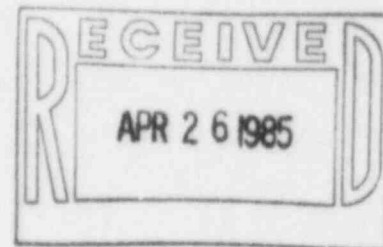


The Light company

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

April 24, 1985
ST-HL-AE-1236
File No.: G12.234

Mr. Robert D. Martin
Regional Administrator, Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



Dear Mr. Martin:

South Texas Project
Units 1 & 2
Docket Nos. STN 50-498, STN 50-499
First Interim Report Concerning the
Magnetics Quality Assurance Program

On March 20, 1985, pursuant to 10CFR50.55(e) Houston Lighting & Power Company (HL&P) notified your office of an item regarding concerns with the Magnetics Quality Assurance Program. Attached is the first interim report concerning this item. The next report will be submitted to your office by August 30, 1985.

If you should have any questions on this matter, please contact Mr. Michael E. Powell at (713) 993-1328.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. H. Goldberg".

J. H. Goldberg
Group Vice President, Nuclear

MEP:yd

Attachment: First Interim Report Concerning the
Magnetics Quality Assurance Program

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cc:

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Docketing & Service Section
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

South Texas Project
Units 1 & 2
First Interim Report Concerning the
Magnetics Quality Assurance Program

I. Summary

As a result of a Bechtel audit of Magnetics to verify implementation of their Quality Assurance (QA) Program, seven (7) Audit Finding Reports (AFR's) were written which questioned the adequacy of the Magnetics QA Program. In addition, HL&P has written five (5) Standard Deficiency Reports (SDR's) regarding Bechtel's ability to control the subject supplier.

The responses to the AFR's and SDR's will be reviewed by HL&P prior to the submittal of a final report.

II. Description of Deficiency

On March 20, 1985 Houston Lighting & Power Company (HL&P) notified the NRC-Region IV of a potentially reportable deficiency concerning the Quality Assurance (QA) Program of the Magnetics Division of Spang & Company. The deficiency concerned an apparent lack of documentation regarding properly approved suppliers, an apparent inadequate control of nonconforming items, and an apparent lack of documentation to support the certification of inspection and test personnel. These items were discovered during the performance of the Bechtel audit activities at the Magnetics shop.

These concerns were identified by Bechtel on seven (7) AFR's. Corrective Action Reports have been received by Bechtel for all but one of the AFR's. These Corrective Action Reports are being reviewed by Bechtel for their adequacy prior to acceptance. Bechtel has submitted responses to the five HL&P SDR's and these are currently undergoing a review by HL&P QA.

III. Corrective Action

This will be addressed in the final report.

IV. Recurrence Control

This will be addressed in the final report.

V. Safety Analysis

This will be addressed in the final report.