



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

January 31, 2001  
NOC-AE-01001018  
File No.: G25/S13.02  
STI: 31232565

Ms. Gail Good  
Plant Support Branch Chief  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Dr. Suite 400  
Arlington, Texas 76011

South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498, STN 50-499  
Request to reschedule the South Texas Project OSRE

Dear Ms. Good,

The South Texas Project is currently scheduled for an Operational Safeguards Response Evaluation (OSRE) the week of April 16, 2001. We discussed the details of our action plan to develop, train, and implement a change to our defensive strategy with you at a meeting in your office on November 20, 2000. This action plan and timetable remain unchanged and ongoing. The South Texas Project believes we can successfully pass an OSRE using our current strategy, however, the change in defensive strategy represents a significant set of enhancements as we discussed in the November, 2000 meeting. The scheduling of this exercise in the April time frame will adversely impact the station's ability to implement these significant enhancements to our safeguards program. These enhancements are the culmination of extensive planning, assessments, and industry benchmarking.

As a result of the above, we request a postponement of the April 16, 2001 Operational Safeguards Response Evaluation (OSRE) at the South Texas Project Electric Generating Station (STPEGS). The basis of this request is as follows:

1. We are in the process of changing our internal response strategy to an external strategy.

A change of this magnitude will require the station to change the weapons mix of our security force. Changing the weapons will require new training and qualification for the security officers. In addition, the change in strategy will include the establishment of some new defensive positions that will also require additional training for the security staff. These changes will result in protecting more target sets than are currently in our plan, and will require a Security Plan change to be implemented in accordance with 10CFR50.54(p).

2. If the OSRE is conducted in April, we will likely be required to use the internal strategy.

Holding to the current OSRE schedule would require the station to prepare for the evaluation using the current inside strategy, which would delay the enhancement program. While the station believes a successful evaluation can be achieved, we also believe the best utilization of STP Nuclear Operating Company and NRC resources would be achieved through implementing our current enhancement action plan. The process identified by the station to develop and implement a new plan will address the lessons learned from the last Attachment 3 Security Inspection. In addition, our plan includes developing our internal Safeguards Performance Assessment Program.

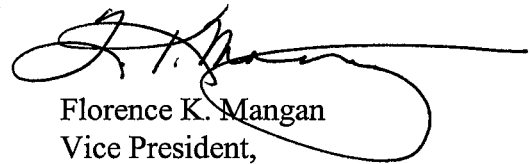
3. Changing the strategy after the OSRE has been completed may require a new inspection.

A major change to the defensive strategy and Security Plan for the South Texas Project may require conducting another OSRE to validate the change. This would be an inefficient use of resources by both the Nuclear Regulatory Commission and STP Nuclear Operating Company.

South Texas Project will be entering a Refueling Outage for Unit 2 in March of this year. While it will not directly affect the station's ability to prepare for an OSRE, it will impact our ability to prepare, train, and implement a significant change to our defensive strategy and Security Plan. The time, effort, and involvement of the security force in planning and implementing an effective outage detracts from the level of effort and focus needed to complete this task.

The South Texas Project Electric Generating Station, is in compliance with 10CFR73.55 in its entirety.

If you have any questions on this matter please feel free to contact Mr. Rick Maier at 361-972-7195 or myself at 361-972-7528



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