



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E LAMAR BLVD
ARLINGTON, TX 76011-4511

September 1, 2015

Randall K. Edington
Executive Vice President,
Nuclear/CNO
Arizona Public Service Company
P.O. Box 1856
Buckeye, AZ 85326

**SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2015005,
05000529/2015005 AND 05000530/2015005)**

Dear Mr. Edington,

On August 12, 2015, the Nuclear Regulatory Commission (NRC) completed its mid-cycle performance review of the Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2014 through June 30, 2015. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Palo Verde Nuclear Generating Station, Units 1, 2, and 3 were operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

The enclosed inspection plan lists the inspections scheduled through June 30, 2017. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the second half of the inspection plan are tentative and may be revised at the end-of-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security related inspections, which will be sent via separate, non-publicly available correspondence.

In response to the accident at Fukushima, the Commission issued Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," which requires licensees to develop, implement, and maintain guidance

and strategies to maintain or restore core cooling, containment, and spent fuel pool cooling capabilities following a beyond-design-basis external event. Additionally, the Commission issued Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation," which requires licensees to have a reliable means of remotely monitoring wide-range Spent Fuel Pool levels to support effective prioritization of event mitigation and recovery actions in the event of a beyond-design-basis external event. The NRC is conducting audits of licensee efforts towards compliance with these Orders. The audit has been completed at the Palo Verde Nuclear Generating Station, and the information gathered will aid staff in development of the ultimate Safety Evaluation for the site. After the NRC staff receives the Final Compliance letter for the site, the Final Safety Evaluation will be issued. Then, the NRC staff will confirm through inspections the full implementation of the orders mentioned above by performing Temporary Instruction 2515/191, "Inspection of the Implementation of Mitigating Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans."

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at 817-200-1173 with any questions you have regarding this letter.

Sincerely,

/RA/

Geoffrey B. Miller
Chief, Branch D
Division of Reactor Projects

Docket Nos.: 50-528; 50-529; 50-530
License Nos.: NPF-41; NPF-51; NPF-74

Enclosure: Palo Verde Nuclear Generating
Station, Units 1, 2, and 3 Inspection/Activity Plan

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DATE	8/27/15	8/27/15	8/27/15				

Letter to Randall K. Edington from Geoffrey B. Miller dated September 1, 2015

SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2015005,
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Electronic Distribution for Palo Verde Nuclear Generating Station

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
1, 2, 3	09/14/2015	09/18/2015	EP-2	- HAB EXERCISE INSPECTION	7
			IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	09/14/2015	09/18/2015	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
1, 2, 3	09/14/2015	09/18/2015	EP-3	- EP PERFORMANCE INDICATORS	1
			IP 71151-EP01	Drill/Exercise Performance	
1, 2, 3	09/14/2015	09/18/2015	IP 71151-EP02	ERO Readiness	
1, 2, 3	09/14/2015	09/18/2015	IP 71151-EP03	Alert & Notification System Reliability	
2	10/19/2015	10/30/2015	71111.08	- INSERVICE INSPECTION 2R19	1
			IP 7111108P	Inservice Inspection Activities - PWR	
1, 2, 3	10/26/2015	10/30/2015	RS 5	- RP INSPECTION	1
			IP 71124.05	Radiation Monitoring Instrumentation	
1, 2, 3	11/16/2015	11/20/2015	EB1-07T	- PV TRIENNIAL HEAT SINK PERFORMANCE	1
			IP 7111107T	Heat Sink Performance	
1, 2, 3	12/14/2015	12/18/2015	EB2-05T	- TRIENNIAL FIRE PROTECTION INSPECTION	4
			IP 7111105T	Fire Protection [Triennial]	
1, 2, 3	01/11/2016	01/15/2016	EB2-05T	- TRIENNIAL FIRE PROTECTION INSPECTION	4
			IP 7111105T	Fire Protection [Triennial]	
1, 2, 3	01/18/2016	01/22/2016	RS 24	- RADIATION SAFETY	2
			IP 71124.02	Occupational ALARA Planning and Controls	
1, 2, 3	01/18/2016	01/22/2016	IP 71124.04	Occupational Dose Assessment	
1	10/03/2016	10/07/2016	EXAM	- INITIAL EXAM	7
			X02576	INITIAL EXAM PALO VERDE UNIT 1 (10/2016)	
2	10/03/2016	10/07/2016	X02577	INITIAL EXAM PALO VERDE UNIT 2 (10/2016)	
3	10/03/2016	10/07/2016	X02578	INITIAL EXAM PALO VERDE UNIT 3 (10/2016)	
1	10/31/2016	11/10/2016	X02576	INITIAL EXAM PALO VERDE UNIT 1 (10/2016)	
2	10/31/2016	11/10/2016	X02577	INITIAL EXAM PALO VERDE UNIT 2 (10/2016)	
3	10/31/2016	11/10/2016	X02578	INITIAL EXAM PALO VERDE UNIT 3 (10/2016)	
1, 2, 3	03/07/2016	03/11/2016	TSB 52B	- BIENNIAL PI&R INSPECTION	4
			IP 71152B	Problem Identification and Resolution	
1, 2, 3	03/21/2016	03/25/2016	IP 71152B	Problem Identification and Resolution	
1	04/11/2016	04/16/2016	EP-1	- EP PERFORMANCE INDICATORS	1
			IP 71151-EP01	Drill/Exercise Performance	
1	04/11/2016	04/16/2016	IP 71151-EP02	ERO Readiness	
1	04/11/2016	04/16/2016	IP 71151-EP03	Alert & Notification System Reliability	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
			EP-2	- BIENNIAL EP PROGRAM INSPECTION	1
1, 2, 3	04/11/2016	04/16/2016	IP 7111402	Alert and Notification System Testing	
1, 2, 3	04/11/2016	04/16/2016	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2, 3	04/11/2016	04/16/2016	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	04/11/2016	04/16/2016	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
			RS 13 PI	- RADIATION SAFETY	2
1, 2, 3	04/18/2016	04/22/2016	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2, 3	04/18/2016	04/22/2016	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2, 3	04/18/2016	04/22/2016	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2, 3	04/18/2016	04/22/2016	IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	
			71111.08	- INSERVICE INSPECTION	1
1	04/18/2016	04/29/2016	IP 7111108P	Inservice Inspection Activities - PWR	
			EB1-21T	- PV COMPONENT DESIGN BASIS INSPECTION	2
1, 2, 3	08/01/2016	09/02/2016	IP 7111121	Component Design Bases Inspection	
			71111.08	- INSERVICE INSPECTION	1
3	10/17/2016	10/28/2016	IP 7111108P	Inservice Inspection Activities - PWR	
			INSP	- BIENNIAL REQUAL INSPECTION	3
1, 2, 3	12/12/2016	12/16/2016	IP 7111111B	Licensed Operator Requalification Program	
			RS 5678	- RS TEAM	5
1, 2, 3	01/23/2017	01/27/2017	IP 71124.05	Radiation Monitoring Instrumentation	
1, 2, 3	01/23/2017	01/27/2017	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2, 3	01/23/2017	01/27/2017	IP 71124.07	Radiological Environmental Monitoring Program	
1, 2, 3	01/23/2017	01/27/2017	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			EB1-17T	- PV PERMANENT PLANT MODS & 50.59	3
1, 2, 3	02/27/2017	03/17/2017	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
			EP-3	- EP PERFORMANCE INDICATOR VERIFICATION	1
1, 2, 3	03/06/2017	03/10/2017	IP 71151-EP01	Drill/Exercise Performance	
1, 2, 3	03/06/2017	03/10/2017	IP 71151-EP02	ERO Readiness	
1, 2, 3	03/06/2017	03/10/2017	IP 71151-EP03	Alert & Notification System Reliability	
			EP2	- BIENNIAL EP EXERCISE INSPECTION	4
1, 2, 3	03/06/2017	03/10/2017	IP 7111401	Exercise Evaluation	
			71111.08	- INSERVICE INSPECTION UNIT 2	1
2	04/17/2017	04/28/2017	IP 7111108P	Inservice Inspection Activities - PWR	