

January 30, 2008

Mr. Mark McBurnett, Vice President
Regulatory Affairs
South Texas Project Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: STAFF REVIEW OF THE COMBINED LICENSE APPLICATION FOR SOUTH TEXAS PROJECT, UNITS 3 AND 4

Dear Mr. McBurnett:

By letter dated September 20, 2007, the South Texas Project Nuclear Operating Company (STPNOC) submitted an application for a combined license (COL) for two Advanced Boiling Water Reactors designated as STP Units 3 and 4. By letter dated November 29, 2007, the U. S. Nuclear Regulatory Commission (NRC) informed you that the staff had completed its acceptance review and had determined that your application was acceptable for docketing. In that letter we also informed you that, although your application lacked the detail we need in order to establish and publish a formal review schedule, we anticipated being done with Phase 1 of our review by June 24, 2008.

In a letter dated January 10, 2008, you informed the NRC that STPNOC is trying to arrange for the vendor support necessary to further develop the referenced design. In that letter you requested that the staff hold its review of certain sections of the Final Safety Analysis Report (FSAR) part of your application; you indicated that you understood that this request would delay NRC's review and eventual issuance of any future STP COL. The staff reviewed your request and determined that it has a significant impact on much of the FSAR. The NRC, therefore, has decided to suspend review of the FSAR submitted as a part of your COL application with the exceptions detailed below. The staff is also suspending its review of the Security Plan and physical security hardware inspection, tests, analyses, and acceptance criteria associated with your application.

The staff is continuing its review of both the Environmental Report (ER) and the Emergency Plan (EP) that you submitted as a part of your COL application. Many of the issues that arise in the review of the ER are closely related to the technical areas covered in Chapter 2 of the FSAR, "Site Characteristics." Because of this close relationship, the staff will continue its review of Chapter 2 of your FSAR. In a similar way, sections of the EP are related to parts of Chapter 13 of the FSAR, "Conduct of Operations." Because of this relationship, the staff will continue its review of Chapter 13 of your FSAR, as it finds necessary.

The staff also determined that it is technically feasible and more efficient given available resources and contractor support to continue the review of parts of the following FSAR Sections: 3.4, 3.6, 5.2, 9.1, 9.3, 10.3, 10.4, 11.4, and 17.5.

The exceptions detailed above are the only exceptions to our suspension of review of your FSAR. We do not intend to expand the scope of our review beyond what has been stated here until STPNOC is prepared to support a review of the complete COL application. As a result of your January 10, 2008, request Phase 1 of our review will not be completed by June 24, 2008. The NRC will develop a schedule after you have resolved any vendor support issues and made any COL revisions necessary to allow a staff review of your application in full.

We request that you keep us informed of your ongoing activities related to your COL application as this will help us in our planning efforts. We would also appreciate your keeping us informed of your ongoing vendor qualification activities. Should you have any questions, please contact George Wunder, the lead project manager for the STP COL application, at (301) 415-1494 or gfw@nrc.gov.

Sincerely,

/RA/

David B. Matthews, Director
Division of New Reactor Licensing
Office of New Reactors

Docket Nos. 52-012
52-013

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Sincerely,

/RA/

David B. Matthews, Director
 Division of New Reactor Licensing
 Office of New Reactors

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cc: See next page

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