

NRC Questions PG&E's 'Integrity' on Diablo

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Top Nuclear Regulatory Commission officials have challenged the "integrity" of Pacific Gas & Electric Co. and accused the utility of "arrogance" in the continuing controversy over the safety of the Diablo Canyon atomic power plant, according to newly-disclosed documents.

The charges came to light in the transcript of a January 21 meeting between the NRC's staff and its commissioners, which was made available to The Chronicle yesterday.

At that meeting, Commissioner Victor Gilinsky, the NRC's most outspoken critic of PG&E and its \$2.4 billion Diablo Canyon project, said the utility knowingly failed to disclose seismic problems in the design of the plant more than four years ago.

That fact, Gilinsky said, "calls into question the integrity of the

company and the question of whether it is fit to run a (nuclear) plant."

The disclosure issue arose as the commissioners and the staff discussed two seismic design reports made by the utility's earthquake engineering consultants, URS/Blume Inc., in 1977 and 1979.

The seismic data in the two reports differed, and the NRC staff said that modifications to the plant made by PG&E were based on "improper" data that was later revised without notifying the commission, according to the transcript of the January 21 meeting.

The problems involved the plant's auxiliary building, which contains safety equipment and some piping for the reactor cooling system.

NRC officials said they learned of the problems while reviewing studies of the plant now being made by Robert L. Cloud Associates, the Berkeley engineering firm retained by PG&E to review all the seismic safety design and

construction errors that have come to light since last September.

Robert Engelken, the NRC's western regional director, told the commissioners on January 21 that PG&E knew it was using the wrong seismic data during construction in 1978, but felt it was conservative and therefore did not notify the NRC staff, Engelken said.

The utility's attitude, Engelken said, seems to be "one of regulation being sort of a necessary nuisance that they have to put up with and it results in a kind of arrogance that we all feel.

"It is a rather general feeling that they are not always free and forthcoming with information. If we ask them, they give us answers."

Richard DeYoung, the NRC's director of inspection and enforcement, told the commissioners that the company's problems with Diablo Canyon stem from its failure to give proper direction and allowing lawyers without the proper technical background to oversee techni-

cal decisions."

"I have known this utility for a long time and there is something basically wrong with the leadership, the direction that they give to their staff," DeYoung said. "It has been a problem for some time."

"We don't feel that the NRC's

perceptions are warranted," the spokesman said. "We accept that may be their perception so we will do everything possible to overcome it. We are preparing a letter to our employees informing them that we will not tolerate anything less than full and open communications with the NRC."