UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

March 4, 2011

Mr. Edward D. Halpin,
President and Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: ANNUAL ASSESSMENT LETTER FOR SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION, UNITS 1 AND 2 (REPORT 05000498/2011001 AND 05000499/2011001)

Dear Mr. Halpin:

On February 10, 2011, the NRC completed its end-of-cycle performance review of South Texas Project Electric Generating Station, Units 1 and 2. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2010, through December 31, 2010. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

The NRC determined that overall, South Texas Project Electric Generating Station, Units 1 and 2 operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at South Texas Project Electric Generating Station, Units 1 and 2 during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

The enclosed inspection plan lists the inspections scheduled through June 30, 2012. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. Temporary Instruction 2515/177 Inspection, "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," which remains to be scheduled, will be completed during the 2011 or 2012 calendar year. Regional personnel will contact you to establish an appropriate time for this activity.

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 Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

Please contact me at 817-860-8148 with any questions you have regarding this letter.

Sincerely,

Wayne Walker, Chief
Project Branch A
Division of Reactor Projects

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

Enclosure:
South Texas Project Electric Generating Station Units 1 and 2
Inspection/Activity Plan

cc: Distribution via ListServ

South Texas Project
Inspection / Activity Plan
03/01/2011 - 06/30/2012

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
			RS45	**- RADIATION SAFETY**	2
1, 2	03/07/2011	03/11/2011	IP 71124.04	Occupational Dose Assessment	
1, 2	03/07/2011	03/11/2011	IP 71124.05	Radiation Monitoring Instrumentation	
			EB1-17	**- 50.59 AND MODS**	1
1, 2	03/07/2011	03/18/2011	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
			EXAM	**- INITIAL OPERATOR EXAM**	5
1	08/22/2011	08/25/2011	X02474	INITIAL EXAM - UNIT 1 - STP (09/2011)	
2	08/22/2011	08/25/2011	X02475	INITIAL EXAM - UNIT 2 - STP (09/2011)	
1	09/26/2011	10/07/2011	X02474	INITIAL EXAM - UNIT 1 - STP (09/2011)	
2	09/26/2011	10/07/2011	X02475	INITIAL EXAM - UNIT 2 - STP (09/2011)	
			PSB2-08P	**- INSERVICE INSPECTION - U1**	2
1	04/04/2011	04/15/2011	IP 7111108P	Inservice Inspection Activities - PWR	
			EB2-05T	**- TRIENNIAL FIRE PROTECTION**	4
1, 2	06/13/2011	06/17/2011	IP 7111105T	Fire Protection [Triennial]	
1, 2	06/27/2011	07/01/2011	IP 7111105T	Fire Protection [Triennial]	
			EB2-02	**- LICENSE RENEWAL**	5
1, 2	08/08/2011	08/12/2011	IP 71002	License Renewal Inspection	
1, 2	08/22/2011	08/26/2011	IP 71002	License Renewal Inspection	
			EP1	**- BIENNIAL EP PROGRAM INSPECTION**	1
1, 2	09/19/2011	09/23/2011	IP 7111402	Alert and Notification System Testing	
1, 2	09/19/2011	09/23/2011	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2	09/19/2011	09/23/2011	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	09/19/2011	09/23/2011	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1, 2	09/19/2011	09/23/2011	IP 71151	Performance Indicator Verification	
			BRQ	**- STP BIENNIAL REQUAL INSPECTION**	2
1, 2	09/12/2011	09/16/2011	IP 7111111B	Licensed Operator Requalification Program	
			PSB2-08P	**- INSERVICE INSPECTION - 2R15**	2
2	10/31/2011	11/11/2011	IP 7111108P	Inservice Inspection Activities - PWR	
			RS12	**- RADIATION SAFETY**	2
1, 2	10/31/2011	11/04/2011	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	10/31/2011	11/04/2011	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	10/31/2011	11/04/2011	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	10/31/2011	11/04/2011	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			RS5678	**- RADIATION SAFETY TEAM**	4
1, 2	01/30/2012	02/03/2012	IP 71124.05	Radiation Monitoring Instrumentation	

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

South Texas Project
Inspection / Activity Plan
03/01/2011 - 06/30/2012

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
			RS5678	**- RADIATION SAFETY TEAM**	**4**
1,2	01/30/2012	02/03/2012	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1,2	01/30/2012	02/03/2012	IP 71124.07	Radiological Environmental Monitoring Program	
1,2	01/30/2012	02/03/2012	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			EB1-07T	**- HEAT SINK PERFORMANCE**	**1**
1,2	03/12/2012	03/16/2012	IP 7111107T	Heat Sink Performance	
			EP-1	**- BIENNIAL EP EXERCISE**	**3**
1,2	05/07/2012	05/11/2012	IP 7111401	Exercise Evaluation	
1,2	05/07/2012	05/11/2012	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1,2	05/07/2012	05/11/2012	IP 71151-EP01	Drill/Exercise Performance	
1,2	05/07/2012	05/11/2012	IP 71151-EP02	ERO Drill Participation	
1,2	05/07/2012	05/11/2012	IP 71151-EP03	Alert & Notification System	

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