



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

JUN 16 1992

Docket Nos. 50-528, 50-529, and 50-530

Arizona Public Service Company
P. O. Box 53999, Station 9012
Phoenix, Arizona 85072-3999

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

Gentlemen:

SUBJECT: REPORT OF MEETING WITH APS MANAGEMENT

This refers to a meeting held with you and members of your staff at the Arizona Public Service Company (APS) corporate office in Phoenix, Arizona on May 26, 1992. The subjects discussed are summarized in Meeting Report Nos. 50-528/92-21, 50-529/92-21, and 50-530/92-21, enclosed with a copy of the slides presented by APS.

During this meeting we discussed with you the Systematic Assessment of Licensee Performance (SALP) results for Palo Verde which we had transmitted to you in Report Nos. 50-528/92-07, 50-529/92-07, and 50-530/92-07. In this meeting we noted APS' improvement in the past several years, and the SALP results have indicated satisfactory performance. However, recent events have indicated a leveling off of performance. The challenge for APS is to effectively use existing management, programs, and personnel to consistently achieve good performance. APS managers need to effectively communicate their expectations through all levels of the organization and to assure that these expectations are implemented. We are encouraged by your response that you are continuing to strive for improvement and have the expectation to be a top performer in the next few years.

During the management meeting following discussion of the SALP report, we took the opportunity to discuss some recent plant events. In general, you appear to have thoroughly investigated these events in a self-critical manner. We encourage you to take a broad view of the weaknesses and root causes of failure identified during these investigations and how they reflect on overall facility operation. We recommend that you particularly focus on lessons learned regarding effective control of work conducted in the plant, appropriate attention to detail, and consistent quality performance. You should view these lessons learned as an opportunity to prevent future events.

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.

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PDR ADOCK 05000528
Q PDR

JEH

JUN 16 1992

bcc w/enclosure:
Docket File
Resident Inspector
Project Inspector
G. Cook

bcc w/o enclosure:
B. Faulkenberry
J. Martin
M. Virgilio, NRR
T. Quay, NRR
C. Thompson, NRR
M. Smith
J. Zollicoffer

REGION V/Ann

HW
HWong
6/11/92

SR
SRichards
6/11/92

FW
FWenslawski
6/11/92

KP
KPerkins
6/12/92

RZ
RZimmerman
6/12/92

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

JM
JMartin
6/16/92

REQUEST COPY
YES / NO

SEND TO DCS	SEND TO PDR
YES / NO	YES / NO

IE40

Mr. W. F. Conway

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Should you have any questions concerning our minutes of the meeting, documented in the enclosed meeting report, we will be pleased to discuss them with you.

Sincerely,


B. Martin
Regional Administrator

Enclosure:

Report Nos. 50-528/92-21, 50-529/92-21, and 50-530/92-21

cc w/enclosure:

Mr. O. Mark DeMichele, APS
Mr. James M. Levine, APS
Mr. Elbert C. Simpson, APS
Mr. Stephen C. Guthrie, APS
Mr. Ronald J. Stevens, APS
Mr. Thomas R. Bradish, APS
Mr. Robert W. Page, APS
Mr. Al Gutterman, Newman & Holtzinger P.C., Washington, D.C.
Mr. Curtis L. Hoskins, El Paso Electric Company
Mr. James A. Boeletto, Esq., Assistant Counsel, SCE
Mr. Charles B. Brinkman, Combustion Engineering, Inc.
Mr. Steve M. Olea, Chief Engineer, Arizona Corporation Commission
Mr. Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld
Mr. Roy P. Lessy, Jr., Esq., Akin, Gump, Strauss, Hauer and Feld
Ms. Nancy C. Loftin, Esq., Corporate Secretary & Corporate Counsel, APS
Mr. Jack R. Newman, Esq., Newman & Holtzinger, P.C., Washington, D.C.
Mr. William A. Wright, Interim Actin Director, Arizona Radiation
Regulatory Agency (ARRA)
Chairman, Maricopa County Board of Supervisors