



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV  
1600 EAST LAMAR BOULEVARD  
ARLINGTON, TEXAS 76011-4511

January 7, 2021

EA-20-122

Mr. G. T. Powell  
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 INSPECTION REPORT 05000498/2020401 AND  
05000499/2020401

Dear Mr. Powell:

This letter refers to the inspection conducted by the U.S. Nuclear Regulatory Commission (NRC) of your South Texas Project Electric Generating Station, Units 1 and 2, from September 14 through December 15, 2020. The purpose of the inspection was to ensure compliance of your security programs as required by Title 10 of the *Code of Federal Regulations* (10 CFR) Part 37 when storing and using category 2 quantities of material on site. The enclosed report presents the results of this inspection.

Based on the results of this inspection, apparent violations were identified and are being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violations involved security-related requirements and are discussed in the non-public enclosure. The circumstances surrounding these apparent violations, the significance of the issues, and the need for lasting and effective corrective action were discussed with you and members of your staff during the exit meeting on December 15, 2020.

Before the NRC makes its enforcement decision, we are providing you with an opportunity to (1) request a predecisional enforcement conference, or (2) request alternative dispute resolution, or (3) submit your position on the apparent violations to the NRC in writing. If a predecisional enforcement conference is held, the NRC will issue a press release to announce the time and date of the conference; however, the predecisional enforcement conference will be closed to public observation since Security-Related Information will be discussed. Please contact Mr. Greg Warnick, Chief, Reactor Inspection Branch, at 817-200-1249 within 10 days of the date of this letter to let us know whether you decide to participate in a predecisional

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enforcement conference, request alternative dispute resolution, or submit a written response. A predecisional enforcement conference should be held within 30 days, an alternative dispute resolution session within 45 days, or your written response received within 30 days of the date of this letter.

If you choose to request a predecisional enforcement conference, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that violations have occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision.

The topics discussed during the conference may include information to determine whether violations occurred, information to determine the significance of the violations, information related to the identification of the violations, and information related to any corrective actions taken or planned. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations.

In lieu of a predecisional enforcement conference, you may request alternative dispute resolution with the NRC in an attempt to resolve this issue. Alternative dispute resolution is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral mediator works with parties to help them reach resolution. If the parties agree to use alternative dispute resolution, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues.

Additional information concerning the NRC's alternative dispute resolution program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>, as well as NRC brochure NUREG/BR-0317, "Enforcement Alternative Dispute Resolution Program," Revision 2 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18122A101). The Institute on Conflict Resolution at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact the Institute on Conflict Resolution at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through alternative dispute resolution.

If you choose to send a written response, it should be clearly marked as a "Response to Apparent Violations in NRC Inspection Report 05000498/2020401 and 05000499/2020401; (EA-20-122)" and should include for the apparent violations: (1) the reason for the apparent violations or, if contested, the basis for disputing the apparent violations; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response.

Your written response should be sent to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Director, Division of

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Nuclear Materials Safety, U.S. Nuclear Regulatory Commission, Region IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511, and the NRC Resident Inspector at the South Texas Project Electric Generating Station, and emailed to [R4Enforcement@nrc.gov](mailto:R4Enforcement@nrc.gov), within 30 days of the date of this letter. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

The number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. 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 ADAMS.

If you have any questions concerning this matter, please contact Mr. Greg Warnick, Chief, Reactor Inspection Branch, at 817-200-1249.

Sincerely,

/RA/

Mary C. Muessle, Director  
Division of Nuclear Materials Safety

Docket No. 05000498 and 05000499  
License No. NPF-76 and NPF-80

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SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION, UNITS 1 AND 2 – NRC  
INSPECTION REPORT 05000498/2020401 AND 05000499/2020401, DATED JANUARY 7,  
2021

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| DATE      | 12/11/2020   | 12/11/2020 | 12/16/2020 | 12/17/2020 | 12/16/2020 | 12/17/2020 |
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