

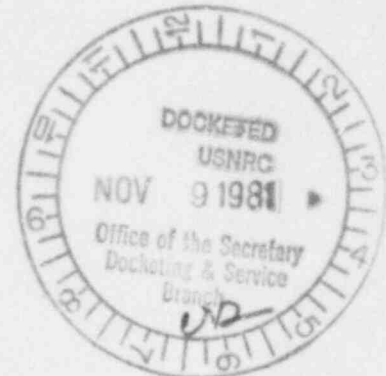
PACIFIC GAS AND ELECTRIC COMPANY

77 BEALE STREET • SAN FRANCISCO, CALIFORNIA 94106

BARTON W. SHACKELFORD
PRESIDENT



November 6, 1981



Nunzio J. Palladino
Chairman, U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Chairman Palladino:

I am writing in response to a letter which was sent to the Commission on October 30, 1981, by Governor Edmund G. Brown, Jr., an Intervenor in the licensing proceedings of our Diablo Canyon Nuclear Power Plant. In that letter, Brown requests that an independent audit of earthquake protection and other safety related features of the Diablo Canyon Plant be conducted with regard to the recently discovered design errors at that facility. Governor Brown also requests that the Commission revoke our license for fuel load and low power testing which was granted by the Commission on September 21, 1981.

As you know, when the Company discovered the diagram error we immediately ceased preparations for fuel loading and low power operations and communicated that fact to the NRC Staff along with the agreement that we would not commence those operations unless and until we received the concurrence of the Commission staff. The Staff, with participation by the Brookhaven National Laboratory, has now undertaken a review of the whole matter. The Company also has begun such a review and engaged the services of an independent consultant, Robert L. Cloud and Associates, to make a separate and independent review and analysis. We have cooperated openly and fully with the Staff to resolve this situation as quickly as possible commensurate with our due regard for the safe operation of the facility. I can further assure you that I have made the resolution of this matter my highest priority, and I intend to stay personally involved until it is completed.

Turning now to the specifics of the request of Governor Brown I believe that his characterization of the effects of the error is greatly overstated. As we have indicated at both meetings with the staff, our review and analysis of the effects of the errors to date have not indicated any situation wherein

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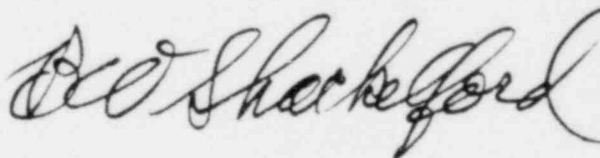
the integrity and safe operation of the facility have been compromised.

As a result of our first meeting with the Staff on October 9, 1981, one of the requisites imposed on PGandE was to complete a review and audit of the interface between the Company and our seismic consultant URS/Blume to determine if any further errors had occurred either as to information from us to URS/Blume or as to the use by us of information furnished by URS/Blume to us. At the second meeting with the staff on November 3, 1981, the scope of the reverification program to be performed by Dr. Cloud was greatly expanded by the staff.

Dr. Cloud is highly qualified to conduct such a study and no question has been raised concerning his technical qualifications. Although he is an independent consultant, Governor Brown has questioned his independence because Dr. Cloud had served on a consulting team to PGandE in performing a systems interaction review. We believe that aside from impugning the unquestioned integrity of Dr. Cloud, this claim overlooks the fact that his work will be subject to review by the Staff and its consultants. Further, the results of his initial efforts including his proposed program were presented to the Staff at the meeting of November 3, 1981. That presentation most certainly demonstrated that Dr. Cloud has formulated a review procedure which is in direct response to the task he undertook.

Finally, I take exception to the request of Governor Brown asking the Commission to revoke our fuel loading and low power testing license. As I mentioned above, the Company has agreed to the reverification program outlined by the Staff at the October 9 and November 3 meetings. Accordingly, no reason whatsoever exists for revoking our fuel load and low power testing license, an action which would only add delays without adding any benefits greater than those already inherent in the program being implemented by the Staff.

Sincerely yours,



BWS:hfb

cc: Other Commissioners
Harold R. Denton
Service List