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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

February 9, 2017

EA-16-250

Mr. G. T. Powell
Executive Vice President and CNO
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION, UNITS 1 AND 2, FINAL SIGNIFICANCE DETERMINATION OF A SECURITY-RELATED GREATER THAN GREEN FINDING, NOTICE OF VIOLATION, AND ASSESSMENT FOLLOW-UP LETTER, NRC SECURITY INSPECTION REPORT 05000498/2017405 AND 05000499/2017405

Dear Mr. Powell:

This letter provides you the final significance determination of the preliminary Greater than Green finding discussed in our previous communication, dated January 10, 2017, which included Nuclear Regulatory Commission (NRC) Inspection Report 05000498/2016407 and 05000499/2016407 (Agencywide Document Access and Management System (ADAMS) ML17010A211).

In a telephone conversation with Mr. M. Haire, Chief, Plant Support Branch 1, on January 19, 2017, and confirmed by letter of the same date (ML17025A124), Mr. J. Connolly, Site Vice President, stated that the STP Nuclear Operating Company declined the opportunity to discuss this issue in a regulatory conference or to provide a written response. Mr. Connolly further stated that the STP Nuclear Operating Company understands that, by declining to submit a written response or to arrange a regulatory conference, the preliminary assessment of significance will become final. As stated in our letter, dated January 10, 2017, your choice not to request a conference or to submit a written response means you will not be allowed to appeal the NRC's final significance determination.

After considering the information developed during the inspection, the NRC has concluded that the finding is appropriately characterized as Greater than Green. The NRC has also determined that the finding is a violation of NRC requirements, as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation were described in detail in NRC Inspection Report 05000498/2016407 and 05000499/2016407. In accordance with the NRC Enforcement Policy, the Notice is considered an escalated enforcement action because it is associated with a Greater than Green finding.

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

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G. Powell

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You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Because this finding was characterized as Greater than Green, the NRC determined the performance at South Texas Project Electric Generating Station, Units 1 and 2, to be in the Regulatory Response Column of the Reactor Oversight Process Action Matrix beginning the fourth quarter of 2016.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

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 in the NRC's ADAMS. 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,



Kriss M. Kennedy
Regional Administrator

Docket Nos. 50-498 and 50-499
License Nos. NPF-76 and NPF-80

Enclosure:
Notice of Violation

cc w/enclosure:
Mr. Jay Bodnar
Manager, Security
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483