

July 6, 2004

Mr. A. Edward Scherer  
Manager of Nuclear Regulatory Affairs  
Southern California Edison Company  
P.O. Box 128  
San Clemente, CA 92674-0128

SUBJECT: SAN ONOFRE NUCLEAR STATION, UNITS 2 AND 3, - USE OF ENCRYPTION  
SOFTWARE FOR SECURE TRANSMISSION OF SAFEGUARDS  
INFORMATION (TAC NOS. MC3588 AND MC3589)

Dear Mr. Scherer:

By letter dated June 16, 2004, you requested approval to use encryption software for the transmission of Safeguards Information (SGI) for San Onofre Nuclear Station, Units 2 and 3. Specifically, you requested approval for the use of PGP Software (Enterprise, Corporate, or Personal) Desktop Version 8.0 or the latest validated version developed with PGP SDK 3.0.3 for encryption of sensitive unclassified SGI.

Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.21(g)(3) states, in part, “. . . Safeguards Information shall be transmitted only by protected telecommunication circuits (including facsimile) approved by the NRC.” The Nuclear Regulatory Commission (NRC) considers those encryption systems that the National Institute of Standards and Technology (NIST) has determined conform to the Security Requirements for Cryptographic Modules in Federal Information Processing Standard (FIPS) 140-2, as being acceptable. The Secretary of Commerce has made use of Cryptographic Module Validation Program products mandatory and binding for Federal agencies when a Federal agency determines that cryptography is necessary for protecting sensitive information.

PGP Software Corporate Desktop Version 8.0 was developed with PGP SDK 3.0.3]. NIST Certificate, Number 394, validates compliance of this software development tool with FIPS 140-2 requirements. Therefore, the NRC staff finds the use of this encryption software acceptable for processing and transmitting SGI electronically for your site. Later versions of PGP Software Corporate Desktop are also acceptable provided that:

1. They were developed using a software development tool e.g., PGP SDK 3.0.3 that meets and is validated by NIST to FIPS 140-2 requirements.
2. You notify the NRC of your intention to update your encryption software 30 days prior to its first use. When notifying the NRC, include a description of the new software you will be using and provide a statement indicating NIST certification of the software development tool.

It is important to remind you that in accordance with 10 CFR 73.21(a), you are required to establish and maintain an information protection system that satisfies 10 CFR 73.21(b) through (i). Compliance with the provisions of 10 CFR 73.21, including the use of encryption software for transmittal of SGI, is mandatory and inspectable.

Additionally, only one public key is to be generated per site. The PGP file containing the public key must be named according to the following syntax: LastName\_FirstName\_SiteName.asc. This naming convention represents the organizational point of contact indicated as owning the key-pair.

As stated in letter dated May 5, 2004, from R. P. Zimmerman, NRC, Office of Nuclear Security and Incident Response, to Stephen D. Floyd, Nuclear Energy Institute (NEI), please provide the public key for transmitting sensitive, unclassified SGI and the point of contact information (name, telephone number and e-mail address) to NEI and the NRC points of contact provided below. Once this information has been provided, we will provide a copy of the NRC public key to your point of contact. All SGI holders must employ an appropriate credentialing process to verify that individuals providing public keys are legitimate users. Private keys must be controlled as SGI.

The NRC point of contact for all transmittals related to the review and approval of the supplemental responses to the security orders is Mr. Bhalchandra K. Vaidya, Project Manager, Security Plan Review Team, Division of Licensing Project Management, who can be reached at (301)415-3308, or via e-mail at [bkv@nrc.gov](mailto:bkv@nrc.gov). For transmittal of other SGI, and for public key coordination, the NRC point of contact is Mr. Louis Grosman, Office of the Chief Information Officer, who can be contacted at (301)415-5826, or via e-mail at [lhg@nrc.gov](mailto:lhg@nrc.gov). As coordinated with the NEI, the industry point of contact for public key coordination is Mr. James W. Davis, who can be reached at (301)739-8105 and via e-mail at [jwd@nei.org](mailto:jwd@nei.org).

Encrypted SGI information shall be transmitted as attachments to an e-mail directed to [sprt@nrc.gov](mailto:sprt@nrc.gov). The e-mail message must also contain the name of the NRC staff member who is to receive the attachments.

If you have any questions, please contact me at (301)415-3308.

Sincerely,

*/RA/*

Bhalchandra K. Vaidya, Project Manager  
Security Plan Review Team  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-361 and 50-362

cc: See next page

It is important to remind you that in accordance with 10 CFR 73.21(a), you are required to establish and maintain an information protection system that satisfies 10 CFR 73.21(b) through (i). Compliance with the provisions of 10 CFR 73.21, including the use of encryption software for transmittal of SGI, is mandatory and inspectable.

Additionally, only one public key is to be generated per site. The PGP file containing the public key must be named according to the following syntax: LastName\_FirstName\_SiteName.asc. This naming convention represents the organizational point of contact indicated as owning the key-pair.

As stated in letter dated May 5, 2004, from R. P. Zimmerman, NRC, Office of Nuclear Security and Incident Response, to Stephen D. Floyd, Nuclear Energy Institute (NEI), please provide the public key for transmitting sensitive, unclassified SGI and the point of contact information (name, telephone number and e-mail address) to NEI and the NRC points of contact provided below. Once this information has been provided, we will provide a copy of the NRC public key to your point of contact. All SGI holders must employ an appropriate credentialing process to verify that individuals providing public keys are legitimate users. Private keys must be controlled as SGI.

The NRC point of contact for all transmittals related to the review and approval of the supplemental responses to the security orders is Mr. Bhalchandra K. Vaidya, Project Manager, Security Plan Review Team, Division of Licensing Project Management, who can be reached at (301)415-3308, or via e-mail at [bkv@nrc.gov](mailto:bkv@nrc.gov). For transmittal of other SGI, and for public key coordination, the NRC point of contact is Mr. Louis Grosman, Office of the Chief Information Officer, who can be contacted at (301)415-5826, or via e-mail at [lhg@nrc.gov](mailto:lhg@nrc.gov). As coordinated with the NEI, the industry point of contact for public key coordination is Mr. James W. Davis, who can be reached at (301)739-8105 and via e-mail at [jwd@nei.org](mailto:jwd@nei.org).

Encrypted SGI information shall be transmitted as attachments to an e-mail directed to [sprt@nrc.gov](mailto:sprt@nrc.gov). The e-mail message must also contain the name of the NRC staff member who is to receive the attachments.

If you have any questions, please contact me at (301)415-3308.

Sincerely,

*/RA/*

Bhalchandra K. Vaidya, Project Manager  
Security Plan Review Team  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-361 and 50-362

cc: See next page

DISTRIBUTION:

PUBLIC OGC ACRS

SPRT R/F LHGrosman JPeralta

B. Pham

S. Dembek

H. Berkow

A. Howell, RIV

ADAMS Accession No.: ML042030399

OFFICE	SPRT/PM	SPRT/LA	NSIR/DNS/SC	OCIO/PMAS	SPRT/SC
NAME	BVaidya	CHawes	SMorris	LHGrosman	JNakoski
DATE	6/29/04	6/29/04	6/29/04	6/30/04	7/06/04

OFFICIAL RECORD COPY

San Onofre Nuclear Generating Station, Units 2 and 3

cc:

Mr. Raymond Waldo, Plant Manager  
Nuclear Generation  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P. O. Box 128  
San Clemente, CA 92674-0128

Mr. Douglas K. Porter  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, CA 91770

Mr. David Spath, Chief  
Division of Drinking Water and  
Environmental Management  
P. O. Box 942732  
Sacramento, CA 94234-7320

Chairman, Board of Supervisors  
County of San Diego  
1600 Pacific Highway, Room 335  
San Diego, CA 92101

Eileen M. Teichert, Esq.  
Supervising Deputy City Attorney  
City of Riverside  
3900 Main Street  
Riverside, CA 92522

Mr. Gary L. Nolff  
Power Projects/Contracts Manager  
Riverside Public Utilities  
2911 Adams Street  
Riverside, CA 92504

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

Mr. Michael Olson  
San Diego Gas & Electric Company  
P.O. Box 1831  
San Diego, CA 92112-4150

Mr. Ed Bailey, Chief  
Radiologic Health Branch  
State Department of Health Services  
Post Office Box 997414 (MS7610)  
Sacramento, CA 95899-7414

Resident Inspector/San Onofre NPS  
c/o U.S. Nuclear Regulatory Commission  
Post Office Box 4329  
San Clemente, CA 92674

Mayor  
City of San Clemente  
100 Avenida Presidio  
San Clemente, CA 92672

Mr. Dwight E. Nunn, Vice President  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P.O. Box 128  
San Clemente, CA 92674-0128

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

Mr. Joseph J. Wambold, Vice President  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P.O. Box 128  
San Clemente, CA 92674-0128

Mr. Steve Hsu  
Department of Health Services  
Radiologic Health Branch  
MS 7610, P.O. Box 997414  
Sacramento, CA 95899

Mr. Harold B. Ray  
Executive Vice President  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P.O. Box 128, Mail Stop: D-3-F  
San Clemente, CA 92674-0128