July 16, 1970

J. P. O'Reilly, Chief Reactor Inspection and Enforcement Branch Division of Compliance, Headquarters

PACIFIC CAS & ELECTRIC COMPANY - DIABLO CANYON UNIT NO. 1 DOCKET NO. 50-275

The attached report contains the details of our inspection of construction activities at the site of the subject facility. The inspection was conducted on June 23-26, 1970, and was performed pursuant to PI 3800/2 as shown on the Master Inspection Schedule for the facility.

An item of nonconformance related to radiographic examination of welds in the containment building liner was identified. Contrary to the governing code, the thickness of the weld reinforcement in several locations exceeded the prescribed specifications. A Construction Deficiency Notice concerning the item will be sent to PG&E subsequent to HQ review and concurrence. Their response to the observed deficiency was direct and affirmative in that the Project Superintendent stated a survey would be made to determine the extent of the deficient condition and that all welds found to have excessive reinforcement would be ground down and radiographed. Later we learned that several hundred feet (~400) of welding had been rejected and that several weeks would be required to reexamine the Welds.

The corrective action indicated in PG&E's reply to the Construction Deficiency Notice involving the use of improper test coupons to determine the physical characteristics of the liner plate material was confirmed from a review of test data during the inspection. Also, you will note the affirmative action taken by them concerning the other observations made by our inspectors during the previous visit. Likewise during the current visit, they showed a keen interest in our comments as discussed in the Management Interview section of the report.

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Based on the Company's past responses to our observations, we are confident that they will evaluate and implement appropriate measures to assure adequate protection of stored stainless steel reactor components from the potential "salt-eir" environment. Also we expect gauges will be procured and all indentation markings of stainless steel components will be checked by their personnel to assure that the markings are of the low stress type. Although PGGE appeared confident that the concrete to be placed in the base section of the vertical walls of the containment building would be adequate, we believe additional measures will be explored to assure that the installed concrete is of proper consistency and quality. These items will be included in our subsequent inspection plans as subjects for followup review.

Based on our observations and conversations with the project staff, it appears that the construction schedule for the facility has slipped by approximately four months. It also appears doubtful that the remaining work can be advanced sufficiently to offset the lost time.

> G. S. Spencer, Senior Reactor Inspector Region V, Division of Compliance

Attachment: CO Rpt. No. 50-275/70-2 by A. D. Johnson and J.L. Creus dtd 7-17-70

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