

SAFEGUARDS INFORMATION



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

September 13, 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: DIABLO CANYON POWER PLANT, UNITS 1 AND 2 - NRC INSPECTION
REPORT 05000275/2006014 AND 05000323/2006014

Dear Mr. Keenan:

On August 2, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Diablo Canyon Power Plant, Units 1 and 2. The enclosed inspection report documents the inspection results, which were discussed on August 2, 2006, with Mr. Mike Meko, Site Services Director, 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.

No findings of significance were identified.

In accordance with 10 CFR 2.390 and 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (The Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

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| Enclosure Contains Safeguards Information. When Separated from enclosure, this cover document is DECONTROLLED |
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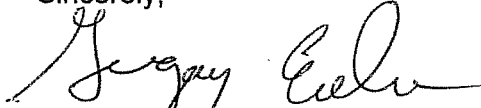
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Sincerely,



Gregory E. Werner, Chief
Project Branch B
Division of Reactor Projects

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Licenses: DPR-80, DPR-82

Enclosure:
NRC Inspection Report 05000275/2006014
and 05000323/2006014 (SAFEGUARDS INFORMATION)

cc **without** Safeguards Information enclosure:

Donna Jacobs
Vice President, Nuclear Services
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

James R. Becker, Vice President
Diablo Canyon Operations and
Station Director, Pacific Gas and
Electric Company
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, CA 93424

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/RA/ on actual signature page

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| | | |
|--------|-----------|------------|
| OFFICE | Region IV | |
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| DATE | 9/13 /06 | |

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