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October 5, 1979

Marc R. Poirier, Esquire
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2600 Virginia Avenue, N.W.
Room 321
Washington, D.C. 20037



Re: In the matter of:
Houston Lighting & Power Co., et al.
(South Texas Project,
NRC Docket Nos. 50-498A, 50-499A)

Dear Marc:

I have received your two letters of September 28 concerning discovery in the above matter. These letters were so self-serving, and so distorted the purpose and nature of our discussion and negotiations that I believe it necessary to set the record straight.

With respect to timing, you have known for months that Messrs. Price and Durham (of Central Power and Light Co.) were going to be deposed the first week in October in Corpus Christi, or at least would have known it if you bothered to review the deposition subpoenas filed on June 18th. Despite this fact, you did not attempt to contact me at all concerning these depositions. You will recall that the week before these depositions I had the courtesy to call you to advise you of the precise schedule.

The document production at that time was no more than an updating of the document production CPL had made for your client in March and for Houston Lighting & Power in May, in accordance with the Board's directive that discovery be continuing. I do not believe you would assert that CPL had any obligation to produce these documents at that time, since you have not bothered to update your document production to CPL. Furthermore, I hardly believe my position on the Protective Order can be considered unreasonable. The facts are that on August 30 I sent to you a revised draft Protective Order, which incorporated each of the points you and Tom Ryan had discussed earlier, except one, and requested

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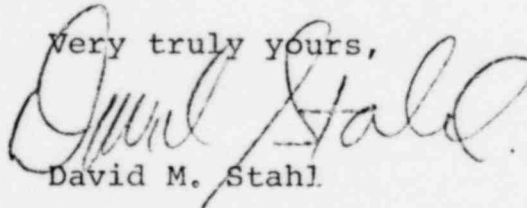
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your comments. Again, since you did not bother to respond to this request at all within the following four weeks, I am amazed at your complaint that I did not contact you "sufficiently in advance".

As to the Protective Order itself, I told you clearly before September 28 that we do not expect this Order to be applied retroactively. I understand that you have agreed to maintain the confidentiality of documents produced earlier, and that agreement will not be superseded by the Protective Order, which will apply only to documents given to you after the date of its entry. Moreover, I strenuously object to your assertion (in your letter concerning the Protective Order, p.2) that the draft Order I sent you on August 30 made new and "extraordinary" demands. That is flatly incorrect; I suggest that you should have reviewed your records and refreshed your memory before you wrote such a hasty and factually erroneous letter.

For the sake of resolving this matter I shall agree that CPL will designate those specific documents which fall within the categories of documents considered "confidential". I shall not, however, agree to your demand that employees of the PUB be permitted access to CPL's "confidential" documents. As I advised you long ago, such access would largely defeat the purpose of any Protective Order. If you consider this to be an "extraordinary" position, please refer to the Protective Order issued by the Board in this matter on April 9, 1979 concerning the production of documents by HLP to your client, which clearly provides that such access is not permitted. To demonstrate our good faith and to conclude this matter we are willing, and now propose, to enter into a Protective Order indential to the one entered by the Board on April 9. Please advise me as quickly as possible whether you are willing to enter into such a Protective Order.

Very truly yours,



David M. Stahl

DMS:kc

cc: Atomic Safety and Licensing Board Panel
All Parties

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