



Palo Verde Nuclear
Generating Station

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October 29, 2001
102-04620-WEI/DGM

Rules and Directive Branch
Office of Administration
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528, 50-529 and 50-530
License Nos. NPF-41, NPF-51 and NPF-74
Comments On Proposed Generic Communication; Resolution of
Degraded and Nonconforming Conditions; ("Generic Letter 91-18
Process")--(MB2530) (66 FR 47700)**

This letter presents comments from the Palo Verde Nuclear Generating Station on the subject generic communication which was proposed by the U. S. Nuclear Regulatory Commission on September 13, 2001, in the above referenced Federal Register (FR) notice.

Palo Verde has reviewed the proposed generic communication to the nuclear power industry to update staff guidance on the resolution of degraded and nonconforming conditions. We agree that this updated guidance will reflect relevant NRC regulatory process and regulation changes that have occurred since Generic Letter 91-18, Revision 1, was issued on October 8, 1997.

Palo Verde endorses the comments provided by the Nuclear Energy Institute (NEI) and the Strategic Teaming and Resource Sharing (STARS)

The following comments are provided:

1. Section 4.3, first paragraph states, in part; "The licensee must establish a schedule for completing the corrective action." Palo Verde disagrees with the new wording. The previous wording stated; "The licensee must establish a time frame for completion of corrective action." The schedule referenced in the new wording imposes timing that has no flexibility. This is inconsistent with the allowance that the timing be commensurate with the safety significance. Palo Verde proposes the original wording be retained.

Template = ADM-013

*E-RIDS = ADM-03
Add = J. Shipke (JWS)
A. McKenna (EMH)*

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2. Palo Verde disagrees with the philosophy presented in the first two paragraphs of Section 4.5. If an SSC (TS or not) is degraded or nonconforming, but is capable of performing its specified safety function (operable), then no basis for continued operation should be necessary. Palo Verde proposes a paragraph, to replace the preamble to the list of matters to be considered, which reads as follows:

"If an SSC not covered by TS is degraded or nonconforming, but operable, no additional action is necessary. If an SSC not covered by TS is determined to be inoperable, then the licensee should develop a basis for continued operation. In developing a basis for continued operation, licensees should consider, commensurate with the safety significance of the issue, matters such as the following:"

Palo Verde thanks you for the opportunity to comment on the proposed changes to the Generic Letter 91-18 Process. Please contact James T. Taylor if there are any questions concerning these comments (602-393-6080 or JTAYLO01@apsc.com).

No commitments are made to the NRC in this letter.

Sincerely,

[Original signed by William E. Ide]

DGM/dgm

cc:	E. W. Merschoff	(NRC)
	J. M. Moorman	(NRC)
	L. R. Wharton	(NRC)
	J. T. Taylor	(PVNGS)