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February 21, 1986

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

Dear Members of the Board:

In its Memorandum and Order of February 7, 1986, the Board referred to an excerpt from a deposition attached to CCANP's January 17, 1986 motion to reopen the Phase II proceeding.

The Board indicated that the material suggested that an HL&P engineer advised a B&R official that he would not attend a briefing by Quadrex of B&R because he did not wish to become aware of information which might require reporting to NRC pursuant to 10 C.F.R. § 50.55(e). The Board expressed concern as to whether this material might bear upon HL&P's character and competence to complete construction of STP or to operate the STP. It asked Applicants and the Staff for suggestions for resolution of the issue.

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The material referred to by the Board appeared at pages 613-14 of the deposition of Mr. Eugene A. Saltarelli of B&R in another legal proceeding and consists of his description of a conversation with an HL&P licensing engineer. Like many other materials that have been attached to CCANP's motions to reopen or otherwise sought to be introduced by CCANP, this isolated excerpt does not provide any meaningful insight as to whether the statement represented a complete explanation by the speaker of the reasons for his actions. We believe this is demonstrated clearly in the enclosed affidavit of Mr. Cloin G. Robertson, who was HL&P's Manager of Licensing at that time and believes he is the HL&P engineer referred to in Mr. Saltarelli's deposition.

Mr. Robertson's affidavit states that he decided that HL&P licensing engineers would not attend the May 1, 1981 briefing of B&R (Robertson Affidavit at ¶3), and explains the reasons for his decision (at ¶¶5-7).

Since HL&P would obtain the same briefing from Quadrex the previous day, he saw no need for HL&P to attend the briefing of B&R on May 1. He had no concern that HL&P's absence from the briefing of B&R would result in any failure to inform the NRC of any reportable item, since any information in the Quadrex presentation would be received by HL&P the previous day and acted on appropriately, and any information received by B&R would be acted on by B&R in accordance with its orderly process applicable to the review and analysis of such information, regardless of source. Id. at ¶5.

As a former employee of an A/E, Mr. Robertson was concerned that HL&P's attendance might inhibit full and free discussion of problem areas between Quadrex and B&R. Id. at ¶6. Part of his motivation was also a concern, apparently expressed to Mr. Saltarelli, that exchanges between Quadrex and B&R might lead HL&P to consider immediately undertaking a 24-hour review for reportability under 10 C.F.R. § 50.55(e). Mr. Robertson explains that the reason for his concern was that it would, in effect, "short circuit" the existing orderly process at STP providing for the A/E's careful consideration and analysis of information that came to its attention before initiating HL&P's 24-hour review. Id. at ¶7.

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As Mr. Robertson acknowledges, it is apparent from Mr. Saltarelli's deposition that Mr. Robertson conveyed to him only his concern about HL&P's immediate undertaking of reportability reviews, and that, even in that connection, he did not communicate all of his reasoning. Id. at ¶8.

Mr. Robertson's affidavit makes clear that his decision was based on several considerations, satisfactorily explains the basis for the particular concern that he expressed to Mr. Saltarelli, and shows that his decision was made in good faith without any intent of avoiding HL&P's reporting responsibilities.

In view of the ample record developed in this proceeding regarding HL&P's meticulous attention to its reporting responsibilities under 10 C.F.R. § 50.55(e); */ the fact that the May 1, 1981 briefing of B&R took place the day after a similar briefing of HL&P; **/ and HL&P's conduct of a reportability review immediately upon receipt of the final Quadrex Report (within a week after the May 1 briefing), there is little reason to construe Mr. Robertson's remarks, especially in light of his affidavit, as reflecting adversely

*/ For example, in Phase I the NRC Resident Reactor Inspector from September 1979 to January 1982 ("RRI") testified that HL&P's "record of identifying and reporting construction deficiencies, in accordance with 10 C.F.R. 50.55(e) was open and honest, and probably was better than any other utility that I've been at." Tr. 9855 (Phillips). To similar effect are Tr. 10068-69 (Phillips); Tr. 10067-68 (Crossman); I&E Report 81-07 (Staff Exh. 92) at 10; SALP Report for 7/80-6/81 (Staff Exh. 133) at 6.

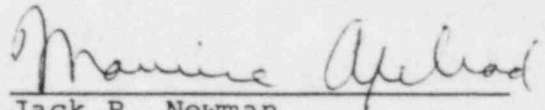
In Phase II the same former RRI testified that HL&P was "forthright in identifying deficiencies to the NRC" and that it "reported a large number of deficiencies, when it could have taken a more conservative approach, and reported fewer." Phillips, ff. Tr. 15116, at 3.

**/ The record reflects not only that Quadrex provided similar briefings of HL&P and B&R on consecutive days (e.g., Goldberg, ff. 11491 at 12; Tr. 11727 (Goldberg), Tr. 13163 (Stanley)), but also that HL&P was not present at the briefing of B&R (Tr. 13164 (Stanley)).

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either on his motivation or on the character and competence of HL&P. Accordingly, the material provided by CCANP would not alter the result that the Board would otherwise reach concerning these issues and therefore no further action is required.

Respectfully submitted,



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Encl.: Affidavit of Cloin G.
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Dated: February 21, 1986

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