



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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March 3, 2010

Randall K. Edington
Executive vice President, Nuclear
and Chief Nuclear Officer
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SUBJECT: ANNUAL ASSESSMENT LETTER – PALO VERDE NUCLEAR GENERATING
STATION (NRC INSPECTION REPORTS 05000528/2010001,
05000529/2010001, 05000530/2010001)

Dear Mr. Edington,

On February 17, 2010, the NRC staff completed its performance review of Palo Verde Nuclear Generating Station (PVNGS). Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2009. 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.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only--Security Information" will include the security cornerstone review and resultant inspection plan.

Overall, PVNGS Units 1, 2, and 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. 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 reactor oversight process (ROP) baseline inspections at your facility.

Plant performance for the most recent three quarters was within the Licensee Response column of the Action Matrix. PVNGS Unit 3 was in the Multiple/Repetitive Degraded Cornerstone column during the first quarter of the assessment cycle. PVNGS undertook a site wide performance improvement initiative and your significant improvement efforts resulted in PVNGS returning to the licensee response column of the action matrix in the second quarter. The NRC plans to conduct additional inspection activities over a two year period to monitor your continuing improvement.

The staff identified that there were 5 green inspection findings for the current 12-month assessment period with documented cross-cutting aspects in the area of problem identification and resolution, and there is a cross-cutting theme associated with these findings in the aspect of

thorough problem evaluation within the corrective action program. In evaluating the scope of efforts and progress in addressing this cross-cutting theme, the staff determined that PVNGS appropriately identified/recognized the cross-cutting theme and took actions to address it. Therefore, the staff has concluded that a substantive cross-cutting issue in problem identification and resolution does not exist at this time.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through June 30, 2011. In addition to baseline inspection there will be a follow-up inspection in late 2010 or early 2011 to monitor your improvement initiatives. The NRC will also be performing inspection procedure 71007, "Reactor Vessel Head Replacement Inspection", concurrent with head replacement outages for units 1 and 3 in the spring and fall of 2010. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Ryan Lantz at 817-860-8173 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/ R. Caniano for

Elmo E. Collins
Regional Administrator

Docket Nos. 50-528, 50-529, 50-530
License Nos. NPF-41, NPF-51, NPF-74

Enclosure: Palo Verde Nuclear Generating Station Inspection / Activity Plan

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File located: R_Reactors\EOC2009\PV.doc

SUNSI Rev Compl.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ADAMS	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewer Initials	RL
Publicly Avail	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Sensitive	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Sens. Type Initials	RL
C:DRP/D	D:DRS	D:DRP	RA		
RLantz	RJCaniano	DDChamberlain	ECollins		
/RA/	/RA/	/RA/	/RA/R Caniano for		
2/26/10	2/26/10	3/1/10	3/3/ 10		

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Palo Verde
Inspection / Activity Plan
04/01/2010 - 06/30/2011

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
PSB2-08P - INSERVICE INSPECTION - U1					2
1	04/12/2010	05/07/2010	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
1	04/12/2010	05/07/2010	IP 7111108P	Inservice Inspection Activities - PWR	
RS123MCA - OCCUPATIONAL RADIATION SAFETY					2
1, 2, 3	04/19/2010	04/23/2010	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2, 3	04/19/2010	04/23/2010	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2, 3	04/19/2010	04/23/2010	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
3	04/19/2010	04/23/2010	IP 7113011	Material Control and Accounting (MC&A)	
2	04/19/2010	04/23/2010	IP 71151-OR01	Occupational Exposure Control Effectiveness	
2	04/19/2010	04/23/2010	IP 71151-PR01	RETS/ODCM Radiological Effluent	
BRQ - OPERATOR REQUAL INSP					3
1, 2, 3	09/06/2010	09/10/2010	IP 7111111B	Licensed Operator Requalification Program	
PSB2-08P - INSERVICE INSPECTION - U3					3
3	10/04/2010	11/19/2010	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
3	10/04/2010	11/19/2010	IP 7111108P	Inservice Inspection Activities - PWR	
EXAM - INITIAL EXAM					6
1	10/04/2010	10/08/2010	X02448	INITIAL EXAM UNIT 1-PV (11/2010)	
2	10/04/2010	10/08/2010	X02449	INITIAL EXAM UNIT 2 - PV (11/2010)	
3	10/04/2010	10/08/2010	X02450	INITIAL EXAM UNIT 3- PV(11/2010)	
1	11/08/2010	11/19/2010	X02448	INITIAL EXAM UNIT 1-PV (11/2010)	
2	11/08/2010	11/19/2010	X02449	INITIAL EXAM UNIT 2 - PV (11/2010)	
3	11/08/2010	11/19/2010	X02450	INITIAL EXAM UNIT 3- PV(11/2010)	
TSB-52B - BIENNIAL PI&R					5
1, 2, 3	11/29/2010	12/03/2010	IP 71152B	Identification and Resolution of Problems	
1, 2, 3	12/13/2010	12/17/2010	IP 71152B	Identification and Resolution of Problems	
EP1 - BIENNIAL EP EXERCISE INSPECTION					3
1, 2, 3	02/28/2011	03/04/2011	IP 7111401	Exercise Evaluation	
1, 2, 3	02/28/2011	03/04/2011	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	02/28/2011	03/04/2011	IP 71151-EP01	Drill/Exercise Performance	
1, 2, 3	02/28/2011	03/04/2011	IP 71151-EP02	ERO Drill Participation	
1, 2, 3	02/28/2011	03/04/2011	IP 71151-EP03	Alert & Notification System	
RP678 - RADIATION SAFETY TEAM					3
1, 2, 3	01/24/2011	01/28/2011	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2, 3	01/24/2011	01/28/2011	IP 71124.07	Public Radiation Safety	
1, 2, 3	01/24/2011	01/28/2011	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	

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

Palo Verde
Inspection / Activity Plan
04/01/2010 - 06/30/2011

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
			EB1-17 - 50.59 AND MODS		1
1, 2, 3	01/31/2011	02/11/2011	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
			PSB2-08P - INSERVICE INSPECTION - U2		3
2	04/04/2011	04/29/2011	IP 7111108P	Inservice Inspection Activities - PWR	

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