

50-498/499 OL

I-CCANP-76

Houston Lighting & Power Company 7/15/85

OFFICE MEMORANDUM

To South Texas Project Nuclear File
From D. D. Jordan
Subject

June 3, 1981

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At 8 a.m. on Wednesday, June 3, 1981, Mr. Tom Feehan met in my office to discuss the status of Brown & Root's organization and the recruiting efforts to fill critical positions on the South Texas Project. Mr. Feehan seemed to be encouraged with their progress and indicated that there was a possibility that Gibbs & Hill might assume some portions of the engineering on Unit 2. He said a Letter of Intent with Gibbs & Hill had been prepared and that he was concerned that Houston Lighting & Power Company would require several days to agree to the addition of Gibbs & Hill. I indicated that there should be no delay on our part if in fact Brown & Root had communicated their plans to us during the formation period but that if they had developed this program in a vacuum without our knowledge or input, it would obviously require us some time to become acquainted with the plan.

I have later determined that the problem of time with Gibbs & Hill does exist because Brown & Root did not communicate any of their proposals prior to their Letter of Intent to Houston Lighting & Power Company. There are material questions relative to the engineering controls since Brown & Root intended to allow Gibbs & Hill to engineer Unit 2 using totally different control system than they used to engineer Unit 1. While this might be expedient for the engineering schedule, it certainly would be a future difficulty in attempting to operate and make alterations to each unit of the next 30 years. This and other difficulties are each to be resolved.

During the conversation, Mr. Feehan said he was concerned with the attitude of our partners and the potential politics on the South Texas Project; and he asked if it would be advantageous to South Texas if Brown & Root removed themselves as architect/engineer and contractor. I told him we had not yet made such a decision and that it would not be necessary for this to happen if in fact Brown & Root would begin to show some positive results on South Texas. Mr. Feehan was told again that the prime difficulty on the Project is the failure of Brown & Root to place experienced people in lead positions in spite of the fact that we have continually requested that this be done for the last three years. The current effort being made by Brown & Root to finally comply with this request is very late; and in our opinion, is still not as strong as it should be. For example, we have little confidence that this Project can advance satisfactorily under the direction of Bill Rice who has never had any experience with nuclear engineering or construction prior to his recent assignment to oversee this work.

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NUCLEAR REGULATORY COMMISSION

Ticket No. STNSO-498 OL Official Exh. No. @CANP#76

In the matter of _____

Staff _____ IDENTIFIED ☒

Applicant _____ RECEIVED ☒

Intervenor _____ REJECTED ☐

Staff's Off'r _____

Contractor _____ DATE 7/15/85

Other _____ Witness _____

Reporter TATE