

SAFEGUARD INFORMATION



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

August 20, 2007

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 SECURITY
INSPECTION REPORT 05000275/2007401; 05000323/2007401.

Dear Mr. Keenan:

On July 19, 2007, the US Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Diablo Canyon Power Plant, Units 1 and 2. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results which were discussed on July 19, 2007, with Donna Jacobs, Vice President, Nuclear Services, and other members of your staff.

This 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.

WARNING: Violation of Section 147 of the Atomic Energy Act, protection requirements for "SAFEGUARDS INFORMATION," is subject to civil and criminal penalties.

Safeguards Information determination made by:
Name/Title Michael P. Shannon
Organization PSB/DRS/RIV
Basis 10 CFR 73
Signature /RA/ Date 8/20/07

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This report documents two findings of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiencies were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site.

NRC is treating these violations as non-cited violations (NCVs) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of the violations and because they were entered into your corrective action program. If you contest these non-cited violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-001; with copies to the Regional Administrator Region IV; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-001; and the NRC Resident Inspector at the Diablo Canyon Power Plant.

The findings were both NRC-identified and licensee-identified.

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 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.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response Security Related Information - Withhold under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Sincerely,

/RA/

Michael P. Shannon, Chief
Plant Support Branch
Division of Reactor Safety

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Docket Nos.: 50-275
50-323

License Nos.: DPR-80
DPR-82

Nonpublic Enclosure: Inspection Report 05000275/2007401 and 05000323/2007401
w/Attachment: Supplemental Information

cc w/o enclosure:

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Station Director, Pacific Gas and
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