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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

November 28, 2012

Mr. Dennis L. Koehl
President and CEO
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION,
UNITS 1 AND 2 - NRC SECURITY INSPECTION REPORT 05000498/2012403
AND 05000499/2012403

Dear Mr. Koehl:

On October 18, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your South Texas Project Electric Generating Station, Units 1 and 2. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on October 18, 2012, with Mr. D. Rencurrel, Senior Vice President, and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

One NRC identified finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process) was identified during this inspection. The deficiency was promptly corrected or compensated for and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the area.

This finding was determined to involve a violation of NRC requirements. Further, a licensee-identified violation which was determined to be of very low security significance is listed in this report. The NRC is treating the violation as a noncited violation (NCV) consistent with Section 2.3.2 of the Enforcement Policy.

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If you contest any noncited violation (NCV) in the enclosed report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspectors at the South Texas Project Electric Generating Station, Units 1 and 2.

The NRC identified finding was assigned a cross-cutting aspect in the area of Problem Identification and Resolution [P.1(c)]. If you disagree with the cross-cutting aspect assignment in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV; and the NRC Resident Inspectors at the South Texas Project Electric Generating Station, Units 1 and 2.

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 Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/ G. Replogle for

Mark S. Haire, Chief
Plant Support Branch-1
Division of Reactor Safety

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

Nonpublic Enclosure:
NRC Inspection Report 05000498/2012403 and
05000499/2012403
w/Attachment: Supplemental Information

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cc w/encl:
Mr. Steven Sovizral
Manager, Security
STP Nuclear Operating Company
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Wadsworth, TX 77483

cc w/o encl: Electronic Distribution

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ADAMS ACCESSION NUMBER: **ML12334A368**

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