



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

August 31, 2006

John S. Keenan
Senior Vice President - Generation
and Chief Nuclear Officer
Pacific Gas and Electric Company
P.O. Box 770000
Mail Code B32
San Francisco, CA 94177-0001

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
DIABLO CANYON POWER PLANT**

Dear Mr. Keenan:

On August 10, 2006, the NRC staff completed its performance review of Diablo Canyon Power Plant for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed performance indicators for the most recent quarter and inspection results over the previous 12 months. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

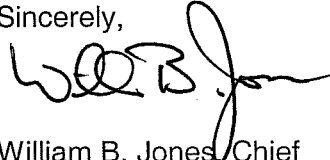
Plant performance for the most recent quarter at Diablo Canyon Power Plant Units 1 and 2 was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

The enclosed inspection plan details the inspections, except those related to physical protection, scheduled through March 31, 2008. In addition to baseline inspections, we plan to conduct the temporary instructions identified in the inspection plan. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the annual performance assessment review.

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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (817) 860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,



William B. Jones, Chief
Project Branch B
Division of Reactor Projects

Dockets: 50-275
50-323
Licenses: DPR-80
DPR-82

Enclosure:
Diablo Canyon Inspection/Activity Plan

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SUNSI Review Completed: WBJ ADAMS: Yes No Initials: WBJ
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive

R:_REACTORS\EOC and Midcycle\Midcycle Assessment Letters\2006\DC

RIV:C:DRP/B concurrence	D:DRS	D:DRP	C:DRP/B signature
WBJones;dlf;mjs	DDChamberlain	ATHowell III	WBJones
<i>/RA/</i>	<i>RJCaniano</i>	<i>/RA/</i>	<i>J</i>
8/23/06	8/24/06	8/25/06	8/25/06

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Diablo Canyon
Inspection / Activity Plan
07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	Q2 - EP - Q2 - EMERGENCY PREPAREDNESS INSPECTION		2			
1, 2	IP 7111401	Exercise Evaluation		04/02/2006	07/01/2006	Baseline Inspections
1, 2	IP 7111402	Alert and Notification System Testing		04/02/2006	07/01/2006	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		04/02/2006	07/01/2006	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		04/02/2006	07/01/2006	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		04/02/2006	07/01/2006	Baseline Inspections
1, 2	IP 7111406	Drill Evaluation		04/02/2006	07/01/2006	Baseline Inspections
	TI 169 - MSPi VERIFICATION		2			
1, 2	IP 2515/169	Mitigating Systems Performance Index Verification		07/02/2006	09/30/2006	Safety Issues
	EB2-12T - MAINTENANCE RULE TRIENNIAL		2			
1, 2	IP 711112B	Maintenance Effectiveness		07/10/2006	07/14/2006	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		07/31/2006	08/04/2006	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		07/31/2006	08/04/2006	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		07/31/2006	08/04/2006	Baseline Inspections
	EB1-21 - CDB		8			
1, 2	IP 7111121	Component Design Bases Inspection		09/11/2006	09/15/2006	Baseline Inspections
1, 2	IP 7111121	Component Design Bases Inspection		09/25/2006	10/06/2006	Baseline Inspections
	EP1 - EMERG PREPAREDNESS EXERCISE		3			
1, 2	IP 7111401	Exercise Evaluation		10/23/2006	10/27/2006	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/23/2006	10/27/2006	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/23/2006	10/27/2006	Baseline Inspections
	EB2-07B - HX PERFORMANCE		1			
1, 2	IP 711107B	Heat Sink Performance		11/13/2006	11/17/2006	Baseline Inspections
	RP TEAM - RP SAFETY TEAM		5			
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/04/2006	12/08/2006	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		12/04/2006	12/08/2006	Baseline Inspections
	EXAM - INITIAL EXAM		5			
1	X02326	DIABLO CANYON UNIT 1 INITIAL EXAM (3/5/07)		02/26/2007	03/02/2007	Not Applicable
2	X02327	DIABLO CANYON UNIT 2 INITIAL EXAM (3/5/07)		02/26/2007	03/02/2007	Not Applicable
1	X02326	DIABLO CANYON UNIT 1 INITIAL EXAM (3/5/07)		03/19/2007	03/23/2007	Not Applicable
2	X02327	DIABLO CANYON UNIT 2 INITIAL EXAM (3/5/07)		03/19/2007	03/23/2007	Not Applicable
	REQAL - BIENNIAL REQUALIFICATION		2			
1, 2	IP 711111B	Licensed Operator Requalification Program		03/26/2007	03/30/2007	Baseline Inspections

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

Diablo Canyon
 Inspection / Activity Plan
 07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		04/30/2007	05/04/2007	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		04/30/2007	05/04/2007	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		04/30/2007	05/04/2007	Baseline Inspections
	EP2 - EP PROGRAM		1			
1, 2	IP 7111402	Alert and Notification System Testing		07/16/2007	07/20/2007	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		07/16/2007	07/20/2007	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/16/2007	07/20/2007	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/16/2007	07/20/2007	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		07/16/2007	07/20/2007	Baseline Inspections
	EB02/17 - 50.59 & PERMANENT PLANT MODS		3			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/10/2007	09/14/2007	Baseline Inspections
1, 2	IP 711117B	Permanent Plant Modifications		09/10/2007	09/14/2007	Baseline Inspections
	RP-ORS - OCCUPATIONAL RADIATION SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		11/05/2007	11/09/2007	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		11/05/2007	11/09/2007	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		11/05/2007	11/09/2007	Baseline Inspections
	EB2-52B - BIENNIAL P&R INSPECTION		1			
1, 2	IP 71152B	Identification and Resolution of Problems		03/17/2008	03/21/2008	Baseline Inspections
1, 2	IP 71152B	Identification and Resolution of Problems		03/31/2008	04/04/2008	Baseline Inspections

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 This report shows only on-site and announced inspection procedures.