

SAFEGUARDS INFORMATION

October 26, 2016

Mr. Edward Halpin
Senior Vice President and Chief Nuclear Officer
Pacific Gas and Electric Company
9 Miles NW of Avila Beach
Avila Beach, CA 93424

SUBJECT: DIABLO CANYON POWER PLANT, UNITS 1 AND 2 - NRC SECURITY
INSPECTION REPORT 05000275/2016201 AND 05000323/2016201

Dear Mr. Halpin:

On September 16, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed a security inspection at your Diablo Canyon Power Plant, Units 1 and 2. On September 27, 2016, the NRC inspectors discussed results of this inspection with Mr. Jan Nimick, Senior Director, Nuclear Services, and other members of your staff. The results of this inspection are documented in the enclosed inspection report.

NRC inspectors documented one finding of very low security significance (Green) in this report. This finding involved a violation of NRC requirements. The NRC is treating this violation as a non-cited violation (NCV) consistent with Section 2.3.2.a of the Enforcement Policy.

If you contest this violation or the significance of this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Nuclear Security and Incident Response; the Director, Office of Enforcement; and the NRC resident inspector at the Diablo Canyon Power Plant, Units 1 and 2.

One cross-cutting aspect was assigned a finding in the area of Human Performance, Questioning Attitude. Specifically, because the licensee failed to stop when faced with uncertain conditions. Risks are evaluated and managed before preceeding [H.11].

If you disagree with a cross-cutting aspect assignment or a finding not associated with a regulatory requirement in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Nuclear Security, and Incident Response; and the NRC resident inspector at the Diablo Canyon Power Plant, Units 1 and 2.

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SAFEGUARDS INFORMATION

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E. Halpin

- 2 -

This letter will be available for public inspection at <http://www.nrc.gov/reading-rm/adams.html> and at the NRC Public Document Room in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Request for Withholding."

The enclosed report contains Safeguards Information as defined by 10 CFR 73.21, "Protection of Safeguards Information: Performance Requirements," and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material enclosed report will not be made publicly available. If you choose to provide a response that contains Safeguards Information, please provide the level of protection described in 10 CFR 73.21. Otherwise, if you choose to provide a response that contains Security-Related Information, please mark your entire response "Security-Related Information - Withhold from public disclosure under 10 CFR 2.390" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA J. Willis acting for/

Robert C. Johnson, Chief
Security Performance Evaluation Branch
Division of Security Operations
Office of Nuclear Security and Incident Response

Docket Nos.: 05000275, 05000323

License Nos.: DPR-80, DPR-82

Nonpublic Enclosure: Inspection Report 05000275/2016201 and 05000323/2016201
w/Attachments: Supplemental Information

cc w/ enclosure: Douglas Evans, Site Security Manager

cc w/o enclosure: James M. Welsch, Vice President, Nuclear Generation

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| SIGNATURE | | | | | (J. Willis for) | |
| DATE | 9/27/16 | 10/13/16 | 10/03/16 | 10/18/16 | 10/24/16 | |

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