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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D C 20555

PACIFIC GAS AND ELECTRIC COMPANY

DIABLO CANYON NUCLEAR POWER PLANT, UNIT 2

DOCKET NO. 50-323

FACILITY OPERATING LICENSE

License No. DPR-82

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for licenses by Pacific Gas and Electric Company (PG&E) 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, and all required notifications to other agencies or bodies have been duly made;

   B. Construction of the Diablo Canyon Nuclear Power Plant, Unit 2 (the facility), has been substantially completed in conformity with Provisional Construction Permit No. CPPR-69 and the application, as amended, the provisions of the Act, and the regulations of the Commission;

   C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission, except as exempted from compliance in Section 2.D below;

   D. There is reasonable assurance (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the regulations of the Commission set forth in 10 CFR Chapter I, except as exempted from compliance in Section 2.D below;

   E. The Pacific Gas and Electric Company is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

   F. The Pacific Gas and Electric Company has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;

A/2

G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. DPR-82, subject to the conditions for protection of the environment set forth herein, is in accordance with applicable Commission regulations governing environmental reviews (10 CFR Part 50, Appendix D and 10 CFR Part 51) and all applicable requirements have been satisfied; and

I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.

2. Pursuant to approval by the Nuclear Regulatory Commission in its Memorandum and Order (CLI-85-14) dated August 1, 1985, the license for fuel loading and low power testing, Facility Operating License No. DPR-81, issued on April 26, 1985, is superseded by Facility Operating License No. DPR-82, hereby issued to Pacific Gas and Electric Company to read as follows:

A. This License applies to the Diablo Canyon Nuclear Power Plant, Unit 2, a pressurized water nuclear reactor and associated equipment (the facility), owned by PG&E. The facility is located in San Luis Obispo County, California, and is described in PG&E's Final Safety Analysis Report as supplemented and amended, and the Environmental Report as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses the Pacific Gas and Electric Company:

(1) Pursuant to Section 104(b) of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities", to possess, use, and operate the facility at the designated location in San Luis Obispo County, California, in accordance with the procedures and limitations set forth in this license;

(2) Pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(3) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(4) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and

(5) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This License shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

The Pacific Gas and Electric Company is authorized to operate the facility at reactor core power levels not in excess of 3411 megawatts thermal (100% rated power) in accordance with the conditions specified herein.

(2) Technical Specifications (SSER 32, Section 8)* and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. . are hereby incorporated in the license. Pacific Gas & Electric Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

(3) Initial Test Program (SSER 31, Section 4.4.1)

Any changes to the Initial Test Program described in Section 14 of the FSAR made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

2.C.(4) Fire Protection (SSER 31, Section 9.6.1 and SSER 32, Section 10)

a. PG&E shall implement and maintain in effect all provisions of the approved fire protection program as discussed in its Final Safety Analysis Report Update, in PG&E's December 6, 1984 Appendix R Report, and in the NRC staff's Fire Protection Evaluation in Supplements 8, 9, 13, 23, 27 and 31 to the Diablo Canyon Safety Evaluation Report, subject to provision b below.

b. PG&E may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

c. Deleted.

Amdt. 74, 1-13-93

(5) NUREG-0737 Items

Each of the following conditions shall be completed to the satisfaction of the NRC as indicated below. Each condition references the appropriate Section in SER Supplements.

a. I.D.1 Detailed Control Room Design Review (SSER 31, Section 4.13)

PG&E shall comply with the requirements of Supplement 1 to NUREG-0737 for the conduct of a Detailed Control Room Design Review (DCRDR) in accordance with a schedule acceptable to the NRC staff.

b. II.E.4.2 Containment Isolation Dependability (SSER 31, Section 4.21)

PG&E shall limit the 12-inch vacuum/overpressure relief valve opening to less than or equal to 50 degrees.

(6) Emergency Preparedness (SSER 31, Section 4.23.2 and SSER 32, Section 7)

In the event that the NRC finds that the lack of progress in completion of the procedures in the Federal Emergency Management Agency's final rule, 44 CFR Part 350, is an indication that a major substantive problem exists in achieving or maintaining an adequate state of preparedness, the provisions of 10 CFR Section 50.54(s)(2) will apply.

(7) Masonry Walls (SSER 31, Section 4.7)

Prior to start-up following the first refueling outage, PG&E shall (1) evaluate the differences in margins between the staff criteria as set forth in the Standard Review Plan and the criteria used by the licensee, and (2) provide justification acceptable to the staff for those cases where differences exist between the staff's and PG&E's criteria.

(8) Reactor Trip System Reliability - Generic Letter 83-28 (SSER 31, Section 4.8)

PG&E shall submit responses to and implement the requirements of Generic Letter 83-28 on a schedule which is consistent with that given in the PG&E letters dated January 24, and March 13, 1985.

(9) Steam Generator Tube Rupture Analysis (SSER 31, Section 4.25)

By April 1988, PG&E shall submit for NRC review and approval an analysis which demonstrates that the steam generator tube rupture (SGTR) analysis presented in the FSAR is the most severe case with respect to the release of fission products and calculated doses. Consistent with the analytical assumptions, PG&E shall propose all necessary changes to the Technical Specifications (Appendix A) to this license.

Amdt. #12 6-12-87

(10) Pipeway Structure DE and DDE Analysis (SSER 32, Section 4)

Prior to start-up following the first refueling outage PG&E shall complete a confirmatory analysis for the pipeway structure to further demonstrate the adequacy of the pipeway structure for load combinations that include the design earthquake (DE) and double design earthquake (DDE).

(11) Spent Fuel Pool Modification

The licensee is authorized to modify the spent fuel pool as described in the application dated October 30, 1985 (LAR 85-13) as supplemented. Amendment No. 6 issued on May 30, 1986 and stayed by the U.S. Court of Appeals for the Ninth Circuit pending completion of NRC hearings is reinstated.

Prior to final conversion to the modified rack design, fuel may be stored, as needed, in either the modified storage racks described in Technical Specification 5.6.1.1 or in the unmodified storage racks (or both) which are designed and shall be maintained with a nominal 21-inch center-to-center distance between fuel assemblies placed in the storage racks.

(12) Additional Conditions

The Additional Conditions contained in Appendix D, as revised through Amendment No. 118, are hereby incorporated into this license. Pacific Gas and Electric Company shall operate the facility in accordance with the Additional Conditions.

D. Exemption (SSER 31, Section 6.2.6)

An exemption from certain requirements of Appendix J to 10 CFR Part 50 is described in the Office of Nuclear Reactor Regulation's Safety Evaluation Report, Supplement No. 9. This exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, this exemption previously granted in Facility Operating License No. DPR-81 pursuant to 10 CFR 50.12 is hereby reaffirmed. The facility will operate, with the exemption authorized, in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission.

E. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Diablo Canyon Power Plant, Units 1 and 2 Physical Security Plan," with revisions submitted through March 4, 1988; "Diablo Canyon Power Plant, Units 1 and 2 Security Force Training and Qualification Plan," with revisions submitted through August 16, 1985; and "Diablo Canyon Power Plant, Units 1 and 2 Safeguards Contingency Plan," with revisions submitted through November 9, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

F. Antitrust

PG&E shall comply with the antitrust conditions in Appendix C to this license

G. Reporting

Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, the licensee shall report any violations of the requirements contained in Sections 2.C(3), 2.C(5) through 2.C(10), 2.E and 2.F of this license in the following manner. initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written followup within thirty days in accordance with the procedures described in 10 CFR 50 73(b), (c), and (e).

H. Financial Protection

PG&E shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

I. Term of License

This License is effective as of the date of issuance and shall expire at midnight on April 26, 2025.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed by
Harold R Denton

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Attachments:
1. Appendix A - Technical Specifications (NUREG-1151)
2. Appendix B - Environmental Protection Plan
3. Appendix C - Antitrust Conditions
4. Appendix D - Additional Conditions

Date of Issuance: August 26, 1985

Correction letter of 12-3-2001