February 16, 2005

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 - RESPONSE TO GENERIC LETTER 2004-01, "REQUIREMENTS FOR STEAM GENERATOR TUBE INSPECTIONS" (TAC NOS. MC4854 AND MC4855)

Dear Mr. Sheppard:

On August 30, 2004, the Nuclear Regulatory Commission (NRC) issued Generic Letter (GL) 2004-01, "Requirements For Steam Generator Tube Inspections." The purpose of GL 2004-01 was to obtain information that would enable the NRC staff to determine whether licensee's steam generator (SG) tube inspection programs comply with the existing tube inspection requirements (the plant technical specifications in conjunction with Appendix B to Title 10 of the *Code of Federal Regulations*, Part 50).

By letter dated October 26, 2004, South Texas Project (STP) Nuclear Operating Company, responded to GL 2004-01 for STP, Units 1 and 2. The NRC staff's review of your response to GL 2004-01 did not identify any concerns with the inspection practices employed at STP, Units 1 and 2. The NRC staff, therefore, concludes that your SG tube inspection practices are in compliance with the existing tube inspection requirements.

If you have any questions regarding this matter, please 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

cc: See next page

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South Texas Project, Units 1 & 2

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