

September 22, 2004

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 - RE: AUDIT OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS (TAC NOS. MC3897 AND MC3898)

Dear Mr. Sheppard:

An audit of the South Texas Project Nuclear Operating Company (STPNOC) commitment management program was performed at the South Texas Project (STP), Units 1 and 2, on August 23 to 26, 2004. The Nuclear Regulatory Commission (NRC) staff concludes that, based on the audit (1) STPNOC's programs and policies are generally in accordance with industry guidelines as defined in Nuclear Energy Institute (NEI) 99-04, "Managing Regulatory Commitments Made by Licensees to the NRC," (2) STPNOC has implemented NRC commitments on a timely basis, and (3) STPNOC has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

As noted in Section 2.3 of the enclosed audit report, one of your commitments needs clarification. In your letter dated August 2, 2001, you stated the following with regard to post-accident sampling: "The South Texas Project will develop contingency plans for obtaining and analyzing highly radioactive samples of reactor coolant, containment sump and containment atmosphere." During the audit, a review of the Post Accident Sampling System (PASS) procedure change indicated that the existing PASS would be used for post-accident sampling and that no additional contingency plan would be needed. A conversation with Mr. Scott Head of your staff confirmed this observation and the need for clarification.

Any changes to your commitment management program and any clarification of the PASS commitment noted above will be reviewed during the next commitment audit; there is no need to respond to this letter.

James J. Sheppard

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The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If you have any questions, please have your staff contact me at (301) 415-1439.

Sincerely,
/RA/

David H. Jaffe, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: Audit Report

cc w/encl: See next page

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

REGULATORY COMMITMENTS MADE BY THE LICENSEE TO

THE NUCLEAR REGULATORY COMMISSION (NRC)

SOUTH TEXAS PROJECT, UNITS 1 AND 2

DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION AND BACKGROUND

On May 27, 2003, the Office of Nuclear Reactor Regulation (NRR) issued Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC." LIC-105, which is publicly available from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the Internet at the NRC web site (Accession Number ML022750041), provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made by licensees for commercial nuclear reactors to the NRC staff. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes."

LIC-105 directs the NRR project manager to "audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.)." The audit is to be performed every 3 years.

2.0 AUDIT SCOPE AND RESULTS

2.1 Audit Scope

The audit was performed at the South Texas Project (STP), Units 1 and 2, on August 23 to 26, 2004. Since no such audit was performed before issuance of LIC-105, the NRC staff defined the period covered by this audit to go back approximately 3-4 years from the date of the audit.

LIC-105 limits the audit of commitments to those made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Prior to the audit, in order to generate a list of items for the audit, the NRC staff searched the records of the licensee's licensing action and licensing activity submittals during the last 3-4 years. Then from this list, the NRC staff selected a representative sample of submittals to audit and asked the licensee to provide documentation to support the audit.

In addition, the NRC staff reviewed the items from the licensee's July 27, 2004, and July 2, 2002, Commitment Change Summary Reports; no report was submitted during 2003.

The licensee provided documentation to support the NRC staff's audit in each of the sample areas discussed above. The licensee's documentation included summary sheets from the licensee's Corrective Action Program (CAP) database, providing the status of the commitment and appropriate backup documentation, as needed (i.e., plant procedures, examination records, and/or other plant documentation).

2.2 Procedures for Tracking the Need for Action

Not all statements by the licensee regarding the licensee's intent to take action are considered by the licensee to be "commitments." Those statements of intent to take action that meet the definition of a "commitment" in NEI 99-04, "Guidelines for Managing NRC Commitment Changes", Revision 0, are controlled by the licensee under their procedure 0PGP05-ZN-0002, "Licensing Commitment Management and Administration" which also controls the commitment change process. The definition of Commitment in 0PGP05-ZN-0002 is as follows:

An explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the Nuclear Regulatory Commission to (1) restore compliance with regulatory requirements, or (2) complete a specific action to address an NRC issue or concern (e.g. generic letter, bulletin, order, etc.). With respect to corrective actions identified in a Notice of Violation (NOV) or Licensee Event Report (LER), the specific method(s) used by licensees to restore compliance with an obligation are not normally considered Commitments. The Commitment in this instance is the promise to restore compliance with the violated obligation.

If a licensee statement of intent to take action appears in a license amendment application and it is not identified as a commitment, it is controlled by procedure 0PG05-ZN-0004, "Changes to Licensing Basis Documents and Amendments to the Operating License." The licensee's definition of commitment, as used by the licensee, also excludes the implementation of alternatives to Codes and Standards (Code Relief).

Regardless of whether the statement of intent to take action is a commitment or not, the required action is entered into the license's CAP database.

The NRC staff's review of 0PGP05-ZN-0002 determined that it generally followed the guidance of NEI 99-04.

2.3 Verification of Licensee's Implementation of NRC Commitments and Statements of Intent to Take Action

The primary focus of this part of the audit was to confirm that the licensee has implemented those commitments and other statements of intent to take action made to the NRC as part of past licensing actions/activities. For commitments and statements of intent to take action that had not yet been implemented, the NRC staff sought to ascertain that they have been captured in an effective program for future implementation.

The NRC staff reviewed documentation generated by the licensee related to items in the attached table that are categorized as "Commitments" or "Other (non-commitment statements of intent to take action) that appeared in STP applications for amendments, ASME Code Reliefs, Bulletin Responses, or Generic Letter Responses. The column in the attached table

referred to as "Condition Number" was obtained from the licensee's CAP database for the corresponding commitment or non-commitment statement of intent to take action.

With regard to the licensee's submittals to the NRC, the licensee has established a format for presenting commitments in an addenda, to the submittal, which restates the commitment and the due date.

The NRC staff found that the licensee's CAP database had captured all of the commitments and non-commitment statements of intent to take action and that those completed actions were completed on schedule. A review of documentation which implemented commitments or other statements of intent to take action showed that the appropriate actions had been taken with the following exception:

In the licensee's letter dated August 2, 2001, the licensee stated the following with regard to post-accident sampling: "The South Texas Project will develop contingency plans for obtaining and analyzing highly radioactive samples of reactor coolant, containment sump and containment atmosphere." During the audit, a review of the Post Accident Sampling System (PASS) procedure change indicated that the existing PASS would be used for post-accident sampling and that no additional contingency plan would be needed.

A conversation with Mr. Scott Head of STP Nuclear Operating Company (STPNOC) confirmed this observation and the need for clarification. This clarification will be inspected during the next commitment audit.

The NRC staff also reviewed the licensee's commitments to assure that, in correspondence with the NRC that transmits these commitments, the proper level of signature authority is evident. 0PGP05-ZN-0002 states that the President and Chief Executive Office has the authority to make commitments and that authority is delegated in accordance with STP Policy, STP-414, "Interaction with the Nuclear Regulatory Commission." A review of STP-414 and the relevant correspondence indicates that the licensee has used the appropriate signature authority for establishing commitments with the NRC.

2.3 Verification of the Licensee's Program for Managing NRC Commitment Changes

The NRC staff reviewed the licensee's July 2, 2002, and July 27, 2004, Commitment Change Summary Reports; no report was submitted during 2003. In addition, commitment changes not reported to the NRC were reviewed. The NRC staff concluded that the licensee's commitment change process is in accordance with established procedures and reporting is appropriate.

3.0 CONCLUSION

The NRC staff concludes that, based on the above audit, (1) STPNOC's programs and policies are generally in accordance with industry guidelines as defined in NEI 99-04, "Managing Regulatory Commitments Made by Licensees to the NRC," (2) STPNOC has implemented NRC commitments on a timely basis, and (3) STPNOC has implemented an effective program for managing NRC commitment changes.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

S. Head

R. Savage

D. Bryant

Principal Contributor: D. Jaffe

Date: September 22, 2004

Attachment: Table

COMMITMENT AUDIT AT STP, UNITS 1 AND 2
PERFORMED AUGUST 23 TO AUGUST 26, 2004

Category	Condition Number	Description of Commitment or Non-commitment Statement of Intent to Take Action
Other	04-7972-4	STPEGS will perform a bare metal visual (BMV) inspection of each identified weld location in the STPEGS pressurizer penetration and steam space piping connections with Alloy 82/182 every refueling outage.
Other	03-9914-4	An integrated test and component test for one unit's control room inleakage are being planned. This is to justify use of component tests for subsequent testing and benchmarking the second STPNOc unit control room. STPNOc will complete this confirmatory testing as soon as feasible but does not expect that the testing will be completed within 180 days of the date of Generic Letter (GL) 2003-01. Confirmatory testing is expected to be completed within one year of the date of the GL.
Commitment	03-9914-4	Specific classroom training on indications of and responses to sump clogging will be developed and provided for the licensed operators as part of the next available licensed operator training cycle. NRC Bulletin 2003-01 will be utilized as a reference to highlight the concerns and discuss plant responses to the bulletin.
Other	03-15710-5	Structural integrity and the monitoring frequency [for piping which displays dealloying] will be re-evaluated if significant changes in the condition of the dealloyed area are found during this monitoring.
Commitment	03-18252-44	Note 2.: Commitment number 9 in Reference 3 is revised to read that "the temporary non-safety-related diesel capability described in the letter dated December 20, 2003 (NOC-AE-03001653) will be available by January 15, 2004."
Commitment	00-17600-9	The STP will develop contingency plans for obtaining and analyzing highly radioactive samples of reactor coolant, containment sump and containment atmosphere. (within six months following NRC approval - 11/07/01)

Category	Condition Number	Description of Commitment or Non-commitment Statement of Intent to Take Action
Other	01-10104-7	The topical report was approved with two condition: <ul style="list-style-type: none"> . only PHOENIX/ANC, etc. . the predictive correction, etc. STP will meet both of these requirements.
Commitment	02-4252-4	Within 30 days after plant restart following the next inspection of the reactor pressure vessel head to identify any degradation, all PWR addressees are required to submit to the NRC the following information: <p style="margin-left: 40px;">A. the inspection scope (if different than that provided in response to Item 1.D.) and results, including the location, size, and nature of any degradation detected,</p> <p style="margin-left: 40px;">B. the corrective actions taken and the root cause of the degradation.</p> STP will submit the information as requested.
Other	01-1862-7,8 01-5862-5 01-5723-2	Prior to implementation of power uprate, plant procedures will be revised to address the unavailability of the CROSSFLOW UFM system including actions for reducing power, and for performing the power calorimetric using the feedwater flow venturis to determine the feedwater flow rate.
Commitment	01-12576-2,3	STPNOC will provide the requested information <p style="margin-left: 20px;">[a]. a description of the extent of VHP [vessel head penetration] nozzle leakage and cracking detected at your plant, including the number, location, size, and nature of each crack detected;</p> <p style="margin-left: 20px;">[b]. if cracking is identified, a description of the inspections (type, scope, qualification requirements, and acceptance criteria), repairs, and other corrective actions you have taken to satisfy applicable regulatory requirements.) or indicate that no leakage was identified</p> within 30 days after plant restart following the next refueling outage (Units 1 & 2).

Category	Condition Number	Description of Commitment or Non-commitment Statement of Intent to Take Action
Commitment	01-1263-12,20	Plant procedure revisions (and/or other appropriate administrative controls) will stipulate that pressure sensors (transmitters and switches) utilizing capillary tubes, e.g., containment pressure, must be subjected to RTT [response time testing] after initial installation and following any maintenance or modification activity which could damage the transmitter capillary tubes.
Commitment	04-3687-10	If compensatory measures include self-contained breathing apparatus (SCBA) and potassium iodide (KI) tablets, then the requirements of Regulatory Position 2.7.3 of NRC Regulatory Guide, 1.196, "Control Room Habitability at Light-Water Nuclear Power Reactors" must be met.
Commitment	99-15284-4	The STP will comply with this recommendation for a visual examination prior to or during the next Unit 1 refueling outage (i.e., 1RE10) scheduled for October 2001.
Commitment	96-1350-27	To support implementation of the extended surveillance interval, the STP will implement a program to monitor performance results of the MDR slave relays. If two or more Potter & Brumfield MDR ESFAS [engineered safety features actuation system] subgroup relays fail in a 12-month period, the program will ensure the appropriateness of the extended surveillance interval is reevaluated and that corrective action is taken as indicated.
Commitment	01-1862-28	Submit additional information on compliance with ATWS [anticipated transient without scram] [related to a 1.4 percent power uprate].