



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

March 2, 2005

James J. Sheppard, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: ANNUAL ASSESSMENT LETTER - SOUTH TEXAS PROJECT ELECTRIC
GENERATING STATION (REPORT 05000498/2005001 AND 05000499/2005001)

Dear Mr. Sheppard:

On February 1, 2005, the NRC staff completed its end-of-cycle plant performance assessment of the South Texas Project Electric Generating Station. The end-of-cycle review for South Texas Project involved the participation of the reactor technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2004. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

This performance review and enclosed inspection plan do not include physical protection information. A separate end-of-cycle performance review letter designated and marked as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, South Texas Project operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters, of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility through September 30, 2006. We also plan on conducting several Temporary Instruction inspections as detailed in the enclosed inspection plan.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2006. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the midcycle review meeting.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (817) 860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

William D. Johnson, Chief
Project Branch A
Division of Reactor Projects

Dockets: 50-498
50-499
Licenses: NPF-76
NPF-80

Enclosure:
South Texas Project Inspection/Activity Plan

cc w/enclosure:
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RidsNrrDipmlipb

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SISP Review Completed: wdj ADAMS: / Yes G No Initials: wdj
 / Publicly Available G Non-Publicly Available G Sensitive / Non-Sensitive

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|---------------|---------------|--------------|---------------|--|
| RIV:C:DRP/A | D:DRS | D:DRP | For signature | |
| WDJohnson;mjs | DDChamberlain | ATHowell III | WDJohnson | |
| /RA/ | /RA/ | /RA/ | /RA/ | |
| 2/23/05 | 2/24/05 | 2/25/05 | 3/2/05 | |

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

South Texas Project
Inspection / Activity Plan
03/04/2005 - 09/30/2006

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type |
|-------------|--|---|----------------------|---------------------|-------------------|----------------------|
| | OB-INIT - INITIAL EXAM | | 4 | | | |
| 1 | X02291 | SOUTH TEXAS UNIT 1 (11/05) INITIAL EXAM | | 11/07/2005 | 11/10/2005 | Not Applicable |
| 2 | X02292 | SOUTH TEXAS UNIT 2 (11/05) INITIAL EXAM | | 11/07/2005 | 11/10/2005 | Not Applicable |
| 1 | X02291 | SOUTH TEXAS UNIT 1 (11/05) INITIAL EXAM | | 11/28/2005 | 12/02/2005 | Not Applicable |
| 2 | X02292 | SOUTH TEXAS UNIT 2 (11/05) INITIAL EXAM | | 11/28/2005 | 12/02/2005 | Not Applicable |
| | EB08P - ISI U1 - VESS VOL (TI 150/152) AS REQ | | 1 | | | |
| 1 | IP 7111108P | Inservice Inspection Activities - PWR | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| 1 | IP 7111108P | Inservice Inspection Activities - PWR | | 03/28/2005 | 04/01/2005 | Baseline Inspections |
| | TI 152 - TI 2515/152 REACTOR PV LOWER HEAD PENETR | | 2 | | | |
| 1 | IP 2515/152 | Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02) | | 03/09/2005 | 04/07/2005 | Safety Issues |
| | TI 160 - TI 2515/160 PRSZR PENETRATION NOZZLE INS | | 3 | | | |
| 1 | IP 2515/160 | Pzr Pene Nozzles & Stm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01] | | 03/09/2005 | 04/07/2005 | Safety Issues |
| | ACRSA - ACCESS CONTROLS TO RAD SIGNIFICANT AREAS | | 1 | | | |
| 1,2 | IP 7112101 | Access Control to Radiologically Significant Areas | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| | PEB-05T - TRIENNIAL FIRE PROTECTION | | 6 | | | |
| 1,2 | IP 7111105T | Fire Protection | | 06/06/2005 | 06/10/2005 | Baseline Inspections |
| 1,2 | IP 7111105T | Fire Protection | | 06/20/2005 | 06/24/2005 | Baseline Inspections |
| | ALARA3 - ALARA PLANNING AND CONTROLS | | 1 | | | |
| 1,2 | IP 7112102 | ALARA Planning and Controls | | 08/15/2005 | 08/19/2005 | Baseline Inspections |
| | OB-RQ - OPERATOR REQUALIFICATION | | 2 | | | |
| 1,2 | IP 7111111B | Licensed Operator Requalification Program | | 08/29/2005 | 09/02/2005 | Baseline Inspections |
| | OB-EP2 - EMERG PREPAREDNESS PROGRAM INSPECTION | | 1 | | | |
| 1,2 | IP 7111402 | Alert and Notification System Testing | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| 1,2 | IP 7111403 | Emergency Response Organization Augmentation Testing | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| 1,2 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| 1,2 | IP 7111405 | Correction of Emergency Preparedness Weaknesses and Deficiencies | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| 1,2 | IP 71151 | Performance Indicator Verification | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| | PEB-07B - HX PERFORMANCE | | 1 | | | |
| 1,2 | IP 7111107B | Heat Sink Performance | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| | PEB-12B - MAINTENANCE RULE BIENNIAL | | 2 | | | |
| 1,2 | IP 7111112B | Maintenance Effectiveness | | 09/12/2005 | 09/16/2005 | Baseline Inspections |
| | EB08P - ISI U2 - VESS VOL (TI 150/152) AS REQ | | 1 | | | |
| 2 | IP 7111108P | Inservice Inspection Activities - PWR | | 10/10/2005 | 10/14/2005 | Baseline Inspections |
| 2 | IP 7111108P | Inservice Inspection Activities - PWR | | 10/24/2005 | 10/28/2005 | Baseline Inspections |

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
03/04/2005 - 09/30/2006

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|-------------|---------------------|---|----------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| | TI 160 | - TI 2515/160 PRSZR PENETRATION NOZZLE INS | 3 | | | |
| 2 | IP 2515/160 | Pzr Pene Nozzles & Stm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01] | | 10/05/2005 | 11/04/2005 | Safety Issues |
| | EB21/02 | - SSD&PCI/50.59 | 6 | | | |
| 1,2 | IP 7111121 | Safety System Design and Performance Capability | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| 1,2 | IP 7111102 | Evaluation of Changes, Tests, or Experiments | | 11/28/2005 | 12/02/2005 | Baseline Inspections |
| 1,2 | IP 7111121 | Safety System Design and Performance Capability | | 11/28/2005 | 12/02/2005 | Baseline Inspections |
| | OB-RQ | - REQUAL INSPECTION | 3 | | | |
| 1,2 | IP 7111111B | Licensed Operator Requalification Program | | 11/14/2005 | 11/19/2005 | Baseline Inspections |
| | RP TEAM | - RP SAFETY TEAM | 3 | | | |
| 1,2 | IP 7112103 | Radiation Monitoring Instrumentation and Protective Equipment | | 01/23/2006 | 01/27/2006 | Baseline Inspections |
| 1,2 | IP 7112201 | Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems | | 01/23/2006 | 01/27/2006 | Baseline Inspections |
| 1,2 | IP 7112202 | Radioactive Material Processing and Transportation | | 01/23/2006 | 01/27/2006 | Baseline Inspections |
| 1,2 | IP 7112203 | Radiological Environmental Monitoring Program | | 01/23/2006 | 01/27/2006 | Baseline Inspections |
| | ALARA1 | - ALARA PLANNING AND CONTROLS | 1 | | | |
| 1,2 | IP 7112102 | ALARA Planning and Controls | | 02/06/2006 | 02/10/2006 | Baseline Inspections |
| | EP1 | - EMERG PREPAREDNESS EXERCISE | 3 | | | |
| 1,2 | IP 7111401 | Exercise Evaluation | | 06/07/2006 | 06/11/2006 | Baseline Inspections |
| 1,2 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 06/07/2006 | 06/11/2006 | Baseline Inspections |
| 1,2 | IP 711151 | Performance Indicator Verification | | 06/07/2006 | 06/11/2006 | Baseline Inspections |
| | EB | - PERMANENT MODS/50.59 | 3 | | | |
| 1,2 | IP 7111102 | Evaluation of Changes, Tests, or Experiments | | 08/14/2006 | 08/18/2006 | Baseline Inspections |
| 1,2 | IP 711117B | Permanent Plant Modifications | | 08/14/2006 | 08/18/2006 | Baseline Inspections |