Randall K. Edington, Executive
Vice President, Nuclear/CNO
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P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN – PALO VERDE NUCLEAR GENERATING STATION

September 1, 2010

Dear Mr. Edington:

On August 11, 2010 the NRC staff completed its performance review of Palo Verde Nuclear Generating Station (PVNGS) for the first half of the calendar year 2010 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. The purpose of the 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-Related 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 baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through December 31, 2011. In addition to the baseline inspection plan there will be a follow-up inspection in January 2011 to verify Confirmatory Action Letter performance improvement is being sustained. The NRC will also be performing Inspection Procedure 71007, “Reactor Vessel Head Replacement Inspection,” concurrent with the head replacement outage for Unit 3 in the 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. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the end-of-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 available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records 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,

[Signature]

Ryan E. Lantz
Chief, Reactor Projects Branch D
NRC Region IV

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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mortensengk@INPO.org

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Note: The report shows only the inspection and activity planned.

Palo Verde