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October 3, 1984

MEMORANDUM

SUMMARY

This memorandum discusses the authority of the Nuclear Regulatory Commission to permit immediate restart of San Onofre Nuclear Generating Station, Unit No. 1, which for the last two years has been in a shutdown condition while engaged in a program to strengthen seismic safety protections. The facility is now subject to an order, issued in August, 1982, confirming licensee commitments to complete seismic upgrading prior to restart. The memorandum concludes that the order constitutes a suspension order that the Commission can lift or modify without a hearing prior to resumption of operation.

The central issue in this case is whether the August, 1982, order constitutes a license amendment. If it does, then relaxing the order would also constitute an amendment and, in the absence of a finding of no significant hazards consideration, would require a potentially lengthy hearing prior to restart. The memorandum notes that the order was not intended as an amendment, that it did not state that it was an amendment, that

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it was not issued pursuant to regulations specifically governing amendments and that representations by the NRC staff confirmed licensees' understanding to the contrary. It is concluded that the applicable law, serious and compelling policy considerations and the inequitable consequences for the licensees in this case of characterizing the order as a license amendment support the conclusion that it should not be so characterized.

The memorandum points out that the Commission has extensive and perhaps unique authority to choose the regulatory tools by which it runs its administrative program. It further notes that other regulatory agencies with licensing regimes use their authority to impose requirements that do not affect the terms of the license. It urges the Commission to adopt a similar approach both to achieve an equitable result in this case and to preserve the flexibility essential to an effective nuclear regulatory program. It contends that the failure to do so can produce serious adverse consequences for the regulated industry, can seriously impede the objective of voluntary enforcement and can even curb the safety-related activities of the regulators themselves.

Finally, the memorandum reviews the holding of the U.S. Court of Appeals for the District of Columbia in Sholly v. NRC, which has been viewed by some as an impediment to the decision advocated by the memorandum. It distinguishes that case as applicable to orders differing substantially from the order at issue here. While the order in Sholly attempted to expand a licensee's authority beyond then-existing licensing restrictions,

the order at issue here imposes additional requirements above and beyond those in the license. The holding of Sholly that the order in that case must be construed as a license amendment is thus inapplicable here. Accordingly, the Commission should determine that the August, 1982, order is not an amendment, that it may be modified without an amendment and that the facility may restart without a prior hearing.

* * * * * * * * *

BACKGROUND

San Onofre Nuclear Generating Station, Unit No. 1 ("Unit 1") began commercial operation in 1968 and operated largely trouble-free until 1980. During those years, Southern California Edison Co. and San Diego Gas & Electric Co. ("licensees"), in consultation with the Nuclear Regulatory Commission ("NRC" or "Commission") staff, took certain steps to strengthen seismic safety protections at the plant. During 1982, while the plant was shut down, the NRC intensified its consideration of the plant's seismic design, relative to current design criteria. In June, 1982, licensees decided to complete seismic upgrading of the plant prior to returning Unit 1 to service. To this end, licensees, in letters dated June 15 and 24, 1982, committed to a series of specific seismic retrofits prior to restart.

On August 11, 1982, the NRC issued "Order Confirming Licensee Commitments on Seismic Upgrading" requiring that Unit 1 be maintained in a cold shutdown condition until the licensees had completed the actions they had committed to, and the NRC

staff had granted approval to restart. No portion of that order speaks of a "modification" of the Unit 1 license, nor is there any reference to the specific section of the NRC regulations, 10 C.F.R. §2.204, that authorizes the NRC to modify licenses. Instead, the order cited the NRC regulations generally and the statutory provisions that authorize a number of regulatory actions, including revocation, suspension, modification, or such other action as the Commission might deem proper. The order was made effective immediately, and neither the licensee nor any third party requested a hearing on the order.

Thereafter, the licensees and the NRC staff continued to evaluate the Unit 1 seismic upgrade program. On October 15, 1983, the California Public Utilities Commission (CPUC) began an investigation to determine whether to allow Unit 1 to remain in rate base in light of the fact that it had been out of operation for much of the time since 1980. The NRC staff, working with licensees and aware of the CPUC investigation, determined, and stated in a February 8, 1984, letter from the Director of Nuclear Reactor Regulation to the licensees, that restart of the plant prior to complete resolution of all seismic issues would be appropriate. The "Safety Evaluation Report, Return to Service Plan - Seismic Reevaluation Program, San Onofre Nuclear Generating Station, Unit No. 1" attached to the Director's letter states:

> Based on the conservative nature of the seismic analysis conducted thus far, the staff agrees that capability to achieve and maintain a hot standby condition is sufficient for restart (at p. 2).

Neither the Director's letter nor the accompanying safety evaluation report suggests any intent to require a license modification procedure prior to restart. The letter states:

> [T]here are a number of licensing actions that must also be completed to support the issuance of a restart safety evaluation report. These actions have been discussed with your staff and we encourage you to expeditiously pursue their resolution.

The licensees did in fact discuss such "licensing actions" with the NRC staff and clearly understood that such actions did not include amending the license. Licensees' awareness is reflected in a letter from M. O. Medford of Southern California Edison Company to the NRC, dated April 16, 1984, outlining submittals due from licensees prior to restart. It did not mention amending the license. There is no reason to doubt that both parties understood that restart would be approved based on a safety evaluation report.

On June 26, 1984, the NRC staff visited Unit 1 and met with representatives of the licensees. Darrell G. Eisenhut, Director, Division of Licenses, Office of Nuclear Reactor Regulation, was the NRC staff's senior representative. Lawrence J. Chandler of the Office of Executive Legal Director for NRC was also present. At the meeting the parties discussed what licensing actions would be necessary prior to restart. No one stated that the license would have to be amended. In fact, Mr. Eisenhut represented that the NRC would not be on the critical path to, nor would NRC procedures impede, restart.

On May 4, 1984, the CPUC issued its order regarding the Unit 1 rate base. Because Unit 1's prior operating experience had been favorable and because the licensees represented that, based on the Director's letter of February 8, 1984, restart of the plant was anticipated prior to January 1, 1985, the CPUC order allowed licensees either:

(1) to remove Unit 1 from rate base and accrue the return on plant investment in a deferred account; or

(2) to maintain Unit 1 in rate base, but do so at the risk of accruing substantial financial penalties beginning January 1, 1985, if the plant was not restored to essentially full service by that date.

On May 18, 1984, the licensees decided on option 2. The decision was based on the Director's letter of February 8, 1984, with its accompanying safety evaluation report and, more significantly, the indications from the wording of the August, 1982, order and discussions with NRC staff representatives that the Unit 1 license would not have to be amended prior to restart.

In mid-July, 1984, the licensees learned for the first time that some of the Commission legal staff were construing the August, 1982, order as a license amendment.[1] Accordingly, staff were now suggesting that licensees be required to obtain a

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[1] Licensees are uncertain what members of the staff take this position. For purposes of convenience, however, the position will be referred to as the "staff position." Licensees do not attribute this position to any particular staff member or office within the Commission.

further license amendment to restart Unit 1, and that, accordingly, notice and opportunity for a full adjudicatory hearing would be required prior to operation.

THE QUESTION AT ISSUE

The crux of the matter here is whether the August, 1982, order amended the Unit 1 operating license. If the order constitutes a license amendment, relaxing it does also. Under the staff position, the amendment to allow restart would require an opportunity for a prior full adjudicatory hearing, with its attendant delays. If the order is not an amendment to the license, however, a hearing is not required before restart.

The staff position, as we understand it, is that the August, 1982, order can only be interpreted as a license amendment. We respectfully submit to the contrary that interpretation of the order as a suspension order, and not a license amendment, is fully consistent with applicable statutes, regulations, and case law. Moreover, interpretation of the order as a license amendment -- and acceptance of the legal view that orders like this must be so interpreted -- would not only impose severe inequities on the licensees in this case, but also would have a severe adverse impact on the regulated industry and on public health and safety. Reading the order as a suspension order avoids these effects. Because these policy and equity considerations are so critical, the following discussion addresses them first; it then goes on to establish that interpretation of the order as a suspension order is fully supported by the law.

POLICY AND EQUITY CONSIDERATIONS

The staff position amounts to the proposition that, with some very narrow exceptions, the Commission cannot relax specific requirements, once they are imposed on a reactor licensee, without triggering overwhelming practical consequences for the operation of a plant. By imposing such requirements, even in emergency circumstances where comprehensive analysis is impossible, the staff would embed those requirements in the license as amendments. As a result, flexibility to modify the requirements would be lost, and, despite what more thoughtful assessment might show, the Commission would be unable to alter them without triggering notice and a formal hearing requirement prior to allowing restart.[2] If a plant cannot meet the requirements originally thought to be needed but now found to be unnecessary, it can not operate until the hearings are completed -- a time period that under normal Commission practice lasts a year or more.

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[2] Some Commission orders contain provisions purporting to authorize the Commission or its delegate to act later without a hearing. E.g., Consumers Power Co. (Palisades Nuclear Power Facility), Docket No. 50-255 SP (July 30, 1982) ("The Director of Region III may relax or terminate any of the preceding conditions in writing for good cause."). It can be argued that as a legal matter such provisions reserve authority to dispense with a hearing and that such authority is lost only when the provision is omitted. However, an agency may not reserve an otherwise unlawful authority by incorporating it into a permit or order. Standard Airlines, Inc. v. CAB, 177 F.2d 18, 20 (D.C. Cir. 1949); Chesapeake and Ohio Ry. v. United States, 392 F. Supp. 358, 365 (E.D. Va.), rev'd on other grounds, 426 U.S. 500 (1975). Hence, if the authority reserved by the Commission is unlawful, the reservation in the order will not serve to protect it. Once the staff position is accepted, all orders effecting significant changes in the operation of a facility fall under its scope.

The negative consequences of this theory for regulatory policy are extreme. Not only can one anticipate long outages and lingering requirements that, in light of the most recent information and the regulator's best judgment, are unreasonable, but, more critically, all impulses toward voluntary enforcement will be curbed. Licensees once willing to enhance plant safety voluntarily may be less willing to do so in the fear that their licenses will be amended by inflexible confirmatory orders, any change in which may cause extreme delays.[3]

Most worrisome of all, however, is the chilling effect this theory would have on the safety-related activity of the regulators themselves. If there is one objective that ought to be paramount in the regulation of health and safety, it is to encourage boldness on the part of the regulator in times of emergency. There should be a willingness to require more rather than less of the regulated sector in circumstances where time does not allow for fine tuning. Public discussions of the Commission show that in the past, when considering orders of a sort similar to this one, Commissioners have indicated significant concern about procedural difficulties in restarting

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[3] As the Commission has explained:

> [C]onsideration [of public health and safety] calls for a policy that encourages licensees to consent to, rather than contest, enforcement actions. Such a policy would be thwarted if licensees which consented to enforcement actions were routinely subjected to formal proceedings possibly leading to more severe or different enforcement actions. [In the Matter of Public Service Co. of Indiana (Marble Hill Nuclear Generating Station, Units 1 and 2, 11 NRC 438, 441 (1980).]

plants they were otherwise inclined to regulate.[4] Acceptance of the legal theory under discussion could aggravate that concern dramatically.

The theory would also impose inequities of the harshest sort on the licensees in this case. While there has been no intent to mislead the licensees over the past two years, they have been seriously misled. As indicated, neither the terms of the order nor the representations of the NRC staff suggested in any way that the Unit 1 license had been modified by the August, 1982, order or that any procedural difficulties would hamper the utility in its efforts to restart the plant. The wording of the order,[5] the rules of the Commission, and the representations of the staff could hardly have given stronger assurances to the contrary. Licensees relied heavily on those assurances in choosing their course of action before the CPUC. Adoption of the staff theory will thus impose a hardship that is both severe and, by any measure, unfair.

That unfairness is compounded by the degree to which other Commission cases resemble this one but, under the staff theory, would produce completely different results. For example, in several instances the Commission has issued orders to show

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[4] See Transcripts of Public Meeting, Continuation of Staff Briefing on Emergency Planning (April 25, 26, 27, 1979) (on file in NRC Public Documents Room, Wash., D. C.)

[5] The Commission has issued numerous other orders, requiring shutdown pending safety evaluation and modification, that it refers to as suspension orders and that make no reference to license amendments. E.g., Pacific Gas & Electric Co. (Diablo Canyon Nuclear Power Plant, Units 1 and 2), 18 NRC 1146 (1983); Public Service Co. of Indiana (Marble Hill Nuclear Generating Station, Units 1 and 2), 11 NRC 438 (1980).

cause, with immediate suspension of operation, based on seismic safety concerns. It then has lifted the suspensions without hearing prior to completion of the required modifications even though the orders to show cause had provided for suspension until completion of the modifications.[6] The Commission lifted the suspensions because it found that the licensees had established good cause for modifying the original requirements, a showing licensee has also made here, as reflected in the Director's letter of February 8, 1984, agreeing that restart is appropriate.

These decisions strongly suggest that the same result reached by the Commission in the circumstances described should be reached here -- the Commission may and should authorize restart without a prior hearing. The staff position, in contrast, requires that these decisions be distinguished from licensees' situation. They can be so distinguished, but only by formalistic differences on which enormous practical consequences should not turn. The James A. Fitzpatrick and Surry show cause orders expressly reserved the right to lift the suspension upon a "showing of good cause." Such magic words are not present in the August, 1982, order. The protection of the public health and safety should be determinative, however, not the presence or absence of magic words. It is a fitting measure of the arbitrariness of the staff position that to support it one must argue

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[6] E.g., In the matter of The Power Authority of the State of New York (James A. Fitzpatrick Nuclear Power Plant), 44 Fed. Reg. 49530 (August 23, 1979) and 44 Fed. Reg. 16510 (March 19, 1979); Virginia Electric & Power Co. (Surry Power Station, Unit 1), 44 Fed. Reg. 50932 (August 30, 1979) and 44 Fed. Reg. 16511 (March 19, 1979).

that the words of an order mean both nothing and everything. Nothing, in that characterizing the order as a suspension order or an order to modify does not affect whether it actually amends the license, and everything, in that using the words "good cause" may determine whether a plant is out of operation for a year or two after staff is satisfied that the situation is safe. This simply is not a sensible basis for a regulatory structure when another reading of the law is available.

LEGAL ANALYSIS

The unfortunate policy and equity considerations associated with this position suggest that the Commission should -- and a reviewing court will -- do what it can to avoid the position unless the relevant statute and case law compel such a result. See Motor & Equipment Mfrs. Ass'n, Inc. v. EPA, 627 F.2d 1095, 1108 (D.C. Cir.), cert denied, 446 U.S. 952 (1979). That is not the case here. The law on the matters under consideration supports adoption of an alternative theory that will avoid the concerns just outlined.

The Commission can and should accept the principle that orders directing significant facility changes above and beyond those required by the license can leave the license unamended. In adopting this approach, the Commission would be exercising authority similar to that exercised by other federal agencies and, at least in one instance, expressly sanctioned by Congress.[7]

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[7] The FCC, acting under a less than express statutory mandate, has exercised authority that allows it to maintain flexibility through the issuance of modifiable orders. By simply avoiding characterization of agency action as a modification of a license
(footnote continued)

The Commission could then, if it so chose, retain the flexibility to modify the changes later without triggering the amendment process. At a later date, when any reservations had been eliminated, the Commission could go on to amend the license to incorporate the previously ordered changes. Only then would the inflexibility that was originally of concern attach to the action.

An administrative agency must have substantial discretion in enforcement and regulatory contexts to choose the tools by which it runs its administrative program and to fashion rules of procedure that best enable it to achieve its goals. See, e.g., Vermont Yankee Nuclear Power Corp. v. NRDC, 435 U.S. 519, 524, 543 (1978); Gulf States Utilities Co. v. FPC, 411 U.S. 747, 762 (1973); Richardson v. Wright, 405 U.S. 208, 209 (1972). The Nuclear Regulatory Commission enjoys discretion in this

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(footnote continued from previous page)
-- defined by the courts as any order having a substantial effect on an unconditional right conferred by the license, see, e.g., Temmer v. FCC, No. 83-1580, slip op. at 16 (D.C. Cir. Sept. 14, 1984) -- the FCC can act without regard to the hearing requirement of §316 of the Communications Act of 1934. In the case of the ICC, Congress has expressly acknowledged an agency's need for flexibility in dealing with safety-related suspension actions. Section 10925(d)(2) and (3) of Title 49 of the United States Code allows the ICC to revoke without a hearing a license suspension originally imposed on a carrier because it had been conducting "unsafe operations" that were "an imminent hazard to public health or property." The EPA also has broad administrative discretion. The EPA interprets its general enforcement authority under §309(a)(1) of the Federal Water Pollution Control Act, 33 USC §1319(a) (1984), to allow it to issue and later modify, in its sole discretion, what it terms "administrative orders" affecting National Pollutant Discharge Elimination System permits. (We note, however, the EPA's authority is broader than that we are suggesting the NRC may or should adopt. See the discussion of Sholly v. NRC, infra, at pp. 15-17.)

regard that is "virtually unique in the degree to which broad responsibility is reposed in the administrative agency, free of close prescription in its charter as to how it shall proceed in achieving the statutory objectives." Carstens v. NRC, slip op. at 8 (D.C. Cir. Sept. 7, 1984) (quoting Siegel v. AEC, 400 F.2d 778, 783 (D.C. Cir. 1968)); see also Westinghouse Elec. Corp. v. NRC, 598 F.2d 759, 771 (3d Cir. 1979). The Commission should adopt the enforcement approach that allows it to carry out the policies entrusted to it by Congress. In this instance, it should confirm that the August, 1982, order did not modify the Unit 1 license and may therefore be modified now without a full adjudicatory hearing.

That the Commission is free to choose such a course is supported by applicable statutes, regulations and case law.[8] Regarding the statute, the Atomic Energy Act and its legislative history make clear that changes imposed by amendment are subject to strict procedural requirements. See, e.g., H.R. Rep. No. 884, 97th Cong. 2d Sess. 37-38 (1982). They are not at all clear, however, on the question of when an agency directive must be an amendment. See, e.g., id. passim; S. Rep. No. 1677, 1962 U.S.C.C.A.N. 2207, 2214-15. In providing separately for orders, and distinguishing them from amendments in the procedures

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[8] The staff's consistent representations to the licensee further support such a course in this instance. Where the construction of an agency order is in doubt, the agency's intent when it issued the order should be given effect. Bowles v. Seminole Rock & Sand Co., 325 U.S. 410, 417-18 (1945); Standard Oil Co. v. DOE, 596 F.2d 1029, 1055 (TECA 1978). The staff's contemporaneous representations that a hearing would not be required provide ample evidence of the agency's intent. Id.

applicable to them, the statute suggests at least that not all orders affecting licensees are amendments. See, e.g., 42 U.S.C. §2239(a)(1) (Atomic Energy Act §189a) (license amendments); 42 U.S.C. §2201(i)(3) (Atomic Energy Act §161(i)(3)) (orders).

The Commission's procedural regulations, which because of the length of time they have been on the books are entitled to some weight in evaluating congressional intent, Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co., 103 S. Ct. 2856, 2866 (1983), provide further guidance. Section 2.204 of the regulations provides for procedures to order modifications of a license, 10 C.F.R. §2.204 (1984), while section 2.202 provides for orders to show cause relating not only to modification, but also to suspension, revocation and such other action as may be proper. 10 C.F.R. §2.202 (1984). The clear implication of the separate sections is that significant actions restricting the conduct of licensees, including but not limited to license suspensions and revocations, can be imposed by order, and that these are different from orders that actually amend licenses.

Finally, the case law is entirely consistent with this approach. No case has construed an order resembling in any way the August, 1982, order as an amendment, which would thus be subject to the limits on modification accompanying amendments. While Sholly v. NRC, 651 F.2d 780 (D.C. Cir. 1980), held that an order permitting venting of the Three Mile Island Unit 2 reactor was in fact an amendment, that order could not have been more distinct from the order at issue here. The court viewed the venting order in Sholly as an attempt to authorize action not

permitted by pre-existing license authority, action that, in the absence of an amendment, would have violated the licensing restrictions then in effect. Id. at 791. In light of the court's view of those restrictions, it is hardly surprising that it construed as an amendment an order intended to relax them.

The August, 1982, order was entirely different in its purpose and effect. The conduct mandated under that order did not in any way violate or require modification of the provisions of the license then applicable. All of the actions called for by the order could have been performed voluntarily without modification of the license.[9] In fact the licensee began performance before the Commission issued the order "confirming" the actions and establishing them as legal requirements. To interpret Sholly as affecting in any way the required characterization of the 1982 order -- and other orders restricting licensee conduct above and beyond then-existing license restrictions -- is to read far more into it than is there.

The case contains a dictum, however, that, if taken out of context, might preclude the more flexible approach. But that is not all that it would preclude. The statement in question is remarkably overbroad and, if followed, consistent with other positions of the NRC legal staff,[10] would quickly bring the licensing process to its knees. The court observed in Sholly:

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9 Northern States Power Company (Monticello Nuclear Generating Plant, Unit 1), 9 NRC 588 (1979); Portland General Electric Company, (Trojan Nucler Plant), 9 NRC 263, 271-274 (1979).

10 As indicated above, we understand that the staff takes the position that the hearing offered must be a full adjudicatory hearing. But see Sholly v. NRC, supra, 651 F.2d at 791 n.27.

> Our reading of the Venting Order is also supported by Congress' intent in enacting section 189(a). By requiring a hearing upon request whenever a license is "grant[ed], suspend[ed], revok[ed], or amend[ed], Congress apparently contemplated that interested parties would be able to intervene before any significant change in the operation of a nuclear facility. Whatever the Venting Order is called, it certainly was such a change.

If the Commission were to act in accordance with this view, not only would the August, 1982, order be characterized as an amendment but so also would many suspension orders issued by the Commission and countless Commission approvals authorizing activities by licensees pursuant to the terms of previously issued licenses, amendments or orders. In short, such an interpretation of Sholly could put an end to regulatory practices essential to a coherent system. The only suitable way to deal with the dictum is to confine it to the context in which it was offered, as courts regularly do.

It is submitted that, in light of the strong policy arguments favoring the proposed approach and its consistency with applicable law, characterization of the 1982 order as a suspension order that may be modified without a license amendment should be upheld by the courts. Indeed, given the equitable arguments regarding the licensee's circumstances, this case is a particularly good one for asserting the authority claimed. While risks to an agency's program inevitably arise from the exercise of discretionary power, the consequence of failure to assert such power will be to lose it. The Commission will establish an

additional precedent against it on the issue, will be in the position of acquiescing in unfairness, and will proceed further down the path to acceptance of undesirable regulatory policies.

Miller & Chevalier, Chartered

SAN ONOFRE 1 TECHNICAL STATUS 10/04/84

Seismic Upgrades

In a staff evaluation dated 2/8/84, the staff concluded that the seismic criteria (as modified) and scope of SCE's "return to service plan," submitted 12/13/83 and discussed in several prior meetings, would adequately ensure public safety to permit plant restart, if appropriately implemented. That technical evaluation addressed the programmatic approach to restart, the actual licensing procedures for authorizing restart were not discussed in detail until after the PUC Order in May 1984.

In the intervening time since the 2/8/84 staff evaluation, the staff has met several times with SCE and its consultants to discuss the seismic analysis results and conducted analysis audits and site inspections to formulate a basis to conclude whether the "return to service Plan" was being appropriately implemented. In order to complete that review, the staff is preparing a letter requesting that SCE:

- certify the seismic plan has been complete
- ensure that seismically induced failure of non-upgraded equipment would not prevent safe shutdown
- confirm the as-built condition of masonry walls
- confirm that all QC and QA reviews of seismic analyses have been completed
- present deterministic basis for concluding the hot standby capability is adequate to ensure public safety

Utility representatives were orally informed of the additional information needed in the seismic area within the last two weeks, and that a letter confirminn the oral requests was urder preparation.

The status of other licensing actions which were pending at the time the plant shutdown, or have evolved since, are as follows. Satisfactory resolution of items 1 and 2 is needed before plant startup could be authorized.

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1. TDI Diesel Generators

Inspection and repair of the #1 diesel generator is complete and the diesel has been returned to an operable condition. Inspection of the #2 diesel begins October 3. NRC consultants are onsite to observe the inspections. Licensee/Owners Group evaluation of the causes/implications of the cracks found in the #1 diesel crankshaft is continuing. Results are expected to be available for NRC review mid-October.

2. Intake Structure Repairs

The licensee repair program is almost complete. Region V has requested that NRR evaluate the adequacy of the repair method used by the licensee.

3. Post-Accident Sampling System (PASS)

A license amendment request to modify the schedule for the PASS has been submitted. An individual Notice of Intent of issuance and proposed no significant hazards consideration determination is with OELD. Based on the current schedule, the license amendment could be issued around November 16, allowing 30 days after FR publication.

4. Environmental Qualification

An audit of the licensee's environmental qualification is being conducted October 2 - 4, 1984. The effective date of the rule for San Onofre 1 is March 31, 1985. A request for extension to November 1985 has been submitted for a few specific pieces of equipment to be replaced.

5. Fire Protection

The effective date for San Onofre 1 is April 30, 1986. At this point, this schedule is achievable for the dedicated shutdown system proposed by the licensee.

6. Steam Generator Inspection

The requirement under License Condition 3.E to receive NRC approval for restart following steam generator inspections performed since February 1982 was satisfied by issuance of Amendment No. 80 on September 4, 1984.

7. License Amendment - Snubbers

A Technical Specification change allowing operation in Mode 4 with the snubber modifications resulting from the seismic upgrades was sent to OELD for concurrence last week.

8. Requalification Program

An evaluation of the operator requalification program is scheduled for the week of October 15, 1984.

9. SEP Integrated Assessment

A draft of the integrated plant safety assessment report is scheduled to be complete by the end of October.

10. Other Actions

A License Amendment for changing TMI modifications schedules is being prepared. License Amendments for TS on auxiliary feedwater system modifications and DC power systems (including the new battery) are also in preparation - (SERs have all been received from the technical review groups).