



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV

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

JAN 10 1996

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

SUBJECT: NRC INSPECTION REPORT 50-528/95-21; 50-529/95-21; 50-530/95-21

This refers to the inspection conducted by Mr. K. E. Johnston and other inspectors of this office on November 5 through December 16, 1995, at the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with 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.

One unresolved item was identified concerning problems experienced with the essential chillers in Unit 1 and Unit 3. This matter is discussed in Section 5.5 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,

J. E. Dyer, Director
Division of Reactor Projects

Dockets: 50-528
50-529
50-530

Licenses: NPF-41
NPF-51
NPF-74

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Arizona Public Service Company

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Enclosure:

NRC Inspection Report

50-528/95-21; 50-529/95-21; 50-530/95-21

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

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. Nelson (DJN)
E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

bcc distrib. by RIV:

| | |
|--|------------------------|
| L. J. Callan | Resident Inspector |
| DRS-PSB | MIS System |
| Branch Chief (DRP/F, WCFO) | RIV File |
| Senior Project Inspector (DRP/F, WCFO) | Branch Chief (DRP/TSS) |
| Leah Tremper (OC/LFDCB, MS: TWFN 9E10) | M. Hammond (PAO, WCFO) |

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| 01/16/96 | | 01/10/96 | | 01/10/96 | | 01/16/96 | | | |

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E-Mail report to D. Nelson (DJN)
E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

bcc distrib. by RIV:

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

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| KEJohnston | K | DFKirsch | K | KEPerkins | K | JEDyer | K | | |
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