



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

FEB 19 1991

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 December 2, 1990, through January 5, 1991, 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 evolutions was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. The violation is associated with a Unit evolution performed on December 6, 1990, when the Reactor Coolant System (RCS) boron concentration was inadvertently diluted while placing an ion exchanger in service. Your own Incident Investigation Report identified that weaknesses in crew performance, procedures, and communications all contributed to this situation. While the violation meets the criteria in Section V.G. of the NRC Enforcement Policy for not being cited, we consider it appropriate to issue a violation to highlight the weaknesses evident during the evolution and the missed opportunities to prevent or mitigate the RCS dilution. In addition to your response to the enclosed Notice, we request that you address the weaknesses noted in Paragraph 7 of this report, beyond the procedural inadequacy that the Notice cites.

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

In accordance with 10 CFR Part 2.790(a), a copy of this letter and the enclosure 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.

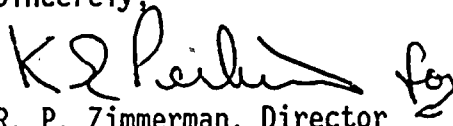
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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,


R. P. Zimmerman, Director
Division of Reactor Safety
and Projects

Enclosures:

1. Appendix A - Notice of Violation
2. Inspection Report Numbers 50-528/90-54, 50-529/90-54, and 50-530/90-54

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. 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. Steve M. Olea, Chief, Engineering, Arizona Corporation Commission



bcc w/enclosures:
 docket file
 Mr. G. Cook
 Mr. B. Faulkenberry
 Mr. J. Martin
 Resident Inspector
 Project Inspector

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

REGION V
 DCoe ^{HJW}
 2/15/91

^{HJW}
 JRingwald
 2/14/91

^{HJW}
 JSloan
 2/15/91

^{HJW}
 HWong
 2/15/91

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

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 SRichards
 2/17/91

^K
 KPerkins
 2/15/91

^{LPZ}
 RZimmerman
 2/19/91
 cover letter 17/1 only

^{AK}
 2/14/91

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

SEND TO PDR
YES / NO

