



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION IV  
1600 E. LAMAR BLVD.  
ARLINGTON, TX 76011-4511

March 4, 2015

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 05000275/2014001 AND 05000323/2014001)**

Dear Mr. Halpin:

On February 17, 2015, the Nuclear Regulatory Commission (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, 2014, through December 31, 2014. 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 the performance at Diablo Canyon Power Plant, Units 1 and 2, during the most recent quarter was within the Regulatory Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because of one White finding in the Emergency Preparedness Cornerstone, for Units 1 and 2. In a letter to you, dated September 2, 2014, the NRC provided its mid-cycle 2014 assessment indicating that the performance at Diablo Canyon Power Plant, Units 1 and 2, was within in the Licensee Response Column of the NRC's ROP Action Matrix, though the NRC was still reviewing unresolved item URI 05000275/2013005-01; 05000323/2013005-01, "Procedures for Recommending Protective Actions for Members of the Public on the Pacific Ocean."

In a letter to you, dated February 11, 2015, the NRC provided its final significance determination associated with an inspection finding in the Emergency Preparedness cornerstone for Units 1 and 2 (relative to the aforementioned unresolved item). The finding, which we concluded was of low to moderate safety significance (White), involved the failure to obtain prior approval for an emergency plan change that reduced the effectiveness of the emergency plan. Specifically, on November 4, 2005, without approval from the NRC, Diablo Canyon Power Plant staff removed instructions in emergency plan implementing procedures for making protective action recommendations for members of the public on the ocean within the 10-mile Emergency Planning Zone, reducing the plan's effectiveness.

Given the significance of the finding referenced above, the NRC determined the performance at Diablo Canyon Power Plant, Units 1 and 2, to be in the Regulatory Response Column of the ROP Action Matrix beginning the fourth quarter of 2014. The NRC plans to conduct a supplemental inspection to review the actions taken to address the performance issues associated with the White finding in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area." The NRC will plan this inspection activity when you provide written notification of your readiness for the inspection.

This supplemental inspection will provide assurance that the root causes and contributing causes of the risk-significant performance issues are understood, that the extent of condition and extent of cause of risk-significant performance issues are identified, and that your corrective actions for risk-significant performance issues are sufficient to address the root and contributing causes and prevent recurrence.

The enclosed inspection plan lists the inspections scheduled through June 30, 2016. 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.

Additionally, an NRC audit of licensee efforts towards compliance with Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," and Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation" is ongoing. This audit includes an onsite component in order for the NRC to evaluate mitigating strategies as described in licensee submittals, and to receive and review information relative to associated open items. This onsite activity will occur in the months prior to the first unit at each site achieving compliance with the Orders, and will aid staff in development of a Safety Evaluation for the site. The onsite component at your site has been scheduled for the week of August 17, 2015. A site-specific audit plan for the visit will be provided in advance to allow sufficient time for preparations.

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).

E. Halpin

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Please contact Wayne Walker at (817) 200-1148 with any questions you have regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Pruett', with a long horizontal stroke extending to the right.

Troy W. Pruett, Director  
Division of Reactor Projects

Docket: 05000275; 05000323

License: DPR-80, DPR-82

Enclosure:  
Inspection Plan

**Diablo Canyon**  
**Inspection / Activity Plan**  
**03/01/2015 - 06/30/2016**

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
1, 2	05/18/2015 05/22/2015	INSP IP 711111B	- OPERATOR REQUAL INSPECTION Licensed Operator Requalification Program	3
1, 2	06/08/2015 06/12/2015	ISFSI IP 60855	- ROUTINE INSPECTOR Operation Of An ISFSI	1
1, 2	07/20/2015 07/24/2015	EP-1 IP 7111402	- BIENNIAL EP PROGRAM INSPECTION Alert and Notification System Testing	1
1, 2	07/20/2015 07/24/2015	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2	07/20/2015 07/24/2015	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	07/20/2015 07/24/2015	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1, 2	07/20/2015 07/24/2015	EP-2 IP 71151-EP01	- EP PERFORMANCE INDICATORS Drill/Exercise Performance	1
1, 2	07/20/2015 07/24/2015	IP 71151-EP02	ERO Readiness	
1, 2	07/20/2015 07/24/2015	IP 71151-EP03	Alert & Notification System Reliability	
1, 2	08/03/2015 08/07/2015	RS 24 IP 71124.02	- RADIATION SAFETY Occupational ALARA Planning and Controls	2
1, 2	08/03/2015 08/07/2015	IP 71124.04	Occupational Dose Assessment	
1, 2	10/12/2015 10/16/2015	RS 13 PI IP 71124.01	- RADIATION SAFETY Radiological Hazard Assessment and Exposure Controls	2
1, 2	10/12/2015 10/16/2015	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2	10/12/2015 10/16/2015	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	10/12/2015 10/16/2015	IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	
1	10/12/2015 10/23/2015	71111.08 IP 7111108P	- INSERVICE INSPECTION 1R19 Inservice Inspection Activities - PWR	1
1, 2	02/08/2016 03/11/2016	EB1-21T IP 7111121	- DC COMPONENT DESIGN BASIS INSPECTION Component Design Bases Inspection	6
1	03/21/2016 03/25/2016	EXAMS X02569	- INITIAL OPERATOR EXAM INITIAL EXAM DIABLO CANYON UNIT 1 (04/2016)	4
2	03/21/2016 03/25/2016	X02570	INITIAL EXAM DIABLO CANYON UNIT 2 (04/2016)	
1	04/18/2016 04/26/2016	X02569	INITIAL EXAM DIABLO CANYON UNIT 1 (04/2016)	
2	04/18/2016 04/26/2016	X02570	INITIAL EXAM DIABLO CANYON UNIT 2 (04/2016)	
1, 2	05/09/2016 05/13/2016	RS 12 PI IP 71124.01	- RADIATION SAFETY Radiological Hazard Assessment and Exposure Controls	2
1, 2	05/09/2016 05/13/2016	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	05/09/2016 05/13/2016	IP 71151-OR01	Occupational Exposure Control Effectiveness	

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

Diablo Canyon

Inspection / Activity Plan

03/01/2015 - 06/30/2016

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
1, 2	05/09/2016	05/13/2016	RS 12 PI - RADIATION SAFETY IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	2
2	05/09/2016	05/20/2016	71111.08 - INSERVICE INSPECTION 2R19 IP 7111108P	INSERVICE INSPECTION 2R19 Inservice Inspection Activities - PWR	1
1, 2	06/27/2016	07/01/2016	TSB 52B - BIENNIAL PI&R INSPECTION IP 71152B	BIENNIAL PI&R INSPECTION Problem Identification and Resolution	4

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

E. Halpin

Please contact Wayne Walker at (817) 200-1148 with any questions you have regarding this letter.

Sincerely,

/RA/

Troy Pruett, Director  
Division of Reactor Projects

Docket: 05000275; 05000323  
License: DPR-80, DPR-82

Enclosure:  
Inspection Plan

DISTRIBUTION

See next page

DC 2014 Annual Assessment Ltr.

ML 15063A590

<input checked="" type="checkbox"/> SUNSI Review By: RA	ADAMS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Sensitive <input checked="" type="checkbox"/> Non-Sensitive	<input type="checkbox"/> Non-Publicly Available <input checked="" type="checkbox"/> Publicly Available		Keyword RGN-002
OFFICE	SPE:DRP/A	BC:DRS/PSB1	BC:DRP/A	D:DRS	DD:DRP
NAME	RAlexander	MHaire	WWalker	AVegel	TPruett
SIGNATURE	/RA/	/RA/	WCWalker	AVegel	TRE FOR
DATE	2/20/15	2/25/15	3/2/15	2/26/15	3/4/15

OFFICIAL RECORD

Letter to Edward Halpin from Troy Pruett, dated March 4, 2015

SUBJECT: ANNUAL ASSESSMENT LETTER FOR DIABLO CANYON POWER PLANT,  
UNITS 1 AND 2 (REPORT 05000275/2014001 AND 05000323/2014001)

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