



**Pacific Gas and
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December 14, 2006

PG&E Letter DCL-06 -134

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Docket No. 50-275, OL-DPR-80
Docket No. 50-323, OL-DPR-82
Diablo Canyon Units 1 and 2
License Amendment Request 06-06

Application to Eliminate License Condition 2.G Requiring Reporting of Violations of Sections 2.C, 2.E, and 2.F of Operating Licenses

Dear Commissioners and Staff:

In accordance with 10 CFR 50.90, enclosed is an application for amendment to Facility Operating License Nos. DPR-80 and DPR-82 for Units 1 and 2 of the Diablo Canyon Power Plant (DCPP) respectively.

The enclosed license amendment request (LAR) proposes to delete the license condition that requires reporting of violations of conditions listed in Sections 2.C, 2.E, and 2.F of the operating license. The change is consistent with the notice published in the *Federal Register* on November 4, 2005, as part of the consolidated line item improvement process.

Enclosure 1 provides a description of the proposed changes and confirmation of applicability. Enclosure 2 provides the existing license pages marked-up to show the proposed changes.

The changes in this LAR are not required to address an immediate safety concern. Pacific Gas and Electric Company (PG&E) requests approval of this LAR no later than November 4, 2007. PG&E requests the license amendments be made effective upon NRC issuance, to be implemented within 90 days from the date of issuance.

PG&E makes no regulatory commitments (as defined by NEI 99-04) in this letter. This letter includes no revisions to existing regulatory commitments.

If you have any questions or require additional information, please contact Stan Ketelsen at 805-545-4720.

A001



I state under penalty of perjury that the foregoing is true and correct.

Executed on December 14, 2006.

Sincerely,

James R. Becker
Vice President - Diablo Canyon Operations and Station Director

kjse/4328
Enclosures

cc: Edgar Bailey, DHS
Terry W. Jackson
Bruce S. Mallett
Diablo Distribution
cc/enc: Alan B. Wang

EVALUATION

1.0 INTRODUCTION

The proposed amendment would delete Section 2.G of Facility Operating License Nos. DPR-80 and DPR-82 for Diablo Canyon Power Plant (DCPP), Units 1 and 2 respectively, which requires reporting of violations of the requirements in Sections 2.C, 2.E, and 2.F. The availability of this operating license improvement was announced in the *Federal Register* on November 4, 2005, as part of the consolidated line item improvement process (CLIP).

2.0 DESCRIPTION OF PROPOSED AMENDMENT

Consistent with the CLIP Notice of Availability (70 FR 67202), the proposed amendment consists of deleting Section 2.G of Facility Operating License Nos. DPR-80 and DPR-82 for DCPP Units 1 and 2 respectively. The current requirements of the license condition for each unit are as follows:

DCPP Unit 1 Facility Operating License DPR-80

2.G Reporting

PG&E shall report any violations of the requirements contained in Sections 2.C(3) and 2.C(4), 2.C(6) through 2.C(10), 2.E and 2.F, of this License within 24 hours. Initial notification shall be made in accordance with the provisions of 10 CFR 50.72 with written follow-up in accordance with the procedures described in 10 CFR 50.73(b), (c), (d) and (e).

The existing conditions in Sections 2.C, 2.E, and 2.F that are subject to the current reporting requirement consist of the following:

2.C(3) Initial Test Program

The Pacific Gas and Electric Company shall conduct the post-fuel-loading initial test program (set forth in Section 14 of Pacific Gas and Electric Company's Final Safety Analysis Report, as amended), without making any major modifications of this program unless modifications have been identified and have received prior NRC approval. Major modifications are defined as:

- a. *Elimination of any test identified in Section 14 of PG&E's Final Safety Analysis Report as amended as being essential;*
- b. *Modification of test objectives, methods, or acceptance criteria for any test identified in section 14 of PG&E's Final Safety Analysis Report, as amended, as being essential;*

- c. *Performance of any test at a power level different from that described in the program; and*
- d. *Failure to complete any test included in the described program (planned or scheduled for power levels up to the authorized power level).*

2.C(4) Special Tests

PG&E is authorized to perform steam generator moisture carryover studies and turbine performance tests at the Diablo Canyon Nuclear Power Plant, Unit 1. These studies involve the use of an aqueous tracer solution of three (3) curies of sodium-24. PG&E's personnel shall be in charge of conducting these studies and be knowledgeable in the procedures. PG&E shall impose personnel exposure limits, posting, and survey requirements in conformance with those in 10 CFR Part 20 to minimize personnel exposure and contamination during the studies. Radiological controls shall be established in the areas of the chemical feed, feedwater, steam, condensate and sampling systems where the presence of the radioactive tracer is expected to warrant such controls. PG&E shall take special precautions to minimize radiation exposure and contamination during both the handling of the radioactive tracer prior to injection and the taking of system samples following injection of the tracer. PG&E shall ensure that all regulatory requirements for liquid discharge are met during disposal of all sampling effluents and when re-establishing continuous blowdown from the steam generators after completion of the studies.

2.C(6) NUREG-0737 Conditions

Each of the following conditions shall be completed to the satisfaction of the NRC as indicated below. Each of the following conditions references the appropriate Section in SER Supplements No. 10 and/or No. 12.

a. Shift Technical Advisor (Section I.A.1.1)

PG&E shall provide a fully-trained, on-shift technical advisor to the Shift Foreman.

b. Shift Staffing (Section I.A.1.3)

Until the plant has completed its startup test program, licensed personnel who are not regularly assigned members of the shift staff, including but not limited to the Operations Supervisor, shall not be assigned shift duties to satisfy the

minimum staffing requirements for operation in Modes 1, 2, 3 and 4 except for cases of emergencies such as unexpected illness. Exceptions to this requirement may be made only after prior consultation with and approval by the NRC.

c. Management of Operations (Section I.B.1)

The Pacific Gas and Electric Company shall augment the plant staff to provide on each shift an individual experienced in comparable size pressurized water reactor operation. These individuals shall have at least one year of experience in operation of large pressurized water reactors or shall have participated in the startup of at least three pressurized water reactors. At least one such experienced individual shall be on duty on each shift through the startup test program whenever the reactor is not in a cold shutdown condition for at least the first year of operation or until the plant has attained a nominal 100% power level, whichever occurs first.

d. Procedures for Verifying Correct Performance of Operating Activities (Section I.C.6)

Procedures shall be available to verify the adequacy of the operating activities.

e. Deleted

f. Relief and Safety Valve Test Requirements (Section II.D.1)

PG&E shall implement the results of the EPRI test program.

g. Containment Isolation Dependability (Section II.E.4.2)

PG&E shall limit the 12-inch vacuum/overpressure relief valve opening to less than or equal to 50 degrees.

h. Calculations for Small-Break LOCAs (Sections II.K.3.30 and II.K.3.31)

PG&E is participating in the Westinghouse Owners Group effort for this item and shall conform to the results of this effort. Within one year of staff approval of the Westinghouse generic methodology for calculating small break LOCAs (II.K.3.30), PG&E shall submit a plant specific calculation (II.K.3.31) for staff review and approval.

- i. Long-Term Emergency Preparedness (Section III.A.2)
- (1) PG&E shall submit a detailed control room design review summary report by December 31, 1984.
 - (2) PG&E shall complete operator training on the Safety Parameter Display System and emergency operating procedures by March 28, 1985.
 - (3) PG&E shall implement emergency operating procedures based upon Westinghouse Owners Group guidelines by March 28, 1985.

2.C(7) Seismic Design Bases Reevaluation Program (SSER 27 Section IV.5)

PG&E shall develop and implement a program to reevaluate the seismic design bases used for the Diablo Canyon Nuclear Power Plant.

The program shall include the following Elements:

- (1) PG&E shall identify, examine, and evaluate all relevant geologic and seismic data, information, and interpretations that have become available since the 1979 ASLB hearing in order to update the geology, seismology and tectonics in the region of the Diablo Canyon Nuclear Power Plant. If needed to define the earthquake potential of the region as it affects the Diablo Canyon Plant, PG&E will also reevaluate the earlier information and acquire additional new data.
- (2) PG&E shall reevaluate the magnitude of the earthquake used to determine the seismic basis of the Diablo Canyon Nuclear Plant using the information from Element 1.
- (3) PG&E shall reevaluate the ground motion at the site based on the results obtained from Element 2 with full consideration of site and other relevant effects.
- (4) PG&E shall assess the significance of conclusions drawn from the seismic reevaluation studies in Elements 1, 2 and 3, utilizing a probabilistic risk analysis and deterministic studies, as necessary, to assure adequacy of seismic margins.

PG&E shall submit for NRC staff review and approval a proposed program plan and proposed schedule for implementation by January 30, 1985. The program shall be completed and a final report submitted to the NRC three years following the approval of the program by the NRC staff.

PG&E shall keep the staff informed on the progress of the reevaluation program as necessary, but as a minimum will submit quarterly progress reports and arrange for semi-annual meetings with the staff. PG&E will also keep the ACRS informed on the progress of the reevaluation program as necessary, but not less frequently than once a year.

2.C(8) Control of Heavy Loads (SSER 27, Section IV. 6)

Prior to startup following the first refueling outage, the licensee shall submit commitments necessary to implement changes and modifications as required to satisfy the guidelines of Section 5.1.2 through 5.1.6 of NUREG-0612 (Phase II: 9-month responses to the NRC Generic Letter dated December 22, 1980).

2.C(9) Emergency Preparedness (SSER 27, Section IV.3)

In the event that the NRC finds that the lack of progress in completion of the procedures in the Federal Emergency Management Agency's final rule, 44 CFR Part 350, is an indication that a major substantive problem exists in achieving or maintaining an adequate state of preparedness, the provisions of 10 CFR Section 50.54(s)(2) will apply.

2.C(10) Masonry Walls (SSER-27, Section IV.4; Safety Evaluation of November 2, 1984)

Prior to start-up following the first refueling outage, the licensee shall (1) evaluate the differences in margins between the staff criteria as set forth in the Standard Review Plan and the criteria used by the licensee, and (2) provide justification acceptable to the staff for those cases where differences exist between the staff's and the licensee's criteria.

2.E Physical Protection

*The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54 (p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: *Diablo Canyon Power Plant, Units 1 and 2 Physical Security Plan, by Training and Qualification Plan, and Safeguards Contingency Plan,*" submitted by letter dated*

October 8, 2004, as supplemented by letters dated
October 14, 2004 and October 19, 2004.

2.F Deleted.

DCPP Unit 2 Facility Operating License DPR-82

2.G. Reporting

Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, the licensee shall report any violations of the requirements contained in Sections 2.C(3), 2.C(5) through 2.C(10), 2.E, and 2.F of this license in the following manner: initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written followup within thirty days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e).

The existing conditions in Sections 2.C, 2.E, and 2.F that are subject to the current reporting requirement consist of the following:

2.C(3) Initial Test Program (SSER 31, Section 4.4.1)

Any changes to the Initial Test Program described in Section 14 of the FSAR made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

2.C(5) NUREG-0737 Items

Each of the following conditions shall be completed to the satisfaction of the NRC as indicated below. Each condition references the appropriate Section in SER Supplements.

a. I.D.1 Detailed Control Room Design Review (SSER 31, Section 4.13)

PG&E shall comply with the requirements of Supplement 1 to NUREG-0737 for the conduct of a Detailed Control Room Design Review (DCRDR) in accordance with a schedule acceptable to the NRC staff.

b. II.E.4.2 Containment Isolation Dependability (SSER 31, Section 4.21)

PG&E shall limit the 12-inch vacuum/overpressure relief valve opening to less than or equal to 50 degrees.

2.C(6) Emergency Preparedness (SSER 31, Section 4.23.2 and SSER 32, Section 7)

In the event that the NRC finds that the lack of progress in completion of the procedures in the Federal Emergency Management Agency's final rule, 44 CFR Part 350, is an indication that a major substantive problem exists in achieving or maintaining an adequate state of preparedness, the provisions of 10 CFR Section 50.54(s)(2) will apply.

2.C(7) Masonry Walls (SSER 31, Section 4.7)

Prior to start-up following the first refueling outage, PG&E shall (1) evaluate the differences in margins between the staff criteria as set forth in the Standard Review Plan and the criteria used by the licensee, and (2) provide justification acceptable to the staff for those cases where differences exist between the staff's and PG&E's criteria.

2.C(8) Reactor Trip System Reliability – Generic Letter 83-28 (SSER 31, Section 4.8)

PG&E shall submit responses to and implement the requirements of Generic Letter 83-28 on a schedule which is consistent with that given in the PG&E letters dated January 24, and March 13, 1985.

2.C(9) Steam Generator Tube Rupture Analysis (SSER 31, Section 4.25)

By April 1988, PG&E shall submit for NRC review and approval an analysis which demonstrates that the steam generator tube rupture (SGTR) analysis presented in the FSAR is the most severe case with respect to the release of fission products and calculated doses. Consistent with the analytical assumptions, PG&E shall propose all necessary changes to the Technical Specifications (Appendix A) to this license.

2.C(10) Pipeway Structure DE and DDE Analysis (SSER 32, Section 4)

Prior to start-up following the first refueling outage PG&E shall complete a confirmatory analysis for the pipeway structure to further demonstrate the adequacy of the pipeway structure for load combinations that include the design earthquake (DE) and double design earthquake (DDE).

2.E. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provision of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Diablo Canyon Power Plant, Units 1 and 2 Physical Security Plan, Training and Qualification Plan and Safeguards Contingency Plan," submitted by letter dated October 8, 2004, as supplemented by letters dated October 14, 2004, and October 19, 2004.

2.F. *Deleted.*

3.0 BACKGROUND

The background for this application is adequately addressed by the NRC Notice of Availability published on November 4, 2005, (70 FR 67202) and the Notice of Opportunity to Comment published on August 29, 2005 (70 FR 51098).

4.0 REGULATORY REQUIREMENTS AND GUIDANCE

The applicable regulatory requirements and guidance associated with this application are adequately addressed by the NRC Notice of Availability published on November 4, 2005, (70 FR 67202) and the Notice of Opportunity to Comment published on August 29, 2005 (70 FR 51098).

5.0 TECHNICAL ANALYSIS

PG&E has reviewed the NRC staff's safety evaluation (SE) published on August 29, 2005, as part of the CLIIP Notice of Opportunity to Comment. PG&E has concluded that the justifications presented in the SE are applicable to DCCP and therefore justify amendment of the facility operating licenses.

6.0 REGULATORY ANALYSIS

A description of this proposed change and its relationship to applicable regulatory requirements and guidance was provided in the NRC Notice of Opportunity to Comment published on August 29, 2005 (70 FR 51098).

7.0 NO SIGNIFICANT HAZARDS CONSIDERATION

PG&E has reviewed the proposed no significant hazards consideration determination published on August 29, 2005 (70 FR 51098), as part of the CLIP Notice of Opportunity to Comment. PG&E has concluded that the proposed determination presented in the notice is applicable to DCP Units 1 and 2 and the determination is hereby incorporated by reference to satisfy the requirements of 10 CFR 50.91(a).

8.0 ENVIRONMENTAL EVALUATION

PG&E has reviewed the environmental evaluation included in the NRC staff's model SE published on August 29, 2005 (70 FR 51098), as part of the CLIP Notice of Opportunity to Comment. PG&E has concluded that the NRC staff's findings presented in that evaluation are applicable to DCP Units 1 and 2 and the evaluation is hereby incorporated by reference for this application.

9.0 PRECEDENT

This application is being made in accordance with the CLIP. PG&E is not proposing variations or deviations from the changes described in the NRC staff's model SE published on August 29, 2005 (70 FR 51098).

10.0 REFERENCES

1. *Federal Register* Notice of Opportunity to Comment on Model Safety Evaluation on Elimination of Typical License Condition Requiring Reporting of Violations of Section 2.C of Operating License Using the Consolidated Line Item Improvement Process, August 29, 2005 (70 FR 51098)
2. *Federal Register* Notice of Availability of Model Application Concerning Elimination of Typical License Condition Requiring Reporting of Violations of Section 2.C of Operating License Using the Consolidated Line Item Improvement Process, November 4, 2005 (70 FR 67202)

Proposed Operating License Changes (marked-up)

E. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54 (p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Diablo Canyon Power Plant, Units 1 and 2 Physical Security Plan, by Training and Qualification Plan, and Safeguards Contingency Plan," submitted by letter dated October 8, 2004, as supplemented by letters dated October 14, 2004 and October 19, 2004.

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H. Financial Protection

PG&E shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

I. Term of License

This License is effective as of the date of issuance and shall expire at midnight on November 2, 2024.

Attachments:

1. Appendix A – Technical Specifications
2. Appendix B – Environmental Protection Plan
3. Appendix C – Deleted
4. Appendix D – Additional Conditions

D. Exemption (SSER 31, Section 6.2.6)

An exemption from certain requirements of Appendix J to 10 CFR Part 50 is described in the Office of Nuclear Reactor Regulation's Safety Evaluation Report, Supplement No. 9. This exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, this exemption previously granted in Facility Operating License No. DPR-81 pursuant to 10 CFR 50.12 is hereby reaffirmed. The facility will operate, with the exemption authorized, in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission.

E. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provision of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Diablo Canyon Power Plant, Units 1 and 2 Physical Security Plan, Training and Qualification Plan and Safeguards Contingency Plan," submitted by letter dated October 8, 2004, as supplemented by letters dated October 14, 2004, and October 19, 2004.

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Proposed Operating License Changes (retyped)

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License No. DPR-82
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