



Palo Verde Nuclear
Generating Station

Gregg R. Overbeck
Senior Vice President
Nuclear

TEL (623) 393-5148
FAX (623) 393-6077

Mail Station 7602
P.O. Box 52034
Phoenix, AZ 85072-2034

102-04589-GRO/WEI/DGM/DFH
July 11, 2001

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station P1-37
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528/529/530
NRC Inspection Report 50-528/01-04; 50-529/01-04; 50-530/01-04
Unresolved Item 50-530/0104-01**

This correspondence regards one example of a noncited violation (50-528; 529; 530/01004-03) in the Problem Identification and Resolution inspection report, dated March 20, 2001. As noted in section 4OA1(b) of the Inspection Report, the NRC inspection team and APS had differing interpretations of the Occupational Radiation Safety performance indicator reporting threshold. More specifically, APS believes that surveys of the Unit 3 LPSI pump room were reasonable under the circumstances to evaluate the magnitude and extent of radiation levels and hazards per 10 CFR 20.1501(a)(2)(i) and (iii). Additionally, APS still believes the LPSI pump room survey frequencies and posting were appropriate and prudent based on the prevailing knowledge of the system radiological characteristics for the associated operational mode. As such, APS believes there was no violation of 10CFR20.1501 (a)(2)(i) and (iii) and, correspondingly, there would be no impact on the performance indicator.

A process has been established between the industry and NRC, as part of the revised oversight process, to obtain clarification of the standards regarding performance indicators to ensure consistency of reporting. Therefore, we intend to use this process to obtain clarification by submitting a FAQ to NEI so that a consistent industry standard can be obtained. We believe this is appropriate to avoid a situation when more surveys are performed to avoid a violation without regard to the increase in dose to perform these surveys.

APS has no disagreement with the other two examples of the noncited violation (NCV). Although APS disagrees with this example used for the NCV, we accept the NCV and will update the Occupational Radiation Safety performance indicator data to include the Unit 3 LPSI pump room event during the next quarterly update, which will be submitted to the NRC no later than July 23, 2001. As noted in the inspection report, the addition of this event to the performance indicator data will not result in a performance indicator threshold being crossed.

IE01

Document Control Desk
U.S. Nuclear Regulatory Commission
NRC Inspection Report 50-528/01-04; 50-529/01-04; 50-530/01-04
Page 2

The following commitment is being made in this letter: update the Occupational Radiation Safety performance indicator to include the Unit 3 LPSI pump room event during the next quarterly update, to be submitted to the NRC no later than July 23, 2001.

If you have questions regarding this issue, please call Daniel Marks, Section Leader, Regulatory Affairs, at (623) 393-6492.

Sincerely,



GRO/WEI/DGM/DFH/kg

cc: E. W. Merschoff
A. T. Gody
J. H. Moorman
L. R. Wharton