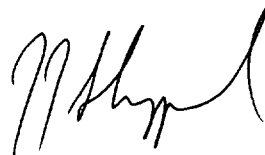
Submitting a proposed set of ITS for STP in 2001 as originally proposed is not practical because of the resource demands of two refueling outages in 2001. The scheduled Unit 2 Steam Generator Replacement outage in 2002 will likely involve additional changes to the current STP Technical Specifications and otherwise require extensive STP resources such that any ITS conversion would need to be done after completion of that outage.

In addition to the plant activities mentioned above, STPNOC intends to submit a risk-informed set of Technical Specification changes. The proposed changes will be applied to a broad scope of Technical Specifications and will extensively employ a configuration risk management approach in lieu of the existing required completion times. STPNOC originally expected to achieve some of the proposed changes in the ITS application that was deferred. The changes STPNOC now envisions are broader than those proposed in the ITS application. STPNOC believes that effort spent on development of the risk-informed Technical Specifications will be of greater value to STP and the industry than using the same resources on ITS. If STPNOC decides to submit ITS at a later time, establishing the risk-informed basis at this time should simplify the future ITS conversion.

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STPNOC will reconsider an ITS submittal after the disposition of this broader risk-informed application and the completion of the Unit 2 steam generator replacement outage.

If you have any questions, please call Scott Head at 361-972-7136 or me at 361-972-8757.

A handwritten signature in black ink, appearing to read "J. J. Sheppard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

J. J. Sheppard
Vice President
Nuclear Engineering &
Technical Services

cc:

Ellis W. Merschhoff
Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

John A. Nakoski
Addressee Only
U. S. Nuclear Regulatory Commission
Project Manager,
Mail Stop OWFN/7-D-1
Washington, DC 20555-0001

Mohan C. Thadani
Addressee Only
U. S. Nuclear Regulatory Commission
Project Manager,
Mail Stop OWFN/7-D-1
Washington, DC 20555

Cornelius F. O'Keefe
c/o U. S. Nuclear Regulatory
Commission
P. O. Box 910
Bay City, TX 77404-0910

A. H. Gutterman, 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

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

Jon C. Wood
Matthews & Branscomb
112 East Pecan, Suite 1100
San Antonio, Texas 78205-3692

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

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

D. G. Tees/R. L. Balcom
Houston Lighting & Power Co.
P. O. Box 1700
Houston, TX 77251

C. A. Johnson/R. P. Powers
AEP - Central Power and Light
Company
P. O. Box 289, Mail Code: N5012
Wadsworth, TX 77483

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Washington, D.C. 20555-0001