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UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

May 20, 2011

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 05000275/2011405 AND 05000323/2011405

Dear Mr. Conway:

On April 22, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a supplemental inspection pursuant to Inspection Procedure 95002, "Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," at your Diablo Canyon Power Plant, Units 1 and 2 to follow up on previous security inspection findings. The enclosed inspection report documents the inspection results, which were discussed on April 22, 2011, with you and other members of your staff. The NRC was informed of your readiness for the inspection on January 13, 2011.

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 team reviewed selected procedures and records, observed activities, and interviewed personnel.

As required by the NRC Reactor Oversight Process (ROP) Action Matrix, this supplemental inspection was performed because, during a security inspection conducted in March 2010, violations of Greater-than-Green security significance were identified which placed Diablo Canyon Power Plant in the Degraded Cornerstone Column in the third quarter of 2010. The violations which degraded the Security Cornerstone are documented in inspection report 05000275; 323/2010201.

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

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- 2 -

The objectives of this supplemental inspection were to: 1) provide assurance that the root causes and the contributing causes for the risk-significant performance issues were understood; 2) provide assurance that the extent of condition and extent of cause of the issues were identified; and 3) provide assurance that corrective actions were sufficient to address and prevent the recurrence of the root and contributing causes. This inspection also included independent NRC reviews of the extent of condition and extent of cause for the Greater-than-Green violations, and assessments of whether any safety culture component caused or significantly contributed to the issue. The inspection consisted of examination of activities conducted under your license as they relate to safety, compliance with the Commission's rules and regulations, and the conditions of your operating license.

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

The NRC determined that your staff performed a comprehensive evaluation of the individual and collective causes for the Greater-than-Green findings, performed an adequate review of the extent of condition and extent of cause of the performance issues, and implemented appropriate corrective actions to address the identified causes.

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

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Pacific Gas and Electric Company - 3 -

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

Nonpublic Enclosure:
NRC Inspection Report 05000275/2011405
and 05000323/2011405 w/Attachment:
Supplemental Information

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- 4 -

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Security Related Complete Report - OUO:

SUNSI Review Completed: JRL ADAMS: Yes Initials: JRL
 Non-Publicly Available Sensitive-Security- Related-Periodic Review Required

Letter Only:

SUNSI Review Completed: JRL ADAMS: Yes Initials: JRL
 Publicly Available Non-Sensitive

SPSI:PSB1	SPSI:PSB1	PSI:PSB1	EB	C:PSB1	C:PBB	D: DRS	C:PSB1
JLarsen	EByre	JRollins	GPick	MShannon	GMiller	AVegel	MShannon
/RA/	/RA/	/RA/	/RA/	/RA/	/RA/	/RA/	/RA/
5/13/11	5/13/11	5/13/11	5/13/11	5/18/11	5/18/11	5/20/11	5/20/11