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Palo Verde Nuclear  
Generating Station

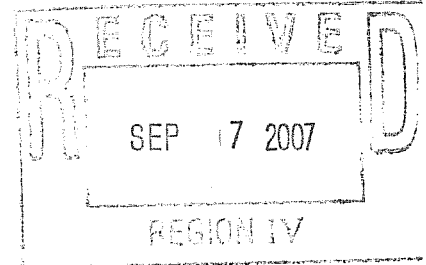
Randall K. Edington  
Sr. Vice President Nuclear  
Chief Nuclear Officer

TEL (623) 393-5148  
FAX (623) 393-6077

Mail Station 7602  
P.O. Box 52034  
Phoenix, Arizona 85072-2034

102-05738-RKE/REB  
September 04, 2007

Dr. B. S. Mallett  
Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, TX 76011-4005



- References:
1. Annual Assessment Letter-Palo Verde Nuclear Generating Station (NRC Inspection Report 05000528/2007001, 0500029/2007001/05000530/2007001) from Bruce S. Mallett to Randall K. Edington, dated March 2, 2007
  2. Confirmatory Action Letter from Bruce S. Mallett to Randall K. Edington, dated June 21, 2007

Dear Sir:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)**  
**Unit: 3**  
**Docket No.: 50-530**  
**PVNGS Preparation for Inspection Procedure 95003**

In accordance with Reference 1, the purpose of this letter is to report that the preparations for the 95003 inspection, as agreed to with the NRC staff, will be sufficiently completed by October 1, 2007 to facilitate the performance of the inspection. Specifically, in accordance with Reference 2, an in-depth evaluation has been performed to identify site performance deficiencies. From this in-depth evaluation, 12 fundamental overall problem areas were identified and are currently under evaluation or assessment. These are expected to be completed by October 1, 2007. It is possible some of the evaluations/assessments will remain in progress after October 1, 2007 to resolve issues identified during the review processes. Integration of the identified corrective actions from these efforts into the Site Integrated Improvement Plan will be in progress on October 1, 2007.

In accordance with Reference 2, an independent safety culture assessment has also been performed. The final report for this assessment was provided to APS on September 4, 2007. Where appropriate, some of the results from this assessment have been integrated into the evaluations discussed above. In addition, a team is evaluating the overall results of the assessment and identifying corrective actions as well as areas

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Callaway • Comanche Peak • Diablo Canyon • Palo Verde • South Texas Project • Wolf Creek

Dr. Bruce Mallett  
U.S. NRC  
95003 Preparation

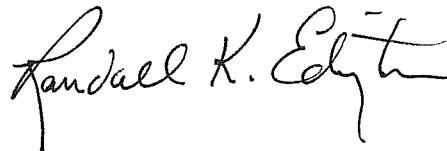
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for potential further evaluation. Integration of these actions into the Site Integrated Improvement Plan will be in progress on October 1, 2007.

As stipulated in Reference 2, actions to address the root and contributing causes in response to the White and Yellow findings and the substantive cross-cutting areas of human performance and problem identification and resolution are being taken. Progress in addressing these issues will be available for review during the inspection.

Should you have any questions concerning our inspection preparation activities, please contact Dwight Mims at (623) 393-5403. There are no commitments being made in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall K. Edly". The signature is fluid and cursive, with a horizontal line extending from the end.

RKE/DCM/SAB/REB/gat

cc: T. P. Gwynn NRC Deputy Regional Administrator  
M. T. Markley NRC NRR Project Manager  
G. G. Warnick NRC Senior Resident Inspector for PVNGS  
Nuclear Regulatory Commission, Document Control Desk,  
Washington, DC 20555-0001