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 AUTH.NAME AUTHOR AFFILIATION
 VAN BRUNT,E.E. Arizona Public Service Co.
 RECIP.NAME RECIPIENT AFFILIATION
 EISENHUT,D. Division of Licensing

SUBJECT: Responds to questions re fuel load incentive program.
 Arrangements made w/Southern California Edison to review &
 critique Palo Verde requalification program for senior
 reactor operator & reactor operators.

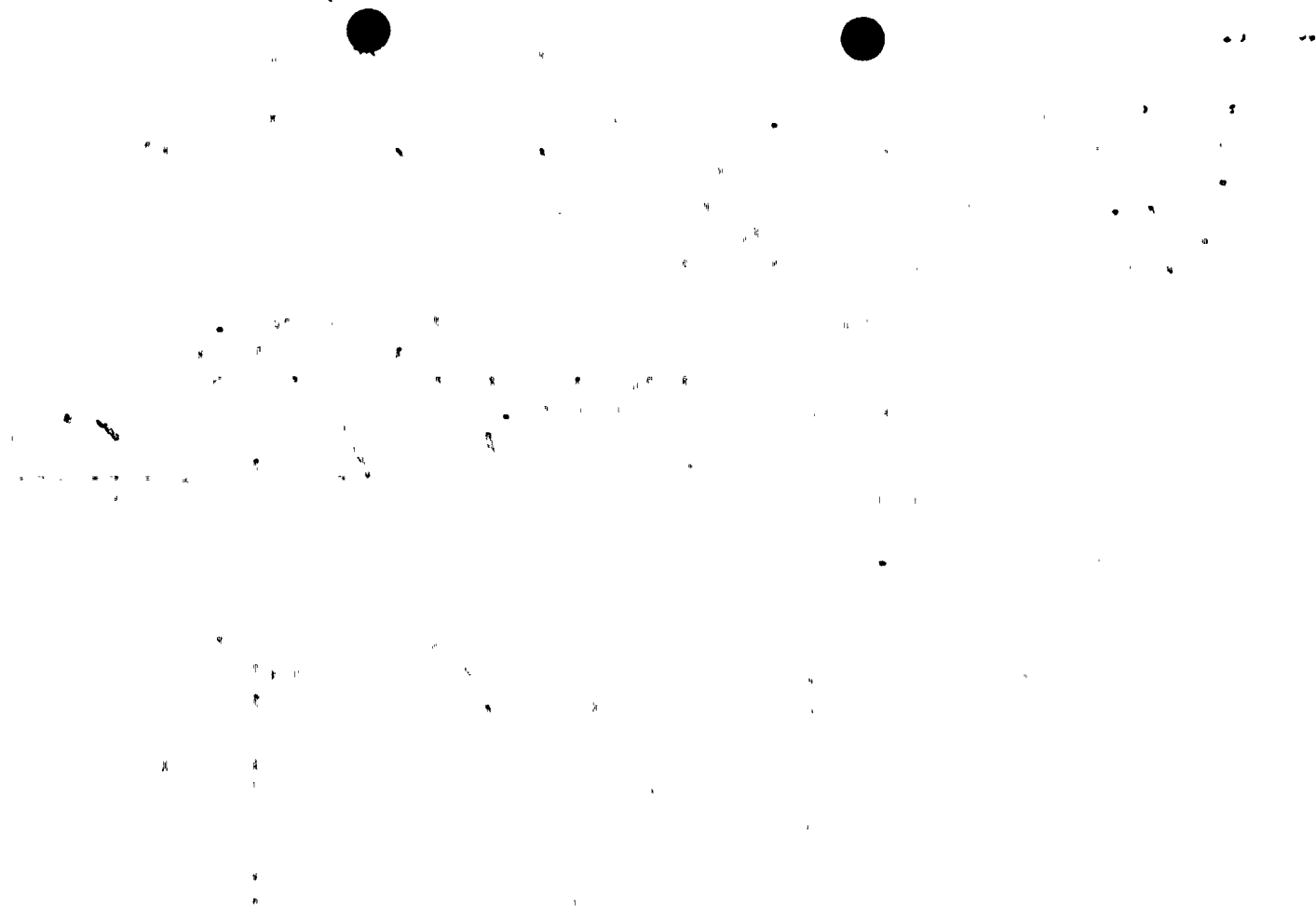
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NOTES:Standardized plant.

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Arizona Public Service Company

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ANPP-31573/EEVBJr

December 26, 1984

Mr. Darrell Eisenhut
Director of Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

SUBJECT: NRC READINESS REVIEW
FILE NO.: 84-002-419.05

Dear Mr. Eisenhut:

With respect to the operational readiness of Palo Verde Unit 1, Attachment A is submitted to provide information regarding various actions we have taken, or will take, to enhance operator preparedness.

In response to questions raised respecting the Unit 1 fuel load incentive program, a copy of the program is submitted as Attachment B. The primary safeguards which insure that this program does not impair quality rest on the fact that neither Senior Project Management nor any Quality Assurance and Quality Control personnel are involved in the program.

Monitoring activities conducted by the Quality Assurance Department have not identified any items related to this program that would affect quality. In fact, as Attachment C shows, their observation is that the incentive program has had a positive affect in that the emphasis is on doing the job RIGHT the first time.

Additionally, senior management has been very sensitive to this matter and has continually emphasized to all project personnel that we must do the job right in a quality manner. Safety and quality have always been the primary objectives at Palo Verde.

We have also had discussions regarding the level of operating experience at the middle and upper management levels for Palo Verde. As a consequence, in addition to the positions of advisor to management filled by Paul McGuire who has extensive experience and background in reactor startup and operations and the consultant, Mike Merlo, previously furnished by SCE to assist the PVNGS Plant Manager and his staff, we have obtained the commitment from SCE to provide two additional qualified people with experience in the startup of San Onofre Units 2 and 3. One of these additional people would serve as an advisor/consultant to the APS upper management at levels including the PVNGS Plant Manager. The other would serve the same function at levels of management of operations immediately below the PVNGS Plant Manager.

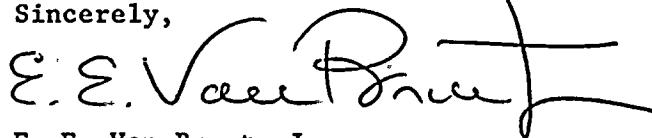
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Page Two
Mr. Darrell Eisenhut
December 26, 1984

With respect to the requalification program for SRO's and RO's, we will review, as stated in Attachment A, training and evaluation techniques in use at other facilities to enhance communications among supervisors and operators. Additionally, arrangements have been made with SCE to obtain, prior to initial criticality, a review and critique of the Palo Verde requalification program by senior member(s) of the San Onofre Training Department.

Sincerely,



E. E. Van Brunt, Jr.
APS Vice President
Nucle Production
ANPP Project Director

EEVB/jdf

cc: H. Thompson (NRR)
J. Martin (Region V)
T. Novak (NRR)
G. Knighton (NRR)
M. Licitra (NRR)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

I, Edwin E Van Brunt Jr., represent that I am Vice President of Nuclear Production of Arizona Public Service Company, that the foregoing document has been signed by me on behalf of Arizona Public Service Company with full authority to do so, that I have read such document and know its contents, and that to the best of my knowledge and belief, the statements made therein are true.

Edwin E. Van Brunt Jr.
Edwin E. Van Brunt Jr.

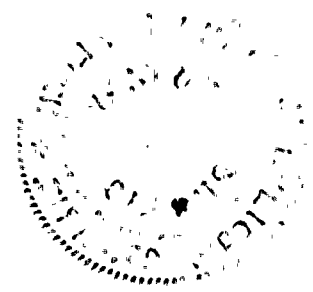
Sworn to before me this 26 day of DECEMBER, 1984.

John M. Allen
Notary Public

My Commission Expires:

My Commission Expires Jan. 23, 1987





ATTACHMENT A

ACTIONS TO ENHANCE OPERATOR PREPAREDNESS

The Plant Manager, the Operations Manager, Unit I Operations Superintendent, Unit I Day Shift Supervisor, the Plant Services Manager, the Training Manager, and the Licensed Training Supervisor have met and discussed the issues raised by 1) the NRC readiness review and 2) the results of the annual requalification exam. The following actions have been agreed to.

1. Prior to any shift crew assuming the responsibilities in Mode 6 the Unit I Operations Superintendent and/or the Day Shift Supervisor shall meet with the Shift Supervisor to assure awareness of (i) applicable Technical Specifications (including Limiting Conditions of Operations), and (ii) specific procedures appropriate to plant conditions in that mode. Each Shift Supervisor will then brief his crew.

Consideration will be given to the extension of this process or for taking other measures prior to operation in other modes.

2. The need for operator preparedness for Low Power Physics Testing has been long recognized. Training on representative test procedures has been performed on the simulator and in the classroom as part of the first annual requalification program. Additional training will be performed during the next six-week requalification cycle starting on January 7, 1985. This training will be complete for all shifts prior to initial criticality.
3. Training on Power Ascension Testing (including natural circulation) will be performed both in the classroom and in the simulator during six-week requalification cycles which begin on February 18, 1985 and April 1, 1985. This training will be complete for all shifts prior to exceeding 20% reactor power.
4. There will be continued emphasis and evaluation of all crews on the simulator for precision of communication and strict adherence to procedures during training prior to and after initial criticality. The Training Department will review operations communications training and evaluation techniques in use at other facilities. Based on this review, improved techniques appropriate to Palo Verde Operations will be developed.



ATTACHMENT BPVNGS UNIT 1 FUEL LOAD INCENTIVE PROGRAM

Prompt fuel load of PVNGS Unit 1 is of paramount importance to the customers and stockholders of the ANPP Participants. As such it is the intent of the PVNGS Unit 1 Fuel Load Incentive Program (hereinafter referred to as the Program) to maximize the probability of achieving the earliest possible fuel load date consistent with the Participants' dedication to quality and safety and consistent with all applicable regulations.

It is recognized that the project team which APS has assembled to engineer, construct, startup and operate PVNGS Unit 1 is dedicated and loyal to the concept of devoting their full attention and energies to the earliest possible fuel load date for Unit 1. It is further recognized, however, that a financial incentive to each contributing team member is an effective means to assist the team management in assuring a maximum effort from every contributing team member over the duration of startup prior to fuel load.

ELIGIBILITY:

Only management employees of Arizona Public Service Company or other ANPP Participants assigned to work on PVNGS Unit 1 fuel load activities are eligible to participate in the program. Eligible employees who are also participants in the APS corporate management incentive program shall be given the choice of participation in either the APS corporate management incentive program or the Program but not both. The Vice President, Nuclear, his assistant and all employees of the APS Quality Assurance Department shall be ineligible to participate in the program.

It shall be the responsibility of the APS Vice President, Nuclear to recommend to the ANPP Administrative Committee the names of individuals eligible to participate in the program.

Personnel recommended for eligibility to participate in the program subsequent to the initial eligibility date of May 1, 1984, shall receive a prorated share of the incentive. The prorating period shall begin June 1, 1984, and end August 31, 1984.

INCENTIVE:

The Program incentive shall be calculated using a base incentive for each Program participant. The base incentive or a prorated portion thereof shall be awarded to each program participant if fuel load activities for PVNGS Unit 1 occur during the 24-hour period, November 1, 1984. Fuel load activities shall be defined as the insertion of the first fuel element assembly into the reactor vessel.

For each 24-hour period subsequent to November 1, 1984, for which fuel load activities are delayed, the base incentive or prorated portion thereof shall be reduced by the amount of 2/3 of 1% resulting in no incentive being awarded for commencement of fuel load activities on PVNGS Unit 1, subsequent to March 30, 1985.



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For each 24-hour period prior to November 1, 1984, for which fuel load activities commence on PVNGS Unit 1, the base incentive or prorated portion thereof shall be increased by the amount of 2/3 of 1%.

The base incentive shall be defined as 2/3 of the program participants' annual base pay (including deferments) on May 1, 1984, or the date of their eligibility whichever is less.

PAYMENT:

Payment of the incentive shall occur in the pay period following the 40th day after commencement of fuel load activities on PVNGS Unit 1. Payment of the incentive shall be in the form of a special one time adjustment to salary.

PROGRAM

ADMINISTRATION: The ANPP Administrative Committee shall administer the program to assure that safety and quality objectives are achieved, approve eligible personnel and determine commencement of fuel load activities of PVNGS Unit 1. The APS Vice President, Nuclear shall assist by providing recommendations of eligible personnel and advising the ANPP Administrative Committee of the estimated program payout.

Program costs shall be shared by the ANPP Participants in their Participation share.

ATTACHMENT C

Arizona Nuclear Power Project

COMPANY CORRESPONDENCE

QUALITY ASSURANCE DEPARTMENT

DATE: December 26, 1984

TO: E. E. Van Brunt Jr.
Sta. # 4060
Ext. # 6312FROM: W. E. Ide
Sta. # 4074
Ext. # 6011SUBJECT: MANAGEMENT INCENTIVE EFFECT ON SAFEGUARDS

File: 84-014-000

To your question whether the Corporate QA/QC Department took any special precautions to ensure the ANPP Management Incentive Program did not have any adverse affect on Plant Safeguards.

A special monitoring effort was conducted for those items identified on the Integrated Tracking System as necessary for Licensing. This monitoring activity assured us that plant personnel were making proper and complete efforts and decisions in resolving and closing these open items.

We also took the opportunity to attend various Plant Weekly Management Meetings to observe Management actions and attitudes in preparing the Plant for Licensing. Management attitude in fact has been to strive to do everything right the first time. Rework requires more time and would have been detrimental to their Incentive Program.

ANPP QA/QC in it's normal mode of operation also has had a very aggressive involvement in the Plant, in Procedure Reviews, Test Result Reviews, Monitoring and Auditing of Construction, Startup Testing and Operation Activities.

Based on the above and the Management attitude which prevails throughout ANPP to have one of the best plants in the United States, the Corporate QA/QC Department does not feel the Management Incentive had any adverse affect on Plant Safeguards.

W. E. Ide
Director Corporate QA/QCWEI/alp
cc: L. A. Souza

