



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

May 31, 2011

Mr. John Conway
Senior Vice President,
Generation and Chief Nuclear Officer
Pacific Gas and Electric Company
77 Beale Street, MC B32
San Francisco, CA 94105

SUBJECT: RESPONSE TO REQUEST FOR DEFERRAL OF ISSUANCE OF RENEWED OPERATING LICENSES AND REVISION OF SCHEDULE FOR THE REVIEW OF THE DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2, LICENSE RENEWAL APPLICATION

Dear Mr. Conway:

On behalf of the U.S. Nuclear Regulatory Commission (NRC or staff), I am responding to your letter of April 10, 2011 and your counsel's letter of April 12, 2011. The staff acknowledges your request for deferral of issuance of renewed operating licenses until updated seismic studies are completed and is revising your site-specific schedule. This is necessary because the NRC does not issue renewed operating licenses without consideration of the required coastal consistency certification.

Enclosed is a revised schedule for the review of the Diablo Canyon Nuclear Power Plant, Units 1 and 2, license renewal application. However, this revised schedule is subject to further revision depending on the Commission's pending decision on a Joint Emergency Petition seeking a suspension of all reactor licensing decisions and proceedings. Based on anticipated delays in obtaining your coastal consistency certification, the schedule has been updated to reflect the delay of future milestones, with the exception of issuance of the safety evaluation report (SER). The staff intends to issue the SER in June 2011. Prior to finalizing a decision regarding license renewal, the staff will supplement the SER, as necessary, considering any relevant new information from the seismic studies, operating experience, and annual updates to the LRA. The schedule for subsequent environmental and safety review milestones and any SER supplements will be determined at a later date, and will be based on a timeline appropriately coordinated with the expected completion of the 3-D seismic studies and your receipt of a coastal consistency certification. The staff will update the review schedule as milestone dates are determined.

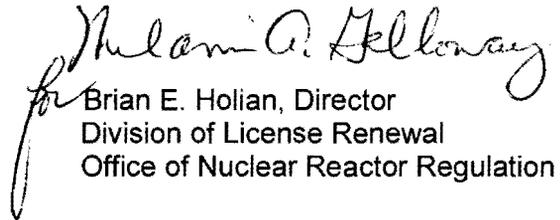
To allow the staff to appropriately plan and manage completion of the review of the license renewal application, we request you keep the NRC updated on the progress and schedule of the completion of the 3-D seismic studies and estimated receipt of a coastal consistency certification.

J. Conway

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If you have any questions on the revised schedule, please contact Nathaniel Ferrer at 301-415-1045 or by e-mail at nathaniel.ferrer@nrc.gov.

Sincerely,


Brian E. Holian, Director
Division of License Renewal
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure:
As stated

cc w/encl: Listserv

DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2
LICENSE RENEWAL APPLICATION
REVIEW SCHEDULE

Milestone	Schedule	Actual
Receive license renewal application (LRA)	11/24/2009	11/24/2009
Publish Federal Register Notice (FRN) - LRA availability	12/11/2009	12/11/2009
Publish FRN - acceptance/rejection and opportunity for hearing	01/21/2010	01/21/2010
Publish FRN – Intent to conduct Environmental Scoping	01/21/2010	01/27/2010
Public Meeting - license renewal overview	02/09/2010	02/09/2010
Public Meeting – environmental scoping meeting	03/03/2010	03/03/2010
Deadline for filing hearing requests and petitions for intervention	03/22/2010	03/22/2010
Audit – Scoping & Screening Methodology	03/15/2010	03/15/2010
Environmental scoping period ends	04/12/2010	04/12/2010
Audit – Aging Management Programs	04/12/2010	04/12/2010
Audit - Environmental	04/19/2010	04/19/2010
Issue environmental requests for additional information (RAIs)	05/03/2010	07/06/2010
Receive responses for environmental RAIs	06/03/2010	08/05/2010
Issue safety RAIs	06/23/2010	05/18/2010
Receive responses for safety RAIs	07/23/2010	06/03/2010
Inspection - Regional	09/13/2010	09/13/2010
Issue safety evaluation report (SER) with open items	12/10/2010	01/09/2011
Advisory Committee on Reactor Safeguards (ACRS) Subcommittee meeting	02/2011	02/09/2011
Issue SER	06/2011**	
Issue draft supplemental environmental impact statement (SEIS)	TBD	
Publish EPA FRN - draft SEIS available for comments	TBD	
Public Meeting - draft SEIS meeting	TBD	
ACRS Full Committee meeting	TBD	
End of draft SEIS comment period	TBD	
Issue final SEIS	TBD	
Publish EPA FRN - availability of final SEIS	TBD	
License Renewal decision	TBD*	

* Pending outcome of adjudicatory hearings and Coastal Zone Management Act consistency certification

**Supplement to the final SER will be issued, as required.

ENCLOSURE

J. Conway

- 2 -

If you have any questions on the revised schedule, please contact Nathaniel Ferrer at 301-415-1045 or by e-mail at nathaniel.ferrer@nrc.gov.

Sincerely,

/RA/

Brian E. Holian, Director
Division of License Renewal
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure:
As stated

cc w/encl: Listserv

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*concurrence via email

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NAME	IKing	NFerrer	DWrona	EWilliamson	BHolian
DATE	05/19/2011	05/31/2011	05/26/2011	05/26/2011	05/31/2011

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Letter to John Conway from Brian E. Holian dated May 31, 2011

**SUBJECT: RESPONSE TO REQUEST FOR DEFERRAL OF ISSUANCE OF RENEWED
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 LICENSE RENEWAL APPLICATION**

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