

NOV 7 1969

Docket No. 50-323

Mr. Richard H. Peterson
Senior Vice President and
General Counsel
Pacific Gas and Electric
Company
245 Market Street
San Francisco, California 94106

Dear Mr. Peterson:

This is in reply to your request dated September 9, 1969, for an exemption from the provisions of Section 50.10(b), 10 CFR Part 50 of the Commission's rules, pursuant to Section 50.12 of the rules to permit the performance of certain work at the site of the Diablo Canyon Unit 2 Nuclear Plant prior to the issuance of a construction permit by the Commission.

It is our understanding that in order to assure the availability of Units 1 and 2 at the Diablo Canyon site for commercial operation by early 1973 and 1974, respectively, construction of the Auxiliary Building common to both Units must be initiated shortly. You maintain that delays may be encountered in the operation of Unit 1 and the construction of Unit 2 if these portions are constructed separately since some of the facilities and equipment items located in the Auxiliary Building are shared. These potential delays, you state, would have a serious effect on your company's ability to meet its power generation requirements. The requested work consists of constructing about 25% of the Auxiliary Building which is solely attributable to Unit 2 concurrently with the other 75% necessary for Unit 1 for which construction is already authorized.

We have reviewed your request for an exemption under the provisions of Section 50.12 and your reasons set forth in support thereof and have concluded that the granting of the proposed exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Accordingly, the Commission hereby authorizes you to construct that portion of the reactor facility heretofore mentioned and described and requested in your letter of September 9, 1969, prior to the issuance of a construction permit.

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Mr. Richard H. Peterson

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I wish to emphasize that the granting of this exemption shall have no bearing upon the subsequent granting or denial of the construction permit for the proposed Diablo Canyon Unit 2 Nuclear Plant, and any work performed pursuant to this exemption shall be performed entirely at the risk of the Pacific Gas and Electric Company. Furthermore, the granting of this exemption does not constitute an approval of the type or adequacy of the method of its installation.

Sincerely,

(signed) Harold L. Price

Harold L. Price
Director of Regulation

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September 9, 1969

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ATTORNEYS

Mr. Harold L. Price
Director of Regulation
U. S. Atomic Energy Commission
Washington, D. C. 20545

Re: Docket 50-323

Dear Mr. Price:

Pursuant to 10 CFR 50.12 Pacific Gas and Electric Company hereby requests an exemption from 10 CFR 50.10(b) to permit it to construct the Unit 2 portion of the Auxiliary Building for its plant at Diablo Canyon at the time it constructs the Unit 1 portion of the building.

AEC Staff review of the Company's Unit 2 application is in its final stages, but it does not appear possible for a construction permit to be issued for Unit 2 prior to the time construction of the Auxiliary Building is scheduled to be commenced. Construction of the building must be started shortly for Unit 1 to be in operation early in 1973 when it will be required to help meet the Company's electric loads.

The Auxiliary Building is located adjacent to the reactors as shown on Figures 1-1 through 1-10 of the PSAR. It contains the control rooms and auxiliaries needed to operate the reactors. The Auxiliary Building has been designed as a single building to service both Units 1 and 2. Over three-fourths of the building will contain facilities for Unit 1 alone or which are common to both units, so this much of the building must be constructed in the first stage in any event.

In addition to permitting a substantial saving in cost, constructing both portions of the building at one time will avoid the confusion and interference with Unit 1 fuel loading and the Unit 2 construction schedule which could occur if the portions of the building were constructed separately. This arises from the fact that if the Auxiliary Building were constructed in two stages, fuel loading of Unit 1 would take

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place during construction of the Unit 2 portion of the building. This would mean that construction of the Unit 2 portion of the building would have to be done under controlled-access conditions. In addition, access to the building for construction of the Unit 2 portion would be severely limited because it would be surrounded by a completed building on two sides and the containment structure under construction on the third. In short, construction of the building in two stages could delay both Units 1 and 2. Any material delays for two units of this size would have a serious effect on the Company's ability to meet its power generation requirements.

As you know, a construction permit has been issued for Unit 1 (Docket 5Q-275) and Unit 2 is essentially a duplicate of Unit 1. Thus, no really novel questions are presented by the Unit 2 application. Furthermore, as stated previously, review of the Company's application is in its final stages and there appear to be no unresolved safety questions concerning the Auxiliary Building. In addition, an adequate quality assurance program has been established for the requested construction.

For these reasons it is submitted that the exemption requested herein is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest.

We would appreciate an early response to this request because we are scheduled to commence construction of the Auxiliary Building shortly.

Very truly yours,

Richard H. Peterson

Richard H. Peterson

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