

March 27, 2007

LICENSEE: ARIZONA PUBLIC SERVICE COMPANY

FACILITY: PALO VERDE NUCLEAR GENERATING STATION

SUBJECT: SUMMARY OF MARCH 14, 2007, CLOSED MEETING WITH ARIZONA PUBLIC SERVICE COMPANY AND SYNERGY ON PLANS FOR CONDUCTING A THIRD-PARTY SAFETY CULTURE ASSESSMENT AT THE PALO VERDE NUCLEAR GENERATING STATION

On March 14, 2007, a closed meeting to discuss proprietary information was held between the U.S. Nuclear Regulatory Commission (NRC) and representatives of Arizona Public Service Company (APS) and Synergy Consulting Services Corporation at NRC Headquarters, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland. The purpose of the meeting was to discuss the licensee's plans for conducting a third-party assessment of safety culture at the Palo Verde Nuclear Generating Station (PVNGS) and to discuss the related inspection guidance from NRC Inspection Procedure (IP) 95003, "Supplemental Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input."

Background

On March 2, 2007, the NRC issued the annual assessment letter for PVNGS (Agencywide Documents Access and Management System (ADAMS) Accession No. ML070610604). The NRC assessment determined the performance of PVNGS, Unit 3, to be in the Multiple/ Repetitive Degraded Cornerstone column of the NRC's Action Matrix. For plants in this column of the Action Matrix, Inspection Manual Chapter 0305, "Operating Reactor Assessment Program" section 06.05.b.4 states that the licensee is expected to perform an independent assessment of their safety culture. In addition, IP 95003 will be performed by the NRC to review the breadth and depth of the performance deficiencies, assess the licensee's evaluation of their safety culture, and independently perform an assessment of the licensee's safety culture.

Meeting Discussions

The licensee presented information regarding their assessment models, comparisons of the models to the NRC safety culture components, and the planned approach towards conducting the third-party safety culture assessment for PVNGS in the spring 2007. The licensee's contractor, Synergy Consulting Services Corporation, explained that the safety culture assessment will be comprised of a site-wide survey supplemented by documentation reviews, individual personnel interviews, and selected observations of key PVNGS meetings.

The NRC staff, APS, and Synergy discussed detailed inspection guidance from IP 95003 regarding how the licensee's safety culture survey will be evaluated by the staff. This included:

the construction of the survey scale; length and complexity of individual survey questions; length of the overall survey tool; use of work observations; statistical analysis to confirm the validity, reliability, and internal consistency of the survey; and the potential influence of weighting factors on the end results.

A list of attendees is enclosed. The meeting agenda (ADAMS Accession No. ML070680073) and meeting handouts (ADAMS Accession No. ML070780294) are available to the public. There were no members of the public represented at the closed meeting.

Please direct any inquiries to me at 301-415-5723, or mtm@nrc.gov.

/RA/

Michael T. Markley, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

Enclosure: List of Attendees

cc: J. Copsey, APS
M. Green, APS
T. Snyder, Synergy
J. Guibert, Synergy
H. Levin, Synergy

cc w/encl: See next page

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ADAMS Accession Nos.: Pkg **ML070850032** (Notice ML070680073, Summary ML070850038, Handouts ML070780294)

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Palo Verde Nuclear Generating Station

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January 2007

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MARCH 14, 2007 CLOSED MEETING WITH ARIZONA PUBLIC SERVICE
COMPANY AND SYNERGY ON PLANS FOR CONDUCTING A
THIRD-PARTY SAFETY CULTURE ASSESSMENT AT THE
PALO VERDE NUCLEAR GENERATING STATION

<u>Name</u>	<u>Organization</u>
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Jeanne Copsey	APS
Michael Green	APS
Timothy Snyder	Synergy
John Guibert	Synergy
Howard Levin	Synergy
Gregory Werner	NRC
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Lisamarie Jarriel	NRC
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Mike Markley	NRC
June Cai	NRC
Isabelle Schoenfeld	NRC
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