



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

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April 2, 2007

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 TEAM INSPECTION REPORT 05000498/2007401
AND 05000499/2007401.

Dear Mr. Sheppard:

On February 15, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your South Texas Project Electric Generating Station. 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, which were discussed on February 15, 2007, with you and other members of your staff. On March 19, 2007, a telephonic exit was conducted with Robyn Savage, Licensing Engineer, for additional inspection area characterization.

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 inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents two findings of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiencies were 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 inspectors left the site. The findings were NRC- and licensee-identified.

The NRC is treating these violations as noncited violations consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of the violations and because they are entered into your corrective action program. If you contest these noncited

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violations, 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, 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.

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 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

Docket Nos.: 50-498, 50-499
License Nos.: NPF-76, NPF-80

Nonpublic Enclosure:
Inspection Report 05000498/2007401 and 05000499/2007401
w/attachment: Supplemental Information

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cc w/o Enclosure:

E. D. Halpin

Site Vice President

STP Nuclear Operating Company

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