



Palo Verde Nuclear
Generating Station

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10 CFR 50.54(f)

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102-04628-GRO/SAB/RJR
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U.S. Nuclear Regulatory Commission
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- References:
1. Letter 102-04603-CDM/SAB/RJR, dated September 4, 2001, "Response to NRC Bulletin 2001-01: Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles," from C. D. Mauldin, APS to USNRC.
 2. Letter dated November 5, 2001, "Palo Verde Nuclear Generating Station, Units 1, 2, and 3 – Telephone Conference Summary RE: Responses to Bulletin 2001-01," from L. R. Wharton, USNRC to G. R. Overbeck, APS.

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528, 50-529, and 50-530
Revised Inspection Schedule in Response to NRC Bulletin 2001-01**

On August 3, 2001, the Nuclear Regulatory Commission (NRC) issued NRC Bulletin 2001-01, Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles. The bulletin requested that information related to the structural integrity of the reactor pressure vessel head penetration nozzles be provided within 30 days of the bulletin's issue date in accordance with 10 CFR 50.54(f). Reference 1 contained Arizona Public Service Company's (APS) response.

Subsequent telephone conferences were held between APS and the NRC staff on October 3, 2001 and October 22, 2001 (Reference 2). As a result of these discussions, APS committed to review the initial response to NRC Bulletin 2001-01 and to reevaluate the proposed inspection schedule.

APS has completed its reevaluation and is modifying its response to NRC Bulletin 2001-01. In Reference 1, APS committed to performing inspections of the Vessel Head Penetration (VHP) nozzles using surface and volumetric examination techniques in the spring of 2003 (Unit 3), 2004 (Unit 1), and 2005 (Unit 2). APS is changing this commitment to: APS will perform inspections of the VHP nozzles using surface and

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volumetric techniques during the next scheduled refueling outage at PVNGS. The next scheduled refueling outage at PVNGS is the 10th refueling outage of Unit 2 in the spring of 2002. APS will finalize its proposed inspection schedule for Units 1 and 3 based on the results of the Unit 2 inspections and provide the schedule to the NRC.

The following commitment remains unchanged: APS will provide the information requested by item 5 of NRC Bulletin 2001-01 within 30 days after plant restart following the refueling outage in which the VHP nozzle inspections are performed.

APS will monitor the results of inspections performed at other utilities for impact to PVNGS as well as participate in industry groups to address technical issues involved with CEDM cracking inspections, repair, mitigation, safety analyses and long term planning.

Please contact Thomas N. Weber at (623) 393-5764 if you have any questions or require additional information.

Sincerely,

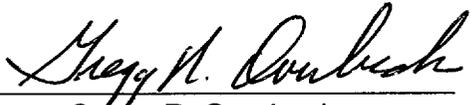


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cc: E. W. Merschhoff
L. R. Wharton
J. H. Moorman

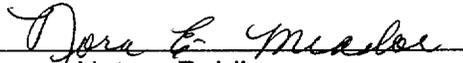
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

I, Gregg R. Overbeck, represent that I am Senior Vice President – Nuclear, that the foregoing document has been signed by me on behalf of Arizona Public Service Company with full authority to do so, and that to the best of my knowledge and belief, the statements made therein are true and correct.

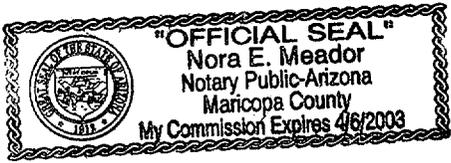


Gregg R. Overbeck

Sworn To Before Me This 6th Day Of December, 2001.



Notary Public



Notary Commission Stamp