



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

March 26, 1981

In Reply Refer to:

RIV

Docket Nos. 50-498/Rpt. 81-01
50-499/Rpt. 81-01

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 January 1980, of activities authorized by NRC Construction Permits Nos. CPPR-128 and 129 for the South Texas Project, Units Nos. 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 activities under your license appear to be in violation of Appendix B to 10 CFR Part 50 of the NRC Regulation, "Quality Assurance Criteria for Nuclear Power Plants." The Notice of Violation for the violation reported in paragraphs 4 and 7 of the enclosed inspection report was forwarded to you by our letter dated March 20, 1981; therefore, this letter does not require further response regarding this matter.

We have also examined actions you have taken with regard to previously identified inspection findings. The status of these items is identified in paragraphs 3 and 4 of the enclosed report.

Six new unresolved items are identified in paragraphs 4, 5, 8, 9 and 10 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

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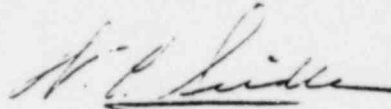
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March 26, 1981

necessary that you submit a written application to this office, within 25 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. Seidle, Chief
Engineering Inspection Branch

Enclosure:

IE Inspection Report No.

50-498/81-01; 50-499/81-01