



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-4005**

March 15, 2006

Janet Wagner
Commission Counsel
Arizona Corporation Commission
1200 West Washington Street
Phoenix AZ 85007-2927

**SUBJECT: INTERVIEW OF THE SENIOR RESIDENT INSPECTOR AT THE PALO VERDE
NUCLEAR GENERATING STATION**

Dear Ms. Wagner:

On March 2, 2006, you submitted an affidavit to the U. S. Nuclear Regulatory Commission (NRC), Office of General Counsel in support of the Arizona Corporation Commission (ACC) staff's request to interview the resident inspectors at the Palo Verde Nuclear Generating Station (PVNGS). A subsequent telephone conversation was held with you, Karla Smith Fuller, Region IV Regional Counsel, and me on March 9, 2006, to clarify the areas of inquiry. This letter acknowledges the NRC's agreement to participate in a one-hour telephone interview with William Jacobs, Consultant with GDS Associates, Jerry Ward, Consultant with GDS Associates, Prem Bahl, ACC Staff Engineer, and Janet Wagner, ACC Senior Staff Counsel, on March 24, 2006 at 10:00 a.m. (MST), to discuss the NRC's assessment of the circumstances surrounding plant outages that occurred since January 1, 2005, and the adequacy of operations and maintenance practices at the PVNGS. NRC participants will include Mr. Gregory Warnick, Senior Resident Inspector and Ms. Karla Smith Fuller.

As discussed, the interview will be limited to publically available information in the following areas:

1. Regulatory findings dispositioned by the NRC since January 1, 2005. Performance assessment results and inspection reports are retrievable from the NRC website at: www.nrc.gov/NRR/OVERSIGHT/ASSESS/PALO1/palo1_chart.html.
2. PVNGS's progress in resolving the human performance and problem identification and resolution substantive crosscutting issues most recently documented in our March 2, 2006, Annual Assessment Letter. The assessment letter can be retrieved from the Publicly Available Records (PARS) 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 ADAMS accession number for the PVNGS assessment letter is ML060610254.
3. PVNGS's progress in resolving the Yellow finding associated with the voiding of emergency core cooling suction piping. The NRC's review of this issue is documented in NRC Inspection Report 05000528/2005012; 05000529/2005012; and 05000530/2005012. The ADAMS accession number is ML060300193.

4. The effectiveness of the corrective action program at PVNGS. The most recent review of the PVNGS corrective action program was completed in February 2006. The results will be documented in NRC Inspection Report 05000528/2006008; 05000529/2006008; and 05000530/2006008. The results of this inspection are predecisional and will not be discussed during the interview.
5. The results of the PVNGS performance improvement plan to date. The NRC will be conducting a public meeting with PVNGS to discuss the current status of the performance improvement plan on March 30, 2006, at 1:00 p.m. (CST), in Arlington, Texas. A telecommunications bridge will be available for the public. The phone number is (800) 952-9677. The callers should then request to be transferred to extension 472. NRC public meeting notices are retrievable from the NRC website at: www.nrc.gov/public-involve/public-meetings/index.cfm.

Questions regarding the NRC's involvement in this proceeding should be directed to me at (817) 860-8173.

Sincerely,

Greg E Werner for /RA/

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