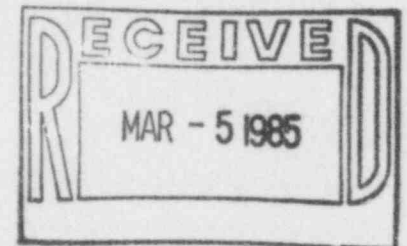


Public Service
Company of Colorado
P.O. Box 840
Denver, CO 80201-0840

OSCAR R. LEE
VICE PRESIDENT

February 28, 1985
Fort St. Vrain
Unit No. 1
P-85066

Mr. R. D. Martin
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



DOCKET NO. 50-267

SUBJECT: Public Service Company of Colorado's
Response to the NUS Operating Services
Corporation's Management Assessment of
January 30, 1985

Dear Mr. Martin:

Last November, Public Service Company of Colorado contracted with NUS Operating Services Corporation for an independent assessment of Public Service Company's management controls for its nuclear activities. PSC recognized the need for this independent assessment early last Fall, and subsequently committed to its performance in a PSC/NRC meeting held at the Region IV offices in Arlington, Texas on September 20, 1984. The scope of this assessment was further defined in response to certain areas of concern that were identified in the NRC report of October 1984 and amplified in a meeting held on November 14, 1984.

The NUS report, ("An Analysis and Evaluation of the Management of Nuclear Related Activities of the Public Service Company of Colorado" dated January 30, 1985) is attached to this letter. In a follow-up letter dated February 12, 1985 to Public Service Company, NUS stated that its review team did not observe, nor was cognizant of, any activities that were in violation of PSC's license or Federal regulations. A copy of this letter is also attached.

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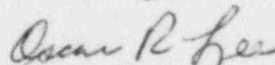
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RETURN ORIGINAL
TO RIV

Mr. R. F. Walker's letter to you dated January 2, 1985, stated that Public Service Company would complete an Action Plan addressing the recommendations of the consultant's report 30 days after receipt of the report. In accordance with this commitment, Public Service Company has prepared an Action Plan which is also attached to this letter. This Action Plan constitutes a first-phase response to the NUS report. On March 31, 1985, the Action Plan will be reissued with amplified responses for those recommendations which do not have the notation "no further action required".

Public Service Company has concluded that existing management controls would be strengthened by utilizing a structured approach to findings and recommendations received from the NRC, INPO and consulting groups such as NUS as a result of assessments and evaluations performed by these organizations.

Public Service Company intends to establish a Performance Enhancement Program for this purpose. This program will be used to strengthen Public Service Company's overall conduct of operations. By utilizing a structured approach, the existing level of performance will be upgraded to current Corporate and regulatory requirements. The Performance Enhancement Program will stress improved coordination efforts and resource utilization and will provide the proper management control to accomplish the upgrade objectives. Development of the Performance Enhancement Program will take place in concert with the organizational changes outlined in the Introduction to the Action Plan.

Sincerely,

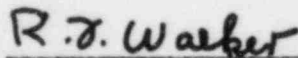


Oscar R. Lee
Vice President
Electric Production

ORL:pa

Attachments

Approved:



R. F. Walker, President and
Chief Executive Officer