



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

March 31, 2003

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

**SUBJECT: SUMMARY OF THE 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 March 24, 2003. This meeting was to discuss the safety performance at South Texas Project Electric Generating Station from January 1 to December 31, 2002.

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,

/RA/

William D. Johnson, Chief
Project Branch A
Division of Reactor Projects

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

Enclosures:

1. Attendance List
2. Presentation Slides

cc:

Tom Jordan, Vice President
Engineering & Technical Services
STP Nuclear Operating Company
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Nuclear Quality & Licensing Department
STP Nuclear Operating Company
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City of Austin
Electric Utility Department
721 Barton Springs Road
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M. T. Hardt/W. C. Gunst
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D. G. Tees/R. L. Balcom
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Matthews & Branscomb
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C. A. Johnson/R. P. Powers
AEP - Central Power and Light Company
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Bureau of Radiation Control
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1100 West 49th Street
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Public Utility Commission
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Environmental and Natural
Resources Policy Director
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Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

G. R. Bynog, Program Manager/
Chief Inspector
Texas Department of Licensing & Regulation
Boiler Division
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Charles Martinez, Jr.
Mayor, City of Bay City
City Hall
1901 Fifth Street
Bay City, Texas 77414

John Connor
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 76209

Roger Mulder
State Energy Conservation Office
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Austin, Texas 78711

Mr. Jack Colley, State Coordinator
Division of Emergency Management
Texas Department of Public Safety
Box 4087, 5805 North Lamar Blvd.
Austin, TX 78773-0220

Mr. Richard A. Ratliff, Chief
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Texas Department of Health
1100 W. 49th Street
Austin, TX 78756-3189

Electronic distribution by RIV:

Regional Administrator (**EWM**)

DRP Director (**ATH**)

DRS Director (**DDC**)

Senior Resident Inspector (**NFO**)

Branch Chief, DRP/A (**WDJ**)

Senior Project Engineer, DRP/A (**CJP**)

Staff Chief, DRP/TSS (**PHH**)

RITS Coordinator (**NBH**)

B. Henderson, PAO (**BWH**)

W. A. Maier, RSLO (**WAM**)

C. J. Gordon (**CJG**)

V. Dricks, PAO (**VLD**)

C. J. Gordon (**CJG**)

DRS Branch Chiefs (**TWP, ATG, CSM**)

W. D. Travers, EDO (**WDT**)

C. A. Carpenter, Chief, NRR/DIPM/IIPB (**CAC**)

R. K. Frahm, PPR Program Manager, NRR/DIPM/IIPB (**RKF**)

R. W. Borchardt, Associate Dir. for Inspection and Programs (**RWB1**)

B. W. Sheron, Associate Dir. for Project Licensing and Technical Analysis (**BWS**)

S. Morris, Acting Chief, Regional Operations Staff, OEDO (**SAM1**)

H. Berkow, NRR Project Director (**HNB**)

R. Gramm, Chief, Section 1, NRR/DLPM (**RAG**)

J. Nakoski, NRR Project Manager (**JAN1**)

RidsNrrDipmIipb

R:_STP\2003\ST3-24-03 EOC MS.wpd

RIV:SPE:DRP/A	C:DRP/A			
CJPaulk;df	WDJohnson			
/RA/	/RA/			
3/31/03	3/31/03			

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

ENCLOSURE 1

ATTENDANCE LIST

NRC Representatives

D. Dumbacher, Reactor Engineer, Region IV
G. Guerra, Resident Inspector, South Texas Project
A. Howell, III, Director, Division of Reactor Projects (DRP), Region IV
W. Johnson, Chief, Projects Branch A, DRP, Region IV
N. O'Keefe, Senior Resident Inspector, South Texas Project

South Texas Project Representatives

M. Berg	G. Harrison	M. McBurnett	D. Rencurrel
S. Cooper	S. Head	M. Meier	D. Sheesley
E. Dugger	A. Khosla	C. Morgan	J. Sheppard
E. Halpin	F. Mallen	G. Parkey	

Other Licensee Representatives

D. Balcom
L. Blaylock
C. Canady
D. Salter

Members of the Public

J. Connor
R. Frieda
C. Martinez, Jr.
G. Westmoreland

ENCLOSURE 2
PRESENTATION SLIDES

ANNUAL ASSESSMENT MEETING



Nuclear Regulatory Commission
Region IV

NRC Meeting Purpose

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



NRC Meeting Guidelines

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



NRC PERFORMANCE GOALS

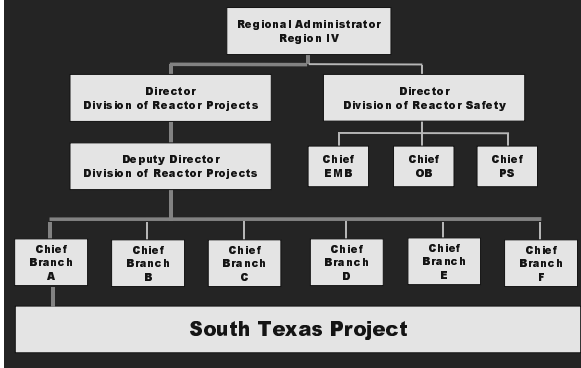
- Maintain public safety and protect the environment
- Enhance public confidence
- Improve:
 - Effectiveness
 - Efficiency
 - Realism of processes and decision making
- Reduce unnecessary regulatory burden



Assessment of Safety Performance at South Texas Project



Regional Organization



South Texas Project

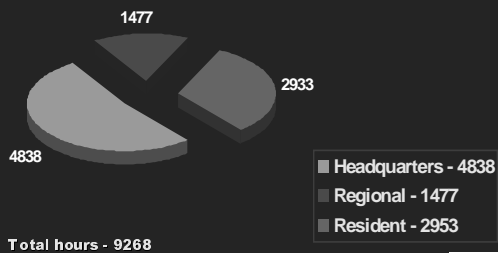


Meeting Agenda

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



Overall NRC Effort



Resident Inspectors

- Stationed at the plant
- Prompt response capability
- 2953 hours of oversight

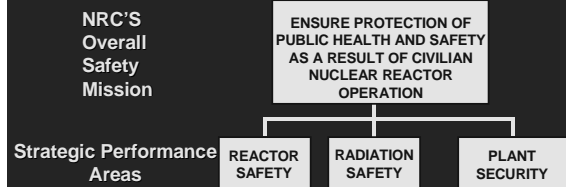


Regional Inspectors

- Specialized
- Inspection teams
- 1477 hours of oversight



Comprehensive Oversight Program

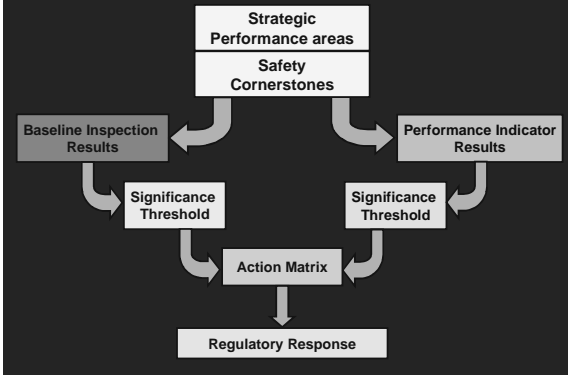


NRC Oversight Activities

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



Reactor Oversight Process



Baseline Inspection Program

- Gathers objective evidence of plant safety
- Conducted at all plants
- Focuses on safety-significant:
 - systems
 - components
 - activities
 - events



Baseline Inspection Program

- Inspection reports describe significant findings and non-compliance
- Inspection reports are publicly accessible

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



Event Follow-up and Supplemental Inspections

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



Reactor Oversight Process

SAFETY SIGNIFICANCE	
GREEN	- very low
WHITE	- low to moderate
YELLOW	- substantial
RED	- high

Performance Indicator Program

- Licensee monitors key safety parameters
- Data supplied to NRC quarterly



Performance Indicators

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

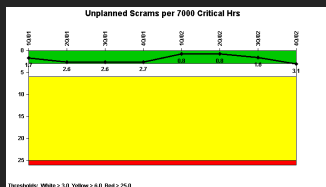
www.nrc.gov/NRR/OVERSIGHT/ASSESS/STP1/stp1_chart.html

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



Performance Indicators

South Texas Project Unit 2



Thresholds:

White >3.0 ,

Yellow >6.0 ,

Red >25.0

Thresholds: White < 3.0 Yellow $3.0 < 6.0$ Red > 25.0

Unplanned scrams per 7000 critical hours	2Q/02	3Q/02	4Q/02
Actual scrams	1.0	1.0	1.0
Critical hours	2114.9	2181.2	287.6
Indicator value	0.8	1.6	3.1

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



Plant Specific Data

Name of Plant: South Texas Project
Plant Operator: South Texas Project Nuclear Operating Company
Number of Units: 2
Reactor Type & Vendor: Pressurized Water Reactor/ Westinghouse
Location: Wadsworth, Texas
Power Output (electrical): 1251 Mwe net each
Source of Circulating Water: Cooling Pond

Major Plant Activities in 2002

Replaced Unit 2 Steam Generators

Inspected Reactor Vessel Head



Inspection Results

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

No special or supplemental inspections were necessary in 2002



Performance Indicator Results

Unit 2 exceeded the performance indicator of <3 unplanned scrams per 7000 critical hours



ROP Action Matrix Summary for 2002

	Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Repetitive Degraded Cornerstone	Unacceptable Performance
Nationwide	75	24	0	1	0
Region IV	15	5	0	1	0

Assessment Conclusion

Licensee effectively managed:

- Reactor safety
- Radiation safety
- Plant security

South Texas Project operated in a manner that protected the health and safety of the public



LICENSEE RESPONSE



Additional Focus Areas

- **NRC Responds As-Needed**
- **Mandated Licensee Actions**
- **Implemented Emergency Preparedness**



Nuclear Industry Issues

- **Reactor Vessel Head Penetration Inspection**
- **Security at Nuclear Power Plants**

Post Davis-Besse

Licensee Actions

Visual Inspection of Reactor Vessel Head Penetrations

Non-destructive Examination of Head Penetrations

NRC Actions

Observation of Licensee Inspections and Examinations

Independent Inspection



Security at Nuclear Power Plants

Nuclear Regulatory Commission:

- **Has expanded involvement with FBI, law enforcement and other intelligence agencies**
- **Communicates frequently with Department of Homeland Security, DOD, FAA, FEMA, and others**
- **Continues to work in concert with:**
 - Licensees
 - State and local officials



Security at Nuclear Power Plants

Threat Advisory and Protective Measures System:

- **communicates threats affecting NRC licensees**
- **corresponds to color-coded Homeland Security Presidential Directive**
- **Identifies specific actions to be taken by NRC licensees for each threat level**



Security at Nuclear Power Plants

- **NRC issued over 30 safeguards & threat advisories**

Many of those advisories strengthened security and have been elevated into requirements

Nuclear facilities are far ahead of other industries with regard to the level of security



Future Outlook

- **Power Upgrades**
 - Not new
 - Licensees are taking advantage of improved power measurement techniques
 - Better analytical methods demonstrate that reactor power can be increased without significant reductions in safety margin
- NRC has approved more than 80 applications to increase reactor power
- Approximately 51 applications for power upgrades expected over next 5 years



Future Outlook (Cont.)

- **License Renewal**
 - A recent initiative
 - Applications for 14 units have been approved
 - 16 applications are currently under review
- **Early Site Permits**
 - Three applications expected in 2003



Conclusions

- **Assured Public Safety**
- **Flexible/Predictable Response**
- **Risk-Informed Programs**



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

Contacts for Additional Information

- **Regional Public Affairs Officer**
 - Victor Dricks
 - Phone: (817) 860 – 8128
- **State Liaison Officer**
 - William (Bill) Maier
 - Phone: (817) 860 - 8267