

90-45



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

DEC - 4 1990

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

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

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 and J. Sloan, from September 30 through November 3, 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 one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. Our concern over the apparent deficiencies in the retest procedures for certain safety-related valves is heightened by the extended time and extensive NRC inspector involvement required to attain a thorough review of this area.

In addition, recent errors discovered by your staff in the database affecting the Core Operating Limits Supervisory System (COLSS) calculations are of concern in that it appears your staff failed to thoroughly address discrepancies in the database identified by the vendor several months prior to your recognition of the errors. We note that you have initiated an investigation into the root cause of these and previous errors. Although the safety significance of each of these errors was small, they appear to reflect a potential programmatic problem in the control of computer data. We will review your evaluation and corrective actions in future inspections.

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.

9012210009 901204
PDR ADDCK 0500052U
Q PDR

TEO1



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,

Enclosure:

1. Appendix A - Notice of Violation
2. Inspection Report Numbers 50-528/90-45, 50-529/90-45, and 50-530/90-45

cc w/enclosures:

Mr. Jack N. Bailey, APS
 Mr. Blaine E. Ballard, APS
 Mr. Thomas R. Bradish, APS
 Mr. O. Mark De Michele, APS
 Mr. James M. Levine, APS
 Mr. Robert W. Page, APS
 Mr. E. C. Simpson, APS
 Mr. Arthur C. Gehr, Esq., Snell & Willmer
 Mr. Al Gutterman, Newman & Holtzinger, P. C.
 Mr. Charles R. Kocher, Esq., Assistant Council, SCE Company
 Mr. James A. Boeletto, Esq., (same address as Mr. Kocher)
 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/enclosures:
Docket File
Project Inspector
Resident Inspector
G. Cook
B. Faulkenberry
J. Martin
A. Johnson

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

REGION V/jg
DCoe *HJC*
12/3/90

HJC
JRingwald
12/3/90

HJC
JSloan
12/3/90

HJC
HWong
12/3/90

MS for AJ
AJohnson
12/4/90

REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY
<input checked="" type="checkbox"/> YES / NO	<input checked="" type="checkbox"/> YES / NO	<input checked="" type="checkbox"/> YES / NO	<input checked="" type="checkbox"/> YES / NO	YES / <input checked="" type="checkbox"/> NO

SAK
SRichards
12/4/90

REQUEST COPY
 YES / NO

SEND TO PDR
 YES / NO

