

Arizona Public Service

PALO VERDE NUCLEAR GENERATING STATION
P.O. BOX 52034 PHOENIX, ARIZONA 85072-2034

WILLIAM L. STEWART
EXECUTIVE VICE PRESIDENT
NUCLEAR

102-03647-WLS/AKK/ACR
April 4, 1996

* Mr. James Lieberman
Director, Office of Enforcement
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

- References: 1. Letter dated March 7, 1996, from L. J. Callan, Regional Administrator, Region IV, USNRC, to W. L. Stewart, APS
2. Letter 102-03583, dated January 11, 1996, from W. L. Stewart, Executive Vice President - Nuclear, APS, to L. J. Callan, USNRC

Dear Mr. Lieberman:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528/529/530
Payment of Civil Penalty (EA 93-159)**

In a letter dated March 7, 1996 (Reference 1), the NRC concluded that a Severity Level III violation of 10 CFR 50.7 occurred at PVNGS in December 1991 and proposed the imposition of a civil penalty in the amount of \$100,000. In particular, the violation relates to the actions taken by a former Arizona Public Service Company (APS) supervisor who discriminated against a contract technician when deciding not to select him to work the 1992 Unit 1 refueling outage. In accordance with 10 CFR 2.205, APS has elected to pay the proposed civil penalty. Payment is being made in the form of a check, enclosed with this letter, made payable to the Treasurer of the United States.

APS agrees with the NRC that information regarding the reason for the violation, the actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in a letter from APS dated January 11, 1996 (Reference 2) and in the previous correspondence referenced therein.

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Therefore, APS is not providing a reply to the notice of violation in accordance with the provisions of 10 CFR 2.201.

In closing, I would like to stress to the NRC that APS will continue to maintain an environment at Palo Verde where APS employees and contractors feel free to raise concerns without fear of retaliation. We will also continue to promote open communications, emphasize the importance of raising concerns, and assure that issues are effectively and thoroughly addressed within appropriate time frames.

Should you have any questions, please contact Ms. Angela Krainik at (602) 393-5421.

Sincerely,

A handwritten signature in dark ink, appearing to read "WLS" followed by a stylized surname.

WLS/AKK/ACR/dpr

cc: Document Control Desk
L. J. Callan
K. E. Johnston