

SAFEGUARDS INFORMATION

September 2, 2005

Ms. Donna Jacobs
Vice President, Nuclear Services
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

SUBJECT: HUMBOLDT BAY INDEPENDENT SPENT FUEL STORAGE INSTALLATION
APPLICATION - PHYSICAL SECURITY PLAN (TAC NO. L23683)

Dear Ms. Jacobs:

By letter dated December 15, 2003, as supplemented, the Pacific Gas and Electric Company (PG&E) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) for a license under 10 CFR Part 72 to build and operate an independent spent fuel storage installation (ISFSI) at the Humboldt Bay Power Plant (HBPP) site. On December 15, 2003, PG&E also submitted the proposed Humboldt Bay ISFSI Physical Security Plan (PSP), in accordance with the requirements of 10 CFR Part 73. On June 23, 2004, you submitted a revision to the PSP, in response to NRC staff comments. On May 25 and June 14, 2005, PG&E staff and NRC staff met at NRC headquarters in Rockville, Maryland, and at the Humboldt Bay site, respectively, to clarify specific details of the plan. On July 11, 2005, you submitted the current revision of the PSP for the Humboldt Bay ISFSI.

The NRC staff has completed its review of your proposed Humboldt Bay ISFSI Physical Security Plan, including the Safeguards Contingency Plan and the Security Training and Qualification Plan, and has determined that those plans adequately address the interim storage of spent fuel in the proposed ISFSI, and comply with the requirements of 10 CFR Part 73, and are therefore acceptable. The staff has further concluded that, with respect to the proposed revisions, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner; (2) such activities will be conducted in compliance with the Commission's regulations; and (3) the issuance of these physical security plan changes will not be inimical to the common defense and security or to the health and safety of the public. In addition, the staff has determined that the proposed changes do not decrease the safeguards effectiveness of the existing plans with respect to the permanently shut down HBPP Unit 3 reactor.

Safeguards Information must be protected from unauthorized disclosure in accordance with Section 147 of the Atomic Energy Act of 1954, as amended, and with 10 CFR 73.21. Violations are subject to Civil or Criminal penalties.

When separated from the Enclosure,
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D. Jacobs

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The staff's security evaluation of the proposed changes is provided as an enclosure to this letter. The Enclosure contains Safeguards Information as described in 10 CFR 73.21 and must be withheld from public disclosure.

Please note that as the NRC staff continues its comprehensive review of our security regulations, we continue to evaluate the current threat environment, and in consultation with the Commission, may issue Orders with Additional Security Measures, if necessary. Such Orders have already been issued to several classes of licensees, including ISFSIs licensed under 10 CFR Part 72. If the staff determines that similar Orders are necessary for the Humboldt Bay ISFSI, those orders will be imposed with sufficient notice to allow you to implement the required actions prior to the initial loading of spent fuel.

Please reference Docket No. 72-27 and TAC No. L23683 in future correspondence related to this licensing action. If you have any questions, please contact me at (301) 415-1336.

Sincerely,

/RA/

James R. Hall, Senior Project Manager
Licensing Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Docket No. 72-27 (50-133)

Enclosure: Security Evaluation by the Office of Nuclear Security and Incident Response (u)
(Note: Enclosure Contains Safeguards Information)

cc: Mailing List (w/o enclosure)

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

cc:

Mr. Roy Willis, Plant Manager
Humboldt Bay Nuclear Power Plant
Pacific Gas & Electric Company
1000 King Salmon Avenue
Eureka, CA 95503

R. Terry Nelson, Director
Fossil Generation
Mail Code N11E
Pacific Gas & Electric Company
P.O.Box 770000
San Francisco, California 94177-0001

Mr. Richard F. Locke, Esq.
Law Department
Pacific Gas & Electric Company
Post Office Box 7442
San Francisco, CA 94120

Chairman, Humboldt County Board
of Supervisors
County Courthouse
825 Fifth Street
Eureka, CA 95501

Mr. Steve Hsu
Radiologic Health Branch
State Department of Health Services
P.O. Box 997414 (MS 7610)
Sacramento, CA 95899-7414

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

Redwood Alliance
P.O. Box 293
Arcata, CA 95521
Dr. Rich Ferguson, Energy Chair
Sierra Club California
1100 11th Street, Suite 311
Sacramento, CA 94814

Mr. Truman Burns
Mr. Robert Kinosian
California Public Utilities Commission
505 Van Ness, Room 4102
San Francisco, CA 94102

Mr. Ed Bailey, Chief
Radiologic Health Branch
California Department of Health Services
P.O. Box 997414, MS 7610
Sacramento, CA 95899-7414

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

Deputy Attorney General
State of California
110 West A Street, Suite 700
San Diego, CA 92101

U.S. Environmental Protection Agency
Region IX Office
ATTN: Regional Radiation
Representative
75 Hawthorne Street
San Francisco, CA 94105

Chief, Fuel Cycle and Decommissioning
Branch, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

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