

UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

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In Reply Refer To:

December 19, 1980

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Docket No. 50-498/Rpt. 80-27
50-499/Rpt. 80-27

Houston Lighting and Power Company
Attn: Mr. G. W. Oprea, Jr.
Executive Vice President
Post Office Box 1700
Houston, Texas 77001



Gentlemen:

This refers to the inspection conducted by our Resident Reactor Inspector, Mr. H. S. Phillips, during October 1980, of activities authorized by NRC Construction Permits No. CPPR-128 and 129 for the South Texas Project, Units No. 1 and 2, and to the discussion of our findings with Mr. R. A. Frazar 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 inspector.

During the inspection it was found that certain of your activities were not conducted in full compliance with NRC requirements. Consequently, you are required to respond to this matter, in writing, in accordance with the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Your response should be based on the specifics contained in the Notice of Violation attached to this letter.

We have also examined actions you have taken with regard to previously identified inspection findings. The status of these items is identified in paragraphs 2 and 3 of the enclosed report.

One new unresolved item is identified in regard to Show Cause Order Item V.A.(1) in paragraph 2.b.(3)(a) 4 of the enclosed report.

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

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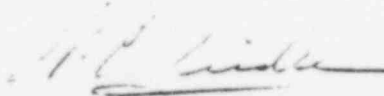
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be prepared so that any proprietary information identified is contained in an enclosure to the application, since the application without the enclosure will also be placed in the Public Document Room. If we do not hear from you in this regard within 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. Seidle, Chief
Reactor Construction and
Engineering Support Branch

Enclosures:

1. Appendix A, Notice of Violation
2. IE Inspection Report No. 50-498/80-27
50-499/80-27