



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

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August 30, 2006

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

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION - NRC  
SECURITY INSPECTION REPORT 05000498/2006007 and 05000499/2006007

Dear Mr. Sheppard:

On August 10, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your South Texas Project Electric Generating Station facility. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results that were discussed on August 10, 2006, with Mr. Thomas Jordan, Assistant to the CEO, and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection no findings of significance were identified. However, a licensee-identified violation which was determined to be of very low safety significance is listed in this report. The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site.

NRC is treating this violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of the violation and because it is entered into your corrective action program. If you contest this non-cited violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator Region IV; the Director,

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Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the South Texas Project Electric Generating Station facility. The finding was licensee identified.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system, ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (The Public Electronic Reading Room). However, because of the security related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response Security Related Information - Withhold under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Sincerely,

**/RA/**

Michael P. Shannon, Chief  
Plant Support Branch  
Division of Reactor Safety

Dockets: 50-498, 50-499  
Licenses: NPF-76, NPF-80

Nonpublic Enclosure: Inspection Report 05000498/2006007 and 05000499/2006007  
w/Attachment: Supplemental Information

cc w/encl:  
Tom Jordan, Vice President  
Engineering & Technical Services  
STP Nuclear Operating Company  
P.O. Box 289  
Wadsworth, TX 77483

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S. M. Head, Manager, Licensing  
Nuclear Quality & Licensing Department  
STP Nuclear Operating Company  
P.O. Box 289, Mail Code: N5014  
Wadsworth, TX 77483

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RITS Coordinator (**KEG**)  
DRS STA (**DAP**)  
J. Lamb, OEDO RIV Coordinator (**JGL1**)  
**ROPreports**  
STP Site Secretary (vacant)

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

**PLACE LETTER ONLY IN ADAMS as Publicly Available/Non-Sensitive**

DOCUMENT: R:\ REACTORS\GG\2006\GG 2006007-MAF-SEC-non-SGI.wpd

RIV:DRS/PSB	Peer Review	C:PSB	DRP/C	C:PSB
RLPatterson	MAFrato	MPShannon	CEJohnson	MPShannon
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8/17/06	8/18 /06	8/22/06	8/22/06	8/22/06

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