



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION V

1450 MARIA LANE, SUITE 210  
WALNUT CREEK, CALIFORNIA 94596-5368

AUG 2 - 1991

Docket Nos. 50-528, 50-529, and 50-530  
License Nos. NPF-41, NPF-51, and NPF-74

Arizona Public Service Co.  
ATTN: Mr. W. F. Conway  
Executive Vice President, Nuclear  
Post Office Box 53999, Station 9012  
Phoenix, Arizona 85027-3999

SUBJECT: NRC INVESTIGATION REPORT NOS. 91-24G and 91-28G

This refers to the investigations conducted by the NRC Office of the Inspector General (OIG) into allegations that (1) your personnel failed to provide complete and accurate information to an NRC inspector in February 1990 (91-24G), and (2) a senior manager destroyed a draft report which was critical of the emergency lighting system at Palo Verde to preclude the NRC from obtaining it (91-28G). After review of the evidence developed during the two investigations, the NRC has decided not to take any enforcement action for these matters.

OIG Investigation 91-24G focused on an issue involving copying and mailing documents to NRC inspectors. Though it is recognized that administrative errors occur from time to time, we were concerned that a discrete group of selected documents was not forwarded to the Regional Office as requested. Those documents were the subject of an extensive discussion and review by management personnel in the course of determining whether they should be sent. Though your managers gave explicit instructions to assure that the NRC was given all of the documents, the selected documents were not received and the NRC had to request them a second time. The investigation concluded that there was at least negligence involved but did not establish that the documents were intentionally withheld. However, of all the materials Palo Verde was forwarding to the NRC, the only documents not received were those over which there was some concern by Palo Verde employees as to whether they were appropriate for transmittal to the NRC. We trust that you will take appropriate action to assure that documents requested by the NRC are provided.

OIG Investigation 91-28G did not substantiate an allegation that a senior manager ordered the destruction of an internal report to keep it from the NRC, but instead found that a lower level supervisor mischaracterized his management's position to a subordinate. The subordinate assumed there was wrongdoing and made the allegation. Though the supervisor did not violate an NRC regulation, his actions were clearly not an acceptable practice in an industry with high safety and personal integrity standards. We trust that you will take appropriate action to counsel this individual.

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If you have any question regarding this matter please contact Mr. R. Zimmerman of my staff.

*John B. Martin*  
John B. Martin  
Regional Administrator

cc:

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. Al Gutterman, Newman & Holtziner P.C.  
Mr. James A. Boeletto, Esq. Assistant Counsel, SCE  
Mr. Charles B. Brinkman, Combustion Engineering, Inc.  
Mr. Charles Tedford, Director, Arizona Radiation Regulatory Agency  
Chairman, Maricopa County Engineer Board of Supervisors  
Mr. Steve M. Olea, Chief, Arizona Corporation Commission  
Ignacio R. Troncoso, El Paso Electric Company  
Roy P. Lessey, Jr., Esq. Akin, Gump, Strauss, Hauer and Feld  
Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld

bcc:  
JLieberman, OE  
DWilliams, OIG  
JGoldberg, OGC  
AJohnson, RV  
JSniezek, EDO  
Docket File  
Resident Inspector  
Project Inspector  
G. Cook  
B. Faulkenberry  
J. Martin  
M. Smith  
EDO 6384

RV/ms

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MBlume <i>MB</i>	AJohnson <i>AJ</i>	KPerkins <i>KP</i>	BHFaulkenberry:ms
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