



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

Designated Original

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10 CFR 2.202

James E. Dyer
Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

South Texas Project
Units 1 & 2
Docket Nos. STN 50-498, STN 50-499
Request for Extension to Respond to the NRC Order Imposing
Requirements for Protecting Certain Safeguards Information (EA-04-190)

Section IV of the November 5, 2004, Order Imposing Requirements for the Protection of Certain Safeguards Information (EA-04-190) ("Order") states that, in accordance with 10 CFR §2.202, the recipient of the Order must submit an answer to the Order, and may request a hearing on the Order, within 20 days of the date of the Order. Attachment 2 to the Order, *Modified Handling Requirements for the Protections of Certain Safeguards Information (SGI-M)*, which is incorporated by reference into the Order, contains detailed requirements which recipients of the Order must meet.

Pursuant to the provisions of Section IV of the Order, STP Nuclear Operating Company (STPNOC) hereby requests an extension of time in which to submit an answer to the Order or request a hearing. The implications of the Order to licensees who have a program for controlling Safeguards Information that meets all current regulatory requirements is not clear, and additional time is needed for STPNOC to interact with the NRC to ensure that STPNOC understands the intent of the Order and how it is to be implemented.

STPNOC requests an extension of time to respond to the Order not to exceed twenty (20) days after clarification of the following issues:

1. Verify that an existing Safeguards Information program can be used and how it can be used to satisfy the Order (i.e., a separate SGI-M program is not required), and that no changes to that Safeguards Information program are required by the Order.

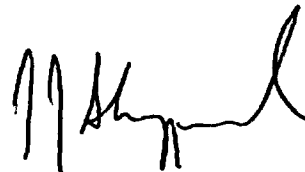
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2. Attachment 2 to the Order establishes different, and in some cases, more restrictive requirements than our existing Safeguards Information program (e.g., portion marking). Is this intended?
3. Resolution of potential programmatic compliance issues arising when a licensee uses its existing Safeguards Information program but must interface with an entity using an SGI-M program where the requirements are different (e.g., double versus single envelopes; differing requirements on telecommunications).

The need for clarification of these and related issues constitutes good cause for granting the requested extension. In accordance with STPNOC's understanding of the Order, during this period, STPNOC will control all material designated SGI-M under its Safeguards Information program. To the extent this understanding is not correct, STPNOC also requests that the Commission exercise enforcement discretion during this period.

If there are any questions regarding this letter, please contact Robyn Savage at (361) 972-7438 or me at (361) 972-8757.

A handwritten signature in black ink, appearing to read 'J. J. Sheppard', with a stylized, flowing script.

J. J. Sheppard
President & Chief Executive Officer

rdp

cc:

(paper copy)

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