



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 14, 2009

CHIEF FINANCIAL
OFFICER

Mr. James R. Becker, Site Vice President
Diablo Canyon Power Plant
Mail Code 104/5/601
P.O. Box 56
Avila Beach, CA 93424

Dear Mr. Becker:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your July 27, 2009, letter requesting a waiver of fees associated with the NRC review of Pacific Gas & Electric Company's (PG&E) license amendment request to implement a digital reactor trip system and engineered safety features actuation system. Your request is based on your proposal that Diablo Canyon Power Plant (DCPP) be considered a pilot plant for the use of Digital Instrumentation and Controls Interim Staff Guidance, DI&C-ISG-06, "Task Working Group #6: Licensing Process." For the reasons below, I am granting a fee waiver in accordance with 10 CFR 170.11(b).

In your July 27, 2009, letter, you expressed PG&E's intent to submit a license amendment request by April 30, 2010, that would allow installation of a digital reactor trip system and engineered safety features actuation system at the Diablo Canyon Power Plant. This submittal would utilize the newly developed Interim Staff Guidance (ISG) No. 6 regarding the digital instrumentation and control (I&C) licensing process. The NRC staff expects that this initial usage of ISG-6 would provide valuable experience that will assist future digital I&C upgrades. Further, the initial usage of ISG-6 will assist the NRC staff in developing subsequent revisions to the ISG. Based on this, I believe the waiver of 10 CFR Part 170 fees for the review of this license amendment request is appropriate.

Although a fee exemption is granted, it is important to reinforce that the NRC is required by law to recover 90 percent of its operating expense through user fees. While the effort described in this letter is exempt from direct fee assessment, NRC resources expended to resolve this issue will be included in fees assessed in accordance with 10 CFR 171.

If you have any technical questions regarding this matter, please contact Mr. Alan Wang at 301-415-1445. For any fee-related questions, please contact Ms. Rebecca Erickson, of my staff, at 301-415-7126.

Sincerely,

A handwritten signature in blue ink that reads "J. E. Dyer".

J. E. Dyer
Chief Financial Officer

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/RA/
J. E. Dyer
Chief Financial Officer

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Adams Yes No Publicly Available Non-Sensitive

*see attached concurrence

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