

DAVID A. REPKA
202-282-5726
dreпка@winston.com

Electronic Letterhead

April 12, 2011

BY ELECTRONIC INFORMATION EXCHANGE

Administrative Judge Alex S. Karlin
Administrative Judge Nicholas G. Trikouros
Administrative Judge Paul B. Abramson
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Two White Flint North
11545 Rockville Pike
Mail Stop: T-3F23
Rockville, MD 20852

In the Matter of
PACIFIC GAS AND ELECTRIC COMPANY
(Diablo Canyon Power Plant, Units 1 and 2)
Docket Nos. 50-275-LR and 50-323-LR

RE: Material Information Related to License Renewal Application

Dear Administrative Judges:

The purpose of this letter is to inform the Licensing Board and parties of the attached letter submitted to the license renewal application docket by Pacific Gas and Electric Company (PG&E), on April 10, 2011. In the letter, PG&E provided the NRC Staff with information regarding the status of certain seismic studies for Diablo Canyon Power Plant (DCPP) previously approved and funded by the California Public Utilities Commission. PG&E also discussed the relationship of those studies to reviews in the State of California under the Coastal Zone Management Act (CZMA) and the California Coastal Act.

In short, in light of the recent events in Japan and the interest in California on the issue of seismic safety at DCPP, PG&E believes it prudent to complete these studies and issue a report addressing the results prior to issuance of a state CZMA consistency certification and a renewed NRC operating license.

In the attached letter, PG&E has requested that the NRC confirm that it will “delay the final processing” of the DCPP license renewal application, “such that the renewed operating licenses, if approved, would not be issued until after PG&E has completed the 3-D seismic studies and submitted a report to the NRC addressing the results of those studies.”

PG&E has not requested any suspension or delay in the NRC Staff's ongoing safety and environmental reviews of the DCPD license renewal application. Nonetheless, the NRC ordinarily under the CZMA could not issue a renewed license until the certification process is complete.

PG&E also is not requesting any delay in the schedule for this licensing hearing process. PG&E has previously requested (Tr. 476-77) only a deferral in the current schedule for mandatory disclosures on Contentions TC-1 and EC-4, as established by the Licensing Board Order of January 19, 2011. No party opposed that request. The Licensing Board has not yet ruled on the issue. PG&E continues to request that limited relief with respect to the disclosure schedule.

Sincerely,

/s/ signed electronically by

David A. Repka
Counsel for Pacific Gas and Electric Company

cc: EIE Service



**Pacific Gas and
Electric Company®**

John T. Conway
Senior Vice President-Energy Supply &
Chief Nuclear Officer

77 Beale Street
Mail Code B32
San Francisco, CA 94105

415.973.3336
Internal: 223.3336
Fax: 415.973.2313

Alternate Address
Diablo Canyon Power Plant
P. O. Box 56
Avila Beach, CA 93424

805.545.3333
Fax: 805.545.4884

April 10, 2011

PG&E Letter DCL-11-047

US Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Docket No. 50-275, OL-DPR-80
Docket No. 50-323, OL-DPR-82
Diablo Canyon Units 1 and 2
Request for Deferral of Issuance of Diablo Canyon Power Plant Renewed Operating
Licenses

Dear Commissioners and Staff:

By Pacific Gas and Electric Company (PG&E) Letter DCL-09-079, "License Renewal Application," dated November 23, 2009, PG&E submitted an application to the Nuclear Regulatory Commission (NRC) for the renewal of Facility Operating Licenses DPR-80 and DPR-82, for Diablo Canyon Power Plant (DCPP) Units 1 and 2, respectively. The application included the license renewal application (LRA), and Applicant's Environmental Report – Operating License Renewal Stage.

As you know, the Commission's review of the LRA includes consideration of whether license renewal is consistent with the Coastal Zone Management Act (CZMA). The agencies responsible for performing the coastal consistency review for DCPP are San Luis Obispo County and the California Coastal Commission. In light of recent events at the Fukushima Daiichi Power Plant, and the considerable public concern regarding the need to assure the seismic safety at DCPP, PG&E has decided it is most prudent to have completed certain seismic studies at DCPP prior to issuance of the coastal consistency certification and the renewed NRC operating licenses, if approved.

The seismic studies referenced above are the seismic studies approved and funded by the California Public Utilities Commission (CPUC), including 3-D seismic studies recommended by the California Energy Commission (collectively referred to in this letter as the "3-D seismic studies"). The CZMA and the California Coastal Act, and their implementing regulations, do not necessarily require the 3-D seismic studies to be completed prior to issuance of the coastal consistency certification or that a coastal development permit be obtained in connection with license renewal. Nonetheless, as noted above, PG&E believes it prudent to complete these studies and issue a report addressing the results prior to issuance of a consistency certification and/or renewed operating licenses, if approved.

The CPUC approved PG&E's application for funding to perform the 3-D seismic studies on August 16, 2010. PG&E estimates that implementation of the 3-D seismic studies and investigations will occur over a minimum three-year period, which started in 2010. However, because this task will require the acquisition of all necessary State of California permits for seismic sources that exceed the 2-kilojoule energy limit, compliance with the California Environmental Quality Act, conducting data collection over the defined off-shore survey area, and data interpretation and integration, it is possible for the completion date for the studies to be delayed. In any event, presuming PG&E obtains all necessary permits, PG&E expects the 3-D seismic studies to be completed, and intends to issue a report addressing the results of those studies, as soon as possible after completing the analysis of the data and no later than December 2015.

PG&E therefore requests that the Commission delay the final processing of the LRA such that the renewed operating licenses, if approved, would not be issued until after PG&E has completed the 3-D seismic studies and submitted a report to the NRC addressing the results of those studies. PG&E would appreciate a Commission response to this letter granting this request on the docket for the License Renewal Application, Docket No. 50-275, OL-DPR-80, Docket No. 50-323, OL-DPR-82.

Please contact Mr. Terence L. Grebel, License Renewal Project Manager, at (805) 545-4160 with any questions about this letter.

Executed on April 10, 2011.

Sincerely,



John T. Conway
Senior Vice President - Energy Supply and Chief Nuclear Officer

jlp/223-9809

cc: Elmo E. Collins, NRC Region IV Regional Administrator
Nathanial B. Ferrer, NRC Project Manager, License Renewal
Kimberly J. Green, NRC Project Manager, License Renewal
Michael S. Peck, NRC Senior Resident Inspector
James T. Polickoski, Project Manager, Office of Nuclear Reactor Regulation
Alan B. Wang, Project Manager, Office of Nuclear Reactor Regulation
Diablo Distribution