

October 4, 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 - ISSUANCE OF AMENDMENTS
RE: CLARIFICATION OF INSERVICE TEST AND INSERVICE INSPECTION
TECHNICAL SPECIFICATION REQUIREMENTS (TAC NOS. MC7515
AND MC7516)

Dear Mr. Sheppard:

The Commission has issued the enclosed Amendment No. 173 to Facility Operating License No. NPF-76 and Amendment No. 161 to Facility Operating License No. NPF-80 for the South Texas Project, Units 1 and 2, respectively. The amendments consist of changes to the Technical Specifications (TSs) in response to your application dated July 4, 2005.

The amendments change TS 4.0.5 to add a reference to the NRC-approved exemption of selected pumps, valves, and other components from special treatment requirements. As an editorial change, references to Title 10, *Code of Federal Regulations* (10 CFR) Part 50, Section 50.55a(f) and 10 CFR Part 50, Section 50.55a(f)(6)(i) are added to the paragraph for inservice testing, similar to the existing references for inservice inspection. In addition, "inservice testing" and "inservice inspection" are reordered for consistency with the sequence of the regulations in 10 CFR Part 50, Section 50.55a.

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA by D.Terao for/

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

Enclosures: 1. Amendment No. 173 to NPF-76
2. Amendment No. 161 to NPF-80
3. Safety Evaluation

cc w/encls: See next page

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ACCESSION NO: ML052490255(Letter)

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DATE	9/27/05	10/3/05	10/4/05

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-498

SOUTH TEXAS PROJECT, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 173
License No. NPF-76

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by STP Nuclear Operating Company* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated July 4, 2005, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment and Paragraph 2.C.(2) of Facility Operating License No. NPF-76 is hereby amended to read as follows:

- (2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 173, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. The STP Nuclear Operating Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

3. The license amendment is effective as of its date of issuance and shall be implemented within 90 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

David Terao, Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: October 4, 2005

STP NUCLEAR OPERATING COMPANY

DOCKET NO. 50-499

SOUTH TEXAS PROJECT, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 161
License No. NPF-80

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by STP Nuclear Operating Company* acting on behalf of itself and for Texas Genco, LP, the City Public Service Board of San Antonio (CPS), AEP Texas Central Company, and the City of Austin, Texas (COA) (the licensees), dated July 4, 2005, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

*STP Nuclear Operating Company is authorized to act for Texas Genco, LP, the City Public Service Board of San Antonio, AEP Texas Central Company, and the City of Austin, Texas, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment and Paragraph 2.C.(2) of Facility Operating License No. NPF-80 is hereby amended to read as follows:

- (2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 161, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. The STP Nuclear Operating Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

3. The license amendment is effective as of its date of issuance and shall be implemented within 90 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

David Terao, Chief, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: October 4, 2005

ATTACHMENT TO LICENSE AMENDMENT NOS. 173 AND 161

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

DOCKET NOS. 50-498 AND 50-499

Replace the following page of the Appendix A Technical Specifications with the attached revised page. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

REMOVE

3/4 0-3

INSERT

3/4 0-3

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMENDMENT NOS. 173 AND 161 TO

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 application to the Nuclear Regulatory Commission (NRC) dated July 4, 2005 (Agencywide Documents and Access Management System (ADAMS) Accession No. ML051940288), requested changes to the Technical Specifications (TSs) for South Texas Project (STP), Units 1 and 2.

The proposed changes would revise TS 4.0.5 to add a reference to the NRC-approved exemption of selected pumps, valves, and other components from special treatment requirements. As an editorial change, references to Title 10, *Code of Federal Regulations* (10 CFR) Part 50, Section 50.55a(f) and 10 CFR Part 50, Section 50.55a(f)(6)(i) would be added to the paragraph for inservice testing (IST), similar to the existing references for inservice inspection (ISI). In addition, "inservice testing" and "inservice inspection" would be reordered for consistency with the sequence of the regulations in 10 CFR Part 50, Section 50.55a.

2.0 REGULATORY EVALUATION

The requirements for IST of American Society of Mechanical Engineers (ASME) Code Class 1, 2, and 3 pumps and valves are contained in 10 CFR 50.55a(f). Likewise, the requirements for ISI of ASME Code Class 1, 2, and 3 components are contained in 10 CFR 50.55a(g).

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 special treatment exemption). With regard to IST and ISI, the exemption from certain requirements in 10 CFR 50.55a(f) and 10 CFR 50.55a(g) allow the licensee to forego IST and ISI, respectively, for components that the licensee determines to be "low safety significance" or "non-risk significant" in accordance with the licensee risk ranking methodology.

3.0 TECHNICAL EVALUATION

The requirements of TS 4.0.5a are currently stated as follows:

Inservice inspection of ASME Code Class 1, 2, and 3 components and inservice testing of ASME Code Class 1, 2, and 3 pumps and valves shall be performed in accordance with Section XI of the ASME Boiler and Pressure Vessel Code and applicable Addenda as required by 10 CFR Part 50, Section 50.55a(g), except where specific written relief has been granted by the Commission pursuant to 10 CFR Part 50, Section 50.55a(g)(6)(i);

The above requirements are ambiguous with regard to the effect of the special treatment exemption on IST and ISI requirements. The licensee has proposed adding the following wording to the end of TS 4.0.5a:

or where the component has been found to qualify for exemption from special treatment;

This wording is consistent with the special treatment exemption from certain requirements in 10 CFR 50.55a(f) and 50.55a(g) that were previously granted. The NRC staff concludes that the proposed wording does not expand the scope of the special treatment exemptions, provided needed clarification regarding the effect of the special treatment exemptions on IST and ISI requirements, and is acceptable.

The licensee has also proposed, as an editorial change, references to 10 CFR 50.55a(f) and 10 CFR 50.55a(f)(6)(i) would be added to the paragraph for inservice testing, similar to the existing references for inservice inspection. In addition, "inservice testing" and "inservice inspection" would be reordered for consistency with the sequence of the regulations in 10 CFR 50.55a. The proposed restatement of TS 4.0.5a would then be as follows:

Inservice testing of ASME Code Class 1, 2, and 3 pumps and valves, and inservice inspection of ASME Code Class 1, 2, and 3 components shall be performed in accordance with Section XI of the ASME Boiler and Pressure Vessel Code and applicable Addenda as required by 10 CFR Part 50, Section 50.55a(f) and Section 50.55a(g), except where specific written relief has been granted by the Commission pursuant to 10 CFR Part 50, Section 50.55a(f)(6)(i) or Section 50.55a(g)(6)(i), or where the component has been found to qualify for exemption from special treatment;

The NRC staff concludes that the proposed changes are editorial in nature, do not change any requirements currently in TS 4.0.5a, and are acceptable.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Texas State official was notified of the proposed issuance of the amendment. The State official had no comments.

5.0 ENVIRONMENTAL CONSIDERATION

The amendments change a requirement with respect to installation or use of a facility component located within the restricted area as defined in 10 CFR Part 20. The NRC staff has determined that the amendments involve no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendments involve no significant hazards consideration, and there has been no public comment on such finding published August 2, 2005 (70 FR 44403). Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendments.

6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: D. Jaffe

Date: October 4, 2005

South Texas Project, Units 1 & 2

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South Texas Project, Units 1 & 2

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