UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

March 2, 2012

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 05000275/2012403 AND 05000323/2012403

Dear Mr. Conway:

On February 2, 2012, 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 on February 2, 2012, with Mr. S. David, Director, Site 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 inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

One NRC-identified finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process) was identified during this inspection. The deficiency was 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 area.

This finding was determined to involve a violation of NRC requirements. Additionally, a licensee-identified violation which was determined to be of very low security significance is listed in this report. The NRC is treating this violation as a non-cited violation (NCV) consistent with Section 2.3.2 of the Enforcement Policy.

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

If you contest any NCV in this report, 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; with copies to the Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission, Region IV, 1600 E. Lamar Blvd, Arlington, Texas 76011-4511; 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.

One crosscutting aspect was assigned to this finding in the area of Problem Identification and Resolution associated with independent and self-assessments, in that the licensee failed to conduct self-assessments of sufficient depth, comprehension, objectivity and self-criticalness. [P.3.(a)]. If you disagree with the crosscutting aspect assignment in this report, you should provide a response within 30 days of the date of this report, with the basis for your disagreement, to Regional Administrator, Region IV; and to the 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 NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Website at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html. If Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Michael C. Hay, Chief
Plant Support Branch-1
Division of Reactor Safety

Docket No.: 50-275; 50-323
License No.: DPR-80; DPR-82

Nonpublic Enclosure:
NRC Inspection Report 05000275/2012403
and 05000323/2012403
w/Attachment: Supplemental Information

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