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Arizona Nuclear Power Project
Post Office Box 52034
Phoenix, Arizona 85072-2034

Attn: Mr. W. F. Conway
Executive Vice President, Nuclear

Gentlemen:

This refers to the NRC's Systematic Assessment of Licensee Performance (SALP) Board Report 50-528, 50-529, 50-530/89-48, dated November 22, 1989, for your Palo Verde Nuclear Generating Station and to the written comments provided in your December 29, 1989 letter in response to the SALP Board's report.

We have reviewed your December 29, 1989 response and have concluded that your response was appropriate. Your December 29, 1989 response identified a discrepancy in Tables 1 and 2 of the Initial SALP Report for the functional areas of Radiological Controls and Emergency Preparedness. We have corrected Tables 1 and 2. However, the discrepancy did not affect the SALP Board conclusions for those functional areas. Related NRC conclusions are presented in Appendix I to this letter. As discussed during our December 1, 1989 management meeting, further improvements in performance at Palo Verde appear achievable if the various initiatives and corrective actions that have been formulated are fully implemented and then maintained. In particular, the areas of engineering, maintenance, and quality verification warrant special attention.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, Appendix I hereto, or the SALP Board's report, we will be pleased to discuss them with you.

Sincerely,

J. B. Martin
Regional Administrator

Enclosures: 1. Appendix I, NRC Conclusions
2. SALP Meeting Report No. 50-528, 50-529, 50-530/89-55
3. Licensee Response to Initial SALP Report, dated
December 29, 1989
4. Final SALP Report

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cc w/enclosures:

J. M. Levine, Vice President, Nuclear Production
W. F. Quinn, Director, Nuclear Safety & Licensing
B. E. Ballard, Sr., Director, Quality Assurance
T. Bradish, Acting Manager, Compliance
R. Fullmer, Manager, QA Audits/Monitoring
D. Canady, ANPP
J. N. Bailey, Vice President, Nuclear Safety and Licensing
A. C. Rogers, Manager, Licensing
Lynne Bernabei, Government Accountability Project (GAP)
James R. Brown, Utilities Division, Arizona Corp. Comm.
A. C. Gehr, Esq., Snell & Wilmer
J. R. Newman, Newman & Holtzinger



JAN 30 1990

bcc w/enclosures:
 Docket File
 Resident Inspector
 Project Inspector
 G. Cook
 B. Faulkenberry
 J. Martin
 R. Nease, NRR
 T. Murley, NRR
 NRC Commissioners
 N. Western

bcc w/o enclosures
 M. Smith
 J. Zollicoffer

REGION V
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RScavano
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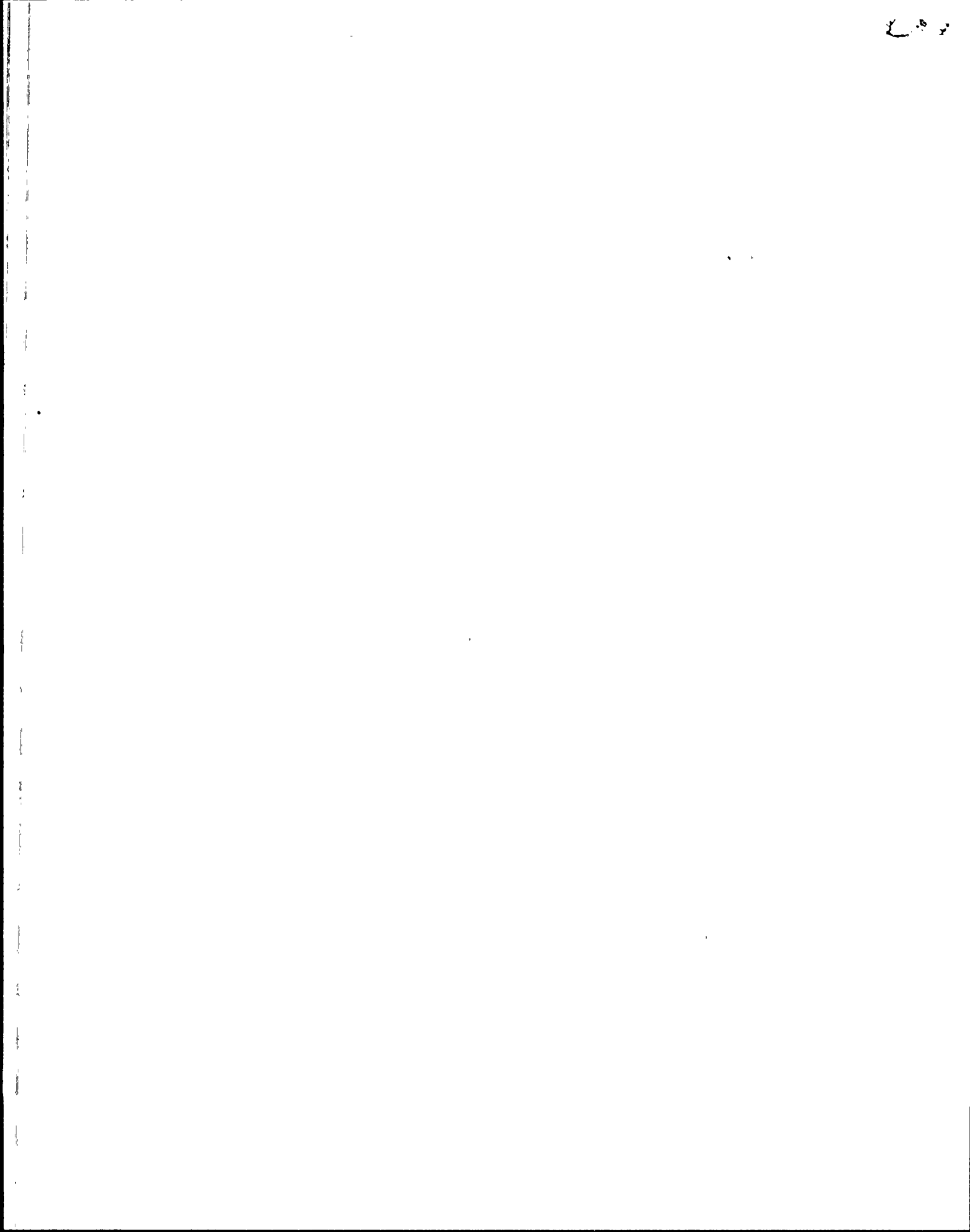
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 1/30/90

REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY
YES / NO	YES / NO	YES / NO	YES / NO	YES / NO

JB Martin
 1/30/90

REQUEST COPY
 YES / NO

SEND TO PDR
 YES / NO



APPENDIX I
NRC CONCLUSIONS

A. Comments Received From Licensee

Arizona Public Service's (APS) December 29, 1989 response to the Palo Verde SALP Report presented no significant objections to the content of the report. The APS response identified the miscategorization of the functional area for a Unit 2 and a Unit 3 violation, identified in Inspection Reports 88-30, and 88-38 respectively, as a radiological control violation in lieu of an emergency preparedness violation. The error was corrected in Tables 1 and 2 of the attached SALP Report. The error did not affect the conclusions or ratings for the associated functional areas.

B. NRC Conclusions Regarding Acceptability of Licensee's Planned Corrective Actions

We concluded that your proposed actions to address areas needing improvement were responsive. We will review your progress as part of our future inspection program, as appropriate.

C. Regional Administrator's Conclusions Based on Consideration of Licensee's Response

I have concluded that the overall ratings in the affected areas have not changed.



SALP BOARD REPORT REVISION SHEET

<u>PAGE</u>	<u>LINE</u>	<u>NOW READS</u>	<u>SHOULD READ</u>
Table 1 Page 2	B-Category IV Enforcement Items	2	3
Table 1 Page 2	D-Category IV Enforcement Items	1	0
Table 1 Page 3	B-Category IV Enforcement Items	Blank	1
Table 1 Page 3	D-Category IV Enforcement Items	1	0
Table 2 Page 2	88-39 Functional Area	D	B
Table 2 Page 3	88-38 Functional Area	D	B

Basis: Violations 529/88-39 and 530/88-38 were miscategorized as emergency preparedness violations rather than radiological control violations. The error did not affect the conclusions or ratings for either functional area.

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