

## SAFEGUARDS INFORMATION

September 21, 2004

Mr. James J. Sheppard  
President and Chief Executive Officer  
South Texas Project Nuclear Operating Company  
South Texas Project Electric Generating Company, Units 1 and 2  
P. O. Box 289  
Wadsworth, TX 77483

SUBJECT: SECURITY PLAN PROVISIONS FOR ENHANCED OWNER CONTROLLED  
AREA SURVEILLANCE AND RESPONSE (TAC NOS. MC2974 AND MC2975)

Dear Mr. Sheppard:

On May 14, 2004, the U. S. Nuclear Regulatory Commission's (NRC) staff completed an evaluation of lessons learned from the pilot expanded force-on-force exercises. As a result of this evaluation, surveillance and response in the owner controlled area (OCA) was identified as one aspect of security at nuclear power plant facilities that required further improvement. On August 13, 2004, the Commission directed the staff to work with industry toward voluntary implementation of enhanced OCA surveillance and response measures.

The NRC staff worked with the industry's Security Working Group and the Nuclear Energy Institute to develop appropriate provisions to be included in physical security plans. These provisions have been discussed with your staff for incorporation into your facilities physical security plans. Specific revised security plan language developed to achieve this objective is included as an enclosure to this letter.

Thank you for your cooperation in resolving this issue. Should you have further questions on this matter, please call Juan Peralta at (301) 415-6689 or me at (301) 415-7083.

Sincerely,

/RA/

Scott A. Morris, Chief  
Reactor Security Section  
Division of Nuclear Security  
Office of Nuclear Security and Incident Response

Enclosure: As stated

cc: See next page

Docket Nos.: 50-498 and 50-499

**WARNING:** Violation of Section 147 of the Atomic Energy Act, "Safeguards Information" is subject to Civil and Criminal Penalties

NOTICE: Enclosure transmitted herewith contains "Safeguards Information." When separated from Enclosure(s) this Cover Document is "DECONTROLLED"

SAFEGUARDS INFORMATION

## SAFEGUARDS INFORMATION

September 21, 2004

Mr. James J. Sheppard  
President and Chief Executive Officer  
South Texas Project Nuclear Operating Company  
South Texas Project Electric Generating Company, Units 1 and 2  
P. O. Box 289  
Wadsworth, TX 77483

SUBJECT: SECURITY PLAN PROVISIONS FOR ENHANCED OWNER CONTROLLED  
AREA SURVEILLANCE AND RESPONSE (TAC NOS. MC2974 AND MC2975)

Dear Mr. Sheppard:

On May 14, 2004, the U. S. Nuclear Regulatory Commission's (NRC) staff completed an evaluation of lessons learned from the pilot expanded force-on-force exercises. As a result of this evaluation, surveillance and response in the owner controlled area (OCA) was identified as one aspect of security at nuclear power plant facilities that required further improvement. On August 13, 2004, the Commission directed the staff to work with industry toward voluntary implementation of enhanced OCA surveillance and response measures.

The NRC staff worked with the industry's Security Working Group and the Nuclear Energy Institute to develop appropriate provisions to be included in physical security plans. These provisions have been discussed with your staff for incorporation into your facilities physical security plans. Specific revised security plan language developed to achieve this objective is included as an enclosure to this letter.

Thank you for your cooperation in resolving this issue. Should you have further questions on this matter, please call Juan Peralta at (301) 415-6689 or me at (301) 415-7083.

Sincerely,

**/RA/**

Scott A. Morris, Chief  
Reactor Security Section  
Division of Nuclear Security  
Office of Nuclear Security and Incident Response

Enclosure: As stated

cc: See next page

Docket Nos.: 50-498 and 50-499

**DISTRIBUTION:**

SPRT R/F	RFretz	DHuyck	JCreed	BBenney	BVaidya	ACRS
OGC	MBurrell	DSpaulding	RManili	PPeduzzi	MChernoff	
DJaffe	RGramm	HBerkow	AHowell, RIV			

**Accession Number: ML042670187**

OFFICE	SPRT/LA	SPRT	SPRT	SPRT
NAME	CHawes	JPeralta	JNakoski	SMorris
DATE	9/20/04	9/20/04	9/20/04	9/20/04

**OFFICIAL RECORD COPY**

**SAFEGUARDS INFORMATION**

South Texas Project, Units 1 & 2

cc:

Senior Resident Inspector  
U.S. Nuclear Regulatory Commission  
P. O. Box 910  
Bay City, TX 77414

A. Ramirez/C. M. Canady  
City of Austin  
Electric Utility Department  
721 Barton Springs Road  
Austin, TX 78704

Mr. L. K. Blaylock  
Mr. W. C. Gunst  
City Public Service Board  
P. O. Box 1771  
San Antonio, TX 78296

Mr. C. A. Johnson/A. C. Bakken  
AEP Texas Central Company  
P. O. Box 289  
Mail Code: N5022  
Wadsworth, TX 77483

INPO  
Records Center  
700 Galleria Parkway  
Atlanta, GA 30339-3064

Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, TX 76011

D. G. Tees/R. L. Balcom  
Texas Genco, LP  
P. O. Box 1700  
Houston, TX 77251

Judge, Matagorda County  
Matagorda County Courthouse  
1700 Seventh Street  
Bay City, TX 77414

A. H. Gutterman, Esq.  
Morgan, Lewis & Bockius  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004

Mr. T. J. Jordan, Vice President  
Engineering & Technical Services  
STP Nuclear Operating Company  
P. O. Box 289  
Wadsworth, TX 77483

S. M. Head, Manager, Licensing  
Nuclear Quality & Licensing Department  
STP Nuclear Operating Company  
P. O. Box 289, Mail Code: N5014  
Wadsworth, TX 77483

Environmental and Natural Resources  
Policy Director  
P. O. Box 12428  
Austin, TX 78711-3189

Jon C. Wood  
Matthews & Branscomb  
112 East Pecan, Suite 1100  
San Antonio, TX 78205

Arthur C. Tate, Director  
Division of Compliance & Inspection  
Bureau of Radiation Control  
Texas Department of Health  
1100 West 49th Street  
Austin, TX 78756

Brian Almon  
Public Utility Commission  
William B. Travis Building  
P. O. Box 13326  
1701 North Congress Avenue  
Austin, TX 78701-3326

South Texas Project, Units 1 & 2

cc:

Susan M. Jablonski  
Office of Permitting, Remediation  
and Registration  
Texas Commission on  
Environmental Quality  
MC-122  
P. O. Box 13087  
Austin, TX 78711-3087

Mr. Terry Parks, Chief Inspector  
Texas Department of Licensing  
and Regulation  
Boiler Division  
P. O. Box 12157  
Austin, TX 78711

Mr. Ted Enos  
4200 South Hulen  
Suite 630  
Ft. Worth, TX 76109

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