

January 26, 2001

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
P. O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 RE:
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY NATIONAL
VOLUNTARY LABORATORY ACCREDITATION PROGRAM (TAC NOS.
MA9159, MB0577, AND MB0578)

Dear Mr. Overbeck:

In your letter of October 3, 1997 (102-04022), you requested that the U.S. Nuclear Regulatory Commission (NRC) review the National Voluntary Laboratory Accreditation Program (NVLAP) of the National Institute of Standards and Technology (NIST) to determine if the program contains sufficient controls to allow NRC licensees, and vendors which provide 10 CFR Part 50 Appendix B audited calibration services to licensees, to not have to audit NVLAP accredited laboratories to meet the requirements of 10 CFR Part 50 Appendix B. You also requested that this review be performed in accordance with the National Technology Transfer and Advancement Act of 1995.

We have reviewed the NVLAP accreditation process and, based on the issues that we provided you as an enclosure to our letter of October 20, 2000, we have concluded that the NVLAP accreditation process does not meet the requirements of 10 CFR Part 50 Appendix B and licensees may not use NVLAP accredited laboratories without performing an audit to meet the requirements of 10 CFR Part 50 Appendix B. Because the Act of 1995 only applies to when a federal agency proposes a generic standard, and it is our understanding of your letter that you are not requesting the Commission to adopt a generic standard, the Act of 1995 does not apply. Any request for Commission approval of the use of NVLAP accredited laboratories as part of an acceptable quality assurance program should address the issues listed in the enclosure to our letter of October 20, 2000.

Gregg R. Overbeck

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January 26, 2001

This letter closes out our review of your request of October 3, 1997. If you have any questions concerning this letter, please contact me at 301-415-1307, or by email at jnd@nrc.gov.

Sincerely,

/RA/

Jack N. Donohew, Senior Project Manager, Section 2
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

cc: See next page

Gregg R. Overbeck

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cc: See next page

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Palo Verde Generating Station, Units 1, 2, and 3

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August 18, 1999