



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

March 4, 2014

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

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR SOUTH TEXAS PROJECT ELECTRIC
GENERATING STATION UNITS 1 AND 2 (REPORT 05000498/2013001 AND
05000499/2013001)**

Dear Mr. Koehl:

On February 12, 2014, the NRC completed its end-of-cycle performance review of South Texas Project Electric Generating Station, Units 1 and 2. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2013, through December 31, 2013. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, South Texas Project Electric Generating Station, Units 1 and 2 operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at South Texas Project Electric Generating Station, Units 1 and 2 during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

The enclosed inspection plan lists the inspections scheduled through June 30, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security related inspections, which will be sent via separate, non-publicly available correspondence.

An NRC audit of licensee efforts towards compliance with Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," is ongoing. This audit includes an onsite component in order for the NRC to evaluate mitigating strategies as described in licensee submittals, and to receive and review information relative to associated open items. This onsite activity will occur in the months prior

to a declaration of compliance for the first unit at each site, and will aid the staff in development of an ultimate Safety Evaluation for the site. The NRC will be working with your staff to establish a date for the onsite component audit.

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised effective January 1, 2014. New cross-cutting aspects will be coded in accordance with the latest revision to NRC Inspection Manual Chapter (IMC) 0310, dated December 19, 2013. Cross-cutting aspects identified in the last six months of 2013 using the previous terminology will be converted to the revised language in accordance with the cross-reference in IMC 0310. The revised cross-cutting aspects will be evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305 starting with the calendar year 2014 mid-cycle assessment.

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 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).

Please contact me at 817-200-1141 with any questions you have regarding this letter.

Sincerely,

/RA/

Neil O'Keefe, Chief
Project Branch B
Division of Reactor Projects

Docket Nos. 05000498, 05000499
License Nos. NPF-79, NPF-80

Enclosure:
South Texas Project Electric Generating Station,
Units 1 and 2 Inspection/Activity Plan

Electronic distribution by RIV:

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ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: NFO
		<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive
		<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive
DRP B/BC	DRS/DIR	DRP/DIR	
NO'Keefe	JClark	KKennedy	
/RA/	/RA/	/RA/	
2/27/2014	2/28/14	2/28/14	

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T=Telephone

E=E-mail

F=Fax

South Texas Project
Inspection / Activity Plan
 03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			EXAM - INITIAL OPERATOR WRITTEN RETAKE EXAM		1
1	04/30/2014	04/30/2014	X02550	INITIAL EXAM STP UNIT 1(04/2014)	
2	04/30/2014	04/30/2014	X02551	INITIAL EXAM STP UNIT 2 (04/2014)	
			71111.08 - STP 1R18 INSERVICE INSPECTION		1
1	03/17/2014	03/28/2014	IP 7111108P	Inservice Inspection Activities - PWR	
			RS 12 PI - RADIATION SAFETY		2
1,2	03/31/2014	04/04/2014	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	03/31/2014	04/04/2014	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	03/31/2014	04/04/2014	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1,2	03/31/2014	04/04/2014	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			EB2-05T - TRIENNIAL FIRE PROTECTION INSPECTION		4
1,2	09/08/2014	09/12/2014	IP 7111105T	Fire Protection [Triennial]	
1,2	09/22/2014	09/26/2014	IP 7111105T	Fire Protection [Triennial]	
			EP-2 - EXERCISE SCENARIO REVIEW		2
1,2	09/01/2014	10/02/2014	IP 7111408	Exercise Evaluation – Scenario Review	
			TSB 52B - BIENNIAL PI&R INSPECTION		4
1,2	11/17/2014	11/21/2014	IP 71152B	Problem Identification and Resolution	
1,2	12/01/2014	12/05/2014	IP 71152B	Problem Identification and Resolution	
			EP-1 - EP PERFORMANCE INDICATORS		1
1,2	11/03/2014	11/07/2014	IP 71151-EP01	Drill/Exercise Performance	
1,2	11/03/2014	11/07/2014	IP 71151-EP02	ERO Drill Participation	
1,2	11/03/2014	11/07/2014	IP 71151-EP03	Alert & Notification System	
			EP-3 - BIENNIAL EP EXERCISE INSPECTION HAB		5
1,2	11/03/2014	11/07/2014	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1,2	11/03/2014	11/07/2014	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
			RS 13 PI - RADIATION SAFETY		2
1,2	02/02/2015	02/06/2015	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	02/02/2015	02/06/2015	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1,2	02/02/2015	02/06/2015	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1,2	02/02/2015	02/06/2015	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			EB1-17T - STP PERMANENT PLANT MODS & 50.59		3
1,2	03/30/2015	04/09/2015	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	

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
03/01/2014 - 06/30/2015

Unit Number	Planned Dates Start End		Inspection Activity	Title	No. of Staff on Site
EB1-07T - STP TRIENNIAL HEAT SINK PERFORMANCE					1
1, 2	06/08/2015	06/12/2015	IP 7111107T	Heat Sink Performance	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.