June 13, 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 - RE: PERIODICITY OF FEEDBACK AND CORRECTIVE ACTION ACTIVITIES (TAC NOS. MC6923 AND MC6924)

Dear Mr. Sheppard:

The Commission has approved your request to change the South Texas Project (STP) Updated Final Safety Analysis Report, Section 13.7.4.2, in response to your letter dated May 9, 2005. The approved change will extend the periodicity of feedback and corrective action activities associated with the STP exemptions from certain special treatment requirements in Parts 21, 50, and 100 of Title 10 of the *Code of Federal Regulations*. The periodicity of feedback and corrective action activities will be changed from "at least once per cycle" to "at least once every two refueling outages."

A copy of our related Safety Evaluation is enclosed.

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: Safety Evaluation

cc w/encl: See next page

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South Texas Project, Units 1 & 2

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SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO A CHANGE TO THE UPDATED FINAL SAFETY ANALYSIS REPORT

FACILITY OPERATING LICENSE NOS. NPF-76 AND NPF-80

STP NUCLEAR OPERATING COMPANY, ET AL.

SOUTH TEXAS PROJECT, UNITS 1 AND 2

DOCKET NOS. 50-498 AND 50-499

1.0 INTRODUCTION

By letter dated May 9, 2005 (Agencywide Documents and Access Management System (ADAMS) Accession No. ML051370432), STP Nuclear Operating Company (STPNOC or the licensee) requested approval to change the Updated Final Safety Analysis Report (UFSAR), Section 13.7.4.2. This change requested approval to extend the periodicity of feedback and corrective action activities associated with the South Texas Project (STP) exemptions from certain special treatment requirements in Parts 21, 50, and 100 of Title 10 of the *Code of Federal Regulations* (10 CFR). The periodicity of feedback and corrective action activities will be changed from at least once per cycle to at least once every two refueling outages. The request for approval was submitted in accordance with Section 13.7.5.2.e of the UFSAR which requires, "Changes to Sections 13.7.2, 13.7.3, and 13.7.4 that do not meet the criteria of Sections 13.7.5.2.a through c [changes that would result in a decrease in effectiveness of the evaluation and assessment process] shall be submitted to the NRC for prior review and approval." While 10 CFR 50.59 requires that all changes to the Final Safety Analysis Report (FSAR) be evaluated to determine if prior U.S. Nuclear Regulatory Commission (NRC) approval is required, the presence of UFSAR Section 13.7.5.2.e requires prior NRC approval in this case.

2.0 TECHNICAL EVALUATION

By letter dated August 3, 2001 (ADAMS Accession No. ML012150331), the NRC granted, in part, the licensee's requested exemptions from certain special treatment requirements of 10 CFR Parts 21, 50, and 100. The NRC staff stated that, "As we discussed with your staff, we concluded that the South Texas Project, Units 1 and 2 (STP) Final Safety Analysis Report (FSAR) is the appropriate document to describe the processes upon which we have based our findings. In your May 21, 2001, submittal, you provided a proposed new section of the STP FSAR which we found acceptable." This new section of the UFSAR, Section 13.7, described the risk-informed special treatment program requirements. One such requirement, contained in UFSAR Section 13.7.4.2 provides for a periodic feedback of changes in equipment performance to assure that such changes are reflected in component risk categorization, the application of special treatment, and other corrective actions. The requirements of UFSAR

Section 13.7.4.2 are as follows:

> STP has feedback and corrective action processes to ensure that equipment performance changes are evaluated for impact on the component risk categorization, the application of special treatment, and other corrective actions. At least once per cycle, performance data is compiled for review, which is performed for each system that has been categorized in accordance with Section 13.7.2. Performance and reliability data are generally obtained from sources such as the Maintenance Rule Program and Operating Experience Review.
>
> This process provides an appropriate level of assurance that any significant negative performance changes that are attributed to the relaxation of special treatment controls are addressed in a timely manner. Responsive actions may include the reinstatement of applicable controls up to and including the re-categorization of the components risk significance, as appropriate.

The licensee has requested that the periodicity of the above-required process be extended from "At least once per cycle" to "At least once every two refueling outages" (the period between consecutive refueling outages remain equivalent to a cycle); the remainder of the requirements of UFSAR Section 13.7.4.2 remain unchanged. Thus, the licensee has requested that the period of the subject process be doubled.

Following issuance of the special treatment exemptions for STP, the NRC promulgated rules in 10 CFR 50.69, "Risk-informed categorization and treatment of structures, systems and components for nuclear power reactors," as published in the *Federal Register* on November 22, 2004 (69 FR 68047). The requirements of 10 CFR 50.69 would allow licensees to establish a risk-informed program similar to that achieved by the licensee via the special treatment exemptions. One of the requirements of 10 CFR 50.69, Subsection 50.69(e)(1) states, in part, the following:

> The licensee shall review changes to the plant, operational practices, applicable plant and industry operational experience, and, as appropriate, update the PRA [probabilistic risk assessment] and SSC [structures, systems and components] categorization and treatment processes. The licensee shall perform this review in a timely manner but no longer than once every two refueling outages.

The programmatic requirements of 10 CFR 50.69(e)(1) are similar to those in the licensee's UFSAR Section 13.7.4.2 with the periodicity of 10 CFR 50.69(e)(1) (no longer than once every two refueling outages) being the same as that of the licensee's proposed change.

In evaluating the licensee's proposed change in periodicity, the licensee raises two related points:

(1) STPNOC has completed three periodic review cycles to date per UFSAR Section 13.7.4.2. STPNOC has noted that performance changes due to reductions in special treatment requirements (if any are noted) are not readily discernable for several cycles. The proposed change would be more reflective of a risk-informed, performance-based approach.

(2) STPNOC continues to emphasize a real-time assessment of potential changes in component performance, system design changes, PRA updates, and operating experience insights into possible categorization and treatment changes. The experience to date demonstrates that the PRA Group, Operations, Systems Engineering, Design Engineering, and the Operating Experience Group readily provide insights into changes in component performance, design, modeling, operating experience, etc. to the Working Group (same as industry's Integrated Decision-making Panel (IDP)). The proposed change would not alter the emphasized real-time assessment of these types of changes as they are noted.

In other words, experience at STP has shown that the feedback/corrective action process is fairly stable with no significant changes expected from cycle-to-cycle and thus feedback/corrective action every cycle is unnecessary. Moreover, the licensee's "real time assessment" would identify significant changes, should they occur, prompting feedback/corrective action before the end of the proposed two refueling outage period.

3.0 CONCLUSION

Based upon the above, the NRC staff concludes that the adoption of the periodicity for feedback/corrective action in 10 CFR 50.69(e)(1) of at least "once every two refueling outages" for use in the licensee's feedback/corrective action program, described in UFSAR Section 13.7.4.2 is acceptable. Accordingly, the licensee's proposed change to UFSAR Section 13.7.4.2 is acceptable.

Principal Contributor: D. Jaffe

Date: June 13, 2005