



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

December 6, 2002

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
EXAMINATION REPORT - 50-528/02-301; 50-529/02-301; 50-530/02-301**

Dear Mr. Overbeck:

On November 21, 2002, the NRC completed initial examinations at your Palo Verde Nuclear Generating Station. The enclosed report documents the examination findings, which were discussed on November 21, 2002, with Messrs. Bill Ide, Michael Shea, and other members of your staff.

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

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response 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).

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, 529, 530/02-301

cc w/enclosure:

Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Douglas K. Porter, Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, California 91770

Chairman
Maricopa County Board of Supervisors
301 W. Jefferson, 10th Floor
Phoenix, Arizona 85003

Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, Arizona 85040

Craig K. Seaman, Director
Regulatory Affairs/Nuclear Assurance
Palo Verde Nuclear Generating Station
Mail Station 7636
P.O. Box 52034
Phoenix, Arizona 85072-2034

Hector R. Puente
Vice President, Power Generation
El Paso Electric Company
2702 N. Third Street, Suite 3040
Phoenix, Arizona 85004

Terry Bassham, Esq.
General Counsel
El Paso Electric Company
123 W. Mills
El Paso, Texas 79901

John W. Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, California 90051-0100

Arizona Public Service Company

-3-

David Summers
Public Service Company of New Mexico
414 Silver SW, #1206
Albuquerque, New Mexico 87102

Jarlath Curran
Southern California Edison Company
5000 Pacific Coast Hwy. Bldg. DIN
San Clemente, California 92672

Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, Arizona 85251

Brian Almon
Public Utility Commission
William B. Travis Building
P.O. Box 13326
1701 North Congress Avenue
Austin, Texas 78701-3326

Electronic distribution by RIV:
Regional Administrator **(EWM)**
DRP Director **(ATH)**
DRS Director **(DDC)**
Resident Inspector **(GXW2)**
Branch Chief, DRP/D **(LJS)**
Project Engineer, DRP/D **(ELC1)**
Staff Chief, DRP/TSS **(PHH)**
RITS Coordinator **(NBH)**

SOE:DRS/OB	SOE:DRS/OB	C:DRS/OB	C:DRP/D	C:DRS/OB
TFStetka/lmb	GEWerner	ATGody	LJSmith	ATGody
/RA/	/RA/ E	/RA/	/RA/	/RA/
12/03/02	12/03/02	12/03/02	12/04/02	12/06/02

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Dockets: 50-528; 50-529; 50-530
Licenses: NPF-41; NPF-51; NPF-74
Report No.: 50-528/02-301; 50-529/02-301; 50-530/02-301
Licensee: Arizona Public Service Company
Facility: Palo Verde Nuclear Generating Station, Units 1, 2, and 3
Location: 5951 S. Wintersburg Road
Tonopah, Arizona
Dates: November 18-21, 2002
Examiners: T. F. Stetka, Senior Operations Engineer, Operations Branch
G. E. Werner, Senior Operations Engineer, Operations Branch
Approved By: Anthony T. Gody, Chief
Operations Branch
Division of Reactor Safety

SUMMARY OF FINDINGS

ER 50-528/02-301; 50-529/02-301; 50-530/02-301 on November 18-21, 2002; Arizona Public Service Company, Palo Verde Nuclear Generating Station, Units 1, 2, and 3; Initial Operator Licensing Examination.

NRC examiners evaluated the competency of five applicants for senior operator limited to fuel handling licenses at the Palo Verde Nuclear Generating Station. The licensee developed the written and operating examination using NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, Supplement 1. Licensee proctors administered the written examination to all applicants on November 18, 2002. The NRC administered the operating tests on November 19-21, 2002.

Cornerstone: Human Performance

No findings of significance were identified (Section 40A4.1).

Report Details

4. OTHER ACTIVITIES (OA)

4OA4 Initial Operator License Examination

.1 Operator Knowledge and Performance

a. Examination Scope

On November 18, 2002, the licensee proctored the administration of the written examination to all five applicants. The licensee staff graded the written examinations, analyzed the results, and presented their analysis to the NRC on November 27, 2002.

The NRC examination team administered the operating examinations to the five applicants on November 19-21, 2002. Each senior operator limited to fuel handling license applicant participated in two scenarios, a refueling facilities walkthrough test consisting of five system tasks, and an administrative test consisting of one task or two questions in five areas.

b. Findings

All applicants passed the written examination and all parts of the operating examinations. The average written examination score for the applicants was 91.6 percent with the scores ranging from 86 to 96 percent.

The licensee conducted a performance analysis for the written examinations with emphasis on two questions missed by half or more of the applicants and submitted this analysis to the chief examiner for review. After reviewing the licensee's analysis, the chief examiner concluded that all questions were valid and that there were no apparent training deficiencies. There were no post-examination comments on examination questions. The analysis identified no common knowledge deficiency. No remediation training was determined to be necessary following the examinations. The text of the examination questions and the performance analysis may be accessed in the ADAMS system as noted in the attachment to this report.

No findings of significance were identified.

.2 Initial Licensing Examination Development

The licensee developed the written examination in accordance with NUREG-1021, Revision 8, Supplement 1, using facility training and operations staff on the security agreement to prepare and validate the examination.

.2.1 Examination Outline and Examination Package

a. Examination Scope

The facility licensee submitted the integrated examination outlines on July 22, 2002. The chief examiner reviewed the submittal against the requirements of NUREG-1021, Revision 8, Supplement 1, and provided comments to the licensee. The facility licensee submitted the final draft examination package on September 19, 2002. The chief examiner reviewed the draft submittal against the requirements of NUREG-1021, Revision 8, Supplement 1, and provided comments to the licensee on the examination on October 2, 2002. The NRC conducted an onsite validation of the operating examinations and provided further comments during the week of October 28, 2002. The licensee satisfactorily completed comment resolution on November 7, 2002.

b. Findings

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

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

No findings of significance were identified.

.3 Examination Security

a. Examination Scope

The examiners reviewed examination security both during the onsite preparation week and examination administration week for compliance with NUREG-1021 requirements. Plans for refueling facility walkthrough security and applicant control were reviewed.

b. Findings

No findings of significance were identified.

.4OA5 Management Meeting

Exit Meeting Summary

The chief examiner presented the examination results to Messrs. Bill Ide, Vice President, Nuclear Production, and Michael Shea, Director, Nuclear Training, at the conclusion of the operating examination on November 21, 2002. The licensee acknowledged the findings presented.

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

ATTACHMENT

KEY POINTS OF CONTACT

Licensee

G. Box, License Initial Training Supervisor

W. Potter, Simulator Support Section Leader

P. Capehart, Senior Operator Limited to Fuel Handling Examination Author

F. Riedel, Operations Training Department Leader

ADAMS DOCUMENTS REFERENCED

Accession No. ML023370238 - Written Examination for Senior Operators Limited to Fuel Handling Licenses

Accession No. ML023370247 - Written Examination Performance Analysis

Accession No. ML023370571 - Written Examination Comments for Clarification During the Examination