

January 12, 2007

Mr. James M. Levine
Executive Vice President, Generation
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
CLOSEOUT OF GENERIC LETTER 2006-01, "STEAM GENERATOR TUBE
INTEGRITY AND ASSOCIATED TECHNICAL SPECIFICATIONS"
(TAC NOS. MD0096, MD0097, AND MD0098)

Dear Mr. Levine:

On January 20, 2006, the U.S. Nuclear Regulatory Commission (NRC) issued Generic Letter (GL) 2006-01, "Steam Generator [SG] Tube Integrity and Associated Technical Specifications [TSs]" (Agencywide Document Access and Management System (ADAMS) Accession No. ML060200385). This GL requested that addressees either submit a description of their program for ensuring SG tube integrity for the interval between inspections or adopt alternative TS requirements for ensuring SG tube integrity.

By letter dated February 9, 2006 (ADAMS Accession No. ML060520483), Arizona Public Service Company (the licensee) responded to GL 2006-01 for the Palo Verde Nuclear Generating Station (Palo Verde), Units 1, 2, and 3. This response stated that by application dated May 26, 2005 (ADAMS Accession No. ML051520413), the licensee requested changes to the TSs for the Palo Verde units to adopt the alternative TS requirements for ensuring SG tube integrity. The alternative TS requirements were modeled after Technical Specification Task Force (TSTF) Traveler, TSTF-449, "Steam Generator Tube Integrity," Revision 4 (ADAMS Accession No. ML051090200).

On July 27, 2006 (ADAMS Accession No. ML062090296), the NRC staff issued TS amendments approving SG TSs modeled after TSTF-449, Revision 4, for the Palo Verde units.

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The NRC staff finds the licensee's adoption of new SG TSs modeled after TSTF-449 to be an acceptable and complete response to GL 2006-01. This completes the NRC staff's efforts on TAC Nos. MD0096, MD0097, and MD0098. If you have any questions regarding this letter, please contact me at (301) 415-3062.

Sincerely,

/RA/

Mel B. Fields, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

cc: See next page

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cc: See next page

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May 2006