



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

September 12, 2016

Mr. Randall K. Edington
Executive Vice President Nuclear/CNO
Arizona Public Service Company
P.O. Box 52034, MS 7602
Phoenix, AZ 85072-2034

**SUBJECT: ERRATA FOR MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE
NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 (REPORT
05000528/2016005, 05000529/2016005, AND 05000530/2016005)**

Dear Mr. Edington:

It was identified that the enclosed inspection plan in a letter to you dated August 31, 2016 (ML16237A057) was improperly marked. The inspection plan contained the markings of "Official Use Only – Sensitive Internal Information/Security-Related Information", however, the inspection plan did not contain information under that category. The inspection plan that was originally placed into ADAMS has been corrected by striking through the markings. The original Mid-Cycle Assessment Letter and the corrected inspection plan are enclosed. Please note that neither the content of the assessment letter, nor the inspection plan has changed.

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

Sincerely,

/RA/

Thomas R. Hipschman, Team Leader
Inspection Program and Assessment Team
Division of Reactor Safety

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

Enclosures:

1. Palo Verde Nuclear Generating Station, Units 1, 2, and 3 Inspection/Activity Plan
2. 2016 Mid-Cycle Assessment Letter (ML16237A057)

Page 1 of 2

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Report 22

Palo Verde
Inspection / Activity Plan
07/01/2016 - 06/30/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
EXAM - INITIAL EXAM					8
1	10/03/2016	10/07/2016	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)	
EB1-21T - PV COMPONENT DESIGN BASIS INSPECTION					6
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	
TI191 - MITIGATING STRATEGIES/SFP INST FOR BDBEE					4
1, 2, 3	11/14/2016	11/18/2016	IP 2515/191	Inspection of Licensee's Responses to Order EA-12-049, EA-12-051 & EP Info Request March 12, 2012	
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 PLANT MODS & 50.59					3
1, 2, 3	02/27/2017	03/03/2017	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
1, 2, 3	03/13/2017	03/17/2017	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
ISFSI - LOADING INSPECTION (ONE WEEK IN MONTH)					1
1, 2, 3	03/01/2017	03/30/2017	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
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	
1, 2, 3	03/06/2017	03/10/2017	IP 7111404	Emergency Action Level and Emergency Plan Changes	
71111.08 - INSERVICE INSPECTION UNIT 2					1
2	04/17/2017	04/28/2017	IP 7111108P	Inservice Inspection Activities - PWR	

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

Enclosure 1

Palo Verde
Inspection / Activity Plan
07/01/2016 - 06/30/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
RS 12 PI - RADIATION SAFETY					2
1, 2, 3	10/16/2017	10/20/2017	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2, 3	10/16/2017	10/20/2017	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2, 3	10/16/2017	10/20/2017	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2, 3	10/16/2017	10/20/2017	IP 71151-PR01	RETS/ODCM Radiological Effluent Occurrences	
71111.08 - INSERVICE INSPECTION UNIT 1					1
1	10/16/2017	10/27/2017	IP 7111108P	Inservice Inspection Activities - PWR	
EXAM - INITIAL EXAM					11
1	03/19/2018	03/23/2018	X02617	INITIAL EXAM PV U1(4/18)	
2	03/19/2018	03/23/2018	X02618	INITIAL EXAM PV-U2 (04/18)	
3	03/19/2018	03/23/2018	X02619	INITIAL EXAM PV-U3(04/18)	
1	04/16/2018	04/26/2018	X02617	INITIAL EXAM PV U1(4/18)	
2	04/16/2018	04/26/2018	X02618	INITIAL EXAM PV-U2 (04/18)	
3	04/16/2018	04/26/2018	X02619	INITIAL EXAM PV-U3(04/18)	
EB2-05T - TRIENNIAL FIRE PROTECTION INSPECTION					4
1, 2, 3	01/29/2018	02/02/2018	IP 7111105T	Fire Protection [Triennial]	
1, 2, 3	02/12/2018	02/16/2018	IP 7111105T	Fire Protection [Triennial]	
EP-2 - EP PERFORMANCE INDICATOR INSPECTION					1
1, 2, 3	02/26/2018	03/02/2018	IP 71151-EP01	Drill/Exercise Performance	
1, 2, 3	02/26/2018	03/02/2018	IP 71151-EP02	ERO Readiness	
1, 2, 3	02/26/2018	03/02/2018	IP 71151-EP03	Alert & Notification System Reliability	
EP1 - EP PROGRAM INSPECTION					1
1, 2, 3	02/26/2018	03/02/2018	IP 7111402	Alert and Notification System Testing	
1, 2, 3	02/26/2018	03/02/2018	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2, 3	02/26/2018	03/02/2018	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	02/26/2018	03/02/2018	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
71111.08 - INSERVICE INSPECTION 3R20					1
3	04/16/2018	04/27/2018	IP 7111108P	Inservice Inspection Activities - PWR	

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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

August 31, 2016

Mr. Randall K. Edington
Executive Vice President Nuclear/CNO
Arizona Public Service Company
P.O. Box 52034, MS 7602
Phoenix, AZ 85072-2034

**SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2016005,
05000529/2016005 AND 05000530/2016005)**

Dear Mr. Edington,

On August 11, 2016, the U.S. 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, 2015 through June 30, 2016. 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 operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at 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, 2018. 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.

The NRC staff received the Palo Verde Nuclear Generating Station Final Compliance letter for Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," and Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation." The NRC staff issued the Palo Verde Nuclear Generating Station Safety Evaluation on July 20, 2016, and will confirm full

Enclosure 2

implementation of the orders mentioned above by performing Temporary Instruction 191, "Inspection of the Implementation of Mitigation Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans."

In Staff Requirements Memorandum – SECY 16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities," the Commission approved the NRC staff recommendation to discontinue the formal mid-cycle assessment process beginning in calendar year 2017. This will be the final mid-cycle assessment letter. The staff will continue to conduct quarterly assessment meetings and communicate changes in the assessment of licensee performance in accordance with the guidance in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

In accordance with Title 10 of the *Code of Federal Regulations* (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 Agencywide Documents Access and Management 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, Branch Chief
Projects 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
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71111.08 - INSERVICE INSPECTION UNIT 1					1
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Docket Nos. 50-528; 50-529; 50-530
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Enclosure:
 Palo Verde Nuclear Generating
 Station, Units 1, 2, and 3 Inspection/
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DISTRIBUTION:
 See next page

ADAMS ACCESSION NUMBER: ML16237A057

<input checked="" type="checkbox"/> SUNSI Review By: GBM		ADAMS <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive	Keyword: NRC-002
OFFICE: RIV	D: DRS	D: DRP	C: DRP/D		
NAME	AVegel	TWPruett	GBMiller		
SIGNATURE	<i>/RA-JClark for</i>	<i>/RA/</i>	<i>/RA/</i>		
DATE	8/19/16	8/20/16	8/22/16		

OFFICIAL RECORD COPY

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SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2016005,
05000529/2016005 AND 05000530/2016005)

DISTRIBUTION:

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Resident Inspector (Dustin.Reinert@nrc.gov)
Resident Inspector (David.You@nrc.gov)
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ROPAssessment.Resource@nrc.gov

September 12, 2016

Mr. Randall K. Edington
Executive Vice President Nuclear/CNO
Arizona Public Service Company
P.O. Box 52034, MS 7602
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DISTRIBUTION:

See next page

ADAMS ACCESSION NUMBER: ML16256A304 / PACKAGE: ML16256A300

<input checked="" type="checkbox"/> SUNSI Review By: EDU	ADAMS <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive	Keyword: NRC-002
OFFICE	TL:IPAT			
NAME	THipschman			
SIGNATURE	<i>/RA/</i>			
DATE	9/12/16			

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Branch Chief, DRP/D (Geoffrey.Miller@nrc.gov)
Senior Project Engineer, DRP (Vacant)
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