



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
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September 1, 2010

John T. Conway  
Senior Vice President-Energy &  
Supply and Chief Nuclear Officer  
Pacific Gas and Electric Company  
Diablo Canyon Nuclear Plant  
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SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN – DIABLO  
CANYON POWER PLANT

Dear Mr. Conway:

On August 10, 2010, the NRC staff completed its performance review of Diablo Canyon Power Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from July 1, 2009 through June 30, 2010. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only—Security-Related Information" will include the security cornerstone review and resultant inspection plan.

Overall, Diablo Canyon Power Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter at the Diablo Canyon Power Plant, Units 1 and 2, was within the Licensee Response Column of the NRC's Action Matrix based on all inspection findings classified as having very low safety significance (Green) and all performance indicators indicating performance was at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility. In addition to baseline inspections, we also plan on implementing Inspection Procedure 71007, "Reactor Vessel Head Replacement Inspection," for Unit 1. The staff will also be conducting Inspection Procedure 92723, "Follow Up Inspection for Three or More Severity Level IV Traditional Enforcement Violations in the Same Area in a 12-Month Period," to follow up on multiple Severity Level IV violations in the traditional enforcement area of impeding the regulatory process.

In our annual assessment letter dated March 3, 2010, we advised you of a substantive crosscutting issue in the area of problem identification and resolution associated with the thoroughness of problem evaluation [P.1(c)] based on six findings with this aspect comprising a continuing crosscutting theme. During this assessment period, we identified fourteen findings related to the theme of inadequate problem evaluation. Recent examples include: an

inadequate operability determination associated with the offsite power degraded voltage protection scheme, the failure to properly report a safety system functional failure, and a failure to adequately evaluate changes to emergency diesel generator testing.

In evaluating your progress in addressing the substantive crosscutting issue in problem identification and resolution, we noted that you completed an additional root cause evaluation in June 2010 to more fully evaluate the depth and breadth of the issue, and that you developed a range of additional corrective actions and performance measures. We also understand that you have initiated an extensive licensing basis verification project, which you intend to present to the NRC at a public meeting in September 2010. We recognize that you have initiated actions, which if implemented effectively, should result in improved performance in this area, but have not yet proven effective in substantially mitigating the adverse trend in problem evaluation. Therefore, this substantive crosscutting issue will remain open until we determine, through our inspections, that actions implemented in accordance with your corrective action plan have resulted in sustained improved performance in this area as demonstrated by no safety significant findings and a reduction in the number of findings with the same causal factor, specifically focusing on the most recent 6-month interval reviewed in the assessment period.

Additionally, the staff identified that there were more than three Green findings for the current 12-month assessment period with documented crosscutting aspects in the area of human performance associated with the use of conservative assumptions in decision making [H.1(b)]. This theme was comprised of four findings and was not present in past assessments. This crosscutting aspect has a strong correlation to the problem identification and resolution crosscutting aspect of problem evaluation [P.1(c)] which is the subject of the substantive crosscutting issue discussed above. Specifically, the use of conservative assumptions is an important component to effective problem evaluation. In evaluating the scope of efforts and progress in addressing the crosscutting theme in conservative decision making, we determined that your staff appropriately recognized the declining trend, entered the trend into the corrective action program, and developed corrective actions; however, a reasonable duration of time has not passed to determine the effectiveness of your corrective actions. Therefore, we have concluded that a substantive crosscutting issue in human performance does not exist at this time. We will continue to closely monitor the effectiveness of your corrective actions for this theme through baseline inspection activities over the remainder of the assessment period.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through December 31, 2011. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Pacific Gas and Electric Company - 3 -

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Geoffrey Miller at 817-860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,



Tony Vogel, Acting Director  
Division of Reactor Projects

Docket Nos. 50-275; 50-323  
License Nos. DPR-80; DPR-82

Enclosure: Diablo Canyon Power Plant Inspection / Activity Plan

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R:\ Reactors\EOC and Midcycle\Midcycle Assessment Letters\2010

SUNSI Rev Compl.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ADAMS	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewer Initials	RWD
Publicly Avail	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Sensitive	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Sens. Type Initials	RWD
RIV/SPE/DRP/B	C:DRP/B	D:DRS	D:DRP		
RWDDeese	GBMiller	RJCaniano	AVegel		
/RA/	/RA/	/JClark for/	/RA/		
8/19/10	8/19/10	8/20/10	8/24/10		

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**Diablo Canyon**  
**Inspection / Activity Plan**  
 09/01/2010 - 12/31/2011

Unit Number	Planned Start	Planned End	Inspection Activity	Title	No. of Staff on Site
1, 2	09/13/2010	09/13/2010	<b>EB2-LRI - LICENSE RENEWAL INSPECTION</b>		7
			IP 71002	License Renewal Inspection	
			<b>PSB2-08P - INSERVICE INSPECTION - U1</b>		2
1	10/12/2010	11/05/2010	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
1	10/12/2010	11/05/2010	IP 71007	Reactor Vessel Head Replacement Inspection	
1	10/12/2010	11/05/2010	IP 7111108P	Inservice Inspection Activities - PWR	
			<b>RS12 - OCCUPATIONAL RADIATION SAFETY</b>		3
1, 2	10/18/2010	10/22/2010	IP 2515/179	Verification of Licensee Responses to NRC Requirement for Inventories of Materials Tracked in NSTS	
1, 2	10/18/2010	10/22/2010	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	10/18/2010	10/22/2010	IP 71124.02	Occupational ALARA Planning and Controls	
2	10/18/2010	10/22/2010	IP 71151-OR01	Occupational Exposure Control Effectiveness	
2	10/18/2010	10/22/2010	IP 71151-PR01	RETS/ODCM Radiological Effluent	
1, 2	12/06/2010	12/10/2010	IP 7111107T	Heat Sink Performance	1
			<b>EB1-07T - TRIENNIAL HEAT SINK PERFORMANCE EXAM</b>		1
			<b>EXAM - INITIAL OPERATOR EXAM</b>		
1	06/06/2011	06/10/2011	X02471	INITIAL EXAM - UNIT 1 - DC (07/2011)	
2	06/06/2011	06/10/2011	X02472	INITIAL EXAM - UNIT 2 - DC (07/2011)	
1	07/11/2011	07/22/2011	X02471	INITIAL EXAM - UNIT 1 - DC (07/2011)	
2	07/11/2011	07/22/2011	X02472	INITIAL EXAM - UNIT 2 - DC (07/2011)	
			<b>RS123MCA - RADIATION SAFETY</b>		3
1, 2	05/09/2011	05/13/2011	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	05/09/2011	05/13/2011	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	05/09/2011	05/13/2011	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2	05/09/2011	05/13/2011	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	05/09/2011	05/13/2011	IP 71151-PR01	RETS/ODCM Radiological Effluent	
2	05/09/2011	05/27/2011	IP 7111108P	Inservice Inspection Activities - PWR	4
			<b>PSB2-08P - INSERVICE INSPECTION - U2 EXAM - INITIAL EXAM</b>		5
1	06/06/2011	06/10/2011	X02435	INITIAL EXAM- DC (4/31/2010)	
1	07/11/2011	07/22/2011	X02435	INITIAL EXAM- DC (4/31/2010)	
			<b>EPI - BIENNIAL EP PROGRAM INSPECTION</b>		1
1, 2	07/18/2011	07/22/2011	IP 7111402	Alert and Notification System Testing	
1, 2	07/18/2011	07/22/2011	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2	07/18/2011	07/22/2011	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	07/18/2011	07/22/2011	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	

This report does not include INPO and OUTAGE activities.  
 This report shows only on-site and announced inspection procedures.

**Diablo Canyon**  
**Inspection / Activity Plan**  
 09/01/2010 - 12/31/2011

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
		<b>EP1 - BIENNIAL EP PROGRAM INSPECTION</b>		1
1, 2	07/18/2011 07/22/2011	IP 71151-EP01	Drill/Exercise Performance	
1, 2	07/18/2011 07/22/2011	IP 71151-EP02	ERO Drill Participation	
1, 2	07/18/2011 07/22/2011	IP 71151-EP03	Alert & Notification System	
		<b>EB1-17 - 50.59 AND MODS</b>		1
1, 2	09/19/2011 09/30/2011	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
		<b>RS45 - RADIATION SAFETY</b>		2
1, 2	12/05/2011 12/09/2011	IP 71124.04	Occupational Dose Assessment	
1, 2	12/05/2011 12/09/2011	IP 71124.05	Radiation Monitoring Instrumentation	

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