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          STN-50-530 Palo Verde Nuclear Station, Unit 3, Arizona Publi 05000530

AUTH. NAME      AUTHOR AFFILIATION  
 CHAFFEE, A.E.      Region 5, Ofc of the Director  
 RECIP: NAME      RECIPIENT AFFILIATION  
 CONWAY, W.F.      Arizona Public Service Co. (formerly Arizona Nuclear Power

SUBJECT: Forwards Insp Repts 50-528/89-30, 50-529/89-30 & 50-530/89-30  
 on 890612-0806 & notice of violation.

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AUG 29 1989

Docket Numbers 50-528  
50-529  
50-530

Arizona Nuclear Power Project  
P. O. Box 52034  
Phoenix, Arizona 85072-2034

Attention: Mr. W. F. Conway,  
Executive Vice President, Nuclear

Gentlemen:

Subject: NRC Inspection of Palo Verde Units 1, 2 and 3

This refers to the inspection conducted by Messrs. T. Polich, D. Coe, C. Myers, and P. Qualls, on June 12 through August 6, 1989, of activities authorized by NRC License Nos. NPF-41, NPF-51 and NPF-74, and to the discussion of our findings held by the inspectors with members of the Arizona Nuclear Power Project staff at the conclusion of the inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Based on the results of this inspection, it appears that several of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A.

Paragraph 11 of the enclosed inspection report discusses a long standing problem with the operation of the Unit 2 pressurizer spray valves, which contributed to a safety injection actuation following the July 12, 1989 Unit 2 reactor trip. Our review determined that the problem with the spray valves has a lengthy documented history, however, the issue has only recently been raised to upper management's attention. As we have discussed with you during recent NRC/ANPP management meetings, we are concerned that other issues of long duration may exist which have not received an appropriate level of attention. We encourage you to take whatever actions are necessary to ensure that known plant problems are being promptly and completely acted on.

Following the July 12, 1987 reactor trip, portions of the non safety related main feedwater (MFW) system were inadvertently overpressurized. In discussions with you and your staff, we have frequently expressed the importance of stopping when faced with uncertainty, and the importance of conducting engineering work in a rigorous, documented, and controlled manner. Therefore we were disappointed to conclude that the actions taken by your engineering staff to evaluate the overpressurization condition were hurried, poorly documented initially, and based on erroneous assumptions. This is further discussed in paragraph 12 of the enclosed report.

8909130123 890829  
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Q PDC



Paragraph 14 of the enclosed inspection report discusses the setting of an Atmospheric Dump Valve nitrogen pressure regulator in accordance with verbal vendor instructions contrary to component technical manual requirements. This resulted in the improper setting and subsequent malfunction of the regulator. We are concerned about your lack of controls in the performance of safety-related maintenance on important plant components. In your response to the attached Notice of Violation, please discuss the specific quality controls you are implementing to preclude recurrence of the cited problem.

Your response to the enclosed Notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

The response directed by this letter and the accompanying Notice are not subject to the clearance procedure of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

*Original Signed*

A. E. Chaffee, Deputy Director  
Division of Reactor Safety and Projects

Enclosure:

1. Appendix A - Notice of Violation
2. Inspection Report Numbers 50-528/89-30, 50-529/89-30, and 50-530/89-30

cc w/enclosures:

J. G. Haynes, Vice President, Nuclear Production  
W. F. Quinn, Manager, Licensing  
T. D. Shriver, Manager, Compliance  
B. Ballard, Director, Quality Assurance  
R. Fuller, Manager, Quality Audits & Monitoring  
A. C. Gehr, Esq.  
Ms. L. Bernabei, GAP  
J. Brown, Arizona Corporation Commission



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