Appendix A

Notice of Violation

During an inspection conducted May 16-27, 1988, two violations 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 (1987), the violations are listed below:

Arizona Public Service Company
Palo Verde Nuclear Generating Station Unit 2

Docket No. 50-529 License No. NPF-51

- A. 10 CFR 20.201, "Surveys." states in part:
 - "(a) As used in the regulations in this part, "survey" means an evaluation of the radiation hazards incident to the ... release, disposal, or presence of radioactive materials ... under a specific set of conditions. When appropriate, such evaluation includes ... measurements of ... concentrations of radioactive materials present.
 - (b) Each licensee shall make or cause to be made such surveys as ... (2) are reasonable under the circumstances to evaluate the extent of radiation hazards that may be present."

Contrary to the above, on August 28, 1987, the licensee vented radioactive noble fission product gases from portions of the gaseous radwaste system without prior evaluation of the potential release. A release of approximately 15.3 curies of noble gas occurred which resulted in the declaration and notification of an Unusual Event.

This is a Severity Level IV Violation (Supplement IV).

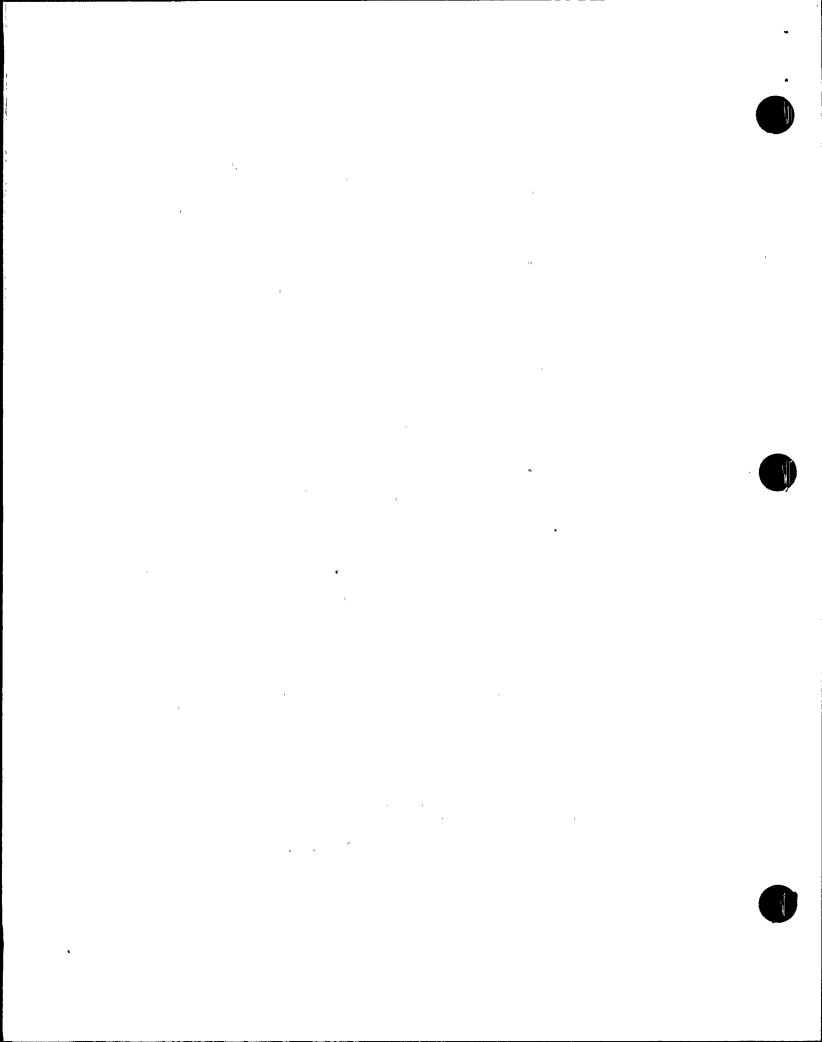
Palo Verde Nuclear Generating Station Unit 1

Docket No. 50-528 License No. NPF-41

- B. 10 CFR 71.5, "Transportation of licensed materials." states, in part:
 - "(a) Each licensee ... who delivers licensed material to a carrier for transport, shall comply with the applicable requirements of the regulations appropriate to the mode of transport of DOT in 49 CFR Parts 170 through 189."
 - 49 CFR 173.425, "Transport requirements for low specific activity (LSA) radioactive materials." states in section (b)(6):
 - "Shipment must be braced so as to prevent shifting of lading under conditions normally incident to transportation."

In addition, 49 CFR 173.448, "General transportation requirements." states in section (a):

"Each shipment of radioactive materials shall be secured in order to prevent shifting during normal transport conditions."



Contrary to the above, licensee radwaste shipments 88-RW-21 and 88-RW-23 were observed to arrive at the Beatty, Nevada waste disposal site with loose chain restraints, and further, shipment 88-RW-21 was observed to have shifted during transport as evidenced by loosened or broken bracing.

This is a Severity Level IV Violation (Supplement V).

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, DC 20555 with a copy to the Regional Administrator, Region V, within 30 days of the date of the letter transmitting this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reasons for the violations, if admitted, (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 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. Consideration may be given to extending the response time for good cause shown.

Dated at Walnut Creek, California this \perp day of July, 1988

FOR THE NUCLEAR REGULATORY COMMISSION

Ross A. Scarano, Director Division of Radiation Safety and

Safeguards