September 16, 2004

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 NO. MC4292)

Dear Mr. Overbeck:

Inservice inspections of steam generator (SG) 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 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, and
3. identification of tubes plugged and/or repaired.

A telephone conference call 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 telephone conference 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 for this telephone conference call.

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

Sincerely,
/RA/

Mel B. Fields, Senior 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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STEAM GENERATOR (SG) TUBE INSPECTION DISCUSSION POINTS

PREPARED BY THE OFFICE OF NUCLEAR REACTOR REGULATION

ARIZONA PUBLIC SERVICE COMPANY

PALO VERDE NUCLEAR GENERATING STATION, UNIT 3

DOCKET NO. 50-530

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

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

1. Discuss whether any primary to secondary leakage existed in this unit prior to shutdown.

2. Discuss the results of secondary side pressure tests.

3. For each SG, provide a description of areas examined, including the expansion criteria utilized and type of probe used in each area. Also, be prepared to discuss your inspection of the tube within the tubesheet, particularly the portion of the tube below the expansion/transition region.

4. Discuss any exceptions taken to the industry guidelines.

5. Provide a summary of the number of indications identified to-date of each degradation mode and SG tube location (e.g., tube support plate, top-of-tubesheet, etc.). Also provide information, such as voltages, and estimated depths and lengths of the most significant indications.

6. Describe repair/plugging plans for the SG tubes that meet the repair/plugging criteria.

7. Discuss the previous history of SG tube inspection results, including any "look backs" performed. Specifically for significant indications or indications where look backs are used in support of dispositioning (e.g., manufacturing burnish marks).

8. Discuss, in general, new inspection findings (e.g., degradation mode or location of degradation new to this unit).

9. Discuss your use or reliance on inspection probes (eddy current or ultrasonic) other than bobbin and typical rotating probes, if applicable.

10. Describe in-situ pressure test plans and results, if applicable and available, including tube selection criteria.

11. Describe tube pull plans and preliminary results, if applicable and available; include tube selection criteria.

12. Discuss the assessment of tube integrity for the previous operating cycle (i.e., condition monitoring).

13. Provide the schedule for SG-related activities during the remainder of the current outage.

cc:

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