



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596
NOV - 6 1990

90-38

Docket Nos. 50-528, 50-529, and 50-530

Arizona Public Service Company
P. O. Box 53999, Sta. 9012
Phoenix, Arizona 85072-3999

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

Gentlemen:

SUBJECT: NRC INSPECTION OF PALO VERDE NUCLEAR GENERATING STATION UNITS
NOS. 1, 2, AND 3

This refers to the special inspection conducted by NRC inspectors M. Miller, D. Proulx, and P. Galon of this office during September 10-25, 1990, and additional inspection activities conducted in the Region V office during October 1-23, 1990. The special inspection examined activities authorized by NRC License Nos. NPF-41, NPF-51, and NPF-74. This, also, refers to the discussion of our findings held with members of your 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.

During the course of this inspection, the inspectors identified concerns in the following areas: the need for improvement in specific areas of your quality program; the use of improper engineering and work control documentation; errors in quality program procedures; and the improper disposition of a nonconforming condition. Each area is discussed below.

Improvement In Specific Areas of your Quality Program

Over the past year, NRC inspections have identified weaknesses in your programs to identify nonconforming situations and conditions adverse to quality. At this time, it appears that these programs, and their implementation, have improved. Based on this inspection, you appear to have identified and resolved nonconforming conditions more quickly and thoroughly than past inspections have found. However, there are still weaknesses in this program, which are discussed later in this letter, and in the enclosed inspection report.

Improper Documentation

Your improved quality program implementation, as well as NRC inspector observations, have identified several examples of improper documentation, both in the use of inappropriate work control documentation and in the inadequate documentation of engineering evaluations. In several cases, these types of situations seem to have occurred when the individuals involved perceived a sense of urgency. Specific instances are discussed in the enclosed inspection report. The following are two examples:

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1. Inappropriate Work Control Documentation. During the Unit 2 outage of January, 1990, a modification to install the reactor vessel level indication was tested using incorrect administrative controls. A temporary procedure, rather than work order, was used. As a result, the final plant configuration was not set properly. A plastic hose remained attached to the pressurizer and was exposed to reactor coolant system pressure after the testing was finished. The tube ruptured during operations to fill the reactor coolant system.
2. Failure to Document a Significant Engineering Evaluation: During an outage in June, 1990, preparations were made to remove a flange to perform reactor coolant pump work. The procedure required that, before the flange was removed, the reactor coolant level be below 101'4" to minimize the effects of reactor coolant leakage. Because other work in the plant at that time required a higher reactor coolant level, plant management and engineering determined that it was acceptable for the reactor coolant level to be as high as 103'8" for the flange removal. The basis for the acceptability of the higher level was not documented before the flange was removed. The flange was removed at 103'8". More leakage occurred than was expected.

Your quality programs have identified corrective action for specific cases, and for some generic areas. These instances may be precursors to more significant events. Considering the frequency with which these problems have been identified, and risks involved if similar problems continue, the generic issues need to be more thoroughly addressed.

Improper Resolution of a Nonconforming Condition

This inspection found that you initiated power operations apparently without proper disposition of a nonconforming safety related breaker. Because the improvements in your quality programs appear to have implemented appropriate corrective action, this violation is non-cited.

Errors In Procedures

During review of your procedures, the inspectors identified several inaccurate references to procedure steps and to other plant procedures. These errors were noted as peripheral observations during a routine inspection of your technical work. However, the number of these errors may imply that:

1. A number of inaccurate references may exist in your engineering and quality procedures, and
2. During routine use of these procedures by plant personnel, these inaccuracies were not being identified and fixed.

We recognize that many of your procedures have undergone extensive revision in the last six months. However, other procedures which contain these types of errors have been substantially in place for a year or more. The need for accurate procedure references is obvious, as is the need for the personnel to identify inaccuracies as they are encountered. Management attention is required to reduce the number of inaccurate references in procedures.

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.

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

Sincerely,


Dennis F. Kirsch, Chief
Reactor Safety Branch

Enclosures:

Inspection Report Nos. 50-528/90-38, 50-529/90-38, and 50-528/90-38

cc w/enclosure:

Mr. O. Mark DeMichele, APS
Mr. James M. Levine, APS
Mr. Jack N. Bailey, APS
Mr. E. C. Simpson, APS
Mr. Blaine E. Ballard, APS
Mr. Thomas R. Bradish, APS
Mr. Robert W. Page, APS
Mr. Arthur C. Gehr, Esq., Snell & Wilmer
Mr. A. Guttermann, Newman & Holtzinger P. C.
Mr. Charles R. Kocher, Esq., Assistant Council, SCE Company
Mr. Charles A. Boeletto, Esq., SCE Company
Mr. Charles B. Brinkman, Combustion Engineering, Inc.
Mr. Charles Tedford, Director, Arizona Radiation Regulatory Agency
Chairman, Maricopa County Board of Supervisors
Mr. John W. Norman, Chief, Arizona Corporation Commission

bcc w/enclosure:
 Docket File
 Resident Inspector
 Project Inspector
 G. Cook
 B. Faulkenberry
 J. Martin
 N. Western
 T. Alexion, Project Directorate IV
 M. McCoy, SRXB/DST, NRR

bcc w/o enclosure:
 M. Smith
 J. Zollicoffer

REGION V

MMiller *mm*
 11/2/90

DProulx *DP*
 11/6/90

RHuey *RH*
 11/10/90

AJohnson *AJ*
 11/21/90

DFKirsch *K*
 11/6/90

REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY
YES / NO	YES / NO	YES / NO	YES / NO	YES / NO

SEND TO PDR
YES / NO