

CATEGORY 1

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 AUTH.NAME AUTHOR AFFILIATION
 ROTHSTEIN,S. Ofc of Enforcement (Post 870413)
 LIEBERMAN,J. Ofc of Enforcement (Post 870413)
 RECIP.NAME RECIPIENT AFFILIATION

SUBJECT: EN-98-050:on 980710,notice of proposed imposition of civil penalty in amount of \$50,000 issued to licensee.Action based on Severity Level III problem occurring at PVNGS involving falsification of surveillance test record.

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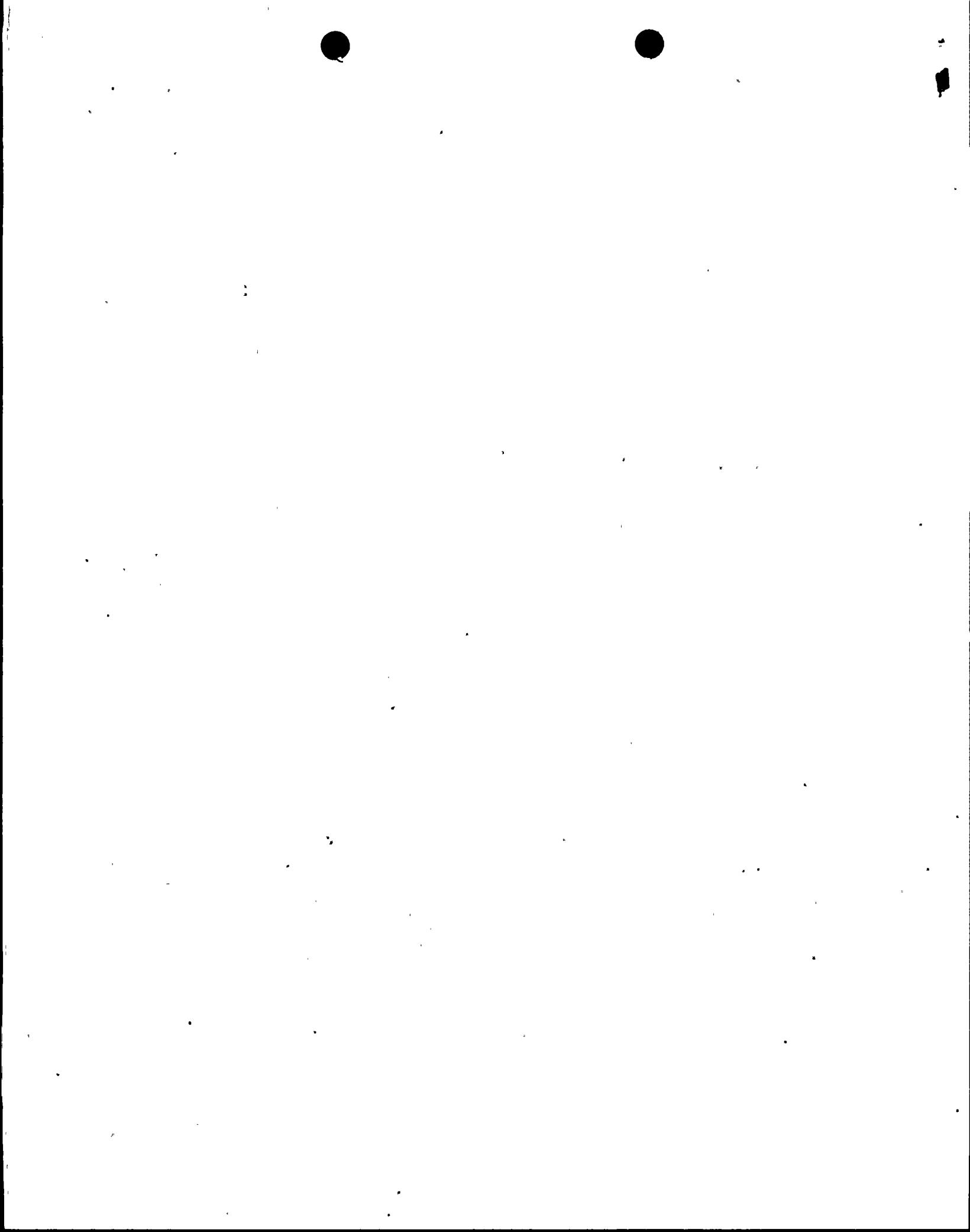
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IA4



July 8, 1998
EN 98-050

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Arizona Public Service Company (EA 98-131)
Palo Verde Nuclear Generating Station
Docket Nos. 50-528; 50-529; 50-530

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY

Individuals: Leo C. Zell (IA 98-016)
Stephen W. Ryan (IA 98-015)
Miles C. Bradley (IA 98-013)
Alan K. McCarter (IA 98-014)

Subject: NOTICE OF VIOLATION

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$50,000 will be issued on or about July 10, 1998 to Arizona Public Service Company (APS). This action is based on a Severity Level III problem occurring at its Palo Verde Nuclear Generating Station involving the falsification of a surveillance test record. Four licensed reactor operators, including a shift supervisor and assistant shift supervisor failed to perform a surveillance test required by the facility's Technical Specifications within a one hour time limit to demonstrate the operability of offsite power circuits after an emergency diesel generator was taken out of service. The operators then falsified the surveillance test record to reflect that the test had been performed within the required timeframe. Because the violation involved wilfulness, the staff considered whether credit was warranted for identification and corrective action. The violation was identified by the NRC during the course of an OI investigation. Therefore, no identification credit was given. However, the staff gave APS credit for corrective action. During the enforcement conference, APS focused on the disciplinary actions it had taken against the operators responsible for the falsification. Those actions included terminating their Part 55 licenses, demoting the individuals, removing commensurate bonuses, imposing periods of probation, and requiring the individuals to engage in training exercises with other employees. Because the staff considered the licensee's actions to be both prompt and comprehensive, corrective action credit was provided to APS.

Concurrent with the issuance of this Notice of Violation and Proposed Imposition of Civil Penalty, the staff intends to issue a Severity Level III Notice of Violation to the two Senior Reactor Operators (Leo Zell and Stephen Ryan) who were part of the crew that falsified the surveillance test, and a Severity Level IV Notice of Violation to the two Reactor Operators (Miles Bradley and Alan McCarter) involved in the incident.

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PDR I&E
EN-98-050 PDR

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It should be noted that APS and the individuals have not been specifically informed of the enforcement decision. The schedule of issuance of the report and notification is:

Mailing of Notice	July 10, 1998
Telephone Notification of APS	July 10, 1998
Telephone Notification of Individuals	July 10, 1998

The State of Arizona will be notified.

Contacts: S. Rothstein, OE, 301-415-3055 J. Lieberman, OE, 301-415-2741

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VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**

