



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E LAMAR BLVD
ARLINGTON, TX 76011-4511

September 1, 2015

Randall K. Edington
Executive Vice President,
Nuclear/CNO
Arizona Public Service Company
P.O. Box 1856
Buckeye, AZ 85326

**SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2015005,
05000529/2015005 AND 05000530/2015005)**

Dear Mr. Edington,

On August 12, 2015, the Nuclear Regulatory Commission (NRC) completed its mid-cycle performance review of the Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2014 through June 30, 2015. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Palo Verde Nuclear Generating Station, Units 1, 2, and 3 were operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

The enclosed inspection plan lists the inspections scheduled through June 30, 2017. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the second half of the inspection plan are tentative and may be revised at the end-of-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security related inspections, which will be sent via separate, non-publicly available correspondence.

In response to the accident at Fukushima, the Commission issued Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," which requires licensees to develop, implement, and maintain guidance

and strategies to maintain or restore core cooling, containment, and spent fuel pool cooling capabilities following a beyond-design-basis external event. Additionally, the Commission issued Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation," which requires licensees to have a reliable means of remotely monitoring wide-range Spent Fuel Pool levels to support effective prioritization of event mitigation and recovery actions in the event of a beyond-design-basis external event. The NRC is conducting audits of licensee efforts towards compliance with these Orders. The audit has been completed at the Palo Verde Nuclear Generating Station, and the information gathered will aid staff in development of the ultimate Safety Evaluation for the site. After the NRC staff receives the Final Compliance letter for the site, the Final Safety Evaluation will be issued. Then, the NRC staff will confirm through inspections the full implementation of the orders mentioned above by performing Temporary Instruction 2515/191, "Inspection of the Implementation of Mitigating Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans."

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).

Please contact me at 817-200-1173 with any questions you have regarding this letter.

Sincerely,

/RA/

Geoffrey B. Miller
Chief, Branch D
Division of Reactor Projects

Docket Nos.: 50-528; 50-529; 50-530
License Nos.: NPF-41; NPF-51; NPF-74

Enclosure: Palo Verde Nuclear Generating
Station, Units 1, 2, and 3 Inspection/Activity Plan

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DATE	8/27/15	8/27/15	8/27/15				

Letter to Randall K. Edington from Geoffrey B. Miller dated September 1, 2015

SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALO VERDE NUCLEAR
GENERATING STATION, UNITS 1, 2, AND 3 (REPORT 05000528/2015005,
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Electronic Distribution for Palo Verde Nuclear Generating Station

Palo Verde

Inspection / Activity Plan

07/01/2015 - 06/30/2017

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
		EP-2 - HAB EXERCISE INSPECTION		7
1, 2, 3	09/14/2015 09/18/2015	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	09/14/2015 09/18/2015	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
		EP-3 - EP PERFORMANCE INDICATORS		1
1, 2, 3	09/14/2015 09/18/2015	IP 71151-EP01	Drill/Exercise Performance	
1, 2, 3	09/14/2015 09/18/2015	IP 71151-EP02	ERO Readiness	
1, 2, 3	09/14/2015 09/18/2015	IP 71151-EP03	Alert & Notification System Reliability	
		71111.08 - INSERVICE INSPECTION 2R19		1
2	10/19/2015 10/30/2015	IP 7111108P	Inservice Inspection Activities - PWR	
		RS 5 - RP INSPECTION		1
1, 2, 3	10/26/2015 10/30/2015	IP 71124.05	Radiation Monitoring Instrumentation	
		EB1-07T - PV TRIENNIAL HEAT SINK PERFORMANCE		1
1, 2, 3	11/16/2015 11/20/2015	IP 7111107T	Heat Sink Performance	
		EB2-05T - TRIENNIAL FIRE PROTECTION INSPECTION		4
1, 2, 3	12/14/2015 12/18/2015	IP 7111105T	Fire Protection [Triennial]	
		EB2-05T - TRIENNIAL FIRE PROTECTION INSPECTION		4
1, 2, 3	01/11/2016 01/15/2016	IP 7111105T	Fire Protection [Triennial]	
		RS 24 - RADIATION SAFETY		2
1, 2, 3	01/18/2016 01/22/2016	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2, 3	01/18/2016 01/22/2016	IP 71124.04	Occupational Dose Assessment	
		EXAM - INITIAL EXAM		7
1	10/03/2016 10/07/2016	X02576	INITIAL EXAM PALO VERDE UNIT 1 (10/2016)	
2	10/03/2016 10/07/2016	X02577	INITIAL EXAM PALO VERDE UNIT 2 (10/2016)	
3	10/03/2016 10/07/2016	X02578	INITIAL EXAM PALO VERDE UNIT 3 (10/2016)	
1	10/31/2016 11/10/2016	X02576	INITIAL EXAM PALO VERDE UNIT 1 (10/2016)	
2	10/31/2016 11/10/2016	X02577	INITIAL EXAM PALO VERDE UNIT 2 (10/2016)	
3	10/31/2016 11/10/2016	X02578	INITIAL EXAM PALO VERDE UNIT 3 (10/2016)	
		TSB 52B - BIENNIAL PI&R INSPECTION		4
1, 2, 3	03/07/2016 03/11/2016	IP 71152B	Problem Identification and Resolution	
1, 2, 3	03/21/2016 03/25/2016	IP 71152B	Problem Identification and Resolution	
		EP-1 - EP PERFORMANCE INDICATORS		1
1	04/11/2016 04/16/2016	IP 71151-EP01	Drill/Exercise Performance	
1	04/11/2016 04/16/2016	IP 71151-EP02	ERO Readiness	
1	04/11/2016 04/16/2016	IP 71151-EP03	Alert & Notification System Reliability	

This report does not include INPO and OUTAGE activities.

This report shows only on-site and announced inspection procedures.

Palo Verde

Inspection / Activity Plan

07/01/2015 - 06/30/2017

Unit Number		Planned Dates		Inspection Activity		Title		No. of Staff on Site	
		Start	End						
EP-2 - BIENNIAL EP PROGRAM INSPECTION									
1, 2, 3		04/11/2016	04/16/2016	IP 7111402		Alert and Notification System Testing		1	
1, 2, 3		04/11/2016	04/16/2016	IP 7111403		Emergency Preparedness Organization Staffing and Augmentation System			
1, 2, 3		04/11/2016	04/16/2016	IP 7111404		Emergency Action Level and Emergency Plan Changes			
1, 2, 3		04/11/2016	04/16/2016	IP 7111405		Correction of Emergency Preparedness Weaknesses and Deficiencies			
RS 13 PI - RADIATION SAFETY									
1, 2, 3		04/18/2016	04/22/2016	IP 71124.01		Radiological Hazard Assessment and Exposure Controls		2	
1, 2, 3		04/18/2016	04/22/2016	IP 71124.03		In-Plant Airborne Radioactivity Control and Mitigation			
1, 2, 3		04/18/2016	04/22/2016	IP 71151-OR01		Occupational Exposure Control Effectiveness			
1, 2, 3		04/18/2016	04/22/2016	IP 71151-PR01		RETS/ODCM Radiological Effluent Occurrences			
71111.08 - INSERVICE INSPECTION									
1		04/18/2016	04/29/2016	IP 7111108P		Inservice Inspection Activities - PWR		1	
EB1-21T - PV COMPONENT DESIGN BASIS INSPECTION									
1, 2, 3		08/01/2016	09/02/2016	IP 7111121		Component Design Bases Inspection		2	
71111.08 - INSERVICE INSPECTION									
3		10/17/2016	10/28/2016	IP 7111108P		Inservice Inspection Activities - PWR		1	
INSP - BIENNIAL REQUAL INSPECTION									
1, 2, 3		12/12/2016	12/16/2016	IP 7111111B		Licensed Operator Requalification Program		3	
RS 5678 - RS TEAM									
1, 2, 3		01/23/2017	01/27/2017	IP 71124.05		Radiation Monitoring Instrumentation		5	
1, 2, 3		01/23/2017	01/27/2017	IP 71124.06		Radioactive Gaseous and Liquid Effluent Treatment			
1, 2, 3		01/23/2017	01/27/2017	IP 71124.07		Radiological Environmental Monitoring Program			
1, 2, 3		01/23/2017	01/27/2017	IP 71124.08		Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation			
EB1-17T - PV PERMANENT PLANT MODS & 50.59									
1, 2, 3		02/27/2017	03/17/2017	IP 7111117T		Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications		3	
EP-3 - EP PERFORMANCE INDICATOR VERIFICATION									
1, 2, 3		03/06/2017	03/10/2017	IP 71151-EP01		Drill/Exercise Performance			
1, 2, 3		03/06/2017	03/10/2017	IP 71151-EP02		ERO Readiness			
1, 2, 3		03/06/2017	03/10/2017	IP 71151-EP03		Alert & Notification System Reliability		4	
EP2 - BIENNIAL EP EXERCISE INSPECTION									
1, 2, 3		03/06/2017	03/10/2017	IP 7111401		Exercise Evaluation		1	
71111.08 - INSERVICE INSPECTION UNIT 2									
2		04/17/2017	04/28/2017	IP 7111108P		Inservice Inspection Activities - PWR			

This report does not include INPO and OUTAGE activities.

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