

UNITED STATES

NUCLEAR REGULATORY COMMISSION

REGION IV

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

FEB 2 4 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.

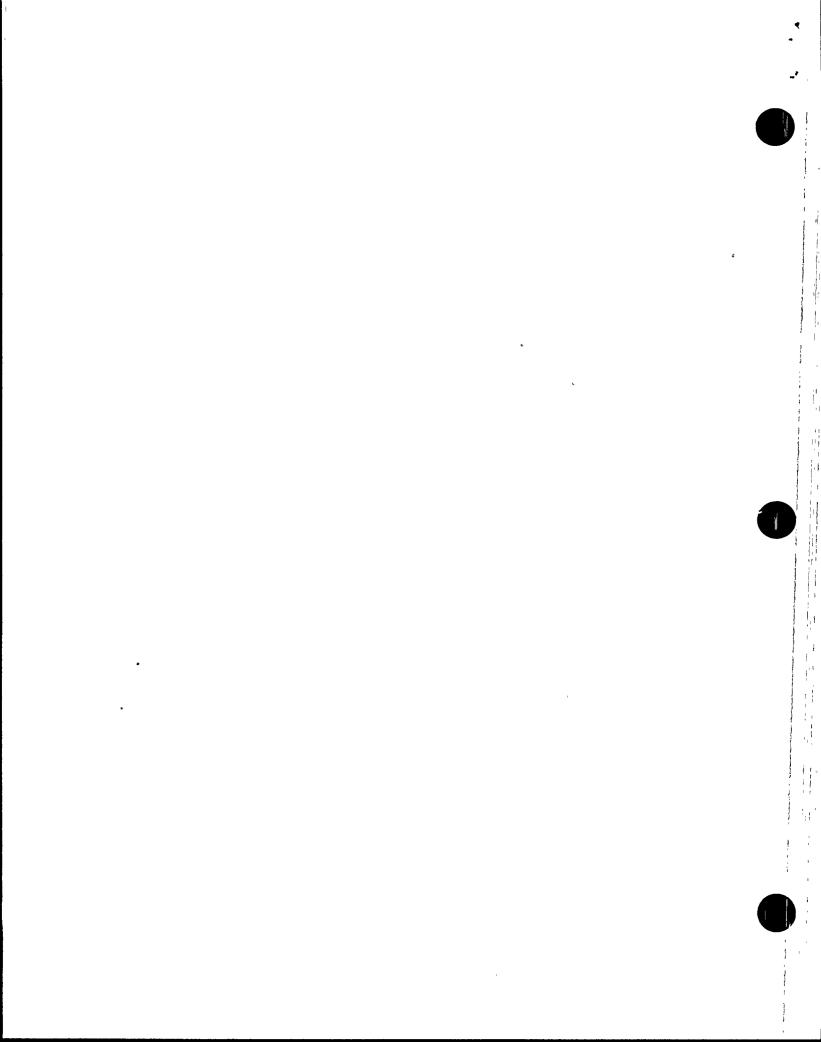
Sincerely,

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

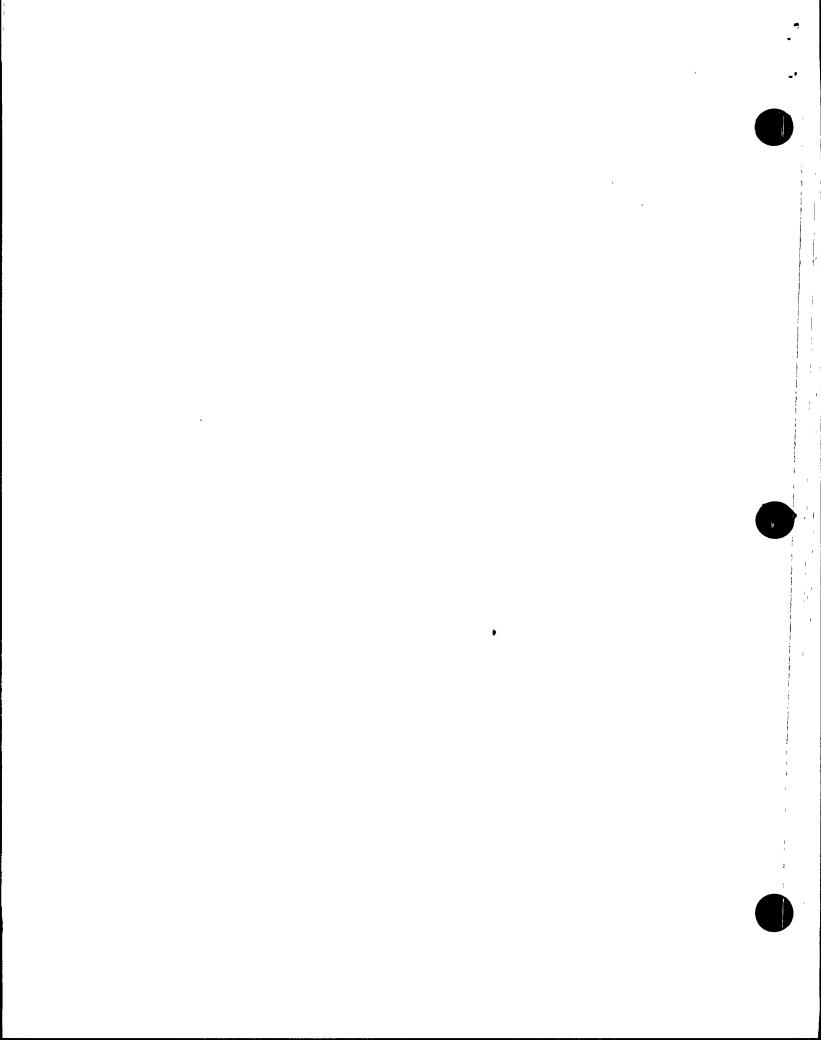
Southern California Edison Company ATTN: T. E. Oubre, Esq. P.O. Box 800 Rosemead, California 91770

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

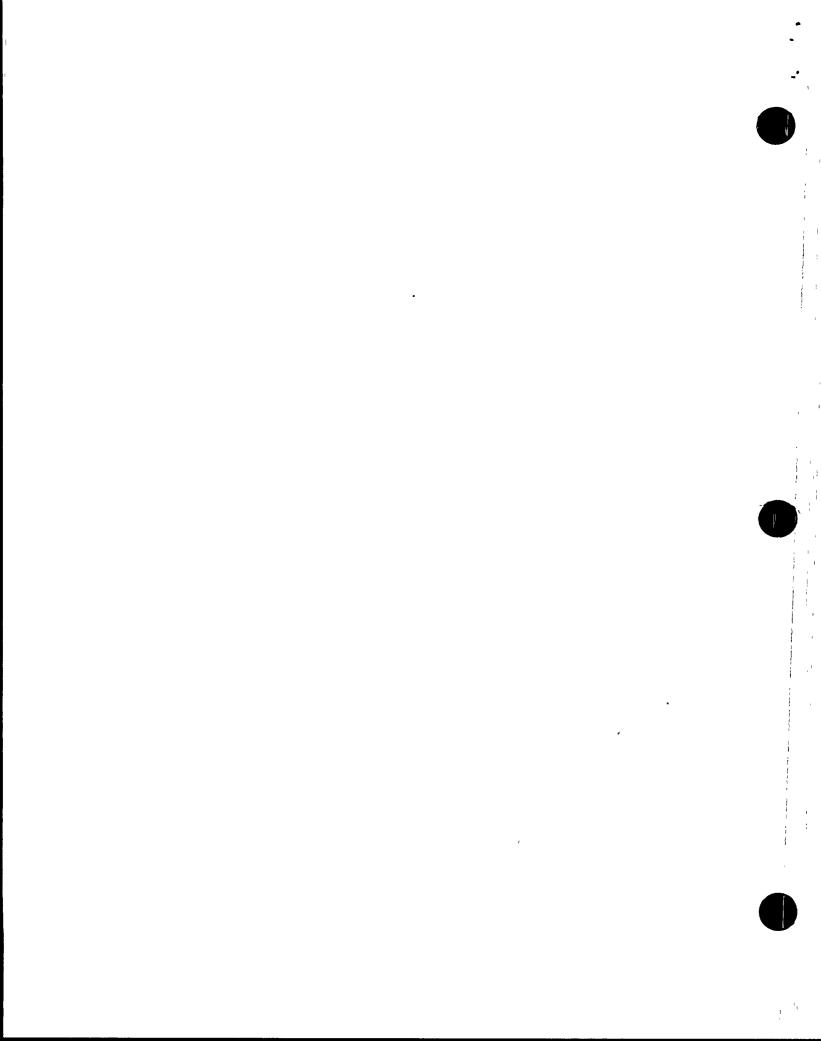
Maricopa County Board of Supervisors ATTN: Chairman 111 South Third Avenue Phoenix, Arizona 85003

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



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 (IEO1)

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)

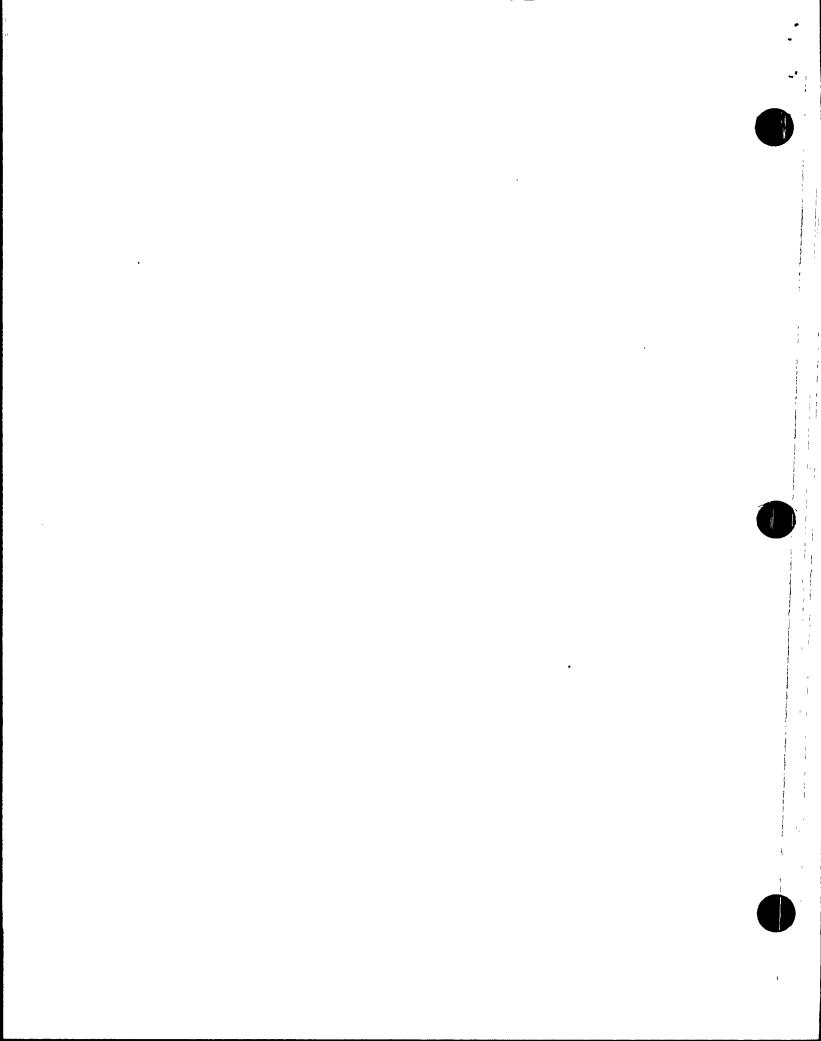
Resident Inspector MIS System RIV File Branch Chief (DRP/TSS) B. Henderson (PAO, WCFO)

DOCUMENT NAME:

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