



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-4005**

March 4, 2003

Gregory M. Rueger, Senior Vice  
President, Generation and Chief Nuclear Officer  
Pacific Gas and Electric Company  
Diablo Canyon Power Plant  
P.O. Box 3  
Avila Beach, California 93424

**SUBJECT: ANNUAL ASSESSMENT LETTER - DIABLO CANYON POWER PLANT  
(REPORT 50-275; 50-323/03-01)**

Dear Mr. Rueger:

On February 5, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Diablo Canyon. The end-of-cycle review for Diablo Canyon involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Diablo Canyon operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004. In addition to the baseline inspections, Temporary Instruction 2515/150, "Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)," will also be conducted on Unit 1.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the midcycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these

requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections and conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 817/860-8147 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

William B. Jones, Chief  
Project Branch E  
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Dockets: 50-275  
50-323  
Licenses: DPR-80  
DPR-82

Enclosure:  
Diablo Canyon Inspection/Activity Plan

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/RA/	/RA/	/RA/	/RA/	
2/27/03	2/2/28/03	3/2/03	3/4/03	

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**Diablo Canyon**  
**Inspection / Activity Plan**  
**03/02/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>EMB - MODS</b>		<b>2</b>			
1,2	IP 7111117B	Permanent Plant Modifications		05/12/2003	05/16/2003	Baseline Inspections
	<b>OB-RQ - REQUALIFICATION INSPECTION</b>		<b>2</b>			
1,2	IP 7111111B	Licensed Operator Requalification		05/12/2003	05/16/2003	Baseline Inspections
	<b>PSB-EP1 - EP PROGRAM BASELINE INSPECTION</b>		<b>1</b>			
1,2	IP 7111402	Alert and Notification System Testing		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/25/2003	08/29/2003	Baseline Inspections
	<b>PSB-S1 - SECURITY BASELINE INSPECTION</b>		<b>1</b>			
1,2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		09/15/2003	09/19/2003	Baseline Inspections
1,2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Stra		09/15/2003	09/19/2003	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		09/15/2003	09/19/2003	Baseline Inspections
	<b>ALARA3 - ALARA PLANNING AND CONTROLS</b>		<b>1</b>			
1,2	IP 7112102	ALARA Planning and Controls		10/06/2003	10/10/2003	Baseline Inspections
	<b>EMB - INSERVICE INSPECTION</b>		<b>1</b>			
1	IP 7111108P	Inservice Inspection Activities - PWR		02/02/2004	02/06/2004	Baseline Inspections
1	IP 7111108P	Inservice Inspection Activities - PWR		02/09/2004	02/13/2004	Baseline Inspections
	<b>TI 150 - TI 2515/150 - RP VESSEL HEAD INSPECTION</b>		<b>1</b>			
1	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-0		02/07/2004	04/01/2004	Safety Issues
	<b>ACCESSPI - ACRSA/PIV</b>		<b>1</b>			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		02/16/2004	02/20/2004	Baseline Inspections