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 STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Public 05000529
 STN-50-530 Palo Verde Nuclear Station, Unit 3, Arizona Public 05000530

AUTH. NAME AUTHOR AFFILIATION
 VAN BRUNT, E. E. Arizona Public Service Co.
 RECIP. NAME RECIPIENT AFFILIATION
 DENTON, H. R. Office of Nuclear Reactor Regulation, Director

SUBJECT: Forwards draft Safety Policy 726C re nuclear operations activities, & Corporate Nuclear Safety Policy 726B, per 811021 meeting in Bethesda, MD. Affidavit encl.

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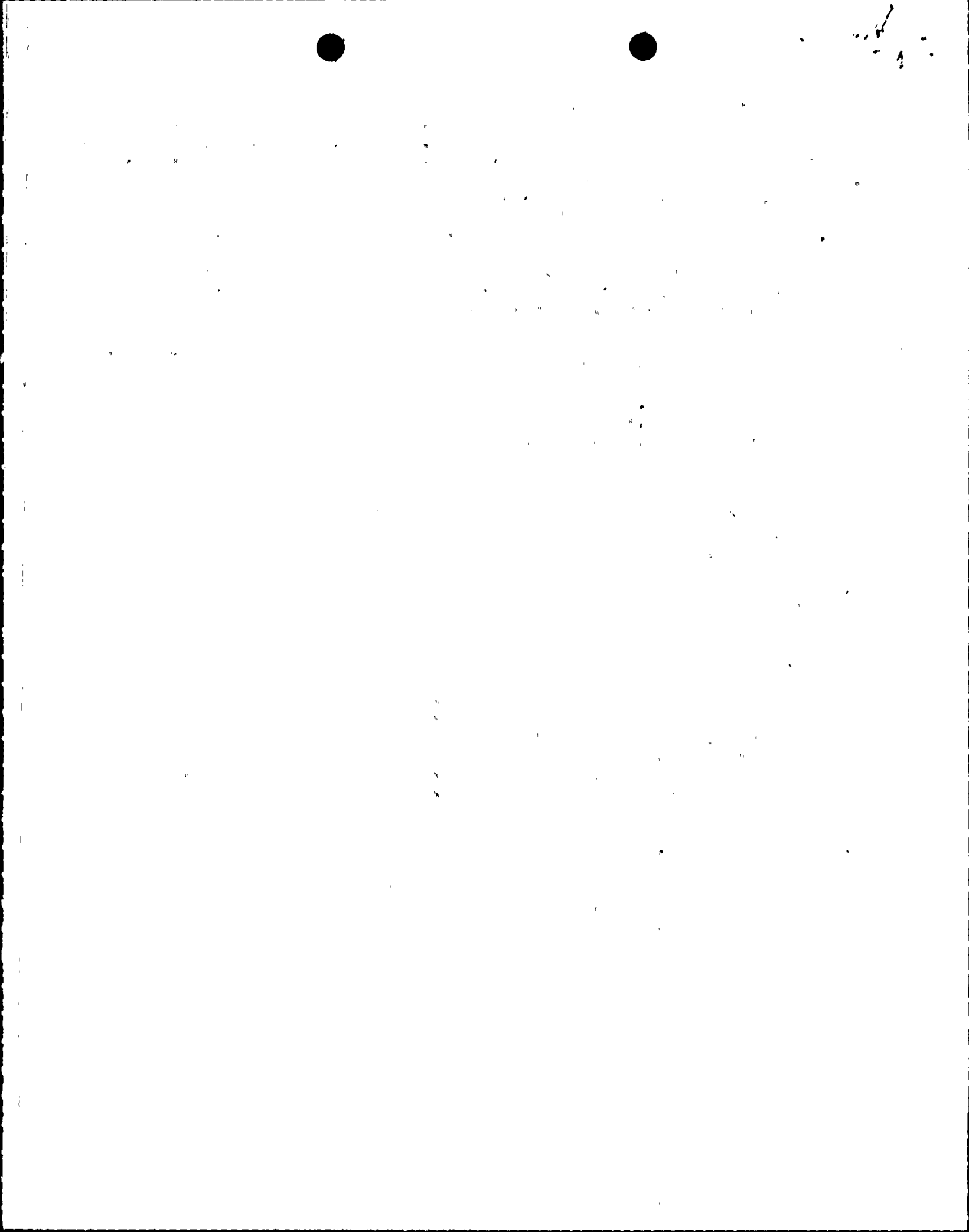
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ARIZONA



PUBLIC SERVICE COMPANY

STA. _____

P.O. BOX 21666 - PHOENIX, ARIZONA 85036

October 27, 1981

ANPP-19280 - EEVBJr/LMA

Mr. H. R. Denton
Director, Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: Palo Verde Nuclear Generating Station
(PVNGS) Units 1, 2 and 3
Docket Nos. STN-50-528/529/530
File: 81-056-026; G.1.10



Dear Mr. Denton:

In accordance with our discussions in Bethesda, Maryland on October 21, 1981, attached is a draft Safety Policy, No. 726C, entitled, "Nuclear Operations Activities", which defines the responsibilities, authorities, interfaces, and commitments to nuclear activities of the following positions and/or groups:

1. Vice President of Electric Operations
2. Manager of Nuclear Operations
3. Manager of Nuclear Operations Support
4. Vice President of Nuclear Projects Management
5. STA/Independent Safety Engineering Group

Also attached for your information is a copy of Corporate Nuclear Safety Policy No. 726B which relates to this draft policy.

If you require further information, please contact me or G. C. Andognini, Vice President of Electric Operations.

Very truly yours,

E. E. Van Brunt, Jr.
APS Vice President,
Nuclear Projects
ANPP Project Director

Boo/s
1/1

EEVBJr/av
Attachment

cc: J. Kerrigan (w/a)
P. Hourihan (w/a)
A. C. Gehr (w/a)

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A PDR



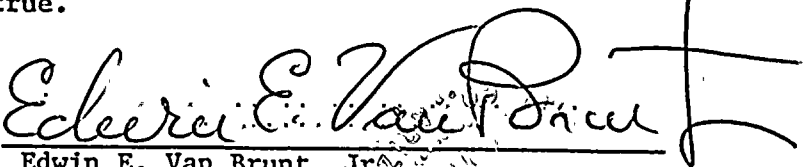
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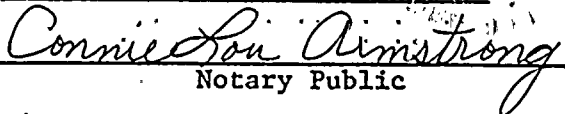
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STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

I, Edwin E. Van Brunt, Jr., represent that I am Vice President Nuclear Projects of Arizona Public Service Company, that the foregoing document has been signed by me on behalf of Arizona Public Service Company with full authority so to do, that I have read such document and know its contents, and that to the best of my knowledge and belief, the statements made therein are true.


Edwin E. Van Brunt, Jr.

Sworn to before me this 27th day of October, 1981.


Notary Public

My Commission expires:

June 24, 1983



POLICY

DRAFT

Subject: Safety

Title: Nuclear Operations Activities

Effective: October 23, 1981

For use by: ALL COMPANY EMPLOYEES

Arizona Public Service Company is totally committed to the highest standards of safety for the operation of its nuclear facilities as stated in Corporate Nuclear Safety Policy No. 726B and as further provided herein.

In order to ensure the appropriate communication and implementation of this objective, the responsibilities, authorities, interfaces and commitments to nuclear activities of the following positions and/or groups are herein delineated.

- a. Vice President of Electric Operations
 - b. Manager of Nuclear Operations
 - c. Manager of Nuclear Operations Support
 - d. Vice President of Nuclear Projects Management
 - e. Independent Safety Engineering Group
- a. Vice President of Electric Operations

This position is charged with the total corporate responsibility and overall authority to ensure that all activities associated with the operation and support of APS' nuclear facilities are completed with the highest standards of safety. The Vice President of Electric Operations shall place the commitment to support the nuclear program above all other responsibilities and shall devote his time as necessary to ensure that these responsibilities are discharged in accordance with the highest standards of safety. This responsibility shall be primary and shall not be diminished by ancillary responsibilities.

In the absence of the Vice President of Electric Operations, the Manager of Nuclear Operations shall be delegated the nuclear safety responsibilities and authority of the Vice President of Electric Operations and shall have direct access to the Executive Vice President of Operations for support and decisions as required.

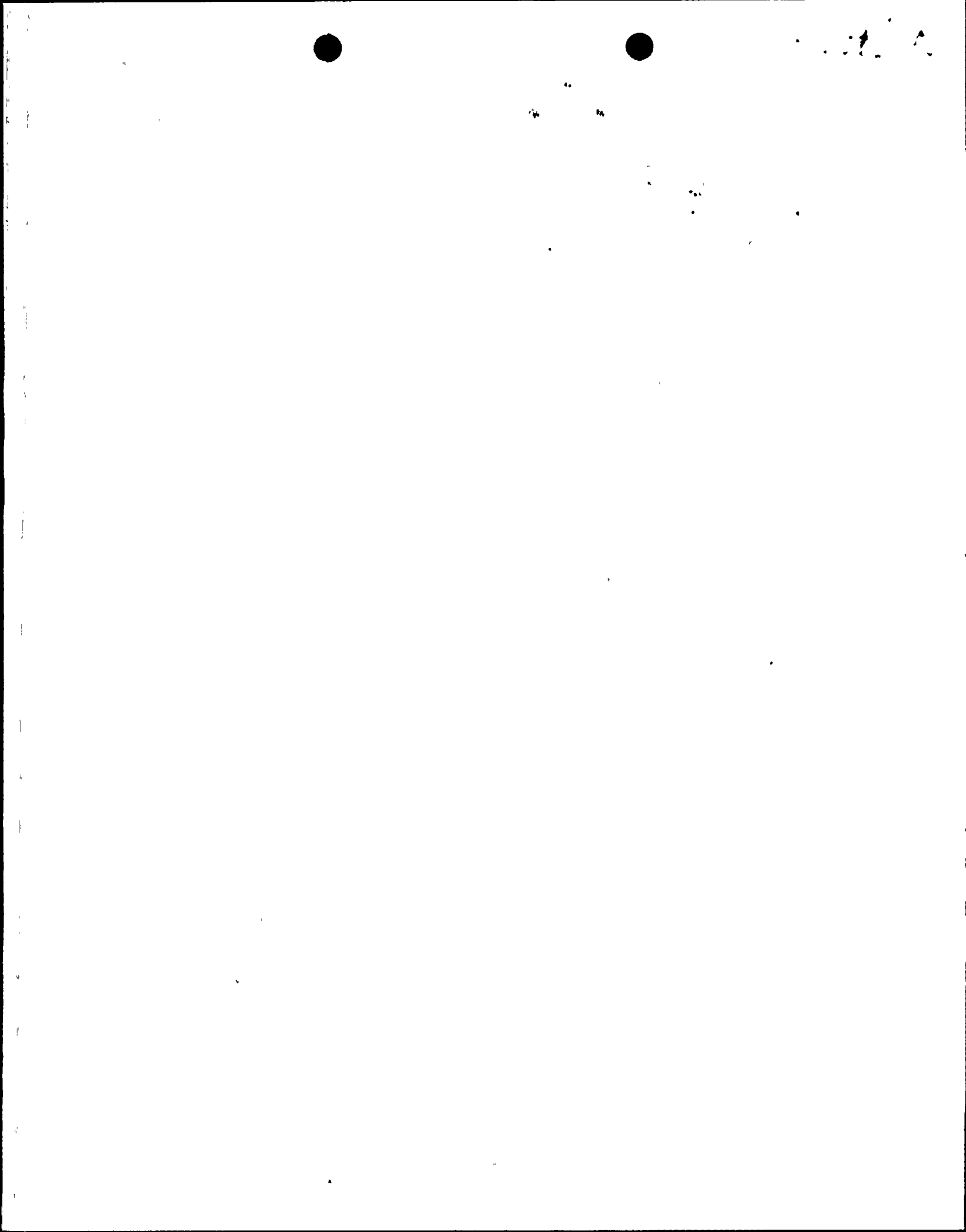
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b. Manager of Nuclear Operations

This position is the first of two upper level management positions responsible for nuclear operations activities and is the single APS management position totally and solely committed to the management of APS' nuclear facilities. This position, which reports to the Vice President of Electric Operations, is charged with the responsibility to ensure that all APS nuclear facilities are operated and maintained in accordance with all regulatory requirements and with the highest level of safety in accordance with APS Policy No. 726B. Accordingly, this position is charged with the authority necessary to ensure that the appropriate resources are available to support all nuclear operational activities. This responsibility and authority shall not be diluted by involvements in areas outside the realm of nuclear operations. The fact that ancillary support is available to the Manager of Nuclear Operations shall not diminish the authority and responsibility of this position nor shall it prevent this position from obtaining any and all resources, both within and outside APS, necessary to achieve the goals described herein.

c. Manager of Nuclear Operations Support

This position is the second of two upper level management positions responsible for APS' nuclear operations activities. It is totally and solely charged with the responsibility of developing corporate nuclear operating programs in the areas of Emergency Planning, Health Physics and radiation exposure levels - As Low As Reasonably Achievable (ALARA). It shall also establish nuclear licensing policies, practices and interdepartment procedures. In addition, it shall maintain all external interfaces with respect to nuclear operations licensing activities. This position shall also be responsible to the Vice President of Electric Operations for ensuring that management systems designed to carry out our nuclear safety policies have been established and are effective. This position shall have the authority to acquire the resources necessary to carry out these responsibilities and shall have no other ancillary responsibilities which diminish this position's effectiveness.



d. Vice President of Nuclear Projects Management

This position is charged with the primary responsibility and authority to ensure that engineering and construction activities related to nuclear safety at APS' nuclear operating facilities receive the highest priority. In order to accomplish this goal, the Nuclear Projects Management organization shall provide engineering expertise to support the operating nuclear facilities in the areas of Electrical Engineering, Instrumentation and Controls, Mechanical Engineering, Nuclear Records Management, Civil Engineering and Nuclear Engineering. The engineering needs as defined by nuclear operations to support nuclear safety at the operating nuclear facilities shall take precedent to the needs of plant construction.

e. Independent Safety Engineering Group

At the APS nuclear facilities the two Nuclear Regulatory Commission mandated functions of the Shift Technical Advisor (STA) and the Independent Safety Engineering Group (ISEG) shall be united in a combined group lead by a Supervising Engineer. This group reports to the PVNGS Engineering and Technical Services Manager. Monthly reports and/or special reports as required shall be prepared by the STA/ISEG and forwarded directly to:

Engineering and Technical Services Manager

Manager of Nuclear Operations

Safety Audit Committee Chairman

The Chairman of the Safety Audit Committee is hereby charged with the responsibility of providing an indepth review and followup of these reports to ensure appropriate and timely disposition of all open items.

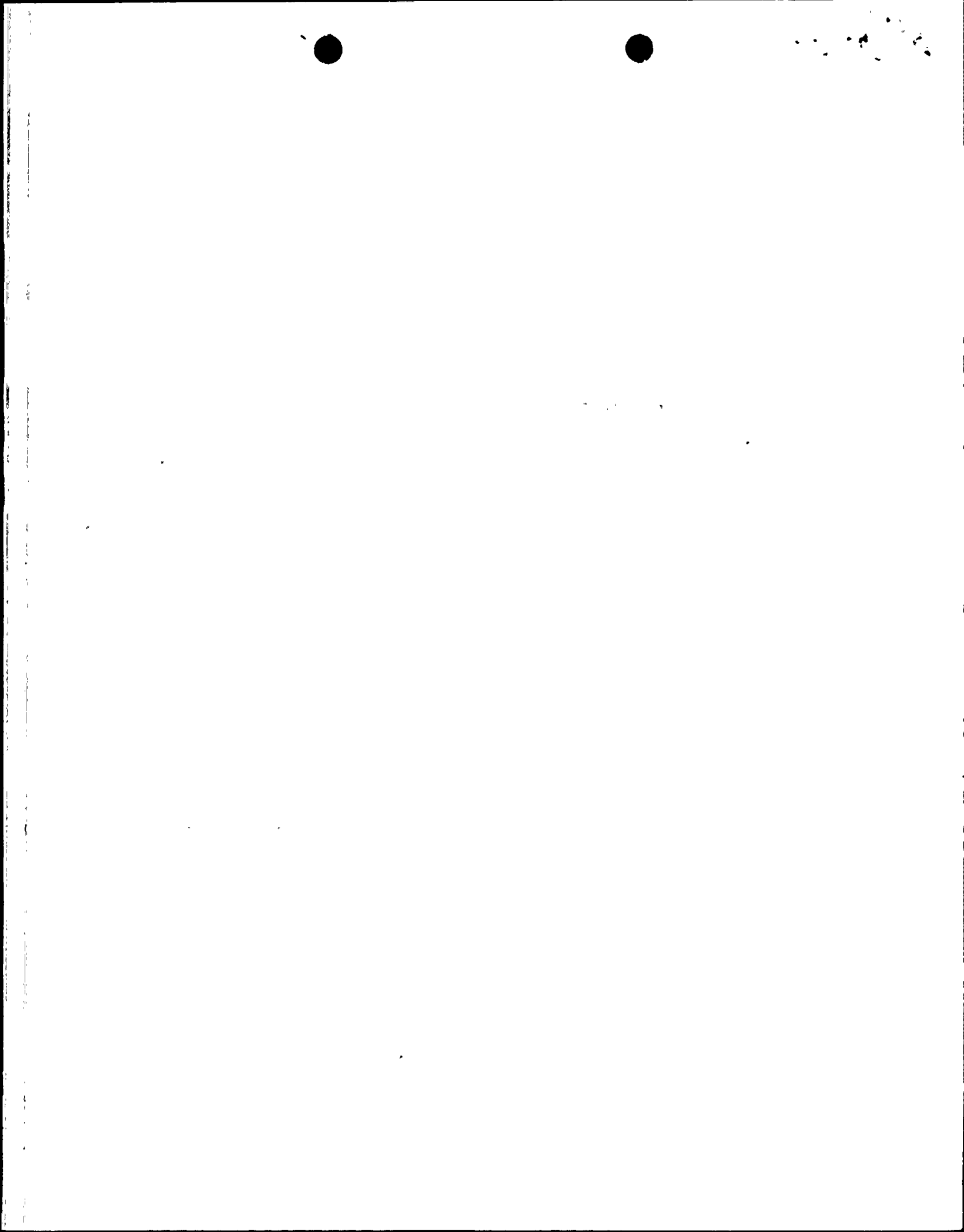
If safety issues are not resolved to mutual satisfaction of the Vice President of Electric Operations and/or the Chairman of the Safety Audit Committee, these matters shall be brought to the attention of the Executive Vice President of Operations, who shall provide resolution in accordance with this policy document.



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Corporate Nuclear Safety Policy 726B states, "In the operation of the Palo Verde Nuclear Generating Station, nuclear safety has the highest priority". In support of that statement, and to emphasize the importance placed on nuclear operations, all APS Departments, as appropriate, shall be available to provide support to the Palo Verde Nuclear Generating Station.

Thomas G. Woods, Jr.
Executive Vice President
Chief Operating Officer



POLICY

No. 726B

Subject: Safety

Title: Corporate Nuclear Safety Policy

Effective: September 1, 1981

*1 sent copy to [unclear] 10/16
[unclear] for safety
distribution*

For use by: Company Employees

SUMMARY

Arizona Public Service Company is committed to the highest standards of safety for protection of its employees and the public in conducting its nuclear power program.

In the design, construction, operation and maintenance of its nuclear facilities, safety is of utmost concern and will not be compromised for economic consideration. All regulations and procedures which are designed to protect the public and employees are to be scrupulously observed. The Company will continuously educate and train its employees to ensure that the highest safety standards are maintained and that the newest safety techniques and systems are rapidly assimilated into the Company's facilities and procedures.

In the operation of the Palo Verde Nuclear Generating Station, nuclear safety has the highest priority. All employees' actions are to be directed in that manner. Nuclear safety considerations are to be part of the regular performance evaluations of the Company's nuclear power management.

Any employee in the nuclear organization who does not feel that a safety concern is being adequately addressed, has the responsibility to go directly to any officer of the Company.

COMMITTEES

In response to the recommendation of the Kemeny Commission on NRC regulations, the Company will establish and maintain the following safety review functions:

Independent Nuclear Review Group reports directly to the President of the Company.

Group membership will be a mix of APS executive management and outside representatives with diverse expertise.

The Group will review and monitor the APS management systems and organizations that bear on the Company's nuclear power program. It will provide advice and counsel on the effectiveness of such systems and organizational infrastructure and make recommendations for improvements as appropriate.

COMMITTEES
(cont'd)

The Group will review the quality and effectiveness of relationships between the Company and various public entities with nuclear responsibilities. The Group will be free to report any findings or recommendations to the public.

Safety Audit Committee is an off-site safety review group chaired by a person reporting directly to the vice president of Electric Operations.

The Committee will review operating activities that affect nuclear safety independent from the plant operating organization.

Plant Review Board is an on-site group chaired by the Plant Manager.

The Board will review safety-related plant procedures, safety issues raised by plant personnel, development at other plants that may have safety significance for Palo Verde, and other such matters.

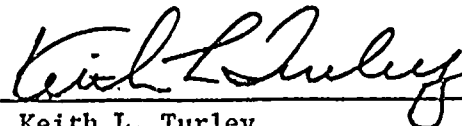
OTHER
COMPANY
SERVICES

APS Corporate Quality Assurance organization reports to the vice president of Nuclear Project Management. It establishes overall criteria for Quality Assurance Programs and audits on a continuous basis to ensure that all phases of the criteria are being implemented and to determine that appropriate safety rules and policies are being applied to Palo Verde design and operation.

Provides management with an accurate indication of the extent of adherence to policies, administrative controls, codes, regulations, and effectiveness in meeting plant mission, goals, and objectives.

Off-Site Company Services Available To Palo Verde:

Electric Operations Nuclear Support Staff
Administrative Services Staff
Nuclear Projects Management Staff
Fossil Generation Department
System Electric Operations Department
System Engineering Department
Corporate Safety Department
Other APS Organizations
Consultants (as necessary)



Keith L. Turley
Chairman of the Board
President & Chief Executive Officer