



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

November 29, 2000

Gregg R. Overbeck, Senior Vice
President, Nuclear
Arizona Public Service Company
P.O. Box 52034
Phoenix, Arizona 85072-2034

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - PALO
VERDE**

Dear Mr. Overbeck:

On November 2, 2000, the NRC staff completed its midcycle plant performance assessment of Palo Verde. The Midcycle Review for Palo Verde involved the participation of all technical divisions in evaluating performance indicators (PIs) and inspection results for the period of April 2 through September 30, 2000. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

With one exception, plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix. All inspection findings were classified as having very low safety significance (Green or No Color) and all but one PI indicated performance at a level requiring no additional NRC oversight (Green). The Unit 3 - High Pressure Injection System Unavailability PI had previously crossed the threshold from the Licensee Response Column to the Regulatory Response Column (White). Supplemental inspection, however, has already been completed, and no additional performance concerns were identified that justify further review. Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2001.

The enclosure details the scheduled inspections that will occur through September 30, 2001. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection plans are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document management system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (817) 860-8137 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Linda J. Smith, Chief
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Docket Nos.: 50-528
50-529
50-530

License Nos.: NPF-41
NPF-51
NPF-74

Enclosure:
Palo Verde Inspection/Activity Plan

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/RA/	/RA/	EECollins for	/RA/	
11/21/00	11/28/00	11/29/00	11/29/00	

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Palo Verde
Inspection / Activity Plan
12/01/2000 - 09/30/2001

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EMB - SAFETY SYS DESIGN & PERF CAPABILITY		6			
1, 2, 3	IP 7111121	Safety System Design and Performance Capability		12/04/2000	12/08/2000	Baseline Inspections
	PSB-RP2 - RAD MONITORING INSTR		1			
1, 2, 3	IP 7112103	Radiation Monitoring Instrumentation		01/08/2001	01/12/2001	Baseline Inspections
	OB-PIR - PIR INSPECT		5			
1, 2, 3	IP 71152	Identification and Resolution of Problems		01/29/2001	02/02/2001	Baseline Inspections
	PSB-RP3 - ACCESS TO RAD SIGN AREAS AND PIV		1			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		01/29/2001	02/02/2001	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		01/29/2001	02/02/2001	Baseline Inspections
	PSB-RP4 - ALARA PLANNING/CONTROL 2		1			
1, 2, 3	IP 7112102	ALARA Planning and Controls		02/26/2001	03/02/2001	Baseline Inspections
	EMB - CHANGES & HEAT SINK PERF		2			
1, 2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/05/2001	03/09/2001	Baseline Inspections
1, 2, 3	IP 7111107A	Heat Sink Performance		03/05/2001	03/09/2001	Baseline Inspections
	PSB-EP1 - DRILL/EXERCISE PERF, EAL/EP, AND PIV		3			
1, 2, 3	IP 7111401	Exercise Evaluation		03/12/2001	03/16/2001	Baseline Inspections
1, 2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		03/12/2001	03/16/2001	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		03/12/2001	03/16/2001	Baseline Inspections
	PSB-RP1 - ACCESS CONTROL TO RAD SIGN AREAS & PIV		1			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		04/09/2001	04/13/2001	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		04/09/2001	04/13/2001	Baseline Inspections
	EMB - BIENNIAL MAINTENANCE RULE INSPECTION		1			
1, 2	IP 7111112B	Maintenance Rule Implementation		06/04/2001	06/08/2001	Baseline Inspections
	OB-EXAMS - RO/SRO EXAMS		3			
1	X02208	PALO VERDE-UNIT 1 - INITIAL EXAM (07/2001)		07/09/2001	07/13/2001	Not Applicable
1	X02208	PALO VERDE-UNIT 1 - INITIAL EXAM (07/2001)		07/23/2001	07/27/2001	Not Applicable
2	X02209	PALO VERDE-UNIT 2 - INITIAL EXAM (07/2001)		07/23/2001	07/27/2001	Not Applicable
3	X02210	PALO VERDE-UNIT3 - INITIAL EXAM (07/2001)		07/23/2001	07/27/2001	Not Applicable