



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-4005

August 31, 2006

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

SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION

Dear Mr. Sheppard:

On August 8, 2006, the NRC staff completed its performance review of the South Texas Project Electric Generating Station for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Plant performance for the most recent quarter of calendar year 2006 at South Texas Project was within the Regulatory Response column of the NRC's Action Matrix, based on one White PI in the Mitigating Systems Cornerstone. Specifically, the current quarter results for the new Mitigating Systems Performance Index (MSPI) indicator for the Unit 2 Emergency AC Power Systems is White. As discussed in NRC Regulatory Issue Summary 2006-07, "Changes to the Safety System Performance Indicators," the NRC, on April 1, 2006, replaced the safety system unavailability PIs with MSPI.

The White MSPI indicator result was significantly influenced by the unavailability associated with the prolonged repair of Unit 2 Standby Diesel Generator (SDG) 22, which failed on December 9, 2003. Because of the differences in the way the former safety system unavailability PI and the current MSPI are calculated, the current quarter MSPI result reflects the unavailability associated with the repair of SDG 22. At the time of the failure of SDG 22, the NRC performed a special inspection. This inspection included an assessment of your root cause, extent of condition review, and corrective actions.

Following a notification of readiness by your staff, we plan to implement Supplemental Inspection Procedure 95001, "Inspection For One Or Two White Inputs In A Strategic


Performance Area," to review the actions taken to address the White MSPI indicator result. The scope and results of our previous inspection of the failure and repair of SDG 22 will be considered in determining the scope of this supplemental inspection.

With the exception of inspections related to physical protection, the enclosed inspection plan details the inspections, including Temporary Instructions, scheduled through March 31, 2008. The inspection plan is provided to minimize the resource impact on your staff and to allow for the early resolution of any scheduling conflicts and personnel availability issues well 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 annual performance 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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Claude Johnson at (817) 860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,



Arthur T. Howell III, Director
Division of Reactor Projects

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50-499
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Enclosure:
South Texas Project Inspection/Activity Plan

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SUNSI Review Completed: CEJ ADAMS: Yes No Initials: CEJ
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SPE/PBA	C.PBA	D:DRS	D:DRP	
TRFarnholtz;mjs	CEJohnson	DDChamberlain	ATHowell	
/RA/	<i>CEJ</i>	<i>DDC</i>	<i>ATH</i>	
8/21/06	8/24/06	8/25/06	8/29/06	

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**South Texas Project
Inspection / Activity Plan
07/01/2006 - 03/31/2008**

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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB2-52B - STP PIR INSPECTION		9			
1,2	IP 71152B	Identification and Resolution of Problems		07/10/2006	07/14/2006	Baseline Inspections
1,2	IP 71152B	Identification and Resolution of Problems		07/24/2006	07/28/2006	Baseline Inspections
	EB1-2/17 - PERMANENT MODS/50.59		4			
1,2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/18/2006	09/22/2006	Baseline Inspections
1,2	IP 7111117B	Permanent Plant Modifications		09/18/2006	09/22/2006	Baseline Inspections
	EB1-08P - ISI U1 & TI 166		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/09/2006	10/13/2006	Baseline Inspections
1	IP 2515/166	Pressurized Water Reactor Containment Sump Blockage [NRC GENERIC LETTER 2004-02		10/23/2006	10/27/2006	Safety Issues
1	IP 7111108P	Inservice Inspection Activities - PWR		10/23/2006	10/27/2006	Baseline Inspections
	TI-169 - MSPI VERIFICATION		1			
1,2	IP 2515/169	Mitigating Systems Performance Index Verification		10/08/2006	12/31/2006	Safety Issues
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		10/16/2006	10/20/2006	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		10/16/2006	10/20/2006	Baseline Inspections
1,2	IP 711151	Performance Indicator Verification		10/16/2006	10/20/2006	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		12/18/2006	12/22/2006	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		12/18/2006	12/22/2006	Baseline Inspections
1,2	IP 711151	Performance Indicator Verification		12/18/2006	12/22/2006	Baseline Inspections
	EB2-12B - MAINTENANCE RULE INSPECTION		2			
1,2	IP 7111112B	Maintenance Effectiveness		04/02/2007	04/06/2007	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		04/16/2007	04/20/2007	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		04/16/2007	04/20/2007	Baseline Inspections
1,2	IP 711151	Performance Indicator Verification		04/16/2007	04/20/2007	Baseline Inspections
	EP2 - EP PROGRAM		1			
1,2	IP 7111402	Alert and Notification System Testing		05/07/2007	05/11/2007	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		05/07/2007	05/11/2007	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/07/2007	05/11/2007	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		05/07/2007	05/11/2007	Baseline Inspections
1,2	IP 711151	Performance Indicator Verification		05/07/2007	05/11/2007	Baseline Inspections
	REQUAL - BIENNIAL REQUALIFICATION		3			
1,2	IP 711111B	Licensed Operator Requalification Program		07/16/2007	07/20/2007	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
07/01/2006 - 03/31/2008**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
1, 2	EB2-07B - HEAT SINK INSPECTION		2	08/13/2007	08/17/2007	Baseline Inspections
	IP 7111107B	Heat Sink Performance				
1, 2	BRQ SIM - BIENNIAL REQUAL SIM ONLY		1	09/10/2007	09/14/2007	Baseline Inspections
	IP 7111111B	Licensed Operator Requalification Program				
1, 2	EB1-21 - CDB		7	09/24/2007	09/28/2007	Baseline Inspections
	IP 7111121	Component Design Bases Inspection				
1, 2	IP 7111121	Component Design Bases Inspection		10/15/2007	10/26/2007	Baseline Inspections
1, 2	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1	10/01/2007	10/05/2007	Baseline Inspections
	IP 7112101	Access Control to Radiologically Significant Areas				
1, 2	IP 7112102	ALARA Planning and Controls		10/01/2007	10/05/2007	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/01/2007	10/05/2007	Baseline Inspections
1	EXAM - INITIAL EXAM		6	10/22/2007	10/26/2007	Not Applicable
	X02357	STP UNIT 1 - INITIAL EXAM (12/07)				
2	X02358	STP UNIT 2 - INITIAL EXAM (12/07)		10/22/2007	10/26/2007	Not Applicable
1	X02357	STP UNIT 1 - INITIAL EXAM (12/07)		11/05/2007	11/09/2007	Not Applicable
2	X02358	STP UNIT 2 - INITIAL EXAM (12/07)		11/05/2007	11/09/2007	Not Applicable
1, 2	RP TEAM - RADIATION SAFETY TEAM INSPECTION		5	01/14/2008	01/18/2008	Baseline Inspections
	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment				
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/14/2008	01/18/2008	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		01/14/2008	01/18/2008	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		01/14/2008	01/18/2008	Baseline Inspections
1, 2	EB2-12T - TRIENNIAL MAINTENANCE RULE INSPECTION		1	01/28/2008	02/01/2008	Baseline Inspections
	IP 7111112B	Maintenance Effectiveness				

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