

September 2, 2005

Mr. David H. Oatley, Vice President
and General Manager
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

SUBJECT: CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)
COMMUNICATIONS WITH PACIFIC GAS & ELECTRIC COMPANY DURING
THE POWER LINE OUTAGE ON AUGUST 25, 2005

Dear Mr. Oatley:

On August 25, 2005, a loss of a major western transmission line occurred just as California power use was approaching its peak. This forced the California Independent System Operator (CAISO) to issue a Transmission Emergency Notice for Southern California and to request utilities in the Southern Region to reduce demand on the system by dropping 900 megawatts of firm load and 800 megawatts of voluntary, interruptible customers. The Nuclear Regulatory Commission staff is concerned that these conditions may have challenged the operability of the offsite power for Diablo Canyon Power Plant, Unit Nos. 1 and 2 (DCPP). While the problem was adequately resolved by the end of the day, we would appreciate your assessment of your communications with the CAISO as it relates to grid conditions and reliable offsite power for DCPP.

We are making continued efforts to ensure appropriate communication between nuclear power plant operators and grid operators. The issuance of Temporary Instruction 2515/163, "Operational Readiness of Offsite Power," is a recent effort to take a snapshot of relevant operational readiness at nuclear power plants. Any information that addresses the following questions would enable us to better understand the effectiveness of your efforts in this area.

1. Did the CAISO issue any warnings on the abnormal conditions for August 25, 2005? If there were any warnings, what were those warnings and when were they issued?
2. What type of warnings were directly communicated to DCPP?
3. Was there any communication with DCPP from the transmission system operator (TSO)/CAISO before or after load shedding was ordered on the grid?
4. Did the communication with the grid operators/CAISO meet your expectations?
5. Recognizing the significance of the grid transient, what is your assessment regarding the adequacy of the interaction with the TSO/CAISO that you experienced during this event?

D. Oatley

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We would appreciate your comments by September 30, 2005. If you have any questions regarding the information in this letter, please contact Mr. Girija Shukla at 301-415-8439.

Sincerely,

Ledyard B. Marsh, Director /RA/
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

cc: See next page

D. Oatley

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Diablo Canyon Power Plant, Units 1 and 2

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March 2005