



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

January 7, 2011

MEMORANDUM TO: Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

FROM: Elmo E. Collins /RA/
Regional Administrator
Region IV

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION UNITS 1, 2, AND 3
LICENSE RENEWAL APPLICATION

On December 15, 2008, Arizona Public Service Company requested to renew the operating license for their Palo Verde Nuclear Generating Station in accordance with 10 CFR Part 54. With close coordination and support from your staff in the Division of License Renewal, we completed the inspections at Palo Verde Nuclear Generating Station in accordance with the guidance in Inspection Manual Chapter 2516 and Inspection Procedure 71002. The inspections verified that Arizona Public Service Company implemented the scoping methodology and established aging management programs in conformance with the descriptions contained in the Arizona Public Service Company application for license renewal. Sampling inspections verified: (1) reasonable assurance of the acceptability of the existing and planned aging management programs and (2) the applicant provided the required documentation in an auditable and retrievable form. The inspection identified some issues that the applicant resolved satisfactorily. We documented our inspection results in NRC Inspection Reports 05000528/2010007, 05000529/2010007, and 05000530/2010007, dated April 29, 2010 [ML101190585]; and 05000528/2010010, 05000529/2010010, and 05000530/2010010, dated August 5, 2010 [ML102180239].

We have determined that Arizona Public Service Company has completed or will have completed programs and activities related to the license renewal of Palo Verde Nuclear Generating Station in substantial agreement with docketed commitments and regulatory requirements. Within the above inspection scope, Arizona Public Service Company demonstrated the capability to manage the effects of aging during the period of extended operation. Therefore, we conclude that there is reasonable assurance that the Arizona Public Service Company aging management programs provide an adequate foundation for renewing the license for the Palo Verde Nuclear Generating Station for an additional 20 years.

Dockets: 50-528; 50-529; 50-530
Licenses: NPF-41; NPF-51; NPF-74

CONTACT: Elmo E. Collins, Regional Administrator, Region IV
(817) 860-8225.

E. Leeds

- 2 -

Electronic distribution by RIV:

Regional Administrator (Elmo.Collins@nrc.gov)

Deputy Regional Administrator (Art.Howell@nrc.gov)

DRP Director (Kriss.Kennedy@nrc.gov)

DRP Deputy Director (Troy.Pruett@nrc.gov)

DRS Director (Anton.Vegel@nrc.gov)

DRS Deputy Director (Vacant)

Director, Division of License Renewal (Brian.Holian@nrc.gov)

Senior Resident Inspector (Tony.Brown@nrc.gov)

Resident Inspector (Joseph.Bashore@nrc.gov)

Resident Inspector (Mica.Baquera@nrc.gov)

Branch Chief, DRP/D (Ryan.Lantz@nrc.gov)

PV Administrative Assistant (Regina.McFadden@nrc.gov)

Acting Senior Project Engineer, DRP/D (Gerond.George@nrc.gov)

Project Engineer, DRP/D (Peter.Jayroe@nrc.gov)

Project Engineer, DRP/D (Zachary.Hollcraft@nrc.gov)

Public Affairs Officer (Victor.Dricks@nrc.gov)

Public Affairs Officer (Lara.Uselding@nrc.gov)

Project Manager (Randy.Hall@nrc.gov)

License Renewal Project Manager (Lisa.Regner@nrc.gov)

License Renewal Branch Chief (Bo.Pham@nrc.gov)

Branch Chief, DRS/TSB (Michael.Hay@nrc.gov)

RITS Coordinator (Marisa.Herrera@nrc.gov)

Regional Counsel (Karla.Fuller@nrc.gov)

Congressional Affairs Officer (Jenny.Weil@nrc.gov)

Greg Pick (Greg.Pick@nrc.gov)

Neil O'Keefe (Neil.OKeefe@nrc.gov)

OEMail Resource

RidsNrrDir Resource

RidsNrrDirRpb1 Resource

RidsNrrDirRpb2 Resource

RidsNrrDirRerb Resource

RidsNrrDirRpob Resource

R:_REACTORS_PV\2011\PV LR REC Letter-GAP.docx

ADAMS ML

ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input checked="" type="checkbox"/> SUNSI Review Complete		Reviewer Initials:	
		<input type="checkbox"/> Publicly Available		<input checked="" type="checkbox"/> Non-Sensitive	
		<input checked="" type="checkbox"/> Non-publicly Available		<input type="checkbox"/> Sensitive	
SRI:EB2	C:DRS/EB2	C:DRP/D	D:DRS	RA	
GAPick	NFOKeefe	RELantz	AVegel	EECollins	
/RA/	/RA/	/RA/	/RA/	/RA/	/RA/
1/5/2011	1/6/2011	1/6/2011	1/6/2011	1/7/2011	

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax