



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

FEB 18 1986

Docket Nos.: 50-528  
and 50-529

Ms. Barbara S. Bush, Executive Director  
Mr. Myron L. Scott, Intervention Coordinator  
Coalition for Responsible Energy Education  
315 West Riveria Drive  
Tempe, AZ 85282

Dear Ms. Bush & Mr. Scott:

This is to acknowledge receipt of two Petitions from the Coalition for Responsible Energy Education (CREE) filed by you on behalf of CREE. The first Petition, filed on January 17, 1986 and supplemented on January 21, 1986, alleged management incompetence and schedule pressure in the Palo Verde Nuclear Generating Station (PVNGS) nuclear program calling into question the safe conduct of start-up operations and power ascension at PVNGS Unit 2.

The January 17, 1986 Petition and supplement requested issuance to the licensee of an order to show cause why the low power operating license for PVNGS Unit 2 should not be suspended and also requested that further licensing activity be deferred until issues raised in the Petition are resolved. The issues raised in this Petition were, for the most part, based upon the NRC staff December 19, 1985 SALP Report and NRC Inspection Reports. In fact, the NRC was aware of all of the issues raised in this Petition and has taken steps to deal with them where appropriate. For example, the NRC has required that the licensee take action to correct identified deficiencies and improve overall performance in certain areas. With respect to your concerns regarding schedule pressure, this is also an issue of which the NRC is aware. Indeed, on August 9, 1985, I issued a Director's Decision, DD-85-12, responding to similar concerns raised by you pursuant to 10 CFR 2.206 regarding PVGNS Unit 1. I then found that neither a fuel load bonus plan of the licensee nor the incentive regulations of the Arizona Corporation Commission compromised safety. While I intend to address the specific issues you raise in this area in my Decision, I decline to take any action at this time based upon favorable past findings in this area and confidence based on current NRC Region V staff inspection efforts at Palo Verde that NRC-regulated activities are generally being satisfactorily performed.

I am aware of your Emergency Relief Petition to the Commission of February 1, 1986 requesting relief in the form of an immediate order suspending nuclear operation of PVNGS Unit 2 and the PVNGS Unit 2 operating license issued December 9, 1985, until I issue an initial response to your Petition dated January 17, 1986. Your February 1st Petition has been referred to me for response. Since I am providing you with my initial finding that no urgent action need be taken regarding PVNGS Unit 2 to provide reasonable protection to the public, the action you requested of the Commission is unnecessary.

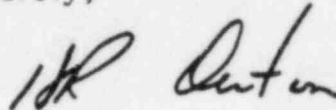
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The second Petition was filed on February 3, 1986 wherein you request immediate shutdown of the PVNGS Unit 1 reactor and retesting of the containment system, based on alleged inadequacies in testing of that containment. Based on a preliminary review, my staff finds that the containment test for PVNGS Unit 1 performed was in accordance with NRC-approved procedures and met the appropriate acceptance criteria. The test itself was monitored by Region V inspection staff and found acceptable. On this basis, I decline to take any immediate action with respect to that Petition.

As indicated above, your Petitions are being handled pursuant to 10 CFR 2.206 of the Commission's regulations. Accordingly, appropriate action will be taken within a reasonable time.

Enclosed for your information is a copy of a Notice that will be sent to the Office of the Federal Register for publication.

Sincerely,



Harold R. Denton, Director  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

The second Petition was filed on February 3, 1986 wherein you request immediate shutdown of the PVNGS Unit 1 reactor and retesting of the containment system, based on alleged inadequacies in testing of that containment. Based on a preliminary review, my staff finds that the containment test for PVNGS Unit 1 performed was in accordance with NRC-approved procedures and met the appropriate acceptance criteria. The test itself was monitored by Region V inspection staff and found acceptable. On this basis, I decline to take any immediate action with respect to that Petition.

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Sincerely,

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Harold R. Denton, Director  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

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JLee  
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FEB 18 1986

Palo Verde Green Ticket 2.206 REV 1

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Docket File 50-528/529

NRC PDR

Local PDR

PBD7 Reading

EDO Reading

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ASLAB

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ACRS (10)

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-528, 50-529]

ARIZONA PUBLIC SERVICE COMPANY, ET AL

[Palo Verde Nuclear Generating Station, Units Nos. 1 & 2]

Receipt of Requests for Action under 10 CFR 2.206

Notice is hereby given that, by a Petition dated January 17, 1986 and supplemented January 21, 1986, and February 1, 1986, Barbara Bush and Myron Scott, on behalf of the Coalition for Responsible Energy Education (CREE), requested that the Nuclear Regulatory Commission suspend the low power operating license for Palo Verde Nuclear Generating Station (PVNGS) Unit 2 of the Arizona Public Service Co., et al (Licensee) and defer any further licensing action with respect to Unit 2 pending resolution of a number of issues raised by the Petitioner. The Petitioner alleges that management incompetence and schedular pressure in the PVNGS Nuclear Program calls into question the safe conduct of start-up operations and power ascension at PVNGS Unit 2. Relief requested includes a hearing to resolve the issues raised in the Petition of January 17, 1986, as supplemented January 21, 1986, and initiation of a special NRC Inspection and Oversight Team to closely monitor the Licensees' activities in the future.

A second Petition dated February 3, 1986 alleges that the containment leak test of PVNGS Unit 1 was not conducted in accordance with the applicable NRC regulations. Relief requested includes immediate shutdown of the reactor, retest of the containment using test procedures complying with all applicable

NRC requirements, and placement of all test data associated with containment leak rate testing at PVNGS into the public domain.

The Petitions are being handled as requests for action pursuant to 10 CFR 2.206 and, accordingly, appropriate action will be taken on the Petitions within a reasonable time.

Copies of the Petitions are available for public inspection and the Commission's Public Document Room at 1717 H Street, N.W., Washington, D.C. 20555 and at the Phoenix Public Library, Business, Science and Technology Department, 12 East McDowell Road, Phoenix, AZ 85004.

Dated at Bethesda, Maryland this 18th day of February 1986.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in dark ink, appearing to read "H.R. Denton". The signature is written in a cursive style with a large initial "H".

Harold R. Denton, Director  
Office of Nuclear Reactor Regulation

Mr. E. E. Van Brunt, Jr.  
Arizona Nuclear Power Project

Palo Verde

cc:

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