



**Pacific Gas and  
Electric Company**

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June 2, 2003

PG&E Letter DCL-03-064

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

Secretary  
Office of the Secretary of the Commission  
U. S. Nuclear Regulatory Commission  
ATTN: Rulemakings and Adjudications Staff  
Washington, DC 20555-0001

Diablo Canyon Units 1 and 2  
Docket No. 50-275, OL-DPR-80  
Docket No. 50-323, OL-DPR-82  
Answer, Response and Request for Clarification in Response to April 29, 2003,  
Order Requiring Compliance with Revised Design Basis Threat for Operating Power  
Reactors (EA-03-086)

Dear Commissioners and Staff:

Section IV of the April 29, 2003, Order Requiring Compliance with Revised Design Basis Threat (DBT) for Operating Power Reactors (EA-03-086) ("Order") states that, in accordance with 10 CFR §2.202, a licensee must submit an answer to the Order and may request a hearing on the Order within 35 days of the date of the Order.

This letter constitutes the answer (pursuant to 10 CFR §2.2002 and Section IV) and response (pursuant to 10 CFR §50.4 and Sections III A.1, B.1, B.2, and C) of Pacific Gas & Electric Company (PG&E) to the Order.

Section II of the Order states that, "In order to provide assurance that licensees are implementing prudent measures to protect against the revised DBT, all licenses identified in Attachment 1 to this Order shall be modified to require that the physical security plans, safeguards contingency plans, and the guard training and qualification plans required by 10 C.F.R. §§ 50.34(c), 50.34(d), and 73.55(b)(4)(ii) be revised to provide protection against this revised DBT."

PG&E consents to the Order and does not request a hearing. PG&E notes the request for clarification of the five DBT issues provided in the safeguards attachment to the letter from Mr. Colvin, President and CEO of the Nuclear Energy Institute, to Chairman Diaz dated May 16, 2003. PG&E encourages the Commission to respond

IK53

to this request as soon as possible, as the Commission's clarifications may affect the manner of PG&E's compliance with the Order.

Because the NRC has used force-on-force testing as a standard by which compliance with the DBT was evaluated, PG&E also requests that the NRC provide a clear definition of the objectives and criteria for force-on-force exercises so that appropriate revisions can be made to PG&E's safeguards contingency plan, security plan and security officer training and qualification plan.

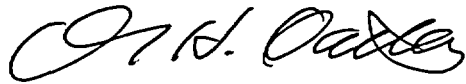
Specifically, PG&E needs a clear explanation of the purpose of the force-on-force exercise (e.g., is the purpose of force-on-force exercises for security officer training, or to evaluate licensee compliance with the DBT?). Similarly, the success criterion for the force-on-force exercise needs to be established (e.g., is the criterion prevention of a large offsite release, which would be consistent with the basis for risk-informing NRC regulations, or some other criterion?). Finally, if a force-on-force exercise is going to be used as a performance test of the licensee's ability to protect against the DBT, a clear definition of adversary rules of engagement and adversary tactics is needed to provide appropriate predictability and stability in the regulatory program. Absent these clarifications, the standard by which licensee performance will be measured will continue to be a constantly moving target which is counter to the Commission's Principles of Good Regulation.

To enable PG&E to meet the compliance dates specified in the Order, the requested clarifications are needed as soon as possible. If the clarifications cannot be provided by October 1, 2003, PG&E respectfully requests that the Director, Nuclear Reactor Regulation extend the dates for submitting the revisions to the security plan, safeguards contingency plan, security officer training and qualification plan, and for full implementation of the Order on a day-for-day basis until such clarifications are provided.

PG&E also confirms its understanding that the Commission intends to exercise enforcement discretion to accommodate issues which may arise as licensees, in good faith, take reasonable actions to implement the specific requirements of this Order. PG&E further understands that the Commission will exercise enforcement discretion for the period necessary to resolve such issues, and to integrate the requirements of this Order with the orders issued February 25, 2002, as well as with other pertinent regulatory requirements, and PG&E safeguards contingency plan, security plan and security officer training and qualification plan.

The enclosure to this letter provides PG&E's response to Order Conditions A.1, B.1, B.2, and C. If you have any questions, please contact me at 805-545-4350 or Ron Todaro at 805-545-4309.

Sincerely,

A handwritten signature in black ink, appearing to read "D. H. Oatley", with a stylized flourish at the end.

David H. Oatley  
*Vice President and General Manager - Diablo Canyon*

SWH/A0582378

Enclosure

cc/enc: Samuel J. Collins, Director, NRR  
Thomas P. Gwynn, Region IV  
David L. Proulx, Resident  
David H. Jaffe, NRR  
Asst. General Counsel for Materials Litigation and Enforcement (NRC)  
Diablo Distribution

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

_____	)	Docket No. 50-275
In the Matter of	)	Facility Operating License
PACIFIC GAS AND ELECTRIC COMPANY	)	No. DPR-80
	)	
Diablo Canyon Power Plant	)	Docket No. 50-323
Units 1 and 2	)	Facility Operating License
_____	)	No. DPR-82

AFFIDAVIT

David H. Oatley, of lawful age, first being duly sworn upon oath says that he is Vice President and General Manager - Diablo Canyon of Pacific Gas and Electric Company; that he has executed the thirty-five day response to the NRC DBT Security Order dated April 29, 2003, on behalf of said company with full power and authority to do so; that he is familiar with the content thereof; and that the facts stated therein are true and correct to the best of his knowledge, information, and belief.

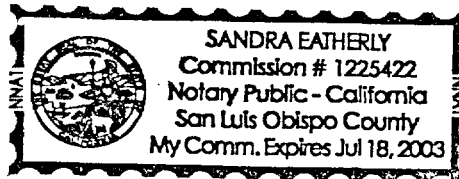


David H. Oatley  
Vice President and General Manager - Diablo Canyon

Subscribed and sworn to before me this 2nd day of June, 2003



Notary Public  
County of San Luis Obispo  
State of California



**Diablo Canyon Power Plant Thirty-Five Day Response to NRC Order for Requiring Compliance With Revised Design Basis Threat for Operating Power Reactors**

Section III of the Order Requiring Compliance With Revised Design Basis Threat (DBT) for Operating Power Reactors, dated April 29, 2003, sets forth the Conditions identified below.

- A.1** All licensees shall, notwithstanding the provisions of any Commission regulation, license, or order to the contrary, revise their physical security plans and safeguards contingency plans, prepared pursuant to 10 C.F.R. §§ 50.34(c) and 50.34(d), to provide protection against the DBT set forth in Attachment 2 to this Order. In addition, all licensees shall, notwithstanding the provisions of any Commission regulation, license, or order to the contrary, revise their guard training and qualification plans, required by 10 C.F.R. § 73.55(b)(4)(ii), to implement the DBT set forth in Attachment 2 to this Order. The licensees shall submit the revised physical security plans, safeguards contingency plans, and guard training and qualification plans, including an implementation schedule, to the Commission for review and approval no later than April 29, 2004.
- B.1** All licensees shall, within thirty-five (35) days of the date of this Order, notify the Commission, (1) if they are unable to comply with any of the requirements of this Order, (2) if compliance with any of the requirements is unnecessary in their specific circumstances, or (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license. The notification shall provide the licensee's justification for seeking relief from, or variation of, any specific requirement.
- B.2** Any licensee that considers that implementation of any of the requirements of this Order would adversely impact safe operation of the facility must notify the Commission, within thirty-five (35) days of this Order, of the adverse safety impact, the basis for its determination that the requirement has an adverse safety impact, and either a proposal for achieving the same objectives of this Order, or a schedule for modifying the facilities to address the adverse safety condition. If neither approach is appropriate, the licensee must supplement its response to Condition B.1 of this Order to identify the condition as a requirement with which it cannot comply, with attendant justifications as required in Condition B.1.
- C.** All licensees shall report to the Commission, in writing, when they have fully implemented the approved revisions to their physical security plans, safeguards contingency plans, and guard training and qualification plans, to protect against the DBT described in Attachment 2 to this Order.

**Diablo Canyon Power Plant Thirty-Five Day Response to NRC Order for Requiring Compliance With Revised Design Basis Threat for Operating Power Reactors**

PG&E's response to Order Conditions A.1, B.1, B.2, and C are provided as follows:

- A.1** PG&E will revise the Diablo Canyon Power Plant (DCPP) Physical Security Plan in accordance with Attachment 2 of the Order. PG&E will submit the revised security plan, safeguards contingency plan, security officer training and qualification plan, and the implementation schedule to the NRC by April 29, 2004.
- B.1**
- (1) PG&E can and will comply with all requirements of this Order.
  - (2) PG&E knows of no specific circumstances where this Order would be unnecessary at DCPP.
  - (3) Implementation of the requirements of this Order will not cause DCPP to be in violation of the provisions of any Commission regulation or the facility license.
- PG&E is not seeking relief from the requirements of the Order at this time.
- B.2** The safe operation of DCPP is not adversely impacted by implementation of the requirements of this Order.
- C.** PG&E will notify the Commission, in writing when the approved revisions to the DCPP Physical Security Plan, safeguards contingency plan, security officer training and qualification plan, to protect against the DBT described in Attachment 2 to this Order, have been fully implemented.

**NOTE:**

To enable PG&E to meet the compliance dates specified in the Order, the requested clarifications in this letter are needed as soon as possible. If the clarifications cannot be provided by October 1, 2003, PG&E respectfully requests that the Director, Nuclear Reactor Regulation extend the dates for submitting revisions to the security plan, safeguards contingency plan, security officer training and qualification plan, and for full implementation of the Order on a day-for-day basis until such clarifications are provided.