



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

August 27, 2003

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

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

Dear Mr. Sheppard:

On August 5, 2003, the NRC staff completed its midcycle plant performance assessment of South Texas Project Electric Generating Station. The midcycle review for South Texas Project Electric Generating Station involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the first half of the current assessment cycle, January 1 through June 30, 2003. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). However, the significance of two issues is still under review as part of the Significance Determination Process. These issues involve multiple power operated relief valve lifts and ineffective maintenance practices for motor operated valve actuators. In addition to baseline inspections which are planned for the next year, a supplemental inspection was conducted during the week of August 18, 2003, because of a PI in the Initiating Events Cornerstone that was White in the fourth quarter of 2002 and the first quarter of 2003 involving unplanned scrams per 7000 critical hours for Unit 2.

An inspection of the safety conscious work environment at South Texas Project Electric Generating Station was completed on June 12, 2003, and documented in NRC Inspection Report 50-498/03-09; 50-499/03-09. Based on the results of this inspection and actions taken, the Confirmatory Order (EA 97-341), issued June 9, 1998, was closed.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 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. William D. Johnson at 817/860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Arthur T. Howell III, Director
Division of Reactor Projects

Dockets: 50-498
50-499

Licenses: NPF-76
NPF-80

Enclosure:
South Texas Project
Inspection/Activity Plan

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South Texas Project
Inspection / Activity Plan
08/01/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	SIT - SPECIAL INSPECTION OF BMI LEAKAGE		4			
1	IP 93812	Special Inspection		05/05/2003	08/29/2003	Event Response Insp
	OB-IN - INITIAL EXAM PREP		3			
1	X02244	SOUTH TEXAS UNIT 1 - INITIAL EXAM (07/03)		07/28/2003	08/01/2003	Not Applicable
2	X02245	SOUTH TEXAS UNIT 2 - INITIAL EXAM (07/03)		07/28/2003	08/01/2003	Not Applicable
	ALARA3 - ALARA PLANNING AND CONTROLS		1			
1, 2	IP 7112102	ALARA Planning and Controls		08/04/2003	08/08/2003	Baseline Inspections
	OB-IN - INITIAL EXAMS		4			
1	X02244	SOUTH TEXAS UNIT 1 - INITIAL EXAM (07/03)		08/18/2003	08/22/2003	Not Applicable
2	X02245	SOUTH TEXAS UNIT 2 - INITIAL EXAM (07/03)		08/18/2003	08/22/2003	Not Applicable
	SUPINSP - SUPPLEMENTAL INSP - UNPLANNED SCRAMS		2			
1, 2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		08/18/2003	08/22/2003	Supplemental Progra
	PSBS1-DS - SECURITY BASELINE INSPECTION		2			
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		10/07/2003	10/10/2003	Baseline Inspections
1, 2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Str		10/07/2003	10/10/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/07/2003	10/10/2003	Baseline Inspections
	EMB - SSD&PC		6			
1, 2	IP 7111121	Safety System Design and Performance Capability		11/17/2003	11/21/2003	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		12/08/2003	12/12/2003	Baseline Inspections
	OPS RQ - REQUALIFICATION INSPECTION		2			
1, 2	IP 7111111B	Licensed Operator Requalification		11/17/2003	11/21/2003	Baseline Inspections
	EMB - 50.59		1			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		12/08/2003	12/12/2003	Baseline Inspections
	ALARA1 - ALARA PLANNING AND CONTROLS		1			
1, 2	IP 7112102	ALARA Planning and Controls		01/05/2004	01/09/2004	Baseline Inspections
	EMB - INSERVICE INSPECTION ACTIVITIES		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		04/05/2004	04/09/2004	Baseline Inspections
2	IP 7111108P	Inservice Inspection Activities - PWR		04/19/2004	04/23/2004	Baseline Inspections
	ACCESSPI - ACRSA/PIV		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		04/12/2004	04/16/2004	Baseline Inspections
	RP TEAM - RAD SAFETY TEAM		4			
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/14/2004	06/18/2004	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/14/2004	06/18/2004	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		06/14/2004	06/18/2004	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
08/01/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
	RP TEAM - RAD SAFETY TEAM		4			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		06/14/2004	06/18/2004	Baseline Inspections
	2004033 - PERMANENT PLANT MODIFICATIONS		2			
1, 2	IP 7111117B	Permanent Plant Modifications		08/09/2004	08/13/2004	Baseline Inspections
	PSB-EP2 - EP EXERCISE		3			
1, 2	IP 7111401	Exercise Evaluation		08/09/2004	08/13/2004	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/09/2004	08/13/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/09/2004	08/13/2004	Baseline Inspections