



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

March 31, 2008

MEMORANDUM TO: Dwight Chamberlain, Director
Division of Reactor Projects, Region IV

THROUGH: Troy Pruett, Chief
Reactor Projects Branch D, Region IV 

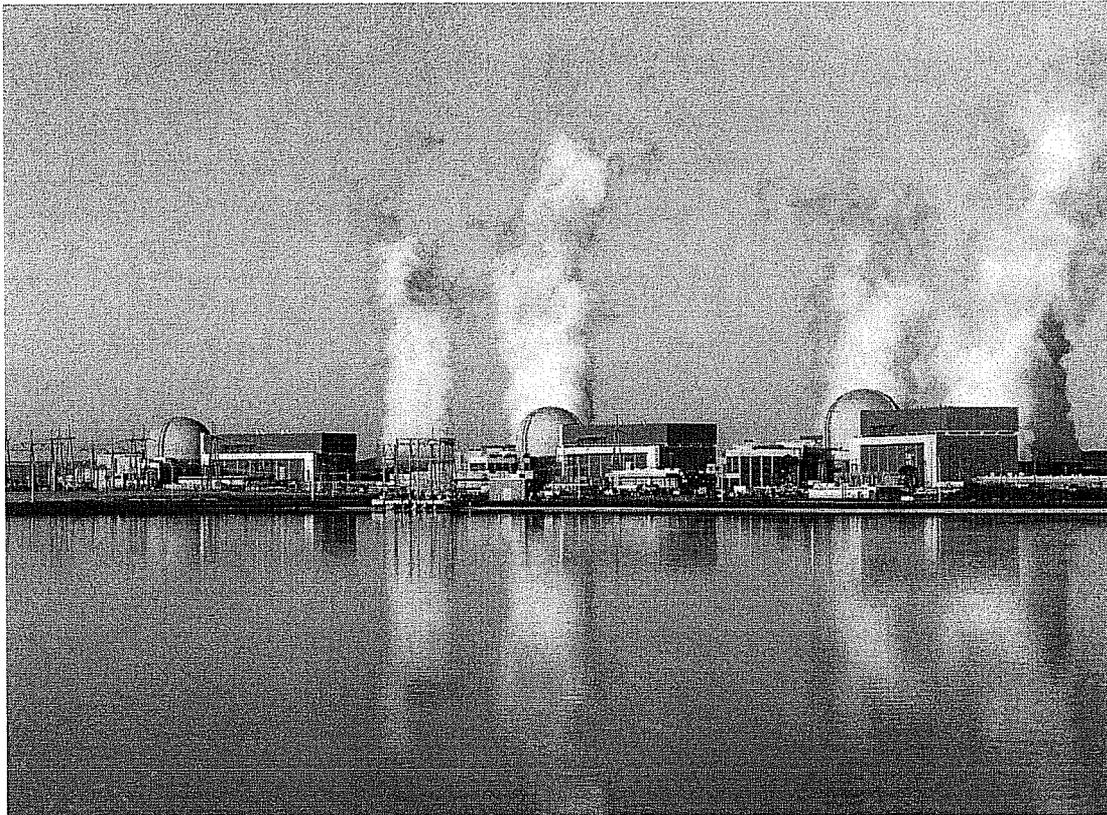
FROM: Greg Werner, Senior Project Engineer
Reactor Projects Branch D, Region IV 

SUBJECT: Confirmatory Action Letter Inspection Plan

The enclosed document provides the inspection plan for completing the Palo Verde Nuclear Generating Station Confirmatory Action Letter inspections. Please contact Greg Werner at (817) 860-8156 or Michelle Catts at (623) 386-3638 if you have any questions regarding the inspection plan.

Enclosure

Inspection Plan
Palo Verde Nuclear Generating Station
Confirmatory Action Letter Inspections



Inspection Plan Approval:

| | | | |
|-------------------|--|-------|------------------|
| Prepared by: | <u><i>Gregory Werner</i></u> Gregory Werner | Date: | <u>3/17/08</u> |
| DRP Branch Chief: | <u><i>Troy Pruett</i></u> Troy Pruett | Date: | <u>3/14/08</u> |
| DRS Director: | <u><i>Roy Caniano</i></u> Roy Caniano | Date: | <u>3/17/08</u> |
| DRP Director: | <u><i>Dwight Chamberlain</i></u> Dwight Chamberlain | Date: | <u>3/31/2008</u> |

Report Numbers

Various (input will be documented in Quarterly Integrated Resident Reports)

Start Date

March 2008 and then approximately every 3 months

Team Leader

Various (Greg Werner will lead the first quarterly CAL inspection the week of March 10, 2008)

Inspectors

Various (Michelle Catts will be the dedicated inspector from the Resident staff.)

Objectives

The objective of this plan is to provide general guidance for inspecting the implementation and effectiveness of the corrective actions of the Site Integrated Improvement Plan (SIIP). PVNGS developed the SIIP to address the numerous performance issues that resulted in entry into Column 4 of the Action Matrix.

The revised Confirmatory Action Letter (CAL), dated February 15, 2008, (Attachment 1) contains a subset of actions delineated in the SIIP that the NRC determined are necessary to address the performance insights identified by PVNGS assessment activities and the IP 95003 Supplemental Inspection. The key performance areas that need to be addressed and that PVNGS has committed to address are as follows: Yellow and White findings, problem identification and resolution issues, human performance issues, engineering programs, review of current equipment evaluations, safety culture, accountability, change management, emergency preparedness, longstanding equipment deficiencies, and backlog.

Inspection Activities

Inspection Procedure (IP) 71152, "Identification and Resolution of Problems," will be the primary procedure used to inspect the implementation of the PVNGS Site Integrated Improvement Plan as required by the revised CAL. In addition, IP 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area" and IP 95002, "Inspection for One Degraded Cornerstone or any Three White Inputs in a Strategic Performance Area," will be used to close the White and Yellow findings, respectively.

The areas to be inspected are identified in the revised CAL. The licensee is required to submit a list of the specific tasks, including due dates, associated with the action plans and strategies for each of the CAL items by March 31, 2008. Once the licensee submits this information, this plan will be revised to include the submittal as Attachment 2. The items to be selected for each quarterly CAL inspection should be based on the completion due dates provided by the licensee. A detailed inspection matrix will be developed that will provide specific assignments and estimated due dates for the inspection of tasks associated with specific CAL items. In addition, long term actions not completed can and should be periodically selected and reviewed for progress.

Inspection Scope

Each quarterly inspection will be conducted in accordance with this inspection plan as well as identifying specific SIIP tasks to be reviewed during each inspection. The inspectors need to address each of the CAL items by reviewing the licensee documentation supporting the closure of the SIIP tasks. The inspectors should consider the following when reviewing completed SIIP tasks:

1. Does the SIIP task match the condition report action item (CRAI)?
2. Did PVNGS take the actions described in the CRAI?
3. Are the tasks consistent with the action plan strategy step's deliverable statement?
4. Do the tasks address the action plan problem statement and primary causes?
5. Have performance improvements been observed as a result of the completed tasks?
6. Independently verify the completion of tasks through record reviews, procedure reviews, plant/equipment walkdowns, observation of activities, and interviews.
7. Are tasks resource loaded and/or funded?
8. Does PVNGS have performance indicators/metrics to measure the effectiveness of each action plan?
9. Do the owners of performance indicators/metrics know what they are measuring and current status?
10. Verify the inputs to the performance indicators/metrics are correct.
11. Determine if thresholds for performance indicators/metrics are correct.
12. Review action plan effectiveness review measures and determine adequacy.
13. Has PVNGS followed their process for close out of CRAIs, tasks, and action plans?

Report Preparation and Documentation

Each inspector will be expected to perform a dedicated week in Region IV preparing for the inspection. As part of the planning, the lead inspector should discuss the review of items with either the senior project engineer and/or Michelle Catts (Palo Verde Resident Inspector responsible for maintaining oversight of the CAL inspections and progress). The lead inspector will request documentation from PVNGS and assign specific tasks to be reviewed by each inspector. To the extent possible, each inspector should begin developing findings and observations and completing them during the onsite inspection week. In preparation for the inspection, the following documents should be reviewed:

- IP 95003 Inspection Report 2007-012
- Revised CAL dated February 15, 2008
- IP 71152, "Identification and Resolution of Problems"
- PVNGS response for list of specific tasks dated March 31, 2008
- CRAIs associated with each SIIP Task
- Performance indicators/metrics and effectiveness reviews for applicable Action Plan

Report documentation should be completed by COB Friday, the week following the onsite inspection, unless prior arrangements have been made with the team lead. Each inspector is responsible for documenting findings and observations in accordance with MC 0612 and DRP Desktop Guide 16, "Integrated Report Boilerplate," Revision 1. Prepare report input so that it can be integrated into the PVNGS integrated resident inspector quarterly reports. Debriefs will be conducted with the PVNGS senior resident inspector and the Branch Chief, PBD, prior to debriefing the licensee.

Administrative (HRMS)

Inspection Procedure: 95003
 Inspection Task: SP
 Preparation Task: SEP
 Documentation Task: SED

NRC Contacts

Troy Pruett, Branch Chief: 817-860-8173
 Greg Werner, Senior Project Engineer: 817-860-8156
 Ryan Treadway, Senior Resident Inspector: 623-386-3638
 Michelle Catts, Resident Inspector: 623-393-3737

Licensee Contacts

Rusty Stroud, Compliance Section Leader, Regulatory Affairs: 623-393-5111 (office) or 623-640-5501 (cell)

Attachments

1. Revised CAL dated February 15, 2008
2. PVNGS response for list of specific tasks for each CAL item dated March 31, 2008 (To Be Added Later)