



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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August 21, 2001

Gregg R. Overbeck, Senior Vice
President, Nuclear
Arizona Public Service Company
P.O. Box 52034
Phoenix, Arizona 85072-2034

**SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 - NRC
INITIAL EXAMINATION REPORT 50-528/01-301; 50-529/01-301; 50-530/01-301**

Dear Mr. Overbeck:

On July 27, 2001, the NRC completed an initial examination at your Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The enclosed report documents the examination findings, which were discussed on July 27, 2001, with Mr. D. Smith, Director, Operations and Mr. F. Riedel, Department Leader, Training, and other members of your staff.

The examination included the evaluation of five applicants for reactor operator licenses and six applicants for senior operator licenses. We determined that all of the senior operator and reactor operator applicants satisfied the requirements of 10 CFR Part 55, and the appropriate licenses have been issued.

No findings of significance were identified.

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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Anthony T. Gody, Chief
Operations Branch
Division of Reactor Safety

Dockets: 50-528; 50-529; 50-530
Licenses: NPF-41; NPF-51; NPF-74

Enclosure:
NRC Examination Report
50-528/01-301; 50-529/01-301; 50-530/01-301

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ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Dockets: 50-528; 50-529; 50-530

Licenses: NPF-41; NPF-51; NPF-74

Report No.: 50-528/01-301; 50-529/01-301; 50-530/01-301

Licensee: Arizona Public Service Company

Facility: Palo Verde Nuclear Generating Station, Units 1, 2, and 3

Location: 5951 S. Wintersburg Road
Tonopah, Arizona

Dates: July 23-27, 2001

Chief Examiner: T. F. Stetka, Senior Operations Engineer, Operations Branch

Examiners: M. E. Murphy, Senior Operations Engineer, Operations Branch
S. Dennis, Operations Engineer, Region I

Accompanying Personnel: D. Muller, Reactor Engineer
Office of Nuclear Reactor Regulation

Approved By: Anthony T. Gody, Chief
Operations Branch
Division of Reactor Safety

SUMMARY OF FINDINGS

ER 05000528; 05000529; 05000530/01-301, Palo Verde Nuclear Generating Station, Units 1, 2, and 3; Initial Examination of Applicants for Operator Licenses.

NRC examiners evaluated the competency of five applicants for reactor operator licenses and six applicants for senior operator licenses at the Palo Verde Nuclear Generating Station. The licensee developed the written and operating examinations using NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, Supplement 1. The NRC examiners administered the operating tests on July 23-27, 2001. The written examinations were administered to all applicants on July 20, 2001, by licensee proctors in accordance with instructions provided by the chief examiner.

Cornerstone: Other

No findings of significance were identified.

Examination Details

4. OTHER ACTIVITIES (OA)

4OA4 Initial License Examinations

.1 Operator Knowledge and Performance

a. Examination Scope

The licensee's staff developed and validated the written and operating examinations using facility training and operations staff personnel specified on the security agreement. On July 20, 2001, the licensee's staff proctored the administration of the written examination to all 11 applicants. The licensee's staff graded the written examinations, analyzed the results, and presented their evaluation to the NRC examination team on July 30, 2001.

The examination team administered the various portions of the operating examination to the 11 applicants on July 23-27, 2001. Each reactor operator and the one instant senior reactor operator applicant participated in two dynamic simulator scenarios and received a control room and facilities walkthrough test, which consisted of ten system tasks. The five upgrade senior reactor applicants participated in one dynamic simulator scenario and received a control room and facilities walkthrough test, which consisted of five system tasks. Additionally, the examination team tested each applicant with administrative tasks on five subjects in four administrative areas.

b. Findings

All applicants passed the written examinations. The average score for the reactor operator applicants was 88.2 percent. The average score for the senior operator applicants was 89.2 percent.

The licensee had no post-examination comments on the written examination. The text of the examination questions may be accessed in the ADAMS system as noted in the Attachment.

During the post-examination review, the licensee identified ten written examination questions that were missed by 50 percent or more of the applicants responding to the question. The licensee determined that the questions were valid and there were no generic weaknesses in the initial license training program based on review of these ten questions. The chief examiner reviewed the ten written examination questions that were missed by 50 percent or more of the applicants and found the licensee's determination appropriate, based on the specific questions, applicant responses, and other items testing similar systems or areas.

All applicants passed the operating examinations. The applicants demonstrated adequate 3-way communications, alarm response, and peer checking.

.2 Initial Licensing Examination Development

The licensee developed the written and operating examinations in accordance with NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, Supplement 1, using facility training and operations staff listed in the security agreement.

.2.1 Examination Outline and Examination Package

a. Examination Scope

The facility licensee submitted the written and operating examination outlines on March 26, 2001. The chief examiner reviewed the submittal against the requirements of NUREG-1021, Revision 8, Supplement 1, and provided comments to the licensee on March 30, 2001. The facility licensee submitted the completed draft examination package on May 23, 2001. The chief examiner and a peer reviewer reviewed the draft submittal against the requirements of NUREG-1021, Revision 8, Supplement 1. The chief examiner conducted an onsite validation of the operating examinations and provided comments on the written and operating examinations during the week of June 18, 2001.

b. Findings

Region IV approved the initial examination outline with minor comments for enhancement and advised the licensee to proceed with the operating examination development.

The chief examiner determined that the written and operating examinations initially submitted by the licensee were satisfactory and within the range of acceptability expected for a proposed examination.

.3 Simulation Facility Performance

a. Examination Scope

The examiners observed simulator performance with regard to plant fidelity during the examination validation and administration.

b. Findings

The simulator performed appropriately during validation and the examination. No findings of significance were identified.

.4 Examination Security

a. Examination Scope

The examiners reviewed examination security both during the onsite preparation week and examination administration week for agreement with NUREG-1021 criteria. Plans for simulator security and applicant control were reviewed.

b. Findings

No findings of significance were identified.

4OA5 Management Meetings

Exit Meeting Summary

The Chief examiner presented general observations and evaluations of operator performance to Mr. D. Smith, Director, Operations and Mr. F. Riedel, Department Leader, Training, and other members of the licensee's staff at the conclusion of the examination on July 27, 2001. The licensee's management acknowledged the observations presented.

The licensee's management did not identify as proprietary any information or materials utilized during the examination.

KEY POINTS OF CONTACT

Licensee

P. Capehart, SRO Instructor, Nuclear Training
W. Potter, Simulator Support Section Leader
F. Riedel, Department Leader, Training
D. Smith, Director, Operations
J. Taylor, Department Leader, Operations Support
R. Taylor, Shift Manager Training Coordinator
J. Wood, Section Leader, Nuclear Training

NRC

J. Moorman, Senior Resident Inspector

ADAMS DOCUMENTS REFERENCED

Accession No.:

ML 012180272 PV-Init Exam-July 2001-Final RO/SRO Written Examination