

U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION V

Report Nos. 50-528/80-11, 50-529/80-11 and 50-530/80-11

Docket Nos. 50-528, 50-529 & 50-530 License Nos. CPPR-141, CPPR-142 & CPPR-143

Licensee: Arizona Public Service Company

P. O. Box 21666

Phoenix, Arizona 85036

Facility Name: Palo Verde Nuclear Generating Station - Units 1, 2 and 3

Management Meeting at: Licensee's Headquarters Office, Phoenix, Arizona

Meeting Conducted: June 10, 1980

Participants: *R. H. Engelken* 8/20/80
R. H. Engelken, Director Date Signed

G. S. Spencer 8/20/80
G. S. Spencer, Chief Date Signed
Reactor Construction & Engineering
Support Branch

for *G. S. Spencer* 8/20/80
L. E. Vorderbrueggen, Date Signed
Resident Reactor Inspector

Reviewed By: *G. S. Spencer* 8/20/80
G. S. Spencer, Chief Date Signed
Reactor Construction & Engineering
Support Branch

Summary:

Management Meeting on June 10, 1980 (Report Nos. 50-528/80-11, 50-529/80-11, 50-530/80-11).

Meeting held at the Licensee's corporate office to discuss results of the Licensee's performance evaluation by Region V for the period May 1979 through May 1980; three (3) areas to be given increased NRC attention were identified to the Licensee; reporting requirements of 10 CFR 50.55(e) were also discussed.

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DETAILS

1. Meeting Attendees

a) Arizona Public Service Company

E. E. Van Brunt, Jr., Vice President, Nuclear Projects Management
J. M. Allen, Nuclear Services Engineering Manager, Elect. and Instrumentation
A. C. Rogers, Nuclear Services Engineering Manager, Civil and Mechanical
B. S. Kaplan, Quality Systems Supervisor
D. B. Fasnacht, Site Construction Manager
W. E. Ide, Site Quality Assurance Supervisor

b) NRC-Region V

R. H. Engelken, Director
G. S. Spencer, Chief, Reactor Construction and Engineering Support Branch
L. E. Vorderbrueggen, Palo Verde Resident Reactor Inspector

2. SALP Program Description

The agenda shown on Enclosure A guided the progress of the meeting. Mr. Engelken explained that one of the NRC action items that resulted from studies of the TMI-2 accident was the establishment of a program for Systematic Assessment of Licensee Performance (SALP) with the following stated objectives:

- a. Identify exceptional or unacceptable licensee performance,
- b. Improve licensee performance,
- c. Improve the IE Inspection Program,
- d. Provide a basis for management's allocation of NRC resources, and
- e. Achieve regional consistency by evaluating licensee performance from a national perspective.

To implement this program, a formal appraisal process has been developed for the Regional Offices consisting of semi annual evaluations of licensee performance. These evaluations are conducted by a Review Board made up of individuals who are involved in the inspection and licensing activities pertaining to the licensee, i.e., resident inspectors, regional inspectors, regional managers, and, as appropriate, NRR project managers. The performance evaluations are intended to judge the licensee's technical and management performance, and his safety attitude in selected areas covered by the IE inspection program. The evaluations consider inspection findings, enforcement history, licensee event/deficiency reports, and the collective judgement of the inspectors and managers who are knowledgeable of the licensee's activities. The evaluation results, along with a proposed action plan defined by regional management, is forwarded to IE Headquarters for appraisal by a senior SALP Review Group. The Regional Office is to hold an annual meeting with licensee management to discuss the results of the evaluations and identify those areas of the licensee's operation which demonstrate a need for improvement and additional inspection attention.



3. Performance Evaluation Results

Mr. Spencer identified the individuals composing the Regional Review Board and summarized the performance factors considered in the review (Enclosure B). He stated that the evaluation results indicated generally satisfactory performance by the licensee, and that continued strong effort by the licensee and the other project participants should ensure adequate control of future work activities. Three areas were identified where NRC inspection effort will be intensified and the reasons therefore. They are component storage and maintenance after warehouse release for construction, pipe hangers and supports, and, containment dome liner installation for Units 2 and 3. Also, since good control has been demonstrated in regard to substructure foundations and concrete, NRC plans to deemphasize the inspection effort in these areas. The licensee was also cautioned to continue close control of vendors and subcontractors in order to avoid problems similar to those which have occurred on other nuclear plant projects.

4. 10 CFR 50.55(e) Reporting

At the licensee's request, a discussion was conducted in regard to the recently issued NRC guidance on reporting of items that may have potential 50.55(e) significance. The licensee was provided clarification in regard to oral and written report timing, and how the 14-days allowed for investigating the "potential" of an item factors into the reporting process. The need for documenting the reportability review by the licensee was also discussed.



AGENDA

LICENSEE: Arizona Public Service Company

FACILITY: Palo Verde Nuclear Generating Station

DATE AND TIME OF MEETING: June 10, 1980, 1:00 p.m.

LOCATION: APS Headquarters, Phoenix, Arizona

SUBJECT: NRC REGIONAL EVALUATION OF LICENSEE PERFORMANCE
FOR THE PERIOD OF MAY 1979 THROUGH MAY 1980

1. Introduction - R. H. Engelken, Regional Director, NRC:RV
2. Description of NRC's Systematic Assessment of Licensee Performance (SALP) - R. H. Engelken
3. Identification NRC:RV Review Board members, statement of scope and general conclusions - R. H. Engelken
4. Summary of findings of current review - G. S. Spencer, Chief, Reactor Construction and Engineering Support Branch
 - a. Enforcement history
 - b. Bulletins, reporting
 - c. Changes in NRC inspection program
5. Specific areas of concern - G. S. Spencer and L. E. Vorderbrueggen
6. Questions/comments - all

