



UNITED STATES  
**NUCLEAR REGULATORY COMMISSION**  
REGION IV  
1600 EAST LAMAR BLVD  
ARLINGTON, TEXAS 76011-4511

July 30, 2012

Randall K. Edington, Executive  
Vice President, Nuclear/CNO  
Arizona Public Service Company  
P.O. Box 52034, Mail Stop 7602  
Phoenix, AZ 85072-2034

**SUBJECT: ACTION MATRIX UPDATE ON THE ROP PUBLIC WEBSITE FOR PALO VERDE NUCLEAR GENERATING STATION, UNITS 1,2, AND 3**

Dear Mr. Edington:

Effective July 1, 2012, the security cornerstone was integrated into the Reactor Oversight Process (ROP) performance assessment program governed by IMC 0305, "Operating Reactor Assessment Program." Thus, security findings and performance indicators (PIs) are now inputs to one Action Matrix that includes all seven cornerstones of the ROP. The purpose of this letter is to inform you that Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3 will be shown in the Regulatory Response Column of the ROP Action Matrix when the ROP public Web site is updated on August 6, 2012.

On May 7, 2012, the NRC issued a letter to PVNGS that characterized the final significance determination of one or more, greater-than-green inspection findings in the security cornerstone. As detailed in the NRC Inspection Report the security issues were immediately corrected or compensated for and placed in the licensee's Corrective Action Program, while long term corrective action were being implemented. Because the NRC already identified these greater-than-green finding(s) under the provisions of IMC 0320, "Operating Reactor Security Assessment Program," and has completed the supplemental inspection commensurate with the safety significance of the finding(s), the greater-than-green finding(s) does not represent a new performance issue. However, future assessment of any new greater-than-green security findings or performance indicators could result in actual movement in the Action Matrix.

The ROP Web site will indicate security inputs (findings and PIs) that were determined to be of very low significance, i.e., green, and use blue to indicate greater-than-green (i.e. white, yellow, or red) security inputs. Not specifying the actual color of greater-than-green security inputs is consistent with current Commission policy. Similarly, specific information about all security performance deficiencies will remain non-publicly available, consistent with current Commission policy.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or 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 Public Electronic Reading Room).

R. Edington

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Please contact Mike Hay at 817-200-1527, with any questions you have regarding this letter.

Sincerely,

/RA/

Thomas Blount, Acting Director  
Division of Reactor Safety

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SUNSI Review Completed: MCH ADAMS: ☒ Yes ☐ No Initials: MCH

☒ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☒ Non-Sensitive **ML12212A385**

RIV:C/TSB	D:DRP	DRP/D	DRS/D
M. Hay	R. Lantz	K. Kennedy	T. Blount
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