



**Pacific Gas and
Electric Company**

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December 16, 2004

PG&E Letter DCL-04-173

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:

By letter dated June 16, 2004, the NRC authorized Pacific Gas & Electric Company (PG&E) to use PGP Software Corporate Desktop, Version 8.0, for encryption and electronic transmission of safeguards information (SGI).

This letter provides notification that PG&E will begin using PGP Software Corporate Desktop, Version 8.0.3, which was developed with PGP Software Development Kit 3.0.3. National Institute of Standards and Technology Certificate Number 394 validates compliance of this software development tool with the Federal Information Processing Standard 140-2 requirements.

In an October 4, 2004, letter, NEI provided notification of the industry's intent to use PGP Version 8.0.3. In a November 19, 2004, response to NEI, the NRC authorized the use of PGP Version 8.0.3 for processing SGI electronically. This meets the requirement that the NRC be notified 30 days before first use of new software.

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

Sincerely,

James R. Becker

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cc: Bruce S. Mallett, NRC Region IV
David L. Proulx, NRC Senior Resident Inspector
Girija S. Shukla, NRC
Diablo Distribution