



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

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OCT 24 1996

James M. Levine, Senior Vice
President, Nuclear
Arizona Public Service Company
P.O.Box 53999
Phoenix, Arizona 85072-3999

SUBJECT: PROPOSED CHANGES TO THE PALO VERDE NUCLEAR GENERATING
STATION QUALITY ASSURANCE PROGRAM DESCRIPTION

Dear Mr. Levine:

We have reviewed the proposed changes to your Quality Assurance Program Description submitted to us by your Letter 102-03649-WLS/AKK/RJR dated April 4, 1996. Specifically, your change provided an alternative means of satisfying the biennial procedure review requirement; eliminated the requirement for concurrence by Nuclear Assurance on documents that defined programs or established administrative controls; and modified the wording related to the application of the graded approach for Level II verifications to make it consistent with the application of the graded approach as it applies to other verification activities. Your letter stated that the proposed changes were a reduction in your quality assurance program commitments as previously accepted by the Nuclear Regulatory Commission (NRC) and requested NRC approval of the changes in accordance with 10 CFR 50.54(a)(3). Enclosure 1 to your letter provided a complete description and justification for these changes.

Our review of these changes determined two aspects that required further clarification. The proposed change involving an alternative method of satisfying the biennial procedure review requirement was not in accordance with previous NRC guidance concerning biennial procedure review. The NRC provided this guidance to regional staff in a memorandum from C. E. Rossi, Director, Division of Reactor Inspection and Licensee Performance, dated December 21, 1992. Specifically, your proposal did not specify that quality assurance should audit a representative sample of routine plant procedures that are used more frequently than every 2 years. In addition, our review of the proposed change to eliminate the concurrence by the Nuclear Assurance organization in documents that define programs or established administrative controls determined that other commitments requiring Nuclear Assurance concurrence may have been waived. Furthermore, the reason for this proposal was not clearly identified.

Mr. W. P. Ang and Mr. D. Pereira of my staff discussed these proposed changes with Ms. R. Fullmer and Mr. D. Baldwin of your staff during a telephone call on October 7, 1996. Ms. Fullmer confirmed that you had intended to meet the alternative biennial procedure review method contained in the guidance provided by the Office of Nuclear Reactor Regulation. The specific clarifications are described in the Enclosure to this letter. Based upon these clarifications, we have determined that your Quality Assurance Program Description will continue to meet 10 CFR 50 Appendix B requirements. Therefore, the

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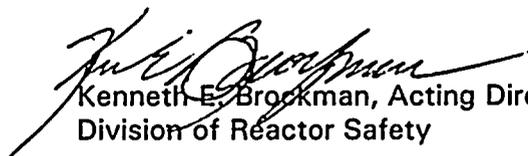


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proposed changes regarding the biennial procedure review and elimination of concurrence by the Nuclear Assurance organization in documents that define programs or established administrative controls as requested by your submittal are approved.

Any questions you may have concerning this review should be directed to Mr. Chris A. VanDenburgh of my staff at (817) 860-8161.

Sincerely,


Kenneth E. Brockman, Acting Director
Division of Reactor Safety

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Enclosure: Comments on the PVNGS
QA Program Description Change

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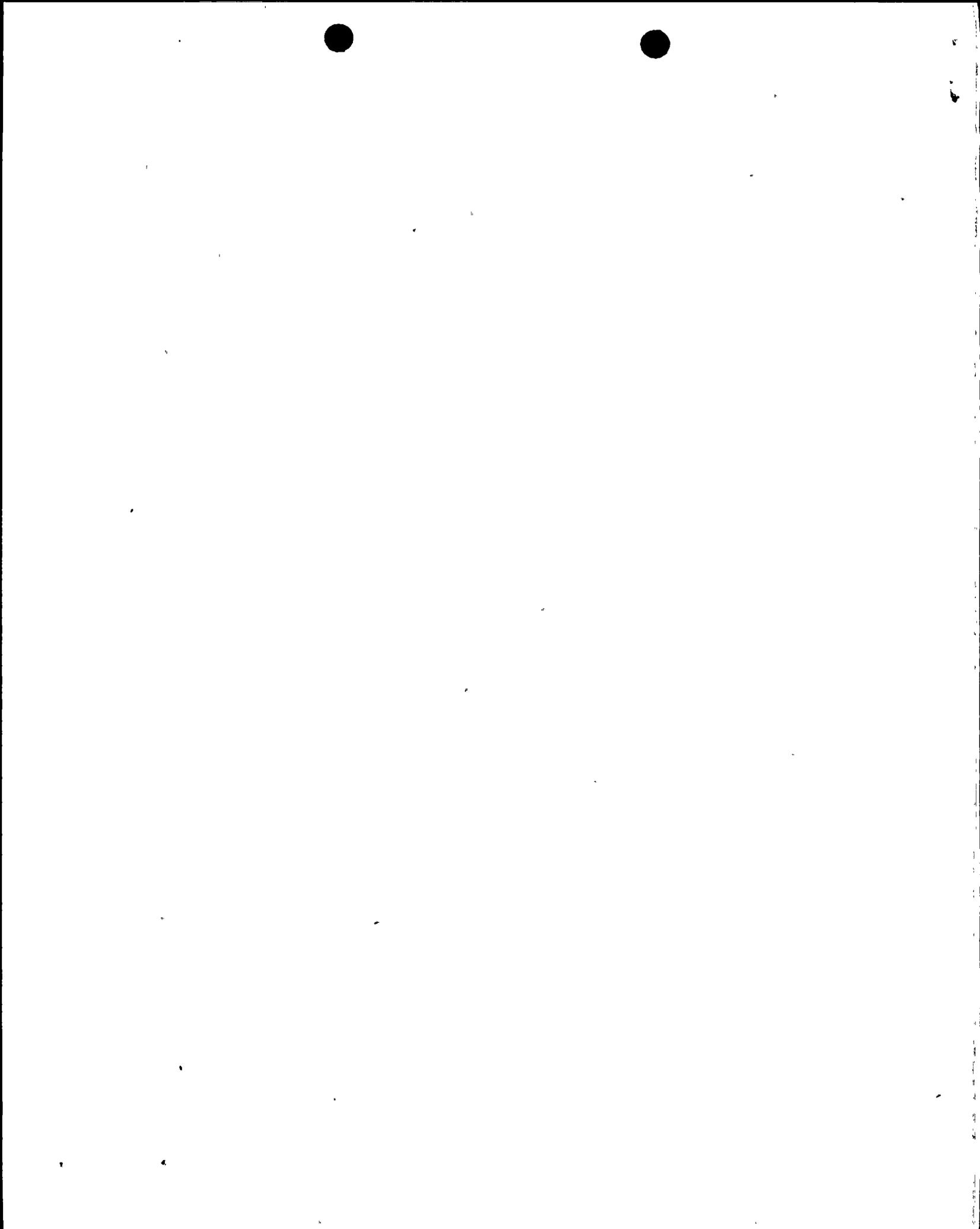
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Bob Gramm, NRR	
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ENCLOSURE

COMMENTS ON THE PVNGS QA PROGRAM DESCRIPTION CHANGE
DATED APRIL 4, 1996

Comments on the Palo Verde Nuclear Generating Station (PVNGS) Quality Assurance Program Description proposed changes:

1. Proposed Change (1) eliminated the biennial review requirement for certain plant procedures and allowed the use of an alternative means for satisfying the periodic review requirement. Specifically, this change affected Final Safety Analysis Report (UFSAR) Sections 1.8 and 17.2.6.2.1.2. Your proposed change was not entirely consistent with the guidance provided in an NRC Memorandum from C. E. Rossi, Director, Division of Reactor Inspection and Licensee Performance, on "Biennial Procedure Reviews," dated December 21, 1992, which provided an acceptable alternative method for complying with the biennial review requirement. However, discussions on October 4 and 7, 1996, with your staff clarified the proposed change. The details and clarifications are discussed below:
 - a. The proposed change added an exception to UFSAR Section 1.8 related to Regulatory Guide 1.33, Revision 2, February 1976, "Interpretations of ANSI N18.7." The third paragraph of the change stated: "The periodic review requirement for routine plant procedures is satisfied by existing assessment and corrective action processes that are required by the QA Program." This paragraph was not in accordance with previous NRC guidance, in that, a quality assurance (or other independent) organization was not required to audit a representative sample of the routine plant procedures that are used more frequently than every 2 years. As clarification, your staff proposed to replace the third paragraph with the following statement: "Periodic audits to satisfy regulatory requirements and commitments include an assessment of a representative sample of related procedures to validate that the procedures are acceptable for use and that the procedure review and revision process is being effectively implemented." This notification would make the proposed change consistent with the guidance concerning periodic audits.
 - b. The proposed change to UFSAR Section 17.2.6.2.1.2 provided an alternative method for implementing periodic procedure reviews. The third paragraph of this change stated: "The periodic review of routine plant procedures is satisfied by existing corrective action and independent document review requirements contained in the QA Program." The third paragraph was not in accordance with previous NRC guidance, in that, the proposed change did not have periodic audit requirements. As clarification, your staff proposed to replace the third paragraph with the same statement as detailed in Comment 1.a. This notification would make the proposed change consistent with the guidance concerning periodic audits.
 - c. Your staff proposed to eliminate the phrase "when determined to be appropriate . . ." from the first paragraph of proposed UFSAR



Section 17.2.6.2.1.2. The elimination of this phrase would prevent confusion of when and what criteria it would be appropriate to review plant procedures following an unusual incident.

- d. Your staff proposed to change the words to the fourth paragraph of proposed UFSAR Section 17.2.6.2.1.2 to state "Routine plant procedures that have not been used or reviewed for two years shall be reviewed prior to use to determine if changes are necessary or desirable." This modification would make your alternative biennial review requirement consistent with the guidance concerning routine plant procedures.
 - e. Your staff proposed to add a statement to the wording for UFSAR Section 17.2.6.2.1.2 that procedure reviews are performed by "individuals knowledgeable in the area affected by the procedures." The addition of this statement would ensure a qualified reviewer would review procedures in accordance with the requirements of Section 5.2.15 of ANSI 18.7-1976/ANS 3.2.
 - f. Your staff proposed to add the phrase "Non-routine procedures (such as . . ." in front of the second paragraph of proposed UFSAR Section 17.2.6.2.1.2. The addition of the phrase is necessary in order to distinguish between routine and non-routine procedures as discussed in the guidance concerning non-routine plant procedures.
2. Proposed Change (2) eliminated the concurrence by the Nuclear Assurance organization in documents that define programs or established administrative controls (upper tier). However, Enclosure 1, "Descriptions and Justifications for Proposed Changes to the PVNGS Quality Assurance Program," of your April 4, 1996, submittal did not clearly address the reason for the elimination of the Nuclear Assurance organization's concurrence on these documents. In discussions on October 4 and 7, 1996, your staff resolved the concern as discussed below:
- a. The proposed change modified UFSAR Section 17.2F.1.4.3.5 to eliminate the concurrence by the Nuclear Assurance organization on fire protection and administrative control procedures. Similar changes eliminated Nuclear Assurance concurrence in the radwaste management, and security programs. However, your submittal did not provide a specific reason for the elimination of the Nuclear Assurance organization's concurrence on these documents. Although 10 CFR 50, Appendix B, does not require the quality assurance organization's concurrence in the program or administrative control procedures, other NRC commitments may have required the Nuclear Assurance Department's concurrence. Your submittal did not specifically state that there were no other previous commitments requiring these concurrences. Your staff proposed that the phrase "QA Program description" would be removed from the paragraph following the BASIS FOR CONCLUSION statement. As a result, the paragraph would state: "The

following is the basis for concluding that the revised program, incorporating the changes as described, continues to satisfy the criteria of 10 CFR 50, Appendix B, and commitments previously accepted by the NRC." This change ensures that no other commitments previously accepted by the NRC would require the Nuclear Assurance organization's concurrence on various department programs.

