September 9, 1997

Mr. Gregory M. Rueger
Pacific Gas and Electric Company
NPG - Mail Code A10D
P. O. Box 770000
San Francisco, California 94177

SUBJECT: NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO FACILITY OPERATING LICENSES, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR HEARING - DIABLO CANYON NUCLEAR PLANT, UNIT NOS. 1 AND 2

Dear Mr. Rueger:

Enclosed is a copy of the subject notice that relates to Pacific Gas and Electric Company's application for amendments for Diablo Canyon Nuclear Plant, Unit Nos. 1 and 2 dated August 26, 1997.

The proposed amendments would approve a modification to the Diablo Canyon Power Plant, Unit Nos. 1 and 2 auxiliary saltwater (ASW) system to bypass approximately 800 feet of Unit 1 and 200 feet of Unit 2 Class 1 ASW pipe, a portion of which is buried below sea level in the tidal zone outside the intake structure. This modification was completed on Unit 1 during the refueling outage completed this year.

The notice has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Original Signed By
William H. Bateman

for Steven D. Bloom, Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket Nos. 50-275
and 50-323

Enclosure: Notice

cc w/encl: See next page

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cc w/encl:
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UNITED STATES NUCLEAR REGULATORY COMMISSION

PACIFIC GAS AND ELECTRIC COMPANY

DOCKET NOS. 50-275 AND 50-323

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO FACILITY OPERATING LICENSES, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License Nos. DPR-80 and DPR-82 issued to Pacific Gas and Electric Company (the licensee) for operation of the Diablo Canyon Power Plant, Units 1 and 2, located in San Luis Obispo County, California.

The proposed amendments would approve a modification to the Diablo Canyon Power Plant (DCPP) Units 1 and 2 auxiliary saltwater (ASW) system to bypass approximately 800 feet of Unit 1 and 200 feet of Unit 2 Class 1 ASW pipe, a portion of which is buried below sea level in the tidal zone outside the intake structure. Upgraded flow meter and temperature instrumentation will be included. The project includes approximately 450 feet (both Units) of new pipe inside the intake structure, and 1,400 feet of new buried pipe between the intake and selected tie-in points in the existing pipe. This modification was completed on Unit 1 during the refueling outage completed this year.

Before issuance of the proposed license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

1. The proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

   The auxiliary saltwater (ASW) system is not identified as the cause, or involved in the initiating event of, any Final Safety Analysis Report (FSAR) analyzed accidents. Thus, activities addressed herein will not increase the probability of occurrence of any FSAR evaluated accident.

   During the construction of the ASW bypass piping, the integrity and performance of the ultimate heat sink will not be affected, nor will the ability of any safety-related system, structure, or component (SSC) to perform their function be compromised. Approved, written procedures are used during construction to assure the functioning of these SSCs (e.g., heavy load procedures, security procedures, tie-in procedures). The system unavailability due to construction is managed in accordance with Technical Specification (TS) limiting conditions for operation (LCO).

   The ASW system is a moderate energy system. Since the bypass modification does not significantly change the operating parameters of the system, there is no change in the Medium Energy Line Break (MELB) analysis methodology for this system, and no increase in the probability of occurrence of a pipe crack. The ASW pipes are required to mitigate consequences of FSAR analyzed accidents.

   The initial work for the ASW bypass project involved installation of Design Class I removable spool pieces in the existing ASW piping. The spool pieces removed were modified and reinserted

into the existing ASW piping. The modifications to the spool pieces did not affect their flow characteristics or structural integrity. Therefore, the removable spool pieces did not cause ASW operating parameters to exceed their design basis, did not change any system interfaces, had no impact on ASW system capability to perform its function, and did not change the system's operation.

The work for this project was performed in a series of steps. For each step, the added work scope was incorporated in a design change package revision and a revised safety evaluation was performed.

The tie-in of the piping to the ASW system is done during separate system clearances during a refueling outage for each train; one train will remain in service during the outage at all times. The cross-tie between the two Units will be available during the work.

When all the work associated with the ASW bypass project is completed, including pipe and pipe support installation, structural modifications, and external protective features; the ASW system will perform its safety function as described in the FSAR. The flow in ASW pipes will not be significantly affected by this work. Per Mechanical Calculation M-988, the increase in head loss for bypass piping is not significant; the design basis flow is maintained with a margin and there is no significant effect on the Component Cooling Water (CCW) heat removal capacity.

The newly installed piping has been designed to withstand the appropriate design basis seismic loading and to withstand the effects of external events including flooding, tsunami, and tornadoes. The newly installed piping and associated support components have been evaluated, and where appropriate, designed to withstand system interactions including pipe breaks, internal flooding, seismic interaction, internally generated missiles, and fires.

Since the ASW system design bases parameters are maintained and the newly configured piping has been evaluated and designed to meet established licensing basis considerations, the consequences of an accident previously evaluated in the FSAR are not increased.

Therefore, the proposed changes do not involve a significant increase in the probability or consequences of an accident previously evaluated.

b. The proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

The design and installation sequence for bypass pipes and connection to the Unit 1 ASW system were developed and sequenced

so as not to affect the integrity of the pressure boundary or Paraliner of operating ASW trains.

Removable spool pieces were installed during Unit 1 seventh refueling outage (1R7). Plant procedures and proper sequencing of removal of the removable spool pieces and installation of tie-ins of bypass pipes will ensure adequate ASW is available for supporting the refueling and plant shutdown requirements. Tie-ins of Unit 1 bypass pipes will be done during separate system clearances during a refueling outage for each train; one train will remain in service during the outage at all times. The cross-tie between the two Units will be available during the work.

Piping layout and supports, design features for natural events, and evaluations and design features for systems interaction assure that the integrity of the ASW system for each unit is maintained.

The conservative analyses used in the piping design indicates there is a potential for soil liquefaction in some areas during certain seismic events (Hosgri earthquake). Liquefaction of soil is not considered in the licensing basis for the plant. Analyses using more recent methods indicate that actual settlements will be much less than predicted by the analyses used in the design, and that the piping will maintain its integrity.

Therefore, the proposed changes do not create the possibility of a new or different kind of accident from any accident previously evaluated.

c. The proposed change does not involve a significant reduction in a margin of safety.

TS 3.7.4.1 and 3.7.12, pertinent to the ASW system, are applicable for Modes 1 (Power Operation), 2 (Startup), 3 (Hot Standby), and 4 (Hot Shutdown). The installation of the Unit 1 ASW removable spool pieces were done during the 1R7 outage. During the refueling outage, the ASW trains were made inoperable one at a time for installation of a spool piece and were sequenced and scheduled to support TS 3.4.1.4.1 and 3.4.1.4.2 for residual heat removal (RHR) in Mode 5 (Cold Shutdown), and TS. 3.9.8.1 and 3.9.8.2 for RHR in Mode 6 (Refueling) as applicable. Modification of two existing supports for Unit 2 Pipe 687 was done when the line was out-of-service during the Unit 2 seventh refueling outage. Tie-ins will occur during a refueling outage and during separate system clearances. The cross-tie between the two Units will be available during the work.

The TS basis for the ASW system is to provide sufficient cooling capacity for the continued operation of safety-related equipment during normal and accident conditions (TS Bases 3/4.7.4). This equates to providing sufficient cooling water for the CCW heat

exchangers (HXs) to ensure CCW design basis temperature limits are not exceeded. Although the change in ASW pipe routing causes an increase in the pressure drop in the ASW piping, and therefore a decrease in ASW flow by approximately 3 percent (352 gpm), the design and licensing basis requirements of the ASW system will continue to be met.

Surveillance Test Procedure (STP) M-26, "ASW Flow Monitoring," demonstrates that the ASW system provides adequate cooling to the CCW HX. The STP measures the ASW flow and then subtracts instrument inaccuracy and corrects for potential variations in tide level and CCW HX differential pressure (dP). The corrected ASW flow and temperature are then compared to the acceptance criteria. The acceptance criteria in STP M-26 have not changed as a result of the bypass project.

There will not be a safety significant issue associated with the reduction in flow caused by the bypass. As part of the ASW bypass project, ASW flow and temperature instruments are being replaced with more accurate instruments. In addition, the correction factors which are used to account for variations in tide level and HX dP were found to be very conservative and have been corrected. As a result of these changes, the corrections to the measured ASW flow will be smaller. Based on Calculation M-988, the required corrections to the flow will decrease by more than the reduction in flow caused by the bypass. In addition, the current STP results show that flow margin exists.

Therefore, none of the proposed changes involves a significant reduction in a margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 30-day notice period. However, should circumstances change

during the notice period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance and provide for opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Freedom of Information and Publications Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D22, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By October 16, 1997, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance

with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the California Polytechnic State University, Robert El Kennedy Library, Government Documents and Maps Department, San Luis Obispo, California 93407. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days

prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Christopher J. Warner, Esq., Pacific Gas and Electric Company, P. O. Box 7442, San Francisco, California 94210, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated August 26, 1997, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the California Polytechnic State University, Robert E. Kennedy Library, Government Documents and Maps Department, San Luis Obispo, California 93407.

Dated at Rockville, Maryland, this 9th day of September 1997.

FOR THE NUCLEAR REGULATORY COMMISSION

William H. Bateman

William H. Bateman, Director
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation