

**NWX-US NUCLEAR REGULATORY COMMISSION
REGULATORY CONFERENCE TRANSCRIPT**

January 14, 2015

1:00 pm CT

Coordinator: Welcome. Thank you for standing by. At this time all participants are in listen-only mode. During the Q&A portion of the call you may press star one on your touchtone phone if you would like to ask a question. Today's call is being recorded. If you have any objections, you may disconnect at this time. Now, I'll turn the conference over to Mr. Mark Haire. Thank you. You may begin.

Mark Haire: Thank you and good afternoon. Again my name is Mark Haire. I am the branch chief for the emergency preparedness and security inspectors in the NRCs region four office in Arlington. Welcome to the regulatory conference between the NRC and Pacific Gas and Electric Company Diablo Canyon Power Plant.

Today, we will be discussing a finding related to Diablo Canyon's failure to obtain prior approval for an emergency plan change, which decreased the effectiveness of the emergency plan by removing instructions for protective active recommendations for areas over the ocean. This conference is open to public observation.

However, this is an enforcement conference and as such it is a meeting between the NRC and Diablo Canyon, so during the meeting comments and questions will not be taken from members of the public. But following the business portion of the conference, NRC staff will be available to answer questions and receive comments from members of the public concerning matters discussed in this conference.

It is important to note that this phone bridge is being recorded and the meeting is being video recorded, and both recordings and a transcript will be made publically available soon after the meeting. Diablo Canyon representatives have provided slides for the presentation. And those slides have been made available at the NRCs public meeting Web page.

So that's at www.nrc.gov, and you can click on the public meetings tab at the top and select the public meetings schedule, and you'll see this meeting listed among those. And you can click on the more information and see the slides linked there. That's available again on our public Web page, the public meetings involvement tab, and look at the meetings scheduled for those who want to go there now.

All right. I'm going to go through a handful of administrative items for the people in the room. And then I will review the agenda, and then I'll have a few more things to say before I turn it over to our regional administrator Marc Dapas. So, let me go over the administrative items for the room, restrooms are available and the closest ones are just outside this door, down the hall and past the lobby area, so you'll find those there.

In an emergency, if there is an emergency we will listen to the public address system and follow directions. If there's a need to evacuate the building, the closest evacuation points are again by the lobby, and there's also an emergency exit just out the doors to the right, and down the hall on the side of the building, so those are available. Let me say a comment about microphones, since this meeting is being recorded, it is important that Diablo Canyon and NRC speakers speak into the microphones clearly.

I have asked the Operator to interrupt if we're not speaking loud enough and ask us to speak louder so that it can be recorded and effectively heard on the bridge line, so if that happens, that's why. You'll note that you have microphones in front of you, and I think we've reviewed with everybody that the bright green light on the microphone means it's live, so that's the way to use that.

All right. In addition, in the room we have sign-in sheets for members of the public who want to have their attendance recorded. We'd like to have that. We also have feedback forms available at the back of the room. And there will be a meeting summary issued by the NRC within 30 days of this meeting. At this point, I'm going to review the agenda for the meeting, and then I'm going to have a few more comments to make.

So, let me review the agenda to the meeting, which those agendas are available here in the room for those who are present. So we are in the process of opening the meeting right now, making an opening comment, that's the first thing on the agenda. As soon as I finish reviewing the agenda, we're going to make introductions, the NRC people and the Diablo Canyon people who are in the room.

And then I will cover a summary of where we are at in our regulatory process, and what the apparent violation is that we're here to talk about, so that'll be a bit of a lengthy discussion, but I will try to get through that clearly. At that point, after I've described the violation, I will turn the mic over to our regional administrator Marc Dapas. He will make some opening remarks, and then we will hand the conference over to Diablo Canyon to make whatever presentation they would like.

It's likely that we will ask questions and have discussion during your presentation. Toward the end of that presentation the NRC will take a pause, before we conclude the conference we will take a pause, we will go into another room and have a private discussion about what we've heard and any questions we think we need to ask before we conclude the meeting. And then we will come back into the meeting and conclude the meeting with any questions that we have.

And then Marc Dapas will be allowed to make some closing remarks, and then we will conclude the business portion of the meeting. And at that point, we will invite public comment and questions. And we will start that process with inviting members of government officials if they have questions or comments, and then transitioning to general members of the public.

And we will stay and receive questions and comments as long as there's interest, and then we will conclude the meeting when we have completed that process. So, that's the agenda we're going to follow today. And so the next step in the agenda if for us to do some introductions. And so I've introduced myself. I'm Mark Haire. I'm a branch chief here in the region four offices. And I would ask that each member at the table for the NRC introduce themselves starting with the regional administrator.

- Marc Dapas: Thank you Mark. I'm Marc Dapas. I'm the regional administrator for our region four office here in Arlington, Texas.
- Jeff Clark: I'm Jeff Clark, deputy director of the division of reactor safety for region four.
- Wayne Walker: And I'm Wayne Walker. I'm the branch chief for Diablo Canyon here in region four.
- Bob Kahler: I'm Bob Kahler. I'm from NRC headquarters. I'm a branch chief with the (unintelligible) preparedness oversight program.
- Mark Haire: Okay. Those are the participating speakers for the NRC, and Diablo Canyon if you'd like to introduce your participants?
- Barry Allen: Thank you Mark. My name is Barry Allen. I'm the vice president of nuclear services at Diablo Canyon. I'm going to allow my team to introduce themselves beginning with Tom Baldwin.
- Tom Baldwin: Thanks Barry. I'm Tom Baldwin. I'm the director of Diablo Canyon's oversight services.
- Doug Evans: I'm Doug Evans, the emergency services director.
- Mike Ginn: Mike Ginn the emergency preparedness manager.
- Mark Haire: Okay, and it is our understanding that there are no government officials present in the room with us today. Operator? Are there any government officials that you can introduce for us on the phone bridge?
- Coordinator: So far, right now we have Kelly Van Buren with the San Luis Obispo County and emergency services, Eric Schrader with the NRC, Lauren Casey with the NRC, Richard Gundstrom with FEMA, Angel Marino with the

NRC, Tracy Jew with the California Department of Public Health, Ron Alsop with San Luis Obispo County OES, Danielle Mills with California Energy Commission and Jonathan Fisk with the NRC.

Mark Haire:

Okay. Thank you very much for that. That concludes the introductions. At this point in the agenda I'm going to do a bit of a lengthy description of where we are in our regulatory process and a summary of the apparent violation we are here to discuss, so let me jump into that.

In accordance with the NRCs regulatory process, after a potentially risk-significant finding is identified and characterized by the significance determination process as greater than green, we authorize and seize an opportunity for a regulatory conference. In this case Diablo Canyon requested that a conference be held to discuss the issue and its significance.

It is the responsibility of NRC licensees to provide protective action recommendations to local and state official. Those local and state officials then consider the plans recommendations as they make protective action decisions to protect the public health and safety. We are here because in 2005 Diablo Canyon made a change to their emergency plan that inappropriately deleted instructions for developing protective action recommendations for areas over the ocean within ten miles of the plant.

The original approved emergency plan include procedures for developing PARS, protective action recommendations for all areas of emergency planning zones including areas over the ocean. But on November 4, 2005 Diablo Canyon changed their emergency plan, and that change inappropriately removed instructions for developing protective action recommendations for areas over the ocean.

Now, the removal of those instructions constituted a reduction in effectiveness of the plan. And reductions in effectiveness cannot be implemented without prior NRC approval, which was not obtained in this case. The reduction and effectiveness that was implemented prior to NRC approval constitutes an apparent severity level three violation of 10 CFR 50-54Q, and that's what we're here to talk about today.

And I will note that during the conference we use phrases like apparent violation and preliminary significance, and that's because the NRC has not made a final determination on the violation or its significance and won't until after the conclusion of this conference. Also, as a result of the change in the plan, the Diablo Canyon plan no longer met the requirement to provide for a range of protective actions that include areas over the ocean. And therefore, the apparent violation is associated with a finding that has preliminarily been determined to have a white significance.

It's important to understand what factors were considered in assigning preliminary significance to this finding. First, the plan is required to provide instructions for protective action recommendations for all areas of the ten-mile emergency planning zone. And since the plan change eliminated instructions for areas over the ocean, that change degraded the plan, and the NRC takes this very seriously.

However, Diablo Canyon has regularly demonstrated their ability to assess radiation and wind conditions if any release were to occur. They've done that through frequent drills and exercises. And they've demonstrated their ability to notify offsite authorities of those conditions and recommend protective action stops at authorities when conditions warrant it, again through frequent drills and exercises.

And the San Luis Obispo County maintained its provisions for notifying the Coast Guard of changing conditions at the plant, including an automatic evacuation area out to five miles for any emergency declaration. Therefore, at no time was the public going to be allowed to stay in an area that had the potential for radioactivity if an event had occurred.

So, our conclusion is that the significance was appropriately determined to be characterized as low to moderate, which is white. Now, having said all of that, I need to read the proposed violation and here's what it says, 10 CFR 50-54Q requires in part that a nuclear power plant licensee shall follow and maintain in effect emergency plans which meet the standards of 10 CFR 50-47B. And that proposed changes that reduce the effectiveness of the approved emergency plans may not be implemented without application to and approval by the commission.

10 CFR 50-47B10 requires that a range of protective actions be developed for the plume exposure pathway emergency planning zone for emergency workers in the public. Contrary to this, on November 4, 2005 the licensee implemented a change that reduced the effectiveness of the approved emergency plan without application to and approval by the commission, which resulted in the licensee failing to follow and maintain an effective emergency plan meeting the standards of 10 CFR 50-47B.

Specifically, without approval from the NRC the licensee reduced its emergency plan effectiveness by removing instructions from its emergency plan implementing procedures for developing protective action recommendations for affected areas over the ocean within ten miles of the emergency-planning zone. Because the licensee's emergency plan no longer called for a range of protective actions to be developed for the plume exposure pathway emergency planning zone that included the areas over the ocean, the licensee no longer met the planning standard of 10 CFR 50-47B10.

Now, this proposed apparent violation, along with an option to request a regulatory conference was communicated to Diablo Canyon during an exit meeting on October 17, 2014, and it was communicated in an NRC inspection report dated December 1, 2014. This regulatory conference is the last step of the inspection process before the NRC makes its final decision on the significance of the inspection findings.

So, the purpose of this conference today is to allow you Diablo Canyon to provide your position with respect to the facts and assumptions used by the NRC to make our preliminary significance determination, and to allow you to present any new information that may assist us in arriving at the most appropriate final significance determination. In addition to discussing your views on the significance of the findings, you may want to present your views on the identified apparent violation

It's important to note that the decision to conduct this conference does not mean that the NRC has made a final determination that a violation has occurred. Any enforcement related to this finding being discussed today will be assessed in accordance with the commission's enforcement policy. Following this conference the regional and NRC headquarter staff will reach a significance determination and enforcement decision.

The NRC's goal is to issue the final significance determination in a letter by February 14, 2015. That concludes my discussion of the regulatory process and the apparent violation. And I'd like to turn it over to Marc Dapas our regional administrator to provide additional opening remarks.

Marc Dapas:

Thank you Mark. I just have a couple of quick comments. I think Mr. Haire provided a summary of the apparent violations and provided appropriate context. I'll just reiterate a couple of things that he said, clearly when we say Diablo Canyon we mean licensee Pacific Gas and Electric Diablo Canyon all used synonymously.

But while the licensee is regularly demonstrated their ability to assess plant conditions and engage the county as appropriate with recommendations, and while the county clearly did have procedures in place to ensure that areas over the ocean would be evacuated if the conditions warranted, it's important that your implementing procedures prescribe as part of the process the development of recommendations, protective action recommendations and that's where there was a deficiency in your implementing procedures.

And, you know, it's part of our defense in depth there the procedure should dictate the process that you're going to go through to ensure that you make appropriate recommendations to the county so that they can then determine what's the appropriate protective action decision. I am particularly, and that change you made was considered a reduction in effectiveness as Mark described and would've warranted NRC review and approval.

I am particularly interested in hearing the results of what I'll call your extended condition review to determine whether there are any other instances where you made a change to your emergency plan or its implementing procedures using the 50-54Q process, whereby you reached the wrong conclusion in terms of a reduction of effectiveness.

You know, we have an inspection program and it's a sampling program, but the responsibility clearly is vested with you to determine whether you have made a change to the plan appropriately and considered whether it represents reduction in effectiveness, and as such would require NRC review and approval.

So, I am very interested in hearing the results of your extended condition review, and why you have confidence, assuming you do, going forward that when you invoke that 50-54Q process in the future, you will be making the correct decisions regarding whether it constitutes a reduction in effectiveness with respect to your emergency plan. So with that, I'll turn it over to Mr. Allen here to present any information that you feel we need to be aware of and consider as we reach our enforcement decision.

Barry Allen:

Okay. Thank you Mr. Dapas. The team appreciates the opportunity to discuss the apparent violation with you today, so we look forward to a good dialogue and good questions and we'll certainly work this out to satisfy your curiosity. The agenda is up on the slide. We're going to have in our presentation today Doug Evans will discuss our station perspective on the importance we place on emergency preparedness.

Mike Ginn, our emergency preparedness manager will describe how the issue was created in 2005, how we self-identified the ocean part issue through industry benchmarking, and actions we took to resolve the deficiency. And Tom Baldwin will discuss our perspective on regulations applicable to enforcement discretion, and then I'll have some closing comments. Okay, Slide 3, thank you Tom.

As previously mentioned, you know, we are discussing an issue that was created in 2005, and for clarity we are not contesting the issue. We own the finding. We have corrected it. And we have put measures in place to ensure success in this area, which we'll describe in more detail as we go through the presentation.

As I mentioned we did verify the issue through industry benchmarking. We immediately notified the offsite partners to ensure that they were aware of the issue that we had identified and verified that we had adequate protective measures in place. And then we worked with them as we corrected the issue. The issues we're discussing are those in some measure due to unclear and contradictory information in our licensing basis for our emergency plan.

As a result, we are undertaking an emergency preparedness licensing basis verification project similar to our LBVP as we call it, our licensing basis verification project with the (unintelligible) similar team's format to go through and look at all of the bases for all of the information in our emergency plan, resolve all deficiencies, all discrepancies, review our previous 50-54Q evaluations.

And on December 29 of last year I sent out a letter to the commission notifying the commission in writing that we were undertaking that effort. And that's a measure of our commitment to ensure that we get this right. We take this issue very seriously, and we want to have great clarity in our licensing basis going forward, so we have that off and running and Doug Evans will talk about that in a little bit.

Well, due to the fact that the finding is not reflective of current EP performance, and that the health and the safety of the public is always protected, we did not meet our commitment, you know, to issue recommendations, but we did have agreements with our partners. We believe that this finding does merit your consideration of enforcement discretion. And we will provide you a basis for the (unintelligible) discretion when we get to Tom Baldwin's presentation.

And with that, we'll go to Slide 4, and I'll turn it over to Doug Evans our director of emergency services.

Marc Dapas:

Mr. Allen, just a quick question? You made a comment that you had an agreement in place with our partners, so you're going to provide some specific context to that, what you mean by these agreements?

Barry Allen:

Yes, Mr. Mike Ginn will cover that in his presentation.

Marc Dapas:

All right. Thanks.

Barry Allen:

Thank you.

Doug Evans:

I'm on Slide 4. We take emergency preparedness very seriously, and we are always prepared. All employers are expected to support the emergency plan, and they also participate in drills and exercises as the NRC noted in

their opening remarks. We've demonstrated that our emergency preparedness has been effective through the conduct of our drills and exercises. We do about eight to ten drills per year.

We've also completed a success hostile action base that should be an action-based exercise in the Spring of 2014. Our county and the State of California do participate in our drills at a rate of about four to six per year. That includes unified dose assessment in a co-located facility. We're committed to maintaining the health and safety of the public at all times through rigorous requirements to operate a nuclear facility.

We constantly self-examine, and if we find a question or deviation such as in this event that we're here to discuss today, we document it in our corrective action program and restore compliance quickly in a coordinated fashion. You will see by the strength of our actions that we recognize the significance of the issue, and that we are demonstrating the commitment to ensuring our capability of protecting the health and safety of the public, this catches one example of a healthy culture where employees can raise issues that have safety consequences because it's the right thing to do. Mike Ginn?

Mike Ginn: Thanks Doug. Mike Ginn emergency preparedness manager at the station since 2009. I'll cover some background information from the site emergency plan, a brief timeline of events that led to the 2005 procedure change, additional information on identification of the issue in November, 2013, and the root cause and corrective actions that have been implemented.

I'm on Slide 6, briefly before we discuss timeline of events, I wanted to share a few figures from our site emergency plan, which will represent the emergency-planning zone for areas around Diablo Canyon. This first figure on Slide 6 was incorporated into our 1981 site emergency plan. It originated from a statewide planning and analysis report, which was issued in November 1980. The report was used by PG&E planners, state and local agencies to define and develop our emergency response planning areas, or protective action zones as we call them locally around the station.

The map was also included as a basis for our initial 1980 evacuation time estimate that was performed. If you note, the key at the bottom left, it's a little hard to see, there are several emergency-planning zones that were actually defined initially around this station, and it included the federal ten-mile EPZ. The state basic emergency-planning zone, which for Diablo Canyon's a bit unique, it's land based, 18 miles to the North, 22 miles to the South, so it expands beyond the ten miles.

And then even beyond that a state expanded emergency planning zone for areas where public education and information sharing, and then the low population zone, which is a six-mile radius around the station. The basis from this map we wanted to share is that there was a clear, I think back in 1981 difference between how permanent population protective action recommendation strategies were implemented versus transient populations. You can tell even by the early map how the ten-mile radius doesn't extend over the ocean area. The next slide please.

Marc Dapas: Just a quick question Mr. Ginn, you commented that your emergency planning zone extends did you say 19 miles to the North and 22 to the South?

Mike Ginn: Over land Marc that's correct.

Marc Dapas: Okay.

Mike Ginn: It's 18 miles to the North.

Marc Dapas: Okay, so 18 miles, so that's your, you've defined that as your emergency-planning zone, which is certainly above and beyond the ten-mile emergency planning zone associated with our regulatory requirements. So does that mean you have alert and notifications systems coverage out to that 18 miles and 22 miles North and South respectively?

Mike Ginn: Yes. That's correct. We have over 131 sirens, which cover that entire area 18 miles to the North, 22 miles to the South.

Marc Dapas: Okay.

Mike Ginn: The next slide more clearly reflects the emergency planning zone for the areas around Diablo Canyon, and includes the protective action regulatory areas over the ocean as well, the five-mile and ten-mile safety zones. But you can see the protective action zones that were developed as part of the state planning as well go beyond ten miles and include those areas that we just discussed. So those are protective action zones over land zones one through 12.

This map, by the way, was recently incorporated into the site emergency plan as part of NUREG 0654 Supplement 3 corrective actions as part of EP rulemaking. And it's included in our site emergency plan as Appendix Golf, which is a reference to our protective action recommendation bases, so changes can't readily be made in lower-tiered documents without understanding the bases of our protective action recommendation process.

Next slide please. Just a brief timeline of events, I wanted to focus on first in 1977 before our emergency plan was submitted for initial approval, PG&E established a written letter of agreement with the United States Coast Guard. And the written letter agreement between PG&E and the Coast Guard basically in writing the Coast Guard agreed to issue an urgent information marine broadcast by radio to include information as to the geographical limits of the hazard, and to advise vessels to remain clear of that area.

So, that was documented in our initial agreement with the United States Coast Guard in 1977. And in 1984 that agreement, again in the site emergency plan, was expanded upon to align with, in the emergency classification levels for the station, so the Coast Guard standard operating procedure was developed and representation by the Coast Guard in the local emergency operations center was also incorporated.

Where at a Site Area Emergency classification, the United States Coast Guard, per the written letter of agreement, would establish a safety zone radius of two miles, issue a notice to mariners and request patrol outside of this safety zone as well. For a general emergency classification, the radius of the safety zone would be expanded to five nautical miles or six miles with a note in the agreement that these areas may be expanded beyond five nautical miles by either Diablo Canyon Power Plant or San Luis Obispo County per notification.

That's just some history on the timeline of our agreements between PG&E and the United States Coast Guard. Those agreements were also expanded on when the county and state developed their emergency response plans as well. In 2005, the inspection report clearly documented the procedure change that occurred and I'm not going to expand on that at all.

But, I will add that our root cause and the interviews that we conducted with some of the staff that was still available, that implemented those changes, indicated that the change authors had no intent or recognition of changing the protective action recommendation expectations for areas over the ocean for making that change. And when we look back at it, we actually saw that it was connected to a previous issue in 2005 that we were working with the NRC on it to correct.

In 2013, a little bit about the identification of the issue, members of my team, a lot of them recently trained on the requirements of Regulatory Guide 1.2.9 in the new EPA rulemaking were on a non-related benchmarking trip at a station in the Mid-West. And why they were there, it was for equipment emergency response. They took a look at the licensee's notification form for that facility and noted that they had specific recommendations on their notification form for areas over water.

This plant had a large body of water next to it similar to Diablo Canyon. So the emergency planning staff member took this information back, came back to the plant and questioned why wouldn't we have those same requirements on our notification form. This individual wasn't around in 2005 when this change occurred. The issue was entered into the corrective action program. It happened actually I believe a week before Gilbert's inspection on the baseline program, which occurred and the issue was identified and further discussed.

Next slide please. On this slide I would like to provide a perspective on why Diablo Canyon Power Plant staff may not have recognized this protective action recommendation change impact earlier. When we look back on the history of this event, we found several factors that may have prevented the issue from being discovered sooner. For example, we did training drills and exercises routinely.

Our scenarios for our drills and exercises were developed to test our protective action recommendations and notification process to risk significant activities. But the decision-making processes were primarily focused on permanent population areas over land. This is in a large case, for an evaluated exercise due to the federal requirements, which, you know, drive the protective action decision-making process for those populated areas.

EP staff recognized in the site emergency plan that they actually had a written letter of agreement with the Coast Guard, and this was renewed each year between PG&E and the United States Coast Guard, so this written letter of agreement was continually updated and verified as in place. The Coast Guard representation we talked about briefly in the co-located facility.

The United States Coast Guard right out of Morol Bay has a liaison that participates in all of our full-scale drills along side with San Luis Obispo County. They actually have a liaison position in the county operations room, which is the decision-making room for implementation of those protective action decisions, along with fire, law enforcement, emergency medical services, the Coast Guard is in that room and gets first-hand information. And can relay information to the other federal Coast Guard officials about the protective action decisions.

Marc Dapas: Could I ask a question? I guess I feel compelled to weigh in at this point with a comment. I appreciate the description of the measures that the Coast Guard had in place as you've described in your slide here, you know, that there were protective actions that the Coast Guard would've implemented here. But would you not agree that your emergency plan implementing procedures clearly should specify protective action recommendations development for areas over the ocean?

Because, talking about the Coast Guard and the measures that they have in place, gets to whether the public health and safety may have been, whether they may have been an issue there absent that Coast Guard protective action there, but you do agree that your own process should've required development of those recommendations? To me that's an important distinction that I need to understand that you do appreciate that, independent of what measures the Coast Guard would be putting in place.

Mike Ginn: We do. I can answer. Yes. We clearly agree with the requirement for having those instructions in our implementing procedures. I believe our site emergency plan was non-specific, which may have led to some changes in the implementing procedures back in 2005 with less rigor than there is today for screening and change evaluations for the process.

Marc Dapas: Thanks. And the reason I'm exploring this is because I think you've indicated this is some background you feel may have contributed to the non-recognition that the change should've been flagged as a reduction in the effectiveness there, but I just want to make sure. Did you have staff that looked at it and said because these Coast Guard measures are in place we don't have to have recommendations that we don't need to develop recommendations? You know? The fact that the Coast Guard measures were in place is fortuitous quite frankly, right?

Mike Ginn: It's separate. It's separate. It's an agreement, but it doesn't relinquish us from our responsibility as a licensee.

Marc Dapas: Okay.

Jeff Clark: Mr. Ginn? This is Jeff Clark. Let me ask that a slightly different way, so not to go into the details of how your plan changed. It was zones to sectors and I understand that you did not have a specific coverage for over the ocean? And you discuss now that you had this understanding with the Coast Guard. But you developed training drills and exercises over this period from 2005 until the issue was identified. What did you instill into the plans or the exercise as success criteria for anything over the ocean?

Mike Ginn: The criteria used were basically clearing of the ocean per the agreements that we had in place, so the boating traffic would be restricted based upon the emergency classification level declared. We still maintain throughout Jeff our ability to perform dose assessment when a radiological release occurred 360 degrees around the facility.

Those dose assessment results would be shared in a unified co-located facility with all personnel, state, federal, county and also brief to county decision-makers, but as your inspection team identified there wouldn't be a specific licensee protective action recommendation for the ocean areas, just for the permanent population land areas. Transient population over the ocean was maintained more under a classification base action response, and that's where we ended up in 2005.

Jeff Clark: Okay. Thank you.

Mark Haire: Mike? This is Mark Haire. If I could just jump in again with one more question on that, so our understanding from the inspection, and maybe you can confirm or change this view is that your drills and exercises exercise the ability to make protective action recommendations for exercises that had plumes that spread out over the land.

Did you discover or do you intend to incorporate in your corrective actions a plan to have drills and exercises where the plume would go out over the ocean beyond the five-mile default, and therefore, require decision-making and protective action recommendations from your team for the ocean?

Mike Ginn: Yes. We do. Actually, in 2006, evaluated exercise we demonstrated a scenario that initiated with the, it was actually a tsunami warning scenario because we wanted to embrace the lessons learned from the recent tsunamis, you know, in the area? And the plume was directed over the ocean for initially the first few hours of the scenario, and there was good discussion and engagement.

We did some research and found that information in logs from the drills between the county and the PG&E personnel and the unified dose assessment center about expanding the ocean protection action area out to ten to 15 miles if needed. But, just an hour later, as a radiological release were to occur for our scenario, we had a wind shift, and by design, which directed the protective action recommendations and decision-making for land areas per the agreement, you know, that we had with the reviews for the scenario with FEMA.

But we do, we have, I'll get to it in a bit Mark, revised our emergency plan, our procedures, our training, our guidance, our drill scenario evaluation criteria, demonstration criteria and objectives to ensure that our protective action recommendations are not solely land based. They are in the requirements of the federal regulations 360 degrees around the facility.

I'm on Slide 10. I want to cover briefly the root cause conclusion and corrective actions related to the issue. So, the root cause conclusion, the historical, I performed a root cause in 2014, and just a quick summary, the historical characterization of the emergency planning zone in Diablo Canyon, an emergency plan was not clear initially.

Our responsibilities for protective action recommendations for all areas of the plume exposure pathway were not specifically defined to include the ocean areas. We in 2005 made the changes to the implementing procedures, which resulted in the reduction of effectiveness of the overall emergency plan. That's the conclusion of the root cause.

Actions taken in response to the identification of the issue in November 2013 and early 2014 include, right away when we identified this and started discussing it with inspectors, we shared this information with the industry emergency preparedness organizations through our involvement with the nuclear energy institute working group. And we wanted others to be aware of this issue as well.

Planners took immediate corrective actions like Barry mentioned to coordinate with our state and county emergency planners to discuss the issue, and we implemented an operations standing order for protective action recommendations over the ocean. We also issued a bulletin to our emergency response organization five-mile

protective action recommendation upon declaration of a general emergency and expanding that out to ten miles or further per or procedures if necessary based upon dose assessment results.

All onsite and offsite procedures, notification forms and emergency responder training and lesson guides were revised and updated by February 13, 2014. So, as we are still in a bit of discovery with the issue, we went ahead and implemented all of the corrective actions associated with implementing a protective action recommendation for those ocean areas.

And we also got an opportunity in February 2014 to brief Gilbert here in the region on the corrective actions that were being implemented during the regional group utility meetings that we had here in Arlington in February 2014. Next slide please. The corrective actions implemented, so in addition to the immediate corrective actions previously discussed, we actually established an emergency planning supervisor position to ensure additional oversight of the 50-54 Quebec screening and evaluation process.

This was a position that wasn't previously in place. We established our 50-54 Quebec program metrics as well to monitor screening and evaluation quality, the experience level of personnel performing the changes, and their engagement and knowledge in the industry. We strengthened our training and qualification process for 50-54 Quebec evaluations in alignment with Reg Guide 1.219, revised our licensing basis impact evaluation process to specifically require emergency plan implementing procedures to be reviewed with the same rigor under 50-54 Quebec as the site emergency plan.

We also updated and revised the figures and definitions in the site emergency plan to clearly identify the federal requirements for emergency planning zones to include the areas over the ocean. And we added specific protective action recommendations bases document, which is now (unintelligible) in the site emergency plan to clarify our licensing basis for the risk significant area protective action recommendations.

In summary, we understand our responsibility for issuing timely and accurate protective action recommendations. We incorporated. It was actually based upon a presentation that Bob and Gilbert made at the June forum last year this reference in our site emergency plan. PG&E has the non-delegable responsibility for recommending appropriate protective actions to state and local authorities to cover areas to which the public has access, including those areas over water.

We put that in our emergency plan under Section 2, Scope and Responsibilities. One of the most important corrective actions that's not up here is being implemented and is still open, and it includes our extent of cause corrective action for review and evaluation of all changes made to the site emergency plan. And Doug Evans will take a few minutes to describe this project known as the emergency planning licensed basis verification project.

Marc Dapas:

If I could ask a question here before you move on? I noted when you were talking through one of those slides the bullet here about revised states procedures and training, to clarify emergency planning implementing procedures are required for screening an evaluation. That's in the context of the 50-54 Q screening and evaluation.

So, prior to August 31, 2014 did you have staff at the station that didn't appreciate that if you make a change to an emergency plan implementing procedure you ought to screen that via the 50-54 Q? I mean I'm trying to understand if that's a new revelation for the staff here, or did they appreciate that prior to your clarifying in the procedures?

Mike Ginn:

The answer is no. The staff clearly recognized the importance of reviewing changes to implementing procedures. Since 2005 regulatory information summary was issued by the NRC that clarified that for all of the industry. Our staff is trained on that risk regulatory information summary and the expectations under the federal regulations.

However, when we looked deeply in the root cause at our license basis impact evaluation program Marc, we saw that our forms for the Libby screening and evaluation had changed the site emergency plan, yes or no?

They didn't have change to the site emergency plan or implementing procedures, so we added that to clarify that as also a requirement.

Marc Dapas: Well which staffs are conducting that review? I mean that's what I'm trying to understand. The staff that would be looking at that for a yes/no answer you would expect to have an understanding that should include implementing procedures. I mean they work in the EP functional area right?

Mike Ginn: You can also have, we also did just-in-time training. We created a formal qualification as part of EP rulemaking for any changes under 50-54 Quebec for the EP staff, consisted of 24-hours of training and an overview of all of the regulations. We also conducted just-in-time training for other members at the site that are trained and qualified under 50-59, because they may look at a proposed change and just say well I'm not going to impact the emergency plan and screen it out before it would ever get evaluated by us as planners. So that's why we wanted to make sure that it was not just the emergency plan, but the emergency plan and the implementing procedures that would get flagged by project, engineers, other potential impacts for the station.

Marc Dapas: Thanks. And my line of questioning, as I indicated in my opening remarks, is centered around trying to understand the degree to which you are confident that those processes, you know, the fact that your procedure didn't say emergency plan and implementing procedures, you know, was there the potential for other implementing procedure changes to have been made and not recognized that via the 50-54Q evaluation NRC would give an approval as required because there was a reduction in effectiveness?

That's what I'm trying to get a sense for. And I know you're going to talk about the EP plan verification process, which, you know, as I look back to see if there are any other instances of that, but I'm trying to understand, you know, what is the potential that there are other similar results out there yet to be identified.

Mike Ginn: One of the, I'll turn it over to Doug, one of the extent of cause corrective actions that was implemented was a look at each one of our emergency plan implementing procedures to make sure that they were tied back directly to the site emergency plan, so there was a link. So, in other words there is not something in the site emergency plan. That has no implementation mechanism. So that was one of the extent cause corrective actions that we looked at and validated.

Marc Dapas: Okay. Thank you.

Doug Evans: I'm on Slide 12. This slide provides some of the details of the emergency preparedness licensing basis verification project. We're committed to validating the emergency plan meets the NRC approved emergency plan from 1983 change through. So going back to 1983 to make sure that we understand all of the changes that were made since 1983 up until now, which includes changes that were in emergency plan procedures.

It's a rigorous process that we're going through. Currently we have six full-time people working on it and several part time. They consist of former EP managers, our previous NRC experts, operations folks; they all have extensive experience in the areas of emergency preparedness plan operations in county or state interface.

We also have outside-the-industry experts working with us. Since 1983 we had more than 600 changes made to our emergency plans, and we've narrowed that down to about 400 that we're taking a look at as a part of this emergency plan verification project to make sure that we understand what the changes were, and to make sure that there were no changes that were made that should've had NRC prior approval.

Once we get done we also intend to give enhanced tools to the plant staff to make sure that we don't have a repeat issue. In addition to the training that Mike just got done talking about on Slide 11, we're also going to have a cross-reference document that he alluded to. We'll be able to go in this cross-reference document when we're doing 50-54 Quebec evaluations and know where all of the commitments are located for the emergency plan into the procedures. Also, a search tool that would give us information for last changes to the NRC approved plan, which is the 1983 version that I spoke of earlier.

Marc Dapas: So, Mr. Evans just to make sure I'm clear, you're saying that there are 400 changes you made via the 50-54Q that you are looking at right since 1983?

- Doug Evans: (Unintelligible), but yes. Correct. And we use a graded approach to that, of the 400 they're not all the same concern, so we actually vetted through them all, and we made sure that we're working on the most important ones first.
- Marc Dapas: Thank you.
- Doug Evans: If there are no more questions then I'll give you Tom Baldwin.
- Tom Baldwin: Thanks Doug. So I'm going to spend a few slides here reviewing this particular issue, the apparent violation and preliminary white finding with respect to the guidance and objectives on enforcement discretion. We just heard from Mike a history of a subtle change that went unrecognized for many years for the reasons he said. We didn't see a change exhibited in our performance.
- There was nothing to flag us that something had changed. And the procedure authors also did not recognize or cognizant that they were changing our expectations when they made that. We own that change. That was a deficiency and we certainly got out of step with regulation by that.
- Marc Dapas: Just a quick question Tom?
- Tom Baldwin: Yes.
- Marc Dapas: Why do you choose the characterization as subtle here? Help me understand that? You know?
- Tom Baldwin: I say that because as Mike described, our drills at that time were structured to ensure we demonstrated the necessary elements for preparedness with our county and state partners and a release over the ocean would not adequately demonstrate the FEMA, all of the FEMA objectives. And so, as a result the drills and objectives we had we saw before and after the change that the preplanned protective actions that were implemented were as specified in our letter of agreements with the Coast Guard. There was nothing to trigger us that something had changed. If we had been doing releases over the ocean, we would've seen something.
- Marc Dapas: Okay. Thank you.
- Tom Baldwin: Okay. So, while we agree that this issue did violate regulations, we note that it is not indicative of current Diablo Canyon performance and particularly our emergency preparedness organizations performance, which identified this as something different at another station. And as you all pointed out, health and safety of the public, particularly because of the process and procedures that our county and state preparedness partners use, was always protected.
- The public was not put at risk because of this deficiency, but we were out of compliance with regulations, we agree. So, we are requesting that the NRC exercise enforcement discretion for this issue, and our basis for the request, we're going to take a look at it in the next few slides, looking at the criteria and how this particular issue compares to the criteria.
- This is some guidance on enforcement discretion that I'm sure you're all familiar with, but to just briefly recap, for the (unintelligible) oversight process Manual Chapter 305 identifies that enforcement discretion objective is for the licensees to identify and resolve their problems, particularly the subtle issues that aren't likely to be identified via routine efforts, such as audits, assessments, exercise, inspections.
- The non-routine voluntary specific gas/electric benchmarking of another station in the Mid-West that said hey they do things different than us and carrying that back, entering that into the corrective action program to be investigated represents something that is voluntary above and beyond the normal required actions that us, the licensees, are required to undertake to meet regulations.
- Okay, so a benchmarking effort, we're not required to go do benchmarking, what does this station do? How do they run their program? Okay. We do pay attention to operating experience. We haven't seen operating

experience come through with respect to protective action recommendations for water areas prior to our discovery. This was news to us.

So, in looking at that we said wow this is a great catch. This is a great bring-back from this benchmarking effort. We had gone with a particular focus, but our trained EP staff looked broadly at their whole program. They recognized over something that they're not particularly tasked with going to do on this benchmarking trip, there's something different here, and they bring that back with us.

Jeff Clark:

Tom? This is Jeff Clark. I need to explore that a little bit more because I've heard discussions that say, you know, your staff recognized that it wasn't the intent to remove protective action recommendations for over the ocean area. And it was inadvertent. It was for lack of review of the procedure. So, I'm trying to understand you do a subsequent benchmarking and there's this ah-huh moment that wow now there's not that at our facility.

I take you back to like 2006, and you're conducting exercises and drills, there is not somebody in your staff that goes hey there's a change here. There used to be, you know, a facet here. There used to be an aspect here, a protective recommendation over the ocean and now there is not? And that wasn't questioned?

Man:

Tom I can help maybe a little bit with that. Jeff? Mr. Clark? The process for the ocean was considered a transient population protective action strategy similar to camps, recreation, parks, even restriction of air and rail traffic. A lot of those actions are taken early on based upon the classification level by state and county organizations that have that chain of command responsibility to coordinate with those agencies.

And it's directed in their standard operating procedures. For quite a few of our drills actions were taken over the ocean and in transient population areas well before a radiological release would've occurred at alert or site area emergency classification levels because these areas typically can take longer times to protect. So the protective action strategy was to start early.

Our dose assessment process continued. If there were a radiological release, we would share that information 360 degree throughout areas around the plant. What we tried to simplify incorrectly as the inspection report calls out is our notification of the protective action recommendation, to simplify it, to make it timely, within 15 minutes of identifying that a protective action recommendation was needed. I think that's where the mistake was made.

Tom Baldwin:

Our emergency plan did specify the low population zone is evacuated of transient populous on declaration of a general emergency. So that was implemented via as Mike said specific protective action recommendations, as well as letter agreements since the beginning of plant operations. We have the letter agreements with the Coast Guard. However, our procedures did also have us issuing protective action recommendations for those ocean areas prior to 2005. And we agree that that change was not appropriate.

And we didn't again we didn't recognize that something had changed because it wasn't intentional that we had changed that if you look at the change it specified that we added instructions to our procedure for making protective action recommendations on the description of what changed. There simply was not the recognition that there was any takeaway. They had done that revision. And then subsequently not exercising and drilling with a release, a plume going extended distance out over the ocean we never got to that point.

Marc Dapas:

So Tom do you believe that in the 2006/2007 timeframe had you exercised that type of a plume you would've identified this?

Tom Baldwin:

I do believe we would have. And again the event Mike referred to in 2006 where we started with the release out of the ocean, however by the time, the wind direction was out over the ocean, we had nothing that would have triggered need for any action based on exceeding EPA limits to either shelter or evacuate.

At the time the release started the wind had shifted. It was now a land-based plume and so we never exercised that event. However, personnel in the emergency operations facility did raise the question, hey with the wind direction going the way it is, shouldn't we recommend going further and evacuating further? There was

discussion and that was noted in the logs that they had discussed it and said if a release should initiate we would revisit that.

- Marc Dapas: Mr. Baldwin? You made comments about benchmarking. Can you explain to me? I want to make sure I understand it. Was it the result of a benchmarking effort that you identified the fact that you did not have implementing procedures that were direct PARS for over the ocean areas? Is that?
- Tom Baldwin: Correct.
- Marc Dapas: So another site had in its procedures the development of recommendations and that was? Okay? Thank you. And then I thought I heard you say that benchmarking is voluntary. It's not required by regulations. What was the context you were trying to communicate with that?
- Tom Baldwin: When we say tell issues not likely to be identified by routine efforts. So routine efforts we do audits of our program for 50-54 Tango. We do annual drills and exercises. We do training exercises. And we constantly critique our performance in those exercises. The emergency preparedness team performs self-assessments every other year as well with their program. And those are the routine efforts that we would have expected to have found any kind of discrepancy.
- And we investigated that. How come none of those every raised this issue in the past as part of our root cause? Okay. We found that because of the subtleties and the understanding from across the organization and particularly in the emergency preparedness organization that the ocean was protected. We had a strategy. It was working. There was not that question to say do all of the dots connect?
- And when we do audits of 50-54 Quebec, those changes, and say were all of these done? Appropriately, because we do sample the changes as part of our 50-54 Tango audits we get those. We look at those. We look at the last two years. And so there might have been one opportunity, but after that the next 54 tango comes along you're not looking back to the start of the plan operations.
- Our EPLBVP is doing that. We are going comprehensively into this potential area and making sure there were no other changes that were incorrectly implemented.
- Doug Evans: Tom?. Can I talk to you for just a second? So we do benchmarking because it's the right thing to do. We want to do the right thing voluntarily.
- Marc Dapas: Yeah, because quite frankly I already say benchmarking is voluntary. It's not required. If you're not benchmarking, quite frankly, you're seriously behind the power curve there right, because you can be focused in here. You can have your self-assessments, et cetera. But by virtue of benchmarking there are learnings that have been identified by other organizations that you can bring back to your facility right?
- Tom Baldwin: We agree. We think benchmarking is the process by which we maintain our health and maintain our performance up with anybody else and seek to be the industry leader in our performance day-in, day-out.
- Jeff Clark: So Tom when you identified the benchmarking you identified a delta, what you saw in other facilities and in yours. You entered that in your corrective action program?
- Tom Baldwin: We entered in our justification to investigate we identified what our plan required, which was our arrangement with the U.S. Coast Guard and the taking action. It meant classification. And we did not identify it as a violation at that point. When your inspectors came on and questioned we entered dialogue and we did undertake investigation to what our true licensing basis was.
- Jeff Clark: So what kind of priority or significance did you put on it when you first identified it?
- Mike Ginn: It was screened as a no report ability, no operability concerns and as a Level 5 improvement item.
- Jeff Clark: Okay. Thank you.

- Marc Dapas: Just to clarify here since you're talking about the guidance in '03 and in '05, just to make sure, see who can understand, your view is that it was acetylation not likely to be identified by routine efforts. Routine efforts being self-assessments, audits, et cetera, not benchmarking as an example of a routine effort because the benchmarking is voluntary versus required by the regulator. Is that the distinction you were trying to make?
- Tom Baldwin: That is correct.
- Marc Dapas: Okay. Thanks.
- Bob Kahler: Hi. This is Bob Kahler from NRC headquarters. I have question with regard to that issue about issues not likely to be identified by routine efforts. I heard the panel discuss the 54 T reviews, 54 tango reviews. And my understanding of that regulation is that it is supposed to be done by individuals who are independent of emergency preparedness, and would perform an overall review of emergency plan. I'm sure if you're on a one-year or a two-year frequency. I one-year frequency I see indicated.
- So, if you're on a one-year frequency and it's being independently reviewed from 2005 through 2013 there were obviously opportunities where this independent review, which could be done by outside individuals would come in and compare what they have in their plans against what you have and such. I would like to know why you would characterize that type of a review as being a routine effort that wasn't likely to pick it up since protective action recommendations would appear to be a fairly significant portion of your emergency preparedness planning and your implementing procedures.
- And if you still consider the 54-tango review? That was the first part of the question Second part of the question is are you doing anything with that review process to see if that review process is effective in picking up these types of subtle issues as you would call it in the future?
- Tom Baldwin: Let me see. There are a couple of changes that have occurred in the industry since 2005. I would say the publication of the Reg 2.219 was a watershed event. That provided very clear guidance for what is and is not a change of effectiveness or a decrease in effectiveness. And that gave everybody a very clear benchmark that everybody could understand.
- Prior to that time we, much like the rest of the industry, had the guidance that was out for inspectors and we used that and the risk that came out 2005 with respect to what should be assessed with respect to reduction and effectiveness. What constituted reduction and effectiveness was not clear. Nonetheless, this particular change was not identified as a change right.
- These sponsors scribed that they had provided additional details with respect to making protective action recommendations. So without calling out that we have restricted the area for which protective actions are required to be issued, unless you are looking specifically for where this applies. You have to ask the specific question. It doesn't trigger to oh that's a reduction in effectiveness.
- And if you don't as the question like (Unintelligible) did when he came onsite, how do you communicate a recommendation for protective action over the ocean? When you look at the procedures it becomes immediately clear. Until that specific question is asked, it does not become apparent. So there is a subtlety there. Our quality assurance oversight organization has been trained on Reg Guide 2.219. They are aware of this event. And they have looked at their processes and have been very critical since Reg Guide 2.219 was published. And like I said, they have qualified to this process as well.
- Mark Haire: Tom? This is Mark Haire. I don't want to pile onto this question, but I do want to add an additional thought and maybe a question. You are currently at the point in your presentation where you're making a proposition that NRC should consider enforcement discretion and you're pointing to our own guidance and the circumstances of this case in saying this is a case that you think fits the circumstances that we have in our guidance.
- I just want to point to one element of our guidance for exercising discretion for this kind of issue would be do we think that there was reasonable opportunity for the licensee to have identified this issue in the intervening

years from 2005 to 2013 when it really was identified. And for us to be able to answer that question we look at for instance the 54 tango annual reviews and we ask why wasn't it reasonable for you to have identified then?

And then we also look at, you mentioned your drill and exercise program and how, you made this statement, if we had been doing releases over the ocean we would have seen this problem because it would've forced you to try to make a protective action recommendation beyond the five miles, and you would have realized your procedures don't have anything that covers that and you would have identified that.

And I guess for us to say it would not have been reasonable, we would have to say to ourselves it's not reasonable for you to exercise your entire 360 degrees of emergency planning for eight years. And that's hard to answer that question as reasonable. How are you answering the idea that it's reasonable for us to accept that you would not exercise all 360 degrees of your emergency-planning zone over an eight-year period?

Tom Baldwin: I understand your comment. But, again we refer back to the federal objectives for demonstrating capability, which would direct us to do it over land. And that's also aligned with the highest risk to the public. And where there's the greatest challenge, the greatest amount of interface with offsite agencies, and the greatest challenge for the offsite, as well as the onsite agencies.

So, by focusing on that area we are taking a risk-informed approach. I understand your comment that we really should be exercising 360. That was our takeaway from this recognition. And, as Mike said, we are modifying our programs to go into all areas to make sure that anywhere the wind can blow is fair game and is capable. It was not set up at that time that way, and it was particularly focused to where it was for a good reason. And again it's risk-informed and not all stations are hovering on water.

Marc Dapas: Yeah I just want to offer one perspective here, we did communicate as we were laying out the ground rules and discussing the context of this regulatory conference. We have not made a regulatory decision here. The questions are meant to be in the context of seeking to understand why you feel in this case discretion is appropriate here. I do think that's a good question that was asked by Mr. Haire.

We do have to look at was it reasonable for you to have identified this. But I think what we ought to do here is let's hear the other factors you think we need to consider as part of looking at exercise of discretion here. But I do want to emphasize do not assume based on the questions here that we've already reached a decision. We are seeking to understand and want to ensure that you have thoroughly thought through why you feel discretion is appropriate here.

Tom Baldwin: I appreciate that. And I also appreciate your sharing your perspectives with us because it really helps us be more self-critical as well. Thank you.

Man: So with respect to the enforcement discretion just very briefly we note that the enforcement policy provides the NRCs ability to assess the merits of each particular issue and adjust the enforcement action to be taken based on the merits of each case. And again that's what we're asking for here is let's look at the merits of the case. We'll have a little bit more discussion coming up.

Again with existing NRC guidance, this is a particular case of enforcement discretion. We recognize that this is particularly for traditional violations. It's a violation involving special circumstances. In this case the guidance notes that discretion is expected to be exercised on where application of the normal guidance in the policy is unwarranted.

So with emergency preparedness issues they tend to be fairly prescriptive in terms of how significant they are. When we look at this case, as we said, this was a deficiency with respect to issuing protective advance recommendations for the ocean. It wasn't with respect to the land, and the enforcement significance to termination process for the direct oversight process, as well as the enforcement policy examples do not differentiate whether it is a permanently populated town nearby the plant, heavy population that is going to be very difficult to protect, it's heavy challenge, or a very sparsely populated area such as the ocean that's got mobile boaters. And Coast Guard reports typically we've got in a ten-mile radius eight to ten boats out there at any given time. Those are normally fishermen.

So Pacific Gas and Electric notes that this particular issue we feel merits consideration for not only the traditional enforcement, but also reactor oversight process like finding as well, again because of the objective of enforcement discretion. Let's take a look at these highlighted factors for considering special circumstances on the next slide. Excuse me.

When we look at the age of the violation this procedure change was made nine years ago. And as we've discussed several times now our exercises were focused on the highest risk, greatest coordination because that's where the greatest expected challenge was going to occur in being effective at protecting health and safety of the public.

The significance of the violation all of us are recognizing that because of the arrangements that had been preplanned and put rigidly in place with the Coast Guard, as well as our county and state preparedness partners, there was no immediate safety concern. The county and Coast Guard were always aware of the strategy. We're dealing with a very low mobile transient population that had the capability of getting out of the area should they receive the marine broadcast signal or the Coast Guard come take action to have them evacuate.

Clarity of the requirements, now in this case we look at 10 CFR Appendix Echo, definition of emergency planning zone. It states that the file shall be determined in relation to local needs such as affected by conditions such as demography, topography, access routes, you're looking at evacuation times, jurisdictional boundaries, how do you communicate with these people? How do you get them out? There is no mention of water areas.

And, in fact, when we look through multitudes of guidance documents over the years we don't see water mentioned. It wasn't up until just a few months ago in September of 2014 when the significance determination process was revised to footnote that protective action recommendation for populated areas includes areas over water that are only subject to transient populations. So, that was a good clarification. We didn't see that out there before.

Now, again we're not saying that that was not already part of our scope of our emergency preparedness program. It was and should have been. It was our deficiency in doing that. However, that contributes to changes being made, changes not being recognized particularly as Mike had described the factors, why would people not trigger to this in advance knowing you had a healthy strategy. We had a healthy strategy that was being demonstrated for the ocean areas.

And without the plan itself being clear, remember the map that Mike showed what was in our original 1981 emergency plan, that didn't extend out over the ocean. We also had multiple definitions of emergency planning zones, such as a basic emergency planning zones, state basic emergency planning zones, basic federal basic emergency planning zones.

And they described different emergency planning zones. The scope of our emergency plan specifically pointed to the figure that Mike showed. So it really muddied the waters with respect to what we were obligated...

Man: Say that one more time for me please?

Man: The scope of our original emergency plan that was reviewed and approved, that specified that, in words it said the federal requirement is a ten-mile radius. It said the state did a study and expanded upon that north and south, and as a result because the requirements were after TMI given to states to study and assess and modify as necessary the emergency planning zones, we chose to expand on the minimum and we implemented the state basic emergency planning zone. That is what was stated in our original emergency plan. And it referred directly to that figure that was part of our emergency plan.

Marc Dapas: Okay. Thanks. I'll tell you one of the things I'm struggling with with this clarity of the requirement and the associated guidance is when it talks about your emergency planning zone sizes shall be determined in relation to local needs such as effected by conditions such as and it gives examples. Such as is not all-inclusive here, so while it doesn't discuss water areas, I'm not convinced, therefore, it shouldn't have been included when you are assessing local needs as impacted by conditions. And your other slide/bulletin and the point you made was

expectation will provide protective action recommendations where the EPZ was only clarified last September to include transient populated areas over water.

While I have not done a study to validate this next comment, I'm aware from my experience in region one, and there are plants that are located along the ocean that do have implementing procedures for protective action recommendations for areas over the ocean. And it was in place before last September. So they are looking at the same guidance that you would indicate the clarity of the requirement and the associated guidance are clear.

So, I'm quite frankly struggling with that, you know, and one could say Diablo Canyon is an outlier in that regard here, you know, because it's the same guidance that existed for the other sites that do not have this gap.

Tom Baldwin:

I understand. We did take a look at a number of other sites as well. We have found many sites that did have specific actions such as the one we visited for water areas and we are aware of one station right now that also has an unresolved issue open that bears a striking similarity to this concern. So, lastly on this one, the expectation we already talked about was made crystal clear to the whole industry with the revision of the significant determination process.

The overall Diablo Canyon performance was good. We've had no escalated or greater than green violations in the past two years. Some other factors we're considering are the fact that PG&E did identify the issue with a healthy questioning attitude on our benchmarking trip, noting the differences in practices. Clearly our emergency preparedness staff is always looking how can we do things better, and clearly this was the difference and it was better, but it also stuck them something wasn't quite right.

Based on the robustness of what actions we're taking, I think you'd agree that the significant enforcement is not necessary to send a message to a Pacific Gas/Electric that we need to pay attention to this is. We need to take this seriously. We are taking this very seriously. We're committing significant resources to ensuring there's nothing else out there, or correcting anything else that is out there.

And last, the violation and finding is not indicative of current performance of our EP organization, and our drill performance. So in summary, what we're requesting is application of enforcement discretion to the finding violation consistent with the objective of Diablo Canyon identifying and fixing its own problems. We request specifically for the rector oversight process proposed white finding, keep the white finding. Issue a white finding; apply enforcement discretion to it, if you want to conduct a 95001 inspection. We welcome that. We have conducted a root cause. We know how we got here. And we welcome that assessment.

Marc Dapas:

Your thought here is one of the things you are proposing is issue the white finding. We could conduct a supplemental inspection just in terms of action matrix movement. Your view is you should remain in the licensee response column?

Tom Baldwin:

Correct. And not aggregate this particular issue with any subsequent issues.

Marc Dapas:

That's basically to me it's like issuing the white finding but not calling it a white finding. You're not treating it in any aspect. You know, to me either you make a decision, we'd make a decision not to issue a white finding or issue a white finding not, you know, issue it and call it anything else but a white finding.

Man:

It's more Marc in the guidance of asking for an action matrix deviation.

Marc Dapas:

Yes, but the point that was made about, you know, if you had a subsequent white, not looking at it you've got two whites in the same cornerstone or whatever this is so it's not treated...

Man:

Not treated, as it would be.

Tom Baldwin:

And if we look at the reactor oversight process application enforcement discretions such as for an old design issue you would see how that is handled is the white finding would be issued, enforcement discretion would be applied and that finding would not aggregate with any future issues. So, a recent example had come across I

wanted to say Vogtle. And we didn't see them in either column. I'm saying it's not without precedent. It does appear to me the existing definitions in the 305 guidance.

Marc Dapas: I do have one question here; you're going through your EP licensing verification. You could very well identify additional examples where per your 50-54 Q NRC approval should have been sought.

Tom Baldwin: We could.

Marc Dapas: Okay. I have another potential white finding there. What is your, you know, you've talked about exercising discretion for this white finding, you know? It's not clear to me the confidence you have yet whether there are going to be other I'll call it latent findings there that have yet to be identified as a result of your more thorough review here. And, you know, how would that be treated here, because, you know, the point here is that you would not look for any type, I'll call it aggregation.

We wouldn't treat this white finding as a white finding in the context of if you have another issue here in EP, you know, you wouldn't have two white findings in the same cornerstone here. And you potentially I might guess would be looking at discretion for that. So, I'd like to get a sense for what are you, you know, what are you finding from this licensing basis verification project specific to the EP? And do you feel there is vulnerability for other examples of where you didn't exercise the 50-54 Q process appropriately?

Man: So I can speak to that Marc. Sorry, Mr. Dapas. We've got a total of 400 issues that we're going through. About 85 percent of those have been screened, not necessarily closed and we find no issues with those. The top level issues we had about 33 that we thought might be risk significant or might represent changes that should have been approved by NRC prior to making them. Out of those 33, 32 are complete. Two of those resulted in what we perceive as degradations...

Marc Dapas: Reductions in effectiveness.

Man: Correct. That maybe should have been sent to the NRC prior to approval for approval. Those have been entered into corrective action programs. We screen them both for operability and for report ability and they were negative for those screens. We did have to put compensatory measures in the control room for one of those two.

We did not put compensatory measures in for the second one because it just happened to be time such that we were able to put multi-unit dose assessment in to control them as a part of our Fukushima volunteer response. So, of those two issues that were the most significant we now have multi-unit dose assessment in the control room and there are no compensatory measures and the issues have been resolved, but are still going through the cap process.

Marc Dapas: Okay. Thanks for that, so really what I think I'm hearing is you had two issues. You took appropriate actions to address the gap right?

Man: Correct.

Marc Dapas: But those two issues do still represent, well they're two additional examples of where based on your own conclusions - meaning your organization's conclusion that a 5054Q should have reached the conclusion that NRC review and approval was required because there was a reduction in effectiveness, right?

Man: Is the answer yes?

Tom Baldwin: Yes, that's correct. The project team and the emergency preparedness staff look closely at those issues and determined that - they're put into that bin.

Marc Dapas: Okay so you'll subsequently be communicating that to us formally or how...

Man: We have proactively communicated with our resident inspector and the region on both of those issues already I believe, right?

((Crosstalk))

Man: And that was with communication to Tom and - was it (Gilbert)? I'm not sure, I'm sorry.

Wayne Walker: I can give you that.

Man: Okay.

Marc Dapas: Well thanks, I didn't appreciate until just now that we had two additional examples here as a result of the licensee's self-assessment extent of cause review. So we have two examples here where -

Mark Haire: My inspectors are telling me that they haven't heard of these (unintelligible).

Marc Dapas: Okay well we'll find out whether the NRC was aware of this previously or whether this is the forum for us to learn of that but it gets back to my point here, we have to look at those and determine what's the appropriate disposition here.

Tom Baldwin: And we've also got about five other lower level issues that will result in emergency plan changes to make things more clear. So we are finding a variety of things.

Marc Dapas: Right. Now just because there was a reduction in effectiveness and NRC review and approval is required doesn't mean that there was a safety issue there that we'd have to evaluate. That gets to the significant, right?

Wayne Walker: Correct.

Marc Dapas: Of the 50-54Q deficiency if you will. Okay, thank you.

Jeff Clark: Marc you make a good point and Mr. Baldwin I appreciate you stepping us through this discussion of enforcement discretion. One point I want to make - and it dovetails into what Marc just said. This violation that's before us in this conference today is not based on a failure of your emergency plan. We acknowledge, we clearly stated in the inspection report that public health and safety was always maintained by the provisions that you had, those agreements that you had with state and locals.

The described violation is degradation and a failure, something that would not have been covered by those agreements by your plan to protect and make assessments and make recommendations to those folks over would water. That would have been a more significant event.

Tom Baldwin: I agree and thank you for that clarification Mr. Clark. So lastly with respect to the traditional enforcement violation we are asking that be set aside as enforcement discretion for special circumstances and not be issued. So with that if there are no more questions for me I'll turn it over to Mr. Allen for closing remarks.

Marc Dapas: Go ahead. No, no, go ahead, I'm sorry Mr. Allen.

Barry Allen: Okay again I'd like to start out by thanking you for giving us the opportunity to come discuss the issue with you today and give you some of our background and our perspective. I think you ask yourself and I think it was asked pretty early how do you understand the extended cause of this condition. We have made a huge commitment to go answer that question and does that create vulnerabilities for us going forward? It does.

We could have elected not to do an EP license basis purification project and not had probably the risk that we feel right now but the right thing to do is to get clarity in our licensing (unintelligible) and that's why we're so committed our emergency plan that the right thing to do is to go do this project and to get great clarity where we have clarity to know how to operate, you have clarity on how it ties back to regulation and we'll be in great shape going forward.

And I think when we get that clarity in our licensing basis I think then tools we have such as doing the 50-54 (unintelligible) reviews will get us better results because we'll have more clarity in our program. I think we'll have more clarity in our controls, more clarity in our implementing procedures and our audits and assessments and those type of tools that we use I think will be much more effective with a cleaned up emergency preparedness LBVP.

So it's very significant effort and it is not without cost. We do hope to have it wrapped up midyear this year. So we're not delaying it. We're being very aggressive to try to get through this emergency plan, tie it all back to what we're committed to in 1983 and then be in good stead going forward from a regulatory perspective.

And I think several questions, good questions on why did you not see it, how could you not spot it. One of the things I thought about was is - and we described this earlier. I'm not sure we made a strong point of it but every time we run a drill or exercise with a general emergency we're evacuating out over the organization. The organization sees evacuation over the ocean every time we get up to a (unintelligible) or general emergency.

And I think that leading one falsely to say hey, we have the right process in place that's happening. We didn't ask how that's happening. How is because we tied it to classification level versus our non-billable responsibility to issue a par but if there was a false flag here that probably gave the organization a false impression that we were doing the right thing relative to the ocean pars it's the fact that every time we run through a scenario over land we're still evacuating six miles out in the ocean and that probably did not help us come to a realization that we were missing the mark there because we were getting the same results of evacuating to the ocean before and after the 2005 procedure issues.

If that had gone away that certainly would have been a big flag (unintelligible) used to evacuate over the ocean and now we don't but I think we probably fell somewhat into that trap. But I appreciate the opportunity to let us share the information with you today. I appreciate the good dialog and the good questions. Thank you for those and that concludes my remarks Mr. Dapas.

Marc Dapas:

Thank you Mr. Allen. In a minute here we're going to caucus to determine whether we have any additional questions and then I'll close subsequently and then we'll make sure we provide an opportunity for members of the public and government officials that are listening on the phone to ask questions but I want to make sure I'm clear on this point because I've expressed some particular interest in understanding your extent of cause evaluation in this EP licensing basis verification project.

But is the reason why you did not highlight that there were two additional examples where the 50-54Q conclusion was incorrect and that NRC review and approval should have been sought because you thought you had already communicated that to the residents or the regional inspection staff?

The reason I'm asking that is because it certainly in my view would have been appropriate for you to have identified that finding here in this discussion today, so that's why I want to ensure that I have a clear understanding that you felt you had already communicated that to us.

Barry Allen:

Yes, it's excellent feedback. Both of the areas are still in the corrective action program process for evaluation in context. Upon discovery and discussion with the project team we briefed the senior resident inspector and I'm not sure how we briefed the region. I just don't have the details of that.

Man:

(Unintelligible) follow up on that because...

Barry Allen:

We will.

Marc Dapas:

Right but the context for me here quite frankly is you're asking for discretion here and then is it next week that we would learn that oh, there are two other examples here. That's why I'm exploring this to the degree that I am. Okay, thanks. Go ahead Mark.

Mark Haire:

Okay we're at the point in the conference -- this is Mark Haire for the NRC. We're at the point in the conference where the NRC is going to move to a separate room for a caucus. So I would ask that the people

who are on the phone to stand by. We think we'll probably take 10 or 15 minutes. The licensee is welcome to remain in the room and relax.

I recommend that you put all your microphones on mute just so that your small talk is not recorded on the recorded line and we will come back and resume the conference in about 10 or 15 minutes with any final questions we have before we close and move into public questions and comments.

So we're going to take about a 10 or 15-minute time for NRC personnel to caucus in a separate room.

- Mark Haire: Yes this is Mark Haire, are you still there? This is Mark Haire with the NRC, are you still there?
- Operator: Yes Mr. Haire, you're back in the conference.
- Mark Haire: Okay great, thank you. The NRC team has completed its caucus. We do have a number of follow-up questions we want to ask and so I'll turn it over to Jeff Clark to ask one of the questions.
- Jeff Clark: Gentlemen I'd like to go back to the discussion we had on your identification of the issue and I had asked the question how did you capture that in your corrective action program and you identified it. I'd like to explore that a little bit more. You specified what level it was. That level, could you explain to me what your required actions are by your program?
- Tom Baldwin: That was a DN5. What that is is our issue point of entry. And so it goes in as a question. And so like any notification we're required to follow up, assess it, disposition it; however it doesn't have an increased level or urgency or sensitivity. It's not identified as a quality problem at that point; it is identified as a question.
- Jeff Clark: Okay. And how would that tie into the engagement that you all had with our inspectors?
- Tom Baldwin: The inspectors asked the question how do we provide recommendations for areas over the ocean and we noted that hey we had just asked that question. So it wasn't that we had identified there was a problem, we identified the strategy by which we address the ocean however we had not at that point come to a conclusion or determination there was or was not a problem. And (Mike) might be able to add some more.
- Mike Ginn: Thank you. Mike Ginn, Emergency Preparedness Manager. The screening of the issue from the benchmark trip is consistent with our station procedures for benchmarks and self-assessments. Typically where you identify a difference from a station that you want to evaluate for implementation at your site gets categorized typically under the designation of a five for evaluation. So it was consistent with that.
- However once questioned by the inspectors we quickly re-categorized the issue as a higher classification and implemented I'll say the in-depth analysis required to implement the corrective actions that I described within 30 days.
- Jeff Clark: So what I'm trying to explore here is yes, you did go out and you did a benchmarking, yes you did see a difference between what you did and another station did but you had not vetted that, you had not explored that there was a discrepancy with your plan implementing procedures, you hadn't identified that there was a problem with your screening and what you had done in 2015, it was just basically entered into your corrective action program for evaluation that there was a delta.
- Man: Yes, (unintelligible).
- Jeff Clark: Let me shift gears here. Was there also a recognition at that time we had talked through this conference about always preserving the evacuation and the collaboration that you had with state and locals, specifically the coast guard doing this. Was there a realization at the time that you entered this into your corrective action program that the coast guard was going through a process to drop that automatic (unintelligible) PARs?
- Tom Baldwin: Mr. Clark the station had met with the United States Coast Guard and routinely does communicate with the Coast Guard on the one-mile security zone that was implemented post-9/11 around the facility and their

protective action strategy. We met with - I'm not sure the year. It was maybe early 2010 the United States Coast Guard out of Long Beach discussed the process that was implemented for the ocean and their evaluation of the need to potentially change that process.

However based upon input from the Federal Bureau of Investigation, the local law enforcement agencies, the licensee and others who participated in that discussion with the coast guard no change was implemented. So we were not under the impression that any further change was being proposed.

Marc Dapas:

And the context of the questioning here is you had indicated when you first identified this issue that it was treated as an enhancement and what you have said earlier in the conference is there was no intent to modify the procedure such that protective action recommendations over the ocean would no longer be part of your process there. You talked about it was a subtlety here, it wasn't recognized, that that was the result here. And the NRC inspectors engaged your team here and talked about there was some awareness that the county was working with the Coast Guard and there may be some changes to their process here.

And you're treating it as an enhancement versus there's the clear recognition our procedure should require that, there's a gap, they don't, so we need to ensure that they do versus it's an enhancement and you're saying public health and safety was not at risk. And that's true however there could clearly have been a change by the Coast Guard in what practices they implement as a result of discussions with the county here and it would then further highlight the importance of ensuring that your procedures would provide for protective action recommendations such that you're not relying on those measures that the Coast Guard was putting in place as a result of interactions with the county, measures which could change.

So that's the context here of this questioning to understand why would you treat that as an enhancement if as you've offered there was always the recognition that we should have procedures in place but there just wasn't a recognition that that gap had been created. Do you follow what I'm saying?

Tom Baldwin:

I think I do and just to be clear if we describe the enhancement for the 2005 procedure what we were referring to is in the description of change they say they enhanced the instructions for issuing the pars, they provided greater detail. While they changed the instructions they didn't say that they had eliminated anything and so I was not proposing that the specification of a protective action recommendation would be an enhancement. I fully agree with you that that creates a vulnerability by not specifying it in our procedures and that's not one we were willing to live with and that's why we corrected.

But at the same time the lack of recognition and the description of the changes that were being undertaken by the 2005 change were describing it as nothing getting worse, only enhancements and improvements to ensure we're doing our required notifications. And obviously there was more in fact being done by that change than what the authors recognized.

Marc Dapas:

Mr. Baldwin I'm going to go back to we're asking these questions in the purpose so that we can understand and we're not trying to draw a conclusion here but when I go back to a couple statements don't seem to align here on what you're saying. I heard presented that we would always recognize that we needed to make protective action recommendations for over the water. Had we exercised in 2006 or 2007 this we would have recognized that we had inadvertently removed it but now you put it into your corrective action program and somehow in your process you did not recognize at that time that that was a deficiency.

Your initial vetting process of entering it into your corrective action program, your CRG or whatever you call it for your initial develop did not capture that fact at that time?

Jeff Clark:

Let me try to address that if I might. Any time we go on a benchmarking trip we will see that other stations do a lot of things differently than what we do, and your inspectors certainly get a sense out that out from going to different stations and achieving objectives but using different methods to get there depending on which station you're at.

This was one item on a list of things brought back that were just different that we saw at the other station. So it didn't come back to the station as this is a deficiency or this is something we need to do, it was hey they do it

differently, we should take a look at that and evaluate that and it might have value added or our process may not need to be revised.

So it didn't come in with any high significance. It just came in as a delta observed on the trip which was an office (unintelligible) we were benchmarking, focused on, not just (unintelligible). A little note, hey that looks different, we'll take a look at it. So the initial screening team would have seen hey here's a potential enhancement item that came back from a benchmarking trip, not a deficiency.

Man: Okay.

Jeff Clark: Had it been characterized or seen as a deficiency we would have prioritized it differently.

Man: Okay thank you. Mr. Clark and (unintelligible) just a couple clarifying points about the agreement with the United States Coast Guard was between PG&E and the United States Coast Guard, not just the county. The county had a separate agreement with the United States Coast Guard in addition to the PG&E agreement with the United States. Our dose assessment results in capabilities continued (unintelligible) 360 degrees, sharing that information. What lacked was that notification of that par for that ocean area.

I think a range of protective actions - well they were all developed in close coordination with our state and our county emergency response organizations. A range of protective action for the ocean area relied upon the classification levels, the actions taken early on if possible prior to a radiological release however we recognize our responsibility as a licensee to issue protective action recommendations for all areas of the plume exposure pathway (EPZ) and that is the change that we made back in 2005 that took us out of compliance.

Man: Thank you.

Bob Kahler: I do have a few items I'd like to get some further answers with and it has to go back with when we were talking about the 54T, the 54 Tango review itself which is an annual review. You characterize it as one of those routine efforts which would have maybe not caught this as you had identified as a subtle issue. And the answer that you provided earlier you discussed the fact that you took your QA department, you've trained them more on the 54Q process, trained them on the reg guide 1.219, how it's to be used, whether it's being used correctly and such.

But the 54T process itself goes beyond that I believe and I think we are all in agreement with that. Is there in the future something that you would have the QA department do differently for you as far as the EP group to ensure that the review that you are having them provide to you as an independent reviewer be adequate to be able to identify these kind of issues. What is it that you're going - is there anything you're going to be doing in the future?

Mike Ginn: I can speak to that, Mike Ginn. Actually a section Mr. Kahler in our root cause report reviews the quality assurance program audits of EP and specifies information and goes into the effectiveness of those audits. From the quality verification - and I'll reference (unintelligible) quality verification program performs three different types of evaluations of emergency preparedness, their formal audits required by the quality assurance program under 10CFR5054 Tango and that's performed annually, and assessments that augment the audit program as needed by the quality verification.

They also do short-duration observations as well. The auditors recognize the need for independent peer assessors in these audits and have recently incorporated peers independently from other stations to come out. And these are typically EP manager level representatives that bring questioning attitudes about how they perform their program functions to these audits and assessments. That led to in 2013 the questioning from a peer auditor from Comanche Peak I believe it was regarding the licensing basis of our emergency plan which led to the licensing basis verification project.

So they have recently strengthened their auditing program including peers and gone beyond I'll say the typical audit process and helped us identify some pretty significant issues.

- Tom Baldwin: There was a good lead-in then because I want to discuss a little bit about that EP licensing basis verification project. I heard how it went back to take a look at 400 changes that were made to the emergency preparedness plan and to see if 54Qs were appropriately performed. I was wondering beyond that does your licensing basis project including not only changes made but taking a look at anything since the emergency plan was approved back in 1981 time frame the need to make a change to the emergency plan that was either ordered by NRC or whatever, some other requirements that were added along the way but were dispelled to the group prior to the basis project.
- The lack of identifying the need to incorporate it, is that going to be part of the project? Can we expect that or is it only looking at the 54Q changes that were performed rather than making sure the basis for your emergency plan has been kept up to date with everything since it was conceived.
- Man: Tom you may want to speak to the root cause, extent of cause and the programs including the emergency plan validation against the regulation.
- Tom Baldwin: So the review is looking at changes to the plan from original to now and assessing all of those. Many of those might not have gotten a 54Q review. So we're not looking at only 54Q reviews to determine adequacy, we're looking at whether those changes truly met the requirements as clarified by reg guide 1219 for changes that we can make or whether they require NRC review and approval. With respect to subsequent changes that might have been issued via bulletin notice RIS from the NRC I'm not sure I fully understand the nature of your question and where that might apply.
- And (Mike) is probably going to know more about EP than I to say how we would capture that.
- Mike Ginn: (Unintelligible) we go back to the reviews of as you mentioned RIS's information notices, bulletins, orders, whatever may have been issued and whether or not there would have been an impact on EP were they properly reviewed to see if a change was needed to your emergency plan such that your basis for your emergency plan was kept in alignment with all of the requirements since it was originally approved including rule-making that may have happened.
- Man: Well you can still do a 5054Q associated with that right because if you look at say information in a regulatory issue summary and determine gee, there needs to be a change to the emergency plan don't you have to evaluate that change in the context of 5054Q?
- Man: You would but what I'm questioning is if the group, the emergency preparedness group or whoever was reviewing that risk had said no change was required when in fact one was required.
- Marc Dapas: I got you, so no 5054Q was even initiated.
- Man: That's correct.
- Marc Dapas: That's the subset.
- Man: That's the subset.
- Marc Dapas: Because what I described should be within the 400.
- Man: That's absolutely correct. I'm thinking about items outside of that.
- Marc Dapas: Got it.
- Man: To ensure that your licensing basis is indeed appropriate for your emergency plan.
- Man: One of the extent of cause corrective actions that we initiated as part of the root cause was a line-by-line review of the regulations associated with the 16 planning standards and appendix echo to validate that they were satisfied in the current site emergency plan. So that creates the framework for compliance with the regulation

with the site emergency plan and then from there evaluate any changes that may have occurred from our original SER-approved emergency plan.

So that was part of the extent of condition for the root cause. We also looked at other plans including the quality assurance plan, the security plan, fire protection program, 5059 licensing basis impact evaluation program, the in-service test program, maintenance rule program and environmental protection program to see if any other changes from these programs had occurred over the history of the station that could potentially create some regulatory compliance issues. So we did not just limit the extent of cause to validation that the security plan met the compliance. We also looked at the other programs as well.

Man: And really this is more of a comment than it is a question. When you were discussing about the exercises that were being conducted and this issue about having the need to assess a release over the water because the (unintelligible) are geared more toward - they're focusing toward land and such.

We would expect that your drill and exercise program as a whole over an exercise cycle as required by regulations in Appendix Echo would exercise all major portions of your plan. And part of that major portion would be to ensure your protective action strategy or development of recommendations to the state would include all possible release points and all possible release paths. And that would be encompassing major portions especially for that B10 risk significant planning standards. So to rely upon only the (unintelligible) exercise to ensure that you're getting an adequate scrub of your emergency plan is not what that drill and exercise program and Appendix Echo 4F is trying to require out of you. It is to look at all major portions.

Man: Do we have any other questions? I think that covers it so let me move into the closing part.

Mark Haire: Okay this is Mark Haire again. We're done with our final questioning. We're ready to begin the closure of the meeting. And first in closing I'd like to remind everyone that the apparent violation discussed at this conference is subject to further review and may change prior to any resulting enforcement action and I would invite any closing comments from NRC senior management.

Marc Dapas: Thanks Mark. This is Marc Dapas. Let me just check do any other members of the team have any questions that we haven't addressed. Okay thank you. Well Mr. Allen I would like to thank you and your team for the information that you have provided us today, your response to our questions and the engaging dialog that ensued today as part of this regulatory conference.

You made a statement at the beginning of the conference Mr. Allen that we own the finding; we have corrected it and implemented measures to preclude recurrence. I think you have clearly described the basis for that overarching statement.

You have pointed out the agreements that were in place with your partners, the Coast Guard, and that speaks to whether public health and safety was at risk during the period where you did not have specific prescriptions in your emergency plan implementing procedures to develop protective action recommendations. And that's consistent with what we've communicated in our inspection report transmittal letter where we characterize the preliminary risk significance of the finding that we're talking about today.

I do think you clearly have discussed the ability to implement appropriate measures and actions as part of the EP function during your drill and exercises such that you have demonstrated the ability clearly to develop protective action recommendations and we certainly don't question that but I do think that the emergency preparedness function is circumspect, whether it's a transient population over the ocean or whether it's a densely populated area on land protective action recommendations are intended to be all-inclusive here and I do think you recognize that but it is certainly important to keep that point in mind here.

I do think you fully communicated the basis for why you feel we should exercise discretion with this particular finding. I do think we need to reach a clear understanding on these two additional examples where you've self-identified that there was a change that was evaluated via the 5054Q and your organization reached the wrong conclusion in terms of whether it constituted a reduction in effectiveness and therefore would require NRC review and approval.

I think you spoke to the safety significance of that and the compensatory measures you put in place but I think we do need to understand that in the context of meaning understanding those two issues in the context of whether exercise of discretion is appropriate for the finding that we were talking about today.

I am glad to see that you are focusing on getting clarity in the licensing basis by virtue of your emergency preparedness licensing basis verification project. You indicated that you're going to complete that midyear and that you're aggressive in wanting to complete that and I do think that reflects doing the right thing here because you truly want to know if you have maintained the licensing basis in the emergency planning function. So that is the right thing to do. Independent of what the findings may be. The findings will be what they are and we'll determine what's the appropriate disposition based on the safety significance. But doing that review is the right thing to do and I want to acknowledge that we recognize that and certainly give you credit for that initiative.

So as communicated earlier on this is a pre-decisional regulatory conference. We will be evaluating the information that you've provided along with I think we need to seek clarification on the two findings that you talked about (Mr. Evans) specific to the 5054Q examples. And then we will deliberate on whether we think the application of discretion is appropriate and what should be the final disposition of this and we communicate that to you clearly via separate correspondence.

So with that we will conclude the regulatory conference and I'll now turn it over to (Mr. Haire) so that we can engage members of the public and government officials with any questions they may have. Thank you.

Mark Haire: Thanks Mark. So this does conclude the business portion of the meeting. Operator if you would please queue up the questions from folks on the telephone and if you would please start with members of government organizations, government officials.

As soon as you have the first one queued up we'd appreciate putting that person on and folks who are asking questions or comments if you'd please identify yourself and your organization before you make your comment or question we would appreciate that.

Man: (Unintelligible).

Coordinator: Thank you. At this time if you would like to ask a question please press Star then 1. Please be sure to unmute your phone and record your first and last name clearly when prompted. If you are a government official please identify yourself as such. Again if you'd like to ask a question please press Star 1. If you decide at any point you would like to withdraw your question you may press Star 2. Again if you would like to ask a question please press Star 1 and identify yourself as a government official.

Our first question comes from (Daniel Mills) from California Energy Commission. Your line is open.

(Daniel Mills): Hi, thanks for including us in this conference, I appreciate it. My question is with regard to PG&E's request for enforcement discretion and they discuss the significance of the violation and mention that there is a very low mobile transient population. I'm just curious to what extent the NRC is looking at the estimated number of endangered citizens and the probability of an event.

Marc Dapas: Emergency preparedness is a defense in depth measure. The plants are designed to ensure that there is not an event that would result in a significant radiological release. Notwithstanding emergency preparedness function is there to provide that defense and depth.

So we don't look at it in the context of the probability of whether there would be an accident at the plant that would require evacuation. We have if you will deterministic requirements whereby the licensee has to meet our emergency planning standards and meet the requirements and the regulations specific to the emergency preparedness function.

So it's not a matter of whether there are ten boats that would be on the ocean or whether we're talking about the densely populated area, the licensee has to develop protective action recommendations that are a function of the

direction of the radiological plume and the projected dose assessments and then communicate those recommendations to the county so that the county can make an informed protective action decision.

(Daniel Mills): Thank you, that's very helpful.

Coordinator: Thank you. Our next question comes from (Ron Oswald) San Luis Obispo County OES. Your line is open.

(Ron Oswald): Thank you and actually I failed to identify myself as a government agency and so I just have some additional input on the conversation. Should I make that now or should I get back in queue representing a government entity.

Marc Dapas: Please go ahead.

(Ron Oswald): Okay thank you. So I just wanted to mention -- and for clarification for those that don't know San Luis Obispo County is the lead off-site response organization for Diablo Canyon and we do work closely with Diablo Canyon and in this case with the US Coast Guard and wanted to fill in a couple of things that I heard and one in particular regarding 5 miles versus 10 miles and I wanted to note that with our procedures, our standard operating guidance that we use for Diablo Canyon emergency responses one of our guidelines is establishing a nautical safety zone and to do so we pass the information through to the Coast Guard and the request that we make is - our predetermined check the box if you will is 5 nautical mile safety zone, 10 nautical mile safety zone, other, and then it goes on to note the downwind sectors and other things.

And tied in with that is for those that aren't aware - I would understand in this case that most on the line are aware that as the lead off-site response organization we make the protective action decision, in that case we being the county of San Luis Obispo. And so as noted throughout whether or not we got a protective action recommendation based on the situation we could make -- and we have in exercises and would make in event if necessary -- a PAD, a protective action decision on our own without any input from the utility if need be. And we actually practice that and we study up for that.

And in fact to keep us aware of what's going on and how things work we have the FEMA - FEMA's radiological protection course. It's actually the radiological action and assessment course that in the past we've sent people down to Georgia for and instead of sending one or two people down to Georgia the course is being hosted here this week so we have our folks, some of our off-site folks in the FEMA course, about 25 people, our pollution control district, Cal OES is in there.

That's the state emergency management agency. California Department of Public Health, FEMA, NRC and even a person from Delaware. And this is ongoing. So we looked on our own independently of what's going on off-site, what happened to the plant, what other actions might we need to take other than the pars. And so we coordinate also with all the off-site response organizations, the other organizations including the coast guard.

So we maintain and edit and keep in this case the coast guard SOP as well as we do with the sheriff's department and schools and all that. It's their SOP but we edit it so we have one centralized point. So we want to make sure that what's in the Coast Guard SOP is consistent with what's in the rest of our SOPs and so on. So I just wanted to add those points that as the NRC has already pointed out at no time was the public health and safety threatened out in the ocean.

Marc Dapas: Well thank you (Mr. Oswald). This is Marc Dapas. I just was going to underscore what I think was your overarching conclusion that the public health and safety was not at risk by virtue of the process and role that the county would exercise as you've described, so thank you.

(Mr. Oswald): All right, thank you.

Coordinator: Thank you, our next question comes from (Richard Gunstrom) from FEMA. Your line is now open.

(Richard Gunstrom): Good afternoon everyone. This really may not be a question but it's a comment. We've evaluated the off-site response organizations for a long time (unintelligible) in the EOF, in the county EOC it's in the same building

they have a unified dose assessment center and both the utility, the county and the state, they all participate in developing protective action recommendations and then they provide their recommendations to their decision makers (unintelligible) a decision.

And (unintelligible) the utility hasn't had it in their procedure but they are part of that unified dose assessment center and they participate in that protective action recommendation including the part about making protective action recommendations for the voting public or out in the ocean. They're included in that process. So I think that's a mitigating factor that you need to consider.

Marc Dapas: Well thank you for your comment. I think that is consistent with the description provided by the licensee in that there is that collaboration and discussion that occurs as part of the exercises which underscores the licensee's view that protective action recommendation may very well have been generated. I think the (unintelligible) point from the NRC perspective is that we expect the emergency preparedness implementing procedures to specifically cull out that process step to ensure that that does in fact occur. Certainly do appreciate though the perspective that you provided based on your own interactions in the licensee's EOF and joint if you will county EOC. Thank you.

Coordinator: Thank you. That was our last government question. Our next question comes from (Ray Lutz) from Citizens Oversight. Your line is now open.

(Ray Lutz): Okay, thank you very much. I hope you can hear me. I'm with Citizens Oversight and our primary mission is civic engagement. I have a few comments and questions. First of all Slide 6 in the package that you provided to the public was blank. It had the headers and footers but there was no figure on it.

I think that this meeting, the fact that it's not being held within the public education area despite the fact that success in dealing with the emergency scenarios relies upon actions by the public is pretty astounding. You're holding this meeting over in Texas. That doesn't allow the public to engage very effectively with your process. I did make a written complaint to the NRC on this point and there were no changes made to the location.

And I would assert that in the future the NRC in order to actually fulfill your obligations to engage with the public in this public engagement education area you need to hold your meetings either in that area or very close to it. Another thing I (unintelligible) that you should not close your meeting prior to hearing from the public. The public interaction is a very important part of your meeting and you should not blow it off as not part of the meeting.

You already closed the business portion of your meeting without even hearing from the public. Shame on you. Now no changes - I didn't notice any comments about lessons from Fukushima and this emergency action plan. The thing that concerns me here is that it took almost 10 years to detect a violation from 2005. Despite saying that the public was not put at risk the fact is that your root cause analysis identified the fact that you made changes to your plan that were then missing from the written version of the plan and you didn't figure that out for 10 years.

The question that everybody needs to ask, what other parts of your plan are missing that you're not catching and that we may not see for another 10 years. What is it about your procedure in making such changes is broken? And that root cause analysis of going back to find out what you did back in 2005, why did this happen that you could make a change and nobody has caught it? Is it because you don't have a review committee? Is it because you just have a few people making changes willy nilly and that 10 years later you might find out?

It's very concerning to the public that at least from my view that you can miss this for 10 years. And I am astounded that the NRC can sit here without even finishing your meeting and say that the public was not put at risk because they can't find their own mistakes. Of course the public is being put at risk by this process you have in place where you can make a mistake and not catch it for 10 years. That's the problem. I'm not talking about the mistake of whether voters are out there or not.

I'm talking about the mistake of taking this out of your plan and not catching it. That's the mistake. How many other things have been taken out of the plan and not caught. That's the problem and that could be putting people

at risk because I'll tell you what, you don't know what those things are and it's very clear from the discussion that I heard today that the NRC itself is not adequacy reviewing these plans.

You're relying upon PG&E, the operator of the plant to make their own plans and to evaluate their emergency plans themselves and then come to you if they find a problem and say please give me a fine. Or by the way give me discretion; don't give me a fine or anything. I found something and I'm going to give it to you but make sure that I don't get anything past a green.

When in reality you guys, the NRC who are sitting here happily reviewing the fact that they're not even able to catch something for 10 years you're not reviewing their plans either. That is amazing to me. The root cause. Now has the root cause been corrected? The root cause that I'm talking about is the missing of this back in 2005, not the fact that maybe the boats were going to be told to get out of the area. That's not the concern. The concern is that was eliminated from the plan and not caught for 10 years.

Now this voluntary self-assessment is nice but it didn't detect it for a very long time and the NRC is relying upon this group to do self-assessments versus check it yourself. How can we rely upon the operator to always come forward and self-assess themselves and catch everything? This is a big issue. It's the same issue that happened in San Onofre with the steam generators. They self-assessed and said we don't need to do a 5059 review; we don't need to submit that to the NRC. Fine, we don't do it. Then we're stuck with a \$3.3 billion bill over here and the inspector general report on the whole process was that you guys, that the NRC were not doing an adequate job of reviewing the 5059.

And here again we're seeing something where you're relying upon the operator of this plant to do their own self internal reviews and say that everything is fine and you sit there during the meeting and say there is no problem with what they did. Ridiculous. You shouldn't be making that conclusion when you haven't even gotten to the root cause of what happened here. I hear this; we're expending significant resources to make sure everything is handled.

Well maybe but I haven't heard what changes you're making to your process so that you're not going to miss stuff anymore. I haven't heard what the NRC is doing so that they can catch it. Evacuation six miles out into the ocean. How come that's not 10 miles? I was reading here from the GRO, the general accounting office. In GAL 13-243 it says now that they want a 50-mile ingestion exposure pathway emergency planning zone. Where is your 50 mile ingestion exposure pathway emergency planning zone? Have you taken that into account? This is what the general accounting office is expecting now.

According to this guidance the principle health risk in this zone is exposure from ingesting contaminated water or foodstuff such as milk, fresh vegetables or fish. In this pathway health risks would come from longer-term problems associated with contaminated food and water. I didn't hear any talk about a 50-mile ingestion exposure pathway.

I didn't hear any talk in this discussion about the changes from Fukushima and what's going to happen due to the fact that when they analyzed the Diablo Canyon Nuclear Power Plant with a similar failure that occurred at Fukushima -- which by the way they all said we have defense and depth and nothing will happen -- that in this analysis done at Stanford they determined that the nuclear radiation would actually come all the way down the coast due to the weather conditions all the way to San Diego.

So the 10-mile area isn't enough and the fact that the general accounting office is saying 50 miles is necessary. If that's not in your plan I am very concerned that these plans are not being reviewed and that the NRC is just passing the buck down to the operator of the plant and saying you guys analyze your own plan and tell us if it's bad. And then they say everything is fine and then you repeat that in the meeting, everything is fine.

Marc Dapas: (Mr. Lutz) this is Marc Dapas. I'd like an opportunity to comment on a number of the areas that you provided a comment. I do appreciate -

(Ray Lutz): I'm pretty much done. I finished my list of things. So yes, but I would like to maybe respond after you're done. Go ahead.

Marc Dapas:

Okay, I would like to give others an opportunity to ask questions and certainly if there's time when it would come back to any further questions that you have but first thing thank you for pointing out that Slide 6 did not - the content for whatever reason was not included in what we provided on the Web site. We'll correct that and make sure a full set of slides is provided and we'll verify that the content is visible.

I made the decision not to change the location of the venue based on discussion with our program office, the Office of Enforcement, and the reason for that is because this is a pre-decisional conference here, a conference for us to discuss with the licensee and understand their perspective on the apparent violation.

No decision has been made. That is different than other public meetings that we would conduct where we're communicating the results of regulatory decisions here. Once we conclude our deliberations and determine what is the appropriate enforcement action we certainly can talk about that, for example in the context of the public meeting that we would have in the vicinity of the plant to discuss our overall assessment of licensee performance. And that would include any findings that are greater than green or any apparent violations but that would be at a point in time where we certainly have rendered a regulatory conclusion.

The other reason why I decided not to shift the venue here was the recognition that to be consistent with how we have historically treated all regulatory conferences and that's that the licensee comes to our house if you will to discuss with us their perspective on the particular apparent violation or preliminarily greater-than-green findings. And that's consistent with how we have treated regulatory conferences across all four regions including regions that have sites that have the same high degree of external stakeholder involvement.

And so that was the principle reason for why we decided - I decided not to change the venue. We did look at Web streaming which is something that I would like to pursue in the future and we faced some technical difficulties with the ability to implement Web streaming and we're looking at what we can do to provide the Web streaming capability with future meetings.

I appreciate your comments about lessons from Fukushima. I will offer that we the NRC have looked very seriously at lessons from the Fukushima accident and we have required a number of things of licensees and issued orders in terms of mitigating strategies. There are actions that licensees need to take in the context of emergency preparedness and we will hold licensees accountable as we review the responses to those requirements that we issued following our task force review of the Fukushima lessons learned.

I agree with your characterization that this was an issue that remained unidentified for a significant period of time. I think we very clearly heard the licensee explain their extent of cause and extent of condition reviews and that is certainly - it is important that the licensee understands why did they not identify this in an earlier time frame and what are the organizational learnings. And quite frankly by the same token we did not identify that via our inspection process.

It's a sampling inspection process but the entire regulatory framework is based upon the precedent here that the licensee is responsible for ensuring the safety and security of the facilities.

And our inspection program is a sampling program to verify that the licensee is doing that. And yes there are going to be instances where licensees miss things. It's important once those issues are identified that we assess the safety significance of that issue, determine what is the appropriate regulatory action to preclude recurrence, and a good performing licensee would do the same thing with their organization in terms of lessons learned.

You did make some comments regarding the emergency plan and the degree of review that we conduct. When a facility is licensed we do look at the emergency plan and we render an overarching conclusion on whether we agree with that. Our regulations are structured to allow a licensee to make changes to their emergency plan. They evaluate that and determine whether there is a reduction in effectiveness associated with that. And then we do on a sampling basis look at those 5054Q evaluations to determine whether the licensee made the appropriate conclusion.

And that's exactly why we're here today having this discussion because here is an instance where the licensee did not conduct that 504Q review appropriately. And I acknowledge your comments about San Onofre and the inspector general review and the context of the 5059. There are some learnings for us. We have a comprehensive lessons learned review that we're conducting to look at whether our guidance to inspectors needs to be enhanced regarding review of licensee 5059s.

But again I want to come back to the principle responsibility does rest with the licensee and it is through that sampling inspection program that we feel that we conduct enough inspection to validate that the licensee is in fact executing that responsibility in the manner that it should be. I'm not sure I understood your thoughts about the 50-mile ingestion pathway.

There is a 50-mile ingestion pathway that the licensee is responsible to address and there are exercises that are conducted that address the ingestion pathway so I'm not aware of the licensee not having that in place. I'm quite confident they do because there is a requirement to that effect. So those are some of my thoughts regarding the comments and questions that you raised and I do appreciate your engagement and your sharing your perspective. If I could ask the operator to queue up any other questions that others would have.

And (Mr. Lutz) I certainly welcome coming back to any additional comments you have once we've heard from some other folks. Thank you.

Coordinator: Absolutely. Our next question comes from (Lynn Walter), private citizen. Your line is open.

(Lynn Walter): Thank you. And I just want to offer I appreciate the previous comment but I'm sitting here in my home (unintelligible) and I like the fact that I can participate in this meeting and listen to what's being said. Actually I think I hear things better in this teleconference than in a noisier room. I also like the fact that I didn't have to drive, that I didn't have to find a parking place and I didn't have to - I have the ability to sit in a comfortable chair.

So I just wanted to put a counter-opinion on the record about I think this teleconference worked really well. I appreciate being able to participate in this way and I did queue up on my computer just for information that I did get Slide 6. I got the map and it was pretty clear on my computer so I'm not sure that the problem is at your end. Maybe there's just a difference in technology.

Anyway my question is that I heard a lot of comments from the NRC and questions from the NRC to PG&E about the importance of benchmarking. One point I heard the NRC mention about their experience in Region 1 is obviously over water is an important part of your circle on your map but I wonder if the NRC is asking itself the same question of itself. Internal benchmarking and in fact the regulations that have increasingly gotten more clear, more clarity, reg guide 1.129, the recent EP rule-making.

It seems to underscore to me that the state that we were in in the early 80s and 2005 is a different state of clarity than we are right now. Because we have Fukushima lessons so we are getting clearer and we are getting more aware. So but there's a complicit nature that the NRC has in this. I haven't heard the NRC admit to their own failings of internal benchmarking here which I clearly see. That's my question.

Marc Dapas: Yes thank you for the question. I do think that benchmarking is very important and I'm the one that made the comment regarding the experience in Region 1 where there are - this is Marc Dapas. There are facilities that are located along the coast and do have protective action recommendation process for areas over the ocean. And I do think the licensee acknowledged or did indicate that they identified this deficiency as a result of the benchmarking that was conducted. But getting to your point about internal benchmarking it is an important process and I wanted to mention that there is a review that we are subject to two years ago.

It's called an international regulatory review service mission where the International Atomic Energy Agency sends a team consisting of experts from regulatory organizations in various countries and they look very critically at the NRC's regulatory structure and how we implement our programs and processes and then provide recommendations and observations and then we address those. And we did receive a comprehensive

review and there were some recommendations that were provided that resulted in us revisiting and making changes to some of our processes.

And then of course we do have the Office of the Inspector General and that office clearly conducts audits and evaluations of NRC programs and processes and over the years has provided a number of recommendations and observations and findings and has resulted in clear action by the NRC to improve its programs and processes.

And then of course we do have self-assessments that we conduct similar to the industry that has self-assessments. But we do try and look critically in those areas. And specific to the regions we have the program offices at headquarters that conduct evaluations of the regions to determine how we are implementing the programs and processes that are defined by those headquarters offices. So I do think there is a fair amount of introspection and evaluation regarding how we're doing as well as external reviews.

And some of those external reviews include Government Accountability Office reviews, GAO reviews, and we have received a number of recommendations. And collectively all of those point to there are opportunities for us to improve how we execute the regulatory mission. But I'm not aware of any overarching review that reached a conclusion that we are not fulfilling our statutory mandate to ensure protection of public health and safety by virtue of our inspection and licensing programs.

But certainly there are opportunities to enhance those processes to make them as efficient and effective as they can be. But I do appreciate your question and thank you.

(Lynn Walter): Thank you.

Coordinator: Thank you. One moment for our next question. Our next question comes from Dan Hirsch from the University of California. Your line is now open.

Dan Hirsch: Thanks very much. I have two questions if I may. It was said early in the meeting today and also in the press release that the NRC issued about this meeting that this issue that arose had no immediate safety significance because "at no time was the public going to be allowed to stay in an area that had the potential for radioactivity if an event had occurred" and the basis for that is this citation to the fact that the county had its procedure and the US Coast Guard had its but I am confused by the radius of these procedures.

In the actual inspection report the finding was the PG&E had eliminated procedures for guidance or requirements for developing and communicating protective action requirements for areas in the Pacific that lie within the 10-mile emergency planning zone.

It goes on to say that this was a degradation rather than a complete loss of protection because the county "has procedures which include a default action to recommend that the US Coast Guard evacuate waterborne vessels within five nautical miles if the licensee notifies the county of a general emergency and that the US Coast Guard has additional guidance recommending a two-nautical-mile safety zone for an alert or site area emergency.

So the issues seem to be this zone between five nautical miles and 10 regular miles which represents actually the majority of the ocean area. And the inspection report goes on to say the required planning standard function was degraded because the licensee's procedures did not direct the licensee to issue appropriate protective action recommendations to cover affected areas over the ocean within 5 to 10 miles of the site.

The planning standard function was degraded rather than lost because default procedural actions of local governments would have resulted in effective protective actions for areas within five miles of the site. So this is my first question. I have one other but I wonder if that could be explained to us. It appears as though protections within five nautical miles were still in place and therefore no immediate safety concern regarding the area within five nautical miles but as I read your inspection report it sounds as though there may have been situations in which boats -- and obviously the people on those boats and ships -- between 5 and 10 miles might not have been removed from the area.

If I heard the official from the county correctly it sounds as though their procedure is that they have a default which is what your inspection report says of five nautical miles but do have other boxes that they can check, 10 miles or other. But it would appear that the loss of PG&E procedure for making recommendations to the county would have degraded the county's ability to choose a box other than the default.

And your own inspection report seems to make clear that the zone from 5 to 10 miles was an area in which that protection was degraded. So perhaps someone could answer that. And then I do have one other question if I may.

Marc Dapas: Yes thanks Mr. Hirsch. This is Marc Dapas. We can answer that and then we'll give you the opportunity to ask your second question. I'm going to ask (Mark Haire) who is the branch chief that signed out the actual inspection report to speak to the areas that you just described in your question. Thank you.

Mark Haire: Yes this is (Mark Haire) and I'll just attempt to address that question in a couple of ways. The first is the 10-mile requirement is the requirement. So when we look at the emergency plan we ask ourselves does it meet the requirement to provide for protective action recommendations, instructions for protective action recommendations for the entire 360 degrees all the way out to 10 miles.

So when we looked at this we said this is a non-compliance because their procedure removed the instructions to cover out the 10 miles for over the ocean. So the non-compliance was identified. Then the question we began to ask was what is the significance of this non-compliance, what was the safety impact of this non-compliance. And that's when we get into the question of what other layers of protection and what other elements of this can we look at to decide what is the significance.

So when we're asking ourselves was it a degraded planning standard or was it a lost planning standard or what was the impact on the planning standard we're asking ourselves what is the significance of the non-compliance. We've already established they don't meet the requirement out to 10 miles. So when we're looking at the significance some of the things that we look at - I talked about earlier we look at what was the licensee's capability.

They had a demonstrated capability through drills and exercises over all of the years that they've been in operation. We observe those regularly. They demonstrated the ability to assess radiological conditions 360 degrees, they've demonstrated the ability to assess a release, to assess wind direction, to assess dose consequences. So whether the wind direction was pointed over the ocean or over the land they had the capability to make that assessment.

The second aspect is they had the capability to engage and notify the off-site agencies. So they had demonstrated that because all of their drills and exercises again, demonstrated their capability to interact effectively with the local government agencies, in this case the county. The county had a relationship with the Coast Guard. The utility had a relationship with the Coast Guard as well.

So they had those demonstrated abilities to interact and communicate irrespective of the fact that they lost one of their defense and depth elements because they didn't have the over-the-ocean area proceduralized. They still had all these other capabilities that they could have relied on.

And third we noted that there were default actions already in place which effectively protected the public by default out to five nautical miles because of the actions that the Coast Guard and the county had in place regardless of whether the licensee had been able to make a protective action recommendation or not.

So in recognition of those factors and in addition what (Mr. Gunstrom) pointed out in his comment earlier that the emergency facilities are collocated so that there's significant interaction between the county folks who are involved in dose assessment and the utility folks that are involved in dose assessment, that it's reasonable to conclude that the right decision for the public would have been made all the way out to 10 miles and beyond if the site conditions had warranted it.

Still nonetheless we document the apparent violation because the licensee's procedures -- that's a layer of defense and depth that we require -- the procedures did not have the instructions appropriate to cover those areas. I hope that clarified and answered the question of what's the difference between the 5 and the 10 miles.

Dan Hirsch:

Well it troubles me frankly. I think you have a logical disconnect in the inspection report and in this decision to then determine that "at no time was the public going to be allowed to stay in an area that had the potential for radioactivity if an event had occurred". The significance of their failure is that there was a zone from 5 to 10 nautical miles for which there wasn't coverage.

And maybe we would have gotten lucky and in the midst of the emergency someone would have figured out there was a problem and gotten the right recommendation in but that's not how we want to do things. You all remember the extraordinary real life confusion that occurred at the time of Three Mile Island.

So you want those procedures in place so a very clear recommendation can be made to the county so it doesn't check the box 5 miles but checks the 10 mile box. I just would suggest that your press release and the inspection report are not entirely consistent and clear on this matter. And there was an area that was potentially uncovered by this change. My second question has to do with your conclusion that there are no crosscutting issues here.

I was troubled in listening to your conversation. I wanted to applaud whoever it was from the NRC who managed to get this matter acknowledged. This was not the only such incident in which a 5054 problem had arisen regarding changes to the emergency plan and that PG&E has now acknowledged that they have confusion in their licensing basis regarding the emergency plan and are about to or have commenced a licensing basis verification project similar to what they have done for other aspects of the licensing basis.

And I wonder if you at NRC could just summarize for a moment that larger LBVP and the discoveries that have occurred through it regarding other changes to the facility over the last decades that were not done to the actual licensing basis and they're now having to go back and revisit and re-analyze, particularly on the seismic side because it would seem to me those would be very troubling to an inspector, to a regulator, that there had been so many years of changes made without meeting the actual licensing basis and that those discoveries are occurring belatedly and they've having to go back retroactively to do new analysis.

And it would seem to me that there is a larger crosscutting issue here of an unclear licensing basis in many, many regards and numerous changes have been made to the facility over the years that did not take into account the actual current licensing basis.

Marc Dapas:

Mr. Hirsch this is Marc Dapas. I am aware that the licensee is engaged in a licensing basis verification project that is separate and apart from the EP functional area.

As with any one of these licensing basis verification project efforts we are aware by virtue of our inspection activities and our on-site resident presence of any significant findings that are coming out of those projects and we would assess the significance of those in the same context that we're doing here today with the licensee-identified deficiency here associated with the change to the emergency plan implementing procedure. So I'm struggling to understand the basis for saying that there are significant deficiencies that exist in the licensing basis here that you indicated. It's not apparent to me.

Dan Hirsch:

(Unintelligible) for a moment. My understanding is to give two examples that the steam generator replacements and the vessel head replacements were done to the wrong seismic basis, that they had to go back, they discovered they hadn't done it to the appropriate seismic basis, tried to re-evaluate to determine whether or not even though they hadn't designed it for the appropriate seismic challenge they were still okay.

And that's true not just for those two significant features but for many other changes that have occurred over the decades. And it seemed to me that would suggest an underlying problem rather than individual problems. That's what we were talking about in terms of crosscutting. And underlying problem of not having kept a very clear licensing basis and having made many changes to the facility without doing 5054 or 5059 analysis and after the fact and some embarrassment having to go back and try to say well if we had done the analysis at the time it would still have been okay.

It just seems to me you have a generic underlying potential problem here.

Marc Dapas: Thanks for that.

Marc Dapas: Thanks for that additional context. The one example you're referring to obviously deals with the licensee replacing the steam generator and reactor vessel head and not accounting for the ground accelerations that would be evident from the (Hosgrey) event coupled with loss of coolant accident loads to determine whether that exceeded the ASME code allowables. The licensee did evaluate the double design earthquake plus loss of cooling accident loads as I know you are aware.

However they did not address (Hosgrey) plus loss of cooling accident or LOCA. The licensee did identify that in I think it was May 2011 as a result of their license basis verification project and then did conduct an evaluation of that as-found condition and determined that the steam generator in this example had sufficient margins such that there was not a concern with the ability of that particular component to withstand those forces.

We looked at the operability determination which is the licensee's evaluation of that and determined we did not have a safety concern. The licensee has subsequently conducted another 5059 evaluation for that configuration and we are evaluating that at this point in time. But I do think that is an example of something that did come out of a licensing basis verification project. But your point I do appreciate is that it is important that we as a regulator step back and look at that.

If there is an example there are there other examples that would cause us to question to what degree is the licensee rigorously implementing the 5059 process. We do have an inspection that looks at that and we draw conclusions based on the particular 5059 evaluations that we look at as a sampling. And then if there are problems we expand the scope to be able to reach an informed assessment regarding the voracity of that program and how its implemented.

But it's not lost on me that we do need to look at it in a crosscutting manner and I would offer that our inspection program does do that.

Dan Hirsch: I don't want to belabor it so just one last point. I think the point I'm trying to make is not that once they went back and looked they lucked out in their analysis. And whether this is an accurate analysis or not let's put that aside. They now claim that we had done it for the (Hosgrey) we still would have been okay.

I think there's a fundamental concern about a facility that could operate for so long and be making major changes to the facility based on the wrong licensing basis -- in this case the wrong seismic load -- and therefore to say that this particular incident that we've just had of the change to the emergency plan is an isolated matter not connected to others when they have apparently two others on the emergency plan side and my understanding is many, many on the structural side, the steam generators and vessel head being just too troubling examples.

So it's not the specific fact whether or not the steam generator is or is not okay or the vessel head is or is not okay. It's a fundamental matter that you could go that many years making that many changes using the wrong licensing basis.

Marc Dapas: Yes, thanks for that. I appreciate the comments. I think we need to be careful when you make broad statements like many, many.

Dan Hirsch: Well let me ask one favor then on that. It would be very helpful for the NRC and the licensee to release publically the full details of the LBVP, what they've looked at, what was found. I think if you feel that there really have been only a couple of examples that would be clearer from the public transparency. If there have been many people should know that as well. So let me just make that as a request or a recommendation that that whole LBVP, the documents regarding it, what led to it, what they've analyzed, what they found, that should all be made public.

- Marc Dapas: I appreciate your request and that's really a decision for the licensee. I'll offer that we do look at the issues that are identified by virtue of the LBVP and determine via our own independent review and assessment the degree to which we think those are significant. And those reviews are documented in our inspection reports.
- So that's how you can obtain some insights regarding what the licensee is identifying and what our independent assessment is of the safety significance of those findings. Of course that is based on licensee communicating to us the results of their LBVP and quite frankly the licensee has a responsibility to communicate to the regulator significant findings deriving from that where there is a safety question or where there is a degraded margin -- et cetera. So I'd leave you with that. I do appreciate your comment.
- Mr. Hirsch: What you have, what NRC has, should be made public but more than that my understanding is that when you review things generally PG&E holds on to what you're reviewing and therefore it's not made publically available but if they had given it to you, if you ask for it then it needs to be made publically available.
- And I think that would be a very useful thing for your region to do. This should not be done behind a curtain. I think there really needs to be some ability for the public to scrutinize. So anyway thank you very much.
- Marc Dapas: Well thank you for your comment and I think your last statement refers to if we are in possession of documents and we have a Freedom of Information Act request we make those documents available but the licensee can communicate why those documents are considered proprietary and there's a process we go through to determine whether that is the appropriate characterization.
- I do appreciate your comments though Mr. Hirsch. Thank you and let me ask the operator to provide or connect with any other individuals that have questions.
- Coordinator: Thank you. Our next question comes from Ace Hoffman from Nuke Free North County. Your line is open.
- Ace Hoffman: Hi, thank you very much for taking my call. Just a couple of short things. There is no discussion here - the licensee is supposed to be taking the initiative on a lot of different steps and the NRC backs off and says we have a sampling program. But who decides that the 10-mile limit is the right limit. Isn't it time that we reconsider that.
- Okay, so that's too big for this little project maybe but if we did that 130 (unintelligible) systems or whatever the number was is going to explode very, very rapidly which relates to whether or not - because as you go out on the circle the number goes up by square.
- So fishermen in a 5 to 10-mile region. What about the 10 to 12-mile region, or the 12 to 15. How many fisherman are there and is there any chance we're talking about sacrificing - that somebody might get hurt in which case this is really a very serious thing and I think what I'm hearing is that it's not significant because there are so many more - the population is so much greater elsewhere on the land areas. So there's very few fisherman comparatively. But there are still people there. They are people. So let's get to the sampling program.
- You described the NRC's job as a sampling program and I wondered if with a 10-year wait it's effective. I would think that to be effective there have to be surprise visits and occasionally these have to be microscopic visits that not only make the utility think that you might look at anything or everything but also that they have no idea when it's coming and it gives a check on whether or not your sampling programs are actually effective.
- And you can't do that without an enormous - everybody would hear about it. The NRC is doing that. This is the month that they came and did that to San Onofre would that this have happened. So those are all of my comments and thank you again very much for the opportunity.
- Marc Dapas: Well thank you Mr. Hoffman and I do appreciate your acknowledging the opportunity we're providing here to engage members of the public. That's an important part of being open and transparent in our processes. I'll just comment on the emergency planning zone or EPZ size. As I'm sure you're aware there have been extensive engagement with the NRC about the need to revisit the size of the EPZ.

There have been a number of studies that have been published that would indicate that the current 10-mile emergency planning zone is sufficient to ensure that the protective action decisions that would be implemented would result in protections for the public.

Again the premise with emergency planning is that's the last defense and depth measure there, that the design of the facilities and how those facilities are operated are such that you would not - it would be extremely unlikely that you would see a radiological release of a magnitude that would require a protective action decision such as sheltering in place or evacuation.

We have as an agency indicated very clearly that if there is new information that indicates the size of the EPZ is not adequate we will revisit that, most recently being the Fukushima accident and we've acknowledged if there are studies that would indicate that the current EPZ size is inappropriate we will look at that new information and make decisions accordingly.

Let me move onto our inspection program. Yes, it is a sampling program and clearly we do not have the resources to do 100% inspection of all activities. We conduct a sampling inspection and then we draw conclusions based on the results of those inspection activities. Our focus is trust but verify with independent verification through our inspection program. And when we do miss something we look at why and does the inspection guidance need to be enhanced, does the scope of the inspection need to be expanded and there are a number of instances throughout our regulatory history here where we have made changes to our inspection program.

Regarding unannounced inspections, I personally am not convinced that an unannounced inspection will provide you any more information, you know, if we're looking at a particular program, the fact that we announced that we are planning to look at that, I don't think results in any different insights then if we were to communicate we're conducting an unannounced inspection. And there are a very selected number of areas where we do have unannounced inspections and an example of that can be radiographers or materials licensee where we have determined that the unannounced inspection is appropriate. But I do appreciate your comments and thank you.

Man: Thank you.

Coordinator: Thank you, our next question comes from (Don Lightning) from Citizens Oversight, you're line is open.

(Don Lightning): Hi, thanks for taking my call, couple of two or three items I'd like to bring up. First of all, the slides are very hard to look on the computer, so I think a really easy thing to do would be to provide a Web link for each slide and therefore when people are looking at the slide they could also open up a window with a PDF or something of that slide and be able to zoom in or do whatever they want. That would make it much easier to actually see what's going on. Secondly, I'm concerned with the tsunami problems that California may face. We all know that, you know, they're one a thousand or one in ten thousand year event, but as Fujishima proved, three meltdowns occurred, you know, within a week. So what we have to deal with in California and other places in the U.S. is that nature goes crazy and we have gigantic tsunamis coupled with gigantic earthquakes, then what is the plan if, you know, the shit hits the fan - I'm not trying to be cute - but I think that's sort of a half metaphor when things that people never predicted in size and mass just crush our facilities that are located near the ocean.

And I got two other things and I'll go over them real quick, one on this surprise inspections, I think it should be appropriate for the NRC when they do these inspections to have the inspectors be from outside whichever NRC region normally inspects that plant. We saw with San Onofre that there was a cozy relationship between region four and the people that worked at the plant and that definitely worked against us when we got our replacement steam project. And the other thing I think that needs to be said is that the licensee's and the NRC needs to publish how much nuclear waste there is stored at each facility both in pools and in dry casks, because as those numbers get bigger and bigger, then I think there should be different levels of scrutiny and circumferences of protection because it becomes an ever bigger potential problem. And thank you for taking my questions.

Marc Dapas: Well I certainly appreciate your comments, let me attempt to address the three comments you provided. Regarding the tsunami hazard, we clearly as a result of the Fujishima lessons learned, the (Neatorn) task force that delivered a number of recommendations to the Commission and then follow on review by the NRC staff, there are specific actions or requirements that we have put in place for the industry to address potential hazards from tsunamis or earthquakes, there's flooding reanalysis that we're requiring, seismic reanalysis that we're requiring, mitigating strategies to ensure that utility can address a prolonged loss of offsite power, coupled with a significant external event such as an earthquake or a tsunami, so I do think we clearly have as a result of the Fujishima lessons learned, a number of - or various requirements and actions that we have put in place to ensure that the facilities can address those potential hazards.

I can't speak to the specific example you gave regarding a cozy relationship between the NRC inspectors at San Onofre, you made reference to the "steam project", I do think that the inspection staff that we have at the sites are very professional and objective and do conduct their inspection function in an appropriate manner there. We do have measures in place to ensure that those inspectors at the sites maintain their objectivity with supervisory visits, opportunities for those inspectors to go to other sites and benchmark practices, but - and we have a requirement in place for any member of the residence staff - they have a mandatory rotation at end of the seven years and that's part of the overarching measure we put in place to ensure objectivity.

You are correct about waste - it does continue to accumulate at a facility whether it be fuel, spent fuel stored in the spent fuel - excuse me - the spent fuel - spent fuel pool - excuse me - or a dry cask storage, I am a strong proponent for the administration and Congress with reaching closure on what will be the permanent solution for high level waste, whether it be a geological repository or some other means, but that is a matter of, you know, administration policy as supported by Congress, but in the meantime, until such a solution is identified and put into place, our role is to ensure the fuel that is stored on site here in the interim is done so in a safe manner and I would offer dry cask storage and wet storage are a safe means of storing that fuel until we decide what we will do as a national strategy there with our policy and decision makers that we have elected to our government.

(Ken Lightning): Okay, one real quick follow-up question, if I may, about the fuel storage dry cask, it's been shown that the high burn up fuel which many reactors are using now, has not been proven safe in dry cask storage for any real length of time. And the NRC, I know, is doing testing and working on that, but for people to buy dry cask storage with the expectation that it's going to last 50 or a 100 years and perhaps have it fail and just in a few years, is a huge guessing game. And I think the NRC needs to do a lot more about not only speeding up the testing on high burn up fuel and how long it lasts and dry cask, but also delay any kind of major approval until they get that testing done. Because otherwise, they're guessing and that's not a good thing to do.

Marc Dapas: Thank you for that, I am highly confident that our offices of spent fuel storage and transportation in our office of nuclear material safety and safeguards is looking very carefully and thoroughly at the capabilities for dry cask storage design from the various vendors, whether they can - that can support storage of high density or high burn up fuel for a period of time, we would not license a particular design without the assurance that the storage of that fuel would be done safely and as you've indicated, there is testing associated with that and I certainly would expect us to have a clear understanding of the testing results before we would go forward with any licensing decision. But I do know the storage of high burn up fuel is something that we are looking at and evaluating and ensuring that before we would authorize any storage of fuel at a facility - meaning high burn up fuel in a cask - those casks can accommodate a lot of that fuel in a safe manner.

(Ken Lightning): Well just to let you know, they're starting the approval process at San Onofre for high burn up fuel and they're looking at some casks that have not proven they can withstand it, so you might check that out when you have spare time.

Marc Dapas: Well thank you for that and I just would offer again, we are not going to license the use of that cask without complete confidence that the fuel the licensing intends to store in that cask can be done safely.

(Ken Lightning): Great, appreciate that and would you be interested in sharing your email address in case we'd like to send you specifically some comments?

Marc Dapas: That's fine, we'll provide you an email address here at the conclusion of our public question and answer period so you can forward any comments that you have.

(Ken Lightning): Thank you.

Mark Haire: This is Mark Haire with the NRC and I'd like to add a couple of comments before we move to the next caller. There were a couple of callers now have commented on their desire for NRC to exercise more surprise inspections and I would just add that we do have resident inspectors on site at every facility who have unfettered access to the entire facility at any time, day or night, seven days a week and they do conduct surprise inspections. They show up unannounced at all kinds of activities that are going on at the facility, looking in on various activities and so to that degree, we do conduct regular surprise inspections and I'd also like to add a response to the previous caller, Mr. (Hoffman) made a quick comment that I would like to address and he made the comment that he got the impression that our significance determination was related to how many people might potentially be exposed and indicated that we might be sacrificing the safety of some people because there were low population zones and only a few boaters and that sort of thing, and I would just like to respond to that directly and say that the NRC does not base its significance determination on the number of people who are exposed - our significance determination has to do with the compliance and the safety significance of the non-compliances as I described and so that is not impacted by the number of people who might be impacted by the non-compliance and I would add that some comments were made earlier in the conference to the effect that major drills and exercises tend to focus on the more risk significant, higher population zones and I would add that typically has to do with getting the maximum amount of exercise value because of the number of organizations that are involved in the exercise, there are fewer organizations involved in low population areas then there are in large population areas. So the focus of exercises that are evaluated typically are addressing getting the maximum value - training value - for all the organizations that could be impacted.

It's not a statement of whether high population or low population zones are significant. Now the NRC's significance determination is not affected by the number of people that are impacted. I just wanted to add those two comments. We're ready for the next caller.

Coordinator: Thank you, we do have one additional question after I introduce this person, our next question comes from (Ray Lutz) from Citizen Oversight, you're line is open.

(Ray Lutz): Okay, yes, I just wanted to get closure on a couple of things. I did - was able to download the PDF and by using, you know, a direct access to that versus going through the browser, it did show up. I wanted to mention that my request for a local an in-person meeting did not mean that I didn't expect also that it be used - a teleconference would not be available in that case. I believe that teleconference should still be available as well as a Webcast, even if you hold the meeting within a convenient area for the public access. And I'd like to underline the point that the public - there's other things that happen at these meetings that the public makes use of other than the official business portion of the meeting, there's a lot of interaction with different members of the public that are coordinating their activities of the various maybe unofficial responses that groups that are planning to make plans in the event of an emergency, all those things happen and on an unofficial level.

And so I don't think that you can discount the value of an in-person meeting for something like emergency planning. Regardless of whether this is customary for the NRC, there was a comment made by the NRC official saying well, it's not what we do, it's not our customs, we just don't do it that way and so therefore, we're going to continue not doing it that way. I beg to differ. This needs to change, you guys need to have these meetings in the area - the emergency planning meetings regardless of what kind it is, whether you're doing a so-called regulatory type of meeting like you are right here, or something that's, you know, intended to be specifically outreach to the public, those things should be in that area. And so that tradition that you have of holding this meeting in Texas should change.

Now finally, I had one more thing I mentioned that there was the question about the 50 mile ingestion exposure pathway emergency planning zone, that is an emergency planning zone and I believe that it should be included on these various maps that you have here. It's not - I don't see an ingestion emergency planning zone included, you asserted in your response to me that it is part of your plan but then why isn't it on the map? So I would like

to request that you include that on the map so that people can see that that's part of the plan if it is since I can now see the map. Okay, thank you very much for letting me follow-up on those things.

- Marc Dapas: Thank you Mr. (Lutz), this Marc Dapas, I'm not sure I'm aware of what you're referring to when you say the map.
- (Ray Lutz): I'm looking at page six of your handouts - you have an emergency - its entitled emergency planning zone, there's a map with the various levels whether it be six mile, ten miles, extended - but there is no ingestion pathway zone shown. Do you understand what I'm speaking about?
- Marc Dapas: I do now, thank you and I'd highlight that was a slide that was provided by the licensee as part of their presentation today, so they did not obviously include an indication of the 50 mile ingestion pathway EPZ, I would offer that would be a 50 mile radius there from the location of the Diablo Canyon, but that was not a product that we provided but I do now understand your point, thank you. I couldn't agree more with you regarding your comment that if we are engaging in public outreach, we need to do that in the vicinity of the plant - absolutely and I do appreciate your views on why this meeting should have been conducted in the vicinity of Diablo Canyon, you know, it does underscore Mr. (Lutz), your clear interest in activities at the site and our regulatory role here and you do want an opportunity to engage us in that regard and I do appreciate the importance of the emergency preparedness function.
- We are going to provide members of the public located at the plant with an opportunity to engage us, we do have some planned public meetings, I would like Wayne Walker here who is the branch chief with oversight responsibility of the - in the inspection program at Diablo Canyon - to just comment on the public meetings that we have planned coming up.
- Wayne Walker: Yes, Mr. (Lutz), we're planning - it will probably be in the April timeframe this year we would be out there and our current plans are to have some type of, like, a workshop which should allow the public to ask really a number of questions regarding even some of the issues that have come up today about the licensing basis verification project, about the recent seismic studies that have been conducted by the licensee and our ongoing - and some of the reviews that we've done recently and then of course, I'm sure you're aware of the 50/54 4F response that's due in March of this year, we'll also be able to discuss some of that, it will be provided at that time and also we'll try and - our current planning anyway is we probably have our end of cycle meeting at that time also, which would be our assessment of the licensee's performance for this last year so, those are a couple of opportunities that should be coming up here in April and we're in the planning stages for that so. Just to let you - make you aware of that.
- (Ray Lutz): Okay, just really quick, are you guys coordinating with the independent safety committee that's in place at San Onofre on these issues?
- Wayne Walker: Well, I guess coordination - I would say I don't know if you call it coordination, we're aware of the meetings and we have attended some of the meetings. (Chris Smith), an inspector here in the region has gone to several of those meetings and also (Tom Hipshman) who's the senior resident inspector at the Diablo Canyon, he's been actively in communication with the issues that come up at those meetings.
- (Ray Lutz): Well I mean, are they revealing? I mean, this is something that they're supposed to be independent safety, this is a safety issue and they're supposed to be giving independent review. Are they being provided the opportunity to provide independent review of this issue that you're talking about today?
- Wayne Walker: Yes, I'm not aware if they're reviewing this issue that we're talking about.
- Marc Dapas: The licensee, Mr. Allen, has indicated he can - will comment but I thought that independent organization is a state entity as I understand it.
- Barry Allen: Yes, Diablo Canyon, independent safety commission was chartered by the state of California, is composed of three members of very excellent backgrounds, they have a - typically a monthly visit to the station and I think a quarterly public meeting, typically in Diablo there for the public, they're completely independent, they look at

whatever they want to. They do have a bit of a program laid out so they get a chance to - on some periods - to go through and look at most of the major topic areas. They also review everything in our corrective action program so they can chose issues such as this one to take a look at and typically ask us to provide presentations.

Marc Dapas: Yes, thank you for that Mr. Allen, I would offer too that this group is on our distribution list for our inspection reports and should be aware of the results of our inspection activities and as Mr. Walker said, you know, they would be aware that we are conducting a public meeting in the vicinity and are welcome to come and attend and ask any questions that they may have. But we don't "coordinate" if you will, our evaluations of the - as an example - the emergency preparedness function with any review that they might conduct since they are an independent state sponsored entity.

(Ray Lutz): Well if you're ever shorthanded and you don't have enough manpower to review stuff, maybe you might consider coordinating versus just slowing them up. Okay, thank you very much for my questions.

Coordinator: Thank you, our next question comes from (Donna Gilmore), this is our last question. Ms. (Gilmore), you're line is open.

(Donna Gilmore): Okay thank you.

Coordinator: Can you please say where you're calling with?

(Donna Gilmore): (Unintelligible) for safety, I'm in California. Can you hear me okay?

Marc Dapas: Yes we can.

(Donna Gilmore): Okay, great. In January I noticed you mentioned about the cask safety so that makes me think you may have a different emergency plan for that. In January 2014, Eppery inspected a couple of Diablo Canyon casks - well not really inspected - they just checked for some surface particles and found magnetheium chloride, found the temperature on the canisters low enough that there is the potential for chlorine stress corrosion cracking at the canisters at Diablo Canyon. Now given that surprising information, does that potentially trigger any kind of change in your emergency planning procedures? And, you know, since you've got other issues with their plan, is this one that may need to be looked at?

Marc Dapas: We're not aware of any degradation to the dry cask storage canisters there and if there were, a degradation that is certainly a matter that I would expect the licensee to communicate to that - but let me ask Mr. Allen, if he has any comments regarding that?

Barry Allen: Just two comments, the Eppery study is really looking at long term degradation rights, not short or near term. There is no current degradation, our operators do inspect that on rounds daily and have criteria to inspect and look for, you know, good robust canisters and.

(Donna Gilmore): This is (Donna Gilmore) again - I'm sorry - go ahead and finish, I didn't mean to interrupt you.

Marc Dapas: No, I think Mr. Allen had concluded his comments, please go ahead.

(Donna Gilmore): Oh alright, well maybe then Mr. Allen is not aware that there is no technology to inspect the half inch thick stainless steel canister, it does not exist and the NRC special management division is planning to give TG&E and others five years to try and come up with a way to inspect even the surface for corrosion and for cracks so the problem is the canister must stay inside the concrete over pack cask so it's challenging to inspect it. There are no current tools that will work in that environment, so I'm a little concerned that you have this optimism when the reality is those employees couldn't check that even if they wanted to.

Marc Dapas: I'm not aware of the specific inspection challenges that you've indicated, what I can do is have our office of spent fuel storage and transportation reach out to you directly to answer any questions that you may have. I just apologize that I don't know.

(Donna Gilmore): I don't have a question for them, I already have the answers, I've participated in their technical meetings in July and August, I communicate with (Mark Lumbard) and his staff so I think it's more a matter of maybe it would be good for people involved in emergency planning and definitely people at the - the TG&E people to be aware of this. If you want I can educate you on these issues, but you, you know, I already have the information. I have Department of Energy, I have Eppry presentations, I have Department of Energy making presentations about their findings - the findings on the canisters, and, you know, if you want to just take a look at the August 5 meeting minutes of that technical presentation, you'll see it's right in there that they're giving them five years to try and come up with a way to inspect the exterior of these canisters.

So I'm, you know, I don't think I'm the one that needs educating here, I'm very concerned that - is anybody in this room - I can't see you obviously - is there anybody in this room that is aware of this issue?

Marc Dapas: Well, I'll offer up, certainly if you've been engaging (Mark Lumbard), that's the right person here, but I think.

(Donna Gilmore): Yes, but in terms of emergency response, if - and I notice in Humble Bay in December was approved to eliminate all off site emergency planning because everything is in dry cask now with the assumption that nothing's going to go wrong, if you're group is the one that's approving those things I'm concerned that maybe you're not aware of these - these relatively new findings about this. And who is the right person to talk about that part? Is that your group, emergency - huh?

Bob Kahler: Yes, this is Bob Kahler from NRC headquarters with emergency preparedness oversight, with regard to the dry cask storage and emergency preparedness, the dry cask storage casks themselves, there are emergency action levels in which classifications would be made upon their failure regardless of whatever the trigger would be for the release of any radioactivity that would come out of dry cask. With regard to Humble Bay, even though as you had stated, they off site preparedness radiological emergency preparedness was no longer a requirement, they're still on site - emergency preparedness requirements for those dry casks in which there would be classifications made upon their failures. So emergency preparedness does indeed address issues associated with dry cask and they're - any events that would happen with them.

(Donna Gilmore): Is there some kind of a document about that that I can read that's available that you're using to make your decisions on? That would deal with the canisters?

Bob Kahler: Well it would be within the classification system specific to the site, there is generic classification schemes that you can find and they're on nuclear energy institute documents, one in particular would be a 9901 revision 6 - 99-01 revision 6, would include emergency action levels for ISTHESIS as we call them - the dry cask storage facilities.

Marc Dapas: What I think hear you're saying Ms. (Gilmore), is that there are - you would offer a degradation mechanisms that has been documented by Eppry that we don't have a means right now of inspecting to determine whether that degradation is in fact occurring and I certainly do defer to your and your discussions with (Mr. Lumbard) about that. I'm not aware of that particular issue, I can just offer that if the program office that is involved in reviewing dry cask storage designs identifies a degradation mechanism that could result in some type of release from the canister, that would be communicated clearly to the regional offices and we would be conducting appropriate inspection and the licensee would be required to address that. What Mr. Kahler said is right now, the emergency action scheme is based on some presumed, you know, what would be the radiological footprint that would occur if there was known degradation of a cask and then those emergency action levels are a function of the degree of radiological impact that would result to ensure that actions are taken to protect members of the public.

(Donna Gilmore): Well, I'm really shocked at the level of disconnect between the different groups here, maybe there's some way we could, you know, have a meeting with the emergency planning folks and the dry cask folks with special management and some of the public and kind of all get on the same page with this and utility companies of course, because, I mean if this information isn't coming out, how could your emergency plans possibly deal with this? So I see a major disconnect that needs to be addressed, so it's something that we can maybe have a follow up on this issue? I mean, what, you know, what's happening at Humble Bay is because of the level of competence that the emergency planners have that nothing's going to wrong with those canisters and they're

also located, you know, right at the - each - with, you know, the same kind of, you know, Pacific Ocean faults there. And those canisters are even much cooler so they're more likely to have crack initiation because of the humidity and yet, you've removed - they don't even - do they even have to notify the local and state officials? I noticed that you removed the requirement for how many minutes they have to notify the local and state community - and that was taken out - do they have to notify them at all?

Marc Dapas: I don't know the answer to that specific question but I can tell you in the case of San Onofre and the case of Humble Bay and the case of any other decommissioning reactor, that if there is a desire to change the emergency plan, that is reviewed and approved by the NRC via the exemption process. So when the fuel has been transferred to dry casks, we look at, you know, what is the probability that there could be the potential for there to be an accident at the cask that would result in some radiological release and then the emergency plan needs to be appropriate to ensure that protective actions that are provided in that circumstance - I think what you've communicated is that there is a technical issue that is being evaluated regarding the potential degradation of the casks and what I was communicating is there has not been anything that has been communicated to us from Mr. (Lumbard)'s group that would say that the casks have this potential degradation mechanism that would result in some radiological release that previously hasn't been analyzed at the emergency plan is deficient. There has not been any communication regard that and it sounds like the program office of nuclear material safety and safeguards - where Mr. (Lumbard) works - they are on an ongoing evaluation of that issue, but there certainly hasn't been any safety concern communicated that would translate to the need for a different emergency plan.

(Donna Gilmore): So in terms of the Humble Bay, who - I mean - who's going the right person at the NRC that would be, like, the top person that deals with that issue? So is there based on new information needed to re-evaluate that? Who's the decision maker on that issue at the NRC?

Marc Dapas: There's not - there is an office that has the responsibility for the spent fuel storage and transportation program - that's the office.

(Donna Gilmore): No, no, I meant for the emergency planning. The one that approves Humble Bay for not having to notify anybody outside of the plant if something goes wrong.

Marc Dapas: That's the same - that's the same office with input from the office of nuclear security and incident response, but it would be MNSS is the office that would evaluate the adequacy of the decommission - excuse me - the emergency plan associated with what a decommissioned of the facility.

(Donna Gilmore): So that's (Mark Lumbard) then?

((Crosstalk))

(Donna Gilmore): Is that right?

Marc Dapas: He's the senior manager - yes, he is the senior manager - I believe he is the director of that particular group, yes.

(Donna Gilmore): Oh, okay. Alright, so you go to him for that assessment then or? Or he's - his group is the one that basically gave on both the exemption - I'm a little confused.

Marc Dapas: Licensees submit an exemption request to the NRC and there is a program office that would have responsibility in that area which is the office of nuclear material safety and safeguards that would review that exemption request to determine whether there is any safety concern with NRC approval of that. So there is a program office at headquarters that would be responsible for that. The office direct, (Kathy Hainey) and the (Mark Lumbard) is the direct report to (Kathy Hainey) who has specific responsibility for spent fuel storage.

(Donna Gilmore): Okay, alright, so all paths lead back to (Mark) it sounds like. Okay.

((Crosstalk))

Marc Dapas: It sounds like you.

((Crosstalk))

(Donna Gilmore): Single point of sale here - I'm sorry - I'm making a bad joke there.

Marc Dapas: Did you have any other questions or comments?

(Donna Gilmore): Yes, if one of those canisters at Diablo, now that I'm aware that the odds are higher at Diablo, we don't know about the others because they haven't been checked for faults or anything - what - I'm more concerned - what is the plan if that canister was to crack. (Dr. Sing), the president of (Holtech) said those canisters can't be repaired and he owns the, you know, he's the President of the company and he said if there was a crack - a three wall crack - in that container it would release millions of alterity of radiation into the environment. So my question is what is PG&E's plan if that were to happen?

Marc Dapas: Well I think you've cited some particular conclusion that has been drawn an individual here, you know, without understanding the specific basis for that conclusion. We're not in a position to render any value judgment regarding the veracity of that conclusion.

(Donna Gilmore): Okay, that's fine, but if there is a crack in the canister what is the emergency plan? What is PG&E's plan to deal with a failed canister that's cracked all the way through? They would have to have some kind of plan, right?

Marc Dapas: They do have an emergency plan that would address the situation.

(Donna Gilmore): And what would that be for a cracked canister?

Bob Kahler: This is Bob Kahler again - emergency preparedness and even with regard to the dry cask storage itself does not go to the point of determining what the impetus is for the release of radioactivity, it deals with the outcomes such that we have done studies to determine what that radioactive footprint would be and we have determined that the emergency action level I was talking about, which would render a classification no higher than an alert, would not release radioactivity that would have any impact upon public health and safety outside of the plant site itself. So - but the emergency preparedness plan would respond to that classification level as well as some off-site agencies with regard to the alert classification regardless of the initiating event - what caused that cask to fail. And that's what I was trying to say before, we don't go to what's the cause of the cracking of the cask or the release of the radioactivity from the cask, but would could be the plausible radioactive footprint from it and it would be a classification level of no higher than an alert. So the emergency plan does address.

((Crosstalk))

(Donna Gilmore): Does that - is that in some kind of document that's available that we could have?

Bob Kahler: It's just - it is part of the emergency preparedness plan for response to the classification level of an alert. So anything.

(Donna Gilmore): In terms of determining that classification level for the PG&E canisters, where is that documented?

Bob Kahler: That would be specific to the plant site and it would up to the plant site to provide it or not.

(Donna Gilmore): So you guys don't look at that?

Bob Kahler: But the generic - the generic classification scheme that it would be based upon is the document I had previously state, which was that nuclear energy institute NEI 99-01 revision 6, which is available on our public Website.

(Donna Gilmore): Okay, okay.

Marc Dapas: You made a comment that we don't look at that, yes, we do look at that. We look at the emergency plan associated with any decommissioned facility or any operating facility. I do appreciate the extensive dialogue we've had with you, it was my understanding from the operator that was the last question. I did want to make sure that Mr. (Hoffman), he had asked for an email for further communications and Mr. (Hoffman), are you still on?

Coordinator: Mr. (Hoffman) if you would like your line to be open, press star 1.

Marc Dapas: Well, we'll attempt to reach out to Mr. (Hoffman) and get him the email address so that he can forward any comments. Operator, do we have any other questions from members of the public?

Coordinator: I do see a question coming through, just a moment here, oh, we have a couple actually. (Ace Hoffman), I'll go ahead and open up your line, your line is open sir.

(Ace Hoffman): Yes, I only wanted to say that was (Ray Lutz) that was asking for the email address.

Marc Dapas: I'm sorry Mr. (Hoffman), my apologies.

Coordinator: And we do have a couple more questions, did you want to take those?

Marc Dapas: Yes, we'll take questions here for about another twelve minutes here. We had advertised the original length of this regulatory conference including the question and answer period from 1:00 to 4:00 central and we're now approaching 5:30 and I certainly want to be responsive to questions from members of the public, but we'll take questions for another twelve minutes.

Coordinator: Okay, our next question comes from (Donna Lighting) from Citizens Oversight, you're line is open.

Man: Hi, thank you, I was the one that was asking for the email address, not (Ray Lutz), but we both work at Citizens - we both support Citizens Oversight so I'd be happy to hear the email address and I was really excited to hear that (Donna Gilmore) got on the phone because she is an expert in cask storage although she doesn't work for the NRC and you folks would be well advised to try to interact with her because she knows what she's talking about. Thank you.

Marc Dapas: Thank you. Let me give you the email address, it's OPA4.resource@nrc.gov.

Man: Okay, thank you very much, I got it.

((Crosstalk))

Marc Dapas: Operator - sorry - do we have another question?

Coordinator: Yes, it comes from (Patricia Forshman), you're line is open.

(Patricia Forshman): Thank you, I really appreciate this opportunity and I appreciate the telephone conference call opportunity for public participation. So far it's been - it's been impressive so I'm happy to participate. I live in Southern California, I live in San Eagle County, I wanted to just bring up the point that there's activities underway that are being expedited by and accelerated by Southern California Edison who selects and seeks at San Onofre. So they are undertaking a decommissioning plan, they've already processed and prepared their PSCAR, their radiated fuel management plan and a cost estimate. Citizens in Southern California are very concerned about public safety because many analysts - independent analysts - believe that the type of cask design that they're proposing here is only an interim cask design and inferior compared to other cask designs that provide more durability, longer lifetime and more protective features.

The public is interested in asking the NRC to take a position to represent us in the manner that would give us greater assurance of public safety - ongoing public safety. So in the NEPA in the Federal Environmental Quality Act - there's a requirement that certain levels of mitigation be provided in this case, I think it would be

appropriate for NRC to formally endorse the level of protection that's the best - the best available control technology for cask designs. I think that typically agencies have different level choices and Edison, I think, is choosing a cheaper - a less expensive alternative and I understand their interest in, you know, doing this as quickly as possible and I understand there's a lot of differing opinions, you know, some people want it to go faster, some communities want it to slow down, etcetera.

I'm interested in having it slow down because I think this is going to be a huge investment that they're just going to have to buy it twice. And I'm - since we're aware that there's better cask designs available with features that can allow storage waste to be transferred from wet storage to dry storage. There's a lot of technical components and complexities here, anyway, so the current plan that Edison is expediting and it's just going too fast, and they're going to be getting approval real quickly and I think that someone in NRC needs to gear up and become more involved at this point before it's finalized.

Marc Dapas: Well I want to thank you for your comments and, you know, I know this was a regulatory conference in connection with the Diablo Canyon protective action recommendations over the ocean and I think we've done our best to address a broad spectrum of questions that are not just specific to that aspect and I certainly would like to comment on your question specific to San Onofre and I know that the licensee is looking at what is the particular cask vendor that they chose to use. I think they've even announced that, we look at that and have to license that for approval there, and I don't know if that is a cask design that we have already reviewed and approved, but the licensee will not be able to use any cask design that has not been reviewed and approved in a safety context by the NRC. That's a requirement so there are different cask vendors that, you know, and the cost of the cask may be clearly different depending on the vendor that you chose, but any vendor that is chosen by the licensee has to use a cask that has been reviewed and approved by the NRC.

(Patricia Forshman): I understand that. The timing issue, the NRC's level of review is - that level - specific level of review won't apply until after - until the permits for decommissioning at San Onofre is already approved. What we're saying is we need that site specific level of review at the front end. We don't need it at the back end, you know, so this prolonged storage issue at San Onofre, I know last August this deregulatory commission authorized prolonged indefinitely prolonged on site storage of waste in dry cask storage and transfer of fuel - there's pending issues here that are just enormous and they haven't been fully resolved and I think Edison is painting a picture that's overly optimistic about the levels of their capabilities, their extent of experience, there's just so many uncertainties involved here and so many important choices and Edison has brought this to the public after it's already been cooked, you know, like 75% done.

And so the public has not been involved at the front end, so that's is partially what people are concerned about, you know, they've already - you know, what type of containers, they've already made those choices and those should have been part of the public participation process we think.

Marc Dapas: No, I appreciate your comment there, I do know of the community engagement panel that Southern California Edison has initiated and their various individuals that are representing local stakeholder interests on that engagement panel, but what I would offer here - because I can't speak to the specific site review that you're commenting on, I just don't have the expertise here in the room to address that question and so I was going to offer if - and I can repeat it - if you can send your question or comment to this email address, I'll make sure that we get the right folks from our program office back in touch with you to address your concerns with the site specific review, because I'm not aware of what you're referring to and I apologize for that.

(Patricia Forshman): Thank you so much.

Marc Dapas: Do you need the email address or did you get that when I commented regarding.

(Patricia Forshman): I can get it from any of my colleagues, I can get it from (Donna Gilmore) so no need to repeat it, I'll get it.

Marc Dapas: Okay, well thank you. Operator, do we have any other questions from members of the public?

Coordinator: I'm showing no other questions.

Marc Dapas: Okay, well I want to thank those members of the public and government officials that are still on the phone that participated and provided your questions, thank you, I do think that the exchange was done in a very professional manner and I know that we - people have different views and perspectives and I respect those views and appreciate the manner in which those were offered and the questions and comments that were provided by the individuals that participated. So thank you and Operator, with that we're concluding the question and answer period, thank you.

Coordinator: Thank you for your participation at today's conference, thank you, you may now disconnect at this time. Have a wonderful day.

END

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OFFICE	PSI:PSB1	C:PSB1						
NAME	G.Guerra	M.Haire						
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