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DOCKET NUMBER 50-498
PROD. & UTIL. FAC.

(2.206)

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*NOT ADMITTED IN D.C.

March 21, 1988

Samuel J. Chilk, Secretary
Office of the Secretary of the
Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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

Dear Mr. Chilk:

On March 18, 1988, the Director of Nuclear Reactor Regulation issued a Director's Decision under 10 C.F.R. § 2.206, No. DD-88-3, Docket No. 50-498 OL denying a petition filed by the Government Accountability Project ("GAP"). On March 21, 1988, GAP filed a document entitled Appeal of Director's Decision on the South Texas Project. Houston Lighting & Power Company ("HL&P") submits that this pleading is precluded by the express language of § 2.206(c)(2), which states that "no petition or other request for Commission review of a Director's decision under this section will be entertained by the Commission." Moreover, the pleading does not state any ground for the Commission finding, pursuant to § 2.206(c)(1) that the Director abused his discretion in the Decision in question.

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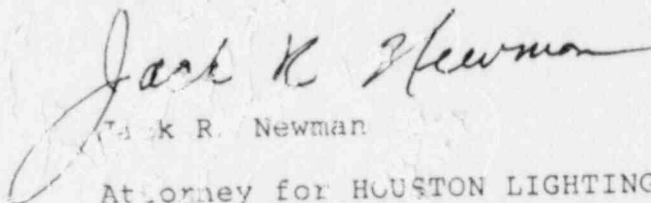
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Samuel J. Chilk, Secretary
March 21, 1988
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Accordingly, HL&P submits that the pleading should be rejected and should not delay consideration of full power licensing of the South Texas Project Unit No. 1, nor result in a stay of the issuance of such authorization.

Respectfully submitted,


Jack R. Newman

Attorney for HOUSTON LIGHTING
& POWER COMPANY, Project Man-
ager of the South Texas Proj-
ect, acting herein on behalf
of itself and the other Appli-
cants, CITY OF SAN ANTONIO,
TEXAS, acting by and through
the City Public Service Board
of the City of San Antonio,
CENTRAL POWER AND LIGHT COM-
PANY and CITY OF AUSTIN, TEXAS

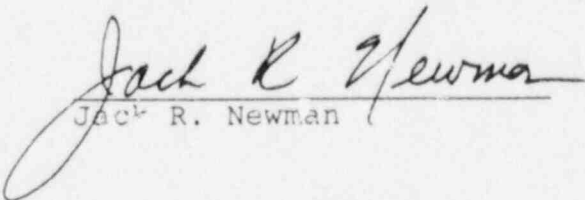
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CERTIFICATE OF SERVICE

I hereby certify that copies of the letter to Samuel J. Chilk from Jack R. Newman dated March 21, 1988, have been served by hand, this 21st day of March, 1988, on the following:

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Jack R. Newman