



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

April 13, 2006

Silverio Garcia, Jr.
12558 W. Woodland Avenue
Avondale, Arizona 85323

SUBJECT: RESPONSE TO REQUEST FROM APRIL 5, 2006, ASSESSMENT MEETING

Thank you for attending the April 5, 2006, Annual Assessment Meeting for the Palo Verde Nuclear Generating Station. The NRC appreciates the input from employees at the facility and members of the public.

During the meeting, you provided copies of a letter from the NRC to you regarding distrust in Palo Verde management and a lack of confidence in the Integrated Issues Resolution Process (IIRP). You requested that the NRC provide a written response to you regarding how we plan to assess licensee activities involving trust and the IIRP.

As stated during the meeting, the NRC conducted a public meeting with the licensee on August 18, 2005, to discuss the results of the Palo Verde safety culture survey and corrective action program. As part of the NRC's baseline inspection program, we continually assess inspection findings for issues which may affect the safety conscious work environment. Our assessments have determined that the vast majority of personnel at Palo Verde are willing to bring forward safety concerns to licensee management for resolution.

The NRC completed a problem identification and resolution inspection in February 2006. The inspection included interviews with personnel in a number of different departments including Instrumentation and Controls. The interviews determined that personnel were willing to raise safety concerns; however, there were indications that some personnel did not believe that licensee management would react to issues of minor significance.

Lastly, in 2004, the NRC identified that substantive crosscutting issues existed in the areas of human performance and problem identification and resolution. NRC inspectors have assessed the licensee's evaluation of the crosscutting issues and have monitored the initial implementation of corrective actions to improve performance. The NRC also conducted a public meeting with the licensee on March 30, 2006, to discuss their improvement initiatives. The NRC plans to continue to assess the licensee's corrective actions and performance improvement initiatives as they implement aspects of their integrated improvement plan.

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Once again, thank you for raising your concerns at the April 5 meeting. Please contact Mr. Greg Warnick at (623) 386-3638 or Mr. Greg Werner at (817) 860-8156 should you have additional questions or concerns.

Sincerely,

/RA/

Troy Pruett, Chief
Division of Reactor Projects Branch D

Silverio Garcia, Jr.

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cc:

G. Werner

G. Warnick

SUNSI Review Completed: _TWP_____ ADAMS: / Yes ☐ No Initials: __TWP____

/ Publicly Available ☐ Non-Publicly Available ☐ Sensitive / Non-Sensitive

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