



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 7, 1994

Docket Nos.: 50-498
and 50-499

Mr. William T. Cottle
Group Vice President, Nuclear
Houston Lighting & Power Company
South Texas Project Electric
Generating Station
Post Office Box 289
Wadsworth, Texas 77482

Dear Mr. Cottle:

SUBJECT: NRC INSPECTION REPORT 50-498/93-202 AND 50-499/93-202, SOUTH TEXAS
PROJECT, UNITS 1 AND 2, OPERATIONAL READINESS ASSESSMENT TEAM
INSPECTION

This letter transmits the report of the U.S. Nuclear Regulatory Commission (NRC) Operational Readiness Assessment Team (ORAT) inspection, conducted from December 6 through 10, 1993, and January 12 through 21, 1994, of activities authorized by NRC Operating License Nos. NPF-76 and NPF-80 for the South Texas Project (STP), Units 1 and 2. The inspection was conducted by the Special Inspection Branch of the Office of Nuclear Reactor Regulation (NRR) and consisted of staff from NRR, Region II, and Region III, and two consultants.

The ORAT performed an independent, broad-scope assessment of the programs, personnel, and management controls in place to support safe restart and operation of the Unit 1 facility. The ORAT evaluated the areas of plant operations, surveillance, maintenance, modifications, and corrective action programs. The team also reviewed and evaluated the STP Operational Readiness Plan and the STP Business Plan. The team's findings generally supported Unit 1 restart and were discussed with you and members of the STP staff at the conclusion of the inspection on January 21, 1994. At that time, three items were identified as requiring action by Houston Lighting & Power Company prior to restart. Details concerning these three issues and our understanding of your restart commitments regarding them were communicated to you in our letter of January 27, 1994. It is our understanding that all specified restart actions have been completed.

The team's findings, regarding weaknesses in your configuration management and corrective action programs require continued management attention. Weaknesses in your configuration management programs have manifested themselves as numerous unexpected equipment actuations and occurrences. The ability to understand and anticipate the operation of equipment and associated interactions is paramount to achieving safe operation and is particularly important when responding to unforeseen plant events. The team also noted several instances where a root-cause analysis was not performed for some apparently significant safety issues. Although significant improvements have been made with regard to the STP corrective action program, continued efforts

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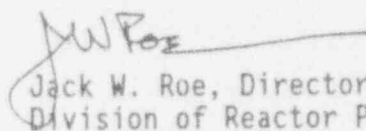
Mr. William T. Cottle

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are warranted to ensure that significant safety issues are promptly identified and thoroughly corrected, including the root cause of the event or equipment failure.

No response to this letter is required. The NRC Region IV staff will issue any enforcement actions that may result from this inspection. In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and inspection report will be placed in the NRC Public Document Room. Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Jack W. Roe, Director
Division of Reactor Projects, III/IV/V
Office of Nuclear Reactor Regulation

Enclosure:

Inspection Report 50-498/93-202
and 50-499/93-202

cc: See page 3

Houston Lighting and Power
Company

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South Texas Project

cc:

Mr. David P. Loveless
Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, Texas 77414

Mr. J. C. Lanier/M. B. Lee
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, Texas 78704

Mr. K. J. Fiedler
Mr. M. T. Hardt
Central Public Service Board
P. O. Box 1771
San Antonio, Texas 78296

Mr. G. E. Vaughn
Mr. T. M. Puckett
Central Power and Light Company
P. O. Box 2121
Corpus Christi, Texas 78403

INPO
Records Center
700 Galleria Parkway
Atlanta, Georgia 30339-3064

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Mr. Joseph M. Hendrie
50 Bellport Lane
Bellport, New York 11713

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Mr. James J. Sheppard
General Manager, Nuclear Licensing
Houston Lighting and Power Company
P. O. Box 289
Wadsworth, Texas 77483

Jack R. Newman, Esq.
Newman & Holtzinger, P.C.
1615 L Street, N.W.
Washington, D.C. 20036

Licensing Representative
Houston Lighting and Power Company
Suite 610
Three Metro Center
Bethesda, Maryland 20814

Bureau of Radiation Control
State of Texas
1101 West 49th Street
Austin, Texas 78756

Rufus S. Scott
Associate General Counsel
Houston Lighting and Power Company
P. O. Box 61867
Houston, Texas 77208

Joseph R. Egan, Esq.
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, D.C. 20037

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