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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

August 1, 2008

John T. Conway
Senior Vice President &
Chief Nuclear Officer
Pacific Gas and Electric Company
P.O. Box 3
Mail Code 104/6/601
Avila Beach, CA 93424

SUBJECT: DIABLO CANYON POWER PLANT – NRC INSPECTION SITE-SPECIFIC
IMPLEMENTATION OF B.5.B PHASE 2 AND 3 MITIGATING STRATEGIES
TEMPORARY INSTRUCTION INSPECTION REPORT 05000275/2008007 AND
05000323/2008007

Dear Mr. Conway:

On June 20, 2008, the U.S. Nuclear Regulatory Commission (NRC) completed a site-specific implementation of B.5.b, Phase 2 and 3, temporary instruction team inspection of your Diablo Canyon Power Plant. The enclosed report documents the team's results, which were discussed on June 20, 2008, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to the implementation of B.5.b, Phase 2 and 3, mitigating strategies, your compliance with the Commission's rules and regulations, and with the condition of your operating license. Within these areas, the inspection involved examination of selected procedures and records, observation of activities, and interviews with station personnel.

Based on the results of this inspection, no findings of significance were identified.

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, and its enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records 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). However, because of the sensitive information contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Sincerely,

/RA/

Ryan E. Lantz, Chief
Operations Branch
Division of Reactor Safety

Dockets: 50-275; 50-323
Licenses: DPR-80; DPR-82

Enclosure:
cc w/o enclosure:
James R. Becker, Site Vice President and
Station Director
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

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