



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

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

SEP 20 1991

Docket Nos. 50-528, 529, and 530

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

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

SUBJECT: NRC INSPECTION AT PALO VERDE NUCLEAR GENERATING STATION

This letter refers to the inspection led by Mr. Dave Corporandy of this office during the weeks of July 8 and July 22, 1991, of activities authorized by NRC License Nos. NPF-41, NPF-51 and NPF-74, and to the discussion of our findings held with members of your staff on July 26, 1991. Additional in-office review of licensee provided documents continued through August 13, 1991. The inspection evaluated the adequacy of Palo Verde actions to assure the reliability of motor operated valves (MOV's). Our inspectors reviewed the program that you have developed in response to NRC Generic Letter 89-10, "Safety-Related Motor Operated Valve Testing and Surveillance." Generic Letter 89-10 provides recommendations for licensees to develop and implement programs to ensure that MOV's will operate properly under design basis conditions.

Specific 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 of ongoing maintenance of MOV's.

Based on the results of this inspection, it is clear that you are developing an ambitious program for your MOV's, with an MOV group that appears to be staffed with knowledgeable and dedicated personnel. However, the findings of this inspection indicate the need for additional emphasis on more timely assessment of the potential generic and programmatic implications of MOV problems being identified by your program activities. In this regard, the inspectors identified two of your activities that appeared to be in violation of NRC requirements, as documented in the attached Notice of Violation (Notice), and two other weaknesses in your program:

- a. Potential generic deficiencies associated with repeated MOV torque switch chattering had not been properly evaluated in accordance with your administrative and technical procedures. (Violation A)
- b. Appropriate acceptance criteria had not been established for certain MOV tests to properly demonstrate MOV capability to perform under design basis conditions or properly validate your MOV design methodology. (Violation B)

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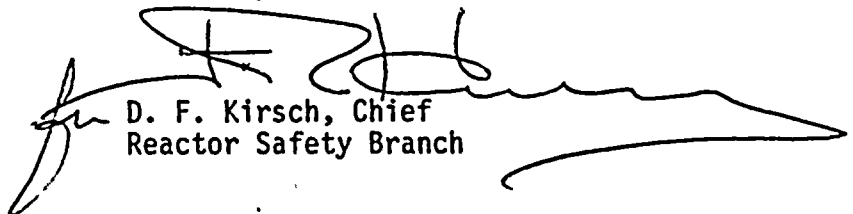
- c. Valve factors were revised for specific MOVs which had failed design basis tests without providing timely evaluation of generic applicability to other MOVs of similar design. (Report Section 4.3)
- d. Stem friction coefficients used in engineering calculations assumed stem condition and lubricant qualities which had not been appropriately incorporated into applicable preventive maintenance procedure verifications. (Report Section 4.3)

These and other inspection findings are discussed in detail in the attached inspection report. In accordance with 10 CFR 2.790(a), a copy of this letter will be placed in the NRC Public Document Room. Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

You are required to respond to this letter and should follow the instructions in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to the Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

The responses directed by this letter and the enclosed Notices are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,



D. F. Kirsch, Chief
Reactor Safety Branch

Enclosures:

- 1. Appendix A - Notice of Violation
- 2. Inspection Report Nos. 50-528/91-25, 50-529/91-25, 50-530/91-25

- cc: Mr. W. 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 & Holtzinger P.C.
Mr. James A. Boeletto, Esq., Assistant Counsel, SCE Company
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 Engineer, Arizona Corporation Commission
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