From: Cherry, Brian K

Sent: 7/10/2013 2:21:07 PM

To: Clanon, Paul (paul.clanon@cpuc.ca.gov)

Cc:

Subject: FW: Diablo Canyon Unit 2 Shutdown

FYI

From: Halpin, Ed

Sent: Wednesday, July 10, 2013 12:30 PM

To: Officers - All

Subject: Diablo Canyon Unit 2 Shutdown

PG&E Officer Team;

At approximately 0950 today, Diablo Canyon's Unit 2 reactor automatically tripped. No injuries occurred as a result of this event. Unit 2 is stable and Unit 1 is safely operating at full power. Our preliminarily investigation suggests a lightning arrestor from one phase ("A") of our 500kV line arced to ground through a water mist created during a "hot wash" of insulators that was in progress as a scheduled work week activity.

A forced outage meeting and initial investigation is underway. We will need to review the response of our equipment and ensure there is no additional damage as a result of the event. You may recall that in October 2012, a Capacitor Coupled Voltage Transformer (CCVT) on Unit 2 grounded out and resulted in a similar event. The root cause investigation identified the CCVT's were not optimal for a "heavy contamination" area (salt and dirt deposits). All CCVT's on both Units were removed and changed to a different location to improve operating margin.

The lighting arrestor that apparently failed is rated for a "heavy contamination" location. These arrestors were just recently cleaned in the last refueling outage on Unit 2 (March 2013). Our root cause analysis team will take the lead to fully understand this event and take the appropriate actions to safely return Unit 2 to full power.

As always, our team appreciates your support. We are obviously disappointed in this event and are focused on putting safety first, understanding our gaps to excellence and putting actions in place to improve performance.

Ed