



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

August 26, 2002

Gregory M. Rueger, Senior Vice
President, Generation and Chief Nuclear Officer
Pacific Gas and Electric Company
Diablo Canyon Power Plant
P.O. Box 3
Avila Beach, California 93424

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
DIABLO CANYON**

Dear Mr. Rueger:

On July 31, 2002, the NRC staff completed its midcycle plant performance assessment of Diablo Canyon. In accordance with NRC Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," the midcycle review involved the participation of all technical divisions in evaluating the performance of your Diablo Canyon facility for the first half of the current assessment cycle, January 1 through December 31, 2002. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Plant performance for the most recent quarter was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2003

The enclosed inspection plan details the inspections scheduled through September 30, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In addition, the NRC is in the process of finalizing a Temporary Instruction (TI) that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 817/860-8147 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

William B. Jones, Chief
Project Branch E
Division of Reactor Projects

Dockets: 50-275
50-323

Licenses: DPR-80
DPR-82

Enclosure:
Diablo Canyon Inspection/Activity Plan

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8/8/02	8/15/02	8/26/02	8/23/02	

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Diablo Canyon
Inspection / Activity Plan
08/18/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	OB-IN	- IN EX PREP WEEK	2			
1	X02216	DIABLO CANYON-UNIT 1 - INITIAL EXAM (02/2002)		09/30/2002	10/04/2002	Not Applicable
2	X02217	DIABLO CANYON-UNIT 2 - INITIAL EXAM (02/2002)		09/30/2002	10/04/2002	Not Applicable
	PSB-EP1	- EP EXERCISE BASELINE INSPECTION	3			
1, 2	IP 7111401	Exercise Evaluation		10/21/2002	10/25/2002	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/21/2002	10/25/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	OB-IN	- INITIAL EXAM	3			
1	X02235	DIABLO CANYON UNIT 1 - INITIAL EXAM (10/02)		10/21/2002	11/01/2002	Not Applicable
2	X02236	DIABLO CANYON UNIT 2 - INITIAL EXAM (10/02)		10/21/2002	11/01/2002	Not Applicable
	EMB	- HEAT SINKS	1			
1, 2	IP 7111107B	Heat Sink Performance		10/28/2002	11/01/2002	Baseline Inspections
	TM-RP-P	- RP TEAM INSPECTION PUBLIC	4			
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/04/2002	11/08/2002	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/04/2002	11/08/2002	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		11/04/2002	11/08/2002	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program		11/04/2002	11/08/2002	Baseline Inspections
	PSB-2	- RESP CONT EVENTS - ATTACH-3	3			
1, 2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Str		11/18/2002	11/22/2002	Baseline Inspections
	EMB	- TRIENNIAL FP	4			
2	IP 7111105T	Fire Protection		01/20/2003	01/24/2003	Baseline Inspections
1	IP 7111105T	Fire Protection		01/27/2003	01/31/2003	Baseline Inspections
	TI 145	- IEB 2001-01, VHP INSPECTION, U2	1			
2	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulle		02/01/2003	02/08/2003	Safety Issues
	EMB	- ISI - UNIT 2	1			
2	IP 7111108	Inservice Inspection Activities		02/10/2003	02/21/2003	Baseline Inspections
	ALARA2	- ALARA PLANNING AND CONTROLS	1			
1, 2	IP 7112102	ALARA Planning and Controls		02/10/2003	02/10/2003	Baseline Inspections
	ACCESSPI	- ACRSA	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		02/10/2003	02/14/2003	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		02/10/2003	02/14/2003	Baseline Inspections
	EMB	- MODS	2			
1, 2	IP 711117B	Permanent Plant Modifications		04/07/2003	04/11/2003	Baseline Inspections

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

Diablo Canyon
Inspection / Activity Plan
08/18/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	OB-RQ	- REQUALIFICATION INSPECTION	2			
1,2	IP 7111111B	Licensed Operator Requalification		05/12/2003	05/16/2003	Baseline Inspections
	PSB-EP1	- EP PROGRAM BASELINE INSPECTION	1			
1,2	IP 7111402	Alert and Notification System Testing		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/25/2003	08/29/2003	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/25/2003	08/29/2003	Baseline Inspections
	PSB-S1	- ACCESS AUTH/CONTROL, SECURITY PLAN, PIV	1			
1,2	IP 7113001	Access Authorization Program (Behavior Observation Only)		09/22/2003	09/26/2003	Baseline Inspections
1,2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		09/22/2003	09/26/2003	Baseline Inspections
1,2	IP 7113004	Security Plan Changes		09/22/2003	09/26/2003	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		09/22/2003	09/26/2003	Baseline Inspections