

December 2, 2003

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: RESPONSE TO ORDER FOR COMPENSATORY MEASURES RELATED TO
ACCESS AUTHORIZATION

Dear Mr. Sheppard:

On January 7, 2003, the U.S. Nuclear Regulatory Commission (NRC or Commission) issued Orders to holders of licenses for operating nuclear power reactors, for the implementation of compensatory measures (CMs) related to access authorization. On January 27, 2003, STP Nuclear Operating Company, licensee for South Texas Project, Units 1 and 2, submitted its written response to the Order. On March 13, 2003, the NRC staff initiated a conference call with the licensee to discuss the response to the Order. On March 27, 2003, the licensee issued a letter clarifying its January 27, 2003, response.

The NRC staff has completed its review of your responses. Based on that review, the NRC staff finds that your responses to the January 7, 2003, Order are acceptable and responsive to the Order.

Please remember, pursuant to Section III.C.2 of the Order, you are to report to the Commission, in accordance with Title 10 of the *Code of Federal Regulations*, Section 50.4, when you have achieved full compliance with the requirements described in Attachment 2 to the Order. The NRC will determine the effectiveness of your implementation of the CMs through onsite inspections.

If you have any questions about this letter, please call Mr. Christopher Gratton at 301-415-1055.

Sincerely,

/RA/

Richard J. Laufer, Chief, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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