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

September 7, 2012

Mr. Edward D. Halpin
Senior Vice President and
Chief Nuclear Officer
Pacific Gas and Electric Company
Diablo Canyon Power Plant
P.O. Box 56, Mail Code 104/6
Avila Beach, CA 93424

SUBJECT: DIABLO CANYON POWER PLANT, UNITS 1 AND 2 - NRC SECURITY
INSPECTION REPORT 05000275/2012404 AND 05000323/2012404

Dear Mr. Halpin:

On August 9, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Diablo Canyon Power Plant. 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 August 9, 2012, with you 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.

Two NRC identified findings of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process) were identified during this inspection. The 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 inspector left the area.

Both of these findings were determined to involve violations of NRC requirements.

If you contest any NCV in the enclosed 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 DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspectors at Diablo Canyon Power Plant.

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

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One cross-cutting aspect was assigned to a finding in the area of Human Performance [H.4(c)]. If you disagree with a cross-cutting aspect assignment 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 NRC's Agencywide Document Access and Management 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, 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: 50-275; 50-323
License: DPR-80; DPR-82

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

cc w/enclosure:
Michael V. Priebe
Pacific Gas and Electric Company
Diablo Canyon Power Plant
Mail Code 104/5/508
P.O. Box 56
Avila Beach, CA 93424

cc w/o enclosure via Electronic Distribution

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Cover Letter w/enclosure(s)		<input type="checkbox"/> Non Sensitive	<input type="checkbox"/> Publicly Available	
<input checked="" type="checkbox"/> MD 3.4 Non-Public A.3		<input checked="" type="checkbox"/> Sensitive Periodic Review Required DAH	<input checked="" type="checkbox"/> Non-Publicly Available DAH	
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DAHolman	JMRollins	MHay	NOkeefe	MHay
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