September 17, 2013

Mr. Edward D. Halpin Senior Vice President and Chief Nuclear Officer Pacific Gas and Electric Company P.O. Box 56 Mail Code 104/6 Avila Beach, California 93424

SUBJECT: AMENDMENT NO. 3 TO MATERIALS LICENSE NO. SNM-2514 FOR THE

HUMBOLDT BAY INDEPENDENT SPENT FUEL STORAGE INSTALLATION

(TAC NO. L24472)

Dear Mr. Halpin:

By letter dated September 8, 2010, as supplemented January 28, April 1, and September 9, 2011; June 19, June 25, and October 4, 2012; as well as January 16, March 7, and March 21, 2013, Pacific Gas and Electric Company submitted proposed Amendment No. 3 to Special Nuclear Materials License No. 2514 for the Humboldt Bay independent spent fuel storage installation to amend its license to allow for the storage of greater than Class C process waste in the Humboldt Bay ISFSI.

Based on its review of your application, as revised and supplemented, the NRC staff has determined that there is reasonable assurance that: (i) the activities authorized by the amended license can be conducted without endangering the health and safety of the public and (ii) these activities will be conducted in compliance with the applicable regulations of 10 CFR Part 72. NRC staff has further determined that the issuance of the amendment will not be inimical to the common defense and security. In connection with the issuance of the license, an Environmental Assessment and Finding of No Significant Impact was noticed in the *Federal Register* on September 16, 2013 (78 *FR* 56944).

The NRC has approved the requested amendment. The amended license supersedes, in its entirety, Materials License No. SNM-2514 dated August 28, 2009. Changes made to the attached Materials License are indicated by vertical lines in the right margin. Also attached are the safety evaluation report and the *Federal Register* Notice of Issuance for the amended license.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the publicly available records component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Website at http://www.nrc.gov/reading-rm/adams.html.

E. Halpin - 2 -

If you have any questions regarding this matter, you may contact me at (301) 287-9077 or you may contact William Allen at (301) 287-9225.

Sincerely,

/RA/

Michele Sampson, Chief Licensing Branch Division of Spent Fuel Storage and Transportation Office of Nuclear Material Safety and Safeguards

Docket No.: 72-27

TAC No.: L24472

Attachments:

1. Materials License No. SNM-2514 Amendment No. 3

- 2. Safety Evaluation Report
- 3. Federal Register Notice of Issuance of Amendment

E. Halpin - 2 -

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Sincerely,

/RA/

Michele Sampson, Chief Licensing Branch Division of Spent Fuel Storage and Transportation Office of Nuclear Material Safety and Safeguards

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Amendment No. 3

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