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Docket No. 50-275

Mr. Philip A. Crane, Jr.  
 Assistant General Counsel  
 Pacific Gas and Electric Company  
 77 Beale Street  
 San Francisco, California 94106

Dear Mr. Crane:

Subject: Issuance of Exemption and Amendment No. 4 to Facility Operating  
 License No. DPR-76 (Diablo Canyon Nuclear Power Plant, Unit 1)

By letter dated February 25, 1983, the Pacific Gas and Electric Company  
 requested a temporary exemption from the requirements of certain portions  
 of 10 CFR Part 73 for the Diablo Canyon Nuclear Power Plant. The exemption  
 would remove the requirements to maintain in effect the approved Physical  
 Security Plan for a period ending thirty days prior to fuel loading. The  
 Commission has granted this request as described in the enclosed Exemption  
 and License Amendment.

A copy of the Exemption is being filed with the Office of the Federal  
 Register for publication.

Sincerely,

Original Signed by:

Darrell G. Eisenhut, Director  
 Division of Licensing

Enclosures:  
 As stated

cc: See next page

AD: L. DL  
 TNovak  
 3/8/83

D: DL  
 DGEisenhut  
 3/10/83

Discussed with D. Casen  
 Pgs 3 of Exemption and  
 items 1-4 of license amend  
 to see if they contained  
 any safeguards material.  
 He said NO!  
 BCB 3/10/83  
 M. [unclear] subject  
 to [unclear]

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 P PDR

SSPB: DL  
 DB [unclear]  
 3/9/83

OFFICE	SSPB: DL	SSPB: DL	SSPB: DL	LB#3: DL	LB#3: DL	SSPB: DL	OELD
SURNAME	PAnderson: ka	JGibson	COTomas	JLee	BBuckley	GKnighton	LChander
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UNITED STATES OF AMERICA  
 NUCLEAR REGULATORY COMMISSION

In the Matter of )  
 PACIFIC GAS AND ELECTRIC COMPANY ) Docket No. 50-275  
 Diablo Canyon Nuclear Power Plant, )  
 Unit 1 )

EXEMPTION

I.

The Pacific Gas & Electric Company (the licensee or PG&E) was issued Facility Operating License No. DPR-76 on September 22, 1981, authorizing PG&E to load fuel in the Diablo Canyon, Unit 1 reactor and conduct low power testing up to five percent of rated power. Subsequently, prior to any fuel being loaded into the reactor vessel, the Commission issued an Order, CLI-81-30, on November 19, 1981 which suspended the authority to load fuel and conduct low power testing on the basis of the discovery of certain seismic design discrepancies at the facility. Nevertheless, the license provides, among other things, that it is subject to all rules, regulations and Orders of the Commission now or hereafter in effect. The facility is a pressurized water reactor (PWR) located at the licensee's site in San Luis Obispo County, California.

II.

Among the provisions of the Commission's regulations are requirements relating to physical security measures required for facilities which have been issued operating licenses. In particular, 10 CFR §73.55 and Appendices B and C to 10 CFR Part 73 address the requirements of physical security, guard training

and qualification, and safeguards contingency planning for nuclear power reactors. 10 CFR §73.55 became effective on March 28, 1977, and Appendices B and C became effective on October 23, 1978, and June 6, 1978 respectively. These requirements are reflected in a license condition in paragraph 2.E.

By letter dated February 25, 1983, the licensee requested a temporary exemption from the requirements of 10 CFR §73.55(b) through (h) and Appendix C of 10 CFR 73, which would relax physical security measures currently implemented in connection with Unit 1. This exemption will require an amendment to the foregoing license condition. In support of this request, the licensee notes that there are major construction activities underway at the facility, there is no fuel in the reactor core, and there is no irradiated fuel at the facility.

### III.

The Nuclear Regulatory Commission (NRC) staff has reviewed the licensee's exemption request. 10 CFR §73.55 requires that each applicant for a license to operate a nuclear power reactor pursuant to 10 CFR Part 50 establish, prior to receipt of the license, a physical protection system designed to protect the facility against radiological sabotage from a specified design basis threat. The licensee has complied with this requirement, and an NRC-approved security system has been in place and in effect since September 1981, the date the operating license was issued. At the time 10 CFR §73.55 was promulgated, it was not anticipated that significant time would elapse between the date of operating license issuance and fuel loading. Accordingly, no explicit provisions were made for relaxation of security requirements for those instances where this interval was extensive.

Since the reactor at this facility has never been loaded with fuel and thus no criticality has been achieved, no irradiated fuel is on site and, accordingly, there is no current potential for radiological sabotage. (From a practical standpoint the facility is still in the construction stage. There are no activities on site related to reactor operation and no areas or equipment need to be designated as vital during this period.) Without safeguards in place, there is, however, the possibility of illegal activities designed to damage the plant or compromise the security system at some future date after operation has commenced. (This same potential exists at all new reactors prior to the issuance of the operating license.) To compensate for these concerns, the licensee has committed to an extensive return-to-service alignment, test, and inspection program of both vital plant components and intrusion alarm systems. The staff believes that the licensee's return-to-service program which is designed to ensure (i) the operability of vital plant systems, (ii) the integrity of the intrusion alarm and access control systems, and (iii) that sabotage or sabotage materials have not been introduced into the vital areas, is acceptable. To provide additional assurance, during any period of reduced safeguards, the licensee will be required to continue to (i) control and limit site access to individuals having work-related needs, and (ii) maintain the tamper protection capability of the intrusion alarms, as currently required by the approved plans.

In regard to the fresh fuel stored on site, NRC safeguards regulations only require protection of the material against theft since low enriched uranium

fuel poses little radiation risk to the public safety. The licensee's program for the protection of the Unit 1 fuel assemblies will be similar to that presently in effect for Unit 2 and is considered to satisfy the requirements of 10 CFR §73.67 for material of low strategic significance.

It is the staff's judgement, that the temporary suspension of those provisions of the licensee's security plan relative to the requirements of 10 CFR §73.55(b) through (h) prior to fuel loading satisfies the purpose and intent of the general performance requirements of 10 CFR §73.55 and will not significantly increase the risk of radiological sabotage at the present time or over the life of the facility. In addition, on its own initiative, the Commission is extending the exemption to include Section 73.55(a) in order to remove any uncertainty regarding the extent to which the licensee is released from its Plan commitments.

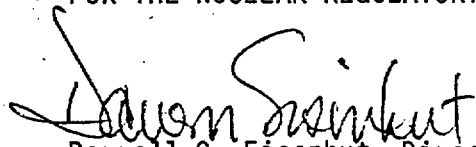
#### IV.

Accordingly, the staff has determined that, pursuant to 10 CFR §73.5 an exemption is authorized by law and will not endanger life or property or common defense and security and is otherwise in the public interest, and hereby grants a temporary exemption from the requirements of Section 10 CFR §73.55(a) through (h) and Appendix C of 10 CFR Part 73 as stated in the Diablo Canyon Physical Security Plan and the Diablo Canyon Safeguards Contingency Plan.

The staff has determined that the granting of this exemption and amendment does not authorize a change in effluent types or total amounts nor an increase in power level and will not result in any significant environmental impact. Having made this determination, we have further concluded that the granting of this exemption and amendment involves an action which is insignificant from the standpoint of an environmental impact and, pursuant to 10 CFR §51.5(d)(4), that an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with the issuance of these actions.

The staff has also concluded, based on the considerations discussed above, that: (1) because the granting of this exemption and amendment does not involve a significant increase in the probability or consequences of an accident previously evaluated, does not create the possibility of an accident of a type different from any evaluated previously, and does not involve a significant reduction in a margin of safety, the granting of this exemption and amendment does not involve a significant hazards consideration; (2) there is reasonable assurance that the health and safety of the public will not be endangered by these actions; and (3) such activities will be conducted in compliance with the Commission's regulations and the granting of this exemption and issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public.

FOR THE NUCLEAR REGULATORY COMMISSION



Darrell G. Eisenhut, Director  
Division of Licensing  
Office of Nuclear Reactor Regulation

Dated at Bethesda, Maryland  
this 11<sup>th</sup> day of March 1983.





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

PACIFIC GAS AND ELECTRIC COMPANY

DOCKET NO. 50-275

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 4  
License No. DPR-76

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for exemption and amendment by Pacific Gas and Electric Company (the licensee) dated February 25, 1983, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the provisions of the Atomic Energy Act of 1954, as amended, and the regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, Facility Operating License No. DPR-76 is hereby amended by changing paragraph 2.E. to read as follows:

2.E. Physical Protection

Except as noted below, thirty days prior to loading fuel in the reactor vessel, the licensee shall place in effect and fully implement all provisions of the Commission approved Physical Security, Guard Training and Qualification, and Safeguards Contingency Plans, including amendments made pursuant to the authority of 10 CFR §50.54(p). The approved plans, which contain information protected under 10 CFR §73.21 are collectively entitled "Diablo Canyon Power Plant Physical Security Plan," dated May 25, 1977, with revisions dated June 3, 15, and 29, July 22 and December 29, 1977; January 31, and March 16, 1978; and May 15, 1979; and September 17, 1982, as supplemented by commitments contained in Pacific Gas and Electric Company's letter of March 12, 1981 to the Chief, Licensing Branch No. 3, NRR, Nuclear Regulatory Commission; "Diablo Canyon Power Plant Guard Training and Qualification Plan," dated July 11, 1980, and the "Diablo Canyon Power Plant Safeguards Contingency Plan," dated May 1, 1980. The approved Diablo Canyon Security Plan identified above is amended to increase the minimum number of armed responders consistent with ALAB-653 (restricted) decision of September 9, 1981.

The following provisions of the approved plans shall be in effect and continue to be implemented:

1. The Diablo Canyon Power Plant Guard Training and Qualification Plan shall be fully implemented and all guards fully trained and qualified by January 1, 1982 (per letter dated July 16, 1981, from the Assistant General Counsel, Pacific Gas and Electric Company, to the Chief, Licensing Branch No. 3, NRR, Nuclear Regulatory Commission). The Diablo Canyon Power Plant Safeguards Contingency Plan shall be fully implemented, in accordance with 10 CFR 73.40(b), thirty days prior to fuel loading.
2. The licensee shall limit access into the Unit 1 protected area to persons who are employees or contractors of the licensee, and to other persons determined by the licensee to have legitimate business needs on the site.

3. Those portions of the physical security plan which relate to the protection of special nuclear material of low strategic significance under the provisions of 10 CFR §73.67, shall remain in effect.
4. The tamper indicating features of the alarm systems shall remain active and shall be monitored during the interim period.

Thirty days prior to fuel loading the licensee shall implement the "Return to Service" provisions as described in Section F, pages 4 through 6 of the request for exemption dated February 25, 1983.

3. The license amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



Darrell G. Eisenhut, Director  
Division of Licensing  
Office of Nuclear Reactor Regulation

Date of Issuance: MAR 11 1983