Docket Nos. 50-498 50-499 License Nos. NPF-76 NPF-80

Houston Lighting & Power Company ATTN: Donald P. Hall, Group Vice President, Nuclear P.O. Box 1700 Houston, Texas 77251

Gentlemen:

SUBJECT: NRC INSPECTION REPORT NO. 50-498/92-04; 50-499/92-04

This refers to the inspection conducted by an NRC team from Region IV accompanied by the NRR Project Manager on February 10-14, 1992, and the subsequent discussion on site between Messrs. S. Rosen and R. Hernandez of your office and Mr. Tom Westerman on February 27, 1992. The inspection included a review of your engineering activities authorized for your South Texas Project, Units 1 and 2, facility. At the conclusion of the inspection, the findings were discussed with members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the enclosed report. Within these areas, the inspection consisted of reviewing station modification and design change work packages, interviews with personnel, and reviewing QA audits and assessments of the engineering and technical support organization.

During the review of your Request for Action program, three potential weaknesses were identified. As was discussed on February 27, 1992, we are requesting a response to these weaknesses within 30 days indicating the action you are taking with regard to each as discussed in paragraph 2.1.2 of the enclosure to this letter.

Overall as a result of this inspection, we view that your engineering programs are providing quality products and are providing good plant support. Our interviews of personnel indicated that a number of areas continue to warrant your attention and/or action as appropriate. We view the assessment capabilities of your organization as a major strength. We also observed that you have significant number of initiatives in progress to improve your engineering activities.

RIV:PSS* RVickrey	RI:PSS* MRunyan	RI:PSS* PGoldberg	PM:NRR C:PSS* GDick TWesterman			
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\*previously concurred

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During this inspection, it was found that certain of your activities were in violation of NRC requirements. However, in accordance with Section V.G.1 of the NRC's Enforcement Policy, no citation is being issued for the violation described in paragraph 2.2.7 of the enclosed inspection report.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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, Diginal Signed By A. B. Beach: A. Bill Beach, Director Division of Reactor Projects

Enclosure: Appendix - NRC Inspection Report 50-498/92-04 50-499/92-04 cc w/enclosure: Houston Lighting & Power Company ATTN: William J. Jump, Manager Nuclear Licensing P.O. Box 289 Wadsworth, Texas 77483 City of Austin Electric Utility Department ATTN: J. C. Lanier/M. B. Lee P.O. Box 1088 Austin, Texas 78767 City Public Service Board ATTN: R. J. Costello/M. T. Hardt P.O. Box 1771 San Antonio, Texas 78296 Newman & Holtzinger, P. C. ATTN: Jack R. Newman, Esq. 1615 L Street, NW Washington, D.C. 20036 Central Power and Light Company ATTN: D. E. Ward/T. M. Puckett P.O. Box 2121 Corpus Christi, Texas 78403

Houston Lighting & Power Company

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

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

bcc w/enclosure:

bcc to DMB (IEO1)

bcc aistrib. by RIV:

R. D. Martin DRP DWS DRSS-RPEPS RIV File RSTS Operator R. Vickrey P. Goldberg T. Westerman Resident Inspector Section Chief (DRP/D) MIS System Lisa Shea, RM/ALF R. Bachmann, OGC Project Engineer (DRP/D) M. Runyan G. Dick R. Mullikin

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