

THE ENCLOSURES OF THIS LETTER CONTAIN PROPRIETARY INFORMATION AND SHOULD BE WITHHELD FROM PUBLIC DISCLOSURE.



A subsidiary of Pinnacle West Capital Corporation

10 CFR 50.4(b)(1)
10 CFR 2.390

Palo Verde Nuclear
Generating Station

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102-05195-GRO/DGM/RAS
December 27, 2004

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Arthur T. Howell III, Director
Division of Reactor Projects, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011

Reference: NRC Special Inspection Exit Meeting, December 9, 2004, Subject:
Recirculation Sump Void Special Inspection, NRC Inspection Report
05000528/2004014; 05000529/2004014; 05000530/2004014

Dear Mr. Howell:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 05000528/529/530
Submittal of Recirculation Sump Void Testing and Probabilistic Risk
Assessment Preliminary Results**

During the Special Inspection exit meeting on December 9, 2004, the NRC identified two potentially greater than green findings resulting from the inspection of the recirculation sump void condition at PVNGS. Arizona Public Service Company (APS) has recently completed the testing of certain emergency core cooling system pumps affected by the sump void condition and is providing the preliminary testing results to the NRC for consideration in determining the significance of the inspection findings.

As has been communicated to the NRC previously, APS does not, at this time, contest the characterization of the risk significance of these findings as greater than green and recognizes that the NRC's final assessment of significance will be, in large part, dependent on the testing results APS is providing in this submittal. However APS' preliminary evaluation is that the testing performed in recent weeks, as outlined in the enclosure and as described to your staff on December 27, 2004, along with the break size analysis performed by Westinghouse, shows the significance of the postulated event to be within the white range, less than the NRC's earlier determination which was performed without these insights.

AP01

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Director, Division of Reactor Safety
U. S. Nuclear Regulatory Commission
Submittal of Recirculation Sump Void Testing and Probabilistic Risk Assessment
Preliminary Results
Page 2

APS believes this information is important in adequately and accurately determining the significance of the as found condition and requests that the NRC take this information into consideration prior to issuing any report that may otherwise improperly reflect a safety significance which was based on limited information because the subject testing and analysis had not been completed.

These preliminary test results are still pending some sensitivity studies to ensure the results are bounding, and completion of a technical review.

APS has aggressively pursued actions to correct the performance issues identified during the special inspection and is confident that supplemental inspections will validate that the causes have been identified and actions taken will prevent recurrence.

APS requests the information in Enclosure 2 be withheld from public disclosure. The required Affidavit required by 10 CFR 2.390 is included as Enclosure 1.

There are no commitments in this letter. Should you have any questions, please contact Mr. Scott Bauer (623) 393-5978.

Sincerely,



GRO/DGM/RAS/ras

Enclosures: 1. Affidavit for Information Sought to be Withheld from Public Disclosure
2. Preliminary Safety Significance Evaluation of ECCS Containment Sump Voided Piping

cc: B. S. Mallet, Region IV Administrator
N. L. Salgado, Sr. Resident Inspector PVNGS
M. B. Fields, PVNGS Project Manager

(all w/enclosures)

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PUBLIC DISCLOSURE.**

ENCLOSURE 1

**Affidavit for Information Sought to be Withheld from Public
Disclosure**

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

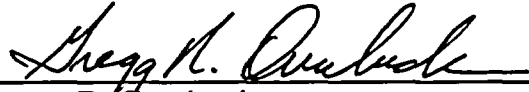
In the Matter of)	10 CFR § 2.390
)	
Palo Verde Nuclear Generating Station)	Docket Nos. 50-528
Units 1, 2 & 3)	50-529
)	50-530

AFFIDAVIT

I, Gregg R. Overbeck, Senior Vice President, Nuclear, Palo Verde Nuclear Generating Station, do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of APS.
2. APS is providing a copy of this Preliminary Safety Significance Evaluation of ECCS Containment Sump Voided Piping to the NRC in order to facilitate the NRC's inspection activities related to the NRC's review of the potential impact of an air void inside a section or piping in systems used to provide emergency cooling in the unlikely event of an accident at the plant. The development of the Preliminary Safety Significance Evaluation of ECCS Containment Sump Voided Piping by APS contains data, analysis, methodology and other information that is the proprietary confidential intellectual property of APS. Therefore, the Preliminary Safety Significance Evaluation of ECCS Containment Sump Voided Piping constitutes proprietary commercial information that should be held in confidence from regulatory agencies of other countries and from the public by the NRC pursuant to the policy reflected in 10 CFR §§ 2.390(a)(4) and 9.17(a)(4), because:
 - i. The information sought to be withheld from public disclosure is owned and has been held in confidence by APS and associated companies who participated in developing this information for APS.
 - ii. This information is of a type that is customarily held in confidence by APS, and there is a rational basis for doing so because the information contains the proprietary confidential intellectual property of APS.
 - iii. The information is being transmitted to the NRC in confidence.
 - iv. The information is not available in public sources or available information has not been previously employed in the same original manner or method to the best of my knowledge and belief.

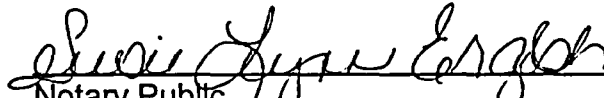
- v. Public disclosure of this information would create substantial harm to the competitive position of APS by disclosure of APS' proprietary confidential intellectual property. Disclosure of this information to regulatory agencies in other countries would also create substantial harm to the competitive position of APS by disclosing information to governments with ownership and interest in competitors.



Gregg R. Overbeck

STATE OF ARIZONA)
) ss.
County of Maricopa)

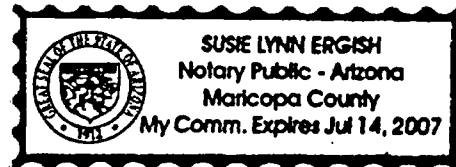
Subscribed and sworn to before me, a Notary Public, this 27th day of December, 2004, in and for the State of Arizona, by Gregg R. Overbeck.



Notary Public

My Commission Expires:

July 14, 2007



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ENCLOSURE 2

**Preliminary Safety Significance Evaluation of ECCS
Containment Sump Voided Piping**

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