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GOVERNMENT ACCOUNTABILITY PROJECT

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November 1, 1984

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Nunzio J. Palladino, Chairman Thomas Roberts, Commissioner James Asselstine, Commissioner Frederick Bernthal, Commissioner Lando Zech, Commissioner U.S. Nuclear Regulatory Commission 1717 H Street, N.W. Washington, D.C. 20555

Re: Diablo Canyon Nuclear Power Plant O.L. Numbers 50-275 and 50-323 -OC

Dear Commissioners:

This letter is to notify you of three arfidavits that are material to the safe operation of Diablo Canyon, Unit 1. The affidavits represent a portion of the results from an October 9-30 investigative trip. During that period the three relevant witnesses all testified to the Office of Investigations. I am enclosing these affidavits to insure that you each are personally aware of serious developments. Up to nine additional affidavits will be filed within the next two weeks on alleged false statements, as supplements to the pending petition of Messrs. James McDermott and Timothy O'Neill. The enclosed information concerns alleged flaws in the condition of Diablo Canyon, however. I deemed it necessary to bring them to your immediate attention prior to ascension.

(1) The first affidavit (Attachment 1) is from Mr. Michael Thompson, formerly a systems turnover engineer and lead engineer for Pullman Power Products at Diablo. The most relevant allegations concern possibly fake welds on stanchions holding up the safety injection system lines in Unit 1. The stanchions are located approximately 40 feet from the reactor. The welds in question are required by design and under ANSI B31.7 Class I standards to be full penetration. In June 1983 Mr. Thompson cut out the base plates and checked inside of four welded attachments to see if full penetration welds existed. He took this action, because despite fillet caps on the outside, he had been unable to verify with nondestructive examination that there was anything on the inside. When he looked inside, Mr. Thompson found only partial welds or none at all.

Corrective action was taken for Unit 2; the welds were cut out and replaced. Pullman and Pacific Gas and Electric

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("PG&E") officials refused to allow him to check inside analogous welded attachments in Unit 1, however, although they came from the same vendor and looked identical on the outside. Mr. Thompson also was instructed that it was unnecessary to save the original approved-for-construction drawings and process sheets that detailed the deficiencies. (See Attachment 1, paragraphs 5-13).

On July 21, 1983 PG&E and Pullman decided not to look at the 60 welds which could be affected in Unit 1. The excuse was curious: the stanchions could have passed the surface level nondestructive examination normally used at Diablo Canyon, so the condition inside was irrelevant and the stanchions were acceptable. (Attachment 2). In short, the licensee's position was that if grossly deficient hardware can pass an inadequate nondestructive examination, the deficiencies do not count and the hardware itself is "acceptable." I am not aware of any exclusionary rule to throw out evidence of nuclear safety hazards.

On September 5, Mr. Thompson disclosed these problems to the NRC resident inspector, who last week assured Mr. Thompson that he was still investigating this "serious" issue. I am concerned about the pace of the investigation. Any necessary repairs should occur prior to ascension.

- (2) I authored the second affidavit (Attachment 3) as a conduit on behalf of an anonymous alleger. The affidavit in part discloses the employee's concerns that the Reactor Vessel Level Instrumentation System (RVLIS) may not provide reliable readings. The witness stated that shortly before the Commission's August licensing vote, Westinghouse informed PG&E that the fill for capillary tubing in the instrumentation lines had been improperly installed and tested. This notification was consistent with an abnormally high failure rate of instrumentation lines due to leaks. Although the plant was supposed to be in operable condition, the witness stated that the lines were being repaired to some degree during the period of the court stay.
- (3) The third statement is an October 29, 1984 affidavit from Mr. Steven Lockert (Attachment 4). The affidavit in part concerns the use of A-307B bolts with the heads cut off, which were used as welded studs on the containment liner and other safety related work. Mr. Lockert, Mr. O'Neill and other employees have protested this practice. In July the Appeals Board conditioned the operating license upon successful resolution of this issue. At the August, 1984 Commission vote, Commissioner Asselstine asked about this issue. Region V official Thomas Bishop replied that the "concern on that particular issue went away" due to ASME Code Case Number N-71. (Transcript, pp. 52-4). This response mirrored an earlier PG&E

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position (DCL-84-195, at 226 and 241).

Mr. Lockert carefully studied ASME Code Case N-71. In his affidavit he reports that the first paragraph of the ASME code case makes it obviously irrelevant for nearly all the work at Diablo Canyon. Apparently, Mr. Bishop either intentionally deceived the Commission, or failed to read PG&E's citations before endorsing them. Either way, an issue which is undisputedly material to the license has been resolved on the basis of a false or misleading statement. As a result, it is not resolved.

This information is disclosed in the hope that the Commission will promptly act to protect the public, and forthrightly inform the Court of Appeals of the development. That is your duty. Unfortunately, since the August 17 stay, the Commission has adopted an adversary position with respect to the public. Now that the stay is lifted, perhaps the Commission again will recognize its public service mission—before it is too late.

Respectfully submitted,

Thomas Devine Legal Director