

February 03, 2004
SAFEGUARDS INFORMATION

Mr. Lawrence F. Womack
Vice President, Nuclear Services
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

SUBJECT: DIABLO CANYON INDEPENDENT SPENT FUEL STORAGE INSTALLATION
APPLICATION - PHYSICAL SECURITY PROGRAM CHANGES
(TAC NO. L23399)

Dear Mr. Womack:

By letter dated December 21, 2001, the Pacific Gas and Electric Company (PG&E) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) for a 10 CFR Part 72 license to build and operate an independent spent fuel storage installation (ISFSI) within the owner controlled area at the Diablo Canyon Power Plant (DCPP) site. On April 18, 2002, PG&E submitted proposed changes to the DCPP Physical Security Program in order to satisfy the requirements of 10 CFR Part 73 for the proposed ISFSI. On December 6, 2002, the NRC staff sent a request for additional information (RAI) regarding your proposed changes. You responded to the RAI by letter dated January 31, 2003.

The NRC staff has completed its review of your proposed changes to the DCPP Physical Security Plan, the Safeguards Contingency Plan, and the Guard Training and Qualification Plan, and has determined that your revisions to those plans to address the interim storage of spent fuel in the proposed ISFSI comply with the requirements of 10 CFR Part 73 and are acceptable. The staff has further concluded that, with respect to the proposed revisions, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner; (2) such activities will be conducted in compliance with the Commission's regulations; and (3) the issuance of these physical security plan changes will not be inimical to the common defense and security or to the health and safety of the public. In addition, the staff has determined that the proposed changes do not decrease the safeguards effectiveness of the plans with respect to the operating reactor units.

Safeguards Information must be protected from unauthorized disclosure in accordance with Section 147 of the Atomic Energy Act of 1954, as amended, and with 10 CFR 73.21. Violations are subject to Civil or Criminal penalties.

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L. Womack

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The staff's security evaluation of the proposed changes is provided as an enclosure to this letter. The Enclosure contains Safeguards Information as described in 10 CFR 73.21 and must be withheld from public disclosure.

Please reference Docket No. 72-26 and TAC No. L23399 in future correspondence related to this licensing action. If you have any questions, please contact me at (301) 415-1336.

Sincerely,

/RA/
James R. Hall, Senior Project Manager
Licensing Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Docket No. 72-26 (50-275, -323)

Enclosure: Security Evaluation (Safeguards Information)

cc: Ron Todaro (w/enclosure)
Mailing List (w/o enclosure)

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Diablo Canyon Power Plant, Units 1 and 2

cc:

NRC Resident Inspector
Diablo Canyon Nuclear Power Plant
c/o U.S. Nuclear Regulatory Commission
P.O. Box 369
Avila Beach, CA 93424

Dr. Richard Ferguson, Energy Chair
Sierra Club California
1100 11th Street, Suite 311
Sacramento, CA 95814

Diane Curran
Harmon, Curran, Spielberg, & Eisenberg,
L.L.P.
1726 M Street N.W., Suite 600
Washington, D.C. 20036

Rochelle Becker
San Luis Obispo Mothers for Peace
1037 Ritchie Rd.
Grover Beach, CA 93433

Chairman, San Luis Obispo County
Board of Supervisors
Room 370
County Government Center
San Luis Obispo, CA 93408

Mr. Truman Burns
Mr. Robert Kinosian
California Public Utilities Commission
505 Van Ness, Room 4102
San Francisco, CA 94102

Mr. Steve Hsu
Radiologic Health Branch
State Department of Health Services
P.O. Box 942732
Sacramento, CA 94327-7320

Diablo Canyon Independent Safety
Committee
ATTN: Robert R. Wellington, Esq.
Legal Counsel
857 Cass Street, Suite D
Monterey, CA 93940

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavilion
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Christopher J. Warner, Esq.
Pacific Gas & Electric Company
Post Office Box 7442
San Francisco, CA 94120

Mr. David H. Oatley, Vice President
Diablo Canyon Operations and
Plant Manager
Diablo Canyon Nuclear Power Plant
P.O. Box 3
Avila Beach, CA 93424

Telegram-Tribune
ATTN: Managing Editor
1321 Johnson Avenue
P.O. Box 112
San Luis Obispo, CA 93406

Mr. Ed Bailey, Radiation Program Director
Radiologic Health Branch
State Department of Health Services
P.O. Box 942732 (MS 178)
Sacramento, CA 94327-7320

Mr. James D. Boyd, Commissioner
California Energy Commission
1516 Ninth Street (MS 31)
Sacramento, CA 95814

Ms. Charlotte Alexander
Vice President, Special Projects
Green Car Group
1241 Johnson Avenue #356
San Luis Obispo, CA 93401

Ellen Carroll
Environmental Coordinator
Department of Planning and Building
County of San Luis Obispo
County Government Center, Room 310
San Luis Obispo, CA 93408

The Honorable Lois Capps
Member, United States
House of Representatives
ATTN: Greg Hass, District Representative
1411 Marsh Street
San Luis Obispo, CA 93401

Darcie L. Houck, Staff Counsel
California Energy Commission
1516 Ninth Street (MS 14)
Sacramento, CA 95814-5512