



**Pacific Gas and
Electric Company**

James R. Becker
Vice President-Diablo Canyon
Operations and Station Director

Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

805.545.3462
Fax: 805.545.4234

June 4, 2004

PG&E Letter DCL-04-058

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Docket No. 50-275, OL-DPR-80
Docket No. 50-323, OL-DPR-82
Diablo Canyon Units 1 and 2
Use of Encryption Software for Electronic Transmission of Safeguards
Information

Dear Commissioners and Staff:

Pursuant to the requirements of 10 CFR 73.21(g)(3), Pacific Gas & Electric Company (PG&E) requests approval to process and transmit Safeguards Information (SGI) using PGP Software (Enterprise, Corporate, or Personal) Desktop Version 8.0 or the latest validated version, developed with PGP Software Development Kit (SDK) 3.0.3. National Institute of Standards and Technology Certificate 394 validates compliance of this SDK with Federal Information Processing Standard (FIPS) 140-2 requirements.

An information protection system for SGI that meets the requirements of 10 CFR 73.21(b) through (i) has been established and is being maintained. Prior to the first use of encryption software for SGI material, written procedures shall be in place to describe, as a minimum: access controls; where and when encrypted communications can be made; how encryption keys, codes and passwords will be protected from compromise; actions to be taken if the encryption keys, codes, or passwords are, or are suspected to have been, compromised (for example, notification of all authorized users); and how the identity and access authorization of the recipient will be verified.

PG&E intends to exchange SGI with the NRC, Nuclear Energy Institute (NEI), and other SGI holders who have received NRC approval to use PGP software. Mr. Ronald Todaro, the DCPD Security Manager is responsible for the overall implementation of the SGI encryption program at DCPD and is responsible for collecting, safeguarding, and disseminating the software tools needed for encryption and decryption of SGI.

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Pursuant to 10 CFR 73.21(g)(3), the transmission of encrypted material would be considered a protected telecommunications operation to other authorized SGI holders who have received NRC approval to use PGP software. The transmission and dissemination of unencrypted SGI is subject to the provisions of 10 CFR 73.21(g)(1) and 10 CFR 73.21(g)(2).

Should you have any questions or require additional information, please contact Ronald Todaro at 805-545-4309.

Sincerely,

A handwritten signature in black ink, appearing to be 'James R. Becker', written over a horizontal line.

James R. Becker
Vice President – Diablo Canyon Operations and Station Director

swb/3449

cc: James W. Davis, NEI
Louis H. Grosman, NRC/OCIO
Bruce S. Mallett, NRC Region IV
Scott A. Morris, NRC/NISR
David L. Proulx, NRC Senior Resident Inspector
Girija S. Shukla, NRC
Lynn A. Silvius, NRC/NSIR
Diablo Distribution