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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

November 15, 1978

In Reply Refer To:

RIV

Docket No. 50-498/Rpt. 78-16

50-499/Rpt. 78-16

Houston Lighting and Power Company
ATTN: Mr. E. A. Turner, Vice President
Power Plant Construction and
Technical Services
Post Office Box 1700
Houston, Texas 77001

Gentlemen:

This refers to the inspection conducted by Mr. W. G. Hubacek and other members of our staff during the period October 24-27, 1978, of activities authorized by NRC Construction Permit Nos. CPPR-128 and 129 for South Texas Project, Units No. 1 and 2, and to the discussion of our findings with Mr. W. N. Phillips and other members of your staff at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspectors.

During the inspection, it was found that certain activities under your license appear to be in noncompliance with Appendix B to 10 CFR 50 of the NRC Regulations, "Quality Assurance Criteria for Nuclear Power Plants." The items of noncompliance and references to the pertinent requirements are identified in the enclosed Notice of Violation.

We have also examined actions you have taken with regard to previously identified inspection findings. The status of these items is identified in paragraph 2 of the enclosed report.

One new unresolved item is identified in paragraph 7 of the enclosed report.

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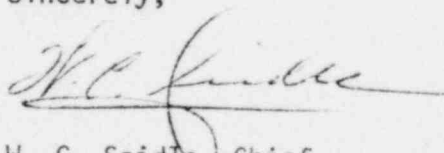
November 15, 1978

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within 30 days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you, and the results achieved; (2) corrective steps which will be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If the report contains any information that you believe to be proprietary, it is necessary that you submit a written application to this office, within 20 days of the date of this letter, requesting that such information be withheld from public disclosure. The application must include a full statement of the reasons why it is claimed that the information is proprietary. The application should be prepared so that any proprietary information identified is contained in an enclosure to the application, since the application without the enclosure will also be placed in the Public Document Room. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



W. C. Seidte, Chief
Reactor Construction and
Engineering Support Branch

Enclosure:

IE Inspection Report No. 50-498/78-16
50-499/78-16