

June 5, 2007

Mr. James J. Sheppard  
President and Chief Executive Officer  
STP Nuclear Operating Company  
South Texas Project Electric  
Generating Station  
P. O. Box 289  
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - NOTICE OF CONSIDERATION  
OF ISSUANCE OF AMENDMENTS TO FACILITY OPERATING LICENCES,  
PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION, AND  
OPPORTUNITY FOR A HEARING (TAC NOS. MD2341 AND MD2342)

Dear Mr. Sheppard:

Enclosed is a copy of a "Notice of Consideration of Issuance of Amendments to Facility Operating Licences, Proposed No Significant Hazards Consideration, and Opportunity for a Hearing" related to the application dated June 6, 2006, from STP Nuclear Operating Company. This application, filed pursuant to Section 50.90 of Title 10 of the *Code of Federal Regulations*, seeks NRC approval of changes to technical specifications limiting conditions for operation for South Texas Project, Units 1 and 2, to permit extending the completion times of actions requirements, provided risk is assessed and managed.

This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager,  
Plant Licensing Branch IV  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: As stated

cc w/encl: See next page

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South Texas Project, Units 1 & 2

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March 2007

South Texas Project, Units 1 & 2

-2-

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March 2007

UNITED STATES NUCLEAR REGULATORY COMMISSION

STP NUCLEAR OPERATING COMPANY

DOCKET NOS. 50-498 AND 50-499

SOUTH TEXAS PROJECT, UNITS 1 AND 2

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO  
FACILITY OPERATING LICENSES, PROPOSED NO SIGNIFICANT HAZARDS  
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating Licenses, numbered NPF-76 and NPF-80, issued to STP Nuclear Operating Company et. al. (the licensee) for operation of the South Texas Project (STP), Units 1 and 2, respectively, located in Matagorda County, Texas.

The proposed amendments would provide a new action for selected Technical Specifications (TSs) limiting conditions for operation to permit extending the completion times of action requirements, provided risk is assessed and managed. A new program, the Configuration Risk Management Program (CRMP), would be added to the Administrative Controls of TSs.

The amendments request is a pilot submittal in support of risk-informed TS initiative 4b. The Nuclear Energy Institute (NEI) has separately developed a risk-informed methodology, documented in NEI 06-09 Rev. 0, which provides a method to evaluate and extend completion times using a CRMP in support of initiative 4b. This methodology document has been approved by the NRC staff in a safety evaluation dated May 17, 2007.

Before issuance of the proposed license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

The Commission has made a proposed determination that the amendments request involves no significant hazards consideration. Under the Commission's regulations in Title 10 of the CODE OF FEDERAL REGULATIONS (10 CFR), Section 50.92, this means that operation of the facility in accordance with the proposed amendments would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

1. Does the proposed change to the Technical Specifications involve a significant increase in the probability or consequences of an accident previously evaluated?

The proposed changes to the Technical Specifications to add a new TS 3.13.1 and TS 3.13.2 and to change specific TS to apply the new TS 3.13.1 do not involve a significant increase in the probability of an accident previously evaluated because the changes involve no change to the plant or its modes of operation. In addition, the risk-informed configuration management program will be applied to effectively manage the availability of required systems, structures, and components to assure there is no significant increase in the probability of an accident. These proposed changes do not increase the consequences of an accident because the design-basis mitigation function of the affected systems is not changed and the risk-informed configuration management program will be applied to effectively manage the availability of systems, structures and components required to mitigate the consequences of an accident. The application of the risk-informed configuration management program is considered a substantial technological improvement over current methods.

Changing TS 6.8.3.k to reference the EPRI [Electric Power Research Institute] Risk-Managed Technical Specification Guidelines is an administrative change that establishes the industry standard as the STP licensing basis. Meeting the standard provides additional assurance that the risk management program properly manages the plant configuration risk. Consequently, it does not involve

a significant increase in the probability or consequences of an accident previously evaluated.

Changes to the affected TS require some minor grammatical and structure changes to effectively incorporate the reference to TS 3.13.1. These changes are editorial and administrative and have no safety significance. The changes to the TS Index are administrative and have no technical or safety significance.

Therefore, none of the proposed changes involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed change to the Technical Specifications create the possibility of a new or different kind of accident from any accident previously evaluated?

None of the proposed changes involves a new mode of operation or design configuration. There are no new or different systems, structures, or components proposed by these changes. Therefore, there is no possibility of a new or different kind of accident.

3. Does the proposed change to the Technical Specifications involve a significant reduction to a margin of safety?

Proposed new TS 3.13.1 and TS 3.13.2 and the associated changes to the specifications that apply the new TS 3.13.1 implement a risk-informed configuration management program to assure that adequate margins of safety are maintained. Application of these new specifications and the configuration management program considers cumulative effects of multiple systems or components being out of service and does so more effectively than the current Technical Specifications. Therefore, application of these new specifications will not involve a significant reduction in a margin of safety.

Changing TS 6.8.31k to reference the EPRI Risk-Managed Technical Specification Guidelines is an administrative change that establishes the industry standard as the STP licensing basis. Meeting the standard provides additional assurance that the risk management program properly manages the plant configuration risk. Consequently, it does not involve a significant reduction in the margin of safety.

Changes to the affected TS require some minor grammatical and structure changes to effectively incorporate the reference to TS 3.13.1. These changes are editorial and administrative and have no safety significance. The changes to the TS Index are administrative and have no technical or safety significance.

Based on the evaluation above, none of the proposed changes involves a significant reduction in a margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendments request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of 60 days after the date of publication of this notice. The Commission may issue the license amendment before expiration of the 60-day period provided that its final determination is that the amendment involves no significant hazards consideration. In addition, the Commission may issue the amendments prior to the expiration of the 30-day comment period should circumstances change during the 30-day comment period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility. Should the Commission take action prior to the expiration of either the comment period or the notice period, it will publish in the *Federal Register* a notice of issuance. Should the Commission make a final No Significant Hazards Consideration Determination, any hearing will take place after issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rulemaking, Directives and Editing Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this *Federal Register* notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m.

to 4:15 p.m. Federal workdays. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1F21, 11555 Rockville Pike (first floor), Rockville, Maryland.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

Within 60 days after the date of publication of this notice, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating licenses and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.309, which is available at the Commission's PDR, located at One White Flint North, Public File Area O1F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/doc-collections/cfr/>. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or a presiding officer designated by the Commission or by the Chief Administrative Judge of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the Chief Administrative Judge of the Atomic Safety and Licensing Board will issue a notice of a hearing or an appropriate order.

As required by 10 CFR 2.309, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons

why intervention should be permitted with particular reference to the following general requirements: 1) the name, address and telephone number of the requestor or petitioner; 2) the nature of the requestor's/petitioner's right under the Act to be made a party to the proceeding; 3) the nature and extent of the requestor's/petitioner's property, financial, or other interest in the proceeding; and 4) the possible effect of any decision or order which may be entered in the proceeding on the requestors/petitioner's interest. The petition must also identify the specific contentions which the petitioner/requestor seeks to have litigated at the proceeding.

Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner/requestor shall provide a brief explanation of the bases for the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner/requestor must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. The petition must include sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner/requestor who fails to satisfy these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the

hearing is held. If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment. If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

Nontimely requests and/or petitions and contentions will not be entertained absent a determination by the Commission or the presiding officer of the Atomic Safety and Licensing Board that the petition, request and/or the contentions should be granted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)-(viii).

A request for a hearing or a petition for leave to intervene must be filed by: 1) first class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemaking and Adjudications Staff; 2) courier, express mail, and expedited delivery services: Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff; 3) e-mail addressed to the Office of the Secretary, U.S. Nuclear Regulatory Commission, [HEARINGDOCKET@NRC.GOV](mailto:HEARINGDOCKET@NRC.GOV); or 4) facsimile transmission addressed to the Office of the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC, Attention: Rulemakings and Adjudications Staff at (301) 415-1101, verification number is (301) 415-1966. A copy of the request for hearing and petition for leave to intervene should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and it is requested that copies be transmitted either by means of facsimile transmission to 301-415-3725 or by email to [OGCMailCenter@nrc.gov](mailto:OGCMailCenter@nrc.gov). A copy of the request for hearing and petition for leave to intervene should also be sent to A.H. Gutterman,

Esq., Morgan, Lewis & Bockius, 1111 Pennsylvania Avenue, NW, Washington, DC 20004, the attorney for the licensee.

For further details with respect to this action, see the application for amendment dated June 6, 2006, which is available for public inspection at the Commission's PDR, located at One White Flint North, File Public Area O1F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr@nrc.gov](mailto:pdr@nrc.gov).

Dated at Rockville, Maryland, this 5th day of June, 2007.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Mohan C Thadani, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation