



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

October 5, 2006

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

SUBJECT: CLOSURE OF INVESTIGATION (OI 4-2006-028)

Dear Mr. Sheppard:

This refers to an investigation conducted by the NRC Office of Investigations (OI) regarding fire watch activities at the South Texas Project. OI initiated the investigation to determine whether a former fire watch lead deliberately failed to conduct a fire protection surveillance on March 31, 2006.

Based on the evidence developed during the investigation, the allegation was not substantiated. The NRC plans no further action on the willful aspect of this issue and considers this investigation closed.

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 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).

Sincerely,

/RA/

Arthur T. Howell III, Director
Division of Reactor Projects

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

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

OFFICE	RIV:SAC	RC/TL	C:RPBA	D:DRP
NAME	HAFreeman	KDFuller	CEJohnson	ATHowell
	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>
DATE	9/29/2006	10/02//2006	10/04/2006	10/04/2006

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