



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

January 14, 2000

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

SUBJECT: NRC PROBLEM IDENTIFICATION INSPECTION REPORT NO. 50-528/99-18; 50-529/99-18; 50-530/99-18

Dear Mr. Overbeck:

This refers to the inspection conducted on November 29 through December 3, 1999, at the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, facilities. In-office inspection of certain records requested by the inspectors was also performed in the weeks preceding the onsite portion of the inspection. The results of this inspection were discussed with your staff telephonically on January 14, 2000. The purpose of the inspection was to review your facility's corrective action program, using the guidance provided in NRC Inspection Procedure 40500. The enclosed report presents the results of this inspection.

On the basis of the sample reviewed, your corrective action program was generally implemented with an appropriate threshold for identifying, classifying, and prioritizing adverse conditions. The corrective action program was found acceptable and your staff was considered aggressive and self-critical in identifying and resolving adverse conditions.

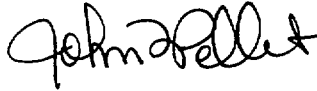
Based on the results of this inspection, the NRC has determined one Severity Level IV violation of NRC requirements occurred related to a failure to comply with procedures. The violation is being treated as a noncited violation, consistent with Section VII.B.1 of the NRC Enforcement Policy. The noncited violation is described in the subject inspection report. If you contest the violation or severity level of the noncited violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Palo Verde Nuclear Generating Station.

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

PDR ADock

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

Sincerely,



John L. Pellet, Chief  
Operations Branch  
Division of Reactor Safety

Docket Nos.: 50-528; 50-529; 50-530  
License Nos.: NPF-41; NPF-51; NPF-74

Enclosure:  
NRC Inspection Report No.  
50-528/99-18; 50-529/99-18; 50-530/99-18

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- E-Mail report to D. Lange (DJL)
- E-Mail report to NRR Event Tracking System (IPAS)
- E-Mail report to Document Control Desk (DOCDESK)
- E-Mail notification of report issuance to the PV SRI and Site Secretary (JHM2, TLB4).
- E-Mail notification of issuance of all documents to Nancy Holbrook (NBH).

bcc to DCD (IE01)

- bcc distrib. by RIV:
- Regional Administrator
- Resident Inspector
- DRP Director
- RIV File
- DRS Director
- Branch Chief (DRP/D)
- Senior Project Engineer (DRP/D)
- Branch Chief (DRP/TSS)

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