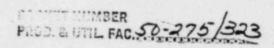


State of California

GOVERNOR'S OFFICE ACRAMENTO 95814



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Chairman Palladino and Commissioners U. S. Nuclear Regulatory Commission Washington, D. C. 20555

Dear Chairman Palladino and Commissioners:

On October 30, following the disclosure of serious design and construction errors at the Diablo Canyon nuclear power plant, I requested that the NRC order an independent audit of the earthquake protection and other safety-related features of the plant. It has now become clear that the current PG&E reverification audit is not in fact an independent audit. Indeed, the recent revelations of collaboration and editorial exchanges between PG&E and its consultants have undermined the credibility of this critical review process.

Public reports indicate that the NRC has commenced an investigation into possible improprieties between PG&E and its consultants. This action is indeed essential. The implications of any such improprieties most certainly merit an intensive investigation.

However, further expeditious action by the Commission is required by these extraordinary events. The NRC should initiate a new process to set in motion a truly independent audit. Accordingly, I request that the Commission:

- Order a halt to the audit now being performed by (1)PG&E and its hired consultants.
- Reject as unacceptable the team of consultants (2) selected by PG&E and listed in PG&E's proposal of December 4, 1981.
- (3) Commence a process by which the NRC itself will take the lead in identifying and selecting disinterested auditors to perform the necessary reverification audit.

- Issue a set of ground rules for the conduct of the audit that will in all respects ensure that the auditors' work program is free from the control or influence of PG&E or any other party. At a minimum, such a protocol should make certain that:
 - PG&E will not review or edit any drafts or other work products prepared by the auditors.
 - (b) PG&E will not influence the scope or content of any aspect of the auditors' work.
 - PG&E will not obtain advance copies of any of the auditors' work products.

In short, it is essential that there be no doubt in the mind of the public that the auditors are in fact working in the public interest and for the public good.

It was my view on October 30, and it remains my view today, that the process of selecting the auditors will deeply affect the public's perception of the objectivity and credibility of the auditor's work. There can and will be no public confidence in any audit unless both the individuals performing that audit and the process of selecting those individuals are above any possible suspicion. It is time for the NRC to move aggressively to resolve this critical issue.

Sincerely,