

50-498/499



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 5, 1995

Mr. William T. Cottle
Group Vice-President, Nuclear
Houston Lighting & Power Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, Texas 77483

SUBJECT: TESTIMONY BY LIBERTY CONSULTING GROUP AND LITIGATION WITH THE CITY
OF AUSTIN, SOUTH TEXAS PROJECT, UNITS 1 AND 2 (STP)

Dear Mr. Cottle:

On November 22, 1994, you replied to NRC's letter dated October 24, 1994, requesting information regarding alleged differences between an NRC Diagnostic Evaluation Team (DET) Report and testimony provided by the Liberty Consulting Group in connection with the current litigation with the City of Austin, Texas. Your letter emphasized your continued commitment to your Operational Readiness Plan and your Business Plan.

As a public agency responsible for protecting public health and safety, the NRC takes full responsibility for the completeness and accuracy of information in agency documents, including our inspection and DET reports. However, you have a responsibility to provide complete and accurate information to the NRC under Title 10, Code of Federal Regulations, Section 50.9, and to correct inaccurate information. If you have information that leads you to believe that an NRC inspection or DET report is inaccurate, and the information has a significant implication for public health and safety or common defense and security, then you have an obligation to inform us thereof. The written record, as documented in our reports, is assumed to be correct until you convince us otherwise. Since we have provided you another opportunity to respond to our DET Report, and nothing in your November 22, 1994, response disagrees with our DET Report, we will continue to assume that you concur in its accuracy.

NRC's paramount focus is public health and safety, and therefore, it would not be appropriate for this agency to become involved in the economic regulation of NRC-licensed facilities. Nevertheless, if the NRC staff becomes aware of information developed in the course of economic regulatory activities which might adversely affect nuclear safety, the NRC will take such steps as are necessary to address and correct any safety concerns.

Moreover, we want you and the other co-licensees to recall our letter dated May 2, 1994, which outlined your responsibilities under Title 10, Code of Federal Regulations, Part 21 and Part 50 (specifically Sections 50.72 and 50.73), for the review, evaluation, and reporting to the NRC of defects in safety-related equipment, materials, and services that may be identified by

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Mr. William T. Cottle

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you at any time. There is an obligation for you and your co-licensees to tell us of any information that could adversely affect the safe operation of STP.

Finally, we want to remind you that although there are currently no significant safety issues at STP, NRC will continue to closely monitor the performance of STP and HL&P's commitments to improve performance.

The NRC is not planning any further review of this matter unless you determine that you need to respond to this letter. Should you have any questions on this matter, please contact me at (301) 504-1354.

Sincerely,

ORIGINAL SIGNED BY:

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

Docket Nos. 50-498
and 50-499

cc: See next page

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Mr. William T. Cottle

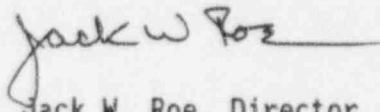
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Sincerely,



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

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cc: See next page

Mr. William T. Cottle
Houston Lighting & Power Company

South Texas, Units 1 & 2

cc:

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