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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

AUG 19 1987

MEMORANDUM FOR: Thomas E. Murley, Director, Office of Nuclear Reactor
Regulation

FROM: Robert D. Martin, Regional Administrator, Region IV

SUBJECT: SOUTH TEXAS PROJECT (STP), Unit 1 (DN 50-498) - LOW POWER
LICENSE RECOMMENDATION

This memorandum provides a supplement to the Region IV conditional low power license recommendation for South Texas Project (STP), Unit 1 dated August 12, 1987. The conditional recommendation was based on an assessment of plant status and applicant activities as of that date.

Region IV inspections of operational readiness activities continue to indicate that STP Unit 1 is ready to load fuel and begin low power operations. New allegations* have been received since my August 12 submittal, but our technical review of these allegations concludes that they would not impact fuel load. Houston Lighting and Power Company (HL&P) has maintained their schedule of completion of operational readiness activities.

Region IV preoperational security inspection activities are now complete. The STP, Unit 1 security program is now being satisfactorily implemented. Our assessment of the STP security program is provided in the enclosure.

The intrusion detection system has not yet demonstrated long term reliable operation despite applicant efforts to establish meaningful operability. I have little confidence that the system will not require extensive compensatory measures for significant parts of an extended period of time while the applicant continues their efforts to correct problems. We believe that the established license conditions, Region IV's augmented inspection efforts during the Startup Testing Phase (MC 2514 program), and additional NRC review prior to operation above 5 percent power provide reasonable assurance that satisfactory resolution of this issue will be established. Region IV inspectors have verified that HL&P has the capability to post the required compensatory personnel for those periods of time when the intrusion detection system is inoperable.

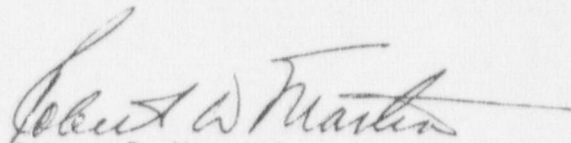
*The status of allegations as addressed in our August 12 letter indicates those allegations which have been reviewed and/or inspected to address the technical aspects of the allegation and their potential impact on reactor safety. The Allegation Management System may indicate that some of these allegations remain open because of non-technical issues which have not yet been resolved or because of the time delay in effecting the final closeout on the tracking system.

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At this time, I find that the construction of STP, Unit 1 has been substantially completed in accordance with Construction Permit CPPR-128, the STP Final Safety Analysis Report and NRC regulatory requirements. I also find that, subject to completion of the open items at the milestones recommended in Enclosure 5 to my letter dated August 12, 1987, the licensee is capable of operating the plant safely at low power. Region IV will continue with a heightened followup effort to assure timely completion of these items.

We recommend issuance of a low power operating license for STP, Unit 1 as conditioned by the issues discussed above and those items listed in the enclosures to our August 12 letter.



Robert D. Martin
Regional Administration
Region IV

Enclosure:
Supplement to Enclosure 1
of Memorandum of August 12, 1987,
Robert D. Martin to Thomas E. Murley;
STP, Unit 1 (DN 50-498) - Conditional
Low Power License Recommendation

cc w/enclosure:
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SUPPLEMENT TO ENCLOSURE 1 OF MEMORANDUM OF AUGUST 12, 1987,
ROBERT D. MARTIN TO THOMAS E. MURLEY; STP, UNIT 1
(DN 50-498) - CONDITIONAL LOW POWER LICENSE RECOMMENDATION

8.0 Security

The staff has reviewed and approved the HL&P Physical Security Plan, the Training and Qualification (T&Q) Plan, and the Safeguards Contingency Plan. Regional-based security inspectors have conducted several site inspections and provided daily coverage onsite since June 23, 1987. Major portions of the plan were not implemented until late in the preoperational period and applicant personnel were afforded little opportunity to perform under actual operating conditions. Numerous weaknesses were identified in the areas of procedures, hardware, and personnel. As late as July 10, 1987, a few original procedures still lacked final review by the Plant Operations Review Committee. This effort is now complete and all required procedures are approved and in place. Numerous procedure changes have been prompted by further NRC and applicant review, and this process has continued to the present time. In addition, instances were identified where procedural steps allowed actions that were contrary to regulations and/or plan commitments, and the applicant has performed a complete review of procedures versus plan requirements to ensure that all plan commitments were covered by procedures. The applicant has initiated a review program to ensure and document that all new procedures and revisions are in conformance with regulations and/or plan commitments. Safeguard system acceptance tests were found inadequate and in some cases failed to incorporate plan commitments into the testing program. The applicant has completed a review of safeguards system acceptance tests to ensure that all plan commitments have been incorporated.

Security system hardware was found to be inoperable in many cases and incapable of performing its task in others. Major hardware deficiencies were identified and the applicant has performed extensive corrective maintenance. For hardware items that could not be corrected immediately, license conditions acceptable to the NRC staff have been proposed in Attachments A to HL&P letters dated July 24, July 30, and August 7, 1987.

The applicant's training program for security personnel was found to be inadequate, and numerous deficiencies in the training records were identified. Interviews by NRC personnel with applicant guards indicated a poor level of knowledge and a failure by applicant management to adequately prepare the security force for its assigned tasks. As a result of these findings, a comprehensive examination was administered to the entire guard force, and appropriate retraining was performed as indicated by the examination results. The NRC inspectors conducted extensive interviews with a large sampling of guards to evaluate their knowledge and verify that they possessed the minimum level of skill and understanding necessary to perform their job. In addition, the applicant committed to developing a comprehensive training program incorporating all the elements

identified in the training and qualification plan and 10 CFR 73, Appendix B. This development effort has been initiated, and the schedule for implementing this upgraded training program will be submitted to the NRC for review and approval. The NRC has completed its evaluation of the applicant's guard force and has concluded that they possess the minimum level of knowledge and understanding necessary to perform their assigned tasks. The applicant has taken action to hire and train sufficient personnel to meet the anticipated manpower requirements.

By letter dated August 18, 1987, the applicant stated that requalification training for the first two groups of security offices would not be done "under the old training program and within the one (1) year time frame but will be done under the new systematic approach to training" Due to the extensive performance testing and recertification that was done during the past four months, Region IV considers this extension of the requalification period to be justified and believes that any training performed under the new program will be a benefit to HL&P's security organization.

During the review of the applicant's security personnel training records, it was determined by NRC investigators that the State of Texas certification for the security officers was invalid. On July 24, 1987, the applicant removed all weapons from the security force and initiated a retraining and recertification program. Recertification training was conducted in two groups by an authorized outside organization, and approximately 100 guards were successfully recertified and were authorized by the state to carry weapons again on July 31, 1987.

A final walkdown and inspection of the security program (Manual Chapter 2513, Series 81000 Inspection Procedures) could not begin until July 8, 1987. This effort was completed on August 19, 1987, and all regulatory issues identified were corrected by the applicant or resolved with NRC licensing personnel. Because of the problems identified above, the applicant was unable to "lock down" until August 2, 1987, and operate the security system in a normal configuration. This late date for "lock down" was a major obstacle in completing the inspection program in a timely manner.

The applicant has addressed all of the open items identified during the preoperational test period and dispositioned each one to the satisfaction of the NRC. The post-license issues and conditions identified and discussed above are described in HL&P letters dated July 24, 30, and August 7, 1987, which should be incorporated into the operating license.

The Region IV staff recognizes the need for continued effort and improvement on the part of the applicant in the areas of hardware and personnel development. HL&P reorganized the security department on August 3, 1987. Region IV expects this to have a positive effect on the security program. This new organization has not been functioning long enough to demonstrate the applicant's capability to maintain an acceptable level of performance and implement changes to improve overall program

quality. This will be an area of particular attention to the NRC inspectors during Region IV's performance of the Startup Testing Phase (MC 2514) of the Inspection Program.

On the basis of these identified license conditions and the corrective actions taken by the applicant, no open items in the area of security facilities and programs exist which preclude issuance of a fuel load license to HL&P.