

July 15, 2005

Commissioner James D. Boyd
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

SUBJECT: ENVIRONMENTAL ASSESSMENT BY THE U.S. NUCLEAR REGULATORY
COMMISSION FOR THE PROPOSED HUMBOLDT BAY INDEPENDENT
SPENT FUEL STORAGE INSTALLATION

Dear Commissioner Boyd:

The U.S. Nuclear Regulatory Commission (NRC) staff is currently reviewing a license application submitted by Pacific Gas and Electric Company (PG&E) on December 13, 2003, to construct and operate an Independent Spent Fuel Storage Installation (ISFSI) on the site of the Humboldt Bay Power Plant in Humboldt County, California. An applicant for a license of this type must submit an environmental report as part of its application, as required under 10 CFR Part 51 of the NRC's regulations. The NRC staff reviews this information in accordance with the requirements of the National Environmental Policy Act, as specified in 10 CFR 51.10.

The NRC staff has completed its environmental review of PG&E's application and has drafted an Environmental Assessment (EA) to document our findings. We conclude in the EA that the proposed action will not significantly affect the quality of the human environment. Consistent with NRC policy for such actions, the staff has contacted the designated State Liaison Office, in this case, the California Energy Commission (CEC), to ensure an opportunity to comment on environmental issues prior to public issuance of the EA. On June 21, 2005, Mr. James Park of my staff spoke with Ms. Barbara Byron of your staff to inform her of the NRC staff's preliminary determination and to request any comments on behalf of the State of California. Ms. Byron requested a copy of the NRC staff's draft EA for review and comment. In response to her request, please find enclosed a copy of the draft EA, which is marked as pre-decisional information. We request that the distribution and use of this document be limited only to those staff involved in the review and comment process. We further request that the CEC provide any comments to the NRC staff within 30 days of receipt of this letter.

The NRC staff will consider your timely comments, and will revise the Environmental Assessment, as appropriate, before its final issuance. Concurrent with the issuance of the EA, the staff plans to forward its Finding of No Significant Impact for publication in the *Federal Register*.

J. Boyd

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If you or your staff have any questions on this matter, please contact Mr. James Park of my staff. Mr. Park can be reached at (301) 415-5835.

Sincerely,

/RA/

Scott C. Flanders, Deputy Director
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

Docket No.: 72-27 (50-133)

Enclosure: Environmental Assessment (Pre-Decisional Draft)

cc: Mailing list (w/o enclosure)

J. Boyd

- 2 -

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DISTRIBUTION: w/o enclosure
EPAD r/f JRHall, SFPO

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OFC:	DWMEP		DWMEP		DWMEP				
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Pacific Gas and Electric Company
Humboldt Bay Power Plant, Unit 3
Docket Nos. 50-133, 72-27

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