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**10 CFR 50.55a**

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102-05348-CKS/TNW/RJR  
September 26, 2005

ATTN: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Unit 3, Docket No. STN 50-530  
Analysis of Reactor Vessel Material Surveillance Capsule at 230°**

Pursuant to 10 CFR 50, Appendix H, this letter transmits the attached copy of Westinghouse Report WCAP-16449-NP, "Analysis of Capsule 230° from Arizona Public Service Company Palo Verde Unit 3 Reactor Vessel Radiation Surveillance Program," dated August 2005. APS completed Unit 3's Refueling Outage on December 7, 2004.

The report presents the results of the examination of the Unit 3 surveillance capsule removed from the 230° location and is the second capsule to be removed from the reactor. The 230° capsule was removed from the reactor vessel during Unit 3's 11<sup>th</sup> refueling outage after 13.75 effective full power years (EFPY) of plant operation (exposure).

Based on the enclosed surveillance capsule test results, properties of the reactor beltline materials are predicted to remain more than adequate for continued safe plant operation through the end of the current license (about 32 EFPY) and a potential license renewal (to about 54 EFPY). The surveillance results presented in the enclosed report do not change the value of RT (PTS) calculated for Palo Verde pursuant to 10 CFR 50.55a. No changes to the current PVNGS Technical Specification are required as a result of this Analysis.

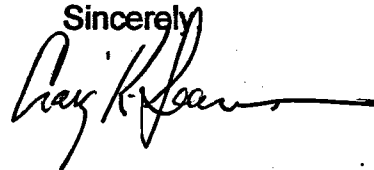
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U3 Reactor Vessel Material Surveillance Capsule at 230°  
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This letter does not make any commitments to the NRC. Please contact Thomas N. Weber at (623) 393-5764 if you have any questions or require additional information.

Sincerely  


CKS/TNW/RJR/ca

Attachment: WCAP-16449-NP, "Analysis of Capsule 230° from Arizona Public Service Company Palo Verde Unit 3 Reactor Vessel Radiation Surveillance Program", dated August 2005.

cc: B. S. Mallett  
M. B. Fields  
G. G. Warnick