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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

January 19, 2012

Mr. Edward D. Halpin
President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION,
UNITS 1 AND 2 - NRC SECURITY INSPECTION REPORT 05000498/2011402
AND 05000499/2011402

Dear Mr. Halpin:

On December 8, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your South Texas Project Electric Generating Station, Units 1 and 2. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on December 8, 2011, with Mr. C. Bowman, General Manager, Nuclear Safety Assurance, and other members of your staff.

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

One NRC-identified finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process) was identified during this inspection. The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the area. This finding was determined to involve a violation of NRC requirements. Further, a licensee-identified violation which was determined to be of very low security significance is listed in this report. However, the NRC is treating these violations as noncited violations (NCVs) consistent with Section 2.3.2 of the Enforcement Policy.

"Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled."

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If you contest any NCV in the enclosed report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspectors at the South Texas Project Electric Generating Station, Units 1 and 2.

One crosscutting aspect was assigned to the findings in the area of Human Performance, associated with Decision Making, Conservative Assumptions, because the licensee failed to make an effectiveness review to identify possible unintended consequences of the activities assigned to the alarm station operator [H.2.b.]. If you disagree with a crosscutting aspect assignment in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV; and the NRC Resident Inspectors at the South Texas Project Electric Generating Station, Units 1 and 2.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Michael C. Hay, Chief
Plant Support Branch-1
Division of Reactor Safety

Docket Nos.: 50-498, 50-499
License Nos.: NPF-76, NPF-80

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Nonpublic Enclosure:

NRC Inspection Report 05000498/2011402 and
05000499/2011402
w/Attachment: Supplemental Information

cc w/enclosure:

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Security-Related Complete Report - OUO:

SUNSI Review Completed: Y ADAMS: Yes Initials: JRL
X ☒ Non-Publicly Available X ☒ Sensitive

Letter Only:

SUNSI Review Completed: Y ADAMS: ☒ Yes Initials: JRL
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