

October 2, 2001

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

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT 3 - UPCOMING
STEAM GENERATOR TUBE INSERVICE INSPECTION (TAC NOS. MB2986)

Dear Mr. Overbeck:

Inservice inspections of steam generator tubes play a vital role in assuring that adequate structural integrity of the tubes is maintained. As required by the plant Technical Specifications, reporting requirements range from submitting a special report, within 15 days following completion of each inservice inspection of steam generator (SG) tubes, that identifies the number of tubes plugged and/or repaired; to submitting a special report, within 12 months following completion of the inspection, that provides complete results of the SG tube inservice inspection. The special report containing the complete results shall include the following:

1. Number and extent of tubes inspected.
2. Location and percent of wall-thickness penetration for each indication of an imperfection.
3. Identification of tubes plugged and/or repaired.

A phone conference has been arranged with members of your staff to discuss the ongoing results of the SG tube inspections to be conducted during the upcoming Palo Verde Nuclear Generating Station Unit 3 refueling outage. This phone call will occur after the majority of the tubes have been inspected, but before the SG inspection activities have been completed. Enclosed is a list of discussion points to facilitate this phone conference.

In response to a recommendation made in the NRC's Indian Point 2 Lessons Learned Task Group report, the NRC staff plans to document a brief summary of the conference call as well as any material that you may have provided to the NRC staff in support of the call.

Sincerely,

/RA/

L. Raynard Wharton, Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No.: STN 50-530

Enclosure: List of Discussion Points

cc w/encl: See next page

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Palo Verde Generating Station, Units 1, 2, and 3

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Enclosure

STEAM GENERATOR TUBE INSPECTION DISCUSSION POINTS

PREPARED BY THE OFFICE OF NUCLEAR REACTOR REGULATION

ARIZONA PUBLIC SERVICE COMPANY (APS), ET AL.

PALO VERDE NUCLEAR GENERATING STATION, UNIT 3

DOCKET NO. STN 50-530

The following discussion points have been prepared to facilitate the phone conference arranged with the APS to discuss the results of the steam generator (SG) tube inspections to be conducted during the upcoming Palo Verde Nuclear Generating Station, Unit 3 refueling outage. This phone call is scheduled to occur towards the end of the planned SG tube inspection interval, but before the unit exits its refueling outage.

The NRC staff plans to document a brief summary of the conference call as well as any material that you may have provided to the NRC staff in support of the call.

1. Discuss whether any primary to secondary leakage existed in this unit prior to shutdown.
2. Discuss the results of secondary side hydrostatic tests.
3. For each SG, provide a general description of areas examined, including the expansion criteria utilized and type of probe used in each area.
4. For analyzed eddy current results, describe bobbin indications [those not examined with rotating pancake coil (RPC)] and RPC/Plus Point/Cecco indications. Include the following information in the discussion: location, number, degradation mode, disposition, and voltages/depths/lengths of significant indications.
5. Describe repair/plugging plans for the SG tubes that meet the repair/plugging criteria.
6. Discuss the previous history of SG tube inspection results, including any "look backs" performed.
7. Discuss, in general, the new inspection findings.
8. Describe in-situ pressure test plans and results, if applicable and available, including tube selection criteria.
9. Describe tube pull plans and preliminary results, if applicable and available; include tube selection criteria.
10. Discuss the assessment of tube integrity for the previous operating cycle.

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11. Discuss the assessment of tube integrity for next operating cycle.
12. Provide the schedule for SG-related activities during the remainder of the current outage.
13. Discuss what steps have been taken, or will be taken, in response to the lessons learned from the Indian Point Unit 2 tube failure. In addition, please be prepared to discuss the following:
 - a) Discuss the actions that are taken in response to identifying a new degradation mechanism,
 - b) Discuss the actions taken to ensure that data noise levels are acceptable, and
 - c) Address data quality issues and the need for criteria to address data quality.