



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

AUG 24 1990

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MEMORANDUM FOR: John B. Martin
Regional Administrator
Region V

FROM: Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

SUBJECT: AEOD COMMENTS ON ARIZONA PUBLIC SERVICE COMPANY'S RESPONSE
TO THE PALO VERDE DIAGNOSTIC EVALUATION TEAM REPORT

AEOD has reviewed Arizona Public Service Company's July 31, 1990 response to the Palo Verde Diagnostic Evaluation Team report issued on March 16, 1990. The request for a summary of the integrated action plan, including priorities and projected schedules contained in the Diagnostic Evaluation Team report transmittal letter was modified by a letter dated April 16, 1990. The modified request only required the initial version of the business plan for Palo Verde be submitted by the end of July. The purpose of our review was to evaluate the adequacy of APS's plans and actions in terms of both the specific findings contained in the team report and the underlying root causes which were documented in this report. From our review of the information presented in the APS submittal, we offer the following comments for your information and follow-up action as appropriate.

The APS submittal identified a three tiered business plan. The first tier was the five-year business plan, the second tier a one-year plan that presents a one-year objective for each five-year objective, and a third tier which contained the detailed task plans. Two preliminary detailed task plans were provided as examples. APS committed to complete these comprehensive three tier task plans over the balance of the year.

The response provides a generalized, high level overview description of the plans to address each of the management issues and findings contained in the evaluation report. We found the licensee's response generally lacked sufficient detail with respect to specific task action plans and required performance levels to allow evaluation of the quality and completeness of the plans and actions which will be taken for each initiative. Accordingly, the implementation details and resulting effects on plant and organizational performance improvements cannot be evaluated or projected with a high level of certainty. Notwithstanding these limitations, we believe that APS management has gained a clear understanding of the underlying causes for the identified problems adversely affecting Palo Verde's performance. Furthermore, the submittal provides evidence of the APS corporate management's willingness and intent to be responsive to the team's management, organizational, and programmatic findings.

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We would suggest that Region V, on a selective basis, follow up and closely monitor the development and implementation of the specific tasks which will address the team's findings. Efforts should also continue to evaluate their effect to ensure there is sufficient management resolve and commitment for long-term improvement in plant performance and organizational effectiveness. From our review it could not be determined if the APS Quality Assurance Department (QAD) would be active in auditing the quality and completeness of these task plans, as well as, the effectiveness of their implementation. We believe QAD should also be involved in these monitoring efforts.

If we can provide any additional information or clarification regarding this memorandum, please contact me or Stuart Rubin of my staff.



Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

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February 21, 1992

BY HAND DELIVERY

Donnie H. Grimsley, Director
Division of Freedom of Information
and Publications Service
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

FREEDOM OF INFORMATION
ACT REQUEST

FOIA 92-88

Rec'd 2-21-92

Dear Mr. Grimsley:

This is a request pursuant to the Freedom of Information Act, 5 U.S.C. 552, and 10 CFR Part 9 for documents relating to Palo Verde Units 1, 2 & 3, and more particularly: described below.

For the purpose of this request, the term "document" means all memoranda, letters, filings, testimony, exhibits, contracts, transcripts, minutes, notes, drafts, studies, analyses, reports, maps, diagrams, charts, books, articles, pictures, printouts, tapes, or other written, graphic, or computerized information in any form which constitutes agency records under the Freedom of Information Act.

The documents we are requesting can more particularly be described as:

1. All documents, other than the NRC Augmented Inspection Team (AIT) report forwarded to Arizona Public Service (APS) on April 19, 1989 and the Diagnostic Evaluation Team (DET) Report forwarded to APS on March 16, 1990, which discuss, evaluate, analyze or otherwise address the causes of the 1989 outages at Palo Verde Units 1, 2, and 3; and the basis for the NRC Confirmation of Action letters issued on March 3, 1989; March 7, 1989; March 28, 1989; June 28, 1989; and December 24, 1989 that addressed the Palo Verde Units. This request includes, but is not limited to, documents which address the causes of the shutdown resulting in the 1989 outages at all three Palo Verde Units and the causes of the 1989 outages exceeding the formally or informally scheduled or planned outage durations.

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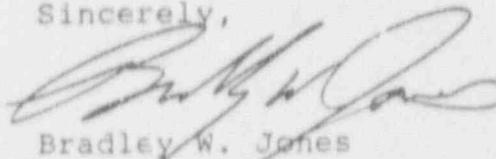
Donnie H. Grimsley
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2. All transcripts, tapes or other record of interviews conducted during or in support of the NRC Augmented Inspection Team's review of the March 3, 1989 trip of Palo Verde Unit 3. The AIT review was reported in an AIT report forwarded to APS on April 9, 1989.

3. All transcripts, tapes or other record of interviews conducted during or in support of the Diagnostic Evaluation Team's review of Palo Verde performance. The DET review was reported in a DET report transmitted to APS on March 16, 1990.

Pursuant to 5 U.S.C. §552(a)(6), a response to this request is required in ten days. We are willing to pay all necessary search and copy fees associated with this request. Please notify the undersigned at (202) 887-4558 if these fees are expected to exceed \$450.00. If any portion of this request is denied, please provide a detailed explanation of the reasons for the denial, as required by 5 U.S.C. § 552(a)(6).

Sincerely,



Bradley W. Jones