



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

No. 50-499

Mr. J.H. Goldberg
Group Vice-President, Nuclear
Houston Lighting & Power Company
P. O. Box 1700
Houston, Texas 77001

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Dear Mr. Goldberg:

SUBJECT: ISSUANCE OF FACILITY OPERATING LICENSE NO. NPF-78
SOUTH TEXAS PROJECT, UNIT 2

The U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed Facility Operating License No. NPF-78, together with the Technical Specifications and the Environmental Protection Plan for the South Texas Project, Unit 2. Authorization to operate beyond 5 percent power is still under consideration by the NRC. The issuance of this license authorizing operation at up to 5 percent of full power is without prejudice to future consideration by the Commission with respect to operation at power levels in excess of 5 percent.

The Technical Specifications being issued with this license are the Combined Technical Specifications for both South Texas Project Units 1 and 2, but are applicable only to Unit 2 at this time. The Combined Technical Specifications will be applicable to Unit 1 upon issuance of an amendment to Unit 1 Operating License No. NPF-71, in response to the November 7, 1988 application.

Enclosed is a copy of a related notice, the original of which has been forwarded to the Office of the Federal Register for publication.

Five copies of Amendment No. to Indemnity Agreement No. B-108 which covers the activities authorized under License No. NPF-78 are also enclosed. Please countersign all copies and return one signed copy to this office.

Sincerely,

Gary M. Holahan, Acting Director
Division of Reactor Projects - III, IV,
V and Special Projects
Office of Nuclear Reactor Regulation

Enclosures:

1. Facility Operating License No. NPF-78
2. Federal Register Notice
3. Amendment No. to Indemnity Agreement No. B-108

cc w/enclosures:
See next page

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Date 11/30/88

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REMARKS

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DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

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Claudia M. Abbate	
	Phone No.
	21346

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OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

Mr. J. H. Goldberg
Houston Lighting and Power Company

South Texas Project

cc:

Brian Berwick, Esq.
Assistant Attorney General
Environmental Protection Division
P. O. Box 12548
Capitol Station
Austin, Texas 78711

Mr. J. T. Westermeier
General Manager, South Texas Project
Houston Lighting and Power Company
P. O. Box 289
Houston, Texas 77483

Mr. R. J. Miner
Chief Operating Officer
City of Austin Electric Utility
721 Barton Springs Road
Austin, Texas 78704

Mr. R. J. Costello
Mr. M. T. Hardt
City Public Service Board
P. O. Box 1771
San Antonio, Texas 78296

Jack R. Newman, Esq.
Newman & Holtzinger, P. C.
1615 L Street, NW
Washington, D.C. 20036

Melbert Schwartz, Jr., Esq.
Baker & Botts
One Shell Plaza
Houston, Texas 77002

Mrs. Peggy Buchorn
Executive Director
Citizens for Equitable Utilities, Inc.
Route 1, Box 1684
Brazoria, Texas 77422

Mr. S. L. Rosen
General Manager, Operations Support
Houston Lighting and Power Company
P. O. Box 289
Wadsworth, Texas 77483

Resident Inspector/South Texas
Project
c/o U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, Texas 77414

Mr. Jonathan Davis
Assistant City Attorney
City of Austin
P. O. Box 1088
Austin, Texas 78767

Ms. Pat Coy
Citizens Concerned About Nuclear
Power
10 Singleton
Eureka Springs, Arkansas 72632

Mr. M. A. McBurnett
Manager, Operations Support Licensing
Houston Lighting and Power Company
P. O. Box 289
Wadsworth, Texas 77483

Mr. A. Zaccaria
Mr. K. G. Hess
Bechtel Corporation
P. O. Box 2166
Houston, Texas 77001

Mr. R. P. Verret
Mr. R. L. Range
Central Power and Light Company
P. O. Box 2121
Corpus Christi, Texas 78403

Doub, Muntzing and Glasgow
Attorneys at Law
Suite 400
808 Seventeenth Street, N.W.
Washington, D.C. 20006

Mr. J. H. Goldberg
Houston Lighting & Power

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South Texas Project

cc:
Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Office of Executive Director
for Operations
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Mr. Lanny Sinkin,
Counsel for Intervenor
Citizens Concerned about Nuclear Power, Inc.
Christic Institute
1324 North Capitol Street
Washington, D.C. 20002

Licensing Representative
Houston Lighting and Power Company
Suite 610
Three Metro Center
Bethesda, Maryland 20814

Rufus S. Scott
Associate General Counsel
Houston Lighting & Power Company
P. O. Box 1700
Houston, Texas 77001

INPO
Records Center
1100 Circle 75 Parkway
Atlanta, Georgia 30339-3064

Joseph M. Hendrie
50 Bellport Lane
Bellport, New York 11713

Gerald E. Vaughn, Vice President
Nuclear Operations
Houston Lighting & Power Company
P. O. Box 289
Wadsworth, Texas 77483

R. W. Chewning, Chairman
Nuclear Safety Review Board
Houston Lighting & Power Company
P. O. Box 289
Wadsworth, Texas 77483

Mr. J. H. Goldberg Houston Lighting & Power

cc:

Charles Bechhoefer, Esquire
Chairman, Atomic Safety &
Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Bureau of Radiation Control
State of Texas
1101 West 49th Street
Austin, Texas 78756

Office of the Governor
ATTN: Ms. Darla Parker
Office of Intergovernmental Relations
Post Office Box 13561
Austin, Texas 78711

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Director, Eastern Environmental
Radiation Facility (SER, SSER, DES & FES)
U.S. Environmental Protection Agency
Post Office Box 3009
Montgomery, Alabama 36193

Director, Criteria and Standards
(SER, SSER, DES, FES)
(ANR-460)
Office of Radiation Programs
U.S. Environmental Protection Agency
Washington, D.C. 20460

Director, Office of Radiation Programs
(DES & FES)
Las Vegas Facility
U.S. Environmental Protection Agency
Post Office Box 18416
Las Vegas, Nevada 89114

EIS Review Coordinator
EPA Regional VI Office
1201 Elm Street
Dallas, Texas 75270



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

HOUSTON LIGHTING & POWER COMPANY

CITY PUBLIC SERVICE BOARD OF SAN ANTONIO

CENTRAL POWER AND LIGHT COMPANY

CITY OF AUSTIN, TEXAS

DOCKET NO. 50-499

SOUTH TEXAS PROJECT, UNIT 2

FACILITY OPERATING LICENSE

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License No. NPF-78

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for a license filed by Houston Lighting & Power Company* (HL&P) acting on behalf of itself and for the City Public Service Board of San Antonio (CPS), Central Power and Light Company (CPL), and City of Austin, Texas (COA) (licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the South Texas Project, Unit 2, (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-129 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D. below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D. below);

*Houston Lighting & Power Company is authorized to act for the City Public Service Board of San Antonio, Central Power and Light Company and City of Austin, Texas and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

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- E. Houston Lighting & Power Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Facility Operating License No. NPF-78, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings, the Atomic Safety and Licensing Board's Partial Initial Decision (Operating License) (Phase I), dated March 14, 1984, affirmed in ALAB-799, dated February 6, 1985, the Partial Initial Decision (Operating License) (Phases II/III), dated June 13, 1986 and the Partial Initial Decision (Authorizing Operating Licenses), dated August 29, 1986, both affirmed in ALAB-849, dated October 8, 1986, regarding this facility, Facility Operating License No. NFP-78 is hereby issued to Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company, and City of Austin, Texas (the licensees) to read as follows:
- A. This license applies to the South Texas Project, Unit 2, a pressurized water reactor, and associated equipment (the facility) owned by Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company and City of Austin, Texas. The facility is located in Matagorda County, Texas, west of the Colorado River, 8 miles north-northwest of the town of Matagorda and about 89 miles southwest of Houston and is described in the licensees' Final Safety Analysis Report, as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.

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B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

- (1) Houston Lighting & Power Company (HL&P) pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the designated location in Matagorda County, Texas, in accordance with the procedures and limitations set forth in this license;
- (2) The City Public Service Board of San Antonio (CPS), Central Power and Light Company (CPL), and the City of Austin, Texas (COA), pursuant to the Act and 10 CFR Part 50, to possess the facility at the designated location in Matagorda County, Texas, in accordance with the procedures and limitations set forth in this license;
- (3) HL&P, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (4) HL&P, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) HL&P, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) HL&P, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility authorized herein.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

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(1) Maximum Power Level

HL&P is authorized to operate the facility at reactor core power levels not in excess of 3800 megawatts thermal (100% power) in accordance with the conditions specified herein. Pending Commission approval, this license is restricted to reactor core power levels not to exceed 5 percent of full power (190 megawatts thermal).

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, both of which are attached hereto, are hereby incorporated into this license. HL&P shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company and City of Austin, Texas shall comply with the antitrust conditions delineated in Appendix C to this license; Appendix C is hereby incorporated into this license.

(4) Initial Startup Test Program (Section 14, SER)*

Any changes to the Initial Test Program described in Section 14 of the Final Safety Analysis Report made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(5) Safety Parameter Display System (Section 18, SSER No. 6)*

Before startup after the first refueling outage, HL&P shall modify the critical safety function displays to provide the status of the radioactivity control safety function and to continuously display the status boxes that summarize plant safety status.

* The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

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D. Exemptions

The following exemptions are authorized by law and will not endanger life or property or the common defense and security, and certain special circumstances are present. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.

- (1) The facility requires a schedular exemption from the requirements of General Design Criterion 4, Appendix A to 10 CFR 50. The staff has described in detail in Supplement 4 to the Safety Evaluation Report the technical basis associated with this exemption. The staff's environmental assessment was published on July 2, 1987 (52 FR 25095). Therefore, pursuant to 10 CFR 50.12(a)(1), 10 CFR 50.12(a)(2)(iii) and (iv), the South Texas Project Unit 2, is hereby granted an exemption from the requirements of General Design Criterion (GDC) 4, Appendix A to 10 CFR 50 with respect to the dynamic loading effects associated with the postulated pipe breaks described in detail in Section 3.6 of Supplement 4 to the Safety Evaluation Report. These dynamic loading effects include pipe whip, jet impingement, and break-associated dynamic transients. Specifically, this eliminates the need to install jet impingement barriers and pipe whip restraints associated with postulated pipe breaks in the pressurizer surge line, and the accumulator injection lines. This exemption will expire 6 months following completion of the current GDC-4 rulemaking changes or at the end of the second refueling outage, whichever occurs earlier.
- (2) The facility requires a technical exemption from the requirements of 10 CFR 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.6 of Supplement 3 to the Safety Evaluation Report. The staff's environmental assessment was published on July 2, 1987 (52 FR 25094). Therefore, pursuant to 10 CFR 50.12(a)(1), 10 CFR 50.12(a)(2)(ii) and (iii), the South Texas Project Unit 2 is hereby granted an exemption from the quoted requirement and instead, is required to perform the overall air lock leak test at pressure P_a prior to establishing containment integrity if air lock maintenance has been performed that could affect the air lock sealing capability.
- (3) The facility was previously granted exemption from the criticality monitoring requirements of 10 CFR 70.24 (See Materials License No. SNM-1983 dated August 30, 1988 and Section III.E. of the SER dated August 30, 1988). The South Texas Project Unit 2 is hereby exempted from the criticality monitoring provisions of 10 CFR 70.24 as applied to fuel assemblies held under this license.

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E. Fire Protection

HP&L shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report through Amendment No. 55 and the Fire Hazards Analysis Report through Amendment No. 7, and submittals dated April 29, May 7, 8 and 29, June 11, 25 and 26, 1987, and as approved in the SER (NUREG-0781) dated April 1986 and its Supplements, subject to the following provision:

HL&P may make changes to the approved fire protection program without prior approval of the Commission, only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

F. Physical Security

HL&P shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans previously approved by the Commission and all amendments and revisions to such plans made pursuant to the authority under 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "South Texas Project Electric Generating Station Physical Security Plan," with revisions/amendments submitted through September 30, 1988; "South Texas Project Electric Generating Station Security Personnel Qualification and Training Plan" with revisions submitted through March 4, 1988; and "South Texas Project Electric Generating Station Safeguards Contingency Plan," with revisions/amendments submitted through July 18, 1988.

G. Reporting To The Commission

Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, HL&P shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within twenty-four (24) hours to the NRC Operations Center via the Emergency Notification System with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e).

H. Financial Protection

The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

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UNITED STATES NUCLEAR REGULATORY COMMISSION

HOUSTON LIGHTING & POWER COMPANY

CITY PUBLIC SERVICE BOARD OF SAN ANTONIO

CENTRAL POWER AND LIGHT COMPANY

CITY OF AUSTIN, TEXAS

SOUTH TEXAS PROJECT, UNIT 2

DOCKET NO. 50-499

NOTICE OF ISSUANCE OF FACILITY OPERATING LICENSE

Notice is hereby given that the U.S. Nuclear Regulatory Commission (the Commission or NRC), has issued Facility Operating License No. NPF-78 to Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company and City of Austin, Texas, (the licensees) which authorizes operation of the South Texas Project, Unit 2 (the facility) at reactor core power levels not in excess of 3800 megawatts thermal in accordance with the provisions of the license, the Technical Specifications and the Environmental Protection Plan with a condition currently limiting operation to five percent of full power (190 megawatts thermal). Authorization to operate beyond five percent of full power will require specific Commission approval.

The South Texas Project, Unit 2 is a pressurized water reactor located in Matagorda County, Texas, west of the Colorado River, 8 miles north-northwest of the town of Matagorda and about 89 miles southwest of Houston. The license is effective as of the date of issuance.

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The application for the license complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. The Commission has made appropriate findings as required by the Act and the Commission's regulations in 10 CFR Chapter I, which are set forth in the license. Prior public notice of the overall action involving the proposed issuance of an operating license for the South Texas Project was published in the FEDERAL REGISTER on December 20, 1977 (42 FR 63826).

The Commission has determined that the issuance of this license will not result in any environmental impacts other than those evaluated in the Final Environmental Statement and the Assessment of the Effect of License Duration on Matters Discussed in the Final Environmental Statement for the South Texas Project, Unit 2 (dated August 1986) since the activity authorized by the license is encompassed by the overall action evaluated in the Final Environmental Statement.

Pursuant to 10 CFR 51.52, the Commission has determined that the granting of relief and issuance of the exemptions included in this license will have no significant impact on the environment. These determinations were published in the FEDERAL REGISTER on June 18, 1987 (52 FR 23217) and July 2, 1987 (52 FR 25094 and 52 FR 25095).

For further details with respect to this section, see (1) Facility Operating License No. NPF-78, with Technical Specifications (NUREG-1255) and the Environmental Protection Plan; (2) the report of the Advisory Committee on Reactor Safeguards, dated June 10, 1986; (3) the Commission's Safety Evaluation Report, dated April 1986 (NUREG-0781), and Supplements 1 through 6;

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(4) the Final Safety Analysis Report and Amendments thereto; (5) the Environmental Report and supplements thereto; and (6) the Final Environmental Statement, dated August 1986 (NUREG-1711).

These items are available for inspection at the Commission's Public Document Room located at 2120 L Street, N.W., Washington, D. C. 20555, and at the Local Public Document Rooms in the Wharton County Junior College, J. M. Hodges Learning Center, 911 Boling Highway, Wharton, Texas 77488 and in the Austin Public Library, 810 Guadalupe Street, Austin, Texas 78701. A copy of the Facility Operating License No. NPF-78 may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Division of Reactor Projects - III, IV, V and Special Projects. Copies of the Safety Evaluation Report and Supplements 1 through 6 (NUREG-0781) and the Final Environmental Statement (NUREG-1171) may be purchased at current rates from the Superintendent of Documents, U.S. Government Printing Office, Post Office Box 37082, Washington, D. C. 20013-7982 or by calling (202) 275-2060 or (202) 275-2171.

Dated at Rockville, Maryland this day of

FOR THE NUCLEAR REGULATORY COMMISSION

George F. Dick, Project Manager
Project Directorate - IV
Division of Reactor Projects - III, IV,
V and Special Projects
Office of Nuclear Reactor Regulation

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