



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 29, 1999

Mr. William T. Cottle  
President and Chief Executive Officer  
STP Nuclear Operating Company  
South Texas Project Electric  
Generating Station  
P. O. Box 289  
Wadsworth, TX 77483

**SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - COMPLETION OF LICENSING ACTION FOR GENERIC LETTER 98-01 AND SUPPLEMENT 1 (TAC NOS. MA1890 AND MA1891)**

Dear Mr. Cottle:

On May 11, 1998, the U.S. Nuclear Regulatory Commission (NRC) issued Generic Letter (GL) 98-01, "Year 2000 Readiness of Computer Systems at Nuclear Power Plants," to all holders of operating licenses for nuclear power plants, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel. The NRC issued GL 98-01 to ensure that licensees were adequately addressing potential date-related errors with computer systems, embedded software devices, and software applications sufficiently in advance of the Year 2000 (Y2K) rollover date to ensure that nuclear power plants will be in a stable, safe condition during the Y2K transition.

Subsequent to the issuance of GL 98-01, increased public awareness and government attention to the Y2K issue resulted in concern over not only public health and safety of nuclear power plants, but also concern over the ability of nuclear power plants to continue to provide power to the national electric power grid. Therefore, on January 14, 1999, the staff issued Supplement 1 to GL-98-01 to provide addressees with a voluntary, alternative response to that required in item (2) of GL 98-01. In responding to Supplement 1, addressees were asked to confirm Y2K readiness of the facility with regard to those systems within the scope of the license and NRC regulations, as well as those systems required for continued operation of the facility after January 1, 2000. Addressees were permitted to voluntarily respond to Supplement 1 to GL 98-01 on or before July 1, 1999, in lieu of item (2) of GL 98-01.

In response to GL 98-01, you provided letters dated June 29 and September 28, 1999, for the South Texas Project, Units 1 and 2. These submittals provided the information requested by GL 98-01. The staff has reviewed your response and has concluded that all requested information has been provided. Therefore, we consider GL 98-01 to be closed for your facilities.

NUREG-1706, "Year 2000 Readiness in U.S. Nuclear Power Plants," provides a status of nuclear power plant Year 2000 readiness as of September 1, 1999, and a description of NRC actions to determine Y2K readiness in operating U.S. reactors. The staff assessment of Y2K readiness consisted of independently evaluating nuclear power plant licensee Y2K readiness program processes, reviewing licensee responses to NRC requests for reporting Y2K readiness (i.e., GL 98-01 and Supplement 1), and combining the results on these assessments to achieve

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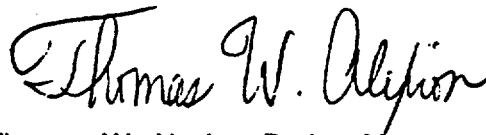
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a high level of assurance that each facility will operate safely during the transition from 1999 to 2000 and on other Y2K-sensitive dates. NUREG-1706 is linked to the NRC home page (<http://www.nrc.gov/NRC/NEWS/year2000.html>).

We would like to acknowledge the efforts you have completed to date in preparing your plant for the Y2K transition and appreciate your continued cooperation on this important issue.

If you have any questions regarding this matter, please contact me at 301-415-1326.

Sincerely,

A handwritten signature in black ink that reads "Thomas W. Alexion". The signature is written in a cursive style with a large initial 'T' and 'A'.

Thomas W. Alexion, Project Manager, Section 1  
Project Directorate IV & Decommissioning  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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Sincerely,

ORIGINAL SIGNED BY:

Thomas W. Alexion, Project Manager, Section 1  
Project Directorate IV & Decommissioning  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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