

TURN

Toward Utility Rate Normalization

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March 19, 1993

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Washington, D.C. 20055

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FOUNDED IN 1973
BY SYLVIA M. SIEGEL

Re: Application to extend operating license of
Diablo Canyon Nuclear Power Plants

Dear Chairman Selin:

Toward Utility Rate Normalization (TURN) hereby objects to the recent Environmental Assessment and Finding of No Significant Impact (TAC NOS. M84006 and M84007) issued by the NRC staff on February 3, 1993. It is imperative that a full Environmental Impact Statement be prepared before any extension of Pacific Gas and Electric Company's (PG&E) operation license for the Diablo Canyon Nuclear Power Plants (Diablo Canyon) is granted.

TURN is a statewide, non-profit consumer organization representing the interests of residential and small commercial ratepayers before the California Public Utilities Commission (CPUC), Federal regulatory agencies, the California legislature, and Congress. We have been a very active party in the CPUC proceedings concerning the rate impacts of Diablo Canyon. We also share the health and safety concerns of the local residents, and indeed of all Californians, about the potential for devastating consequences should Diablo Canyon's safety features fail.

The NRC should be aware that TURN recently filed a petition with the CPUC, seeking to modify the settlement agreement under which the costs of building, operating, and eventually decommissioning Diablo Canyon are imposed upon PG&E's ratepayers. In responding to our petition, PG&E made arguments which directly contradict the representations made in their application to the NRC to extend its operating licenses. For example, PG&E made the following assertions to the NRC:

Overall industry experience supports our conclusion that units with consistently high capacity factors, relatively short refueling outages, and low forced outage rates are well maintained, follow good operating practice, and thus can be expected to operate at high levels of safety. -- PG&E Lic. Ext. App. p. 10.

Diablo Canyon has been in commercial operation for approximately seven years. During this time a

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significant amount of data and experience has been accumulated that demonstrates the safety and reliability of the plant. PG&E Lic. Ext. App., p. 10.

If this were all true, there might be less reason to challenge the operating license extension sought by PG&E. However, the company's position about the predictability of Diablo Canyon's performance was very different when the audience was the CPUC:

Predicting the long-term operating performance of such plants is no more certain today than it was four years ago. PG&E Protest, p. 9.

TURN cannot rely on a 'snapshot' of the plant's performance over only three years in order to reevaluate the plant's likely performance over the 28-year term of the Settlement Agreement. PG&E Protest, p. 8.

Clearly the question of risk, both structural and financial, has to be central to the issues the NRC is concerned with. Again, PG&E's self-analysis on this subject reveals two very different sides to their story. The NRC version minimizes such risk:

PG&E has developed and implemented comprehensive programs to manage the effect of aging and service wear on Diablo Canyon's systems, structures and components (SSC's) throughout the 40-year operating life of the plant. The programs provide the methods for inspection, surveillance, and monitoring of the plant to detect aging effects before the loss of system function and to effect maintenance and component replacement practices for investigating the effects of degradation. PG&E Lic. Ext. App. to NRC, p. 7.

The CPUC version, on the other hand, seems to flaunt the ongoing risks in operating the plant:

. . . TURN's analysis of actual 1989-1991 Diablo Canyon performance is a 'house of cards' resting on erroneous arguments that ignore the long-term risks that PG&E shareholders -- not PG&E customers -- bear under the Settlement Agreement. Risks that TURN ignores include: -- The risk of unscheduled outages as the plant gets older. -- The risk of higher than expected maintenance and capital costs as major plant equipment, such as steam generators, is repaired or replaced. PG&E Protest, p. 10.

The NRC must reconsider whether any credence should be placed in PG&E's statements when the record makes very evident that the utility is willing to change its tune depending on who is listening.

The NRC should also prepare an EIS to consider the need for the generating capacity provided by Diablo Canyon under the circumstances which currently exist in California, and are predicted for the state's future. The state is awash in excess electric generating capacity, and is home to a thriving market of smaller-scale electric generators who are willing and able to supply any additional capacity which might be needed in the foreseeable future. Diablo Canyon, on the other hand, is expected to be far and away PG&E's most expensive power source long into the next century. The NRC should consider in an EIS the potential impacts of shutting down Diablo Canyon and relying on alternative generation resources. Not only would this have significant beneficial environmental impacts, but PG&E's ratepayers would be much better off financially as well.

In summary, much has changed since the initial Final Environmental Statement was issued on Diablo Canyon some twenty years ago. It would be an absolutely inexcusable breach of duty on the NRC's part to extend PG&E's operating licenses without requiring an updated EIS which fully explores the current circumstances surrounding the plant's continuing operation. On behalf of our members, and all customers of PG&E, TURN asks that a thorough EIS be prepared before any action is taken on the operating license extension application.

Yours truly,

Audrie Krause

Audrie Krause
Executive Director