



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

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March 18, 2004

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

SUBJECT: SOUTH TEXAS PROJECT- NRC PHYSICAL SECURITY LIMITED BASELINE
INSPECTION REPORT 05000498/2004008 AND 05000499/2004008

Dear Mr. Sheppard:

On March 4, 2004, the NRC completed the onsite portion of an inspection at your South Texas Project facility. The enclosed report documents the inspection findings, which were discussed on March 4, 2004, with Mr. T. Jordan, Vice President, Engineering and Technical Services, and other members of your staff.

This inspection examined activities conducted under your licenses as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your licenses. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, without enclosure, 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).

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

//RA//

Troy W. Pruett, Chief
Plant Support Branch
Division of Reactor Safety

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

Enclosure:
NRC Inspection Report
05000498; 05000499/2004008 w/Attachment:
Supplemental Information

cc without safeguards enclosure:

Tom Jordan, Vice President
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cc w/encl (**SAFEGUARDS INFORMATION**)

- E. McNeil (NSIR/DNS/RSS)
- B. Westreich (NSIR/DNS)
- Senior Resident Inspector (**GLG**)
- RIV Docket File - File Room Custodian
- Security Inspector (Pick)

- Electronic distribution by RIV:
- Regional Administrator (**BSM1**)
 - DRP Director (**ATH**)
 - DRS Director (**DDC**)
 - Branch Chief, DRP/A (**WDJ**)
 - Senior Project Engineer, DRP/A (**TRF**)
 - Staff Chief, DRP/TSS (**PHH**)
 - RITS Coordinator (**KEG**)
 - Rebecca Tadesse, OEDO RIV Coordinator (**RXT**)
 - STP Site Secretary (**LAR**)

ADAMS: Yes No Initials: __TWP (non-safeguards information only)____
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

DOCUMENT: ML040790254.wpd

RIV: PSB/PSI	PSB/SPSI	DRP/A	C:PSB	
JLBuchanan;jlh	GAPick	WDJohnson	TWPruett	
/RA/	/RA/	/RA/	/RA/	
3/16 /04	3/17 /04	3/18 /04	3/18 /04	

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U.S. NUCLEAR REGULATORY COMMISSION

REGION IV

Docket Nos.: 50-498, 50-499
License Nos.: NPF-76, NPF-80
Report No.: 05000498/2004008 and 05000499/2004008
Licensee: STP Nuclear Operating Company
Facility: South Texas Project Electric Generating Station, Units 1 and 2
Location: FM 521 - 8 miles west of Wadsworth
Wadsworth, Texas 77483
Dates: March 1 - 4, 2004
Inspectors: James L. Buchanan, Physical Security Inspector, Plant Support Branch
Dennis W. Schaefer, Consultant
Accompanying Personnel: David A. Holman, Physical Security Inspector, Plant Support Branch
Michael R. Burrell, Access Authorization Program Director, Office of
Nuclear Security and Incident Response
Approved by: Troy W. Pruett, Chief, Plant Support Branch
Division of Reactor Safety

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Enclosure