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TESTIMONY
OF
NUNZIO J. PALLADINO
CHAIRMAN
U.S. NUCLEAR REGULATORY COMMISSION
BEFORE THE
SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
DIABLO CANYON LICENSING CONCERNS
JUNE 14, 1984

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MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, GENTLEMEN FROM THE STATE OF CALIFORNIA. WE ARE HAPPY TO BE HERE TODAY TO ADDRESS THE MATTERS STATED IN THE CHAIRMAN'S LETTER OF MAY 23 REGARDING THE DIABLO CANYON NUCLEAR POWER PLANT AND TO RESPOND TO YOUR QUESTIONS. I AM ACCOMPANIED BY MY FELLOW COMMISSIONERS. AS YOU REQUESTED, WE ALSO HAVE PRESENT OUR PRINCIPAL STAFF INVOLVED IN THE SAFETY REVIEW AND LICENSING DECISIONS OF THE PLANT, INCLUDING MR. ISA YIN. BEFORE RESPONDING TO YOUR LETTER I WILL BRIEFLY SUMMARIZE EVENTS AND ACTIONS SINCE WE LAST MET WITH YOU IN JANUARY OF THIS YEAR.

AS YOU WILL RECALL ON NOVEMBER 8, 1983 WE REINSTATED THE LICENSEE'S AUTHORITY TO LOAD FUEL AND CONDUCT COLD SYSTEM TESTING. ON JANUARY 25 OF THIS YEAR WE AUTHORIZED HOT SYSTEM TESTING. ON MARCH 26 AND 27 THE COMMISSION MET TO HEAR FROM THE STAFF ON THE STATUS OF DIABLO CANYON UNIT 1 AND IN PARTICULAR TO DECIDE WHETHER TO REINSTATE THE LOW-POWER LICENSE TO ALLOW CRITICALITY AND TESTING AT LEVELS UP TO 5 PERCENT OF RATED POWER. AT THAT MEETING, A MEMBER OF THE NRC STAFF, MR. ISA YIN, INFORMED US, THAT BASED ON HIS FINDINGS FROM HIS INSPECTION ACTIVITIES, HE COULD NOT RECOMMEND TO US THAT THE LOW POWER LICENSE BE REINSTATED. THIS WAS CONTRARY TO THE RECOMMENDATION OF THE NRC STAFF. AFTER A THOROUGH EVALUATION OF THESE CONCERNS BY A SPECIALLY ASSIGNED REVIEW GROUP AND THE ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, ON APRIL 13, THE COMMISSION REINSTATED THE LOW-POWER LICENSE.

THE DIABLO CANYON REACTOR SUBSEQUENTLY WENT CRITICAL ON APRIL 29, LOW-POWER TESTING WAS SUCCESSFULLY COMPLETED ON MAY 23, AND THE FACILITY IS NOW READY FOR POWER ASCENSION.

LET ME ASSURE YOU THAT PRIOR TO APPROVAL OF ANY SUBSEQUENT LICENSING ACTIVITIES, THE STAFF WILL THOROUGHLY EVALUATE ALL APPROPRIATE MATTERS. REMAINING ACTIVITIES INCLUDE THE TECHNICAL ISSUES RELATING TO PIPING AND SUPPORTS, PROGRAMMATIC QUALITY CONTROL CONCERNS, SEISMIC REEVALUATION PROGRAM, A FEW OUTSTANDING ISSUES FROM THE INDEPENDENT DESIGN VERIFICATION PROGRAM (IDVP), AND FOLLOW-UP TO A NUMBER OF OTHER MATTERS INCLUDING PETITIONS AND ALLEGATIONS. PG&E HAS BEEN REQUESTED TO PROVIDE ADDITIONAL INFORMATION ON A NUMBER OF THESE MATTERS. THE STAFF, THEREFORE, HAS NOT REACHED RESOLUTION ON THESE ISSUES AT THIS TIME.

I WOULD NOW LIKE TO SUMMARIZE THE MORE PRINCIPAL OF THESE ISSUES. THE CONCERNS, RAISED BY MR. YIN, FALL INTO TWO BROAD CATEGORIES: PROGRAMMATIC DESIGN CONTROL AND TECHNICAL DESIGN ISSUES IN THE AREA OF PIPING SUPPORTS. THE REVIEW GROUP AND THE ACRS HAVE BOTH EVALUATED THESE CONCERNS. THAT EVALUATION INCLUDED MEETINGS WITH THE LICENSEE TO DISCUSS THE CONCERNS AND RECEIVE THEIR EVALUATION AND COMMENTS. IN ADDITION, THE REVIEW GROUP DISCUSSED CERTAIN MATTERS WITH THE IDVP PERSONNEL AND CONDUCTED WALKDOWNS OF THE DIABLO CANYON PLANT WITH REGARD TO SOME OF THE SPECIFIC TECHNICAL CONCERNS, SUCH AS SNUBBER AND RESTRAINT LOCATION AND REDUNDANCY. WHILE THEY CONCLUDED THAT NONE OF THESE

CONCERNS WERE OF SUCH SAFETY SIGNIFICANCE AS TO FURTHER DELAY THE REINSTATEMENT OF THE LOW-POWER LICENSE, THEY ALSO CONCLUDED THAT CERTAIN ACTIONS BY THE LICENSEE AND BY THE NRC SHOULD BE COMPLETED PRIOR TO A DECISION REGARDING ISSUANCE OF A FULL-POWER LICENSE. THE ACRS CONCURRED WITH THIS CONCLUSION.

THE COMMISSION REINSTATED THE LOW-POWER LICENSE AT THE MEETING WITH THE REINSTATEMENT BECOMING EFFECTIVE ON APRIL 19. THE ACTIONS PROPOSED BY THE REVIEW GROUP WERE ISSUED ON APRIL 18 AS SEVEN SPECIFIC LICENSE CONDITIONS IN AN ORDER MODIFYING THE DIABLO CANYON UNIT 1 LICENSE THAT MUST BE COMPLETED PRIOR TO FULL-POWER. THE STAFF HAS EXPANDED THIS REVIEW GROUP TO SEVERAL TASK TEAMS FOR THE REVIEW, EVALUATION, AUDIT AND INSPECTION OF THE LICENSEE'S EFFORTS. THE TASK TEAMS CONSIST OF 15 SENIOR PROFESSIONAL ENGINEERS INCLUDING BOTH NRC STAFF AND EXPERT CONSULTANTS. MR. YIN IS PARTICIPATING IN MANY OF THE TEAM ACTIVITIES. THE STAFF WILL ISSUE THE RESULTS OF ITS EFFORTS AS A SAFETY EVALUATION WHICH WILL SERVE AS ONE OF THE BASES FOR OUR FULL-POWER DECISION. WE EXPECT THAT THIS EFFORT WILL BE COMPLETED WITHIN ABOUT A MONTH.

ANOTHER MATTER THAT IS RECEIVING CONSIDERABLE ATTENTION IS GEOLOGICAL INFORMATION THAT RECENTLY BECAME AVAILABLE. IN MARCH, 1984, THE LICENSEE PROVIDED US WITH A PREPRINT OF A SCIENTIFIC PAPER REGARDING NEW INFORMATION AND INTERPRETATION OF DATA REGARDING THE HOSGRI FAULT NEAR THE DIABLO CANYON SITE. WE HAVE

REQUESTED THE ACRS TO EVALUATE THE INFORMATION AND ADVISE US OF ITS IMPACT REGARDING A FULL-POWER DECISION. THE FULL ACRS COMMITTEE AND ITS CONSULTANTS ARE SCHEDULED TO MEET ON JUNE 14 WITH THE LICENSEE, STAFF AND DR. CROUCH, THE PRINCIPAL AUTHOR OF THE PAPER.

IN ADDITION TO THIS NEW INFORMATION, THE STAFF IS CURRENTLY FORMULATING SPECIFIC DETAILS FOR A LONGER TERM REVALIDATION PROGRAM FOR THE SEISMIC DESIGN BASES OF THE DIABLO CANYON PLANT. THE NEED FOR SUCH PROGRAM WAS INITIALLY DISCUSSED BY THE ACRS IN 1978 AND IS NOW A CONDITION IN THE LOW-POWER LICENSE. THE PROGRAM MUST BE ESTABLISHED BY JANUARY OF NEXT YEAR AND BE COMPLETED BY 1988.

THE LAST SUBJECT I WANT TO MENTION IS THE MATTER OF ALLEGATIONS. THE STAFF HAS DEVOTED EXTENSIVE EFFORTS OVER THE PAST MONTHS TO EVALUATE ALLEGATIONS. SINCE EARLY NOVEMBER 1983, WE HAVE EXPENDED IN EXCESS OF 18000 STAFF HOURS. OUR FUNDAMENTAL APPROACH IS TO FOCUS ON TWO BASIC QUESTIONS:

*FIRSTLY, DOES THE ALLEGATION PRESENT A TECHNICAL PROBLEM WHICH COULD AFFECT THE SAFETY OF THE PLANT?

*SECONDLY, DOES THE ALLEGATION REVEAL ANY SIGNIFICANT DEFECTS IN THE LICENSEE'S OR HIS CONTRACTORS MANAGEMENT ON QUALITY SYSTEMS?

THE STAFF EVALUATED ALMOST ALL OF THE FIRST APPROXIMATELY 200 ALLEGATIONS TO ADDRESS THESE QUESTIONS. MORE RECENTLY, SEVERAL HUNDRED ADDITIONAL ALLEGATIONS HAVE BEEN RECEIVED FROM A VARIETY OF SOURCES. AS THIS PICTURE EVOLVED THE STAFF DEVELOPED SCREENING CRITERIA TO DETERMINE WHICH ALLEGATIONS MUST BE COMPLETELY RESOLVED PRIOR TO EITHER LOW-POWER OR FULL-POWER OPERATION. AS A MINIMUM, EACH ALLEGATION IS BEING EVALUATED AGAINST THE CRITERIA. THESE CRITERIA ARE CONTAINED IN OUR SAFETY EVALUATION REPORT SUPPLEMENT 22.

USING THESE CRITERIA THE STAFF HAS IDENTIFIED ALLEGATIONS IN SEVERAL AREAS THAT REMAIN TO BE RESOLVED PRIOR TO FULL-POWER. ONE OF THESE AREAS IS PIPING AND SUPPORTS WHICH IS ALSO INCLUDED IN THE STAFF REVIEW TEAM EFFORT I DISCUSSED EARLIER. THE STAFF IS CONTINUING ITS ALLEGATION EVALUATION EFFORT AND WILL REPORT TO US, PRIOR TO A FULL-POWER DECISION ON DIABLO CANYON.

IN CLOSING MY OPENING REMARKS TWO OTHER ACTIONS SHOULD BE NOTED. THE FIRST IS THE DECISION BY THE APPEAL BOARD IN MARCH REGARDING MATTERS OF DESIGN QUALITY ASSURANCE. THAT DECISION WAS FAVORABLE TO THE LICENSEE. THE SECOND ITEM IS A NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF A CIVIL PENALTY FOR \$50,000 RESULTING FROM THE FACILITY STAFF NOT RECOGNIZING FOR A PERIOD IN EXCESS OF 15 HOURS THE INOPERABLE STATUS OF THE EMERGENCY CORE COOLING SYSTEM.

MR. CHAIRMAN, THIS CONCLUDES MY OPENING REMARKS. WE ARE READY TO
RESPOND TO YOUR COMMENTS AND QUESTIONS.

UNIT 1 STATUS

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UNIT 2 STATUS

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May 23, 1984

The Honorable Nunzio J. Palladino
Chairman
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Chairman:

My House colleagues from central California and I are receiving many letters from people living near the Diablo Canyon nuclear powerplant. The authors of the great majority of these letters have expressed a deep concern that appears to arise from a perception that the Commission will issue a full-power operating license prior to resolution of all significant safety issues.

In response to a request from six of my California colleagues, the Subcommittee on Energy and the Environment will extend its inquiry into the workings of the regulatory process at Diablo Canyon. Accordingly, I would appreciate your briefing the Subcommittee on this matter on June 14. I would also welcome the views of those of your fellow Commissioners who might wish to participate. In order that the Subcommittee be able to address the details of matters that have been brought to our attention, I am requesting that you be accompanied by NRC staff, including Mr. Isa Yin, who are primarily responsible for certifying that the Diablo reactors comply with the Commission's regulations.

Among the items that need to be addressed are the issues specified by Mr. Yin and Mr. Stokes, the questions posed in my February 23 letter to you, and the Nuclear Services Corporation audit and matters pertaining thereto, including the questions contained in the April 10 notes provided to NRC staff by Interior Committee staff.

Thank you for your assistance.

Sincerely,

M. K. Udall

MORRIS K. UDALL
Chairman

10.10
pre-brief c/n June 12, 1984

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MEMO FROM CHAIRMAN
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