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VIA SKY COURIER NETWORK

PHILIP A. CRANE, JR.
ATTORNEY AT LAW

July 26, 1984 JUL 27 A11:24

Mr. Samuel J. Chilk
Secretary
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

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PROD. & UTIL. DIV.
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Dear Mr. Chilk:

This is in reply to your letter dated July 20, 1984. We have reviewed the response of Mr. Sherman Naymark of Quadrex Corporation to questions posed in Chairman Palladino's letter of July 13, 1984, regarding the 1977 audit by NSC of Pullman Power Products Company work at our Diablo Canyon Plant. We have the following comments in regard to his response.

As we have previously pointed out to the NRC, each and every finding of this audit has been reviewed on numerous occasions by both PG&E and Pullman. In addition, the NRC staff has conducted a very long and comprehensive investigation of the NSC audit findings, the results of PG&E's investigation, and Pullman's investigations. The results of the NRC investigation have been documented and made available to all parties. With the exception of several minor procedural problems, the NRC staff determined that the conclusions of the NSC audit could not be substantiated.

In view of these extensive investigations and reviews, we believe that there remains nothing of substance that would warrant further review of the circumstances and findings of the NSC audit.

Very truly yours,

Philip A. Crane, Jr.

RFL:sls

cc: Joel R. Reynolds, Esq.
Center for Law in the Public Interest
Peter H. Kaufman, Deputy Attorney General
Office of the Attorney General

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