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November 14, 1985

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Chairman, Administrative Judge  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dr. James C. Lamb, III  
Administrative Judge  
313 Woodhaven Road  
Chapel Hill, NC 27514

Frederick J. Shon  
Administrative Judge  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

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:

Enclosed is a copy of a press release issued by HL&P on November 13, 1985, stating that STP Unit 1 is presently about two months behind schedule and that it appears that fuel load will be summer, 1987, a delay of approximately six months.

The Applicants believe that this development should not affect the planning for the expeditious undertaking and completion of Phase III of the operating license hearings in accordance with established Commission policy.

As I informed the Chairman of the Board yesterday, representatives of Applicants, the NRC Staff and CCANP

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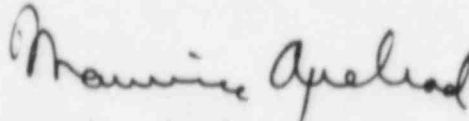
Charles Bechhoefer, Esq.  
Dr. James C. Lamb, III  
Frederick J. Shon  
Page Two  
November 14, 1985

have agreed to propose the following schedule for Phase III for consideration by the Board:

- (1) Discovery begins on January 6, 1986.
- (2) Discovery ends on March 7, 1986.
- (3) Testimony is filed on March 31, 1986.
- (4) Hearing begins on April 15, 1986.

In a telephone call today from the Chairman of the Board, we were informed that the members of the Board may wish to delay the hearing date by a couple of weeks. We would have no objection to such a delay, which we understand will be discussed in the conference call at 4:00 p.m. on November 15.

Very truly yours,

  
Maurice Axelrad

MA/aps

cc: Service List

For Information Contact:  
Graham Painter  
(713)229-7125

For Release:  
November 13, 1985

Officials of the companies building the South Texas Project nuclear plant said today a preliminary review of construction status indicates that the plant will be completed within its current budget of \$5.495 billion, which was established in August, 1982. It also appears that the fuel load date for Unit 1 will be summer, 1987, a delay of approximately six months. The unit is presently about two months behind schedule. Construction on Unit 2, set for completion in 1989, remains on schedule, the preliminary information indicates.

Every year at this time, a comprehensive cost and schedule review is conducted by Houston Lighting & Power Company and its principal contractors, Bechtel Energy Corporation and Ebasco Constructors, Inc., to assess any changes to the scope of the job. That study is presently underway, and is expected to be completed November 20.

"From that time in 1982 when Bechtel and Ebasco took over engineering and construction, the project managers undertook an extremely aggressive schedule to complete the plant in the earliest possible time and at minimum cost," said HL&P Group Vice President Jerry Goldberg. "The schedule was set with the knowledge that it would be an extremely difficult one to meet, even under perfect construction conditions," he said.

While the December, 1986 fuel load date for Unit 1 no longer appears feasible, efforts to meet that objective have resulted in moving the giant plant forward at a record pace, Goldberg said. "Enormous progress has been made on the project since the introduction of Bechtel and Ebasco to the program. Together we have made this one of the highest quality nuclear jobs in the country while doing our work in a very aggressive manner. The fact that we may not achieve the full measure of our schedule objective does not diminish the significant achievements in both quality and cost effectiveness," he said.

In addition to HL&P, owners of the Matagorda County plant are Central Power and Light Company and the Cities of San Antonio and Austin. Conceived to reduce South Texans' dependence on natural gas to fuel their electricity supply, the completed plant will be a landmark energy project able to generate the energy equivalent of 25 million barrels of oil a year.

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
	)	
HOUSTON LIGHTING & POWER	)	Docket Nos. 50-498 OL
COMPANY, <u>ET AL.</u>	)	50-499 OL
	)	
(South Texas Project, Units 1	)	
and 2)	)	

CERTIFICATE OF SERVICE

I hereby certify that copies of the letter dated November 14, 1985 to the members of the Atomic Safety and Licensing Board from Maurice Axelrad and of the enclosed press release dated November 13, 1985, have been served on the following individuals and entities by deposit in the United States mail, first class, postage prepaid, on this 14th day of November, 1985.

Charles Bechhoefer, Esq.\*  
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Atomic Safety and Licensing Appeal Board  
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Maurice Apfelrad