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August 24, 1982

Dr. Nunzio Palladino  
Chairman  
U. S. Nuclear Regulatory Commission

Dear Dr. Palladino,

In November of 1981, the U. S. Nuclear Regulatory Commission requested that an investigation be conducted into the circumstances surrounding the development of the "Preliminary Report, Seismic Verification Program", prepared by R. L. Cloud and Associates, Inc. for the Pacific Gas and Electric Company. This investigation was conducted during December of 1981 and January of 1982, and the results were reported in

Nureg - 0862, Issue 3, February 1982  
"Inspection Report of 'Preliminary Report,  
Seismic Reverification Program' at Diablo  
Canyon Nuclear Power Plant, Units 1 and 2"

This investigation was requested as a result of allegations that PGandE edited reports prepared by our company in a manner favorable to PGandE. The NRC investigation determined clearly that there was no prejudicial editing of our report, and that all changes to the report were made by engineers in our company on the basis of documented engineering work which had been compiled in a Log Book at the time the report in question was written and edited. The purpose of my letter today is to request that a statement be issued from the U.S. N.R.C. Commissioner's office declaring that this matter has been investigated in depth, and that no improprieties were found, and that the work in question was performed in a professional manner.

The investigation was the most rigorous review of an engineering report I have ever witnessed or have been involved in during my 25 years of engineering experience including 12 years in commercial nuclear work and 7 years in Naval Reactor activities. The disposition of 345 comments on the report in question was cross correlated from different sources and studies individually. Those comments that had the potential for resulting in a change in meaning or a favorable change in presentation were studied in depth. Specific documentation was requested for each substantial change. This documentation had been organized into a Log Book. It was readily available and was the basic reason the investigators were able to come to a positive conclusion. There were 2 exceptions out of the

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345 comment resolutions, however a study of these exceptions shows them to be differences in interpretation between the investigators and our engineers. There was a documented basis for all changes. It is also noted that intervenor engineers and attorneys were present during these reviews. They took no exception to the findings at the time, nor have they since, so far as I know.

The investigation was called for, in part, as a result of a misunderstanding regarding the existence of a draft report that developed at a meeting with the NRC staff on November 3, 1981. The occurrence of this misunderstanding and the fact that it was not corrected was clearly an unfortunate event. But on a factual basis it was not important. The reason it was factually unimportant can be seen from my own presentation at that meeting. In my presentation which was given just previous to the misunderstanding, I presented first the results of our preliminary work. Second, I stated that in order for our company to properly verify the seismic work a new approach was necessary. Then, I presented a new verification program based upon performance of independent calculations for a sample of all seismic work. In effect, the preliminary report was rendered moot relative to the verification program and has remained so. The new program has and is being carried out essentially unchanged, notwithstanding all the events that have occurred since. I believe the record shows it is much more thorough than verification programs conducted in other plants.

The fact that an investigation was felt necessary, and that it was conducted at all, casts a serious shadow on the professional reputation of both myself and our company. The fact that our company sustained such a rigorous investigation with no adverse findings is important. In addition to injuring our reputation, these events have had and no doubt will continue to have an adverse effect on our business.

It will be in the best interest of all concerned for the Commission to provide a final statement on the conclusions of the investigation. I hope you will be able to respond in a positive manner to this request.

Yours truly,

  
Robert L. Cloud

cc: See Attachment  
RLC:ljs

cc: Commissioner Gilinsky  
Commissioner Ahearne  
Commissioner Roberts  
Commissioner Asselstine  
Mr. George Maneatis  
Mr. Harold Denton  
Mr. Robert Engelken  
Dr. William Cooper  
Mr. David Fleischaker, Esq.  
Mr. Joel Reynolds, Esq.  
Mr. Herbert Brown, Esq.  
Mr. Bruce Norton, Esq.  
Mr. Arthur Gehr, Esq.  
Mr. Roy Fray