



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

June 7, 2004

James J. Sheppard, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SUMMARY OF SOUTH TEXAS PROJECT END-OF-CYCLE PUBLIC MEETING

Dear Mr. Sheppard:

This refers to the end-of-cycle public meeting conducted at Bay City, Texas, on June 3, 2004, between the NRC and your staff. The participants discussed performance at South Texas Project for the period January 1 through December 31, 2003.

The attendance list is enclosed with this summary (Enclosure 1). A copy of the presentation slides is also enclosed (Enclosure 2).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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

Sincerely,

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. NRC Presentation Slides

cc w/enclosures:

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Environmental and Natural
Resources Policy Director
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and Regulation
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Office of Permitting, Remediation and
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The Honorable Charles Martinez, Jr.
Mayor, City of Bay City
City Hall
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Bay City, TX 77414

The Honorable John Connor
Mayor, City of Palacios
P.O. Box 845
Palacios City Hall
Palacios, TX 77465

James Mitchell, Sheriff
Matagorda County
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Bay City, TX 77414

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State Energy Conservation Office
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Texas Department of Public Safety
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Electronic distribution by RIV:

Regional Administrator (**BSM1**)DRP Director (**ATH**)DRS Director (**DDC**)Senior Resident Inspector (**JXC2**)Branch Chief, DRP/A (**WDJ**)Senior Project Engineer, DRP/A (**TRF**)Staff Chief, DRP/TSS (**PHH**)RITS Coordinator (**KEG**)

ADAMS: ☒ Yes ☐ No Initials: TRF
☒ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☒ Non-Sensitive

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| RIV/SPE/DRP/A | C-DRP/A | | | |
|----------------|-----------|--|--|--|
| TRFarnholtz;df | WDJohnson | | | |
| <u>TRF</u> | <u>RA</u> | | | |
| 6/7/04 | 6/7/04 | | | |

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

END-OF-CYCLE MEETING ATTENDANCE

| | |
|---------------------|--|
| LICENSEE/FACILITY | South Texas Project Nuclear Operating Company South Texas Project Electric Generating Station |
| DATE/TIME | June 3, 2003 6:00 p.m. (CST) |
| LOCATION | Bay City Civic Center |
| NAME (PLEASE PRINT) | ORGANIZATION |
| William Johnson | NRC |
| LENORA A REYNA | NRC |
| BOB WATTS | Matagorda County Emergency Management Coal |
| Gilbert Guerra | NRC |
| Joe LoyA | STPNOC |
| Joe McLaughlin | SEIU |
| Vivek Mittal | SEIU |
| Don Allen | NRC |
| Wayne Harrison | STPNOC |
| Joe Sheppard | STPNOC |
| T.J. Jordan | STPNOC |
| DG Tees | STPNOC |
| Mark McBurnett | STPNOC |

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| LOCATION | Bay City Civic Center |
| NAME (PLEASE PRINT) | ORGANIZATION |
| B. BULLARD | STPNOC |
| E. Halpin | STPNOC |
| M. MANGAN | PUBLIC |
| Ed Lowrey | STPNOC |
| GARY PARKEY | STPNOC |
| TAUT SERRA | STPNOC |
| MIKE MEYER | STPNOC |
| July Cooney | STPNOC |
| MIKE HARDT | CPS - SAN ANTONIO |
| Dick Balgorn | Texas Cerco, LP |
| GREG Resmore (JAN) | DRATBARD County |
| Richard Knapik | BC Chamber |
| Lurinda Barton | STP |

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| NAME (PLEASE PRINT) | ORGANIZATION |
| KAREN VERSER | TX DEPT HEALTH BUREAU RAD CONTROL |
| CHRIS JOHNSON | AEP-TEC |
| CLYDE M. CANNON | CITY OF AUSTIN |
| ANUP KHOSLA | STP Nuclear Operating Co. |
| Joseph D. Enoch | STP / City of Bay City |
| Bill CORTLE | PUBLIC |
| Scott Exum | STPNOC |
| Estela Guerra | Private Citizen |
| Valerie Reddell | Tribune |
| JOSEPH L. TAYLOR | NRC |
| | |
| | |
| | |

ANNUAL ASSESSMENT MEETING



**Nuclear Regulatory Commission
Region IV**

NRC Meeting Purpose

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

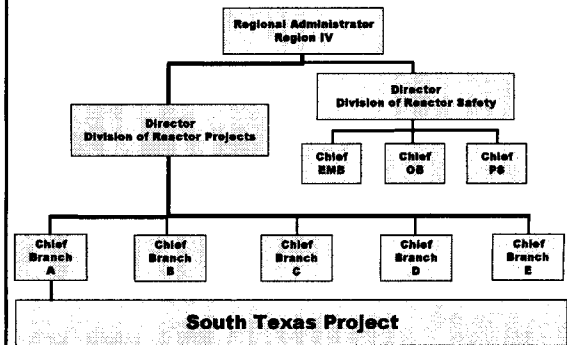


NRC Meeting Guidelines

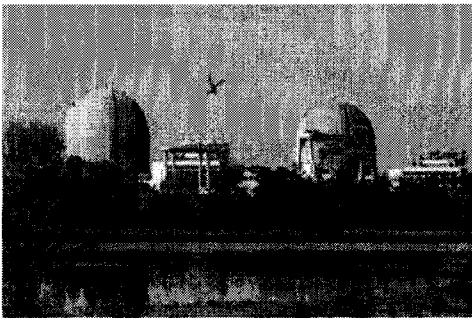
- **Registration Table**
- **Questions and Answers**
- **Feedback Forms**
- **Handouts**



Regional Organization



South Texas Project



Meeting Agenda

- **REGULATORY OVERSIGHT**
- **PLANT SAFETY PERFORMANCE SUMMARY**
- **ADDITIONAL FOCUS AREAS**
- **QUESTIONS AND ANSWERS**

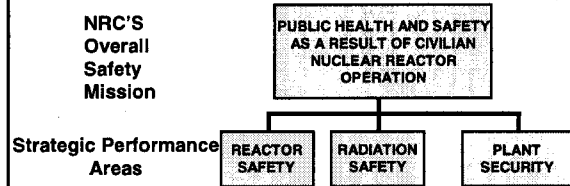


NRC PERFORMANCE GOALS

- **Maintain public safety, protect the environment and promote common defense and security**
- **Enhance public confidence**
- **Improve:**
 - Effectiveness
 - Efficiency
 - Realism of processes and decision making
- **Reduce unnecessary regulatory burden**



Reactor Oversight Program

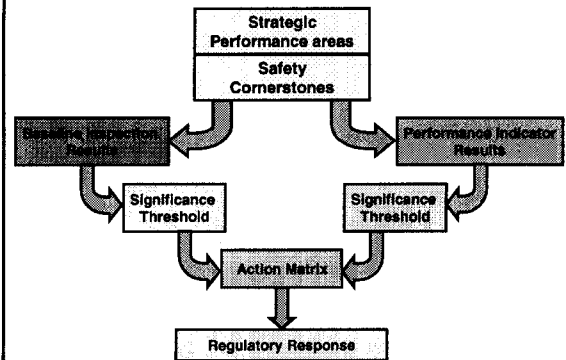


NRC Oversight Activities

- **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/web-based.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

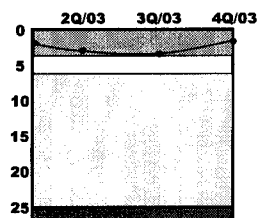
Performance Indicator Program

- Licensee monitors key safety parameters
- Data supplied to NRC quarterly
- Regulatory actions based on data



Performance Indicators

Unplanned Scrams per 7000 critical hours



Thresholds:

White >3.0

Yellow >6.0

Red >25.0

| Unplanned scrams per 7000 critical hours | 2Q/03 | 3Q/03 | 4Q/03 |
|--|-------|--------|--------|
| Actual scrams | 0 | 0 | 0 |
| Critical hours | 0 | 1306.4 | 2209.0 |
| Indicator value | 2.3 | 2.8 | 1.3 |

Performance Indicators

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

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

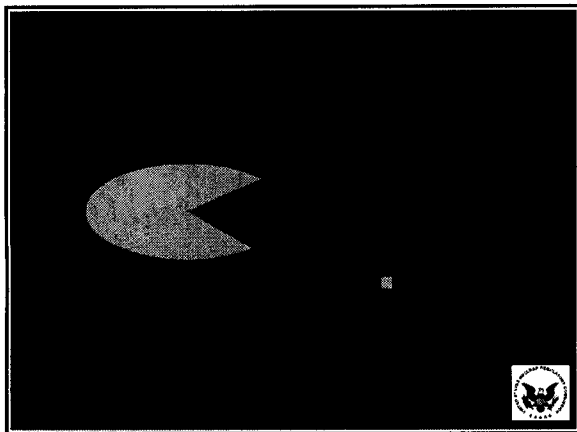
http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/STP2/stp2_chart.html



Inspection Effort

- **Resident Inspectors**
 - Stationed at the Plant
 - Prompt Response Capability
- **Regional Inspectors**
 - Specialized
 - Inspection Teams
- **Office of Nuclear Reactor Regulation**
 - Review License Change Requests



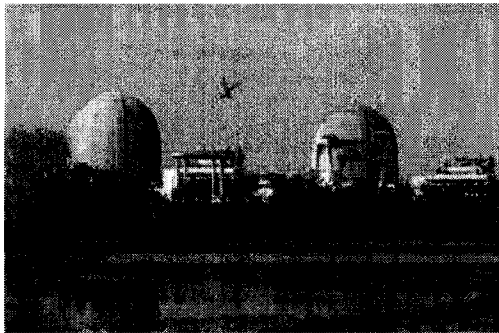


Key Aspects of the Assessment Program

- 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

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Inspection Results

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

No special or supplemental inspections necessary



Performance Indicator Results

Unit 2 “unplanned scrams per 7000 critical hours” performance indicator within the Regulatory Response Column for the first quarter 2003

All other performance indicators within the Licensee Response Column



ROP Action Matrix Summary for 2003

| | Licensee Response | Regulatory Response | Degraded Cornerstone | Multiple/ Repetitive Degraded Cornerstone | Unacceptable Performance |
|-------------------|----------------------|------------------------|-------------------------|--|-----------------------------|
| Nationwide | 74 | 23 | 2 | 3 | 0 |
| Region IV | 17 | 3 | 0 | 1 | 0 |

National vs Regional Summary CY 2003

| | Green | White | Yellow | Red |
|--|-------|-------|--------|-----|
| National Performance Indicator Results (CY 2003) | 1828 | 15 | 0 | 0 |
| Regional Performance Indicator Results (CY 2003) | 376 | 2 | 0 | 0 |
| | Green | White | Yellow | Red |
| National Total Inspection Findings (CY 2003) | 760 | 16 | 2 | 3 |
| Regional Total Inspection Findings (CY 2003) | 177 | 2 | 0 | 0 |

Assessment Conclusion

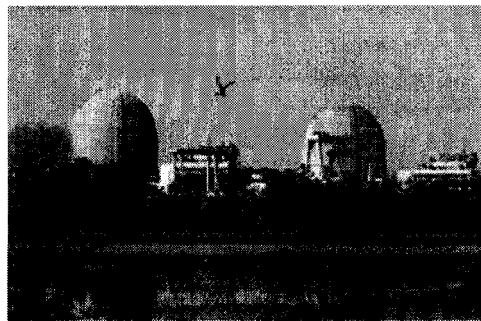
Licensee effectively managed:

- 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

- **Security at Nuclear Power Plants**
- **Recent Industry Issues**



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



Bulletins

- 2003-01 : Potential Impact of Debris Blockage on Emergency Sump Recirculation at Pressurized Water Reactors
- 2003-02 : Leakage from Reactor Pressure Vessel Lower Head Penetrations and Reactor Coolant Pressure Boundary Integrity
- 2003-04 : Rebaseline Data in Nuclear Materials Management & Safeguards System



Conclusions

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



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

For additional information:

Regional Public Affairs Officer

- Victor Dricks
- Phone: (817) 860 - 8128

State Liason Officer

- William (Bill) Maler
- Phone: (817) 860 - 8267

ACTION MATRIX

| | Licensee Response Column | | Regulatory Response Column | Degraded Cornerstone Column | Multiple/ Repetitive Degraded Cornerstone Column | Unacceptable Performance Column | IMC 0350 Process ² |
|---------------|---------------------------------------|--|---|---|---|---|--|
| RESULTS | | All Assessment Inputs (Performance Indicators (PIs) and Inspection Findings) Green; Cornerstone Objectives Fully Met | One or Two White Inputs (in different cornerstones) in a Strategic Performance Area; Cornerstone Objectives Fully Met | One Degraded Cornerstone (2 White Inputs or 1 Yellow Input) or any 3 White Inputs in a Strategic Performance Area; Cornerstone Objectives Met with Moderate Degradation in Safety Performance | Repetitive Degraded Cornerstone, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or 1 Red Input; Cornerstone Objectives Met with Longstanding Issues or Significant Degradation in Safety Performance | Overall Unacceptable Performance; Plants Not Permitted to Operate Within this Band, Unacceptable Margin to Safety | Plants in a Shutdown condition with Performance Problems placed under the IMC 0350 process |
| RESPONSE | Regulatory Performance Meeting | None | Branch Chief (BC) or Division Director (DD) Meet with Licensee | DD or Regional Administrator (RA) Meet with Licensee | RA (or EDO) Meet with Senior Licensee Management | Commission meeting with Senior Licensee Management | RA (or EDO) meet with Senior Licensee Management |
| | Licensee Action | Licensee Corrective Action | Licensee root cause evaluation and corrective action with NRC Oversight | Licensee cumulative root cause evaluation with NRC Oversight | Licensee Performance Improvement Plan with NRC Oversight | | Licensee Performance Improvement Plan/ Restart Plan with NRC Oversight |
| | NRC Inspection | Risk-Informed Baseline Inspection Program | Baseline and supplemental inspection procedure 95001 | Baseline and supplemental inspection Procedure 95002 | Baseline and supplemental inspection Procedure 95003 | | Baseline and supplemental as practicable, plus special inspection per restart checklist |
| | Regulatory Actions ¹ | None | Supplemental Inspection only | Supplemental inspection only | -10 CFR 2.204 DFI -10 CFR 50.54(f) Letter -CAL/Order | Order to Modify, Suspend, or Revoke Licensed Activities | CAL/ order requiring NRC Approval for restart |
| COMMUNICATION | Assessment Letters | BC or DD Review/sign assessment report (w/ inspection plan) | DD review/sign assessment report (w/ inspection plan) | RA review/sign assessment report (w/ inspection plan) | RA review/sign assessment report (w/ inspection plan) | | N/A. RA (or 0350 Panel Chairman) review / sign 0350-related correspondence |
| | Annual Public Meeting | SRI or BC Meet with Licensee | BC or DD meet with Licensee | RA (or designee) Discuss Performance with Licensee | RA or EDO Discuss Performance with Senior Licensee Management | | N/A. 0350 Panel Chairman conduct public status meetings periodically |
| | Commission Involvement | None | None | None | Plant discussed at AARM | Commission Meeting with Senior Licensee Management | Commission meetings as requested, restart approval in some cases |
| | INCREASING SAFETY SIGNIFICANCE -----> | | | | | | |

Note 1: Other than the CAL, the regulatory actions for plants in the Multiple/Repetitive Degraded Cornerstone column and IMC 0350 column are not mandatory agency actions. However, the regional office should consider each of these regulatory actions when significant new information regarding licensee performance becomes available.

Note 2: The IMC 0350 Process column is included for illustrative purposes only and is not necessarily representative of the worst level of licensee performance. Plants under the IMC 0350 oversight process are considered outside the auspices of the ROP Action Matrix. See IMC 0350, "Oversight of Operating Reactor Facilities in a Shutdown Condition with Performance Problems," for more detail.