

The Honorable Leo T. McCarthy  
Lieutenant Governor  
State of California  
State Capitol  
Sacramento, California 95814

MAR 09 1984

Dear Mr. McCarthy:

On behalf of Chairman Palladino I thank you for your letter of January 26, 1984 and express his appreciation for your concerns. The Chairman asked me to respond to your letter and provide you with the current status of the Diablo Canyon licensing process.

Fuel was loaded into the Unit 1 reactor in November of last year. At this time the reactor is in a subcritical condition and no fission products are being generated. Unit 1 is in a hot standby mode. The heat generated by operation of the main coolant pumps is used to achieve operating pressure and temperature.

As you must be aware, during the past months we have received numerous allegations and concerns regarding the design, construction, operation and management of the Diablo Canyon Nuclear Power Plant. At this time approximately two hundred such items have been identified to us by a variety of sources. We are performing an investigation, inspection and evaluation of these allegations and concerns.

Largely as a result of these allegations, we have also received extensive correspondence during the past months regarding the licensing of the Diablo Plant. These letters came from individual citizens in the San Luis Obispo area and from throughout the State of California as well as from elected Local and State Officials. This correspondence, in general, expresses concern about the licensing of the Diablo Plant. The specific requests range from urging us to deny any license to Pacific Gas and Electric Company for the operation of the plant under any circumstances to requests similar to yours, that we proceed with the licensing process after thoroughly reviewing and evaluating all appropriate safety concerns and taking necessary corrective action for the protection of the health and safety of the public.

Let me assure you that the latter approach has always been and continues to be NRC's position. It is for this reason that the Commission suspended the Diablo Canyon Unit 1 operating license in 1981. Only after we have completed our review and evaluation of the allegations and concerns, and after Pacific Gas and Electric Company has made any corrections and modifications in the design, construction, and operation as we believe are necessary the Commission will proceed with the authorization of criticality and low power operation.

8403260106 840309  
PDR COMMS NRCC  
CORRESPONDENCE PDR

50-275-

1971

1971

1971

I have enclosed a copy of Chairman Palladino's testimony regarding the Diablo Canyon Plant that he presented at a hearing on January 24 of this year before the Subcommittee of Congressman Udall (Subcommittee on Energy and the Environment, Committee of Interior and Insular Affairs, U. S. House of Representatives). This testimony clearly states our position and approach regarding the licensing of the Diablo Plant and provides a status of the licensing process. I should mention that at the hearing testimony was also given by Michael Strumwasser, Esq. representing Governor Deukmejian.

Since these hearings we have continued with our investigation, inspection and evaluation of the allegations and concerns and all other matters that must be resolved prior to an authorization to go critical and perform low power testing. The NRC staff will brief the Commission on the status of these efforts and will make a recommendation prior to any decision by the Commission regarding the reinstatement of the license.

I hope this letter is responsive to the concerns expressed by you.

Sincerely,

Original Signed by  
H. R. Denton

Harold R. Denton, Director  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

cc: Honorable Morris Udall, Chairman  
Honorable George Deukmejian  
Honorable John Van de Kamp  
Mr. George Maneatis, PG&E  
Michael Strumwasser, Esq.

\*See previous concurrence.

			OELD*			
			LChandler			
			/ /84			
DL:LB#3	DL:LB#3*	DL:LB#3*	DL:AD/L	DL:DIR*	NRR	NRR
HSchierling/yt	JLee	GWKnighton	TMNovak	DGEisenhut	ECase	HRDenton
3 /8 /84	/ /84	/ /84	/ /84	/ /84	/ /84	/ /84

H. B. Foster  
of the State of

FROM: Leo T. McCarthy Lieutenant Governor of California	ACTION CONTROL		DATES	CONTROL NO. 14044
	COMPL DEADLINE		2/28/84 3/6	
	INTERIM REPLY			DATE OF DOCUMENT 1/26/84
	FINAL REPLY			
TO: Chairman Palladino	FILE LOCATION			PREPARE FOR SIGNATURE OF:
				<input type="checkbox"/> CHAIRMAN <input type="checkbox"/> EXECUTIVE DIRECTOR OTHER: <u>Denton</u>
DESCRIPTION <input checked="" type="checkbox"/> LETTER <input type="checkbox"/> MEMO <input type="checkbox"/> REPORT <input type="checkbox"/> OTHER			SPECIAL INSTRUCTIONS OR REMARKS	
Requests NRC assure that all safety standards are met before issuance of an operating license for Diablo Canyon				
ASSIGNED TO	DATE	INFORMATION ROUTING		
Denton, NRR for	2/7/84	Dircks 1. PPAS	SECY-84-0121	
APPROP ACTION		Roe 2. Speis		
Eisenhut	2/7/84	Rehm 3. Mattson		
Novak		Stello 4. Vollmer		
Vinghton		Martin 5. Thompson		
		GCunningham 6. Grace		
		7. Snyder		

NRC FORM 232  
(6-80)

EXECUTIVE DIRECTOR FOR OPERATIONS  
PRINCIPAL CORRESPONDENCE CONTROL

DO NOT REMOVE THIS COPY

FOR THE COMMISSION: b111e

