

May 16, 2002

Mr. Gregory M. Rueger
Senior Vice President, Generation and
Chief Nuclear Officer
Pacific Gas and Electric Company
Diablo Canyon Nuclear Power Plant
P. O. Box 3
Avila Beach, CA 93424

SUBJECT: DIABLO CANYON NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2 - REPLY
TO RESPONSE TO ORDER FOR INTERIM SAFEGUARDS AND SECURITY
COMPENSATORY MEASURES (TAC NOS. MB4121 AND MB4122)

Dear Mr. Rueger:

The U.S. Nuclear Regulatory Commission (NRC) issued an Order on February 25, 2002, that modified the current operating licenses for the Diablo Canyon Nuclear Power Plant (DCPP), Unit Nos. 1 and 2, to require compliance with the specified interim safeguards and security compensatory measures. The interim compensatory measures (ICMs) were listed in Attachment 2 to that Order. The Commission recognized that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing generalized high-level threat environment, the Commission concluded that the security measures should be embodied in an Order consistent with the established regulatory framework.

The Order called for responses and actions within specified timeframes. Section III.A of the Order required licensees to immediately start implementation of the requirements listed in Attachment 2 to the Order and to complete implementation no later than August 31, 2002. Section III.B of the Order required licensees to notify the Commission: (1) if they are unable to comply with the requirements in Attachment 2 to the Order, (2) if compliance with the requirements is unnecessary, (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license, and (4) whether implementation of any of the requirements in Attachment 2 to the Order would adversely impact safe operation of the facility. Section III.C.1 of the Order required licensees to submit to the Commission, within twenty (20) days of the date of the Order, a schedule for achieving compliance with each requirement described in Attachment 2 to the Order. Section IV of the Order noted that in accordance with 10 C.F.R. § 2.202, the licensee must submit an answer to the Order and may request a hearing on the Order within 20 days of the date of the Order and, where good cause is shown, consideration will be given to extending the time to request a hearing.

You submitted responses to the Order for DCPP, Unit Nos. 1 and 2, in two letters dated March 18, 2002 (DCL-02-028 and DCL-02-029), and provided supplementary information in your letter of May 1, 2002 (DCL-02-055). Your letters requested an extension of time until May 31, 2002 to respond to ICMs B.2.a(1), B.2.a(2), and B.2.b. You did not request a comparable extension of time to file a request for a hearing for these matters.

The NRC staff has reviewed your response and finds that you have satisfied the 20-day reporting requirements of the Order, with the exception of providing a response to ICMs B.2.a(1), B.2.a(2), and B.2.b. An extension of time is hereby granted until May 31, 2002, for your submission of the required response to these ICMs.

The NRC will determine the effectiveness of your implementation of the ICMs through on-site inspections. I would like to remind you that, pursuant to Section III.C.2 of the Order, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Order.

Please contact Mr. Girija Shukla, Project Manager for DCPD at 301-415-8439, if you have any questions on these issues.

Sincerely,

/RA/

John A. Zwolinski, Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-275
and 50-323

cc: See next page

The NRC staff has reviewed your response and finds that you have satisfied the 20-day reporting requirements of the Order, with the exception of providing a response to ICMs B.2.a(1), B.2.a(2), and B.2.b. An extension of time is hereby granted until May 31, 2002, for your submission of the required response to these ICMs.

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Please contact Mr. Girija Shukla, Project Manager for DCPD at 301-415-8439, if you have any questions on these issues.

Sincerely,
/RA/
John A. Zwolinski, Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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cc: See next page

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Diablo Canyon Power Plant, Units 1 and 2

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