



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
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ARLINGTON, TEXAS 76011-4005

March 2, 2007

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

SUBJECT: ANNUAL ASSESSMENT LETTER - SOUTH TEXAS PROJECT ELECTRIC  
GENERATING STATION (NRC INSPECTION REPORT 05000498/2007001  
AND 05000499/2007001)

Dear Mr. Sheppard:

On February 8, 2007, the NRC staff completed its performance review of the South Texas Project Electric Generating Station. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2006. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Overall, South Texas Project, Units 1 and 2, operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Regulatory Response column of the NRC's Action Matrix. While all inspection findings had very low safety significance (Green), there was one White PI in the Mitigating Systems Cornerstone. Specifically, the Mitigating Systems Performance Index for Unit 2 Emergency AC Power Systems was White during the last three quarters of the assessment period.

On August 31, 2006, we were notified by your staff of your readiness for the NRC to conduct a supplemental inspection to review the actions taken to address this White PI result. On September 28, 2006, the NRC completed Supplemental Inspection Procedure 95001, "Inspection For One Or Two White Inputs In A Strategic Performance Area." The results of this inspection indicated that South Texas Project adequately addressed this issue. This inspection was documented in NRC Inspection Report 05000498/2006010; 05000499/2006010, dated November 8, 2006 (ML063120408).

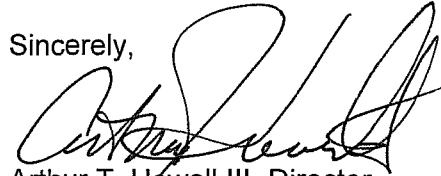
The enclosed inspection plan details the inspections, except those related to physical protection, scheduled through September 30, 2008. In addition to baseline inspections, we will implement Temporary Instruction 166, "Pressurized Water Reactor Containment Sump

Blockage," during the next Unit 2 refueling outage. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the midcycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Claude Johnson at (817) 860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,



Arthur T. Howell III, Director  
Division of Reactor Projects

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50-499  
Licenses: NPF-76  
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Enclosure:  
South Texas Project Inspection/Activity Plan

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South Texas 1  
 Inspection / Activity Plan  
 01/01/2007 - 09/30/2008

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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End	Inspection Type
1	RP-ORS4 - OCCUPATIONAL RADIATION SAFETY-ACCESS		1		
1	IP 7112101	Access Control to Radiologically Significant Areas		04/16/2007 04/20/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/16/2007 04/20/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/16/2007 04/20/2007	Baseline Inspections
1	EP2 - EP PROGRAM		1		
1	IP 7111402	Alert and Notification System Testing		05/07/2007 05/11/2007	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		05/07/2007 05/11/2007	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/07/2007 05/11/2007	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		05/07/2007 05/11/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/07/2007 05/11/2007	Baseline Inspections
1	EB2-07B - HEAT SINK INSPECTION		2		
1	IP 7111107B	Heat Sink Performance		08/13/2007 08/17/2007	Baseline Inspections
1	REQUAL - BIENNIAL REQUALIFICATION		4		
1	IP 7111111B	Licensed Operator Requalification Program		09/10/2007 09/14/2007	Baseline Inspections
1	EB1-21 - CDB		7		
1	IP 7111121	Component Design Bases Inspection		09/24/2007 09/28/2007	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		10/15/2007 10/26/2007	Baseline Inspections
1	RP-ORS5 - OCCUPATIONAL RADIATION SAFETY-ALARA		1		
1	IP 7112101	Access Control to Radiologically Significant Areas		10/01/2007 10/05/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/01/2007 10/05/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/01/2007 10/05/2007	Baseline Inspections
1	EXAM - INITIAL EXAM		5		
1	X02357	STP UNIT 1 - INITIAL EXAM (12/07)		10/15/2007 10/20/2007	Not Applicable
1	X02357	STP UNIT 1 - INITIAL EXAM (12/07)		11/05/2007 11/09/2007	Not Applicable
1	RP TEAM - RADIATION SAFETY TEAM INSPECTION		5		
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/14/2008 01/18/2008	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/14/2008 01/18/2008	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		01/14/2008 01/18/2008	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control F		01/14/2008 01/18/2008	Baseline Inspections
1	EB2-12T - TRIENNIAL MAINTENANCE RULE INSPECTION		1		
1	IP 711112B	Maintenance Effectiveness		01/28/2008 02/01/2008	Baseline Inspections
1	EB1-08U1 - INSERVICE INSPECTION ACTIVITIES STP U1		1		
1	IP 7111108P	Inservice Inspection Activities - PWR		03/31/2008 04/25/2008	Baseline Inspections
1	RP-ORS1 - OCCUPATIONAL RADIATION SAFETY - ACCESS		1		
1	IP 7112101	Access Control to Radiologically Significant Areas		04/07/2008 04/11/2008	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
 This report shows only on-site and announced inspection procedures.

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>RP-ORS1 - OCCUPATIONAL RADIATION SAFETY - ACCESS</b>		1			
1	IP 7112102	ALARA Planning and Controls		04/07/2008	04/11/2008	Baseline Inspections
1	IP 71151-PR01	RETS/ODCM Radiological Effluent		04/07/2008	04/11/2008	Baseline Inspections
	<b>EB2-05T - TRIENNIAL FIRE PROTECTION</b>		1			
1	IP 7111105T	Fire Protection [Triennial]		05/12/2008	05/16/2008	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		06/02/2008	06/06/2008	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		06/16/2008	06/20/2008	Baseline Inspections
	<b>RP-ORS2 - OCCUPATIONAL RADIATION SAFETY - ALARA</b>		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/19/2008	05/23/2008	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		05/19/2008	05/23/2008	Baseline Inspections
1	IP 71151-OR01	Occupational Exposure Control Effectiveness		05/19/2008	05/23/2008	Baseline Inspections
	<b>EP1 - EP EXERCISE</b>		3			
1	IP 7111401	Exercise Evaluation		07/21/2008	07/25/2008	Baseline Inspections
	<b>EB2-52B - BIENNIAL PI&amp;R INSPECTION</b>		1			
1	IP 71152B	Identification and Resolution of Problems		07/28/2008	08/01/2008	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		08/11/2008	08/15/2008	Baseline Inspections
	<b>EB1-2/17 - 50.59 &amp; PERMANENT PLANT MODS</b>		2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/18/2008	09/22/2008	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		09/18/2008	09/22/2008	Baseline Inspections

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 This report shows only on-site and announced inspection procedures.

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>EB1-08P - ISI &amp; TI-166 UNIT 2</b>					
2	IP 2515/166	Pressurized Water Reactor Containment Sump Blockage [NRC GENERIC LETTER 2004-02]	1	04/02/2007	04/13/2007	Safety Issues
2	IP 7111108P	Inservice Inspection Activities - PWR	1	04/02/2007	04/13/2007	Baseline Inspections
2	<b>EB1-08U2 - INSERVICE INSPECTION ACTIVITIES STP U2</b>					
2	IP 7111108P	Inservice Inspection Activities - PWR	1	04/09/2007	04/13/2007	Baseline Inspections
2	<b>RP-ORS4 - OCCUPATIONAL RADIATION SAFETY-ACCESS</b>					
2	IP 7112101	Access Control to Radiologically Significant Areas	1	04/16/2007	04/20/2007	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls	1	04/16/2007	04/20/2007	Baseline Inspections
2	IP 71151	Performance Indicator Verification	1	04/16/2007	04/20/2007	Baseline Inspections
2	<b>EP2 - EP PROGRAM</b>					
2	IP 7111402	Alert and Notification System Testing	1	05/07/2007	05/11/2007	Baseline Inspections
2	IP 7111403	Emergency Response Organization Augmentation Testing	1	05/07/2007	05/11/2007	Baseline Inspections
2	IP 7111404	Emergency Action Level and Emergency Plan Changes	1	05/07/2007	05/11/2007	Baseline Inspections
2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	1	05/07/2007	05/11/2007	Baseline Inspections
2	IP 71151	Performance Indicator Verification	1	05/07/2007	05/11/2007	Baseline Inspections
2	<b>EB2-07B - HEAT SINK INSPECTION</b>					
2	IP 711107B	Heat Sink Performance	2	08/13/2007	08/17/2007	Baseline Inspections
2	<b>REQUAL - BIENNIAL REQUALIFICATION</b>					
2	IP 711111B	Licensed Operator Requalification Program	4	09/10/2007	09/14/2007	Baseline Inspections
2	<b>EB1-21 - CDB</b>					
2	IP 7111121	Component Design Bases Inspection	7	09/24/2007	09/28/2007	Baseline Inspections
2	IP 7111121	Component Design Bases Inspection	7	10/15/2007	10/26/2007	Baseline Inspections
2	<b>RP-ORS5 - OCCUPATIONAL RADIATION SAFETY-ALARA</b>					
2	IP 7112101	Access Control to Radiologically Significant Areas	1	10/01/2007	10/05/2007	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls	1	10/01/2007	10/05/2007	Baseline Inspections
2	IP 71151	Performance Indicator Verification	1	10/01/2007	10/05/2007	Baseline Inspections
2	<b>EXAM - INITIAL EXAM</b>					
2	X02358	STP UNIT 2 - INITIAL EXAM (12/07)	5	10/15/2007	10/20/2007	Not Applicable
2	X02358	STP UNIT 2 - INITIAL EXAM (12/07)	5	11/05/2007	11/09/2007	Not Applicable
2	<b>RP TEAM - RADIATION SAFETY TEAM INSPECTION</b>					
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment	5	01/14/2008	01/18/2008	Baseline Inspections
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems	5	01/14/2008	01/18/2008	Baseline Inspections
2	IP 7112202	Radioactive Material Processing and Transportation	5	01/14/2008	01/18/2008	Baseline Inspections
2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control F	5	01/14/2008	01/18/2008	Baseline Inspections

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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>EB2-12T - TRIENNIAL MAINTENANCE RULE INSPECTION</b>		1			
2	IP 711112B	Maintenance Effectiveness	1	01/28/2008	02/01/2008	Baseline Inspections
	<b>RP-ORS1 - OCCUPATIONAL RADIATION SAFETY - ACCESS</b>		1			
2	IP 7112101	Access Control to Radiologically Significant Areas	1	04/07/2008	04/11/2008	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		04/07/2008	04/11/2008	Baseline Inspections
2	IP 71151-OR01	Occupational Exposure Control Effectiveness		04/07/2008	04/11/2008	Baseline Inspections
	<b>EB2-05T - TRIENNIAL FIRE PROTECTION</b>		1			
2	IP 7111105T	Fire Protection [Triennial]	1	05/12/2008	05/16/2008	Baseline Inspections
2	IP 7111105T	Fire Protection [Triennial]		06/02/2008	06/06/2008	Baseline Inspections
2	IP 7111105T	Fire Protection [Triennial]		06/16/2008	06/20/2008	Baseline Inspections
	<b>RP-ORS2 - OCCUPATIONAL RADIATION SAFETY - ALARA</b>		1			
2	IP 7112101	Access Control to Radiologically Significant Areas	1	05/19/2008	05/23/2008	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		05/19/2008	05/23/2008	Baseline Inspections
2	IP 71151-OR01	Occupational Exposure Control Effectiveness		05/19/2008	05/23/2008	Baseline Inspections
2	IP 71151-PR01	RETS/ODCM Radiological Effluent		05/19/2008	05/23/2008	Baseline Inspections
	<b>EP1 - EP EXERCISE</b>		3			
2	IP 7111401	Exercise Evaluation	3	07/21/2008	07/25/2008	Baseline Inspections
	<b>EB2-52B - BIENNIAL PI&amp;R INSPECTION</b>		1			
2	IP 71152B	Identification and Resolution of Problems	1	07/28/2008	08/01/2008	Baseline Inspections
2	IP 71152B	Identification and Resolution of Problems		08/11/2008	08/15/2008	Baseline Inspections
	<b>EB1-2/17 - 50.59 &amp; PERMANENT PLANT MODS</b>		2			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments	2	09/18/2008	09/22/2008	Baseline Inspections
2	IP 711117B	Permanent Plant Modifications		09/18/2008	09/22/2008	Baseline Inspections

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This report shows only on-site and announced inspection procedures.



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