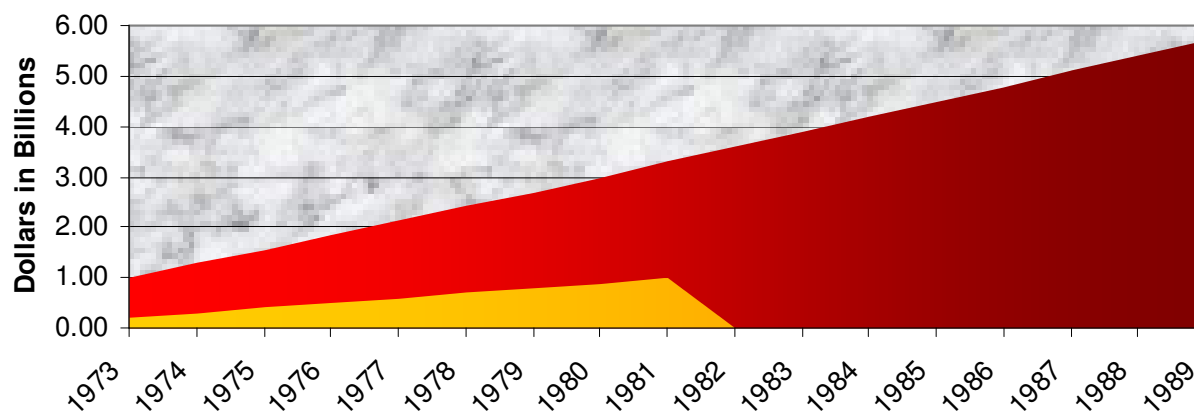


# South Texas Project: 8 years late, 6 times over budget

**Costs of Building Reactors 1 and 2 per year:  
Real Vs. Estimated Costs**



The above chart shows costs of the South Texas Nuclear project from its initial proposal in 1971 to the completion of the second reactor in 1988. The axis on the left represents the total cost in billions of dollars. The blue area represents the nearly one billion dollar total initial estimate, while the red area represents the actual costs of the project. Note that construction was initially expected to be completed by 1982.

## A Brief History

- 1971:** ..... Houston Lighting and Power presents proposal for South Texas Nuclear Project, with an Estimated cost of 1 billion dollars for the entire project.<sup>1</sup>
- 1973:** ..... Construction begins, with contractor Brown and Root. A **\$1 billion** cost is agreed upon and the first reactor is projected to be finished by 1980 and the second by 1982.<sup>1</sup>
- 1979:** ..... Estimated costs **rise to 2.7 Billion** and completion of the reactors is postponed to **1984** for the first and **1986** for the second.
- 1979:** ..... Brown and Root Inspector Dan Swayze gives interview with CBS Magazine, discussing his decision to stop inspecting concrete pours after a 1977 incident at STP in which concrete

workers at STP **threatened his life** and **physically assaulted** another inspector. “**They beat the hell out of him**” –Swayze<sup>3</sup>

- 1979:** ..... Three Mile Island accident. San Antonio reevaluates its role in the project.<sup>1</sup>
- 1980:** ..... After **3,000 complaints** and reports of work **deficiencies**, the Nuclear Regulatory Commission issues a report citing **22 violations**, fines HL&P **\$100,000** and issues a “show cause order” requiring the company to explain why the project should be allowed to continue.<sup>2</sup>
- 1980:** ..... **HL&P voluntarily stops** work after problems are discovered in the welding and concrete. The projected is rated below average by Ralph Nader’s Critical Mass Energy Project. It is ranked among the **top 4 worst ongoing projects**.<sup>1</sup>
- 1981:** ..... HL&P fires original contractor Brown and Root (who had no previous experience with nuclear reactors) and replaces them with Bechtel Corporation. Estimated completion costs increase to **\$4.5 billion**.<sup>1</sup>
- 1985:** ..... Brown and Root loses a **\$750 million lawsuit**, filed by Houston Lighting & Power, San Antonio City Public Service, Central Power & Light of Corpus Christi and the City of Austin. At the time this was **the largest cash legal settlement in U.S History**.<sup>6</sup>
- 1987:** ..... HL&P receives low-power operating license for Unit 1 nuclear reactor.<sup>4</sup>
- 1988:** ..... The Nuclear Regulatory Commission, conducts last minute inspection, of facility after **hundreds of allegations of poor construction**, over 50 of which were made by plant workers through the Government Accountability Project. Among the allegations was a claim that roughly **20% of the plants’ safety valves were installed backwards**. This was **never corrected** after it was concluded that the plant could still function with backwards safety valves.<sup>2</sup>
- 1988:** ..... Completion is announced **7 years late** and **500% over budget**.<sup>5</sup>
- 1989:** ..... City of Austin files lawsuit against Houston Lighting and Power for unexpected expenses and delays during the construction of STP. Texas Court in Dallas Rules in HL&P’s Favor.<sup>7</sup>
- Since 1990:** ..... STP and other nuclear reactors spend an average of **\$45 million each year disposing of waste, per reactor**.

Nuclear reactors are likely to experiences cost overruns and delays. The **\$13 billion** CPS Energy estimate, for STP reactors 3 and 4 is **highly optimistic** and San Antonio may bear the brunt of the **delays** and **hidden costs**. Other technologies are available and more affordable. The San Antonio City Council should say no to building two reactors and insist on safer, cleaner, more affordable options such as more energy efficiency and renewable solar, wind and geothermal power.

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<sup>1</sup>Balz, Dan. Increasingly Unattractive to Investors; South Texas Nuclear Project a \$4.5 Billion Mess The Washington Post, October 3, 1981, Saturday, Final Edition, First Section; A7 <sup>2</sup>Peterson, Cass. Texas Nuclear Plant Probed for Violations ; Workers Filed Hundreds of Complaints. The Washington Post, January 24, 1988, Sunday, Final Edition, FIRST SECTION; PAGE A4 <sup>3</sup>Surprise Inspection Is Held After Allegations at Project. The Washington Post, October 4, 1979, Thursday, Final Edition, First Section. <sup>4</sup>HOUSTON LIGHTING SUBSIDIARY LOADS FUEL AT NUCLEAR PLANT. WALL STREET JOURNAL, August 24, 1987, Monday, Section 1; Page 39, Column. <sup>5</sup>Texas Nuclear Plant Suit Yields Huge Cash Award The Washington Post, May 31, 1985, Friday, Final Edition, Business; Roundup; D1, 216 words, From news services and staff reports. <sup>6</sup>Texas Nuclear Plant Suit Yields Huge Cash Award. The Washington Post, May 31, 1985, Friday, Final Edition, Business; Roundup; D1, 216 words, From news services and staff reports. <sup>7</sup>AUSTIN, TEXAS, LOSES DAMAGES CASE RULING WITH HOUSTON UTILITY. WALL STREET JOURNAL, July 7, 1989, Friday, Section 3; Page 9, Column 6,