

ENCLOSURE 1

NOTICE OF VIOLATION

Arizona Public Service Company

Docket: 50-528
50-529
50-530

Palo Verde Nuclear Generating Station

License: NPF-41
NPF-51
NPF-74

During an NRC inspection conducted on May 13-17, 1996, three examples of a violation of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

Paragraph 2.E. of the Facility Operating License NPF-41 for Palo Verde Nuclear Generating Station requires the licensee to fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans, including all amendments to those plans made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55, and pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p).

- Paragraph 1.3.1 of the licensee physical security plan requires the access authorization program to meet the requirements of Regulatory Guide 5.66.
- Regulatory Guide 5.66, under Clarification to the Guidelines, paragraph 2, states that, while it is permissible to grant temporary unescorted access for 180 days, a licensee cannot grant back-to-back temporary unescorted access.
- Paragraph 3.11.1 of Procedure 20AC-OSK07 states "A temporary authorization for unescorted access to the Protected/Vital areas of PVNGS may be granted for a single 180-day period pending completion or collection of information required for permanent authorization."
- Paragraph 3.7.4 of Procedure 20AC-OSK07 states "In determining whether an individual is trustworthy and reliable, specific consideration must be given to any of the following which is revealed in the security screening process: Willful omission or falsification of material information submitted in support of employment or request for unescorted access authorization."
- Paragraph 3.1 of Licensee Procedure 20DP-OSK18 requires that the request for unescorted access be signed by only certain responsible individuals prior to issuing a badge/keycard.

- Paragraph 3.2.1.8 of the Licensee Procedure 20AC-OSK07 states "The individuals reputation for emotional stability, reliability, and trustworthiness shall be examined through contacts with at least two references supplied by the individual requesting access and at least two additional references developed during the background investigation."

Contrary to the above: (1) On October 18, 1995, the licensee incorrectly granted back-to-back temporary unescorted access to an individual who may have willfully omitted or falsified information. This individual was previously granted temporary unescorted access between July 14 and August 9, 1994. (2) During a review of access authorization records, the licensee discovered and reported an incident where an employee was granted unescorted access and his background screening records did not indicate a developed reference. A developed reference was, subsequently, contacted and the employee was again allowed unescorted access. (3) A safeguards event report dated March 14, 1996, indicated that an employee had been granted unescorted access and issued a badge prior to getting an authorized signature on the access authorization documents. A similar violation was identified in NRC Inspection Report 50-528/95-11; 50-529/95-11; 50-530/95-11.

This is a Severity Level IV violation (Supplement III).

Pursuant to the provisions of 10 CFR 2.201, Arizona Public Service Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued to show cause why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Dated at Arlington, Texas,
this 21st day of June 1996

