

November 18, 2009

Mr. Randall K. Edington
Executive Vice President, Nuclear
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072

SUBJECT: PLAN FOR THE AGING MANAGEMENT PROGRAM AUDIT REGARDING THE
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
LICENSE RENEWAL APPLICATION REVIEW (TAC NOS. ME0254, ME0255,
ME0256)

Dear Mr. Edington:

By letter dated December 11, 2008, Arizona Public Service Company submitted an application for renewal of operating licenses NPF-41, NPF-51, and NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 (Palo Verde). The staff of the U.S. Nuclear Regulatory Commission (NRC or the staff) is reviewing this application in accordance with the guidance in NUREG-1800, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants."

The staff will conduct its on-site aging management program audit at Palo Verde during the week of December 7, 2009, in accordance with the enclosed regulatory audit plan. If you have any questions, please contact me by telephone at 301-415-1906 or by e-mail at Lisa.Regner@nrc.gov.

Sincerely,

/RA/

Lisa M. Regner, Sr. Project Manager
Projects Branch 2
Division of License Renewal
Office of Nuclear Reactor Regulation

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

Enclosure:
As stated

cc w/encl: See next page

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NAME	DPelton	DWrona	LRegner (Signature)	
DATE	11/16/09	11/17/09	11/18/09	

OFFICIAL RECORD COPY

Letter to R. Edington from L. Regner dated November 18, 2009

SUBJECT: PLAN FOR THE AGING MANAGEMENT PROGRAM AUDIT REGARDING THE
PALO VERDE NUCLEAR GENERATING STATION UNITS 1, 2, AND 3
LICENSE RENEWAL APPLICATION REVIEW (TAC NO. ME0254, ME0255,
ME0256)

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Palo Verde Nuclear Generating Station, Units 1, 2, and 3

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Ms. Karen O'Regan
Environmental Program Manager
Office of Environmental Programs
200 W. Washington Street
Phoenix, AZ 85003



Audit Plan

Aging Management Program Review for the Palo Verde Nuclear Generating Station License Renewal Application

December 7 - 11, 2009

**Division of License Renewal
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission**

ENCLOSURE

License Renewal Aging Management Program Audit Plan Palo Verde Nuclear Generating Plant

1. Background

By letter dated December 11, 2008, as supplemented by letters dated April 14 and October 14, 2009, Arizona Public Service Company (APS) submitted an application for renewal of operating licenses NPF-41, NPF-51, and NPF-74 for the Palo Verde Nuclear Generating Station Units 1, 2, and 3 (Palo Verde). APS requested renewal of the operating licenses for an additional 20 years beyond the current 40-year license terms, which expire on June 1, 2025 (Unit 1), April 24, 2026 (Unit 2), and November 25, 2027 (Unit 3). The staff from the Division of License Renewal will lead an on-site regulatory audit to gain a better understanding of the documentation and bases for those aging management programs (AMPs) for which APS claims consistency with NUREG-1801, "Generic Aging Lessons Learned (GALL) Report."

2. Regulatory Audit Bases

License renewal requirements are specified in Title 10 of the *Code of Federal Regulations*, Part 54 (10 CFR Part 54), "Requirements for Renewal of Operating Licenses for Nuclear Power Plants," and the guidance for the NRC staff review is provided in NUREG-1800, Rev. 1, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants" (SRP-LR), and NUREG-1801.

3. Regulatory Audit Scope

The scope of this regulatory audit includes those plant AMPs for which APS claims consistency with NUREG-1801. It is incumbent on the applicant to ensure that the plant AMP is consistent with the elements of the referenced GALL program or to provide a suitable alternative. The regulatory audit may also include a verification of the aging management review results.

4. Information and Other Material Necessary for the Regulatory Audit

While on-site, the project team will review the license renewal application, the AMP basis documents, and other applicant supporting documents as appropriate.

5. Team Assignments

Area of Review	Assigned Auditor
Project Manager	Lisa Regner
Branch Chief	David Pelton
Electrical	Duc Nguyen Cliff Doult
Mechanical and Materials	Albert Wong Wilkins Smith Keith Axler, Center for Nuclear Waste Regulatory Analyses (CNWRA) Todd Mintz (CNWRA) Yi-Ming Pan (CNWRA) Wayne Pavanich, Advanced Technologies and Laboratories (ATL) Jim Davis (ATL) Bob Jackson (ATL) Erach Patel (ATL)
Structural	Bryce Lehman Abdul Sheikh Dan Naus, Oak Ridge National Laboratory (ORNL) John Baker, ORNL
Specialist	Allen Hiser

6. Logistics

The audit will be conducted at Palo Verde from December 7, 2009 until December 11, 2009. Entrance and exit briefings will be held at the beginning and end of this audit, respectively.

7. Special Requests

The staff requests the applicant to make available their condition report database for independent searches by the regulatory audit team.

8. Deliverables

An audit report should be issued to the applicant within 90 days from the end of the audit.