



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

APR 19 1995

Arizona Public Service Company
ATTN: William L. Stewart
Executive Vice President, Nuclear
P.O. Box 53999
Phoenix, Arizona 85072-3999

SUBJECT: NRC INSPECTION REPORT 50-528/95-03; 50-529/95-03; 50-530/95-03

This refers to the inspection conducted by K. E. Johnston and the inspectors identified in the enclosed report, of this office, on January 15 through February 25, 1995. The inspection included a review of activities authorized for your Palo Verde Nuclear Generating Station, Units 1, 2, and 3, 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. The results of this inspection are documented in the enclosed report.

The incorrect assessment by plant operators of off-normal plant indications in the safety injection systems of Units 1 and 3, and the slow resolution by operations management indicates that your continued attention appears warranted in the area of operator performance. We noted that, in the presence of nuclear assurance personnel and an NRC inspector, operations personnel deviated from a prerequisite step without resolving the discrepancy. In addition, inspection findings indicated continued weaknesses in the quality of maintenance work instructions. While we continue to find that maintenance personnel perform to high standards, they appear to be unnecessarily challenged with poorly prepared work instructions. We recognize that your staff has initiated efforts to identify specific weaknesses in the work planning process and its implementation. We encourage you to effect improvements. We noted that Nuclear Assurance activities in operations and maintenance were aggressive and questioning.

One unresolved item was identified concerning the operability and reportability of the essential cooling water system with nonseismically qualified instrumentation. The issue involved a longstanding plant deficiency which until recently had received weak technical reviews and low priority for resolution. This issue, as well as several similar ones such as condensate in the steam lines to the turbine-driven auxiliary feedwater pump, indicates a continued need for management to give priority to unresolved plant deficiencies.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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.

Sincerely,



A. Bill Beach, Director
Division of Reactor Projects

Dockets: 50-528
50-529
50-530

Licenses: NPF-41
NPF-51
NPF-74

Enclosure:
NRC Inspection Report
50-528/95-03; 50-529/95-03; 50-530/95-03

cc w/enclosure:
Arizona Corporation Commission
ATTN: Mr. Steve Olea
1200 W. Washington Street
Phoenix, Arizona 85007

Southern California Edison Company
ATTN: T. E. Oubre, Esq.
P.O. Box 800
Rosemead, California 91770

Arizona Radiation Regulatory Agency
ATTN: Aubrey V. Godwin, Director
4814 South 40 Street
Phoenix, Arizona 85040

Maricopa County Board of Supervisors
ATTN: Chairman
111 South Third Avenue
Phoenix, Arizona 85003

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Arizona Public Service Company

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Palo Verde Services
ATTN: Curtis Hoskins, Executive
Vice President and
Chief Operating Officer
2025 N. 3rd Street, Suite 220
Phoenix, Arizona 85004

Akin, Gump, Strauss, Hauer and Feld
El Paso Electric Company
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Arizona Public Service Company
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P.O. Box 52034
Phoenix, Arizona 85072-2034



APR 19 1995

E-Mail report to D. Sullivan (DJS)
E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

bcc distrib. by RIV:

L. J. Callan
DRSS-FIPB
Branch Chief (DRP/F, WCFO)
Senior Project Inspector (DRP/F, WCFO)
Leah Tremper (OC/LFDCB, MS: TWFN 9E10)

Resident Inspector
MIS System
RIV File
Branch Chief (DRP/TSS)
B. Henderson (PAO, WCFO)

DOCUMENT NAME: R:/_PV/PV503RP.KEJ

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

RIV:SRI	C:DRPF	D:WCFO	D:DRP		
KJohnston <i>HW</i>	HJWong <i>HW</i>	KEPerkins <i>HW</i>	ABBeach		
04/7/95	04/7/95	04/7/95	04/19/95		

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