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UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

July 13, 2010

John T. Conway
Senior Vice President-Energy &
Supply and Chief Nuclear Officer
Pacific Gas and Electric Company
Diablo Canyon Nuclear Plant
77 Beale Street, Mail Code B32
San Francisco, CA 94105

SUBJECT: DIABLO CANYON POWER PLANT, UNITS 1 AND 2 - NRC SECURITY
INSPECTION REPORT 05000275/2010403 AND 05000323/2010403

Dear Mr. Conway:

On July 8, 2010, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Diablo Canyon Power Plant, Units 1 and 2. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed telephonically on July 8, 2010, with Mr. W. Guldmond, Director, Site Support Services and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents two NRC identified findings of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). These deficiencies were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the site. However, because of the very low security significance, and because these violations are entered into your corrective action program, the NRC is treating these violations as noncited violations (NCVs) consistent with Section VI.A.1 of the NRC Enforcement Policy. If you contest these noncited violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington, D.C. 20555-0001;

"Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled."

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- 2 -

with copies to the Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission, Region IV, 612 E. Lamar Blvd, Suite 400, Arlington, Texas, 76011-4125; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at the Diablo Canyon Power Plant.

Additionally, one finding had a crosscutting aspect in the area of problem identification and resolution, corrective action program, low threshold applies, in that the issue was not identified as being related to your physical fitness requirements (P.1.a). In addition, if you disagree with the cross-cutting aspect assigned to any finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV, and the NRC Resident Inspector at Diablo Canyon Power Plant.

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

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. 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/

Michael P. Shannon, Chief
Plant Support Branch-1
Division of Reactor Safety

Docket Nos.: 50-275, 50-323
License Nos.: DPR-80, DPR-82

Nonpublic Enclosure:
NRC Inspection Report 05000275/2010403
and 05000323/2010403 w/Attachment:
Supplemental Information

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