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November 9, 1984

Honorable Charles Bechhoefer Chairman, Administrative Judge Atomic Safety and Licensing Board U. S. Nuclear Regulatory Commission Washington, D.C. 20555

> Re: <u>Houston Lighting & Power Co., et al.</u> South Texas Project, Units 1 & 2 Docket Nos. 50-498, 50-499

Dear Judge Bechhoefer:

We have received and reviewed your Memorandum and Order dated October 17, 1984, concerning Brown & Root's position with respect to the Phase II proceedings. We believe that your position as set forth therein is both clear and eminently fair. Indeed, our concerns are allayed to the extent that we feel it is unnecessary to petition for the right to intervene.

Brown & Root remains concerned about the manner in which the Phase I hearings were conducted. Although I am mindful of your reservations about both the Board's jurisdiction as to Phase I and the "propriety" of Brown & Root's furnishing a statement of its position absent formal intervention, I am also informed by those knowledgeable and experienced in your proceedings that the NRC has a longstanding practice of permitting "limited appearance" statements by nonparties. Indeed, I am advised that the NRC and its hearing board chairmen have, in the past, encouraged such statements by nonparties.

We are looking into those matters of jurisdiction and the rights of nonparties because it remains Brown & Root's Honorable Charles Bechhoefer November 9, 1984 Page Two

desire that its concerns be considered by whichever body within the NRC is appropriate. To that end, we are currently preparing a statement as to those Phase I findings and assumptions which we believe to be unfair and unwarranted.

Sincerely,

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Attorney for Brown & Root, Inc.

HMR/se

cc: Dr. James L. Lamb Mr. Earnest E. Hill Gary J. Edles, Esquire Thomas S. Moore, Esquire Dr. W. Reed Johnson Finis E. Cowan, Esquire (HL&P) Jack R. Newman, Esquire (HL&P) Ferd. C. Meyer, Jr., Esquire (San Antonio) William W. Vernon, Esquire (Austin) Thomas J. Heiden, Esquire (Austin) James W. Wray, Esquire (CP&L) Joe H. Foy, Esquire (CP&L) Dan M. Berkovitz, Esquire (NRC - OGC)