



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

March 1, 2017

Mr. Edward D. Halpin, Senior Vice President,
Generation 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 05000275/2016006 AND 05000323/2016006)

Dear Mr. Halpin:

On February 16, 2017, the U.S. Nuclear Regulatory Commission (NRC) completed its end-of-cycle performance assessment of Diablo Canyon Power Plant, Units 1 and 2, reviewing performance indicators (PIs), inspection results, and enforcement actions from January 1, 2016, through December 31, 2016. 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 concluded that overall performance at your facility preserved public health and safety.

The NRC determined the performance at Diablo Canyon Power Plant, Unit 1, during the most recent quarter was within the Licensee Response Column, the highest performance category of the NRC's Reactor Oversight Process (ROP) Action Matrix, because all Unit 1 related inspection findings had very low safety significance (i.e., Green), and all Unit 1 PIs were within the expected range (i.e., Green). However, the NRC determined the performance at Diablo Canyon Power Plant, Unit 2, during the most recent quarter was within the Regulatory Response Column, the second highest performance column of the NRC's ROP Action Matrix. This conclusion was based on a single, Unit 2-related inspection finding having low-to-moderate safety significance (i.e., White) in the Mitigating Systems Cornerstone originating in the third quarter of 2016, and all PIs within the expected range (i.e., Green). The NRC previously communicated the final significance determination associated with this finding, and the transition of Diablo Canyon Power Plant, Unit 2, to the Regulatory Response Column, in a letter to you dated December 28, 2016 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16363A429).

In a letter dated January 26, 2017, (ADAMS Accession No. ML17026A485), PG&E appealed the NRC's characterization of the aforementioned finding as having low-to-moderate safety significance (White). The NRC reviewed your appeal in accordance with NRC Inspection Manual Chapter 0609.02, "Process for Appealing NRC Characterization of Inspection Findings (Significance Determination Process (SDP) Appeal Process)." By letter dated February 28, 2017, (ADAMS Accession No. ML17059D758), the NRC concluded that PG&E's appeal did not have sufficient merit for review by the appeal process specified in IMC 0609.02. Accordingly, the NRC concluded the single inspection finding of low-to-moderate safety significance (White) and related performance assessment documented in our December 28, 2016, letter that placed Diablo Canyon, Unit 2 in the Regulatory Response Column of the NRC's Action Matrix remains valid.

Therefore, in addition to ROP baseline inspections, the NRC plans to conduct a supplemental inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection Response to Action Matrix Column 2 Inputs." The objectives of the supplemental inspection are: (1) to assure that the root causes and contributing causes of significant performance issues are understood, (2) to independently assess and assure that the extent of condition and extent of cause of significant performance issues are identified, (3) to assure that corrective actions taken to address and preclude repetition of significant performance issues are prompt and effective, and (4) to assure that corrective plans direct prompt actions to effectively address and preclude repetition of significant performance issues. This inspection will be scheduled after you notify the NRC of your readiness for inspection.

The enclosed inspection plan lists the inspections scheduled through December 31, 2018. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last twelve months of the inspection plan are tentative and may be revised. 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 the plan for security-related inspections, which will be sent via separate, non-publicly available correspondence.

Additionally, as reflected in the enclosure, during this period the NRC staff will complete Temporary Instruction 2515/191, "Inspection of the Implementation of Mitigation Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans." This inspection will be conducted at Diablo Canyon Power Plant, Units 1 and 2, to confirm the station's full implementation of Commission Orders EA-12-049 and EA-12-051.

In accordance with Title 10 of the *Code of Federal Regulations* (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 Jeremy Groom at (817) 200-1148 with any questions you have regarding this letter.

Sincerely,

/RA R. Lantz for/

Troy W. Pruett, Director
Division of Reactor Projects

Docket Nos. 05000275, 05000323
License Nos. DPR-80, DPR-82

Enclosure:
Diablo Canyon Inspection/Activity Plan

ANNUAL ASSESSMENT LETTER FOR DIABLO CANYON POWER PLANT, UNITS 1 AND 2
(REPORT 05000275/2016006 AND 05000323/2017006) – DATED MARCH 1, 2017

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☒ SUNSI Review: ADAMS: ☐ Non-Publicly Available ☒ Non-Sensitive Keyword:
By: RDA/dll ☒ Yes ☐ No ☒ Publicly Available ☐ Sensitive NRC-002

OFFICE	C: DRP/A	D:DRS	D:DRP		
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SIGNATURE	/RA/	/RA JClark for/	/RA RLantz for/		
DATE	2/28/17	3/1/17	3/1/17		

OFFICIAL RECORD COPY

Diablo Canyon
Inspection / Activity Plan
01/01/2017 - 12/31/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
Start	End				
			BRQ - BRQ INSPECTION		3
1, 2	04/03/2017	04/07/2017	IP 7111111B	Licensed Operator Requalification Program	
			RS 13 PI - RADIATION SAFETY		2
1, 2	05/08/2017	05/12/2017	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	05/08/2017	05/12/2017	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2	05/08/2017	05/12/2017	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	05/08/2017	05/12/2017	IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	
			71111.08 - INSERVICE INSPECTION		1
1	05/08/2017	05/19/2017	IP 7111108P	Inservice Inspection Activities - PWR	
			EB1-17T - DC 50.59 CHANGES, TESTS, AND EXPERIMENTS		3
1, 2	06/19/2017	06/23/2017	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
			RS 24 - RADIATION SAFETY		2
1, 2	07/31/2017	08/04/2017	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	07/31/2017	08/04/2017	IP 71124.04	Occupational Dose Assessment	
			EXAM - INITIAL EXAM		6
1	12/11/2017	12/15/2017	X02595	INITIAL EXAM DC U1 (10/2017)	
2	12/11/2017	12/15/2017	X02596	INITIAL EXAM DC U2 (10/2017)	
1	01/22/2018	02/05/2018	X02595	INITIAL EXAM DC U1 (10/2017)	
2	01/22/2018	02/05/2018	X02596	INITIAL EXAM DC U2 (10/2017)	
			EP-1 - BIENNIAL EP PROGRAM INSPECTION		1
1, 2	10/30/2017	11/03/2017	IP 7111402	Alert and Notification System Testing	
1, 2	10/30/2017	11/03/2017	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2	10/30/2017	11/03/2017	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	10/30/2017	11/03/2017	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
			EP-2 - EP PERFORMANCE INDICATOR VERIFICATION		1
1, 2	10/30/2017	11/03/2017	IP 71151-EP01	Drill/Exercise Performance	
1, 2	10/30/2017	11/03/2017	IP 71151-EP02	ERO Readiness	
1, 2	10/30/2017	11/03/2017	IP 71151-EP03	Alert & Notification System Reliability	
			TI-191 - MITIGATING STRATEGIES/SFP INST FOR BDBEE		4
1, 2	11/13/2017	11/17/2017	IP 2515/191	Inspection of Licensee's Responses to Order EA-12-049, EA-12-051 & EP Info Request March 12, 2012	
			RS 12PI - RAD SAFETY		2
1, 2	02/12/2018	02/16/2018	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	02/12/2018	02/16/2018	IP 71124.02	Occupational ALARA Planning and Controls	

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

Diablo Canyon
Inspection / Activity Plan
01/01/2017 - 12/31/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
			RS 12PI - RAD SAFETY		2
1, 2	02/12/2018	02/16/2018	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	02/12/2018	02/16/2018	IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	
			EB1-21N - DC DESIGN BASES INSPECTION PROGRAMS		3
1, 2	06/11/2018	06/29/2018	IP 7111121N	Component Design Bases Inspection (Programs)	
			RS 5678 - RAD SAFETY		4
1, 2	07/09/2018	07/13/2018	IP 71124.05	Radiation Monitoring Instrumentation	
1, 2	07/09/2018	07/13/2018	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2	07/09/2018	07/13/2018	IP 71124.07	Radiological Environmental Monitoring Program	
1, 2	07/09/2018	07/13/2018	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			EB2-05XT - TRIENNIAL FIRE PROTECTION INSPECTION		4
1, 2	10/15/2018	10/19/2018	IP 7111105X	Fire Protection - NFPA 805 (Triennial)	
1, 2	10/29/2018	11/02/2018	IP 7111105X	Fire Protection - NFPA 805 (Triennial)	
			EP-1 - EP EXERCISE INSPECTION		4
1, 2	10/22/2018	10/26/2018	IP 7111401	Exercise Evaluation	
1, 2	10/22/2018	10/26/2018	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	10/22/2018	10/26/2018	IP 71151-EP01	Drill/Exercise Performance	
1, 2	10/22/2018	10/26/2018	IP 71151-EP02	ERO Readiness	
1, 2	10/22/2018	10/26/2018	IP 71151-EP03	Alert & Notification System Reliability	

Comments: IP71114.07 is not required to be performed this inspection cycle.