



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-4005

May 9, 2005

EA-04-221  
EA-05-051

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

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A YELLOW FINDING,  
NOTICES OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY  
- \$50,000 (NRC SPECIAL INSPECTION REPORT 2004-014, PALO VERDE  
NUCLEAR GENERATING STATION)

Dear Mr. Overbeck:

This refers to your letter dated May 4, 2005, requesting a 30-day extension of time to respond to Notices of Violation EA-04-221 and EA-05-051 and the associated Yellow Finding and Proposed Imposition of Civil Penalty. The Notices of Violation had been issued to you on April 8, 2005, and required a response within 30 days.

Based on the complexity of the issues, and after consultation with the Office of Enforcement and the Office of Nuclear Reactor Regulation, the NRC agrees that an extension of time is appropriate and grants the extensions as you requested. As noted in your May 4 letter, your replies are now due by June 7, 2005.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

*/RA by Thomas P. Gwynn Acting for/*

Bruce S. Mallett  
Regional Administrator

Docket Nos. 50-528; 50-529; 50-530  
License Nos. NPF-41; NPF-51; NPF-74

cc:  
See next page

Arizona Public Service Company

-2-

Steve Olea  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

John Taylor  
Public Service Company of New Mexico  
2401 Aztec NE, MS Z110  
Albuquerque, NM 87107-4224

Douglas K. Porter, Senior Counsel  
Southern California Edison Company  
Law Department, Generation Resources  
P.O. Box 800  
Rosemead, CA 91770

Cheryl Adams  
Southern California Edison Company  
5000 Pacific Coast Hwy. Bldg. DIN  
San Clemente, CA 92672

Chairman  
Maricopa County Board of Supervisors  
301 W. Jefferson, 10th Floor  
Phoenix, AZ 85003

Robert Henry  
Salt River Project  
6504 East Thomas Road  
Scottsdale, AZ 85251

Aubrey V. Godwin, Director  
Arizona Radiation Regulatory Agency  
4814 South 40 Street  
Phoenix, AZ 85040

Brian Almon  
Public Utility Commission  
William B. Travis Building  
P.O. Box 13326  
1701 North Congress Avenue  
Austin, TX 78701-3326

M. Dwayne Carnes, Director  
Regulatory Affairs/Nuclear Assurance  
Palo Verde Nuclear Generating Station  
Mail Station 7636  
P.O. Box 52034  
Phoenix, AZ 85072-2034

Hector R. Puente  
Vice President, Power Generation  
El Paso Electric Company  
310 E. Palm Lane, Suite 310  
Phoenix, AZ 85004

Jeffrey T. Weikert  
Assistant General Counsel  
El Paso Electric Company  
Mail Location 167  
123 W. Mills  
El Paso, TX 79901

John W. Schumann  
Los Angeles Department of Water & Power  
Southern California Public Power Authority  
P.O. Box 51111, Room 1255-C  
Los Angeles, CA 90051-0100

**Arizona Public Service Company - EA-04-221 AND EA-05-051**

**DISTRIBUTION:**

RIDSSECYMAILCENTER  
 RIDSOCAMAILCENTER  
 RIDSEDOMAILCENTER  
 RIDSOEMAILCENTER  
 RIDSOGCMAILCENTER  
 RIDSNRROD  
 RIDSNRRADIP  
 RIDSOPAMAIL  
 RIDSOIMAILCENTER  
 RIDSOIGMAILCENTER  
 RIDSOCFOMAILCENTER  
 RIDSRGN1MAILCENTER  
 RIDSRGN2MAILCENTER  
 RIDSRGN3MAILCENTER  
 OEWEB  
 RIDSNRRDIPMIIPB

via e-mail:

|                  |                   |                     |
|------------------|-------------------|---------------------|
| Sanborn - GFS    | Vasquez - GMV     |                     |
| Gwynn - TPG      | Mallett - BSM1    |                     |
| R4ALLEGE         | Fuller - KSF      |                     |
| Maier - WAM      | Dricks - VLD      |                     |
| Howell - ATH     | Chamberlain - DDC |                     |
| Powers - DAP     | Veget - AXV       |                     |
| Pruett - TWP     | Werner - GEW      |                     |
| Taylor - NHT     | Hay - MCH2        |                     |
| Warnick - GXW2   | Powers - DAP      |                     |
| Clark - JAC      | Gardin - KEG      | Richards - SAR      |
| OEMAIL           | Starkey - DRS     | Fields - MBF1       |
| Franovich - RLF2 | Tschiltz - MDT    | Dixon-Herrity - JLD |
| Zobler - MLZ     |                   |                     |

SISP Review Completed: **YES** ADAMS: **YES** Initials: **GMV**

: Publicly Available : Non-Sensitive

DOCUMENT NAME:ML051290013.wpd

|             |                     |                    |             |                          |
|-------------|---------------------|--------------------|-------------|--------------------------|
| ACES        | C:DRP/D             | D:DRP              | RC          | D:OE                     |
| VASQUEZ     | PRUETT              | HOWELL             | FULLER      | CONGEL                   |
| <b>/RA/</b> | <b>/RA/</b>         | <b>/RA/</b>        | <b>/RA/</b> | <b>/CNolan Actg for/</b> |
| 5/ 5 /2005  | 5/ 5 /2005          | 5/ 5 /2005         | 5/ 5 /2005  | 5/6/2005                 |
| DRA         | RA                  | NRR                |             |                          |
| GWYNN       | MALLETT             | DYER               |             |                          |
| <b>/RA/</b> | <b>/via telecon</b> | <b>via telecon</b> |             |                          |
| 5/6/2005    | 5/6/2005            | 5/6/2005           |             |                          |

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax