



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

March 4, 2014

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: ANNUAL ASSESSMENT LETTER FOR DIABLO CANYON POWER PLANT,
UNITS 1 AND 2 (REPORT 05000275/2013001 AND 05000323/2013001)**

Dear Mr. Halpin:

On February 12, 2014, the NRC completed its end-of-cycle performance review of Diablo Canyon Power Plant, Units 1 and 2. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2013 through December 31, 2013. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Diablo Canyon Power Plant, Units 1 and 2, operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at Diablo Canyon Power Plant, Units 1 and 2, during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

The enclosed inspection plan lists the inspections scheduled through June 30, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security related inspections, which will be sent via separate, non-publicly available correspondence.

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised effective January 1, 2014. New cross-cutting aspects will be

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coded in accordance with the latest revision to NRC Inspection Manual Chapter (IMC) 0310, dated December 19, 2013. Cross-cutting aspects identified in the last six months of 2013 using the previous terminology will be converted to the revised language in accordance with the cross-reference in IMC 0310. The revised cross-cutting aspects will be evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305 starting with the calendar year 2014 mid-cycle assessment.

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 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).

Please contact me at 817-200-1148 with any questions you have regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Wayne C. Walker". The signature is written in a cursive style with a large, sweeping "W" and a distinct "C" before the last name.

Wayne C. Walker
Chief, Reactor Projects Branch A
Division of Reactor Projects

Docket Nos.: 05000275, 05000323
License Nos.: DPR-80, DPR-82

Enclosure:
Inspection Plan

S:\DRP\DRPDIR\ DC\DCPP Annual Assessment Ltr - .docx

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SUNSI Rev Compl.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ADAMS	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewer Initials	RA
Publicly Available	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Sensitive	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Sens. Type Initials	RA
SPE:DRP/A	D:DRP	D:DRS		C:DRP/A	
RAlexander	KKennedy	JClark		WWalker	
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2/26/14	2/27/14	2/28/14		2/28/14	

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T=Telephone

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Diablo Canyon
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
		EXAM - INITIAL OPERATOR EXAM		4
1, 2	07/14/2014 07/18/2014	X02532	INITIAL EXAM- DIABLO CANYON UNIT 1 (12/30/14)	
2	07/14/2014 07/18/2014	X02533	INITIAL EXAM DIABLO CANYON UNIT 2 (12/30/14)	
1	08/11/2014 08/15/2014	X02532	INITIAL EXAM- DIABLO CANYON UNIT 1 (12/30/14)	
2	08/11/2014 08/15/2014	X02533	INITIAL EXAM DIABLO CANYON UNIT 2 (12/30/14)	
		EXAM - INITIAL OPERATOR EXAM		3
2	03/18/2015 03/20/2015	X02533	INITIAL EXAM DIABLO CANYON UNIT 2 (12/30/14)	
2	03/18/2015 03/20/2015	X02557	INITIAL EXAM DC UNIT 2 (3/2015)	
		EP-2 - EXERCISE SCENARIO REVIEW		2
1, 2	03/10/2014 04/19/2014	IP 7111408	Exercise Evaluation – Scenario Review	
		EB1-17T - TRIENNIAL PERM PLANT MODS & 50.59		5
1, 2	05/05/2014 05/16/2014	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
		EP-1 - EP PERFORMANCE INDICATOR		1
1, 2	05/19/2014 05/23/2014	IP 71151-EP01	Drill/Exercise Performance	
1, 2	05/19/2014 05/23/2014	IP 71151-EP02	ERO Drill Participation	
1, 2	05/19/2014 05/23/2014	IP 71151-EP03	Alert & Notification System	
		EP-3 - BIENNIAL EXERCISE INSPECTION HAB		5
1, 2	05/19/2014 05/23/2014	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	05/19/2014 05/23/2014	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
		RS 5678 - RADIATION SAFETY - TEAM		5
1, 2	07/07/2014 07/11/2014	IP 71124.05	Radiation Monitoring Instrumentation	
1, 2	07/07/2014 07/11/2014	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2	07/07/2014 07/11/2014	IP 71124.07	Radiological Environmental Monitoring Program	
1, 2	07/07/2014 07/11/2014	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
		TSB 52B - BIENNIAL PI&R		4
1, 2	08/25/2014 08/29/2014	IP 71152B	Problem Identification and Resolution	
1, 2	09/08/2014 09/12/2014	IP 71152B	Problem Identification and Resolution	
		RS 12 PI - RADIATION SAFETY		2
1, 2	10/06/2014 10/10/2014	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	10/06/2014 10/10/2014	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	10/06/2014 10/10/2014	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	10/06/2014 10/10/2014	IP 71151-PR01	RETS/ODCM Radiological Effluent	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Diablo Canyon
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			71111.08 - DIABLO 2R18 INSERVICE INSPECTION		1
2	10/06/2014	10/17/2014	IP 7111108P	Inservice Inspection Activities - PWR	
			INSP - OPERATOR REQUAL INSPECTION		3
1,2	05/18/2015	05/22/2015	IP 7111111B	Licensed Operator Requalification Program	
			RS 24 - RADIATION SAFETY		2
1,2	06/01/2015	06/05/2015	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	06/01/2015	06/05/2015	IP 71124.04	Occupational Dose Assessment	
			EB2-05T - TRIENNIAL FIRE PROTECTION INSPECTION		4
1,2	06/22/2015	06/26/2015	IP 7111105T	Fire Protection [Triennial]	

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Enclosure