



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

EEB 2 0 1992

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

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: NOTICE OF VIOLATION
NRC INSPECTION REPORT NO. 50-528/529/530/91-50

This refers to the inspection conducted by Messrs. W. Ang, F. Ringwald, J. Sloan, and H. Wong of this office, and Mrs. M. Thompson, NRR Project Manager, on December 18, 1991, through January 25, 1992. The inspection included a review of activities authorized for 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 observation of activities in progress.

Based on the results of this inspection, one of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). Although 10 CFR Part 50, Section 2.201 requires that you submit to this office a written statement of explanation, we note that this violation had been corrected and those actions were reviewed during this inspection. Therefore, no response with respect to this matter is required.

Your attention is directed to Paragraph 14 of the enclosed inspection report, which discusses unexpected changes of reactor protection instrument setpoints associated with steam generator pressure. We consider your initial response to this significant issue to have been weak. We encourage you to review this issue and consider whether lessons can be learned and applied to future event responses. In that the cause of the setpoint changes has not yet been determined, we intend to continue to closely follow this issue.

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

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

Sincerely,



S. A. Richards, Chief
Reactor Projects Branch

Enclosures:

1. Notice of Violation
2. Inspection Report Numbers 50-528/91-50, 50-529/91-50, and 50-530/91-50

cc w/enclosures:

Mr. O. Mark DeMichele, APS
 Mr. James M. Levine, APS
 Mr. R. Stevens, APS
 Mr. S. Guthrie, APS
 Mr. E. C. Simpson, APS
 Mr. Robert W. Page, APS
 Mr. Thomas R. Bradish, APS
 Mr. Al Gutterman, Newman & Holtzinger P. C.
 Chairman, Maricopa County Board of Supervisors
 Mr. Ignacio R. Troncoso, El Paso Electric Company
 Mr. James A. Boeletto, Esq., Assistant Council, SCE
 Mr. Charles B. Brinkman, Combustion Engineering, Inc.
 Mr. Steve M. Olea, Chief, Arizona Corporation Commission
 Mr. Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld
 Mr. Roy P. Lessy, Jr., Esq., Akin, Gump, Strauss, Hauer and Feld
 Ms. Nancy C. Loftin Esq., Corporate Secretary & Corporate Counsel, APS
 Mr. Jack R. Newman, Esq., c/o Newman & Holtzinger, P.C., Washington, DC
 Mr. William A. Wright, Interim Acting Director, Arizona Radiation
 Regulatory Agency (ARRA)

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bcc w/enclosures:

bcc w/o enclosure 2:

Docket File
 Mr. G. Cook
 Mr. B. Faulkenberry
 Mr. J. Martin
 Resident Inspector (4)
 Project Inspector
 REGION V/Ann

LFMB
 Ms. M. Smith

JSloan *	FRingwald *	MThompson *	RHuey *	para. 19 only KPerkins 2/12/92
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* See previous concurrences

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JSloan *	FRingwald *	MThompson *	RHuey *	para. 19 only KPerkins
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bcc w/o enclosure β :

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JSloan *
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2/10/92

MThompson *
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REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY	[SEND TO PDR]
YES / NO	YES / NO	YES / NO	YES / NO	YES / NO

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bcc w/enclosures:

bcc w/o enclosure B:

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LFMB
 Ms. M. Smith

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* telecon announcement