90-12

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V
1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

MAY 21 1990

Docket Numbers 50-528, 50-529, and 50-530

Arizona Public Service Company
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. D. Coe, J. Ringwald, J. Sloan, C. Myers, and P. Qualls, from March 4 through April 14, 1990, 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 Public Service Company 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.

One of the violations identified during this inspection is associated with an apparent failure to have engineering information correctly communicated to workers at Unit 3. Specifically, maintenance personnel at Unit 3 understood the maximum torque allowed for work on a primary system valve to be 75 ft-lbs, while engineering had intended the maximum torque to be 30 ft-lbs. This occurrence is being highlighted due to the number of other recent examples of weak communications between engineering and the unit staffs. Other recent examples include:

- Improper calibration of a High Pressure Safety Injection flow transmitter at Unit 1 (Inspection Report (IR) 528/89-49).
- Inaccurate information presented in a training video for detecting Control Element Drive Mechanism grounds (IR 529/89-49).
- Inconsistent interim corrective actions taken between the 3 units to address issues associated with the Emergency Diesel Generator air start system excess flow check valves (IR 530/89-36).
- A failure to incorporate the proper correction factor curve into the associated procedure for Unit 3 mid-loop operations (IR 530/89-16).

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- Inappropriate approval of a 10 CFR 50.59 evaluation (IR 530/90-03).

These examples indicate a need to improve the clarity of engineering output documents and the degree to which user groups understand their basis, disposition, and limitations.

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

In accordance with 10 CFR Part 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,

S. A. Richards, Chief
Reactor Projects Branch

Enclosures:
1. Appendix A - Notice of Violation
2. Inspection Report Numbers 50-528/90-12, 50-529/90-12, and 50-530/90-12

cc w/enclosures:
J. M. Levine, Vice President, Nuclear Power Production
W. F. Quinn, Manager, Licensing
T. Bradish, Manager, Compliance
B. Ballard, Director, Quality Assurance
R. Fullmer, Manager, Quality Audits & Monitoring
A. C. Gehr, Esq.
Ms. L. Bernabei, GAP
J. Brown, Arizona Corporation Commission

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bcc w/enclosures:
docket file
G. Cook
B. Faulkenberry
J. Martin
Resident Inspector
Project Inspector
A. Chaffee
R. Zimmerman

bcc w/o enclosure 2:
J. Zollicoffer
M. Smith
N. Western

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