

January 30, 2013

Mr. Mark McBurnett, Chief Executive Officer
and Chief Nuclear Officer
Nuclear Innovation North America, LLC
122 West Way, Suite 405
Lake Jackson, TX 77566

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

Dear Mr. McBurnett:

By letter dated September 20, 2007, South Texas Project Nuclear Operating Company submitted a combined license application (COLA) for South Texas Project Units 3 and 4 (STP3 and 4). This application was subsequently docketed and the U.S. Nuclear Regulatory Commission (NRC) staff began its review of the application. In a letter dated March 26, 2010, the NRC agreed with your identification of certain areas as posing challenges to the review, stated that we had yet to determine a clear path for resolution of these issues, and informed you that we would continue the review of your application without a published schedule. On January 24, 2011, Nuclear Innovation North America (NINA) became the applicant for STP 3 and 4. In a letter dated August 2, 2011, you reaffirmed NINA's commitment to pursuing the COLA for the two units and you provided a proposed revised schedule for regulatory activities.

Through the efforts of your staff and contractors, as well as through those of the NRC staff and its contractors, we have resolved most of the challenges discussed in the March 26, 2010, letter and we have a clear path toward the resolution of the remaining technical issues. The issues that remain are in the areas of flow induced vibration (FIV), structural and criticality analyses of spent fuel storage areas, and post-Fukushima required actions. These issues will be covered in Chapters 3, 9, and 22 of the staff's Safety Evaluation Report (SER).

Chapter 3 of the staff's SER will contain our evaluation of FIV. With regard to FIV, we are awaiting your response to what we anticipate is the last of our requests for additional information (RAIs). The staff intends to complete its review of FIV in time to support a meeting of the Advanced Boiling Water Reactor (ABWR) Subcommittee of the Advisory Committee on Reactor Safeguards (ACRS) in the summer of 2013.

Chapter 9 of the SER will contain the staff's evaluation of spent fuel storage. We understand that you have chosen a new vendor to supply the spent fuel storage design. We further understand that you intend to submit your proposed design by August 31, 2013. Based on experience with the review of such designs in the past, the staff plans to complete its review to support a meeting with the ABWR Subcommittee of the ACRS in the late summer of 2014.

Chapter 22 of the staff's SER will contain the evaluation of your response to the required post-Fukushima actions. If we continue to make progress as we have thus far, the staff anticipates being able to support a meeting with the ABWR Subcommittee of the ACRS in the summer of 2013.

Given your schedule for providing the remaining technical information and our estimate of the level of review effort that will be required we believe that realistic dates for the completion of Phases 4, 5, and 6 of the staff's review are July 30, 2014, February 28, 2015, and April 30, 2015, respectively. These dates assume the resolution of issues related to foreign ownership and financial qualification before the Phase 4 milestone. We will update the public Web site to reflect these dates. Consistent with agency guidelines, the completion of the mandatory hearing process would be about 4 months after the completion of the staff's Phase 6 review.

Please recall that the dates given for completion of the various phases of the staff's review depend upon your submitting complete and high quality information on any dates to which you may have committed. Any improvements in the dates of your submittals may justify improvements in the Phase completion dates given above provided that resources can be made available to support the related reviews. If you would like to discuss any of the issues in this letter, please contact the lead project manager, George Wunder at (301) 415-1494.

Sincerely,

/RA/

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

Docket Nos.: 52-012
52-013

cc: See next page

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(Revised 01/03/2013)

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