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August 10, 1983

Mr. Harold Denton  
Director of Nuclear Reactor  
Regulation  
United States Nuclear  
Regulatory Commission  
Washington, D.C. 20555

Re: In the Matter of Pacific Gas and Electric  
Company (Diablo Canyon Nuclear Power Plant, Units 1  
and 2), Nos. 50-275 O.L. and 50-323 O.L.

Dear Mr. Denton:

In my letter to you dated June 23, 1983, I expressed the Joint Intervenors' concern that Pacific Gas and Electric Company ("PGandE") had exerted improper pressure on the Independent Design Verification Program ("IDVP") to discuss error open items ("EOI") with PGandE prior to their issuance and to alter their substantive content. We perceived this as an improper encroachment on the independence of the IDVP, a concern transmitted by the NRC Staff to IDVP Program Manager William Cooper in a July 5, 1983 letter from Darrell Eisenhut.

At a July 27, 1983 meeting between the Diablo Canyon Project ("DCP") and the IDVP, however, we once again observed precisely the kind of pressure that gave rise to our June 23rd letter and that has been a concern to us since the IDVP was instituted. We are particularly concerned not only because it suggests PGandE's continuing failure to respect the independence of the IDVP, but because it demonstrates PGandE's unresponsiveness to even the NRC Staff's attempts to see that the integrity and quality of the IDVP are not further compromised.

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The specific circumstances were as follows: On July 27, 1983, the IDVP held an untranscribed meeting with members of the DCP for the purpose of discussing closure of the IDVP effort. Prior to the NRC Staff's arrival at the meeting, Mr. Howard Friend, Project Completion Manager for the DCP, questioned Dr. Robert Cloud of the IDVP about whether certain Interim Technical Reports ("ITR") would be issued according to their scheduled completion date. Dr. Cloud responded that four of the five ITR's in question, including ITR 67, would not be completed on time, although he emphasized that the delay would be minimal. Dr. Cloud further stated that PGandE had not yet responded to several requests for information ("RFI") and that the IDVP intended to submit one or two additional RFI's with respect to ITR 67.

At this point Mr. Friend became agitated and began chastising the IDVP for failing to meet its scheduled commitments. Mr. Friend asked, "How do you expect us to complete this project if you are still asking us questions several days before the ITR is scheduled to be issued?" Dr. Cloud's response was that the ITR in question was simply not going to be completed according to the original schedule. In a reply one would expect from Dr. Cloud's superior rather than the subject of his audit, Mr. Friend tersely stated, "That's unacceptable." Dr. Cloud replied that the IDVP was trying to do a thorough job in the correct technical manner and that ITR 67 had long been a problem for the IDVP. Unappeased, Mr. Friend responded that the dates seemed "soft." Mr. Friend only retreated from his position when it was revealed that the problem was caused in part by PGandE's own delay in responding to the extant RFI's.

But Mr. Friend took the offensive again during the discussion of ITR 64. Dr. Cloud stated that it would be impossible to meet the August 15 target date for issuance of this ITR and was again confronted with an irate response from Mr. Friend to the effect that certain "organizations" relied upon the target date. And in yet another statement reflecting his own apparent misunderstanding of the relationship between the DCP and the IDVP, Mr. Friend stated, "I charge the IDVP with the responsibility to meet these dates." (Emphasis added.)

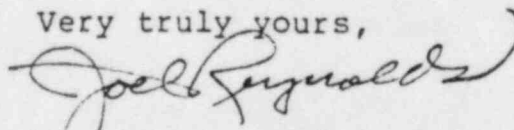
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Although near the close of this session he acknowledged that the IDVP should not be forced to shorten the time required to complete its verification, Mr. Friend's earlier remarks, from which he never retreated, are directly inconsistent with this last minute concession. One can only surmise that, having made this point with the IDVP, Mr. Friend decided to cover the DCP's "flank" with this belated remark.

PGandE's excessive emphasis on schedule has long been a concern of the Joint Intervenors. Although PGandE has always insisted that the schedule is not binding, its actions indicate the hollowness of its reassurances. Mr. Friend's remarks at this meeting, which were repeated several times in a very heated tone, could only be interpreted as an attempt to persuade the IDVP that its responsibility was first and foremost to meet PGandE's schedule rather than to conduct a full and complete audit of Diablo Canyon. The analogue of this philosophy in the design and construction of Diablo Canyon -- namely, sacrificing quality for speed -- has produced predictable results, results manifested during the past two years in the continuing discovery of significant defects in the facility. Surely the Commission did not intend the IDVP to be subject to this same misguided priority of scheduling.

This letter is written for two reasons: first, to inform you that the discussion described above took place, since the meeting was not transcribed and the NRC Staff representatives had not yet arrived at the time it occurred; and second, to urge you once again to take further steps to address our continuing concern with the increasing pressure being brought to bear on the IDVP. During the closing months of its review, the program's independence is most critical because the conclusions and recommendations developed at this time will undoubtedly become the focus of scrutiny by all parties. Thank you for your attention to these matters.

Very truly yours,



Joel R. Reynolds  
Counsel to Joint Intervenors

JRR:av

cc: Diablo Canyon Service List