



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

March 18, 2002
NOC-AE-02001288
10CFR 2.202

Secretary, Office of the Secretary of the Commission
U.S. Nuclear Regulatory Commission
ATTN: Rulemakings and Adjudications Staff
Washington, DC 20555

South Texas Project
Units 1 & 2
Docket Nos. STN 50-498, STN 50-499
Answer of STP Nuclear Operating Company to the Commission's Order Modifying
Licenses (Effective Immediately) and Request for Extension of Time

Reference: 1. Letter, W. T. Cottle to U.S. Nuclear Regulatory Commission
Document Control Desk, "Response to NRC Order Modifying
Licenses (Effective Immediately) EA-02-026", March 18, 2002,
NOC-AE-02001278

Pursuant to the Commission's Order Modifying Licenses (Effective Immediately) (the Order) dated February 25, 2002, STP Nuclear Operating Company (STPNOC) hereby submits its answer to the Order as required in Section IV of the Order. Additionally, STPNOC requests an extension of time to file a supplement to this answer and request a hearing as described further below. STPNOC's response to Conditions B.1, B.2 and C.1 of Section III of the Order (Reference 1) was submitted separately from this answer in accordance with 10 CFR 50.4 and the terms of the Order.

The Order states that STPNOC must implement "certain compensatory measures" set forth in Attachment 2 to the Order "to address the generalized high-level threat environment." Order, at 2. The Order also states that the "requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed." Order, at 2. Accordingly, STPNOC has initiated implementation of the required compensatory measures as described in detail in Reference 1.

The Order also provides that the Licensee may request an extension of time in which to submit an answer or request a hearing, and that any such request must be made in writing to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the

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S. J. [signature]

extension. Accordingly, the request for extension herein is directed specifically to the Director, Office of Nuclear Reactor Regulation.

Licensee's Answer to the Order

Both NRC regulations and the Order provide that, absent consent to the Order, this answer shall specifically include "the matters of fact and law on which the Licensee . . . relies and the reasons as to why the Order should not have been issued." Order, at p.6; see also 10 C.F.R. § 2.202(b). In the Order, the NRC cites the terrorist attacks of September 11, 2001, and a review of intelligence information, as contributing to a generalized high-level threat environment. The NRC states that the interim requirements are being imposed in order to address this threat environment. The Order, however, does not detail the relevant intelligence information and does not explain the rationale for imposing the specific interim requirements. Although STPNOC admits the factual assertions that are the specific basis for the requirements more fully set forth in Attachment 2 to the Order and specifically stated in the Order, it is unable to admit or deny the factual basis and circumstances that are not specifically stated in the Order. As described below, various analyses are pending. Only after these analyses are completed, any changes or additions to the identified compensatory measures determined and schedules set, will STPNOC be able to determine whether to consent to entry of the Order.

Request for Extension of Time to Submit a Supplemental Answer and Request a Hearing

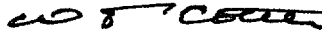
Section IV of the Order states that a request for extension of time in which to submit an answer or request a hearing must be made in writing to the Director, Office of Nuclear Reactor Regulation, and include a statement of good cause for the extension. STPNOC requests an extension of time to supplement this answer and to request a hearing for the following reason:

STPNOC's response to Condition B.1 of the Order identifies requirements (1) with which compliance is unnecessary in the specific circumstances; (2) which require extensive evaluations to determine the ability of STPNOC to comply; and (3) for which STPNOC identifies alternatives to meet the objectives of the Order. Until the pending analyses are completed, any changes or additions to the identified compensatory measures determined and schedules set, STPNOC cannot determine whether it is necessary to request a hearing.

Accordingly, STPNOC requests an extension of time to file a supplement to this answer and request a hearing until twenty (20) days after the pending analyses are completed,

any changes or additions to the identified compensatory measures determined and schedules set.

I declare under penalty of perjury that the foregoing is true and correct.



Executed on : March 18, 2002

W. T. Cottle
President and Chief Executive Officer

CERTIFICATE OF SERVICE

I hereby certify that copies of ANSWER OF STP NUCLEAR OPERATING COMPANY TO THE COMMISSION'S ORDER MODIFYING LICENSES (EFFECTIVE IMMEDIATELY) were served on this 18th day of March, 2002, upon the persons listed below, via first class mail or overnight delivery service as indicated.

Secretary, Office of the Secretary of the Commission (overnight delivery)
U.S. Nuclear Regulatory Commission
ATTN: Rulemakings and Adjudications Staff
Washington, DC 20555

Director, Office of Nuclear Reactor Regulation (overnight delivery)
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Assistant General Counsel for (overnight delivery)
Materials Litigation and Enforcement
Office of General Counsel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

U. S. Nuclear Regulatory Commission (overnight delivery)
Attention: Document Control Desk
Washington, D.C. 20555-0001

Administrator, Region IV (First class mail)
U.S. Nuclear Regulatory Commission
Harris Tower
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

I declare under penalty of perjury that the foregoing is true and correct.


Mark McBurnett
Manager Quality & Licensing

cc:

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555-0001

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U. S. Nuclear Regulatory Commission
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Washington, D.C. 20555-0001

NRC CORRESPONDENCE SIGNOFF SHEET

OPGP05-ZN-0006-01

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Correspondence Title: Answer Of STP Nuclear Operating Company To The Commission's Order
Modifying Licenses (Effective Immediately) And Request For Extension Of
Time

NOC-AE: NOC-AE-02001288

Review Due Date: 3/18/02

Condition Report No.: NA

The persons whose initials appear below have personally reviewed the enclosed materials with regards to their area of responsibility and have verified that it is accurate to the best of their knowledge and belief. Initialing below constitutes acceptance of attached assigned commitments.

Preparer	_____	Date _____	Reviewer <u>R-18</u>	Date <u>3/18/02</u>
VP Generation	_____	Date _____	Reviewer _____	Date _____
VP Business Services	_____	Date _____	Reviewer _____	Date _____
VP Engineering & Technical Services	_____	Date _____	Reviewer _____	Date _____
Plant General Manager	_____	Date _____	Reviewer _____	Date _____
Director, Quality & Licensing	<u>MM</u>	Date <u>3/13/02</u>	Reviewer _____	Date _____
Manager, Licensing	_____	Date _____	Reviewer _____	Date _____
Dept. Manager	_____	Date _____	Reviewer _____	Date _____
Dept. Manager	_____	Date _____	Reviewer <u>JFC</u>	Date <u>3/18/02</u>

Technical Contact: Bill Mookhoek

Ext: 7274

Licensing Contact: Robyn Dally Piggott

Ext: 7438

CALL LICENSING CONTACT WHEN READY FOR PICK-UP