



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

March 31, 2003

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

SUBJECT: MEETING SUMMARY FOR THE PALO VERDE NUCLEAR GENERATING  
STATION END-OF-CYCLE PERFORMANCE ASSESSMENT

Dear Mr. Overbeck:

This refers to the end-of-cycle performance assessment meeting conducted at the Estrella Mountain Community College, Avondale, Arizona, on March 19, 2003. The meeting attendance and copies of the slides presented at the meeting are included as Enclosures 1 and 2, respectively. In addition to the formal presentation, members of the public raised various concerns to the NRC staff. These concerns have been included in the NRC allegation program to ensure that they will be properly addressed.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Joy Smith".

Linda Joy Smith, Chief  
Project Branch D  
Division of Reactor Projects

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

Enclosures:  
1. Presentation Slides  
2. Attendance List

cc w/enclosures:

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Federal Emergency Management Agency  
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The Honorable Ron Drake  
Mayor of Avondale  
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The Honorable Dustin Hull  
Mayor of Buckeye  
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The Honorable Robert Robles  
Mayor of El Mirage  
P.O. Box 26  
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The Honorable Elaine Scruggs  
Mayor of Glendale  
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Glendale, Arizona 85301

The Honorable Seth Kanter  
Vice Mayor of Goodyear  
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Goodyear, Arizona 85338

The Honorable J. Woodfin Thomas  
Mayor of Litchfield  
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The Honorable John Keegan  
Mayor of Peoria  
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The Honorable Skip Rimsza  
Mayor of Phoenix  
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The Honorable Joan Shafer  
Mayor of Surprise  
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The Honorable Adolfo Gamez  
Mayor of Tolleson  
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Tolleson, Arizona 85353

The Honorable Daphne Green  
Mayor of Youngtown  
12030 Clubhouse Square  
Youngtown, Arizona 85363

**END-OF-CYCLE MEETING ATTENDANCE (Enclosure 2)**

<b>LICENSEE/FACILITY</b>	APS/Palo Verde Nuclear Generating Station
<b>DATE/TIME</b>	March 19, 2003; 7:00 PM (MST)
<b>LOCATION</b>	Estrella Mountain Community College
<b>NAME (PLEASE PRINT)</b>	<b>ORGANIZATION</b>
Aubrey Godwin	Arizona Radiation Regulation Agency
John Rich	Member of public
Daniel Marks	APS
Ruth Ann Aud	APS - ES Planner
Craig K. Seaman	APS - Director NA/RA
David Mauldin	APS - VP-Engineering and Support
Randy Sorensen	APS - Chemistry Department Leader
John W. Vanpool	Member of public
Bill Wolfe	APS
Terry Schoech	Member of public
John Frunefield	Member of public
Bruce Nordstrom	Member of public
Dave Smith	APS - Director of Operations

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<b>LOCATION</b>	Estrella Mountain Community College
<b>NAME (PLEASE PRINT)</b>	<b>ORGANIZATION</b>
Chuck Zell	APS-PV Work Management DC
Gregg Overbeck	APS
Paul Crabtree	El Paso Electric Co.
Darryl Henning	West Valley View Newspaper
A. K. Krainik	APS
M.D. Shea	APS
J.J. Compas	Westinghouse
Sheri Foote	APS
Jim Levine	APS
John Gaffney	APS
Guillerino L. Corte's	P.E. Cortes Engineering Inc.
Judith S. Bell	S.R.P. consumer
William G. Pool	Member of public



## **ANNUAL ASSESSMENT MEETING**



**Nuclear Regulatory Commission  
Region IV**

### **Annual Licensee Assessment Meeting**

- **Public forum to discuss licensee performance**
- **Licensee performance documented in Annual Assessment Letter**
- **Licensee responds to letter providing information related to improving their performance**



### **NRC Meeting Guidelines**

- **Registration Table**
- **Questions and Answers**
- **Feedback Forms**
- **Handouts**



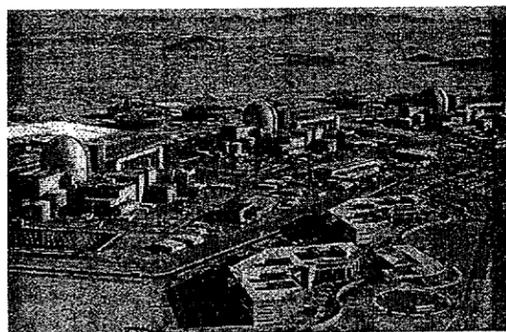
### **NRC PERFORMANCE GOALS**

- **Maintain public safety and protect the environment**
- **Enhance public confidence**
- **Improve:**
  - Effectiveness
  - Efficiency
  - Realism of processes and decision making
- **Reduce unnecessary regulatory burden**



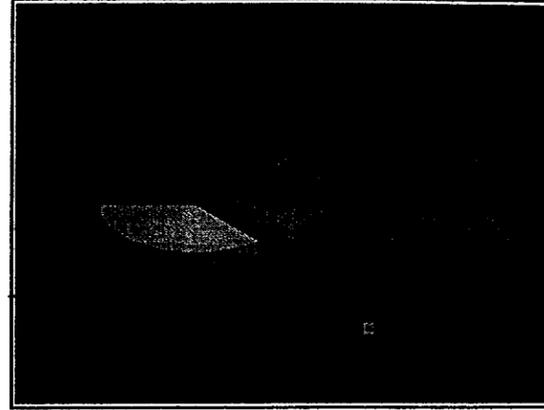
**Nuclear Regulatory Commission  
Region IV**

### **Palo Verde Nuclear Generating Station**



### Meeting Agenda

- Regulatory Oversight
- Findings and Assessments
- Additional Focus Areas
- Questions and Answers



### Nuclear Reactor Regulation

- reviewed multiple license change requests
- reviewed documentation on the Palo Verde Independent Spent Fuel Storage Facilities (ISFSFs)

2969 hours expended in the above effort



### Resident Inspectors

- Stationed at the plant
- Prompt response capability
- 2344 hours of oversight

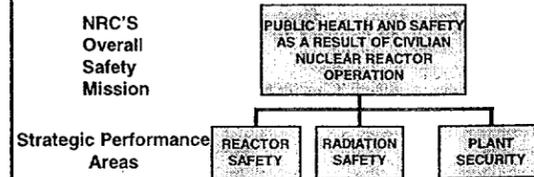


### Regional Inspectors

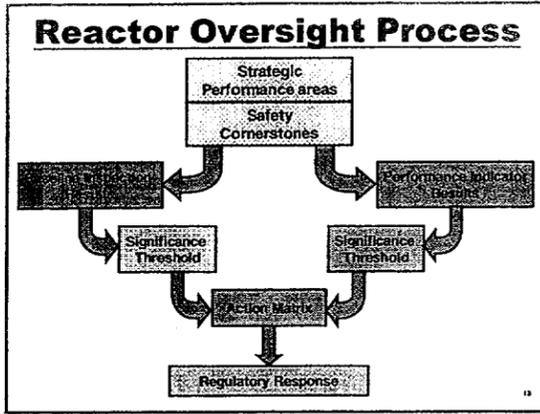
- Specialized
- Inspection teams
- 2859 hours of oversight



### Comprehensive Oversight Program



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- ### Key Aspects of the Assessment Program
- Objective review of licensee performance
  - "Action Matrix" identifies agency response commensurate with safety significance
  - Increasing safety significance results in:
    - Increased levels of inspection
    - Involvement of higher levels of NRC and Licensee Management
    - Increased regulatory action

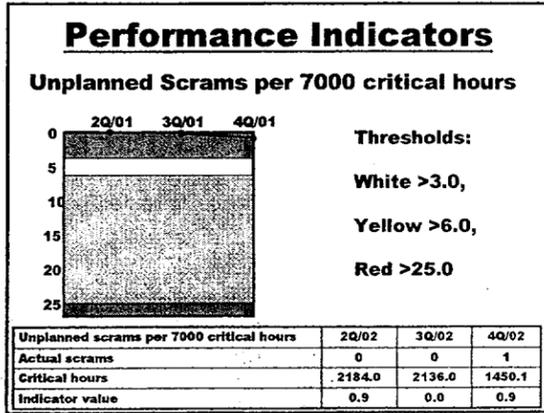
### Reactor Oversight Process

**SAFETY SIGNIFICANCE**

<b>GREEN</b>	- very low
<b>WHITE</b>	- low to moderate
<b>YELLOW</b>	- substantial
<b>RED</b>	- high

- ### Baseline Inspection Program
- Inspection reports describe significant findings and non-compliance
  - Inspection reports are publicly accessible
- [www.NRC.gov/reading-rm/adams.html](http://www.NRC.gov/reading-rm/adams.html)

- ### Performance Indicator Program
- Licensee monitors key safety parameters
  - Data supplied to NRC quarterly



### **Assessment Results and Performance Indicators**

- Performance indicator results and other assessment information available on the NRC's public web site:

[www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO1/palo1\\_chart.html](http://www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO1/palo1_chart.html)

[www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO2/palo2\\_chart.html](http://www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO2/palo2_chart.html)

[www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO3/palo3\\_chart.html](http://www.NRC.gov/NRR/OVERSIGHT/ASSESS/PALO3/palo3_chart.html)



### **Event Follow-up and Supplemental Inspections**

- Review events for significance
- Follow-up significant inspection findings
- Determine causes of performance declines
- Provide for graduated response



### **Reactor Oversight Process**

Licensee safety performance is monitored by:

- performance indicators
- evaluating inspection findings

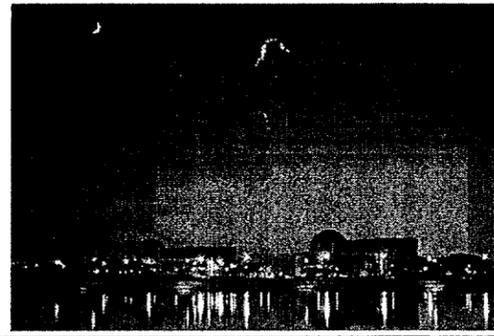
Safety performance letter written every six months

Public meetings on annual basis

[www.NRC.gov/reading-rm/adams.html](http://www.NRC.gov/reading-rm/adams.html)



### **Plant Safety Performance Summary**



### **Inspection Results**

- NRC and Licensee identified inspection findings were of very low safety significance
- Inspection results within the Licensee Response Band
- No special or supplemental inspections necessary



### **Performance Indicator Results**

All performance indicators within the Licensee Response Band



### **Assessment Conclusion**

**Licensee effectively managed:**

- Reactor safety
- Radiation safety
- Plant security

**Palo Verde Nuclear Generating Station operated in a manner that protected the health and safety of the public**

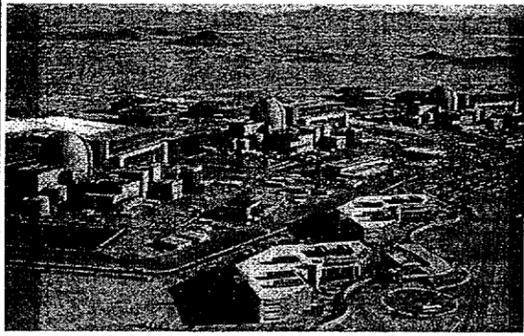


### **ROP Action Matrix Summary for 2002**

	Licensee Response	Regulatory	Degraded Conserstone	Multiple/Repetitive Degraded Conserstone	Unacceptable Performance
Nationwide	75	24	2	1	0
Region IV	15	4	0	1	0



### **Palo Verde Nuclear Generating Station**



### **Additional Focus Areas**

- NRC Responds As-Needed
- Mandate Licensee Actions
- Implement Emergency Response



### **Nuclear Industry Issues**

- Potential Reactor Vessel Head Degradation
- Security at Nuclear Power Plants



### **Reactor Vessel Head Degradation**

- Wastage found on Davis-Besse reactor vessel head
- Inspections required by Bulletins
- Lessons Learned
- Order Issued



### **Reactor Vessel Head Degradation**

- NRC monitored Palo Verde reactor vessel head inspection during Unit 1 and Unit 2 Outages
- Reactor vessel head did not have wastage
- Unit 3 reactor vessel head considered low risk and will be inspected in April



### **Security at Nuclear Power Plants**

- NRC created Office of Nuclear Security and Incident Response
  - Provides more effective counterpart to Office of Homeland Security
- Top-to-bottom review of Security Program initiated



### **Security at Nuclear Power Plants**

- Issuance of Orders/Interim Compensatory Measures (ICM)
- Verification of licensee actions regarding ICMs



### **Security at Nuclear Power Plants**

- Pending Orders on fatigue/guard training
- Initiation of pilot Force-on-Force Exercise Program
- NRC working with FAA has prohibited planes from circling or loitering above nuclear power plants
- Has expanded involvement with other federal agencies



### **Threat Advisory and Protective Measures System**

- communicates threats affecting NRC licensees
- corresponds to color-coded Homeland Security Presidential Directive
- Identifies specific actions to be taken by NRC licensees for each threat level



### **Contacting the NRC**

- Report an **Emergency**:  
(301) 816-5100 (collect)
  - Report a **Safety Concern**:  
(800) 695-7403 or [Allegation@nrc.gov](mailto:Allegation@nrc.gov)
  - General Information or questions:  
[www.nrc.gov](http://www.nrc.gov)
- Select "What we do" for Public Affairs