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REGION V USE

February 21, 1986  
ANPP-35270-EEVB/WFQ/98.05

Mr. John B. Martin, Regional Administrator  
Office of Inspection and Enforcement  
U.S. Nuclear Regulatory Commission  
Region V  
1450 Maria Lane, Suite 210  
Walnut Creek, CA 94596-5368

Attention: J. B. Martin  
Regional Administrator

Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Units 1, 2, and 3  
Docket Nos. STN 50-528 (License NPF-41)  
STN 50-529 (License NPF-46)  
STN 50-530  
Systematic Assessment of Licensee Performance Report  
File: 86-056-026

Reference: Letter from J. B. Martin, NRC Region V, to  
E. E. Van Brunt, Jr., ANPP, dated December 19, 1985;  
Subject: Systematic Assessment of Licensee Performance Report

Dear Mr. Martin:

We have reviewed the Systematic Assessment of Licensee Performance Report for Palo Verde Units 1, 2, and 3 which was transmitted by the referenced letter. We were pleased to see that this report, which evaluated the Palo Verde Facilities for the eighteen month period April 1, 1984 - September 30, 1985, found our overall performance to be satisfactory. The attachment lists an area of inaccuracy found during our review.

This report is very important to the Palo Verde Project and, as such, it has been given considerable attention by our senior and functional management personnel. Senior management has met with the functional managers and has directed that actions responding to the recommendations and concerns of the report be taken. These actions involve development, tracking and implementation of appropriate actions to enhance ANPP programs. In many cases actions were recognized by management and were taken prior to issuance of the report, as example: A revised development and approval process, restructured responsibilities and the addition a manager position to enhance the Licensee Event Report (LERs) program were developed in October 1985. As a result, quality and timeliness of LER's are improving, also the deficiencies in sub-contractor work, most of which resulted from work performed prior to this SALP evaluation, resulted in additional monitoring and improved work quality.

Through our resultant actions to the constructive comments contained in the report, we intend to achieve continued management involvement.

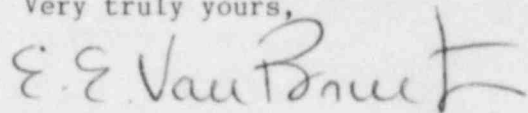
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Mr. John B. Martin  
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We appreciate the significance of this report and believe we can make even futher improvements in the future.

Very truly yours,



E. E. Van Brunt, Jr.  
Executive Vice President  
Project Director

EEVB/WFQ/rw  
Attachment

cc: A. C. Gehr  
R. P. Zimmerman  
G. W. Knighton

Attachment

Page 3, Summary Results Table, Item 18, Preoperational Testing,  
lists a SALP rating of "2" and trend as "not apparent";

whereas

Page 28, Performance Analyses, Item 18,  
states a SALP rating of "1" and a trend as "improved".