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September 28, 1981

Charles Bechhoeffer, Esquire  
Chief Administrative Judge  
Atomic Safety and Licensing  
Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Dr. James C. Lamb, III  
Administrative Judge  
313 Woodhaven Road  
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Ernest E. Hill  
Administrative Judge  
Lawrence Livermore Laboratory  
Post Office Box 808, L-123  
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RE: Houston Lighting & Power Co. et al.  
South Texas Project, Units 1 & 2,  
Docket Nos. STN-50-498, STN 50-499

Dear Members of the Board:

As indicated in our letter of September 24, 1981, regarding the reallocation of responsibilities in connection with the South Texas Project, it is HL&P's plan to undertake a comprehensive review of the existing design, engineering and construction in order to "benchmark" the status of the Project and to verify compliance with applicable requirements.

As mentioned in Mr. Goldberg's testimony on May 19, 1981 (Tr. 2404-06) HL&P has already filed several reports pursuant to 10 C.F.R. § 50.55(e) on design matters. Some of these items were identified in a report prepared



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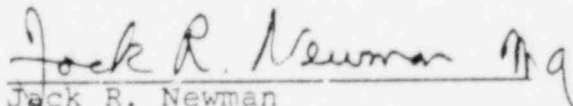
for HL&P by Quadrex Corporation. Written notices on two of these matters have been submitted to the Staff, the Board and the Parties. A third item relating to shielding calculations was orally reported to the NRC Staff but, as later confirmed in writing, was subsequently determined not to be a reportable deficiency.

The Quadrex review was undertaken at the direction of HL&P executive management in order to provide a third party review of the STP engineering status. It was not an audit pursuant to our QA program. Thus, the report contains many subjective opinions which are largely unsupported by the underlying technical data; the reportable deficiencies identified to date are those referred to above.

The Quadrex Report is still under review by B&R and HL&P and, as mentioned above, the review of such matters will also be a part of Bechtel's initial task in connection with the STP. The results of this review, which will be provided to the Board and the parties, will additionally serve to place these matters in proper perspective.

The Quadrex document is a large, multi-volume report. A copy of the entire report will be sent under separate cover to the members of the Board and to Messrs. Jordan, Reis and Sinkin.

Respectfully submitted,

  
Jack R. Newman

Of Counsel:

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Project Manager of the South Texas Project, acting  
herein on behalf of itself and the other Applicants,  
CITY OF SAN ANTONIO, TEXAS, acting by and through  
the city Public Service Board of the City of San  
Antonio, CENTRAL POWER AND LIGHT COMPANY and CITY  
OF AUSTIN, TEXAS.

cc: Certificate of Service

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



In the Matter of )  
 )  
HOUSTON LIGHTING AND POWER )  
COMPANY, ET AL. )  
 )  
(South Texas Project, )  
Units 1 and 2 )

Docket Nos. 50-498 OL  
50-499 OL

CERTIFICATE OF SERVICE

I hereby certify that copies of Applicants' letter to the Atomic Safety and Licensing Board dated September 28, 1981, have been served on the following individuals and entities by deposit in the United States mail, first class, postage prepaid, on this 28th day of September, 1981.

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