

PACIFIC GAS AND ELECTRIC COMPANY

77 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94106 TELEPHONE (415) 781-4211
 P. O. BOX 7442, SAN FRANCISCO, CALIFORNIA 94120 TELECOPIER (415) 543-7813

ROBERT OHLBACH
 VICE PRESIDENT AND GENERAL ATTORNEY

CHARLES T. VAN DEUSEN
PHILIP A. CRANE, JR.
HENRY J. LAPLANTE
JOHN B. GIBSON
ARTHUR L. HILLMAN, JR.
CHARLES W. THISSELL
DANIEL E. GIBSON
JACK P. FALLIN, JR.
JOSEPH I. KELLY
 ASSISTANT GENERAL COUNSEL

ROBERT L. HARRICK
DEEHN WEST, JR.
MORAN V. BOYLE
JAMES C. LUDWIG
R. BERT L. BENSON
RENE W. HANCOCK
RICHARD F. LODGE
DONALD LUDWIG
W. J. McLEOD, JR.
T. R. McLEOD, JR.
ROBERT B. McLEOD
DAVID W. WILLIAMSON
BLAISE R. WORTHINGTON

SENIOR COUNSEL

EDWARD J. McGANNEY
DAN STRATTON LURBCK
BENJAMIN J. DE LASANTA
JOSHUA DEAN
ROBERT S. ELLERT, JR.
ROBERT L. HARRIS
DOUGLAS A. DEJERRY
J. PETER BALMBANTHER
JOHN N. FREE
J. M. CHATEL REIDENBACH
JACK E. SANDSON
EMILY A. WOOD

DAVID W. ANDERSON
DIANE BERGHAUSEN
LEON S. CROFT
AUGUST DANIEL
DONALD G. BRIDGEMAN
PATRICK G. GOLDEN
PAUL V. HARRIS
RICHARD D. JONES
HARRIS W. LONDOR
JOHN R. LISA
ROBERT B. McLENNAN
RICHARD H. MOSE
SHARON A. SANDERSON
JACK W. SHUCK
KENNETH YANG

ATTORNEYS

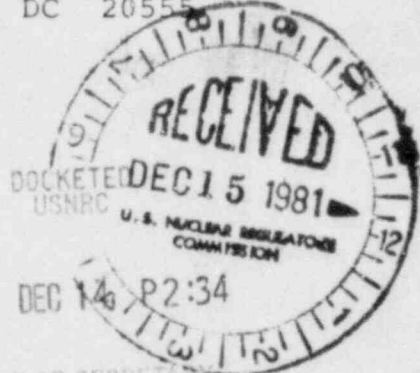
December 9, 1981

Richard M. Lazo, Esq., Chairman
 Administrative Judge
 Atomic Safety and Licensing Board
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Gustave A. Linenberger
 Administrative Judge
 Atomic Safety and
 Licensing Board
 U.S. Nuclear
 Regulatory Commission
 Washington, DC 20555

Mr. David R. Schink
 Administrative Judge
 Department of Oceanography
 Texas A & M University
 College Station, Texas 77840

In the Matter of
 PACIFIC GAS AND ELECTRIC COMPANY*81
 (Humboldt Bay Power Plant, Unit No. 3)
Docket No. 50-133



DEC 14 1981 P2:34

OFFICE OF SECRETARY
 LICENSING & SERVICE
 BRANCH

Dear Judges:

In its Memorandum and Order ("Order") of October 20, 1981 the Board directed the staff to provide answers to eight questions within thirty days of the date of service of the Order. In compliance therewith, the NRC staff filed its response by letter dated November 19, 1981 together with the accompanying affidavits of Vernon Rooney, Project Manager; Tolbert Young, Jr., Office of Inspection and Enforcement, Region V; and Ina Alterman and Jeffrey K. Kimball, NRC Geosciences Branch, Nuclear Regulatory Commission.

In the Order the Board also granted to the other parties the opportunity to file responses within fifteen days after service of the staff's responses. This letter constitutes Pacific Gas and Electric Company ("PGandE's") response.

PGandE has reviewed the answers that have been furnished by the NRC staff in response to this Board's Order of October 20, 1981 and determined that we generally concur in the conclusions reached by the NRC staff. We do, however, make a few additional comments based upon the

8112170141 811209
 PDR ADOCK 05000133
 G PDR

DS03
 51/1

responses by the staff relative to the current status of the Humboldt facility.

First and foremost, we totally agree with the staff that the current status of the plant is such that notwithstanding noncompliance with several existing NRC regulatory requirements, the plant in a cold shutdown status poses no threat to the public health and safety. In this regard, we would note that at the time the plant was shutdown for refueling, normal maintenance and modifications on July 2, 1976, it met all the regulatory requirements in effect at that time. Subsequently, of course, the NRC has promulgated additional regulatory requirements and/or amended existing regulatory requirements. Many of these new and revised regulatory requirements were related to the accident at TMI. (See NUREG-0578 and NUREG-0737). We conclude, as did the staff, that unlike an operating plant, Humboldt Bay in a cold shutdown status does not require literal compliance with all the specific regulatory requirements currently in effect in order to assure adequate protection of the public health and safety. We further agree with the staff's position that should the company decide, after review of the NRC back-fit requirements and PGandE's related economic analysis, to return the unit to service, PGandE would have to satisfy appropriate NRC seismic and related requirements.

In this regard, we understand that the Nuclear Regulatory Commission anticipates issuing for public comment within the next several weeks a policy statement setting forth its proposals for establishment of a safety goal for all nuclear power plants. Such a policy statement would in turn form the basis for regulatory guidelines delineating the precise standards which must be met for operation of all plants including older plants such as Humboldt Bay.

As we indicated in our filing of August 13, 1981, once the NRC safety goal and any implementing standards have been issued by the Nuclear Regulatory Commission, PGandE would then require a reasonable period of time for review to assess the relative economic justification for returning the unit to service.

In the meantime, we have been pursuing a study of the decommissioning option for Humboldt Bay. That study is nearing completion and will be assessed together with the soon to be promulgated NRC back-fit policy to ascertain the economic justification for returning the unit to service.

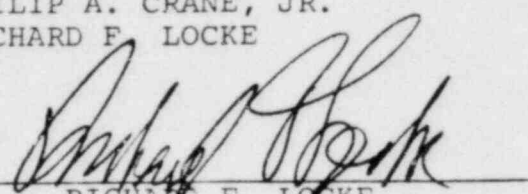
We believe that the staff's response to this Board's Order adequately reflects the continued justification for maintenance of the status quo of the Humboldt Bay facility pending finalization of these studies and analyses.

Accordingly, we continue to urge this Board to grant PGandE's Motion to withdraw its application to restart Unit 3 and/or maintain the status quo pending determination of the NRC back-fit policy and subsequent assessment by PGandE as it impacts on the economic justification for restart of our Humboldt Bay facility.

Respectfully submitted,

MALCOLM H. FURBUSH
PHILIP A. CRANE, JR.
RICHARD F. LOCKE

BY



RICHARD F. LOCKE

Attorney for
PACIFIC GAS AND ELECTRIC CO.

RFL:jlt

cc: Service List

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
) Docket No. 50-133
PACIFIC GAS AND ELECTRIC COMPANY) License No. DPR-7
)
_____)

CERTIFICATE OF SERVICE

The foregoing document of Pacific Gas and Electric Company has been served today on the following by deposit in the United States mail, properly stamped and addressed:

Linda J. Brown, Esq.
100 Van Ness Avenue,
19th Floor
San Francisco, CA 94102

Robert M. Lazo, Esq., Chairman
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Steve Goldberg, Esq.
Office of Executive Legal
Director
BETH 042
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Mr. Gustave A. Linenberger
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Secretary
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555
Attn: Docketing and
Service Section

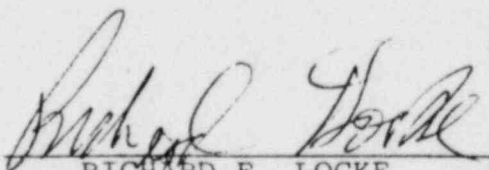
Mr. David R. Schink
Department of Oceanography
Texas A & M University
College Station, TX 77840

Janice E. Kerr, Esq.
J. Calvin Simpson, Esq.
Gretchen T. Dumas, Esq.
California Public
Utilities Commission
State Building
San Francisco, CA 94102

Michael R. Sherwood, Esq.
Sierra Club Legal Defense
Fund, Inc.
2044 Fillmore Street
San Francisco, CA 94115

5066

Dated: December 9, 1981



RICHARD F. LOCKE
Attorney
Pacific Gas and Electric Co.