



*Pacific Gas and
Electric Company™*

SAFEGUARDS INFORMATION

May 25, 2005

PG&E Letter DCL-05-058

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
11555 Rockville Pike
Rockville, Maryland 20852

Diablo Canyon Units 1 and 2
Docket No. 50-275, OL-DPR-80
Docket No. 50-323, OL-DPR-82
Response to NRC Guidance Regarding Mitigation Strategies

Dear Commissioners and Staff:

The NRC issued Orders For Interim Safeguards and Security Compensatory Measures ("Order EA-02-026" or "ICM Order") dated February 25, 2002, for the Diablo Canyon Power Plant (DCPP).

Order EA-02-026 imposed requirements on nuclear power plants licensed pursuant to the Atomic Energy Act of 1954 and Title 10 of the Code of Federal Regulations (10 CFR). Section III.A of the Order required licensees to implement certain changes in physical security plans and safeguards contingency plans on an interim basis until final requirements were established. Among other requirements, Pacific Gas and Electric Company (PG&E) was required to complete implementation of the requirements of Section II.B.5.b. of Order EA-02-026 by August 31, 2002.

Subsequently, the NRC issued Orders, dated April 29, 2003, Requiring Compliance with Revised Design Basis Threat for Operating Power Reactors ("Order EA-03-086" or "DBT Order") and other security related Orders (collectively "Orders") for DCPP. In many ways, Order EA-03-086 complemented or superseded requirements in the interim measures imposed by Order EA-02-026.

As required by Order EA-03-086, the plans for the DCPP have been implemented. Subsequently, PG&E was requested to respond to your letter dated February 25, 2005, *NRC Staff Guidance for Use in Achieving Satisfactory Compliance with*

NOTE: ATTACHMENT 1 TO THIS LETTER CONTAINS "SAFEGUARDS INFORMATION" AND MUST BE PROTECTED ACCORDINGLY. UPON REMOVAL OF ATTACHMENT 1, THIS LETTER IS "DECONTROLLED."

Gregory M. Rueger
Senior Vice President—
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February 25, 2002, Order Section B.5.b, ("NRC B.5.b. Guidance") by May 31, 2005, and to implement appropriate enhancements to current mitigation strategies by August 31, 2005. Specifically, nuclear power plant licensees were requested by Enclosure 2, *Developing Mitigating Strategies / Guidance for Nuclear Power Plants to Respond to Loss of Large Areas of the Plant in Accordance with B.5.b of the February 25, 2002, Order* (dated February 24, 2005) ("NRC B.5.b. Guidance"), to the February 25, 2005, letter to review the Areas of Consideration delineated in Attachment A to that Enclosure and evaluate additional considerations for potential inclusion in the licensees' mitigating strategies that licensees deemed appropriate in accordance to Attachment B with that Enclosure.

Subsequently, the Nuclear Energy Institute (NEI), in conjunction with the NEI Security Working Group, developed and issued guidance for licensee use ("NEI Guidance") to assist licensees in responding to the February 25, 2005, letter.

As requested in the February 25, 2005, letter, PG&E has reviewed the information in Attachments A and B in accordance with the NEI Guidance and is hereby submitting, as a Safeguards Information attachment to this letter (Attachment 1), PG&E's evaluation of the information the NRC provided. Attachment 1 reflects the results of a comprehensive and thorough review of the guidance and describes the considerations that PG&E either has already or intends to implement at DCPD by August 31, 2005.

The primary guiding principles used in the conduct of this evaluation were (1) whether or not equipment and resources were "readily available," and (2) if equipment is readily available, can it be effectively utilized in a licensee's mitigating strategy. PG&E considered "readily available" to mean that the equipment or resources were already licensee owned, under contract, or part of an existing Memorandum of Understanding. Further, even if equipment and resources are readily available, the second criterion is to ensure that the equipment can be used in a mitigating strategy in an effective manner. Even if the equipment is readily available, it is of no value if it cannot be effective in implementing the mitigating strategy.

In accordance with these principles, mitigating strategies are being implemented to address the NRC B.5.b. Guidance. These actions are considered to be commitments for that purpose and will be managed in accordance with PG&E's commitment management system.

Attachment 2 to this letter is the schedule that PG&E has developed regarding the implementation of commitments resulting from the evaluations documented in Attachment 1.

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This response is hereby submitted to the Commission in accordance with 10 CFR 50.4 and 10 CFR 2.202. If you have any questions, please contact Mark Lemke at (805) 545-6275.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Rueger', written over a horizontal line.

Gregory M. Rueger
Senior Vice President – Generation and Chief Nuclear Officer

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Attachments

cc: Terry W. Jackson, Resident
Bruce S. Mallett, Region IV
Girija S. Shukla, NRR

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