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FOR IMMEDIATE RELEASE
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NRC STAFF PROPOSES TWO FINES TOTALLING \$162,500
AGAINST ARIZONA PUBLIC SERVICE COMPANY

The Nuclear Regulatory Commission staff is proposing to fine Arizona Public Service Company \$112,500 for alleged violations of NRC requirements associated with a partial loss of offsite power event which occurred at Unit 3 of the Palo Verde Nuclear Generating Station (PVNGS) on November 15, 1991, and \$50,000 for alleged violations associated with a core alteration which occurred on October 27, 1991. NRC Regional Administrator John B. Martin notified the company of the alleged violations by letter on February 3, 1992.

During an inspection conducted October 27 through December 2, 1991, NRC inspectors identified the following alleged violations related to the November 15, 1991, event:

1) An electrical checker and signalman were not stationed at the work site at all time while a mobile crane was being used near an energized power line; no allowance was made for out-of-level conditions for the crane; the crew using the crane was required to work without adequate rest; work planners were not familiar with the details of the work being conducted; and the individual designated as an independent observer and responsible for the job was not provided a copy of the controlling work order, nor was he informed of his added responsibilities.

2) The crane used was not grounded and a two-foot clearance between the uninsulated boom section and the energized power line was not maintained.

3) Operators failed to identify the originators of calls to the control room; failed to ensure correct identification of the specific overhead power lines being reported as a problem; and failed to acknowledge receipt and understanding of information passed on to the control room via telephone.

4) As of November 15, 1991, the lessons learned from previous events at other sites formally communicated by the NRC in Information Notices dated April 16, 1990, and March 11, 1991, and in a letter dated March 21, 1991, were not effectively

incorporated into PVNGS operations, training and procedures to prevent the same type of event.

These alleged violations have been categorized as a Severity Level III problem on a scale of I to V with Level I representing a problem or violation of very significant safety concern and Level V a problem or violation of minor concern. The base civil penalty for Severity Level III is \$50,000. The base civil penalty was increased 25 percent because the licensee's corrective actions were too narrowly focused and did not address underlying deficiencies. The base penalty was also increased 100 percent for prior notice of similar events, for a total proposed civil penalty of \$112,500.

On October 27, 1991, while Unit 2 was in the refueling mode, a core alteration involving a withdrawal of the control element assemblies of at least one foot was conducted without a licensed Senior Reactor Operator present and without direct communications established between the control room and personnel at the refueling station.

This alleged violation has been categorized Severity Level III. The base civil penalty, \$50,000, was mitigated 50 percent because the licensee identified and reported the violation, but was increased an equivalent 50 percent because the immediate corrective actions, though prompt, did not address the overall issue of lack of clear responsibility and control over the evolution.

Three Severity Level IV violations related to the October 27, 1991, event were also identified. No additional civil penalty was proposed.

APS now has 30 days to submit a written statement to the NRC admitting or denying the alleged violations, explaining the reasons for them if admitted, stating the corrective actions which have been or will be taken and the date when full compliance was or will be achieved.

The company also has 30 days to pay the proposed fines or to protest them, in whole or in part. If the fines are protested and later imposed, APS may request a public hearing.

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