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

SUBJECT: ASSESSMENT FOLLOWUP - PALO VERDE, UNIT 3

Dear Mr. Overbeck:

Our review of Palo Verde, Unit 3, identified that the safety system unavailability performance indicator crossed the threshold for the high pressure injection system from the license response band to the regulatory response band indicator. Therefore, we plan to conduct a supplemental inspection to better understand the causes contributing to your decline in performance.

This letter is to inform you that we have scheduled a supplemental inspection at your facility during the month of June 2000 to review your corrective actions for the failure of a high pressure injection valve to open on demand. This inspection will be performed per the guidance provided in Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area."

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR).

Please contact Phil Harrell at (817) 860-8250 with any questions you may have regarding this letter.

Sincerely,

P. Harrell, Chief Project Branch D Division of Reactor Projects

Docket Nos.: 50-528 50-529 50-530
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S. Dembek, Chief, Section 2, NRR/DLPM (SXD)
M. Fields, NRR Project Manager (MBF1)

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