



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket Nos.: 50-275
and 50-323

MAY 18 1982

APPLICANT: Pacific Gas & Electric Company

FACILITY: Diablo Canyon, Units 1 & 2

SUBJECT: MEETING SUMMARY: APRIL 30, 1982 DISCUSSION OF ROLE OF BECHTEL
POWER CORPORATION IN COMPLETION OF THE DIABLO CANYON PROJECT,
UNITS 1 & 2

Background & Introduction

On March 22, 1982 Pacific Gas and Electric Company (PG&E) announced that the Bechtel Power Corporation-San Francisco (Bechtel) will participate in the completion of the PG&E Diablo Canyon Project, Unit 1 and 2 (Enclosure 1). On April 22, 1982 PG&E announced the organization for the Diablo Canyon Project (Enclosure 2). PG&E requested a meeting with NRR management to explain the Diablo Canyon organization and address NRR questions on the subject.

A meeting was held in Bethesda, Maryland on April 30, 1982 to discuss with representatives of PG&E and Bechtel the role the latter has assumed in the completion of the Diablo Canyon Units 1 and 2 Project. Enclosure 3 is the PG&E agenda for the meeting and Enclosure 4 depicts the Diablo Canyon Project Organization. Enclosure 5 is a list of attendees.

Discussion

Mr. George Maneatis, PG&E Senior Vice President for Facilities Development, stated that PG&E has engaged Bechtel for the completion of the Diablo Canyon Project with management personnel responsible for the overall direction and with professional staff to supplement the PG&E organization. The resulting Diablo Canyon Project Organization (Enclosure 4) is a single, totally integrated organization of Bechtel and PG&E personnel. Maneatis stated that other engineering organizations had been considered. Bechtel was selected on the bases of availability, management and technical support capability, and geographical location, among other factors. Maneatis stated that Bechtel has performed engineering functions for PG&E on other projects in the past but is not retained by PG&E on a continuous basis.

Mr. Howard Friend of Bechtel is the Project Completion Manager and will report directly to Maneatis. Friend stated that the objective of the organization is to fulfill all requirements for reinstating the low power license of Unit 1 and for meeting full power license requirements for both units. To this end a team of senior PG&E and Bechtel managers has been formed. They are dedicated

full-time to the Diablo Canyon Project. Friend, previously the Bechtel manager for the transition activities on the South Texas Project, explained that in the case of that project Bechtel assumed the responsibility for the design while in the case of Diablo Canyon Bechtel assumes the responsibility for concluding the project. Bechtel might perform some original design for Unit 2; however, Bechtel is not expected to participate in construction activities with the possible exception of some management overview.

The following information was provided by Friend. The Diablo Canyon Project Organization will employ fulltime approximately 200 professionals, about 120 from PG&E and 80 from Bechtel. Most of the staff will be located in a single location at the Bechtel offices in San Francisco to achieve a team effort and project environment. Administratively the PG&E system will be used for documentation and control. PG&E personnel will report to Bechtel management and vice versa. The program has the full commitment of the Bechtel San Francisco Power Division.

The design verification program for Unit 1 is part of the entire project. At this time Bechtel believes that no additional work is required beyond the scope of the verification program unless the results of the program indicate otherwise. One of the first actions will be the preparation of a completion plan and schedule for the design effort. This has been missing so far from the PG&E activities.

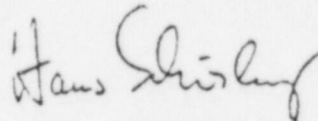
Mr. John Hoch from PG&E is the Project Manager for the Diablo Canyon project and member of the Management Team and will report to Friend (see Enclosure 3). Hoch will be responsible for the day to day operations of the project and for interaction with the NRC. Seven Project Engineers (PE) with specific functions will report to Hoch. Separate PEs have been assigned to Units 1 and 2. To achieve better scheduling of the entire project a separate Project Scheduling and Cost Engineering function has been established. Separate groups have been formed to avoid delays due to materials and equipment availability and to expedite the review of modifications in accordance with operating license requirements.

Mr. R. Ashley from Bechtel will provide licensing guidance and perform an advisory function that is not limited to NRC licensing activities. Through Ashley the entire Bechtel licensing system will be made available (e.g., gathering and distribution of appropriate information, NUREG activities, monitoring of Commission activities). This also will include the licensing resolution of all open items on the Diablo Canyon project that had been identified.

Mr. R. Anderson from Bechtel will provide functional support in the technical resolution of open items, including those that originate in the Independent Design Verification Program (IDVP). He will meet periodically with Chief Engineers from Bechtel and PG&E to resolve major issues. Chief Engineers are not members of the Diablo Canyon Project Organization as such, but they and their staff are available for consultation and assistance.

Mr. C. Dick will provide functional support to the quality assurance (QA) activities of the project. At the present the project is conducted in accordance with the existing PG&E corporate QA program. A QA manual is being developed based on the NRC approved Bechtel topical report "BQ Topical Report-1" Revision 3. It will be submitted to PG&E for approval and is expected to be issued in June 1982. PG&E has the overall QA responsibility and authority to issue stop work orders. Dick will not have QA sign-off responsibility and authority. This QA program will apply only to the Diablo Canyon Project Organization that will bring the design and construction activities to a close i.e., it does not apply to the operation of the facility. The program will also be applied to the activities of the IDVP by Teledyne and others. Dick stated that Bechtel has reviewed the current PG&E QA program and finds it acceptable although it is not oriented toward a project such as this. He also stated that the current program does not suffer from the deficiencies that had been reported by R. F. Reedy, Inc. regarding the pre-1978 QA program.

At the close of the meeting Mr. Denton provided Mr. H. Brown, representative of the Governor of California, the opportunity for comments. No statements were made.



Hans Schierling, Project Manager
Design Verification Program
Division of Licensing

Enclosures:
As stated

cc w/enclosures:
See next page

RECEIVED
MAR 22 1982

77 Beale Street, San Francisco, CA 94106
Tel. 541-5930 (8 a.m. to 5 p.m. Weekdays)
781-4211 (After 5 p.m., Weekends and Holidays)

FOR IMMEDIATE RELEASE

March 22, 1982

BECHTEL WILL MANAGE DIABLO CANYON PROJECT

Pacific Gas and Electric Company announced today that it has hired Bechtel Power Corporation to act as project manager for the completion and licensing of Diablo Canyon Nuclear Power Plant.

PG&E's chairman of the board, Frederick W. Mielke, Jr., said that Bechtel will have the responsibility for the remaining work necessary to:

- * Restore the company's suspended low power license for Unit 1;
- * Secure a full power license for the plant;
- * Complete construction of Unit 2; and
- * Provide start-up engineering and construction support needed to bring both units into commercial operation.

In announcing the selection of Bechtel Power Corporation as project manager, Mielke noted that "Bechtel has worldwide experience in the engineering and construction of nuclear power plants and under its supervision more than half of the nuclear plant units in this country have been brought on line."

The Bechtel group will augment PG&E's engineering forces and supervisory staff, Mielke said, "so that we can complete the work at Diablo Canyon within a reasonable time consistent with the highest standards of safety, quality and reliability."

Bechtel Power Corporation President Harry O. Reinsch commented that Bechtel was "pleased to have been asked to participate in the remaining work necessary to bring Diablo Canyon into operation." He added:

"With Bechtel Power Corporation's extensive experience in the nuclear industry, I am confident that the combined resources of Bechtel and PC&E will result in a project completion of the highest quality in an efficient and timely manner."

PC&E's announcement came on the heels of a decision by the staff of the Nuclear Regulatory Commission to approve the Teladyna Corporation to conduct the design verification program for the power plant.

Mielke said he was pleased with the decision because "the reverification program now can go forward with a minimum of delay."

"We are going to have a plant that will operate with maximum safety, he said.

"I want our company to be in a position to accomplish promptly whatever needs to be done at Diablo Canyon. It is for this purpose I have engaged the Bechtel Power Corporation as project manager."

Mielke added that he shares customers' concern about the burden of this winter's high utility bills. "Getting the Diablo Canyon Power Plant safely and successfully on line will do more than any single thing the company can do to help stabilize electric bills, minimize our dependence on costly oil and natural gas, and provide our customers with a safe, reliable electric energy supply for the years to come," he said.

PACIFIC GAS AND ELECTRIC COMPANY

PG&E +

77 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94106
P.O. BOX 7442, SAN FRANCISCO, CALIFORNIA 94120

TELEPHONE (415) 781-4211
TELECOPIER (415) 543-7813

ROBERT CHLBACH
VICE PRESIDENT AND GENERAL ATTORNEY

CHARLES T. VAN DEUSEN
PHILIP A. CRANE, JR.
HENRY J. LEPLANTE
JOHN B. GIBSON
ARTHUR L. HILLMAN, JR.
CHARLES W. THIBSELL
DANIEL E. GIBSON
JACK P. FALLIN, JR.
JOSEPH I. KELLY
ASSISTANT GENERAL COUNSEL

GILBERT L. HARRIS
GLENN WEST, JR.
JAMES C. LORSON
ROBERT L. BORDEN
RICHARD F. LOCKE
DAVID L. LUDWIGSON
WILLIAM M. EDWARDS
F. RONALD LAUFMEIER
ROBERT R. RICHETT
DAVID J. WILLIAMSON
BRUCE R. WORTHINGTON
SENIOR COUNSEL

EDWARD J. MCGANNEY
DAN GRYFON LURDEK
BERNARD J. DELLABANTA
JOSHUA BARLEY
JOSEPH S. ENCLIFF, JR.
ROBERT L. HARRIS
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J. PETER BAUMGARTNER
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HAROLD M. LORSON
JOHN B. LOW
ROBERT S. MCELHANN
RICHARD M. WICKS
ROBERT J. PETERS
JOHN SHAFER
CLIVE E. VANCE
ATTORNEYS

April 22, 1982



Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Re: Docket No. 50-275
Docket No. 50-323
Diablo Canyon Units 1 and 2
Facility Operating License No. DPR-76

Dear Mr. Denton:

In our March 25 meeting, we briefly described Bechtel Power Corporation's role in the completion of Diablo Canyon Units 1 and 2. In that meeting, we promised to provide additional information as Bechtel's role was more clearly defined. Attached for your information is an announcement letter and organization chart of the Diablo Canyon Project organization which integrates PGandE and Bechtel resources.

Boo/
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Mr. Harold R. Denton

-2-

April 22, 1982

We believe this new project organization will assure timely completion, licensing, and operation of Diablo Canyon Units 1 and 2. PGandE and Bechtel are available to meet with you and your Staff at its convenience to discuss any questions you may have regarding this new project organization. As additional information relating to the new project organization becomes available, it will be provided to you.

Very truly yours,

Philip A. Grane, Jr.

PAC:LS
Attachment

cc (w/enc.): Mr. Frank J. Miraglia, Jr., Chief
Licensing Branch No. 3
Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. Hans Schierling, Project Manager
Licensing Branch No. 3
Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. Bart Buckley, Project Manager
Licensing Branch No. 3
Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Service List

PG&E

GENERAL INFORMATION BULLETIN

DIVISION OR
DEPARTMENT SR. VICE PRESIDENT
FACILITIES DEVELOPMENT

RE LETTER OF
SUBJECT Diablo Canyon Nuclear Power Plant
Integrated Project Organization

April 22, 1982

OFFICERS
DEPARTMENT HEADS
DIVISION MANAGERS

Mr. F. W. Mielke's letter of March 22, 1982, announced the engagement of Bechtel Power Corporation to act as project manager for the Diablo Canyon Project with responsibility for completion of the remaining work necessary to:

- Restore the Company's suspended low-power license for the plant
- Obtain a full-power license for the plant
- Complete construction of Unit No. 2
- Provide start-up engineering and construction support needed to bring both units into commercial operation

Effective immediately, the existing Diablo Canyon Project Organization is restructured as shown on the attached organization chart. Mr. Howard B. Friend of Bechtel Corporation is Project Completion Manager and will direct a closely integrated project team of PG&E and Bechtel personnel. Mr. Friend will report to me, and I will report directly to Mr. Mielke on all matters relating to the Diablo Canyon Project.

Reporting to Mr. Friend will be a Management Team which will direct the day-to-day work required to bring Units 1 and 2 into early commercial operation. The project team will be supported by a matrix of chief engineers, managers, and staff specialists from both companies. You will be notified of the location and telephone numbers of the project team members as soon as this information becomes available.

We welcome Mr. Friend and his Bechtel associates to PG&E, and look forward to working together to bring the remaining Diablo Canyon effort to an early and successful conclusion. I know I can count on your continued excellent support and cooperation:

G. A. Maniatis
G. A. MANIATIS

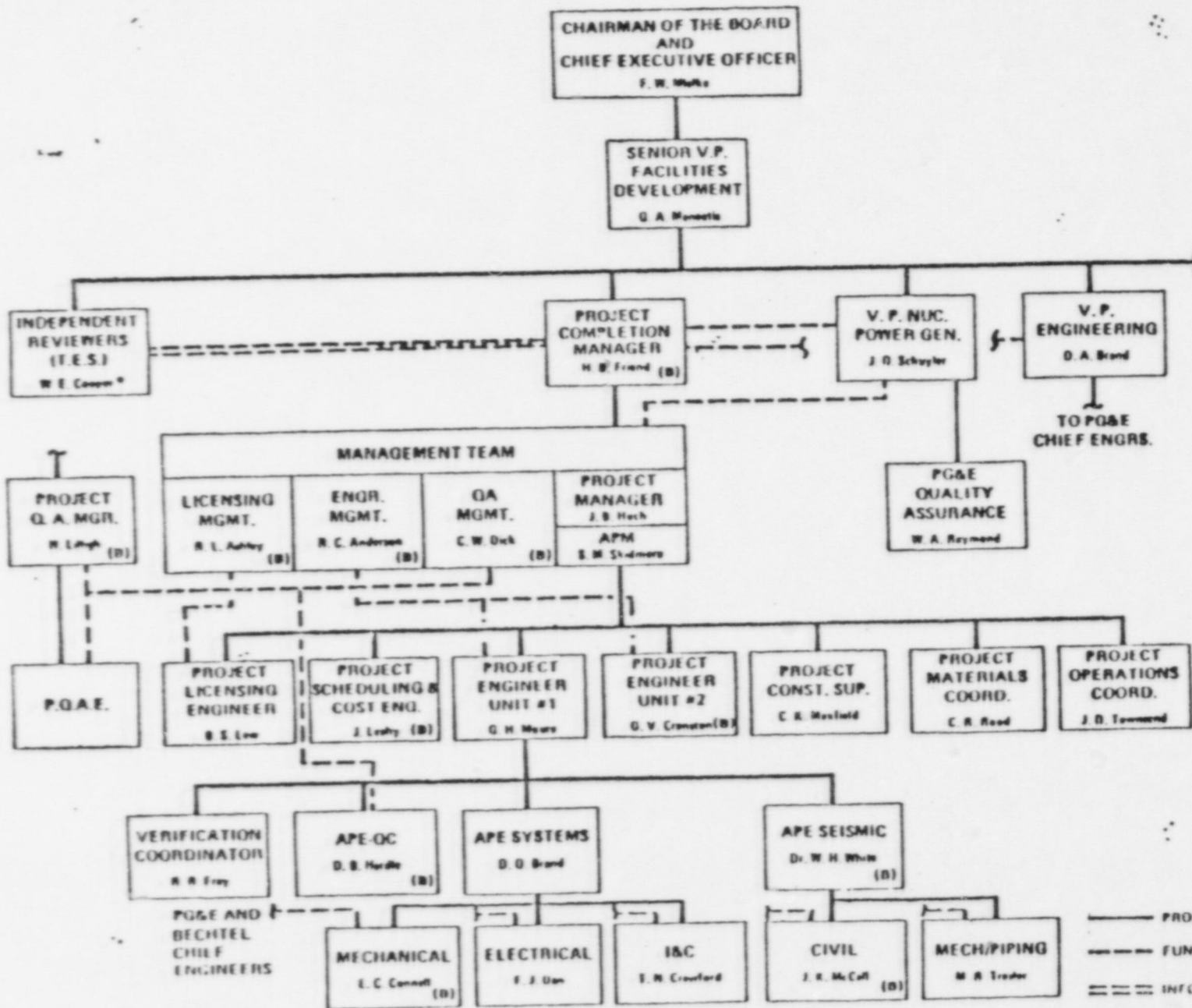
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Attachment

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DIABLO CANYON PROJECT ORGANIZATION



* REPORTS INDEPENDENTLY TO THE DIRECTOR, NUCLEAR REACTOR REGULATION

(8) BECHTEL

4/30/82

PG&E/NRC MEETING

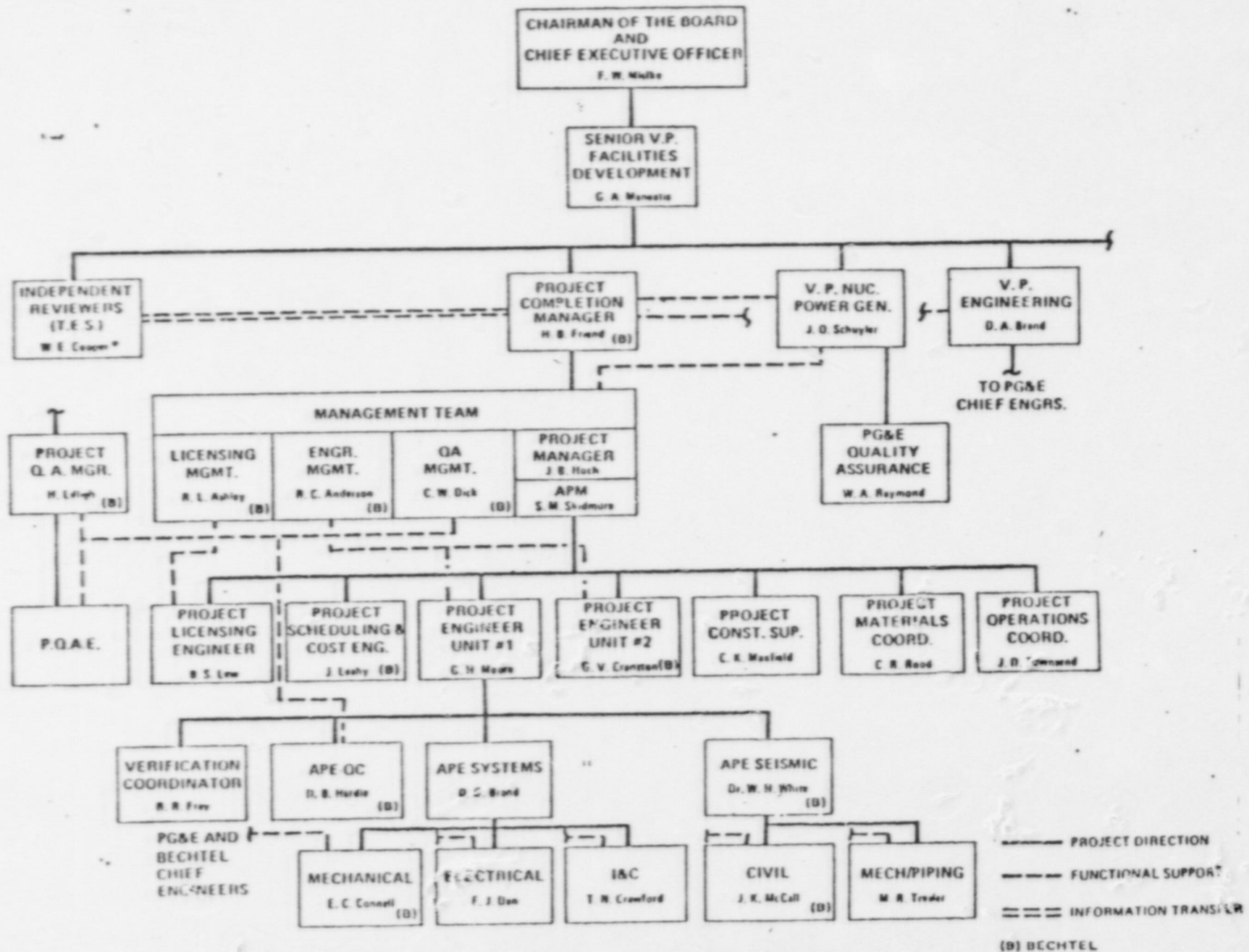
APRIL 30, 1982

9:00 AM

A G E N D A

OPENING REMARKS AND INTRODUCTIONS	G. A. MANEATIS
GENERAL INFORMATION ON BECHTEL PARTICIPATION	H. B. FRIEND
PROJECT ORGANIZATION	J. B. HOCH
ENGINEERING ORGANIZATION	R. C. ANDERSON
LICENSING SUPPORT ACTIVITIES	R. L. ASHLEY
PROJECT QUALITY ASSURANCE PROGRAM	C. W. DICK
CLOSING REMARKS	G. A. MANEATIS

DIABLO CANYON PROJECT ORGANIZATION



ENCLOSURE 4

4/20/83

NRC-PG&E MEETING
APRIL 30, 1982

NRC:

H. Denton
R. Vollmer
E. Jordan
R. Tedesco
J. Knight
F. Miraglia
T. Bishop
L. Chandler
B. Buckley
H. Schierling
K. Herring
J. Fair

PG&E

G. Maneatis
H. Friend
J. Hoch
R. Ashley
R. Anderson
C. Dick
R. Locke
S. Skidmore
G. Cranston
D. Lew
R. Fray
G. Moore
R. Gavin

Others

L. Benson (Westinghouse)
H. Brown (Gov. of California)



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

AUG 2 1982

Docket Nos.: 50-275
and 50-323

Phillip A. Crane, Jr., Esq.
Pacific Gas & Electric Company
Post Office Box 7442
San Francisco, California 94120

Dear Sir:

Subject: QA Program for Diablo Canyon Project

We have reviewed your submittal of June 18, 1982 of the Diablo Canyon Project Quality Assurance Program consisting of (1) the Bechtel Power Corporation Topical Report on Quality Assurance (BQ-TOP-1, Rev. 3A) and (2) a supplement identifying changes to the topical report to reflect the integrated PG&E/Bechtel Diablo Canyon Project Organization. The format of the submittal corresponds to the information you provided at the June 10, 1982 meeting in Waltham, Massachusetts.

We have identified in the enclosure some aspects where additional information and clarification is required. We request that you provide the information in the form of marked revisions to the QA Program. Otherwise we find the program acceptable and, contingent upon your submittal of satisfactory revisions as requested, we approve the Diablo Canyon Project Quality Assurance Program. Please inform us within seven days of receipt of this letter when you intend to submit the requested revision of the program.

Sincerely,

Darrell G. Eisenhower, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Enclosure:
As stated

cc w/enclosure:
See next page

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REQUEST FOR ADDITIONAL INFORMATION

QUALITY ASSURANCE PROGRAM

PG&E/BECHTEL

DIABLO CANYON PROJECT

1. Your letter dated June 18, 1982 states that PG&E and Bechtel have formed an integrated project organization. However, the Supplement to the Bechtel Topical Report is titled, "Quality Assurance Program - Bechtel Power Corporation - Diablo Canyon Project." Clearly state how the program applies to the PG&E/Bechtel integrated Diablo Canyon Project Organization which is an organizational element in the PG&E organization and which consists of PG&E and Bechtel professional and management personnel. Identify the applicability of the QA program with respect to duration of the Project Organization and state if and how the program replaces or supplements the Diablo Canyon QA program as presented in Section 17.2 of the FSAR. Specifically identify the responsibilities of the PG&E corporate QA Organization and identify the organization in Figures 15 through 17 as appropriate.
2. Indicate in Figures 15 through 17 which organization has been assigned the responsibility for each element (block) of the Project Organization, e.g. use B for Bechtel and P for PG&E.
3. Discuss how PG&E, as the applicant, assures the quality of the work performed by the Project Organization. For example, state if PG&E personnel, apart from the Project Organization, will function in accordance with the Quality Assurance Program described in Section 17.2 of the Diablo Canyon FSAR.
4. Differentiate between the responsibilities of the Project Quality Assurance Engineer, including the QAE's Field Home Office, the Project Quality Engineer, and the APE Quality function as shown in Figure 15. List the responsibilities and authority of each.
5. Identify the individual, by position title, who is responsible for the quality of the work performed by the Project Organization and the individual, also by position title, who is responsible for assuring the quality of the same work. Discuss how these responsibilities are met.
6. In paragraph 4 on page 1 of the Supplement to the Bechtel QA Topical Report it is indicated that procurement may be by either PG&E or Bechtel. Indicate if the company which places the purchase order will be responsible for supplier evaluation, supplier control, supplier audits, and source inspection, or indicate how these functions will be divided. If PG&E does the procurement, state if the PG&E procurement controls will be in accordance with Section 17.2 of the Diablo Canyon FSAR or in accordance with the Supplement in your June 18, 1982 letter.

7. Discuss the involvement of the PG&E plant staff in the preoperational testing phase activities to assure familiarity with the plant during early plant operation.
8. Attachment 8 in the Supplement states: "Quality Control performs surveillance inspection over preoperational and startup testing." Provide additional information to demonstrate that this organization (as shown in Figure 17) has personnel with the education/training/experience necessary to perform meaningful surveillance inspection. Also discuss the involvement of PG&E QC personnel in preoperational and startup testing to assure familiarity with the plant during early plant operations.