



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
612 EAST LAMAR BLVD, SUITE 400  
ARLINGTON, TEXAS 76011-4125

September 2, 2008

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

SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -  
DIABLO CANYON POWER PLANT

Dear Mr. Conway:

On August 5, 2008, the NRC staff completed its performance review of Diablo Canyon Power Plant, Units 1 and 2 for the first half of the calendar year 2008 assessment cycle. Our technical staff reviewed performance indicators for the most recent quarter and inspection results over the previous 12 months. 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.

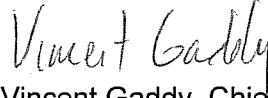
Plant performance for the most recent quarter at Diablo Canyon Units 1 and 2 was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). In addition to baseline inspections, we also plan on implementing Inspection Procedure 50001, "Steam Generator Replacement Inspection, for Unit 1.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through December 31, 2009. 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 9 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 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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 817-860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,



Vincent Gaddy, Chief  
Reactor Projects Branch B  
Division of Reactor Projects

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

Enclosure: Diablo Canyon Inspection/ Activity Plan

cc w/Enclosure

Sierra Club San Lucia Chapter  
ATTN: Andrew Christie  
P.O. Box 15755  
San Luis Obispo, CA 93406

Director, Radiological Health Branch  
State Department of Health Services  
P.O. Box 997414 (MS 7610)  
Sacramento, CA 95899-7414

Nancy Culver  
San Luis Obispo  
Mothers for Peace  
P.O. Box 164  
Pismo Beach, CA 93448

City Editor  
The Tribune  
3825 South Higuera Street  
P.O. Box 112  
San Luis Obispo, CA 93406-0112

Chairman  
San Luis Obispo County  
Board of Supervisors  
1055 Monterey Street, Suite D430  
San Luis Obispo, CA 93408

James D. Boyd, Commissioner  
California Energy Commission  
1516 Ninth Street (MS 31)  
Sacramento, CA 95814

Truman Burns\Robert Kinosian  
California Public Utilities Commission  
505 Van Ness Ave., Rm. 4102  
San Francisco, CA 94102

James R. Becker, Site Vice President &  
Station Director  
Diablo Canyon Power Plant  
P.O. Box 56  
Avila Beach, CA 93424

Diablo Canyon Independent Safety  
Committee  
Attn: Robert R. Wellington, Esq.  
Legal Counsel  
857 Cass Street, Suite D  
Monterey, CA 93940

Jennifer Tang  
Field Representative  
United States Senator Barbara Boxer  
1700 Montgomery Street, Suite 240  
San Francisco, CA 94111

Chief, Radiological Emergency  
Preparedness Section  
National Preparedness Directorate  
Technological Hazards Division  
Department of Homeland Security  
1111 Broadway, Suite 1200  
Oakland, CA 94607-4052

Diablo Canyon 1  
Inspection / Activity Plan  
09/01/2008 - 12/31/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>PSB2-52B - BIENNIAL P&amp;R INSPECTION</b>		4			
1	IP 71152B	Identification and Resolution of Problems		11/10/2008	11/14/2008	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		11/17/2008	11/21/2008	Baseline Inspections
	<b>EB1-17T - 50-59 AND MODS</b>		3			
1	IP 711117	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications		09/01/2008	09/12/2008	Baseline Inspections
	<b>EP1 - EP EXERCISE INSPECTION</b>		3			
1	IP 2515/175	Emergency Response Organization, Drill/Exercise Performance Indicator, Program Review		10/27/2008	10/31/2008	Baseline Inspections
1	IP 7111401	Exercise Evaluation		10/27/2008	10/31/2008	EP Baseline Inspection
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/27/2008	10/31/2008	EP Baseline Inspection
1	IP 71151-EP01	Drill/Exercise Performance		10/27/2008	10/31/2008	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		10/27/2008	10/31/2008	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/27/2008	10/31/2008	Baseline Inspections
	<b>RP-ORS2 - OCCUPATIONAL RADIATION SAFETY-ACCESS</b>		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/03/2008	11/07/2008	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/03/2008	11/07/2008	Baseline Inspections
1	IP 71151-OR01	Occupational Exposure Control Effectiveness		11/03/2008	11/07/2008	Baseline Inspections
	<b>RP TEAM - RADIATION SAFETY TEAM INSPECTION</b>		5			
1	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative		12/08/2008	12/12/2008	Generic Safety Inspecti
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/08/2008	12/12/2008	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		12/08/2008	12/12/2008	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		12/08/2008	12/12/2008	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program		12/08/2008	12/12/2008	Baseline Inspections
	<b>U1 SG - STEAM GENERATOR REPLACEMENT - UNIT 1</b>		1			
1	IP 50001	Steam Generator Replacement Inspection		01/01/2009	04/01/2009	Other Routine
	<b>EXAM - INITIAL EXAM</b>		3			
1	X02427	INITIAL EXAM-DC UNIT 1 (3/09)		01/05/2009	01/09/2009	Not Applicable
1	X02427	INITIAL EXAM-DC UNIT 1 (3/09)		02/09/2009	02/13/2009	Not Applicable
	<b>EB1-08 - U1 INSERVICE INSPECTION</b>		2			
1	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		01/26/2009	03/26/2009	Generic Safety Inspecti
1	IP 7111108P	Inservice Inspection Activities - PWR		01/26/2009	03/26/2009	Baseline Inspections
	<b>RP-ORS3 - OCCUPATIONAL RADIATION SAFETY - ALARA</b>		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/06/2009	04/10/2009	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/06/2009	04/10/2009	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/06/2009	04/10/2009	Baseline Inspections

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

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
1	REGUL I - OPERATOR BIENNIAL REQUAL INSPECTION		3	05/11/2009	05/15/2009	Baseline Inspections
	IP 7111111B	Licensed Operator Requalification Program				
	EB2-05T	- TRIENNIAL FIRE PROTECTION	4	06/08/2009	06/12/2009	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		07/06/2009	07/10/2009	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		07/20/2009	07/24/2009	Baseline Inspections
1	RP-ORS4 - OCCUPATIONAL RADIATION SAFETY		1	09/28/2009	10/02/2009	Baseline Inspections
	IP 7112101	Access Control to Radiologically Significant Areas		09/28/2009	10/02/2009	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/28/2009	10/02/2009	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/30/2009	12/04/2009	Not Applicable
	EXAM	- INITIAL EXAM	5			
	X02410	INITIAL EXAM UNIT 1-DC (8/2009)				
1	RP-ORS5 - OCCUPATIONAL RADIATION SAFETY - ALARA		1	12/14/2009	12/18/2009	Baseline Inspections
	IP 7112101	Access Control to Radiologically Significant Areas		12/14/2009	12/18/2009	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/14/2009	12/18/2009	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/14/2009	12/18/2009	Baseline Inspections

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Diablo Canyon 2  
Inspection / Activity Plan  
09/01/2008 - 12/31/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End	Inspection Type
2	U2 SG	- STEAM GENERATOR REPLACEMENT - UNIT 2	2		
2	IP 50001	Steam Generator Replacement Inspection		11/01/2007 12/31/2008	Other Routine
2	PSB2-52B	- BIENNIAL PI&R INSPECTION	4		
2	IP 71152B	Identification and Resolution of Problems		11/10/2008 11/14/2008	Baseline Inspections
2	IP 71152B	Identification and Resolution of Problems		11/17/2008 11/21/2008	Baseline Inspections
2	EB1-17T	- 50.59 AND MODS	3		
2	IP 711117	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications		09/01/2008 09/12/2008	Baseline Inspections
2	EP1	- EP EXERCISE INSPECTION	3		
2	IP 2515/175	Emergency Response Organization, Drill/Exercise Performance Indicator, Program Review		10/27/2008 10/31/2008	Baseline Inspections
2	IP 7111401	Exercise Evaluation		10/27/2008 10/31/2008	EP Baseline Inspection
2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/27/2008 10/31/2008	EP Baseline Inspection
2	IP 71151-EP01	Drill/Exercise Performance		10/27/2008 10/31/2008	Baseline Inspections
2	IP 71151-EP02	ERO Drill Participation		10/27/2008 10/31/2008	Baseline Inspections
2	IP 71151-EP03	Alert & Notification System		10/27/2008 10/31/2008	Baseline Inspections
2	RP-ORS2	- OCCUPATIONAL RADIATION SAFETY-ACCESS	1		
2	IP 7112101	Access Control to Radiologically Significant Areas		11/03/2008 11/07/2008	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		11/03/2008 11/07/2008	Baseline Inspections
2	IP 71151-PR01	RETS/ODCM Radiological Effluent		11/03/2008 11/07/2008	Baseline Inspections
2	RP TEAM	- RADIATION SAFETY TEAM INSPECTION	5		
2	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative		12/08/2008 12/12/2008	Generic Safety Inspecti
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/08/2008 12/12/2008	Baseline Inspections
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		12/08/2008 12/12/2008	Baseline Inspections
2	IP 7112202	Radioactive Material Processing and Transportation		12/08/2008 12/12/2008	Baseline Inspections
2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program		12/08/2008 12/12/2008	Baseline Inspections
2	EXAM	- INITIAL EXAM	3		
2	X02428	INITIAL EXAM-DC UNIT 2(3/09)		01/05/2009 01/09/2009	Not Applicable
2	X02428	INITIAL EXAM-DC UNIT 2(3/09)		02/09/2009 02/13/2009	Not Applicable
2	RP-ORS3	- OCCUPATIONAL RADIATION SAFETY - ALARA	1		
2	IP 7112101	Access Control to Radiologically Significant Areas		04/06/2009 04/10/2009	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		04/06/2009 04/10/2009	Baseline Inspections
2	IP 71151	Performance Indicator Verification		04/06/2009 04/10/2009	Baseline Inspections
2	REGUAL I	- OPERATOR BIENNIAL REGUAL INSPECTION	3		
2	IP 711111B	Licensed Operator Requalification Program		05/11/2009 05/15/2009	Baseline Inspections
2	EB2-05T	- TRIENNIAL FIRE PROTECTION	4		
2	IP 7111105T	Fire Protection [Triennial]		06/08/2009 06/12/2009	Baseline Inspections

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Diablo Canyon 2  
 Inspection / Activity Plan  
 09/01/2008 - 12/31/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
<b>EB2-05T - TRIENNIAL FIRE PROTECTION</b>						
2	IP 7111105T	Fire Protection [Triennial]	4	07/06/2009	07/10/2009	Baseline Inspections
2	IP 7111105T	Fire Protection [Triennial]		07/20/2009	07/24/2009	Baseline Inspections
<b>RP-ORS4 - OCCUPATIONAL RADIATION SAFETY</b>						
2	IP 7112101	Access Control to Radiologically Significant Areas	1	09/28/2009	10/02/2009	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		09/28/2009	10/02/2009	Baseline Inspections
2	IP 711151	Performance Indicator Verification		09/28/2009	10/02/2009	Baseline Inspections
<b>EB1-08 - U2 INSERVICE INSPECTION</b>						
2	IP 2515172	Reactor Coolant System Dissimilar Metal Butt Welds	2	10/05/2009	10/23/2009	Generic Safety Inspecti.
2	IP 7111108P	Inservice Inspection Activities - PWR		10/05/2009	10/23/2009	Baseline Inspections
<b>EXAM - INITIAL EXAM</b>						
2	X02411	INITIAL EXAM UNIT 2-DC (8/2009)	5	11/30/2009	12/04/2009	Not Applicable
<b>RP-ORS5 - OCCUPATIONAL RADIATION SAFETY - ALARA</b>						
2	IP 7112101	Access Control to Radiologically Significant Areas	1	12/14/2009	12/18/2009	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		12/14/2009	12/18/2009	Baseline Inspections
2	IP 711151	Performance Indicator Verification		12/14/2009	12/18/2009	Baseline Inspections