

From: Cherry, Brian K
Sent: 10/12/2012 2:22:17 PM
To: Michelle Cooke (michelle.cooke@cpuc.ca.gov); Paul Clanon (paul.clanon@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: DCP Unit 2 Update

FYI.

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

Begin forwarded message:

From: "Halpin, Ed" <E1H8@pge.com>
Date: October 12, 2012, 2:09:19 PM PDT
To: Officers - All <AllPGEOfficers@exchange.pge.com>
Subject: DCP Unit 2 Update

PG&E Officers;

The purpose of this communication is to provide you with an update on Unit 2 at Diablo Canyon and also share with you some preliminary findings of our investigation. Unit 1 continues to safely generate power with no noted challenges.

Shortly after 12 p.m. yesterday, Unit 2 safely shut down as designed after an electrical disturbance occurred in equipment that moves power from Unit 2 to the state's electric grid. Plant operators responded to the shutdown according to procedure and are working to determine the exact cause of the incident.

Over the last 24 hours, we have conducted an investigation and the preliminary results suggest that the electrical disturbance was caused by an arc flash that occurred on one phase of our main transformer. Small dust particles apparently built up over time on a transformer bushing.

Rain on Wednesday and Thursday of this week created an environment around the bushing that allowed an electrical arc to form, which grounded out the transformer. Sensitive plant monitoring equipment detected the fault and Unit 2 safely shutdown as designed. A cause analysis team is working to confirm this conclusion. In addition, we continue to test the affected equipment to ensure overall system health meets our expectations.

I want to close by telling you that Unit 2 remains in a safe condition. We will firm up our timetable for returning the unit to service as we move through the discovery phase of our forced outage. As always, our focus is on putting safety first.

We will continue to keep you updated as events warrant. As always, please reach out to me at your convenience so I may address any concerns or questions that you may have.

Thank you.

Ed