



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

December 21, 1999

*File Center*

*50-528/29/530*

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

**SUBJECT: CLOSEOUT OF GENERIC LETTER 96-05 FOR THE PALO VERDE NUCLEAR GENERATING STATION UNITS 1, 2, AND 3 (TAC NOS. M97080, M97081, AND M97082)**

Dear Mr. Overbeck:

On September 18, 1996, the NRC issued Generic Letter (GL) 96-05, "Periodic Verification of Design-Basis Capability of Safety-Related Motor-Operated Valves," requesting each nuclear power plant licensee to establish a program (or to ensure the effectiveness of its current program) to verify on a periodic basis that safety-related motor-operated valves (MOV) continue to be capable of performing their safety functions within the current licensing bases of the facility.

On November 14, 1996, Arizona Public Service Company (APS) submitted a 60-day response to GL 96-05 notifying the NRC that it would review the MOV program at the Palo Verde Nuclear Generating Station, Units 1, 2 and 3, to determine whether any changes were appropriate in light of the information in GL 96-05. On March 18, 1997, APS submitted a 180-day response to GL 96-05 stating that it had implemented a program to periodically verify safety-related MOVs at Palo Verde are capable of performing their safety functions. In this letter, APS provided a summary description of its MOV periodic verification program. In a letter dated July 19, 1998, APS updated its commitment to GL 96-05. On June 15, 1999, APS provided a response to a request for additional information regarding GL 96-05 forwarded by the NRC staff on March 17, 1999.

The NRC staff has reviewed APS' submittals and applicable NRC inspection reports for the MOV program at Palo Verde. The staff finds that APS has established an acceptable program to periodically verify the design-basis capability of the safety-related MOVs at Palo Verde through its commitment to all three phases of the Joint Owners Group (JOG) Program on MOV Periodic Verification and the additional actions described in its submittals. As discussed in the enclosed safety evaluation (SE), the staff concludes that APS is adequately addressing the actions requested in GL 96-05. As part of this review, the staff finds that the interim MOV static test program proposed for the Palo Verde units as an alternative to the JOG interim static test interval is acceptable.

The NRC staff may conduct inspections at Palo Verde to verify the implementation of the MOV periodic verification program is in accordance with APS' commitments cited in this SE and in

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the NRC's SE dated October 30, 1997, on the JOG Program on MOV Periodic Verification. Such an inspection could include an evaluation of APS' ranking of MOVs by their risk significance where applied as part of APS' implementation of its commitment to the three phases of the JOG program.

This completes the staff's efforts on TAC Nos. M97080, M97081 and M97082. If you have any questions regarding this matter, please contact me at (301) 415-3062.

Sincerely,

/s/

Mel Fields, Project Manager, Section 2  
Project Directorate IV & Decommissioning  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

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

Enclosure: Safety Evaluation

cc w/encl: See next page

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Mel Fields, Project Manager, Section 2  
Project Directorate IV & Decommissioning  
Division of Licensing Project Management  
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and STN 50-530

Enclosure: Safety Evaluation

cc w/encl: See next page

**Palo Verde Generating Station, Units 1, 2, and 3**

cc:

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