

August 30, 2007

Mr. John S. Keenan
Senior Vice President and Chief Nuclear Officer
Pacific Gas and Electric Company
Diablo Canyon Power Plant
P.O. Box 770000
San Francisco, CA 94177-0001

SUBJECT: SUPPLEMENT TO THE ENVIRONMENTAL ASSESSMENT AND FINAL
FINDING OF NO SIGNIFICANT IMPACT RELATED TO THE CONSTRUCTION
AND OPERATION OF THE DIABLO CANYON INDEPENDENT SPENT FUEL
STORAGE INSTALLATION

Dear Mr. Keenan:

The U.S. Nuclear Regulatory Commission (NRC) has completed its supplement to the Environmental Assessment (EA) and has made a final Finding of No Significant Impact (FONSI) for the Diablo Canyon Independent Spent Fuel Storage Installation (ISFSI) (Enclosure 1). NRC issued its initial EA and FONSI for this action on October 24, 2003, and subsequently issued a license for the Diablo Canyon ISFSI to the Pacific Gas and Electric Company on March 22, 2004. On May 29, 2007, the NRC staff issued a preliminary supplement to the EA and draft FONSI, which addressed the environmental impacts from potential terrorist acts against the Diablo Canyon ISFSI, as directed by the Commission in its Memorandum and Order of February 26, 2007. On May 31, 2007, the staff published a notice of availability in the Federal Register (72 FR 30398), providing opportunity for public comment on the preliminary supplement to the EA and draft FONSI. The staff has summarized the comments received and provided its responses to those comments in an appendix to the enclosed supplemental EA.

Also enclosed, for your information, is the Federal Register notice announcing the availability of the supplement and final FONSI for the Diablo Canyon ISFSI (Enclosure 2). The notice has been forwarded to the Office of the Federal Register for publication. If you have any questions about this action, please contact me at (301) 492-3319.

Sincerely,

/RA/

James R. Hall, Senior Project Manager
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Docket No. 72-26 (50-275, -323)

Enclosures: 1. Supplement to the Environmental Assessment
and final FONSI for the Diablo Canyon ISFSI
2. Notice of Availability of Supplement
to the EA and final FONSI

cc: Mailing List

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Diablo Canyon Power Plant, Units 1 and 2

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**Notice of Availability of Supplement
to the Environmental Assessment and
Final Finding of No Significant Impact for the
Diablo Canyon Independent Spent Fuel Storage Installation**