



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

APR - 5 2002

William T. Cottle, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483

SUBJECT: ANNUAL PERFORMANCE ASSESSMENT MEETING FOR SOUTH TEXAS
PROJECT ELECTRIC GENERATING STATION

Dear Mr. Cottle:

This refers to the meeting conducted in Bay City, Texas on April 1, 2002. This meeting was to discuss the safety performance at South Texas Project Electric Generating Station from April 1, 2001, to December 31, 2001.

Topics discussed during the meeting included a description of the Reactor Oversight Process, the safety performance at South Texas Project Electric Generating Station, and other topics that may have been of interest to the local area residents. Members of the public present at the meeting were allowed to ask questions and comment on the proceedings.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the NRC's Public Document Room.

Should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

A handwritten signature in black ink, appearing to read "David N. Graves".

David N. Graves, Chief
Project Branch B
Division of Reactor Projects

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

Enclosures:

1. Attendance List
2. Presentation Slides

STP Nuclear Operating Company

-2-

cc:

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Engineering & Technical Services
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Electric Utility Department
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M. T. Hardt/W. C. Gunst
City Public Service Board
P.O. Box 1771
San Antonio, Texas 78296

D. G. Tees/R. L. Balcom
Houston Lighting & Power Company
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Matthews & Branscomb
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State of Texas
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Austin, Texas 78756

Jim Calloway
Public Utility Commission
William B. Travis Building
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Austin, Texas 78701-3326

John L. Howard, Director
Environmental and Natural Resources Policy
Office of the Governor
P.O. Box 12428
Austin, Texas 78711-3189

Greg Westmoreland, Judge
Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Charles Martinez, Jr.
Mayor, City of Bay City
City Hall
1901 Fifth Street
Bay City, Texas 77414

Robert McMahon
Mayor, City of Palacios
P.O. Box 845
Palacios City Hall
Palacios, Texas 77465

James Mitchell, Sheriff
Matagorda County
2323 Avenue E
Bay City, Texas 77414

Federal Emergency Management Agency
Ron Castleman, Regional Director
Region VI, Federal Center
800 North Loop 288
Denton, Texas 76201-3698

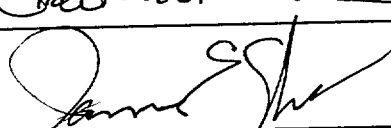
STP Nuclear Operating Company

-4-

Roger Mulder
State Energy Conservation Office
111 E 17th Street, Room 1114
Austin, Texas 78711

ENCLOSURE 1
ATTENDANCE LIST

END-OF-CYCLE MEETING ATTENDANCE

LICENSEE/FACILITY	South Texas Nuclear Operating Company
DATE/TIME	April 1, 2002; 6:00 p.m.
LOCATION	Bay City Convention Center
NAME (PLEASE PRINT)	ORGANIZATION
W.D. Johnson	NRC
D.N. GRAVES	NRC
E.D. Hapin	STP
G.T. Powell	STP
GARY PARKER	STD
William E. Bealefield	STP
KRISTA MARINO	KPRC
MIKE ORBBGAN	KPRC
LURINDA BARTON	STP
PAUL SERRA	STP
GREG WESTERMAN	Mad Co.
	Mad Co
Robert Daley Leggett	STPNOC

END-OF-CYCLE MEETING ATTENDANCE

LICENSEE/FACILITY	South Texas Nuclear Operating Company
DATE/TIME	April 1, 2002; 6:00 p.m.
LOCATION	Bay City Convention Center
NAME (PLEASE PRINT)	ORGANIZATION
ALAN MIKUS	STP
Rick MAIER	STP
ANUP KHOSLA	STP
Deborah Towler	STP
Estela Guerra	N/A
Mark McBurnett	STP
Joe Sheppard	STP
Norm MAYER	STP.
Charles Martinez Jr.	City of B.C.
FLO MANGAN	STP
CLYDE M. CANADY	AUSTIN ENERGY
Dick Balcom	Reliant Energy H&P
MIKE HARDT	City Public Service - San Antonio

END-OF-CYCLE MEETING ATTENDANCE

LICENSEE/FACILITY	South Texas Nuclear Operating Company
DATE/TIME	April 1, 2002; 6:00 p.m.
LOCATION	Bay City Convention Center
NAME (PLEASE PRINT)	ORGANIZATION
CHRIS A JOHNSON	AEP CENTRAL POWER & LIGHT
Ed Vander Stucken	Victoria Advocate
WILLIAM WOOD	BAY CITY TRIBUNE
A.C. + Georgia Herreth	Herreth Properties
Joseph D. Enoch	STP

ENCLOSURE 2
PRESENTATION SLIDES

ANNUAL ASSESSMENT MEETING



**Nuclear Regulatory Commission
Region IV**

NRC Meeting Guidelines

- **Meeting with Licensee**
- **Inform Public of Plant Performance**



NRC Meeting Guidelines

- **Registration Table**
- **Questions and Answers**
- **Handouts**
- **Feedback Forms**



Meeting Agenda

- **REGULATORY OVERSIGHT**
- **FINDINGS AND ASSESSMENTS**
- **ADDITIONAL FOCUS AREAS**
- **QUESTIONS AND ANSWERS**



NRC Performance Goals

- **Maintain safety and protect the environment**
- **Enhance public confidence**
- **Improve:**
 - effectiveness
 - efficiency
 - realism of processes and decision making
- **Reduce unnecessary regulatory burden**

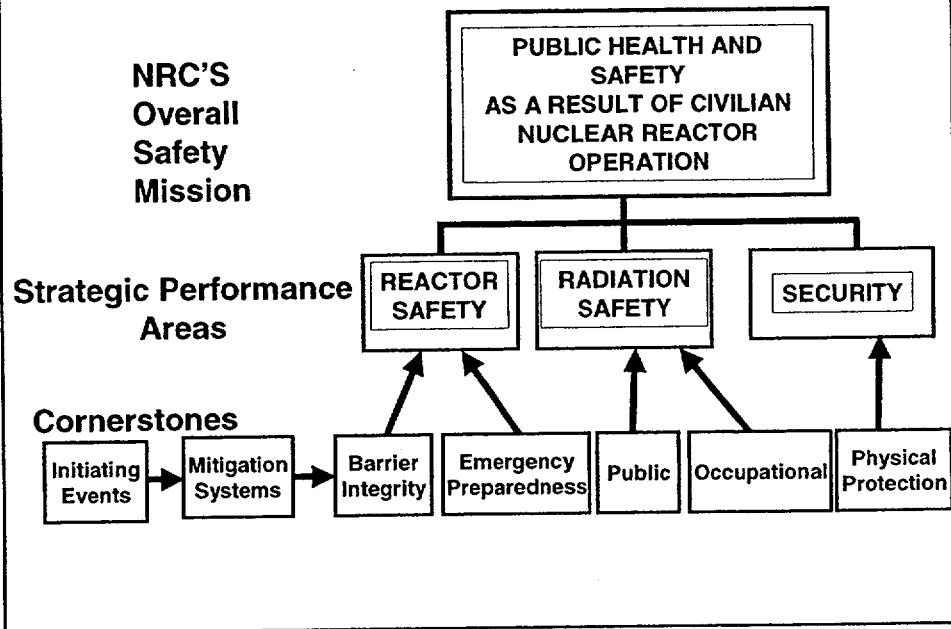


NRC Oversight Activities

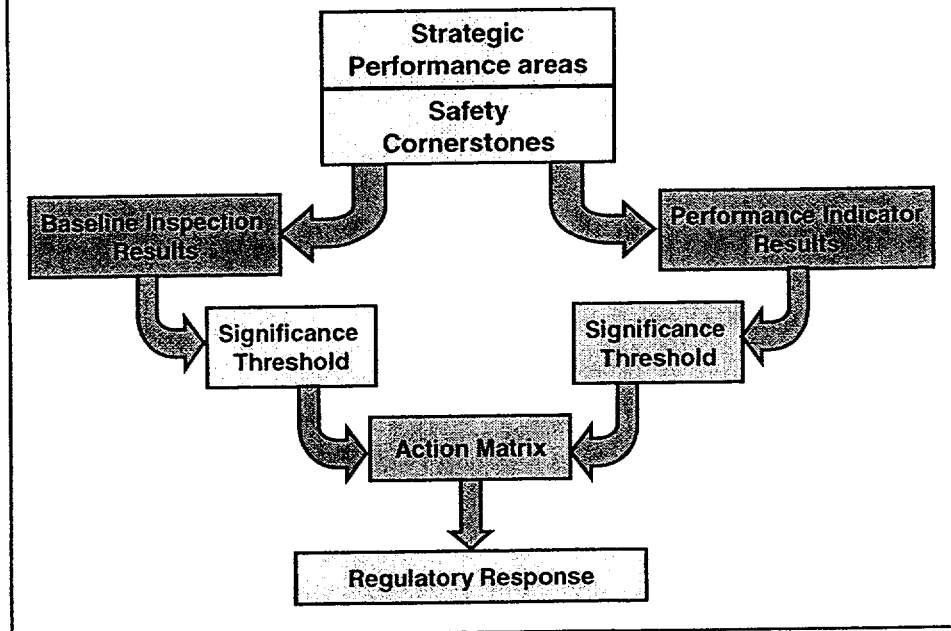
- **Provide assurance plants are:**
 - Operating safely
 - Complying with regulations
- **Based on a logical and sound framework**
- **Objective indicators of performance**
- **Assessment program triggers regulatory actions**



Comprehensive Oversight Program



Reactor Oversight Process



Reactor Oversight Process

SAFETY SIGNIFICANCE

GREEN

- very low

WHITE

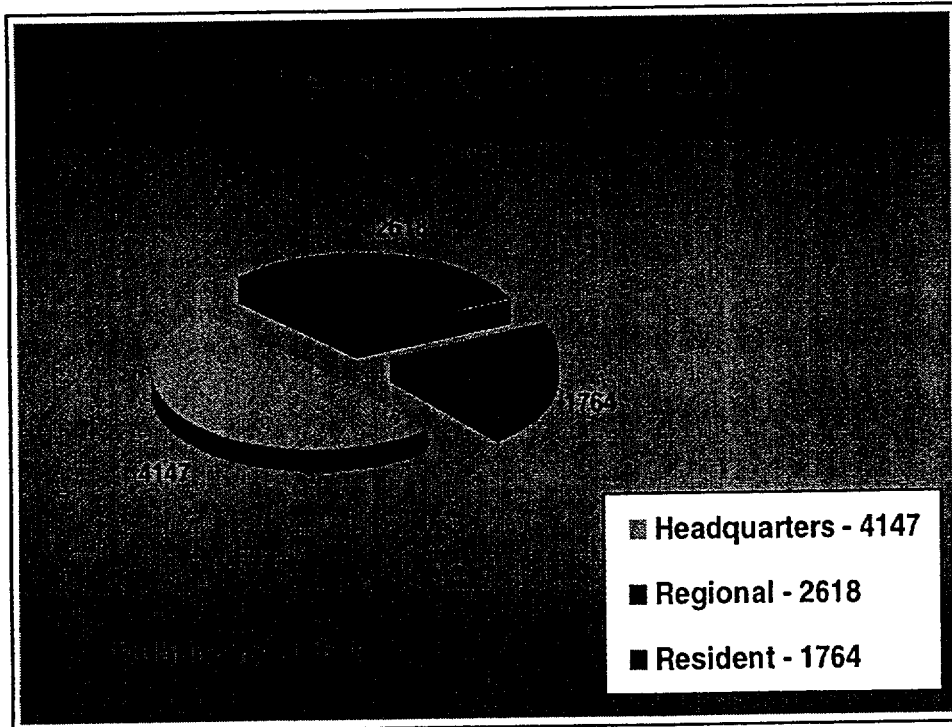
- low to moderate

YELLOW

- substantial

BLACK

- high



Baseline Inspection Program

- **Gathers objective evidence of plant safety**
- **Conducted at all plants**
- **Focuses on safety-significant:**
 - **Systems**
 - **Components**
 - **Activities**
 - **Events**



Event Follow-Up and Supplemental Inspections

- **Review events for significance**
- **Follow-up significant inspection findings**
- **Determine causes of performance declines**
- **Provide for graduated response**



Resident Inspectors

- **Live in Community**
- **Stationed at Plant**
- **Prompt Response Capability**



Regional Inspectors

- **Specialized**
- **Team Inspections**
- **Reactive Inspections**



Inspection Reports

- **Inspection reports describe findings and non-compliances that are more than minor**
- **Inspection reports are publicly accessible**

www.NRC.gov/reading-rm/adams.html



Performance Indicators

- **Provide objective measures**
- **Indicators for all Strategic Areas**
- **NRC verifies through inspections**



Performance Indicators

Performance indicator results and other assessment information available on the NRC's public web site:

www.NRC.gov/NRR/OVERSIGHT/ASSESS/STP1/stp1_chart.html

www.NRC.gov/NRR/OVERSIGHT/ASSESS/STP2/stp2_chart.html



Key Aspects of the Assessment Program

- **Objective review of licensee performance**
- **“Action Matrix” to determine agency response in three areas:**
 - **Inspection**
 - **Management Involvement**
 - **Regulatory Actions**
- **Plant specific assessment letters**
- **Information on NRC public web site**



Plant Safety **Performance Summary**



Inspection Results

NRC and Licensee identified inspection findings were of very low safety significance



Performance Indicator Results

**All performance indicators within the
Licensee Response Band**

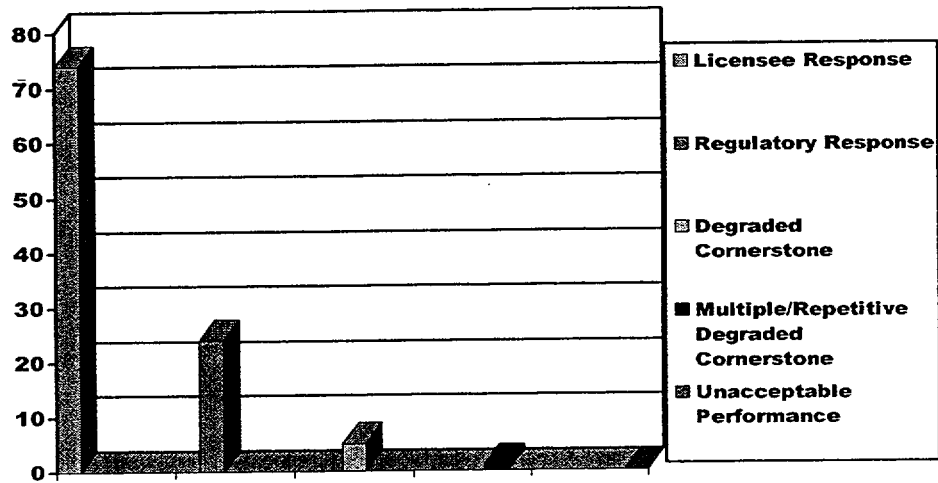


Assessment Results

- **Licensee Response Column**
- **Strategic Area Objectives Met**
- **Public Health and Safety Assured**



Industry Performance Summary



LICENSEE RESPONSE



Additional Focus Areas

- **NRC Responds As-Needed**
- **Mandates Licensee Actions**
- **Implements Emergency Response**



Reactor Vessel Head Degradation Issues

- **NRC Bulletin 2001-01 “Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles”**
- **NRC Bulletin 2002-01 “Reactor Pressure Vessel Head Degradation and Reactor Coolant Pressure Boundary Integrity”**



Security at Nuclear Power Plants

- Substantial security measures in place prior to terrorist attacks**
- Federal, State, Local and Licensee integrated response to terrorist threat**



Response to September 11

- Activated facilities**
- Issued and updated advisories**
- Verified implementation**
- Coordinated with other agencies**
- Ordered increase in minimum security requirements**
- Reviewing security regulations considering our changed environment**



Contacting the NRC

- **Report an Emergency:**
(301) 816-5100 (collect)
- **Report a Safety Concern:**
(800) 695-7403 or Allegation@nrc.gov
- **General Information or questions:**
www.nrc.gov
Select “What we do” for Public Affairs



In Summary

- **Comprehensive Oversight Program**
- **Licensee maintained public health and safety**
- **Capability and resources to respond and impose additional requirements**

