

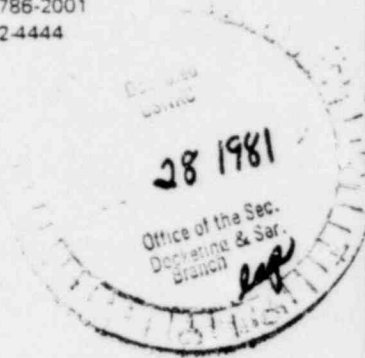


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PLACER COUNTY MANUFACTURERS' ASSOCIATION

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July 17, 1981



Nuclear Regulatory Commission
1990 N. California Blvd.
Walnut Creek, CA

To Whom It May Concern:

The adequacy and reliability of California's future electrical generating supplies are issues of great concern to the Placer County Manufacturers' Association (PCMA).

Recently formed by 23 manufacturing companies in Placer County, PCMA provides a forum for the discussion of issues that affect the continued economic vitality of the fast-growing Placer County area. Member companies of PCMA provide employment for 3,000 local residents and have an annual payroll of \$60 million. As a group we generate annual sales of \$500 million and provide \$2.2 million in annual county tax revenues.

Members of the PCMA hope to continue and expand their operations in Placer County. However, as we consider future plans, one of our major concerns is whether Pacific Gas and Electric Company will be able to supply this area with needed electrical power. In just the last month, PG&E's reserve capacity twice fell below the dangerously low margin of five percent. We see the very real risk of power outages due to such thin reserve margins. As you well know, manufacturing processes depend upon an uninterrupted flow of energy, and such outages could be very costly to our firms and the local economy.

We believe that licensing of Diablo Canyon nuclear generating station would be one immediate and positive step that could be taken to assure the availability of future electrical supplies in California. Diablo Canyon would double PG&E's reserve margin in the Placer County area. The station is ready to go on-line, and has satisfied all seismological requirements for operating safety. Its source of power is not subject to the price fluctuations and supply problems of oil or natural gas. We think Diablo Canyon would help stabilize rapidly rising electrical rates charged to all electricity users.

We urge you to take whatever steps necessary to assure the expeditious startup of the Diablo Canyon nuclear generating station. We hope you will take our concerns into consideration as you make decisions affecting the present and future energy supply situation in Placer County.

Regards,

Robert Olson, Chairman
PCMA

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