



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

May 29, 1979

Charles Bechhoefer, Esq., Chairman  
Atomic Safety and Licensing Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dr. Emmeth A. Luebke  
Atomic Safety and Licensing Board  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dr. James C. Lamb, III  
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Chapel Hill, North Carolina 27814

In the Matter of  
HOUSTON LIGHTING AND POWER COMPANY, ET AL.  
(South Texas Project, Units 1 and 2)  
Docket Nos. 50-498 and 50-499



Gentlemen:

Pursuant to this Board's Order of April 3, 1979, as modified by the Board's April 30, 1979 Order, the NRC Staff submits this report on behalf of itself, Citizens for Equitable Utilities (CEU) and Citizens Concerned About Nuclear Power, Inc. (CCANP) on the progress of negotiations among the parties regarding the contentions of CEU and CCANP.

On May 9, 1979, counsel for the NRC Staff and the Applicants met with Peggy Buchorn, the representative of CEU in Austin, Texas. Tentative agreement was reached on the language of several of the CEU contentions. As to the remaining contentions of CEU for which no agreement was reached, CEU indicated that it would supply to the Staff and Applicants additional information clarifying CEU's positions on the contentions, including whether any might be withdrawn. During a telephone conference of May 25, 1979, between the NRC Staff and Peggy Buchorn, she indicated that she would finalize the language of CEU's contentions and forward them to the parties for their review and comment.

On May 10, 1979, counsel for the NRC Staff and the Applicants met with the representatives of CCANP in San Antonio, Texas to discuss their contentions 2 and 3. The parties reached substantial agreement on the language of contention 3 but were unable to agree on the language of contention 2. The representatives of CCANP indicated that they would consider the suggestions provided at this meeting and redraft their contentions and forward them to the parties for their review and comment by May 29, 1979.

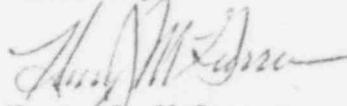
The Staff, CEU and CCANP believe that additional time should be allowed by the Board for further discussions and negotiations which may lead to a stipulation among the parties as to the language of the contentions. This will

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not cause any undue delay in the schedule of this proceeding since STP's fuel loading date is currently estimated to be November 1981.

If the Board agrees to provide the parties additional time, we will submit a second report on the status of negotiations with the parties on July 2, 1979.

Sincerely,



Henry J. McGarren  
Counsel for NRC Staff

cc: Service List

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