

Appendix A

Notice of Violation

Arizona Public Service Company Docket Nos. 50-528, 50-529 and 50-530
Palo Verde Nuclear Generating Station License Nos. NPF-41, NPF-51 and NPF-74
Units 1, 2 and 3

During an NRC inspection conducted June 5-15 and June 26-30, 1989, and in telephone conversations on July 5, 1989, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), as modified by 53 Fed. Reg. 40019 (October 13, 1988), the violation is listed below:

- A. Technical Specification 6.11.1 requires procedures for personnel radiation protection to be prepared consistent with the requirements of 10 CFR Part 20 and to be approved, maintained and adhered to for all operations involving personnel radiation exposure.

Licensee Procedure 75RP-9XC08, Leak Testing and Inventory of Radioactive Sources, and licensee Procedure 75AC-9RP05, Source Control provide in part that the Central RP Group and Unit RP Groups shall inventory on a semi-annual basis all non-exempt quantity sources in their custody, respectively, and that the inventory shall physically account for all such sources.

Procedure 75AC-9RP05, Source Control, requires in part that the Central RP Group and the Unit Radiation Protection Groups enter into their respective Source Tracking Systems a record of each non-exempt quantity source.

This procedure further requires that all sources or source containers shall be labeled with a durable, clearly visible label which shall include at least the trefoil, source i.d. number, the words "Caution Radioactive Materials," the isotope or isotopes, and the activity of each isotope.

Contrary to the above, as of June 28, 1989:

1. Neither the Central Radiation Protection nor the Unit Radiation Protection Groups' Source Tracking System records included non-exempt quantities of Americium-241. At least 31 non-exempt Am-241 sealed sources were located in each of the three Units, and 37 non-exempt Am-241 sealed sources were located in the site warehouse.
2. Neither the Central Radiation Protection Group nor the Unit Radiation Protection Groups conducted required semi-annual inventories of non-exempt Am-241 sources that were in their custody.
3. At least eight non-exempt sealed Am-241 sources in Units 2 and 3 had illegible labels. Another source was found to have a label that was completely obstructed by a metal bracket.

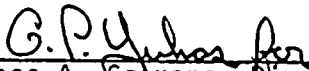


This is a Severity Level IV violation (Supplement IV).

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 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 for each violation: (1) the reason for the violation, 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.

FOR THE NUCLEAR REGULATORY COMMISSION

Dated at Walnut Creek, California
this 25 day of July, 1989



Ross A. Scarano, Director
Division of Radiation Safety and
Safeguards