In Reply Refer To: Dockets: 50-498/89-29 50-499/89-29

Houston Lighting & Power Company ATTN: G. E. Vaughn, Group Vice President, Nuclear P.O. Box 289 Wadsworth, Texas 77483

Gentlemen:

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This refers to the System Entry and Retest (SERT) team inspection conducted by Messrs. H. F. Bundy, R. V. Azua, and M. E. Murphy of this office during the period September 11-15, 1989, of activities authorized by NRC Operating License NPF-76 and NPF-80 for South Texas Project Unit 1 and 2, and to the discussion of our findings with Mr. R. W. Chewning and other members of your staff at the conclusion of the inspection.

Areas examined during the inspection included system entry retests for modifications, temporary modifications, and maintenance activities. Within these areas, the inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspectors. The inspection findings are documented in the enclosed inspection report.

Within the scope of the inspection, no violations or deviations were identified.

We have also examined actions you have taken with regard to previously identified inspection findings. The status of these items is identified in paragraph 7 of the enclosed report.

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

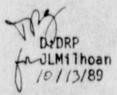
Sincerely,

Original Signed By: Thomas P. Gwynn

James L. Milhoan, Director Division of Reactor Projects

Enclosure: (see next page)

\*RIV:TPS \*RI:TPS RVAzua:1m HFBundy / /89 / /89 \*previously concurred \*RI:TPS MEMurphy / /89 \*D:DRS LJCallan / /89



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IEO!

Houston Lighting & Power Company

Enclosure: Appendix - NRC Inspection Report 50-498/89-29 50-499/89-29

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

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

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

City of Austin Electric Utility ATTN: R. J. Miner, Chief Operating Officer (2 copies) 721 Barton Springs Road Austin, Texas 78704

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

Bechtel Corporation ATTN: E. T. Molnar/L. W. Hurst P.O. Box 2166 Houston, Texas 77252-2166

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

Central Power and Light Company ATTN: R. P. Verret/R. L. Range P.O. Box 2121 Corpus Christi, Texas 78403 -2-

## Houston Lighting & Power Company - 3 -

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U.S. Nuclear Regulatory Commission ATTN: Resident Inspector P.O. Box 910 Bay City, Texas 77414

Ms. Iris J. Jones Acting City Attorney City of Austin P.O. Box 1088 Austin, Texas 78767

Houston Lighting & Power Company ATTN: S. L. Rosen, Vice President Nuclear Engineering and Construction P.O. Box 289 Wadsworth, Texas 77483

Houston Lighting & Power Company ATTN: R. W. Chewning, Vice President Nuclear Operations P.O. Box 289 Wadsworth, Texas 77483

U.S. Nuclear Regulatory Commission ATTN: Regional Administrator, Region IV 611 Ryon Plaza Drive, Suite 1000 Arlington, Texas 76011

Office of the Governor ATTN: Ms. Darla Parker Office of Intergovernmental Relations Austin, Texas 78711 Houston Power & Light Company

- 4 -

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

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

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

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

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

bcc to DMB (IEO1)

bcc distrib. by RIV: \*RRI \*DRP \*Section Chief (DRP/D) \*DRS \*MIS System \*RPB-DRSS \*RIV File Lisa Shea, RM/ALF R. Bachmann, OGC \*RSTS Operator \*G. Dick, NRR Project Manager (MS: 13-0-18) \*Project Engineer (DRP/D) \*R. D. Martin \*M. E. Murphy \*H. F. Bundy \*R. V. Azua

\*w/766