UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD '89 JUL 27 P3:51

In the Matter of

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8962

PACIFIC GAS AND ELECTRIC COMPANY

(Diablo Canyon Nuclear Power Plant, Units 1 & 2 Docket Nos. 50-275 OLA 50-323 OLA

(Remand Concerning Zircaloy Fire; Adequacy of Supplemental Environmental Assessment)

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Sierra Club Request to Withdraw Contentions

The Sierra Club has reviewed several recently published documents related to Generic Issue 82. These documents contain new findings relevant to issues raised in this proceeding. In addition, NRC staff has provided the Sierra Club with supplemental information which also has a bearing on this proceeding. Upon analysis of this additional material, the Sierra Club believes that its contentions concerning the risks of catastrophic Zircaloy fires have been adequately addressed. We therefore request permission to withdraw our contention regarding this issue.

On Friday, July 23, a telephone conference call was held in which Mr. Rutberg for the NRC, Mr. Locke for PG&E and Dr. Ferguson for the Sierra Club participated. Dr. Ferguson informed the others of the Club's intention to request that the contention related to Generic Issue 82 be withdrawn. Mr. Rutberg and Mr. Locke indicated during this call that they would support this request. Also at issue in this proceeding is the adequacy of the Supplemental Environmental Assessment for the reracking. Dr. Ferguson suggested that the Sierra Club's contention related to the EA also be withdrawn and that further informal discussions between Commission staff and the Sierra Club regarding the implementation of NEPA by the NRC be held sometime in the near future. Mr. Rutberg agreed that this might be a more productive approach to resolving the outstanding NEPA issues and that he would be willing to participate in further informal discussion. The Sierra Club therefore requests that the remaining contention related to the NEPA documents in this proceeding also be withdrawn. Mr. Rutberg and Mr. Locke indicated that they would support this request also.

Thus, the Sierra Club requests that all the outstanding contentions in the current proceedings be withdrawn with the understanding that further discussion between the NRC and the Sierra Club regarding the Commission's implementation of the National Environmental Policy Act will occur.

Respectfully,

Segurm Dr. Richard B. Ferguson Sierra Club

dated July 24, 1989

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

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PACIFIC GAS AND ELECTRIC COMPANY

(Remand Concerning Zircaloy Fire; Adequacy of Supplemental Environmental Assessment)

(Diablo Canyon Nuclear Power Plant, Units 1 & 2

CERTIFICATE OF SERVICE

I hereby certify that copies of "Sierra Club Request to Withdraw Contentions" in the above-captioned proceeding have been served on the following by deposit in the United States mail, first class, this 24th day of July, 1989:

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Gustave A. Linenberger, Jr. Administrative Judge Atomic Safety and Licensing Board U.S. Nuclear Regulatory Commission Washington, D.C. 20555

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Dr. Richard E. Ferguson Sierra Club