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

May 27, 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 – NRC MATERIAL CONTROL AND
ACCOUNTING PROGRAM INSPECTION REPORT 05000275/2011404,
05000323/2011404

Dear Mr. Conway:

On May 13, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Diablo Canyon Power Plant. The inspection covered a key attribute of the Security Cornerstone of the NRC's Reactor Oversight Process, Material Control and Accounting of Special Nuclear Material. The enclosed inspection report documents the inspection results, which were discussed on May 13, 2011, with Mr. J. Becker, Site Vice President, 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.

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

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 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 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.

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

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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/

Gregory E. Werner, Chief
Plant Support Branch 2
Division of Reactor Safety

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

Nonpublic Enclosure:
NRC Inspection Report 05000275/2011404;
05000323/2011404
w/Attachment: Supplemental Information

cc w/o enclosure:
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bcc w/enclosure:

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Security-Related Complete Report – OUO Security-Related Information

SUNSI Review Completed: LCC2 ADAMS: ■ Yes Initials: LCC2

■ Non-Publicly Available ■ Sensitive

Letter Only:

SUNSI Review Completed: LCC2 ADAMS: ■ Yes Initials: LCC2

■ Publicly Available ■ Non-Sensitive

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