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April 22, 1991

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Nos. 50-528-OLA-2, 50-529-OLA-2
)	and 50-530-OLA-2
ARIZONA PUBLIC SERVICE)	
COMPANY, et al.)	(Allowable Setpoint Tolerance)
)	
(Palo Verde Nuclear Generating)	ASLBP No. 91-633-05-OLA-2
Station, Units 1, 2 and 3))	

Joint Report of Settlement Negotiations

Following the direction of the Licensing Board at the prehearing conference on April 10, 1991, the representatives of the NRC Staff, the Mitchell Petitioners and the Licensees met to discuss possible settlement of the matters raised by the Mitchell Petitioners proposed Contention 1. At the meeting the Licensees stated that they are willing to commit in writing that when they do surveillance tests of the Pressurizer Safety Valves (PSVs) and Main Steam Safety Valves (MSSVs) in accordance with the ASME Code and 10 CFR 50.55a, any valves that are found outside the range of plus or minus one percent of their nominal setpoint will be readjusted to within plus or minus one percent. Licensees asked Petitioners if Contention 1 could be resolved based on this commitment.

Petitioners stated that the Licensees' proposed commitment would not resolve their concern, and that they continue to be concerned that valves that Licensees now test at every refueling outage will be allowed to go untested for one or more outages. Their view is that

valves that go one or more cycles without testing will have an increased risk of unacceptable setpoint drift. The representative for the Mitchell Petitioners further stated that Contention 1 would be resolved if Licensees also would commit to testing all MSSVs and PSVs at each outage, even if the ASME Code and the regulations would permit testing of a lesser number of valves.

The meeting was ended to give participants an opportunity to consult their respective clients. Subsequently a telephone conference call was conducted on April 19, 1991 among the representatives for the three parties to discuss their clients' decisions. It was apparent from the discussion in the telephone conference that a settlement of Contention 1 is not possible.

Respectfully submitted,

/s/ Lisa Clark*

L. Clark

/s/ David K. Colapinto*

D. Colapinto

Alvin H. Gutterman

A. Gutterman

*Copies of this report separately signed by Ms. Clark and by Mr. Colapinto are available in the files of Newman & Holtzinger, P.C.

April 22, 1991

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

'91 APR 23 P12:19

In the Matter of)	Nos. 50-528-OLA-2, 50-529-OLA-2
ARIZONA PUBLIC SERVICE)	and 50-530-OLA-2
COMPANY, et al.)	(Allowable Setpoint Tolerance)
(Palo Verde Nuclear Generating)	
Station, Units 1, 2 and 3))	ASLBF No. 91-633-05-OLA-2

CERTIFICATE OF SERVICE

I hereby certify that a copy of "Joint Report of Settlement Negotiations" in the above captioned proceeding was served on the following by deposit in the United States mail, first class, properly stamped and addressed, on the date shown below.

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Atomic Safety and Licensing Board Panel
Adjudicatory File
Washington, D.C. 20555
(two copies)

Office of the Secretary
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Washington, D.C. 20555

Attention: Chief, Docketing and Service Section
(Original plus two copies)

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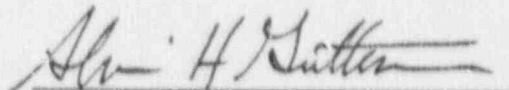
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