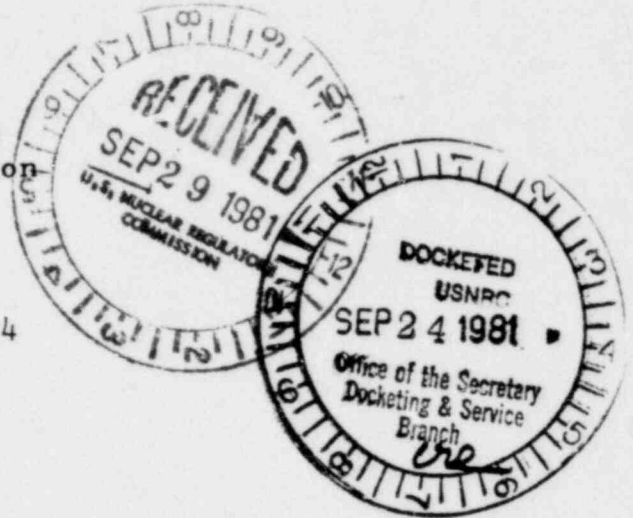


September 21, 1981

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Atomic Safety and Licensing Board  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

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RE: Houston Lighting and Power Co. (South Texas Project, Unites 1 and 2) Docket Nos. 50-498 and 50-499

Gentlemen:

On September 18, 1981, in the above referenced proceedings, the Board set forth eleven questions regarding Citizens for Equitable Utilities Motion to File Additional Contentions Based on New Information and to Establish a Discovery and Hearing Schedule with Respect to the New Contentions.

Citizens Concerned About Nuclear Power, Inc. hereby submits the following response corresponding in number to the Board questions.

1. Apparently number 1 is only a request for responses from all parties except CEU with no specific response required.

2. The question of HL&P's compliance with all NRC reporting requirements regarding the American Bridge steel defects is really two questions. First, did HL&P notify the NRC about the defects. CCANP believes HL&P did notify the NRC in a report pursuant to 10 CFR 50.55 but the only such report reviewed by CCANP to date is so vague it is hard to tell whether the full extent of the American Bridge problem was indeed reported. The second question is whether HL&P notified the NRC in a timely fashion as required under 10.55. CCANP believes this question is still open, depending on the date the problem was discovered and the date the problem was reported. Discovery is necessary to reach an ultimate determination on both questions.

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3. CCANP believes the NRC knew of the American Bridge problem prior to the submission of newspaper articles by CEU. CCANP, however, notes that when Mrs. Peggy Buchorn of CEU went to Arlington, Texas and asked Deputy Director John Collins for all correspondence on the American Bridge incident as of late August or early September, Mr. Collins denied any knowledge of any such correspondence and denied knowledge of the events themselves. The precise details of HL&P/NRC communication on this Quality Control breakdown awaits the discovery process.

4. Whether HL&P and Brown and Root allowed use of defective structural steel in STNP is really three questions. The first is how the welding codes are interpreted when deciding steel is defective. At one time, according to the newspaper reports, B&R QC inspectors were rejecting 90% of the steel beams. B&R then changed the procedures for inspection and the reject rate dropped to 6%.

The second question is whether the inspection of the steel not installed reveals a level of defects sufficient to conclude the installed steel also has defects.

The third question is whether production of the steel was carried out in a uniform manner such that the level of defects in the steel not installed is an adequate indicator of the level of defects in the installed steel. CCANP is informed that Batelle Corporation is doing an engineering analysis on the steel to estimate the level of defects in the installed steel. Again, full discovery is the only means for CCANP to assess this question.

5. The precise location of the steel in another matter for discovery. CCANP is informed that such steel is installed in safety related structures.

6. This question calls for a conclusion which CCANP cannot reach until full discovery is held. Of importance to CCANP, however, is a proper perception of this question as really two questions. The actual defects and their safety impact raise one question, i.e. the potential public health or safety threat raised in the Board question. At the same time, there is a generic question which CCANP would formulate as follows: Does the American Bridge event indicate an unacceptable breakdown in the vendor surveillance program, an unacceptable breakdown in on-site inspection processes, inappropriate changes in quality control procedures once the problem was discovered, and inappropriate management responses to complaints from quality control inspectors?

7. CCANP believes that definitive answers can be given to the previous three questions through a combination of discovery conducted by intervenors and an investigation by the NRC. By letter of September 2, 1981, CCANP requested the Arlington, Texas office of the NRC to investigate the American Bridge question and included in that letter seven specific questions CCANP hoped the NRC investigation could answer. These questions are in some instances similar to the questions posed by this Board on September 18.

8. CCANP is not certain that HL&P did issue a press release on this problem. CCANP believes that calls to reporters from intervenor representatives produced the newspaper articles submitted by CEU.

9. CCANP participated in the initial investigation of the American Bridge breakdown and continues to be interested in the questions raised by these events. Furthermore, since its formation in 1978, CCANP has been interested in all questions about STNP that raise doubts about the quality of work at STNP. The contentions forming the original core of this expedited proceeding were initially raised primarily by CCANP. As a party to these proceedings, CCANP is vitally interested in all such issues and intends to participate fully and, hopefully, without Board obstruction in their resolution. CCANP perceives the question raised by the Board, or at least by one of the Board members, as implicitly containing the suggestion that CCANP should be limited in its involvement in the American Bridge question. As a full party, CCANP sees no justification for any diminution of CCANP's role in addressing this question. Since CCANP also perceives this problem to be primarily a problem of managerial character and technical competence, particularly in the area of quality control, the full participation of the intervenor who raised this contention in the first place is certainly mandated.

10. CCANP joins in sponsoring the contentions.

11. HL&P is the construction permit holder and license applicant. As such HL&P is responsible for the manner in which STNP is constructed. But Brown and Root is clearly responsible for actually carrying out the bulk of work, including the QC functions. At Comanche Peak, Brown and Root failed to adequately exercise its function of vendor surveillance. In particular, the welding done

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for Comanche Peak by a subcontractor to Brown and Root was deficient, and Brown and Root failed to detect these deficiencies. The same failure appears to have occurred in the American Bridge breakdown. There is the possibility that the same personnel at some level were involved in both breakdowns. If Brown and Root is not technically competent to build a nuclear power plant, then HL&P is responsible for knowing that fact and taking appropriate action. A failure on HL&P's part to discern Brown and Root's failures and/or a failure on HL&P's part to adequately address Brown and Root failures reflects on HL&P's managerial character.

While CCANP has made a response to the questions presented by the Board, CCANP expresses its concern that in its questions the Board is going well beyond the level of inquiry and certainly beyond the limits on findings of fact and merits normally considered in a decision on admitting new contentions. In fact, CCANP would view a decision by the Board not to admit the contentions after reviewing the answers of all parties to these questions as clear error.

For CCANP,

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION  
ATOMIC SAFETY AND LICENSING BOARD

In the Matter of:

HOUSTON LIGHTING AND POWER CO. ( Docket Nos. 50-498  
(South Texas Project, Units 1 )  
and 2) 50-499

CERTIFICATE OF SERVICE

I hereby certify that the September 21, 1981 letter to the Members of the Board were mailed first class postage prepaid to the following:

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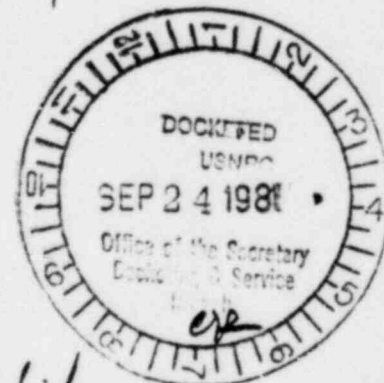
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