December 13, 2010

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

SUBJECT: SOUTH TEXAS PROJECT UNITS 3 AND 4 COMBINED LICENSE APPLICATION REVIEW STATUS UPDATE

Dear Mr. McBurnett:

In a letter dated February 24, 2010, STP Nuclear Operating Company (STPNOC) identified areas of Chapters 2, 3, and 9 of the South Texas Project (STP) Units 3 and 4 combined license application (COLA) that presented challenges to the review schedule that had been established for that COLA. In our March 24, 2010, response we agreed with your assessment of the schedule challenges, informed you that the staff would continue its review of your application without a published schedule, and established a set of milestones that would have to be reached before we would be able to develop and publish a new schedule.

Over the past several months, STPNOC and the U.S. Nuclear Regulatory Commission (NRC) staff have made significant progress in resolving the challenges you identified; however, technical issues associated with the review of Chapters 3 and 9 remain. The specific issues that have yet to be resolved are in the areas of seismic and soil structure interaction, flow-induced vibration, and criticality and structural analyses of new and spent fuel storage areas. Because of technical and engineering challenges that you encountered, STPNOC submitted some materials for NRC staff review later than anticipated; other materials that you submitted did not provide the level of detail that the staff requires in order to make its licensing decision.

With regard to the seismic and soil structure interaction issues, we have held public meetings to make clear our expectations and to ensure proper communications; nevertheless, significant technical issues remain. The responses to our requests for additional information (RAIs) issued in June and July did not address all of the issues that must be resolved in the staff's review; furthermore, we understand that additional RAI responses that you intended to submit by early January 2011 will be delayed until January 31, 2011. We understand that the technical issues with which you are dealing are complex and sometimes require additional time to resolve. We emphasize that delays in submitting responses to our RAIs will delay our review of your application.

With regard to flow induced vibrations we agreed upon a schedule for the submittal of various test results culminating in the submittal of a comprehensive vibration assessment program (CVAP) on December 15, 2010. A challenge arose when, during the staff's audit of October 18 and 19, 2010, we were advised that you have changed your methodology for determining steam dryer loads. Another challenge arose when you informed us that the submittal of the CVAP will be delayed until January 30, 2011.

The staff is assessing your approach to determining steam dryer loads and may request additional audits in order to resolve technical issues. We note that changes in methodology and delays in submitting technical reports may prolong the staff's review in this area.

With regard to the new and spent fuel storage criticality and structural issues we still face a number of challenges. Neither the criticality analysis that you submitted on October 11, 2010, nor the structural analysis you provided on October 29, 2010, contain the detail that the staff needs to complete its review; furthermore, the structural analysis was submitted a month later than originally anticipated. Because your submittals did not contain the level of detail that the staff needs, we are preparing additional RAIs on both the criticality and the structural analyses. We have postponed our planned January, 2011 structural audit until we have received and had time to evaluate the required design information. These challenges are likely to extend the review of your application.

The staff will continue its review of STPNOC's application; however, until we receive RAI responses with sufficient detail we will not be able to develop a schedule for the remainder of the review. I would be happy to discuss any of these issues with you. If I can be of assistance, I can be reached at (301)415-1199 or via e-mail at David.Matthews@nrc.gov

Sincerely,

/RA - F. Akstulewicz for/

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

Docket Nos.: 52-012

52-013

cc: See next page

The staff is assessing your approach to determining steam dryer loads and may request additional audits in order to resolve technical issues. We note that changes in methodology and delays in submitting technical reports may prolong the staff's review in this area.

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/RA - F. Akstulewicz for/

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

NRO-002

Docket Nos.: 52-012, 52-013

cc: See next page

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(Revised 09/30/2010)

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