



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

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November 15, 2000

William T. Cottle, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION NRC
INSPECTION REPORT NO. 50-498/00-15, 50-499/00-15

Dear Mr. Cottle:

On September 28, 2000, the NRC completed an inspection at your South Texas Project Electric Generating Station, Units 1 and 2 facility. The enclosed report presents the results of that inspection. The results were discussed with you and other members of your staff on September 28 and October 26, 2000, during a subsequent telephonic exit.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

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

No findings of significance were identified.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter without the Safeguards Information 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/NRC/ADAMS/index.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/

Gail M. Good, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos.: 50-498 and 50-499
License Nos.: NPF-76 and NPF-78

Enclosure:
NRC Inspection Report No.
50-498/2000-15; 50-499/2000-15

cc enclosure without SAFEGUARDS INFORMATION:

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-3-

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-4-

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Judge, Matagorda County
Matagorda County Courthouse
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HARD COPY of entire SAFEGUARDS report:

Elaine McNeil (NRR\DIPM\IOLB\IRSS)(MS: 6H2)
RIV Docket File
Security Inspector (Schaefer)

Electronic distribution from ADAMS by RIV without SAFEGUARDS portion of the report:

ADAMS Distribution Code (IE04)
EWM Regional Administrator
KEB DRP Director
ATH DRS Director
NFO South Texas Senior Resident Inspector
GLG South Texas Resident Inspector
JIT DRP\South Texas Branch Chief
DNG DRP\South Texas Sr. Project Engineer
DBA DRP\South Texas Project Engineer
LAR South Texas Site Secretary
PHH Branch Chief (DRP\TSS)
GFL1 DRP\TSS\RE
GMG Branch Chief, DRS\PSB
MEP1 Ellen Poteat, OCFO\DAF\LFARB (MS: TWFN 9E-10)
NBH RITS Coordinator
ACM2 Tony McMurtray, Acting OEDO RIV Coordinator
IPAS NRR Event Tracking System

DOCUMENT NAME: R:_STP\2000\ST2000-15RP-DWS.WPD

RIV:Peer Review	RIV:PSB	RIV:PSB	C:DRS/PSB	C:DRP/A
WMaier /RA/	ABEarnest (E)	DWSchaefer /RA/	GMGood /RA/	JITapia /RA/
10/31/00	11/01 /00	10/31/00	11/15/00	11/08/00

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**U.S. NUCLEAR REGULATORY COMMISSION
REGION IV**

Docket Nos.: 50-498
50-499

License Nos.: NPF-76
NPF-78

Report No.: 50-498/00-15
50-499/00-15

Licensee: STP Nuclear Operating Company

Facility: South Texas Project Electric Generating Stations, Units 1 and 2

Location: FM 521 - 8 miles west of Wadsworth
Wadsworth, Texas 77483

Dates: September 25-28 and October 26, 2000

Inspectors: A. B. Earnest, Sr. Physical Security Inspector
D.W. Schaefer, Physical Security Inspector
Contractors (2)

Approved By: Gail M. Good, Chief, Plant Support Branch
Division of Reactor Safety

Attachments: 1. Supplemental Information
2. NRC's Revised Reactor Oversight Process

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SUMMARY OF FINDINGS

South Texas Project Nuclear Station, Units 1 & 2
NRC Inspection Report 50-498/00-15; 50-499/00-15

IR 05000498-00-15, IR 05000499-00-15; on 9/25 - 9/28 and 10/26/00; STP Nuclear Operating Company; South Texas Project, Units 1 and 2. Physical security report. No findings identified.

The inspection was conducted by region inspectors and contractors. Based on the results of this inspection, no findings of significance were identified.

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ATTACHMENT 1

Supplemental Information

PARTIAL LIST OF PERSONS CONTACTED

Licensee

T. Broadwater, Administrative Assistant, Plant Protection Department
D. Brune, Senior Access Coordinator, Plant Protection
W. Cottle, President and Chief Executive Officer
P. Arrington, Licensing Specialist
K. Coates, Manager, Maintenance Department
D. Cobb, Manager, Employee Concerns Program
W. Dowdy, Manager, General Support
M. Faulkner, Superintendent, Security, Callaway Plant
R. Gangluff, Manager, Chemistry
M. Hall, Acting Security Superintendent, Security Department
S. Head, Supervisor, Licensing Department
K. Jeffery, Security Coordinator, Entergy Operations, Arkansas Nuclear One
G. Massey, Access Coordinator, Plant Protection
R. Mumme, Lead Auditor, Quality
A. Mikus, Supervisor, Communications and Public Affairs
J. Morris, Licensing Engineer, Licensing Department
R. Piggott, Senior QA Specialist, Quality Assurance Department
P. Serra, Manager, Plant Protection Department
M. Smith, Manager, Plant Support Quality
K. Taplett, Licensing Engineer, Licensing Department
D. Thigpen, System Technician, Plant Protection Department

Contractor

D. Bennetsen, Security Force Supervisor, Protection Technology Inc.
D. Bilski, Security Training, Protection Technology Inc.
M. Dunbar, Project Manager, Callaway Plant, Wackenhut Corporation
F. Durham, Project Manger, Protection Technology Inc.
J. Frick, Security Force Supervisor, Protection Technology Inc.
A. Hebert, Security Training, Protection Technology Inc.
S. Johnson, Security Force Supervisor, Protection Technology Inc.
L. Knox, Security Force Supervisor, Protection Technology Inc.

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N. O'Keefe, Senior Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-498;-499/0015-01 URI Potentially ineffective protective strategy demonstrated during table top drills

Closed

None.

Discussed

None.

DOCUMENTS REVIEWED

The following documents were selected and reviewed by the inspectors to accomplish the objectives and scope of the inspection:

Safeguards Event Logs from January 1 through September 5, 2000

Quarterly testing records for perimeter intrusion alarm system, January 1 through August 2000

Desktop Instruction, "Calculating Security Equipment Performance Indicator Data, Revision 0

Response Drill Evaluations from September 22, 1999 through August 30, 2000 (10 evaluations)

Consolidated Lists of Condition Reports for Perimeter Intrusion Detection System, Closed Circuit Television Cameras, Access Authorization, Access Control Equipment and Fitness-for-Duty, January 1 through August 30, 2000

Condition Record Nos. 00-15175, 15178, 15179, and 15287, dated September 26 and 28, 2000

Procedure No. OPGP05-ZN-0007, "Preparation and Submittal of NRC Performance Indicators," Revision 0

Procedure No. OPGP09-ZA-0001, "Plant Access Authorization Program," Revision 12 (page 9)

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Procedure No. OSDP01-ZS-0011, "Implementing Procedures for Safeguards Contingency Events," Revision 6

Security Force Instruction No. 2301, Compensatory Measures, Revision 8

Security Force Instruction No. 5000, "Security Personnel Training and Qualification Plan Implementation Guideline and Performance Standards," Revision 3

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ATTACHMENT 2

NRC'S REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas): reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety	Radiation Safety	Safeguards
<ul style="list-style-type: none">•Initiating Events•Mitigating Systems•Barrier Integrity•Emergency Preparedness	<ul style="list-style-type: none">•Occupational•Public	<ul style="list-style-type: none">•Physical Protection

To monitor these seven cornerstones of safety, the NRC used two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

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The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

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