



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

October 22, 2008

Mr. John Conway  
Senior Vice President - Station  
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**SUBJECT: DIABLO CANYON POWER PLANT, UNIT NOS. 1 AND 2 - AUDIT OF PACIFIC  
GAS AND ELECTRIC COMPANY'S MANAGEMENT OF REGULATORY  
COMMITMENTS (TAC NOS. MD9667 AND MD9668)**

Dear Mr. Conway:

An audit of the Pacific Gas and Electric Company (PG&E) regulatory commitment management program was performed at the Diablo Canyon Power Plant site in Avila Beach, California on September 17-18, 2008. In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the U. S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

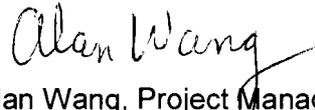
The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

J. Conway

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The NRC staff concludes, based on the audit, that PG&E has implemented NRC commitments on a timely basis and has implemented an effective program for managing NRC commitment changes at Diablo Canyon Power Plant. Details of the audit are set forth in the enclosed audit report.

Sincerely,

A handwritten signature in black ink that reads "Alan Wang". The signature is written in a cursive style with a long, sweeping underline.

Alan Wang, Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure: Audit Report

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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

REGULATORY COMMITMENTS MADE BY THE LICENSEE TO

THE NUCLEAR REGULATORY COMMISSION

PACIFIC GAS AND ELECTRIC COMPANY

DIABLO CANYON POWER PLANT, UNITS 1 AND 2

DOCKET NOS. 50-275 AND 50-323

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the U. S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

NEI-99-04 defines a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC. NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Pacific Gas and Electric Company (PG&E or licensee) program was performed at the Diablo Canyon Power Plant (DCPP) site in Avila Beach, California on September 17 -18, 2008. The NRC staff dealt mainly with the Regulatory Services Department, which has a key role in the administration of PG&E's Regulatory Commitment Program. The last audit was performed at the DCPP in February 2005. This audit covered a period of time going back approximately 3 years prior to the prior audit. This audit consists of two major parts: (1)

verification of the licensee's implementation of NRC commitments that have been completed and (2) verification of the licensee's program for managing changes to NRC commitments.

## 2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

### 2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Before the audit, the NRC staff searched ADAMS for licensee's submittals during in the last 3 years and selected a representative sample for verification. PG&E's commitments are implemented through Management Directive XI4, "Commitment Management," and its supporting Plant Administrative Procedures XI4.ID1, "Commitment Identification and Tracking Process," and XI4.ID2, "Commitment Change Process."

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, Technical Specifications (TSs), and Updated Final Safety Analysis Reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

### 2.1.2 Audit Results

The NRC staff reviewed reports generated by PG&E's tracking program for the commitments listed in the attached table to evaluate the status of completion. The NRC staff found that PG&E's commitment tracking program had incorporated all the regulatory commitments that were selected by the NRC staff for this audit.

The NRC staff also reviewed plant procedures that had been revised as a result of commitments made by PG&E to the NRC. The attached table summarizes what the NRC staff observed as the current status of licensee regulatory commitments for those selected.

## 2.2 Verification of PG&E's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI-99-04, which the NRC has found to be an acceptable guide for licensees to follow for managing and changing commitments.

At DCP, Management Directive XI4, "Commitment Management," and its supporting procedures XI4.ID1, "Commitment Identification and Tracking Process," and XI4.ID2, "Commitment Change Process," includes procedures for managing regulatory commitment changes. The audit reviewed a sample of commitment changes that included changes that were or will be reported to the NRC, and changes that were not or will not be reported to the NRC. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process. The NRC staff reviewed these procedures and concluded that, in general, these procedures follow the guidance of NEI-99-04; set forth the need for identifying, tracking, and reporting commitments, and provide a mechanism for changing commitments.

Based on a review of the licensee's Commitment Change Summary Reports from 2005-2007 and various approved Commitment Change Requests from 2005-2008, as per procedure XI4.ID2, the NRC staff found that the commitment change process at DCP conforms to the guidance of NEI-99-04. In addition, the NRC staff notes that from 2005 to 2007 the number of commitment changes decreased from 9 to 5 to 1, respectively, indicating that PG&E has worked diligently to meet its regulatory commitments.

The NRC staff found that PG&E had properly addressed each regulatory commitment selected for this audit and found that the commitment change process at DCP conforms to the guidance of NEI-99-04. As a result of reviewing PG&E's information, as well as information from other sources, the NRC staff concludes that the procedure used by PG&E for managing NRC commitment changes is appropriate and effective.

## 2.3 PG&E's Self-Assessments of the Regulatory Commitment Management Program

The NRC staff requested information from PG&E regarding any self-assessments performed on the regulatory commitment management program. The last self-assessment was performed in 2004, by the Strategic Teaming and Resource Sharing (STARS) Integrated Regulatory Assessment Group, which evaluated DCP procedures and process for managing the NRC commitments in accordance with the guidance of NEI-99-04. The self-assessment made several meaningful recommendations which were reiterated in our February 2005 audit. The licensee opened several Action Requests (A/Rs) to address these findings and they are discussed in Section 2.5.

## 2.4 Additional Observations and Recommendations

The commitment management procedure and its supplements provide guidance for tracking several types of commitments. These procedures ensure that regulatory commitments made to the NRC in written correspondence are actively managed. The procedure ensures that regulatory commitments made to the NRC in written correspondence are actively managed. Management includes capturing new commitments, changing existing commitments, and deleting commitments. Regulatory commitments are divided into two categories single task or recurring task commitments. Single task commitments are tracked in the A/R database which is part of the Plant Information Management System (PIMS) and Recurring Task are tracked in the Procedure Commitment Database (PCD). The databases include a description of the commitment, the origin of the commitment, responsible department or individuals and the due date. This procedure is based on the recommendations of NEI 99-04.

Plant licensing is responsible for performing an outgoing correspondence screen of all applicable outgoing plant correspondence for regulatory commitments and entering them in the appropriate databases. This pre-screen assigns a statement of commitment, reviewing organization, single or recurring task, and tracking document. Plant licensing reviews the applicable correspondence from the NRC to ensure that the re-statements of the regulatory commitments by the NRC are accurate. Once the commitments are confirmed, an entry is made either as an A/R or a PCD. A/Rs are a sub-database of the PIMS database. A/Rs are single task commitments and can be closed when the regulatory commitment is implemented. If a commitment is determined to be a recurring commitment, it is entered into the PCD. For the purpose of the audit, we selected several A/Rs and PCD items, checked to determine that the items captured the commitments correctly, looked at printouts of the A/Rs and PCDs to see the status of the action associated with the commitment and confirmed that the A/Rs and PCDs reflected the status for completion or future action. We found no deviations or missed commitments from the items reviewed. The licensee did identify one missed commitment.

The licensee noted that amendments, in general, do not generate regulatory commitments. The implementation of TS amendments, therefore, would not necessarily be tracked in the A/Rs database as a regulatory commitment.

## 2.5 Conclusions from Previous NRC Audit

The following are conclusions from the previous NRC audit and their resolution:

- (a) PG&E does not identify regulatory commitments in outgoing correspondence to the NRC, and has no such procedural requirement at DCP. This may result in the staff not having the same understanding as PG&E, regarding what commitments are being made in the submittal, and whether the commitments made are appropriate regulatory commitments. Providing a list of regulatory commitments, either in the cover letter or an attachment, will assist both the NRC and PG&E in explicit recognition and better management of regulatory commitments. Likewise, if no regulatory commitments are being made in the submittal, a statement stating such should be made in the cover letter.

An A/R was opened to address this issue. The A/R revised XI1.1D1 to state that NRC submittals should explicitly list in the cover letter all regulatory commitments contained in the submittal. Based on this audit the NRC staff has concluded that PG&E has addressed this issue. Our review has found that the more recent correspondence has clearly defined regulatory commitments in its licensing correspondence including amendments and relief request.

- (b) At DCP, the PIMS is used to track regulatory commitments via its several subsystems, such as Action Request/Evaluation (AR/AE), Nonconformance Report Action (NCR ACT), and Procedure Commitment Database (PCD). DCP Procedure XI4.ID1, "Commitment Identification and Tracking Process," requires that an AR/AE or NCR ACT be initiated to track one-time commitments and recurring commitments be tracked in the PCD. However, when the NRC staff requested from the licensee a complete listing and current status of all regulatory commitments being tracked by these subsystems, the licensee staff could not provide such a consolidated list. Rather, the licensee provided several printouts from these subsystems to demonstrate how regulatory commitments are managed at DCP.

Therefore, it is recommended that rather than searching several subsystems to find status of commitments, PG&E establish and maintain a comprehensive listing of all regulatory commitments, in a spreadsheet, or a computer data base for easy tracking and resolution of these commitments.

An A/R was opened to address this issue. PG&E stated that while the commitments are in several subsystems and produce different outputs, they all do reside in PIMS. PG&E is developing a unique and linked database for commitment data records. This consolidated database concept for tracking commitments is called Systems Applications Products (SAP). PG&E will be using SAP notifications as a record for commitments. The commitments will be defined as a Diablo PCD Notification (DM) type notification as a commitment. Each Commitment Data Record (CDR) will contain source information and document links, a statement of commitment, and implementing documents or links. In PIMS, these are "stale" statements. In SAP, the links can be actual "hot" links and the files can pop up when they are clicked. The implementation will be performed with a pool of clerks, who will clean-up the statements by making them declarative if possible, remove procedure reference in the statements, standardize the acronyms and abbreviations, and make the links "hot." SAP is being implemented during the month of September. Based on the above, the NRC staff has concluded that PG&E has addressed this issue with the implementation of SAP.

### 3.0 CONCLUSION

The NRC staff concludes that, based on the above audit findings, (1) PG&E has an adequate program to implement and manage regulatory commitments, (2) PG&E has an adequate program to implement and manage changes to regulatory commitments, (3) PG&E has an adequate program for identifying regulatory commitments in outgoing correspondence to the NRC, and (4) PG&E has a consolidated mechanism to track implementation of regulatory commitments, such as identification of which commitment is being tracked by which tracking subsystem and how that commitment is being implemented.

4.0 PG&E PERSONNEL CONTACTED FOR THIS AUDIT

Tom Grozan, Licensing Engineer, Regulatory Services Department  
Ken Schrader, Licensing Engineer, Regulatory Services Department  
Steve Zawalick, Senior Engineer, Regulatory Services Department

Principal Contributor: A. Wang

Date: October 22, 2008

TABLE -PG&E'S REGULATORY COMMITMENTS REVIEWED

Source Document	Licensee Tracking No.	Description	Implementation Status
DCL-06-139	A0732998	Implement revised EALs	Missed, A/R review determined due human error. Corrective action taken.
DCL-06-141	A0694315	Risk-Informed TS Initiative 5b	Due 10/15/2008
DCL-04-123	A0617136	TSTF-369 removal of monthly operating reports and occupational radiation exposure report	Completed
DCL-05-018	A0632222	W Star Alternate Repair Criteria TS	Completed
DCL-08-011	A0733803	NRC Bulletin 2007-01, Security Officer Attentiveness	Completed
DCL-07-099	A0690550	Pressurizer Weld Overlays Relief Request	Completed
DCL-08-012	A0690337	Revise RWST TS level	Completed
DCL-08-032	A0716463	NRC GL 2008-01, Managing Gas Accumulation	Due 10/15/2008
DCL-06-013	A0685022	Relief Request NDE-SBR regarding testing of snubbers	Completed
GL 2004-02 Supplemental RAI	A0736973	90-Day Response to GL 2004-02 supplemental RAI	Due 11/3/08
DCL-07-019	A0688744	Confirmatory action letter additional actions for pressurizer welds	Complete

The NRC staff concludes, based on the audit, that PG&E has implemented NRC commitments on a timely basis and has implemented an effective program for managing NRC commitment changes at Diablo Canyon Power Plant. Details of the audit are set forth in the enclosed audit report.

Sincerely,

./RA/

Alan Wang, Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

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