ENCLOSURE 1 NOTICE OF VIOLATION

Arizona Public Service Company Palo Verde Nuclear Generating Station Docket: 50-529 License: NPF-51

During an NRC inspection conducted on April 9 through May 20, 1995, two violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are listed below:

A. Technical Specification 3.6.2.1 states in part that two independent containment spray systems shall be operable with each spray system capable of automatically transferring suction to the containment sump on a recirculation actuation signal.

The action statement for Technical Specification 3.6.2.1 requires for one containment spray system inoperable in mode 1 that the licensee restore the inoperable spray system to an operable status within 72 hours or be in at least Hot Standby within the next 6 hours.

Contrary to the above, from August 17 to September 5, 1994, Unit 2 was in Mode 1 and Valve SIA-664 was not able to close on a recirculation actuation signal, a condition which caused the "A" train containment spray system to be inoperable, and the licensee did not restore the "A" train containment spray system to an operable status within 72 hours or shutdown the plant to Hot Standby within the next 6 hours.

This is a Severity Level IV violation applicable to Unit 2 (Supplement I).

B. 10 CFR Part 50, Appendix B, Criterion XII, requires in part, that measures be established to assure that instruments used in activities affecting quality are properly calibrated at specified periods to maintain accuracy within necessary limits.

Contrary to the above, on February 18, 1994, the Unit 2 reactor coolant system boronometer was used to determine reactor coolant system boron concentration for compliance with Technical Specifications and it was not properly calibrated.

This is a Severity Level IV violation applicable to Unit 2 (Supplement I).

Pursuant to the provisions of 10 CFR 2.201, Arizona Public Service Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and

should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Dated at Arlington, Texas this 27th day of June 1995