



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

November 16, 2004

Mr. David M. Smith
Plant Manager
Palo Verde Nuclear Generating Station
Mail Station 7602
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION UNITS 1, 2, AND 3 - USE
OF PLANT EQUIPMENT FOR LIMITED SENIOR OPERATOR EXAMINATIONS
(EXAMINATION REPORT 50-528/-529/-530/2004-301)

Dear Mr. Smith:

This is in response to your letter of August 25, 2004, requesting approval (pursuant to 10 CFR 55.46(b)(1)) to use plant equipment (i.e., the refueling machine console, fuel transfer machine console, and spent fuel handling machine) in lieu of a plant-referenced simulator for evaluating limited senior operator applicants at Palo Verde Nuclear Generating Station, Units 1, 2, and 3.

We have reviewed your request with the Office of Nuclear Reactor Regulation and concluded, pursuant to 10 CFR 55.46(b)(2), that the proposed use of the stated plant equipment will be suitable for conducting the limited senior operator operating tests in accordance with 10 CFR 55.45(a) and (b). As confirmed in the August 19, 2004, letter from Mr. Anthony Gody, Chief, Operations Branch, your staff will prepare the examinations based on the guidelines in Revision 9 of NUREG-1021, "Operator Licensing Examination Standards for Power Reactors." Be advised that Section E of Examination Standard 701, "Administration of Initial Examinations for Senior Operators Limited to Fuel Handling," requires the operating test to be performance-based to the maximum extent possible and encourages the actual use of plant equipment to handle dummy fuel elements, assemblies, or modules during the operating test whenever safe and feasible. Mr. Mark Haire, the Chief Examiner assigned to review and administer your December 2004 examinations, will work with your staff to develop the operating tests and coordinate the use of actual plant equipment (rather than photographs or simulations) to ensure compliance with the NUREG-1021 requirements and guidelines.

As required by Examination Standard 201, "Initial Operator Licensing Examination Process," Mr. Greg Werner has reviewed your examination security procedure and briefed your staff on the NRC's examination integrity and security requirements and considerations (i.e., Attachment 1 of ES-201).

This approval applies to this and all future limited senior operator examinations at Palo Verde Nuclear Generating Station, Units 1, 2, and 3. Please contact Mr. Haire at 817-860-8117 or Mr. Gody at 817-860-8159 if you have any questions regarding this matter.

Sincerely,

/RA/

Dwight D. Chamberlain, Director
Division of Reactor Safety

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ADAMS: Yes No Initials: _____
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