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SEP 30 1976

Docket Nos. 50-275
and 50-323

Mr. J. S. Surfluh
P. O. Box 666
Morro Bay, California 93442

Dear Mr. Surfluh:

I am writing in response to your letter of September 6, 1976 to the Chairman of the Nuclear Regulatory Commission regarding the Diablo Canyon Nuclear Power Plant. The Diablo Canyon operating license application is currently pending before the Atomic Safety and Licensing Board. Since any decisions and rulings by the licensing board are subject to review by the Commissioners, it would be inappropriate for the Chairman to respond to inquiries regarding matters involved in the record of the hearings. Accordingly, your letter has been referred to me and I am pleased to respond.

First, let me discuss the status of the Diablo Canyon Plant. Construction of Unit 1 was essentially completed in Spring 1976. Since then, the unit's operation has been delayed pending resolution of seismic design questions related to the offshore Hosgri fault. The Commission's geology and seismology consultant, the U. S. Geological Survey, concluded that a magnitude 7.5 earthquake could occur on this fault, which runs about 3 1/2 miles from the plant. This represents more severe ground shaking than was originally used in the plant's design. The Commission's regulations require that a nuclear power plant be designed to safely withstand the largest potential earthquake that could be expected to occur at the plant site considering the regional and local geology and seismology and specific characteristics of local subsurface material. Accordingly, the Commission's staff requested an evaluation of the plant's seismic capabilities in light of the more severe conditions. Pacific Gas and Electric Company is currently performing such an evaluation. These matters are more fully discussed in Sections 2.5 and 3.7 of Supplements 4 and 5 to the staff's Safety Evaluation Report for Diablo Canyon. Copies of these documents are enclosed.

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When the evaluation is completed the Commission's staff will review it. As in other cases, the matter will then be reviewed by the independent Advisory Committee on Reactor Safeguards. Following that, the Atomic Safety and Licensing Board will hold public hearings and decide whether to issue an operating license. All of the various contentions allowed by the Licensing Board will be addressed at the public hearings. The limiting factor with respect to time of completion will be resolution of the seismic design issues. It presently appears that it will take about eight more months to complete the evaluation and then conclude the licensing process. I can assure you that every effort is being made and will be made to complete the licensing process for this plant as soon as possible.

I trust you will find this information responsive to your concerns.

Sincerely,

Ben C. Rusche, Director
Office of Nuclear Reactor Regulation

Enclosure:
Supplements 4 and 5
to the Safety Evaluation
Report for Diablo Canyon

bcc: Pacific Gas and Electric Company
ATTN: Mr. John C. Morrissey
Vice President and General Counsel
77 Beale Street
San Francisco, California 94106

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