



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

June 13, 1984

MEMORANDUM FOR: Chairman Palladino  
Commissioner Gilinsky  
Commissioner Roberts  
Commissioner Asselstine  
Commissioner Bernthal

FROM: *J. E. Zerbe*  
John E. Zerbe  
Director, OPE

SUBJECT: DIABLO CANYON STATUS

At the request of the Chairman, this memorandum is being provided to assist the Commission by identifying information germane to the Diablo Canyon licensing action. It is based upon information provided by the NRC staff in a briefing for the Chairman and the Commissioner's assistants on June 12, 1984. We have specifically called attention to instances where Commission action may be required prior to the Commission's reaching a final decision to authorize full-power for the Diablo Canyon plant. In addition, the information in this memorandum may be useful as background material for the Commission's testimony to Congressman Udall at 2 p.m. on Thursday. This memorandum also includes two items which we have received from Commissioner's offices (items # 8 and 9 below). We have attached a memorandum to the files on Diablo Canyon covering the status of adjudicatory and other items prepared by Sheldon Trubatch, OGC. The major issues discussed below which are still under NRC staff review are: piping and supports, resolution of certain allegations, and the Seismic Design Basis Revalidation Program Plan.

1. Plant Status.

In its letter of June 8, 1984 PG&E reported that it had completed the low power testing program and the few remaining construction activities and that it would be ready for operation above 5 percent power on or about June 19, 1984. NRC Region V staff concurred in PG&E's estimate of operational readiness.

2. Status of Adjudicatory Items

The Commission has a number of adjudicatory items pending. Some may require Commission action before reaching a full-power decision on Diablo Canyon.

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- a. The Commission must conclude an immediate effectiveness review of the Atomic Safety and Licensing Board (ASLB) preliminary initial decision (LBP-82-70) of August 1982 for full power. The Board's decision primarily focused on emergency planning and equipment and PORV safety issues. The emergency planning issue which will require special attention is the licensing condition that prior to full power operation, there must be a formal FEMA review and approval of the California state emergency plan as applicable to Diablo Canyon. PG&E and the NRC staff have appealed the imposition of this licensing condition.
- b. The Commission has pending before it petitions for Commission review of ALAB-763 (Design Quality Assurance). OGC will shortly provide its recommendation on the petitions for review. The Commission need not complete action on ALAB-763 before authorizing full power for Diablo Canyon, but could rely upon a preliminary determination as part of an immediate effectiveness decision on LBP-82-70 that there is nothing in the ALAB-763 requiring deferral of a decision on full power.
- c. Two petitions on ALAB-756 (Construction Quality Assurance) are currently before the Commission for review. These petitions are to reopen the record on alleged deficiencies in construction QA. The Commission has not decided whether to defer a full-power decision until these petitions have been resolved. As a part of its immediate effectiveness review of the ASLB decision on full power, the Commission could also decide based upon a preliminary determination that the full-power license need not be delayed pending final action on ALAB-756.
- d. There are pending motions before the Commission for the Appeal Board to reopen on allegations in the areas of design quality assurance and construction quality assurance. Commission action on these motions is not essential prior to a decision on full-power. However, by analogy of the Commission's treatment of allegations, some preliminary determination should be made on whether these motions raise any issues warranting deferral of a Commission decision on full power operation.
- e. The effect of earthquakes on emergency planning is an issue pending before the Commission. The Commission is considering whether to reopen the Diablo Canyon record on this issue. The Commission has left open the question of whether the litigation of this issue must precede the grant of a full power license.

### 3. Status of Pending Investigations

Mr. Hayes reported that there are currently 20 ongoing investigations of which 16 were inquiries. Mr. Hayes indicated that he relies on Region V for identification of investigations having safety significance which could affect a Commission decision to permit Diablo Canyon to go to full power. At the present time, there are no investigations which have been identified by the staff that would bar a Commission decision to authorize full power. However, prior to authorizing full power for the Diablo Canyon plant, the Commission will need to make a preliminary review and come to a judgment that there are no significant safety issues which must be resolved prior to the Commission's decision. We would expect that prior to a Commission decision on full power that the Commission would be briefed by the Office of Investigations in order to obtain the most current status of OI's investigations. Thus could include additional written materials on the status of investigations beyond that now contained in SSER 22.

The areas of investigation are:

- a. Intimidation and harrassment
- b. Quality Assurance/Quality Control breakdown
- c. False documents - Background of security guards
- d. Vendor material false records
- e. Quality Assurance/Quality Control welding concerns
- f. Falsification of PG&E documents

### 4. Allegation Status.

Mr. Bishop of Region V reported on the current status of allegations. At the present time, there are approximately 700-800 allegations whose safety significance is being screened according to criteria contained in SSER 22. Mr. Bishop expects staff work on resolution of allegations pertinent to a Commission decision authorizing full power for Diablo Canyon to be completed within the next week. Mr. Bishop indicated that the NRC staff continues to receive new allegations. However, it appears that many of these allegations repeat earlier ones. Prior to a Commission decision to authorize full power operation for Diablo Canyon, the Commission will need to make a judgment based upon the most recent information that there are not significant outstanding safety issues associated with the allegations. We would expect that the Commission's judgment would be based upon the most current information presented as additional written material on the status of allegations beyond that contained in SSER 22 and/or an NRC staff briefing highlighting the most recent information on allegations.

## 5. Seismic License Condition.

According to the Commission's decision authorizing 5 percent power, PG&E must put in place a seismic review program which will reevaluate seismic factors at Diablo Canyon over a several year period. In accordance with that condition, PG&E will submit its proposed seismic program by January, 1985. Further, in response to the Commission's request, the staff is preparing a more detailed plan of implementation on the seismic review program that, although not required, the Commission would consider at the time of full power licensing.

## 6. Licensing Issues.

Mr. Eisenhut and Mr. Vollmer reported on various licensing issues currently under review by the NRC staff. They are:

- a. IDVP issues: Mr. Vollmer estimates that there are four issues to be completed. These issues were previously identified in SSER 20 as requiring resolution prior to full power operation. These issues are 1) turbine building roof truss modeling, 2) two additional piping analyses, 3) jet impingement loads inside containment, and 4) seismic analysis of the containment annulus
- b. There are several technical specification changes and modifications for which staff work is not completed yet.
- c. The NRC staff is continuing to evaluate the Diablo Canyon operator and shift supervisor qualifications and training.
- d. Mr. Eisenhut reported that there are roughly four §2.206 petitions on Diablo Canyon which the staff is currently reviewing.
- e. Mr. Eisenhut stressed that there are a number of areas where PG&E still owes the NRC staff additional information in order for the NRC staff to complete their reviews. (e.g., containment painting, small bore piping, and systems interactions modifications.)

With respect to completion of NRC staff reviews, Mr. Eisenhut stressed that additional time would be required to complete NRC staff review, and that this would be unlikely to be completed before the end of June and more likely sometime during July.

Mr. Yin is providing separate testimony for the Udall Committee. In his testimony he expresses a number of concerns with respect to the sufficiency of PG&E and NRC followup work and he indicates his belief that adequate resolution of his concerns cannot be completed until July or August.



The NRC staff plans to provide an SSER 23 which will document the staff's review, conclusions, and recommendations on these remaining issues. The exact scope of this SSER has yet to be defined. For instance, it could focus on the licensing issues discussed above or it could include the current status of allegations and investigations. The Commission will need to review this SSER prior to reaching a decision to authorize full-power operation at Diablo Canyon.

7. OIA Investigation.

Mr. Messenger reported on the work by OIA on the Governmental Accountability Project §2.206 petition alleging material false statements made by the NRC staff during Commission meetings of March 19, 26, and 27, 1984 and in SSER 21 and 22. He indicated that OIA is currently reviewing the GAP submissions to determine what specific information the petitions contain in support of the allegations. Prior to authorizing full-power operation of Diablo Canyon, the Commission will need to make a preliminary judgment that there are no significant safety issues stemming from the OIA investigation.

8. Commissioner Gilinsky believes that there should be at least one person on each shift with one "hot" licensed operating experience and that person should have passed a plant specific examination identical to the two day NRC SRO examination.

9. Commissioner Asselstine believes that prior to authorizing full power operation the Commission should direct the NRC staff to complete the two actions recommended in the "additional comments" by several members of the ACRS in its letter to Chairman Palladino of April 9, 1984. This letter presents the ACRS report on design control measures at the Diablo Canyon plant. ACRS members Axtmann, Ebersole, and Okrent believe that prior to ascent above five percent power, the NRC staff should prepare a document discussing in considerable detail how the various relevant issues raised by its inspectors and others have been handled. They also recommend that the staff perform a careful examination of a selected sample of actual construction details to help assure that the appropriate quality has been achieved. In addition, they believe that the ACRS should be given an opportunity to review these results prior to full power operation.