

UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

FEB 24 1995

Arizona Public Service Company
ATTN: William L. Stewart
Executive Vice President, Nuclear
P.O. Box 53999
Phoenix, Arizona 85072-3999

SUBJECT: NRC INSPECTION REPORT 50-528/94-37; 50-529/94-37; 50-530/94-37

This refers to the inspection conducted by K. Johnston and others, of this office, on December 1, 1994, through January 14, 1995. The inspection included a review of activities authorized for your Palo Verde Nuclear Generating Station, Units 1, 2, and 3, facility. At the conclusion of the inspection, the findings were discussed with you and those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress. The purpose of the inspection was to determine whether activities authorized by the licensee were conducted safely and in accordance with NRC requirements.

During this inspection period, we noted continued improvements in the conduct of operations and maintenance activities. One unresolved item was identified concerning the licensee's evaluation of NRC Information Notice 94-60 addressing power operation with main steam safety valves gagged. This matter is discussed in Section 5.1 of the enclosed inspection report.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



A. Bill Beach, Director
Division of Reactor Projects

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Dockets: 50-528
50-529
50-530
Licenses: NPF-41
NPF-51
NPF-74

Enclosure:

1. NRC Inspection Report
50-528/94-37; 50-529/94-37; 50-530/94-37

cc w/enclosure:

Arizona Corporation Commission
ATTN: Mr. Steve Olea
1200 W. Washington Street
Phoenix, Arizona 85007

Southern California Edison Company
ATTN: T. E. Oubre, Esq.
P.O. Box 800
Rosemead, California 91770

ABB Combustion Engineering Nuclear Power
ATTN: Charles B. Brinkman, Manager
Washington Nuclear Operations
12300 Twinbrook Parkway, Suite 330
Rockville, Maryland 20852

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

Maricopa County Board of Supervisors
ATTN: Chairman
111 South Third Avenue
Phoenix, Arizona 85003

Palo Verde Services
ATTN: Curtis Hoskins, Executive
Vice President and
Chief Operating Officer
2025 N. 3rd Street, Suite 220
Phoenix, Arizona 85004



Arizona Public Service Company

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Akin, Gump, Strauss, Hauer and Feld
El Paso Electric Company
ATTN: Roy P. Lessey, Jr., Esq.
1333 New Hampshire Avenue, Suite 400
Washington, D.C. 20036

Arizona Public Service Company
ATTN: Angela K. Krainik, Manager
Nuclear Licensing
P.O. Box 52034
Phoenix, Arizona 85072-2034



E-Mail report to D. Sullivan (DJS)

bcc to DMB (IE01)

bcc distrib. by RIV:

L. J. Callan
 DRSS-FIPB
 Branch Chief (DRP/F, WCFO)
 Senior Project Inspector (DRP/F, WCFO)
 Leah Tremper (OC/LFDCB, MS: TWFN 9E10)

Resident Inspector
 MIS System
 RIV File
 Branch Chief (DRP/TSS)
 B. Henderson (PAO, WCFO)

DOCUMENT NAME:

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E-Mail report to D. Sullivan (DJS)

bcc to DMB (IE01)

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