

The Light company

Houston Lighting & Power

South Texas Project Electric Generating Station P. O. Box 289 Wadsworth, Texas 77483

October 15, 1993
ST-HL-AE-4603
File No.: G36
10CFR50
Docket STN 50-498
STN -499

Mr. James M. Taylor
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Office of Executive Director for Operations
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852

Dear Mr. Taylor:

Enclosed is the 1994 - 1998 Business Plan for the South Texas Project (Attachment 1). The Plan encompasses those actions and associated resource allocations necessary to effect near-term improvements in station performance and sustained superior performance over the longer term. It will serve as the primary tool to realize the vision of the Plan, which is to make STP a world class performer. Each of the key tasks in the Plan is summarized in Attachment 1; details of the specific action steps for each task are contained in a companion book to the Plan, which is available for review at the STP site.

Reflecting my conviction that no plan can succeed without the wide support of those who must carry it out, more than 250 people, drawn for a broad cross-section of the STP staff, participated in the development of the Business Plan. The corollary of involvement is accountability. Specific individuals have been assigned responsibility for the successful completion of each major task in the Plan. In approaching the development of the Business Plan in this manner, we have sharpened both understanding and "ownership" of the Plan which I believe will help to assure its success. The degree of success will be determined by evaluating results against pre-determined performance measures which are built into the Plan. In addition, we will utilize periodic progress review meetings, field observations, and other methods to both evaluate progress and determine the need for modifications to the Business Plan. STP will track action items addressed in the Business Plan from inception to closure.

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Project Manager on Behalf of the Participants in the South Texas Project

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We expect that the Plan will be modified from time to time, with formal management concurrence, in order to meet changing conditions. To the extent the Plan incorporates activities or projects governed by regulatory requirements, changes in these elements of the Plan will only be made in accordance with applicable regulations. The Business Plan, of course, also includes activities and projects designed to meet non-regulatory business objectives such as reliability and cost targets, which will be updated periodically.

Finally, as noted in my letters of August 5 and August 28, 1993, this Business Plan, in conjunction with our previously submitted Operational Readiness Plan, constitutes our response to the NRC's Diagnostic Evaluation Team (DET) report of June 10, 1993. As described in that correspondence, those items which HL&P believes should be addressed prior to the assumption of power operations, are being resolved through the Operational Readiness Plan. The DET report was carefully analyzed to assure that its findings and observations were addressed in the Business Plan and the Operational Readiness Plan. A matrix correlating the DET report's findings and observations with the actions and tasks in the Business Plan and Operational Readiness Plan which address them is appended (Attachment 2). We will remain in close contact with the NRC staff to assure that all issues addressed in these documents are brought to closure.

As you know, a number of recent actions described in the Operational Readiness Plan have been taken to strengthen management effectiveness at STP. These actions together with the others identified in the Business Plan are designed to achieve a high level of sustained performance and safety at STP. We recognize that it will take significant ongoing management attention to effectively implement the Business Plan and accomplish our performance objectives. We are committed to that effort.

We plan to keep the NRC informed as implementation of the Business Plan proceeds. In the interim, please do not hesitate to contact me should you wish to discuss these matters directly.

Sincerely,



W. T. Cottle
Group Vice President, Nuclear

WEB/nl

Attachments

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