



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

September 4, 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: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –  
DIABLO CANYON POWER PLANT (05000275/2012006, 05000323/2012006)

Dear Mr. Halpin:

On August 14, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed its mid-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 July 1, 2011, through June 30, 2012. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This assessment reflects the integration of the Security Cornerstone into the ROP performance assessment program governed by IMC 0305, "Operating Reactor Assessment Program."

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 NRC identified a new cross-cutting theme in the human performance decision making component. Specifically, four findings were identified that had primary causal factors involving the failure to use conservative assumptions in decision making such that licensee decisions demonstrate that nuclear safety is an overriding priority [H.1(b)]. The NRC has determined that a substantive cross-cutting issue associated with H.1(b) does not exist because the NRC does not have a concern with your staff's scope of effort and progress in addressing the cross-cutting theme. You have placed this trend into your corrective action program and are in the process of performing a common cause analysis to identify corrective action. This theme was identified at the end of the assessment period, so we recognize that you have not had sufficient time to implement corrective action. The NRC will continue to monitor your staff's effort and progress in addressing the theme until the theme criteria are no longer met.

The enclosed inspection plan lists the inspections scheduled through December 31, 2013. Routine inspections performed by resident inspectors are not included in the inspection plan. In addition to the baseline inspections, consistent with the Agency's actions related to Fukushima, the NRC will perform TI-187, "Inspection of Near-Term Task Force Recommendation 2.3 Flooding Walkdowns," and TI-188, "Inspection of Near-Term Task Force Recommendation 2.3 Seismic Walkdowns." The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the end-of-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.

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) 200-1141 with any questions you may have regarding this matter.

Sincerely,



Neil O'Keefe, Chief  
Reactor Projects Branch B  
Division of Reactor Projects

Docket Nos.: 50-275, 50-323  
License Nos.: DPR-80, DPR-82

Enclosure: Diablo Canyon Plant Inspection/Activity Plan

cc w/Enclosure: Electronic Distribution

Electronic Distribution by RIV:

Regional Administrator (Elmo.Collins@nrc.gov)  
 Deputy Regional Administrator (Art.Howell@nrc.gov)  
 DRP Director (Kriss.Kennedy@nrc.gov)  
 Acting DRP Deputy Director (Allen.Howe@nrc.gov)  
 Acting DRS Director (Thomas.Blount@nrc.gov)  
 Acting DRS Deputy Director (Patrick.Louden@nrc.gov)  
 Senior Resident Inspector (Michael.Peck@nrc.gov)  
 Resident Inspector (Laura.Micewski@nrc.gov)  
 Branch Chief / B (Neil.O'Keefe@nrc.gov)  
 Senior Project Engineer (Leonard.Willoughby@nrc.gov)  
 Project Engineer (Nestor.Makris@nrc.gov)  
 Public Affairs Officer (Victor.Dricks@nrc.gov)  
 Public Affairs Officer (Lara.Uselding@nrc.gov)  
 Regional State Liaison Officer (Bill.Maier@nrc.gov)  
 Congressional Affairs Officer (Jenny.Weil@nrc.gov)  
 Branch Chief, DRS/EB1 (Thomas.Farnholtz@nrc.gov)  
 Branch Chief, DRS/EB2 (Geoffrey.Miller@nrc.gov)  
 Branch Chief, DRS/PSB1 (Michael.Hay@nrc.gov)  
 Branch Chief, DRS/OB (Mark.Haire@nrc.gov)  
 Branch Chief, DRS/TSB (Ray.Kellar@nrc.gov)  
 Director, DIRS, NRR (Ho.Nieh@nrc.gov)  
 Deputy Director, DIRS NRR (John.Lubinski@nrc.gov)  
 Director, DORL, NRR (Michele.Evans@nrc.gov)  
 Deputy Director, DORL, NRR (Louise.Lund@nrc.gov)  
 Chief, PLB IV, DORL, NRR (Michael.Markley@nrc.gov)  
 NRR Project Manager (Joseph.Sebrosky@nrc.gov)  
 RA Administrative Assistant (Lisa.Quayle@nrc.gov)  
 DRA Administrative Assistant (Anita.Tannenbaum@nrc.gov)  
 RITS Coordinator (Marisa.Herrera@nrc.gov)  
 TSB Technical Assistant (Loretta.Williams@nrc.gov)  
 RidsNrrDirslpabResource@nrc.gov  
 ROPreports@nrc.gov  
 ROPassessment.Resource@nrc.gov  
 Congressional Affairs Officer (Silas.Kennedy@nrc.gov)

R:\\_Reactors\Midcycle 2012\DC.docx

ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: NFO
		<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive
		<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive
<b>C:DRP/C</b>	<b>D:DRS</b>	<b>D:DRP</b>	
NO'Keefe	TBlount	KKennedy	
/RA/	/RA/	/RA/	
8/27/12	8/28/12	8/31/12	

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

Unit Number	Planned Dates Start End	Inspection/Activity	Title	No. of Staff on Site
1,2	03/01/2012 12/31/2012	2515/182 IP-2515/182	- UNDERGROUND PIPING PHASE 1 Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping	2
1	11/05/2012 11/09/2012	EXAM X02490	- INITIAL OPERATOR EXAM INITIAL EXAM - UNIT 1 - DC (09/2012)	5
2	11/05/2012 11/09/2012	X02491	INITIAL EXAM - UNIT 2 - DC (09/2012)	
1	11/26/2012 12/07/2012	X02490	INITIAL EXAM - UNIT 1 - DC (09/2012)	
2	11/26/2012 12/07/2012	X02491	INITIAL EXAM - UNIT 2 - DC (09/2012)	
1,2	05/01/2012 12/31/2012	D/I&C IP IP-2515/172	- DC DIGITAL I&C UPGRADE Reactor Coolant System Dissimilar Metal Butt Welds	8
1,2	05/01/2012 12/31/2012	IP-2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
1,2	05/01/2012 12/31/2012	IP-2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
1,2	07/01/2012 12/31/2012	2515/187 IP-2515/187	- FLOODING WALKDOWNS Inspection of Near-Term Task Force Recommendation 2.3: Flooding Walkdowns	2
1,2	07/01/2012 12/31/2012	2515/188 IP-2515/188	- SEISMIC WALKDOWNS Inspection of Near-Term Task Force Recommendation 2.3: Seismic Walkdowns	2
1,2	10/22/2012 11/09/2012	EB2-05T IP-7111105P	- TRIENNIAL FIRE PROTECTION INSPECTION Fire Protection-NFPA 805 Transition Period [Triennial]	4
1,2	11/05/2012 11/09/2012	IP-7111105P	Fire Protection-NFPA 805 Transition Period [Triennial]	
1,2	11/05/2012 11/09/2012	EP-1 IP-71111401	- BIENNIAL EPI EXERCISE Exercise Evaluation	3
1,2	11/05/2012 11/09/2012	IP-71111404	Emergency Action Level and Emergency Plan Changes	
1,2	11/05/2012 11/09/2012	IP-71151-EP01	Drill/Exercise Performance	
1,2	11/05/2012 11/09/2012	IP-71151-EP02	ERO Drill Participation	
1,2	11/05/2012 11/09/2012	IP-71151-EP03	Alert & Notification System	
1,2	01/01/2013 12/31/2013	2515/182 IP-2515/182	- UNDERGROUND PIPING PHASE 1 Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping	2
1,2	01/01/2013 12/31/2013	2515/187 IP-2515/187	- FLOODING WALKDOWNS Inspection of Near-Term Task Force Recommendation 2.3: Flooding Walkdowns	2
1,2	01/01/2013 12/31/2013	2515/188 IP-2515/188	- SEISMIC WALKDOWNS Inspection of Near-Term Task Force Recommendation 2.3: Seismic Walkdowns	2
1,2	02/11/2013 02/15/2013	PSB2-RP IP-71124.01	- RADIATION SAFETY Radiological Hazard Assessment and Exposure Controls	
1,2	02/11/2013 02/15/2013	IP-71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
2	02/11/2013 02/15/2013	IP-71151-OR01	Occupational Exposure Control Effectiveness	

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

**Diablo Canyon**  
**Inspection / Activity Plan**  
**09/01/2012 - 12/31/2013**

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
1	02/11/2013 02/15/2013	PSB2-RP - RADIATION SAFETY IP 71151-PR01	RETS/ODCM Radiological Effluent	2
2	02/11/2013 02/22/2013	PSB2-JSI - INSERVICE INSPECTION IP 7111108P	Inservice Inspection Activities - PWR	1
1,2	04/08/2013 04/12/2013	INSP - LICENSED OPERATOR REQUAL INSP IP 7111111B	Licensed Operator Requalification Program	3
1,2	06/10/2013 07/12/2013	EB1-21 - COMPONENT DESIGN BASIS INSPECTION IP 7111121	Component Design Bases Inspection	6
1,2	08/05/2013 08/09/2013	PSB2-RP - RADIATION SAFETY IP 71124.02	Occupational ALARA Planning and Controls	2
1,2	08/05/2013 08/09/2013	IP 71124.04	Occupational Dose Assessment	
1,2	08/19/2013 08/23/2013	EP1 - BIENNIAL PROGRAM INSPECTION IP 7111402	Alert and Notification System Testing	1
1,2	08/19/2013 08/23/2013	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1,2	08/19/2013 08/23/2013	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1,2	09/09/2013 09/13/2013	EB1-07T - TRIENNIAL HEAT SINK INSPECTION IP 7111107T	Heat Sink Performance	1

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