

FEB 19 1976

Docket Nos. 50-275 and 50-323

Honorable Robert J. Lagomarsino
U. S. House of Representatives

Dear Mr. Lagomarsino:

I am pleased to respond to your letter of January 26, 1976 which requested information regarding the letter of your constituent, Mr. Jay Penrod, dated January 20, 1976.

Mr. Penrod expressed concern about whether proper safeguards are being employed with respect to earthquake hazards at the Diablo Canyon Nuclear Power Plant. This plant is located on the seacoast about 12 miles from San Luis Obispo, California. Construction is nearly completed for the first of the two units at this site. The owner, Pacific Gas and Electric Company, applied for an operating license in 1973. The Commission's staff is currently evaluating the operating license application. This evaluation, which is now nearing completion, has been delayed nearly two years by considerations associated with the Hosgri fault.

Construction permits were issued in 1968 and 1970 for Units 1 and 2, respectively, at the Diablo Canyon site. Based on the investigations conducted at that time the plant was designed to withstand the following earthquakes:

- (1) A great earthquake of magnitude 8.5 along the San Andreas fault 48 miles from the plant.
- (2) A major earthquake of magnitude 7.25 along the Nacimiento fault 20 miles from the plant.
- (3) A major earthquake of magnitude 7.5 along the off-shore extension of the Santa Ynez fault 50 miles from the plant.
- (4) An aftershock of magnitude 6.75 not associated with a known fault 6 miles from the plant.

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Honorable Robert J. Lagomarsino - 2 -

After the construction permits were issued, offshore investigations conducted by Shell Oil Company showed the existence of a fault which had previously been unmapped. This is the Hosgri fault which runs offshore from the vicinity of Point Sal on the south to Point San Simeon on the north and passes within about 3 1/2 miles of the Diablo Canyon Nuclear Power Plant at its closest approach. Available data show a possible continuation of the Hosgri fault southward from the vicinity of Point Sal for an uncertain distance. They also show a possible coupling of the Hosgri fault to the San Simeon fault on the north.

Since the beginning of the operating license review, Pacific Gas and Electric Company has conducted additional investigations and submitted extensive information on the characteristics of the fault, its capabilities for producing earthquakes and the ability of the plant to withstand earthquakes which are more severe than those considered in the original design. The U.S. Geological Survey has also conducted extensive investigations concerning the characteristics and capabilities of the Hosgri fault. As Mr. Penrod stated, the length of the fault and the location of the 1927 earthquake are important in evaluating the capabilities of the Hosgri fault. The staff has not yet made final conclusions on these questions or the acceptability of the plant's seismic design.

In evaluating these matters the staff has the assistance of its consultants, including the U.S. Geological Survey. When the staff's evaluation is completed these matters must be considered by other bodies before an operating license can be issued. They will first be evaluated by the Advisory Committee on Reactor Safeguards. Then the Atomic Safety and Licensing Board will hold public hearings and make a decision concerning the operating license. I can assure you that all actions necessary to assure an acceptable level of safety will be required.

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

Sincerely,
 Lee V. Gossick
 Executive Director
 for Operations

			NRR	NRR	EDO	OCA
			EGCase	BCRusche	LVGossick	
			2/ /76	2/ /76	2/ /76	2/ /76
OFFICE >	DPM:LWR #3	DPM:LWR #3	DPM A/D	NRR	OELD	
SURNAME >	Dallison:mjf	ODParr	RCDeYoung	RSBoyd		
DATE >	2/ /76	2/ /76	2/ /76	2/ /76	2/ /76	

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for ensuring the integrity of the financial statements and for providing a clear audit trail. The text also mentions the need for regular reconciliations and the use of appropriate accounting methods.

2. The second part of the document focuses on the internal control system. It outlines the various components of internal control, including the segregation of duties, the authorization of transactions, and the physical control of assets. The text stresses that a strong internal control system is essential for preventing and detecting errors and fraud.

3. The third part of the document discusses the role of the auditor. It describes the different types of audits, such as the external audit and the internal audit, and the responsibilities of each. The text also covers the audit process, from the planning stage to the final reporting stage.

4. The fourth part of the document deals with the ethical aspects of accounting. It discusses the importance of honesty, integrity, and objectivity in the accounting profession. The text also mentions the various codes of ethics that accountants are required to follow.

5. The fifth part of the document provides a summary of the key points discussed in the previous sections. It reiterates the importance of accurate record-keeping, a strong internal control system, a thorough audit process, and high ethical standards in the accounting profession.

ROBERT J. LAGOMARSINO

19TH DISTRICT, CALIFORNIA

1319 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
202-225-3601

Congress of the United States

House of Representatives

Washington, D.C. 20515

January 26, 1976

COMMITTEE ON INTERNATIONAL RELATIONS

SUBCOMMITTEE:
INTERNATIONAL SECURITY AND SCIENTIFIC AFFAIRS

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
NATIONAL PARKS AND RECREATION
TERRITORIAL AND INSULAR AFFAIRS

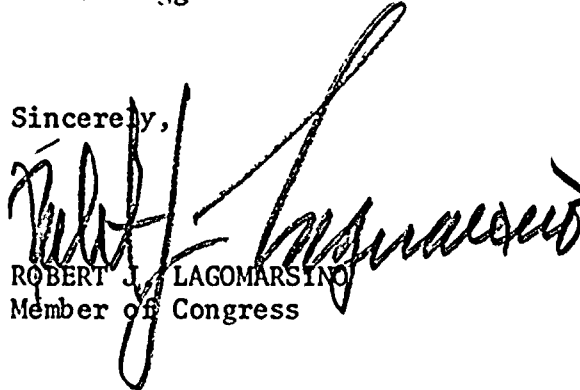
Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Sir:

Enclosed you will find a letter from one of my constituents, Mr. Jay Penrod, regarding the nuclear power plant in the Diablo Canyon area in California.

I would greatly appreciate any information concerning the plant and implications of the San Simeon-Hosgri fault so that I may answer Mr. Penrod properly.

Sincerely,



ROBERT J. LAGOMARSINO
Member of Congress

RJL:evw

Rev'd Off. of Dir.
of Nuclear Reactor
Regulation

Date 2/2/76

Time 7:25 pm

Rec'd Off. Dir. i

Date 1/30/76

Time 2:10

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FROM Rep. Robert J. Lagomarsino (Calif.)	CONTROL NUMBER 9728	FILE LOCATION
	DATE OF DOCUMENT 1/26/76	ACTION COMPLETION DEADLINE 2/13/76
TO NRC	ACTION PROCESSING DATES Acknowledged 1/26/76 1/29/76	PREPARE FOR SIGNATURE OF: <u>Chairman</u> Director of Regulation <input checked="" type="checkbox"/> Omitted
	Interim Reply Final 3/2/76 2/19/76	

DESCRIPTION Ltr Original Copy Other

Encl ltr fm Jay Penrod - concern re capability of Diablo Canyon to withstand earthquakes

REMARKS

LPDR? Yes

REFERRED TO	DATE
Rusche f/action	1/30/76
<i>[Signature]</i>	2/3
<i>[Signature]</i>	2/3

IS NOTIFICATION TO THE JCAE RECOMMENDED? _____

Cys: Case
docket Files) 50-275
PDR 50-323

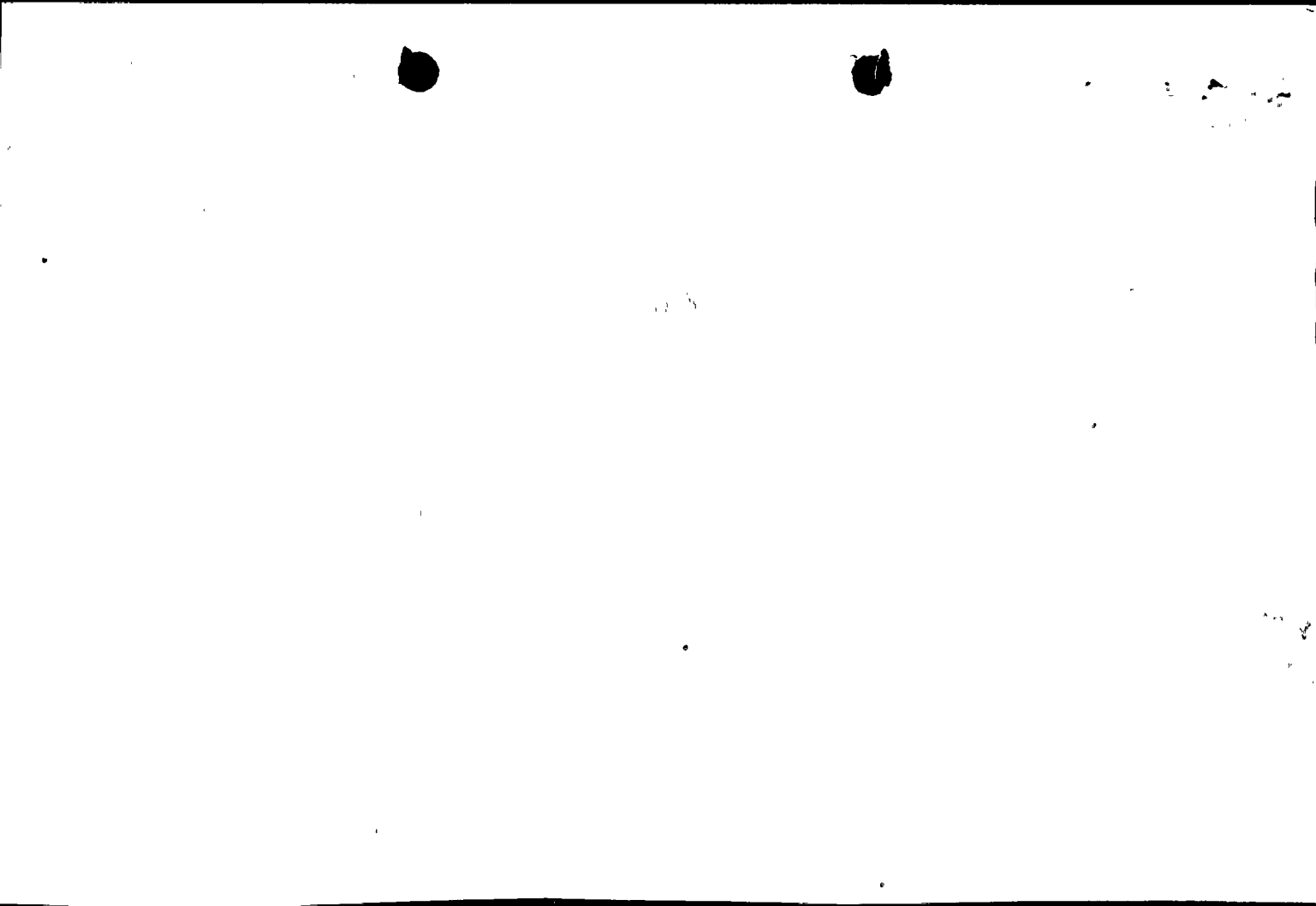
Rusche
Denton
Heinen

Stitt
Miller

See Mr. Gropf 2/11/76

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DIRECTOR OF REGULATION COMMUNICATIONS CONTROL



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	Interim Reply _____	Director of Regulation
	Final _____	<input checked="" type="checkbox"/> Omitted

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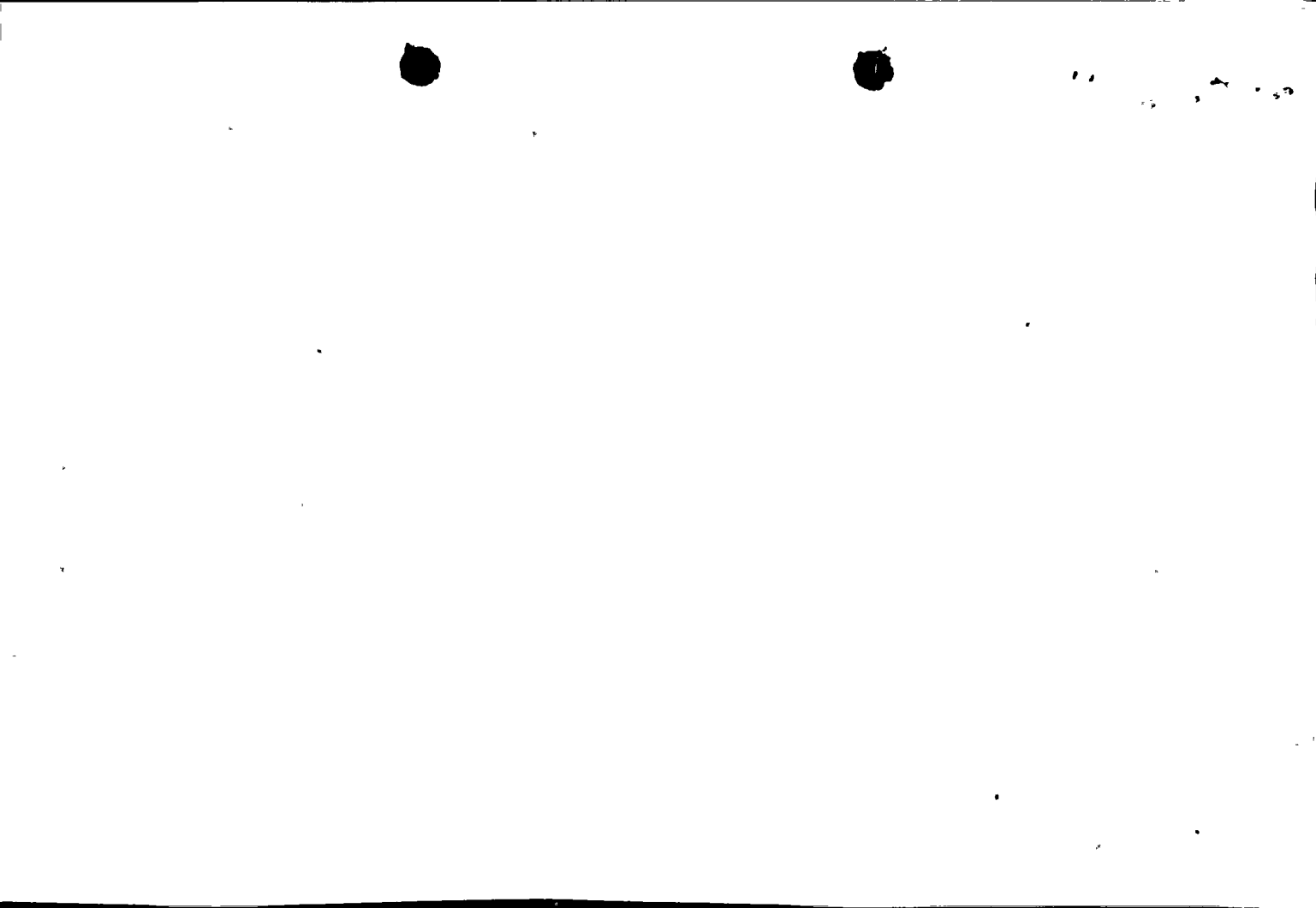
REFERRED TO	DATE	IS NOTIFICATION TO THE JCAE RECOMMENDED?
Rusche f/action	1/30/76	_____
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Cys: Case docket Files) 50-275
PDR 50-323

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DIRECTOR OF REGULATION
COMMUNICATIONS CONTROL



1633 N. Bay
Santa Maria, California
93454

January 20, 1976

Congressman R. J. Lagomarsino
Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Lagomarsino:

I have some grave concerns regarding the nuclear power plant in the Diablo Canyon area.

My immediate question is not over the use of atomic power, though the disposal of waste material is obviously a question that must be resolved before the United States becomes involved in a total commitment to nuclear power. My immediate question is whether proper safeguards are being employed re the possible dangers of earthquakes.

For example, as seismologists consider that the potential magnitude of an earthquake increases with the length of a fault, it seems imperative that before the plant begins operation the length of the Hosgri Fault be determined. The information I have is that the fault may be much longer than the original estimate of 80 miles and in fact may extend as far northward as Half Moon Bay, a distance of over 200 miles. If this be so, is the plant capable of withstanding the resultant shock?

Other questions regarding the locations of nearby faults and previous quakes such as the great undersea one of November 4, 1927 would seem to need accurate answers before the plant should be allowed to commence operation.

I request that you resist the opening of this plant until such time that you feel all possible safety research and precautions have been taken.

Yours truly,

Jay Fenrod

