



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

November 14, 1980

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

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

Dr. James C. Lamb III
313 Woodhaven Road
Chapel Hill, NC 27514

In the Matter of
Houston Lighting and Power Company, et al.
(South Texas Project, Units 1 and 2)
Docket Nos. 50-498, 50-499

1980 NOV 17 PM 11 25
GENERAL SERVICES DISTRICT
SERVICES UNIT

Gentlemen:

Enclosed is a copy of a "STP Proceeding Proposed Supplement to Statement of Issues" which has been agreed to between counsel for the NRC Staff and counsel for the Applicant.

Applicant is also arranging to deliver copies to the intervenors today.

Sincerely,

Bernard M. Bordenick

Bernard M. Bordenick
Counsel for NRC Staff

Enclosure
As Stated

cc w/encl: Melbert Schwarz, Jr., Esq.
Pat Coy
Mrs. Peggy Buchorn
Richard W. Lowerre, Esq.
Jack R. Newman, Esq.
Atomic Safety and Licensing Board Panel
Atomic Safety and Licensing Appeal Board
Docketing and Service Section

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STP PROCEEDING PROPOSED
SUPPLEMENT TO STATEMENT OF ISSUES*

Issue A. In light of HL&P's performance in the construction of the South Texas Project (STP) as reflected, in part, in the Notice of Violation and Order to Show Cause dated April 30, 1980, and HL&P's responses thereto (filings of May 23, 1980 and July 28, 1980), and actions taken pursuant thereto, do the current HL&P and Brown & Root (B&R) construction QA/QC organizations and practices meet the requirements of 10 CFR Part 50, Appendix B, and thus provide reasonable assurance that construction of STP can be completed in conformance with the Construction Permits and other applicable requirements?

Issue B. In light of the overall record of HL&P's compliance with NRC requirements including:

- (1) the statements in the FSAR referred to in Section V.A.(10) of the Order to Show Cause;
- (2) the instances of non-compliance set forth in the Notice of Violation and the Order to Show Cause;
- (3) HL&P's actions in reply to the Order to Show Cause;
- (4) the extent to which HL&P abdicated responsibility for construction of the South Texas project to Brown & Root; and
- (5) the extent to which HL&P failed to keep itself knowledgeable about necessary construction activities at STP.

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The following Statement of Issues is in addition to Intervenor's previously admitted contentions.

does HL&P have the necessary character to be granted a license to operate the STP safely?

Issue C. In light of (1) HL&P's planned organization for operation of the STP; and (2) the alleged deficiencies in HL&P's management of construction of STP (including its past actions or lack of action, revised programs for monitoring the activities of its architect-engineer-constructor and those matters set out in Issue B), is there reasonable assurance that HL&P will have the competence and commitment to safely operate the STP?

Issue D. Is there reasonable assurance that the structures now in place at the STP (referred to in Sections V.A.(2) and (3) of the Order to Show Cause) are in conformity with the construction permit and the provisions of Commission regulations? If not, has HL&P taken steps to assure that such structures are repaired or replaced as necessary to meet such requirements?

Issue E. Will HL&P's Quality Assurance Program for Operation of the STP meet the requirements of 10 CFR Part 50, Appendix B?