



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

May 16, 2006

James J. Sheppard, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SUMMARY OF MEETING WITH STP NUCLEAR OPERATING COMPANY
REGARDING SOUTH TEXAS PROJECT END-OF-CYCLE ASSESSMENT

Dear Mr. Sheppard:

This refers to the End-of-Cycle public meeting conducted at Bay City, TX, on May 10, 2006, between the NRC and your staff. The participants discussed performance at South Texas Project Electric Generating Station for the period January 1, 2005, through December 31, 2005.

The attendance list is enclosed with this summary (Enclosure 1). A copy of the presentation slides is also enclosed (Enclosure 2).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Claude E. Johnson", written over a white background.

Claude E. Johnson, Chief
Project Branch A
Division of Reactor Projects

Dockets: 50-498
50-499
Licenses: NPF-76
NPF-89

Enclosures:
1. Attendance List
2. NRC Presentation Slides

cc w/enclosures:

The Honorable Richard Knapik
Mayor, City of Bay City
City Hall
1901 Fifth Street
Bay City, TX 77414

The Honorable John Connor
Mayor, City of Palacios
P.O. Box 845
Palacios City Hall
Palacios, TX 77465

James Mitchell, Sheriff
Matagorda County
2323 Avenue E
Bay City, TX 77414

Federal Emergency Management Agency
ATTN: William E. Peterson, Regional
Director
Region VI, Federal Center
800 North Loop 288
Denton, TX 76209-3698

Roger Mulder
State Energy Conservation Office
P.O. Box 13528
Austin, TX 78711

Jack Colley, State Coordinator
Division of Emergency Management
Texas Department of Public Safety
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Richard A. Ratliff, Chief
Bureau of Radiation Control
Texas Department of Health
1100 W. 49th Street
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Julie Parsley, Commissioner
Public Utility Commission
William B. Travis Bldg.
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Austin, TX 78711-3326

William "Dub" Taylor
State Energy Conservation Office
P.O. Box 13528
Austin, TX 78711

The Honorable Greg Westmoreland
Matagorda County Judge
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Bay City, TX 77414-5094

E. D. Halpin
Vice President, Oversight
STP Nuclear Operating Company
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STP Nuclear Operating Company
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Institute of Nuclear Power Operations (INPO)
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Atlanta, GA 30339

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Texas Department of State Health Services
1100 West 49th Street
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Public Utility Commission
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Austin, TX 78701-3326

Environmental and Natural
Resources Policy Director
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Austin, TX 78711-3189

Judge, Matagorda County
Matagorda County Courthouse
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Bay City, TX 77414

Terry Parks, Chief Inspector
Texas Department of Licensing
and Regulation
Boiler Program
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Austin, TX 78711

Susan M. Jablonski
Office of Permitting, Remediation and
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Texas Commission on Environmental
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Austin, TX 78711-3087


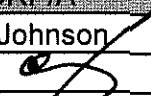
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Chairperson
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and Protection Division
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Electronic distribution by RIV:
 Regional Administrator (**BSM1**)
 DRP Director (**ATH**)
 DRS Director (**DDC**)
 DRS Deputy Director (**RJC1**)
 Senior Resident Inspector (**FLB2**)
 Branch Chief, DRP/A (**CEJ1**)
 Senior Project Engineer, DRP/A (**TRF**)
 Team Leader, DRP/TSS (**RLN1**)
 RITS Coordinator (**KEG**)
 W. A. Maier, RSLO (**WAM**)

SUNSI Review Completed:  ADAMS: Yes No Initials: 
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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RIV/PE/DRP/A	C/DRP/A			
MABrown;mjs	CEJohnson			
				
5/14/06	5/16/06			

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

Enclosure 1

Meeting: STP EOC Meeting

Date: 10 MAY 06

Name	Organization
Claude Johnson	NRC
Tony Brown	NRC
Frank Brush	NRC
Lenora Reyna	NRC
Claude Bergstrom ^{5/10/06 UE}	
Wayne Harrison	STPNOC
Mark McDunnitt	STPNOC
Bob Watts	MATAGORDA County EMC
Tom Jordan	STPNOC
GAMM PARLEY	STPNOC
Ed Halpin	STPNOC
Ed Conaway	STPNOC
Bob Fink	DSHS
Tim Powell	STPNOC
Kew Richards	STPNOC
Joe Shoppard	STPNOC
DAVID RENEWAL	STPNOC
TAYLOR SERRA	STPNOC
Richard Ienapic	City of Bay City
K. & Coate	STPNOC
Jay D. Enock	STPNOC
MIKE MEIER	STPNOC
John W. Crenshaw	STPNOC
Eric Westmoreland	MATAGORDA County


Meeting: STP EOC MEETING

Date: 5-10-06

Name	Organization
Rick Gungluff	STP Nuclear Operating Company
Paul Mitchell	S/A/R WTR
Wood	WACKENHUT
D. R. Buhl	WACKENHUT
Bill Bullard	STP Nuclear Operating Co.
ALAN MIKUS	STP NUCLEAR OPERATING CO.

South Texas Project Annual Assessment Meeting

Reactor Oversight Program - CY 2005



Nuclear Regulatory Commission - Region IV
Bay City, TX
May 11, 2006

Purpose of Today's Meeting

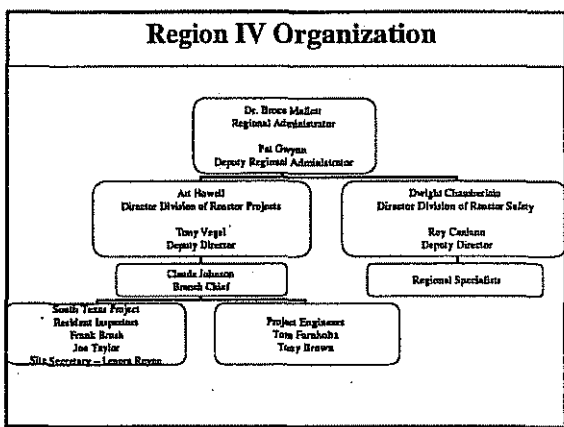
- A public forum for discussion of South Texas Project licensee performance
- NRC will address the licensee performance issues identified in the annual assessment letter
- Licensee will be given the opportunity to respond to the information in the letter and inform the NRC of new or existing programs to maintain or improve their performance

Agenda

- Introduction
- Review of Reactor Oversight Process
- National Summary of Plant Performance
- Discussion of Plant Performance Results
- Licensee Response and Remarks
- NRC Closing Remarks
- Break
- NRC available to address public questions

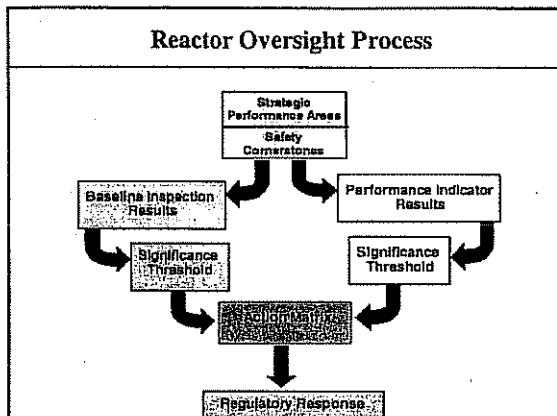
NRC Representatives

- Frank Brush, Senior Resident Inspector
 - (361) 972-2507
- Claude Johnson, Branch Chief
 - (817) 860-8148



NRC Performance Goals

- Safety: Ensure protection of the public health and safety and the environment
- Security: Ensure the secure use and management of radioactive materials
- Openness: Ensure openness in our regulatory process
- Effectiveness: Ensure that NRC actions are effective, efficient, realistic, and timely
- Management: Ensure excellence in agency management to carry out the NRC strategic objective



Examples of Baseline Inspections

- Equipment Alignment ~80 hrs/yr
- Triennial Fire Protection ~200 hrs every 3 yrs
- Operator Response ~125 hrs/yr
- Emergency Preparedness ~80 hrs/yr
- Rad Release Controls ~110 hrs every 2 yrs
- Worker Radiation Protection ~90 hrs/yr
- Corrective Action Program ~250 hrs every 2 yrs
- Corrective Action Case Reviews ~60 hrs/yr

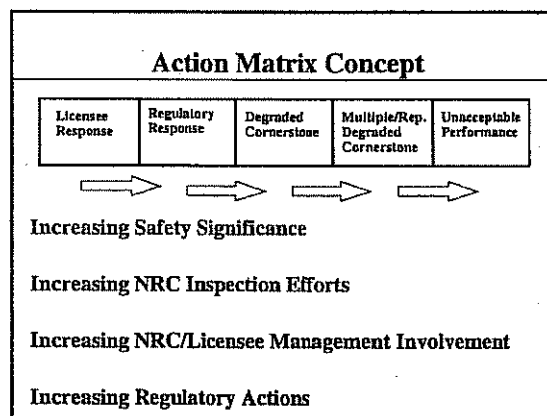
Significance Threshold

Performance Indicators

Green: Only Baseline Inspection
White: May increase NRC oversight
Yellow: Requires more NRC oversight
Red: Requires more NRC oversight

Inspection Findings

Green: Very Low safety issue
White: Low to moderate safety issue
Yellow: Substantial safety issue
Red: High safety issue



National Summary of Plant Performance

Status at End of CY 2005

Licensee Response	84
Regulatory Response	12
Degraded Cornerstone	4
Multiple/Repetitive Degraded Cornerstone	3
Unacceptable	0
Total	103

National Summary

- Performance Indicator Results (at end of CY 2005)
 - ▶ Green 1850
 - ▶ White 4
 - ▶ Yellow 0
 - ▶ Red 0
- Total Inspection Findings (CY 2005)
 - ▶ Green 849
 - ▶ White 10
 - ▶ Yellow 1
 - ▶ Red 0

South Texas Project Inspection Activities

January 1 - December 31, 2005

- Resident Inspectors Expended Approximately 2100 Hours Inspecting South Texas Project in 2005
- Region Based Inspectors Expended Approximately 1850 Hours Inspecting South Texas Project in 2005
- South Texas Project Units 1 and 2 Completed Scheduled Refueling Outages in 2005

South Texas Project Inspection Activities

January 1 - December 31, 2005

- Triennial Fire Protection Team Inspection Conducted at South Texas Project in 2005
- Safety System Design and Performance Capability Team Inspection Conducted at South Texas Project in 2005

South Texas Project Assessment Results

January 1 - December 31, 2005

- Licensee Response Column of the NRC Action Matrix
- No Greater Than Green Inspection Findings
- No Greater Than Green Performance Indicators

South Texas Project Annual Assessment Summary

January 1 - December 31, 2005

- South Texas Project Nuclear Operating Company operated South Texas Project Units 1 & 2 in a manner that preserved public health and safety
- All cornerstone objectives were met
- NRC plans to conduct baseline inspections at South Texas Project through September 30, 2007

Licensee Response and Remarks

James Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company

Contacting the NRC

- Report an emergency
 - ▶ (301) 816-5100 (call collect)
- Report a safety concern:
 - ▶ (800) 695-7403
 - ▶ Allegation@nrc.gov
- General information or questions
 - ▶ www.nrc.gov
 - ▶ Select "What We Do" for Public Affairs

Reference Sources

- Reactor Oversight Process
 - ▶ <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>
- Public Electronic Reading Room
 - ▶ <http://www.nrc.gov/reading-rm.html>
- Public Document Room
 - ▶ 1-800-397-4209 (Toll Free)