

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-4125

September 1, 2010

Randall K. Edington, Executive
Vice President, Nuclear/CNO
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –
PALO VERDE NUCLEAR GENERATING STATION**

Dear Mr. Edington:

On August 11, 2010 the NRC staff completed its performance review of Palo Verde Nuclear Generating Station (PVNGS) for the first half of the calendar year 2010 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. The purpose of the letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only - Security-Related Information," will include the security cornerstone review and resultant inspection plan.

Overall, PVNGS Units 1, 2, and 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through December 31, 2011. In addition to the baseline inspection plan there will be a follow-up inspection in January 2011 to verify Confirmatory Action Letter performance improvement is being sustained. The NRC will also be performing Inspection Procedure 71007, "Reactor Vessel Head Replacement Inspection," concurrent with the head replacement outage for Unit 3 in the fall of 2010. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the end-of-cycle review.

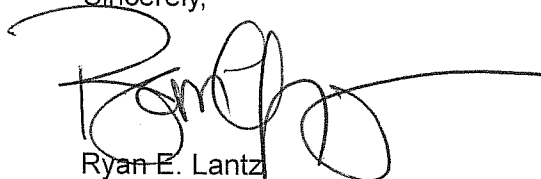
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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, and its enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Ryan Lantz at (817)860-8173 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan E. Lantz', with a long horizontal flourish extending to the right.

Ryan E. Lantz
Chief, Reactor Projects Branch D
NRC Region IV

Docket Nos. 50-528, 50-529, 50-530
License Nos. NPF-41, NPF-51, NPF-74

Enclosure: Palo Verde Nuclear Generating Station Inspection / Activity Plan

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R:_Reactors\EOC and Midcycle\Midcycle Assessment Letters\2010\

ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: RL
		<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive
		<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive
C:DRP/D	D:DRS	D:DRP	
RLantz	RJCaniano	AVegel	
/RA/	/RA/	/RA/	
8/19/10	8/24/10	8/24/10	

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T=Telephone

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Palo Verde
 Inspection / Activity Plan
 09/01/2010 - 12/31/2011

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
1, 2, 3	09/06/2010 09/10/2010	BRQ IP 7111111B	- OPERATOR REQUAL INSP Licensed Operator Requalification Program	2
3	10/04/2010 10/15/2010	PSB2-08P IP 2515/172	- INSERVICE INSPECTION - U3 Reactor Coolant System Dissimilar Metal Butt Welds	3
3	10/04/2010 10/15/2010	IP 71111108P	Inservice Inspection Activities - PWR	2
3	10/01/2010 12/31/2010	IP 71007	U3-RVH - REACTOR VESSEL HEAD REPL INSPECTION Reactor Vessel Head Replacement Inspection	6
1	10/04/2010 10/08/2010	EXAM X02448	- INITIAL EXAM INITIAL EXAM UNIT 1-PV (11/2010)	4
2	10/04/2010 10/08/2010	X02449	INITIAL EXAM UNIT 2 - PV (11/2010)	3
3	10/04/2010 10/08/2010	X02450	INITIAL EXAM UNIT 3- PV(11/2010)	2
1	11/08/2010 11/13/2010	X02448	INITIAL EXAM UNIT 1-PV (11/2010)	3
2	11/08/2010 11/13/2010	X02449	INITIAL EXAM UNIT 2 - PV (11/2010)	2
3	11/08/2010 11/13/2010	X02450	INITIAL EXAM UNIT 3- PV(11/2010)	10
1, 2, 3	11/29/2010 12/03/2010	IP 71152B	TSB-52B - BIENNIAL P1&R Identification and Resolution of Problems	3
1, 2, 3	12/13/2010 12/17/2010	IP 71152B	EP1 - BIENNIAL EP EXERCISE INSPECTION Exercise Evaluation	3
1, 2, 3	02/28/2011 03/04/2011	IP 7111401	EP1 - BIENNIAL EP EXERCISE INSPECTION Exercise Evaluation	3
1, 2, 3	02/28/2011 03/04/2011	IP 7111404	EP1 - BIENNIAL EP EXERCISE INSPECTION Emergency Action Level and Emergency Plan Changes	3
1, 2, 3	02/28/2011 03/04/2011	IP 71151-EP01	EP1 - BIENNIAL EP EXERCISE INSPECTION Drill/Exercise Performance	3
1, 2, 3	02/28/2011 03/04/2011	IP 71151-EP02	EP1 - BIENNIAL EP EXERCISE INSPECTION ERO Drill Participation	3
1, 2, 3	02/28/2011 03/04/2011	IP 71151-EP03	EP1 - BIENNIAL EP EXERCISE INSPECTION Alert & Notification System	3
1, 2, 3	01/16/2011 01/20/2011	IP 92702	PBD-CAL - CAL FOLLOWUP INSPECTION-2 Followup On Corrective Actions For Violations And Deviations	3
1, 2, 3	01/24/2011 01/28/2011	IP 71124.06	RP678 - RADIATION SAFETY TEAM Radioactive Gaseous and Liquid Effluent Treatment	3
1, 2, 3	01/24/2011 01/28/2011	IP 71124.07	RP678 - RADIATION SAFETY TEAM Radiological Environmental Monitoring Program	3
1, 2, 3	01/24/2011 01/28/2011	IP 71124.08	RP678 - RADIATION SAFETY TEAM Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	3
1, 2, 3	01/31/2011 02/11/2011	IP 7111117T	EB1-17 - 50.59 AND MODS Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	1
2	04/04/2011 04/22/2011	IP 7111108P	PSB2-08P - INSERVICE INSPECTION - U2 Inservice Inspection Activities - PWR	4
1, 2, 3	10/03/2011 10/07/2011	IP 71124.01	RS12 - RADIATION SAFETY Radiological Hazard Assessment and Exposure Controls	2

This report does not include INPO and OUTAGE activities.
 This report shows only on-site and announced inspection procedures.

Palo Verde
 Inspection / Activity Plan
 09/01/2010 - 12/31/2011

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
1, 2, 3	10/03/2011 10/07/2011	RS12 - RADIATION SAFETY IP 71124.02	Occupational ALARA Planning and Controls	2
1, 2	10/03/2011 10/07/2011	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1, 2	10/03/2011 10/07/2011	IP 71151-PR01	RETS/ODCM Radiological Effluent	
		PSB2-08P - INSERVICE INSPECTION - U1		1
1	10/03/2011 10/21/2011	IP 71111108P	Inservice Inspection Activities - PWR	

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