



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

JUL 10 1992

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

Arizona Public Service Company
P. O. Box 53999, Station 9012
Phoenix, Arizona 85972-3999

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

Gentleman:

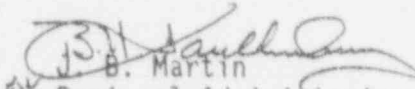
This refers to the NRC's Systematic Assessment of Licensee Performance (SALP) Board Report 50-528/529/530/92-07, dated April 9, 1992, for your Palo Verde Nuclear Generating Station and to the written comments provided in your July 1, 1992, letter in response to the SALP Board's report.

We have reviewed your July 1, 1992, letter and have concluded that your response was appropriate. As discussed in our May 26, 1992, management meeting, the challenge for Arizona Public Service Company (APS) is to effectively use existing management, programs, and personnel to consistently achieve good performance. Your letter provides some of the actions that should help APS in meeting this challenge. Your letter also identified three corrections and clarifications to the SALP Board's report, and we have made appropriate changes to pages 5, 7, 15, and 16 of the report (Final SALP Report, Enclosure 4). These changes did not affect the SALP Board's conclusions for the associated functional areas. Related NRC conclusions are presented in Appendix I to this letter.

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 or the enclosures, we will be pleased to discuss them with you.

Sincerely,


J. B. Martin
Regional Administrator

- Enclosures: 1. NRC Conclusions
2. SALP Meeting Report No. 50-528/529/530/92-21
3. Licensee Response to Initial SALP Report dated July 1, 1992
4. Final SALP Report

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cc w/encl. sures:

Mr. O. Mark DeMichele, APS
Mr. James M. Levine, APS
Mr. R. Stevens, APS
Mr. S. Guthrie, APS
Mr. E. C. Simpson, APS
Mr. Robert W. Page, APS
Mr. Thomas R. Bradish, APS
Mr. Arthur C. Gehr, Esq., Snell & Wilmer
Mr. Al Gutterman, Esq., Newman & Holtzinger P. C.
Mr. Curtis L. Hoskins, El Paso Electric Company
Mr. Charles R. Kocher, Esq., Assistant Council, Southern California Edison
Company
Mr. James A. Beoletto, Esq., Assistant Council, Southern California Edison
Company
Mr. John W. Norman, Chief, Arizona Corporation Commission
Mr. Steve M. Olea, Chief Engineer, Arizona Corporation Commission
Mr. Charles B. Brinkman, Combustion Engineering, Inc.
Mr. Roy P. Lessy, Jr., Esq., Akin, Gump, Strauss, Hauer and Feld
Mr. Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld
Ms. Nancy C. Loftin Esq., Corporate Secretary & Counsel, APS
Mr. Jack R. Newman, Esq., Newman & Holtzinger, P.C.
Mr. William A. Wright, Acting Director, Arizona Radiation
Regulatory Agency (ARRA)
Chairman, Maricopa County Board of Supervisors
Institute for Nuclear Power Operations (INPO)

bcc w/enclosures:
 The Chairman
 Commissioner Rogers
 Commissioner Curtiss
 Commissioner Remick
 Commissioner de Planque
 J. Taylor, EDO
 J. Sniezek, EDO
 T. Murley, NRR
 J. Partlow, NRR
 M. Virgilio, NRR
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 C. Holden, NRR
 J. Martin
 B. Faulkenberry
 Project Inspector
 Resident Inspector
 G. Cook
 SALP Board Members
 DCS
 PDR
 LPDR
 Docket File

bcc w/o enclosure:
 J. Zollicoffer
 M. Smith

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| REQUEST COPY] YES / <u>NO</u>] | REQUEST COPY] YES / <u>NO</u>] | REQUEST COPY] <u>YES</u> / NO] | REQUEST COPY] YES / <u>NO</u>] | REQUEST COPY] YES / NO] |
| <i>Jan</i> FWenslawski 7/9/92 | <i>Jan</i> RZimmerman 7/10/92 | <i>Jan</i> JMartin 7/10/92 | <i>C. Thompson for review of charges 7/9/92</i> | |
| REQUEST COPY] YES / <u>NO</u>] | REQUEST COPY] YES / NO] | REQUEST COPY] YES / <u>NO</u>] | | |

NRC CONCLUSIONS

A. Comments Received From The Licensee

Arizona Public Service Company's (APS) July 1, 1992, response to the Palo Verde SALP Report presented no significant objections to the content of the report. The APS response identified three corrections and clarifications to the report. These three comments have been incorporated into the final report and did not affect the conclusions or ratings for the associated functional areas.

B. NRC Conclusions Regarding Acceptability of the 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 the Licensee's Response

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

SALP BOARD REPORT REVISION SHEET

PAGE LINE
5 51

NOW READS: and the fire brigade;

SHOULD READ: ; training lesson plans for the fire department;

Basis: The term "fire brigade" was used in NRC Inspection Report 50-528/529/530/91-21. Since Palo Verde has a fire department rather than a fire brigade, "fire department" should be used. The specific weakness identified in that inspection report was related to training lesson plans.

PAGE LINES
7 12-13

NOW READS: In 1991, the volume of radioactive waste shipped from the site decreased to approximately one-half of its 1990 value.

SHOULD READ: The total volume of radioactive waste generated in 1991 was almost ten percent lower than the 1990 total.

Basis: The original sentence accurately reflected the amount of waste shipped to a low level radioactive waste disposal facility, but did not include the amount of waste shipped for volume reduction. The new sentence reflects the amount of waste that was generated.

PAGE LINE
15 56
16 1

NOW READS: Reliability problems persist with nitrogen pressure regulators on atmospheric dump valves even after extensive engineering review and modification.

SHOULD READ: Foreign material has been found in a malfunctioning atmospheric dump valve (ADV) nitrogen regulator even after extensive engineering review and the addition of filters. In addition, several problems have occurred in this period where regulators were controlling above the maximum pressure range and where ADV positioners were found out of calibration.

Basis: The first new sentence provides the description of a condition that was documented in NRC Inspection Report 50-528/529/530/91-26. The other sentence describes problems identified with the atmospheric dump valves.

The additional sentence resulted in text being repositioned on pages 16 through 22.