

October 17, 2003

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - ACKNOWLEDGMENT OF
WITHDRAWAL OF THE NOVEMBER 12, 2002, RISK-INFORMED INSERVICE
TESTING PROGRAM SUBMITTAL (TAC Nos. MB8948 AND MB8949)

Dear Mr. Sheppard:

By letter dated November 12, 2002, STP Nuclear Operating Company (STPNOC) submitted a risk-informed inservice testing (RI-IST) program for pumps and valves, applicable to the second 10-year interval for South Texas Project (STP), Units 1 and 2. The application represented an alternative to the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code (Code), Section XI requirements and as such was submitted pursuant to Title 10 of the *Code of Federal Regulations*, Section 50.55a(a)(3)(i).

During the course of reviewing the proposed RI-IST program, the U.S. Nuclear Regulatory Commission (NRC) staff identified several fundamental technical concerns with the proposal including aspects of the categorization methodology and the adequacy of the testing strategies. The NRC staff's concerns with the proposed RI-IST program were transmitted to STPNOC by letter dated May 29, 2003 (ADAMS ML031490352), and during a telephone conference on July 31, 2003 (ADAMS ML032461333). The NRC staff and management have had extensive internal dialogue about your submittal in recognition of the considerable investment that STPNOC has made in the proposal. The NRC staff had discussed several options that STPNOC could take with the November 12, 2002, submittal. One option was that the proposal could be withdrawn and a new submittal be made to reflect the review template set by Regulatory Guide 1.175, "An Approach for Plant-Specific, Risk-Informed Decisionmaking: Inservice Testing," the NRC approved ASME RI-IST code cases, and the NRC staff's approval of other RI-IST programs.

During a September 12, 2003, telephone conference (ADAMS ML032770004), Mr. T. Jordan of your staff stated that STPNOC wished to withdraw the current RI-IST proposal and that a revised application based on Regulatory Guide 1.175 and the San Onofre Nuclear Generating Station approach would be submitted at a later date. STPNOC indicated their desire to hold a meeting with the NRC staff in advance of the new submittal to discuss how STP would intend to handle review questions and concerns that had been raised for the application they are withdrawing.

Mr. James J. Sheppard

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In response to STPNOC's requests, the NRC staff herein acknowledges the withdrawal of the November 12, 2002, RI-IST submittal. In addition, preliminary discussions have been held with STPNOC to establish a mutually acceptable date for the requested meeting with the NRC staff, which STPNOC deems necessary, prior to the submittal of a revised RI-IST Program.

Accordingly, based upon the above, the NRC staff's review of the STPNOC's November 12, 2002, RI-IST submittal, TAC Nos. MB8948 and MB8949, is terminated. We await your revised submittal following the upcoming meeting.

Sincerely,

/RA/

Robert A. Gramm, Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

Mr. James J. Sheppard

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South Texas Project, Units 1 & 2

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South Texas Project, Units 1 & 2

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