UNITED STATES



NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400 ARLINGTON, TEXAS 76011-8064

APR 1 2 1996

Houston Lighting & Power Company ATTN: William T. Cottle. Group Vice President, Nuclear P.O. Box 289 Wadsworth. Texas 77483

SUBJECT: NRC INSPECTION REPORT 50-498/96-11: 50-499/96-11

This refers to the inspection conducted by Lawrence A. Yandell and other inspection team members of this office on January 29 through February 15. 1996. at the South Texas Project Electric Generating Station. Units 1 and 2. facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

The purpose of the inspection was to determine the effectiveness of your corrective action program to identify, process, correct, and prevent recurrence of problems that impact the safe operation of your facility. The team used NRC Inspection Procedure 40500, "Effectiveness of Licensee Controls in Identifying, Resolving and Preventing Problems." to perform the inspection. Overall, the team concluded that the South Texas Project Electric Generating Station had a strong, well-run corrective action program, capable of identifying, resolving, and preventing issues that degrade the quality of plant operations or safety.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice." a copy of this letter and its enclosures 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. Thomas ector

Division of Reactor Safety

Dockets: 50-498 50-499 Licenses: NPF-76 NPF-80

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Houston Lighting & Power Company -2-

Enclosure: NRC Inspection Report 50-498/96-11: 50-499/96-11 w/attachments

cc w/enclosure: Houston Lighting & Power Company ATTN: Lawrence E. Martin, General Manager Nuclear Assurance & Licensing P.O. Box 289 Wadsworth, Texas 77483

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

City Public Service Board ATTN: K. J. Fiedler/M. T. Hardt P.O. Box 1771 San Antonio, Texas 78296

Morgan, Lewis & Bockius ATTN: Jack R. Newman, Esq. 1800 M. Street, N.W. Washington, D.C. 20036-5869

Central Power & Light Company ATTN: G. E. Vaughn/C. A. Johnson P.O. BJx 289 Mail Code: N5012 Wadsworth, Texas 77483

INPO Records Center 700 Galleria Parkway Atlanta, Georgia 30339-5957

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

Bureau of Radiation Control State of Texas 1100 West 49th Sireet Austin, Texas 78756

Houston Lighting & Power Company -3-

Office of the Governor ATTN: Andy Barrett, Director Environmental Policy P.O. Box 12428 Austin, Texas 78711

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

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

Egan & Associates, P.C. ATTN: Joseph R. Egan, Esq. 2300 N Street, N.W. Washington, D.C. 20037

Little Harbor Consultants, Inc ATTN: Mr. J. W. Beck 44 Nichols Road Cohasset, MA 02025-1166

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E-Mail report to D. Nelson (DJN) E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

bcc distrib. by RIV: L. J. Callan Resident Inspector DRP Director DRS-PSB Branch Chief (DRP/A) MIS System Project Engineer (DRP/A) RIV File Branch Chief (DRP/TSS) R. Bachmann, OGC (MS: 15-B-18) Leah Tremper (OC/LFDCB, MS: TWFN 9E10)

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E-Mail report to D. Nelson (DJN) E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

bcc distrib. by RIV: L. J. Callan Resident Inspector DRS-PSB MIS System DRP Director Branch Chief (DRP/A) Project Engineer (DRP/A) Branch Chief (DRP/TSS) R. Bachmann, OGC (MS: 15-B-18) Leah Tremper (OC/LFDCB. MS: TWFN 9E10)

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