



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

September 4, 2015

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, CA 93424

SUBJECT: NUCLEAR REGULATORY COMMISSION PLAN FOR THE AUDIT OF PACIFIC GAS AND ELECTRIC COMPANY'S SEISMIC HAZARD AND SCREENING REPORT SUBMITTAL RELATED TO THE NEAR-TERM TASK FORCE RECOMMENDATION 2.1 - SEISMIC FOR: DIABLO CANYON POWER PLANT, UNIT NOS. 1 AND 2 (TAC NOS. MF5275 AND MF5276)

Dear Mr. Halpin:

This letter documents the U.S Nuclear Regulatory Commission (NRC) staff's plan to perform a regulatory audit of Pacific Gas and Electric Company's (PG&E, the licensee) Seismic Hazard and Screening report (SHSR) submittal related to the Near-Term Task Force Recommendation 2.1-"Seismic" for Diablo Canyon Power Plant, Unit Nos. 1 and 2 (Diablo Canyon). The audit will take place at the Lettis Consultants International offices in, Walnut Creek, CA and is expected to last one day on Friday, September 11, 2015. This technical audit will be performed consistent with NRC Office of Nuclear Reactor Regulation, Office Instruction LIC-111, "Regulatory Audits," dated December 29, 2008, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML082900195). The NRC staff will develop an audit summary report to document its observations and conclusions within 90 days of the completion of the audit.

The audit will provide the NRC with a better understanding of the seismic hazard reevaluation and the supporting analysis performed for Diablo Canyon, as documented in the SHSR (ADAMS Accession No. ML15071A046). The audit is intended to support the NRC staff review of the SHSR and the subsequent issuance of a Staff Assessment. Additional information is provided below.

The enclosed audit plan outlines the process that will allow the NRC staff to review the SHSR related documentation, identify additional information potentially necessary for PG&E to supplement its SHSR, and discuss technical concerns. The details of this audit have been discussed with Mr. Philippe Soenen of your staff.

E. Halpin

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If you have any questions, please contact me at (301) 415-1115 or by e-mail at Nicholas.DiFrancesco@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nick DiFrancesco', with a long horizontal flourish extending to the right.

Nicholas DiFrancesco, Senior Project Manager
Hazards Management Branch
Japan Lessons-Learned Division
Office of Nuclear Reactor Regulation

Enclosure:
Audit Plan

Docket Nos. 50-275 and 50-323

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NRC PLAN FOR THE AUDIT OF PACIFIC GAS AND ELECTRIC COMPANY'S SEISMIC
HAZARD AND SCREENING REPORT SUBMITTAL RELATED TO THE
NEAR-TERM TASK FORCE RECOMMENDATION 2.1-SEISMIC
DIABLO CANYON POWER PLANT, UNIT NOS. 1 AND 2

BACKGROUND AND AUDIT BASIS:

On March 12, 2012, the U.S Nuclear Regulatory Commission (NRC) issued a request for information pursuant to Title 10 of the *Code of Federal Regulations*, Part 50 (10 CFR), Section 50.54(f). The purpose of that request was to gather information concerning, in part, the seismic hazard at operating reactor sites to enable the NRC staff to determine whether licenses should be modified, suspended, or revoked. The "Required Response" section of Enclosure 1 of the request indicated that licensees should provide a seismic hazard evaluation and screening report within 3 years from the date of the letter for Western United States plants.

By letter dated March 11, 2015¹, to the NRC, Pacific Gas and Electric Company (PG&E, the licensee) submitted for NRC review its Seismic Hazard and Screening Report (SHSR) for Diablo Canyon Power Plant, Unit Nos. 1 and 2 (Diablo Canyon). On April 28, 2015, the NRC staff held a public meeting with PG&E² and by letter dated June 29, 2015, NRC staff issued a request of additional information (RAI)³ to gain a better understanding of the information provided in the SHSR. By letter dated August 12, 2015⁴, the licensee provided a response to the NRC staff RAI. The NRC staff continues to review the information provided by PG&E and plans to conduct a regulatory audit of Diablo Canyon's site response analysis used in its seismic hazard reevaluation. Specific documents that will be reviewed by the NRC staff during the audit are listed below. The NRC staff performed a separate audit on Diablo Canyon's seismic source characterization models on August 26-27, 2015⁵.

REGULATORY AUDIT SCOPE AND METHODOLOGY:

The area(s) of focus for the regulatory audit is the information contained in Diablo Canyon's SHSR and in the August 12, 2015, RAI response related to the site response analysis and all associated and relevant supporting documentation used in the development of these models including, but not limited to, methodology, process information, calculations, computer models, etc.

¹ The licensee's SHSR can be found in Agencywide Documents Access and Management System (ADAMS) under Accession No. ML15071A046.

² The April 28, 2015, public meeting summary can be found in ADAMS under Accession No. ML15125A186.

³ The NRCs Staff's RAIs can be found in ADAMS under Accession No. ML15153A033.

⁴ The licensee's response can be found in ADAMS under Accession No. ML15224B575.

⁵ The audit plan can be found in ADAMS under Accession No. ML15217A356.

DOCUMENTS REQUESTED FOR STAFF EXAMINATION

The staff requests that the below documents are available for examination and discussion during the audit:

- Fugro (2015). Update of the Three-Dimensional Velocity Model for the Diablo Canyon Power Plant (DCPP) Foundation Area, May 2015

NRC AUDIT TEAM:

Title	Team Member
Team Leader, NRR/JLD	Nicholas DiFrancesco
Technical Lead (NRO/DSEA)	Clifford Munson
Technical Support (NRO/DSEA)	Vladimir Graizer
Technical Support (NRC/RES)	Jon Ake
Technical Support (SWRC/Consultant)	John Stamatakos
Technical Support (RES/DE)	Scott Stovall

LOGISTICS:

The audit is scheduled on Friday, September 11, 2015. The audit will take place at the Lettis Consultants International offices in Walnut Creek, CA.

DELIVERABLES:

Within 90 days of the audit, the NRC staff will prepare a detailed audit report documenting the information reviewed during the audit, and any open items identified as a result of the audit. The NRC staff will also document its understanding of the proposed resolution of any identified open items.

The information discussed in these audits may be included, fully or in part, in the development of the NRC technical staff assessments as a result of the SHSR reviews.

E. Halpin

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If you have any questions, please contact me at (301) 415-1115 or by e-mail at Nicholas.DiFrancesco@nrc.gov.

Sincerely,

/RA/

Nicholas DiFrancesco, Senior Project Manager
Hazards Management Branch
Japan Lessons-Learned Division
Office of Nuclear Reactor Regulation

Enclosure:
Audit Plan

Docket Nos. 50-275 and 50-323

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