

July 2, 2002

Mr. W.T. Cottle
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 287
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION, UNITS 1 AND 2 - REGARDING RESPONSE TO ORDER FOR INTERIM SAFEGUARDS AND SECURITY COMPENSATORY MEASURES (TAC NOS. MB4182 AND MB4183)

Dear Mr. Cottle:

On February 25, 2002, the U.S. Nuclear Regulatory Commission (NRC) issued an Order modifying the operating license for the South Texas Project, Units Nos. 1 and 2 (STP) to require compliance with the specified interim safeguards and security compensatory measures. The interim compensatory measures (ICMs) were listed in Attachment 2 to the Order. When issuing the Order, the Commission recognized that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing generalized high-level threat environment, the Commission concluded that the security measures should be embodied in an Order consistent with the established regulatory framework.

The Order required responses and actions within specified timeframes. Section III.A of the Order required licensees to immediately start implementation of the requirements listed in Attachment 2 to the Order and to complete implementation no later than August 31, 2002. Section III.B of the Order required licensees to notify the Commission: (1) if they are unable to comply with the requirements described in Attachment 2, (2) if compliance with any of the requirements is unnecessary in their specific circumstances, (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license, or (4) if implementation of any of the requirements described in Attachment 2 would adversely impact the safe operation of the facility. Section III.C.1 of the Order required licensees to submit to the Commission, within 20 days of the date of the Order, a schedule for achieving compliance with each requirement described in Attachment 2 to the Order. Section IV of the Order noted that in accordance with 10 CFR § 2.202, the licensee must submit an answer to the Order and may request a hearing on the Order within 20 days of the date of the Order and, where good cause is shown, consideration would be given to extend the time to request a hearing.

In letters dated March 18, 2002 [STP Nuclear Operating Company (STPNOC) letter Nos. NOC-AE-02001278 and NOC-AE-02001288], you submitted a response to the Order for STP. You requested an extension of time to respond to ICMs B.2.a, B.2.b and B.2.c and requested a comparable extension of time to file a request for hearing for those matters. On May 28, 2002, (STPNOC letter No. NOC-AE-00201316), you provided responses for ICMs B.2.a, B.2.b and B.2.c. On June 20, 2002, you provided a revised response for ICMs B.3.d, B.4.e, and B.4.f.

W. Cottle

- 2 -

The NRC staff has reviewed your responses to each of the ICMs and finds that you have satisfied the current reporting requirements of the Order.

The NRC will determine the effectiveness of your implementation of the ICMs through on-site inspections. I would like to remind you that, pursuant to Section III.C.2 of the Order, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Order.

If you have any other questions on these issues, please contact Mohan Thadani at 301-415-1476.

Sincerely,

/RA by L. Marsh for/

John A. Zwolinski, Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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Sincerely,

/RA by L. Marsh for/
 John A. Zwolinski, Director
 Division of Licensing Project Management
 Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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Accession No.: ML021820225 * See previous concurrence **No legal objection

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