



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

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

December 12, 1991

Docket Nos. 50-528, 50-529, and 50-530
License Nos. NPF-41, NPF-51 and NPF-74
EA No. 91-182

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 REPORT NOS. 50-528/529/530/91-49

This refers to a special inspection conducted by Messrs. D. Coe and J. Sloat on October 27 through December 2, 1991. The inspection included a review of activities associated with refueling operations at Unit 2 of your Palo Verde facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

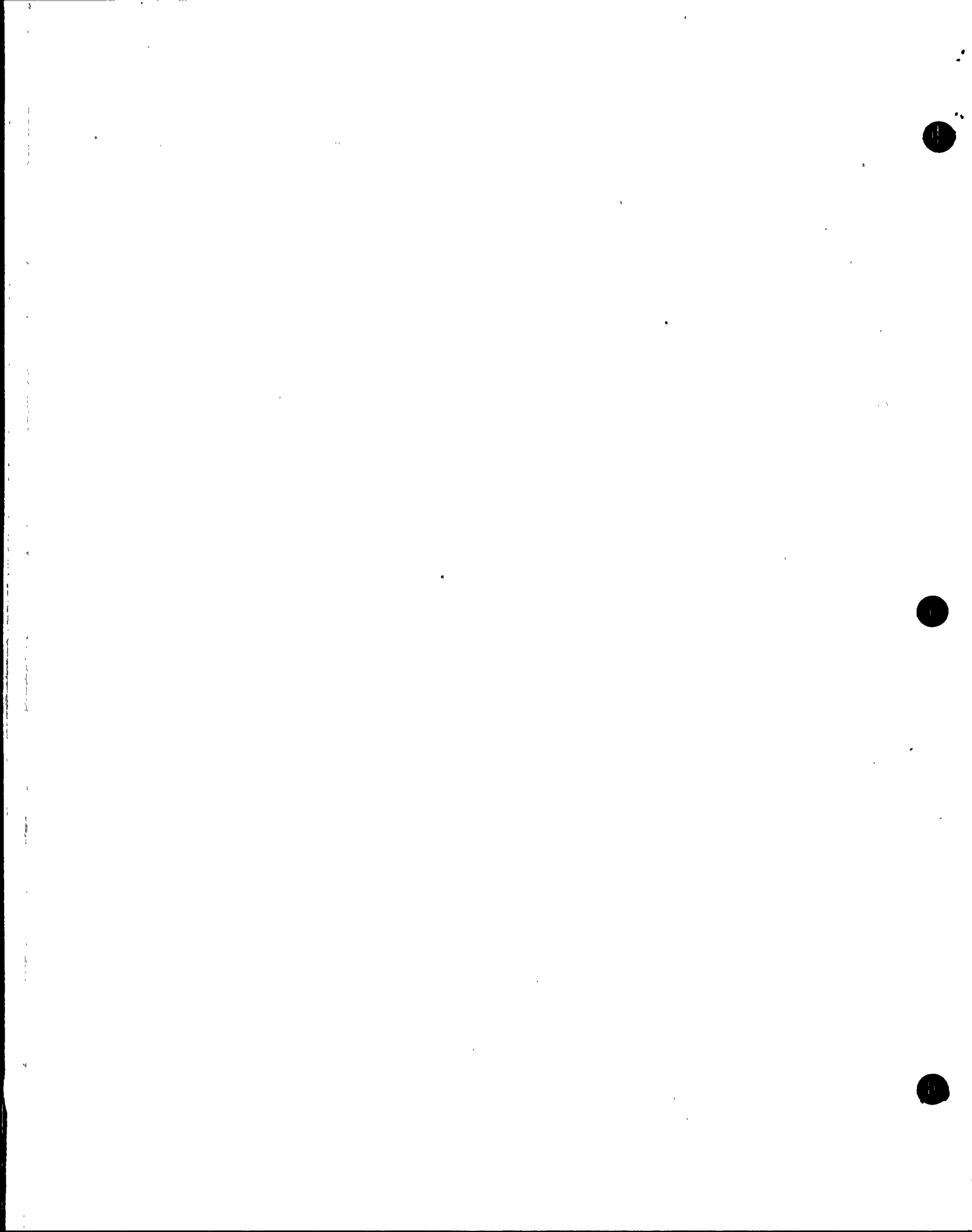
Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Based on the results of this inspection, six apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C (1991).

These apparent violations involved weaknesses in the control of licensed activities related to core alterations and procedural adherence during refueling operations, which resulted in several violations of Technical Specification and procedural requirements. Accordingly, no Notice of Violation is presently being issued for these inspection findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed report may change as a result of further NRC review.

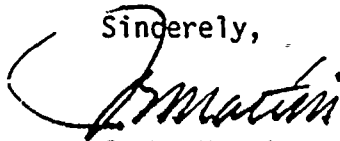
An enforcement conference to discuss these apparent violations has been scheduled for December 18, 1991. The purposes of this conference are to discuss the apparent violations, their causes and safety significance; to provide you the opportunity to point out any errors in our inspection report; to provide an opportunity for you to present your proposed corrective actions; and to discuss any other information that will help us determine the appropriate enforcement action in accordance with the Enforcement Policy. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

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PDR ADOCK 05000528
Q PDR



In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

Sincerely,



J. B. Martin
Regional Administrator

Enclosure:

Inspection Report Nos.

50-528/91-49, 50-529/91-49, and 50-530/91-49

cc w/enclosure:

Mr. O. Mark DeMichele, APS
Mr. James M. Levine, APS
Mr. Jack N. Bailey, APS
Mr. E. C. Simpson, APS
Mr. Stephan Guthrie, 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 Council, SCE
Mr. Charles B. Brinkman, Combustion Engineering, Inc.
Mr. William A. Wright, Acting Director, Arizona Radiation Regulatory Agency
Mr. Steve M. Olea, Chief, Arizona Corporation Commission
Mr. Ignacio R. Troncoso, El Paso Electric Company
Mr. Roy P. Lessy, Jr., Esq., Akin, Gump, Strauss, Hauer and Feld
Mr. Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld
Chairman, Maricopa County Board of Supervisors

bcc w/enclosure:
docket file
Mr. G. Cook
Mr. B. Faulkenberry
Resident Inspector (4)
Project Inspector

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

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REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO
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RZimmerman RPZ

12/12/91

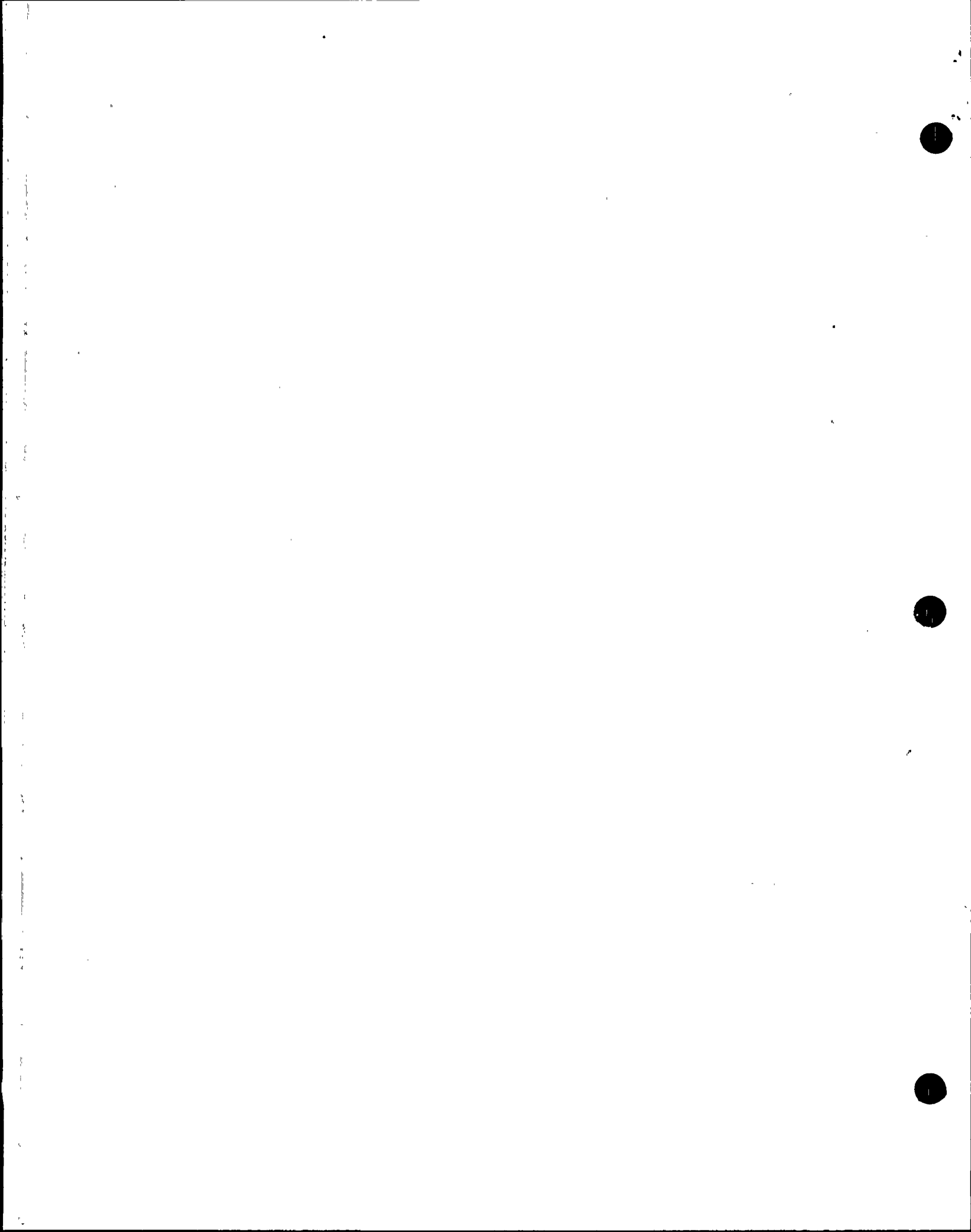
yes/no

J. MARTIN

12/12

COPY TO PDR YES/NO

COPY TO DCS YES/NO



bcc w/enclosure:

J. Lieberman, OE
B. Boger, NRR
M. Virgilio, NRR
T. Quay, NRR
C. Trammell, NRR
K. Thompson, NRR
Docket File
Mr. G. Cook
Mr. B. Faulkenberry
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RZimmerman RZ

12/12/91

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