

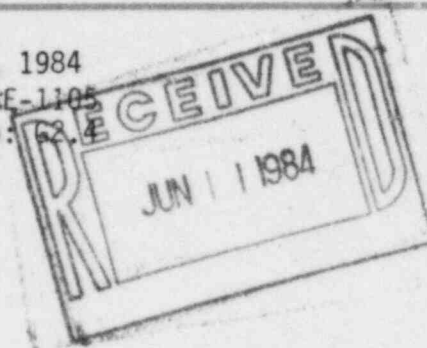
The Light company

Houston Lighting & Power P.O. Box 1700 Houston, Texas 77001 (713) 228-9211

June 8, 1984

ST-HL-AE-1105

File No: 62.4



Mr. John T. Collins
Regional Administrator, Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76012

Dear Mr. Collins:

South Texas Project
Units 1 & 2
Docket Nos. STN 50-498, STN 50-499
Comments on SALP Board Report
50-498/83-26, 50-499/83-26

The NRC Inspection and Enforcement report 50-498/83-26, 50-499/83-26 dated April 20, 1984 forwarded the Systematic Assessment of Licensee Performance (SALP) Board Report on the South Texas Project (STP), Units 1 and 2 for the period December 1, 1982, through November 30, 1983. The SALP Board Report was subsequently discussed in a public meeting at the STP site on May 10, 1984. At that meeting Houston Lighting & Power Company (HL&P) informed Mr. Eric Johnson of your staff that we would be submitting comments on the report.

The SALP Report itself, as well as the Staff's remarks at the May 10, 1984 meeting, indicate that HL&P has achieved a satisfactory or high level of performance in the areas evaluated. There were a few functional areas identified by the SALP Board, and discussed at the May 10 meeting, where specific attention to improvement is warranted. The attached comments reflect HL&P's current activities relative to these areas. Our objective is to achieve and maintain a high level of performance with respect to all aspects of the South Texas Project.

Should you have any questions concerning this matter, please contact Mr. Mark Wisenburg at (713) 922-2033.

Very truly yours,

G. W. Dorea, Jr.
Executive Vice President

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Attachment: HL&P Comments on SALP Board Report for the South Texas Project
for the period December 1, 1982 through November 30, 1983

W2/NRC1/b

cc:

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South Texas Project
Units 1 & 2
HL&P Comments on SALP Board Report
for the period December 1, 1982 through November 10, 1983

The following comments relating to those functional areas where the South Texas Project (STP) was assigned a Category 3 rating by the SALP Board are submitted in order to provide a more complete record of the completed and in-process actions taken by HL&P. HL&P has made substantial noticeable program improvements addressing both the specific aspects and broader implications of the SALP Report. We believe that inclusion of these comments will assist in placing these ratings in a more complete context. This is particularly important in view of the time that has passed since the end of the SALP evaluation period.

Soils and Foundations

The SALP Board's evaluation in this area was based upon two items identified subsequent to the appraisal period but which related to activities conducted during the appraisal period. The first, which was the subject of I&E Notice of Violation 83-24, involved a deviation from the standard test method for determining the minimum density of backfill that had been authorized by an interoffice memorandum rather than a specification change notice. Although the SALP Report identifies the second item as a violation, HL&P has not received notice of a second violation relating to the soils and foundations area. The SALP Report, however, is apparently referring to Unresolved Item 83-24-01 in Inspection Report 83-24.

In HL&P's March 23, 1984 response to I&E Notice of Violation 83-24, we described comprehensive corrective actions addressing the specific violation, as well as measures to eliminate the root cause of the violation: failure of our A/E to follow design change procedures. Those corrective actions included the issuance and dispositioning of an NCR to address the backfill potentially affected by the nonconformance, and an investigation to determine if informal correspondence was utilized in other instances to modify design documents.

In addition, in our response we informed the NRC that HL&P management had ordered a full programmatic audit of the soils program. This audit included a review of licensing and criteria documents, specifications, testing procedures, test data results and quality control procedures. The audit covered Bechtel, Ebasco, and Pittsburgh Testing Laboratory activities related to backfill. A complete report of the audit findings, corrective actions and recurrence control was submitted to NRC-Region IV on May 25, 1984. Although the audit identified some inconsistencies between the FSAR and project specifications and procedures and instances of deviations from approved procedures and ASTM standards, there were no indications that the technical adequacy of safety-related backfill had been compromised and no findings which were reportable pursuant to 10 CFR 50.55(e). Comprehensive corrective actions have already been implemented as described in the report submitted to Region IV.

Unresolved Item 83-24-01 was related to quality control inspections of backfill operations. We have discussed this issue at length with Region IV inspectors. We believe that although site procedures could have been more explicit, QC inspections of backfill operations have been and are being performed in accordance with applicable requirements. Furthermore, our procedures have been revised to minimize the opportunity for misinterpretation. If, as we understand, the NRC intends to recategorize this item as a violation, documentation of the foregoing information will be included in HL&P's response.

Thus, although we are confident that the in-place backfill meets all applicable requirements, HL&P has undertaken substantial improvement measures to address the issues identified by the NRC as well as by HL&P in this area.

Corrective Action and Reporting

The SALP Board's evaluation in this area was based upon I&E Notice of Deviation 83-20-02 and I&E Notices of Violation 83-22-01 and 83-22-02, which related to corrective actions associated with nonconforming threads on, and commingling of material for, Brown & Root field-fabricated anchor bolts. HL&P's February 21, 1984, response to the foregoing provided a summary of the results of Bechtel's "Technical Evaluation of Anchor Bolts and Embed Rods," dealing with the implications of the B&R material mix-up and thread deficiencies. Although a number of nonconformances related to both of these concerns were confirmed, the evaluation program demonstrated that there had been no compromise of plant safety.

HL&P subsequently submitted the detailed technical evaluation report on March 30, 1984. In that submittal we identified a program that would demonstrate that the broader implications of the site-fabricated anchor bolt thread deficiencies and material mix-up have been resolved. On April 30, 1984, HL&P submitted to Region IV a detailed description of this Phase II program and committed to submit a comprehensive report upon its completion on July 27, 1984. HL&P anticipates that the report will further demonstrate that the identified thread deficiencies and material mix-up will not compromise plant safety.

Material Control

The SALP Board based its evaluation in this area upon "numerous problems with the material control system used by the previous constructor." Although HL&P believes that the material control program in effect at STP during the SALP evaluation period provided adequate control of safety-related materials, in our February 21, 1984 response to IE Notice of Violation 83-22-01, HL&P described a number of important improvements to the program. These were implemented on May 21, 1984. They were initiated in view of the importance of identifying remedial actions to address the broader implications of material control problems under our former contractor, and to provide additional

controls to effectively guard against fraudulent or defective materials being shipped to STP by suppliers.

Although the SALP Board Report refers to "recent" Bechtel changes to the STP material control program in a discussion of the paint color code, these changes were initiated in August, 1983. The more recent improvements in the material control were implemented May 21, 1984.