

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)
)
 PACIFIC GAS AND ELECTRIC COMPANY)
)
 (Diablo Canyon Nuclear Power)
 Plant, Units 1 and 2))
)
)

Docket Nos. 50-275
50-323

(Design Quality Assurance)

AFFIDAVIT OF HOWARD B. FRIEND

STATE OF CALIFORNIA)
)
) ss.
CITY AND COUNTY OF SAN)
FRANCISCO)

The above being duly sworn, deposes and says:

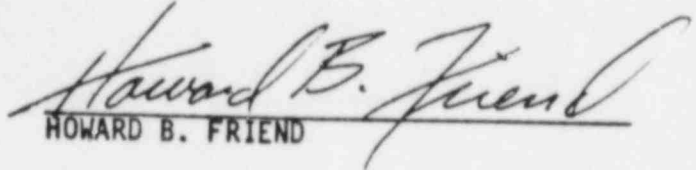
1. I, Howard B. Friend, am Project Completion Manager for the Diablo Canyon Project. I am thoroughly familiar with the contract between Bechtel Power Corporation and Pacific Gas and Electric Company covering the work to be performed by Bechtel to complete the Diablo Canyon Plant.
2. During the course of his meeting with members of the NRC Staff on January 25, 1984, Mr. Charles Stokes alleged that the contract Bechtel has with PGandE is a lump sum contract (Tr. at 22). This is not true.

The PG&E/Bechtel contract is a cost plus contract. That is, direct costs and expenses incurred by Bechtel in the performance of services are reimbursed at cost. The indirect costs incurred by Bechtel are recovered by //


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adding a percentage to the direct payroll costs. This is known as "an allowance for indirect costs." There is also provision for a fee.

Dated: March 5, 1984


HOWARD B. FRIEND

Subscribed and sworn to
before me this 5th day
of March, 1984.



Nancy J. Lemaster,
Notary Public in and for the
City and County of San Francisco,
State of California.
My commission expires
April 14, 1986.

SEAL

