

Arizona Public Service Company

P.O. BOX 53999 • PHOENIX, ARIZONA 85072-3999

102-01487-WFC/TDS/TRB

October 27, 1989

89 OCT 31 A10:45

WILLIAM F. CONWAY
EXECUTIVE VICE PRESIDENT
NUCLEAR

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Reference: Letter from R. J. Pate, Chief, Nuclear Material Safety and
Safeguards, NRC to W. F. Conway, Executive Vice President Nuclear,
Arizona Public Service, dated September 29, 1989

Dear Sir:

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket No. STN 50-528 (License No. NPF-41)
STN 50-529 (License No. NPF-51)
STN 50-530 (License No. NPF-74)
Reply to Notice of Violation 50-528/89-32-03
and Notice of Deviation 50-528/89-32-01
File: 89-070-026

This letter is provided in response to the report of the inspection conducted by Messrs. L. R. Norderhaug and D. W. Schaefer on August 7 through August 31, 1989. Based on the results of the inspection, one (1) violation and one (1) deviation of NRC requirements were identified.

The violation and deviation are discussed in Appendix A and B, respectively of the referenced letter. A restatement of the violation and deviation, and PVNGS's responses are provided in Appendix A and B, and Attachment 1 and 2, respectively, to this letter.

The inspection report, transmitted by the referenced letter, contained a non-cited violation of the reporting requirements of 10CFR73.71. PVNGS's response to this non-cited violation is contained in Attachment 3 to this letter.

The referenced letter expresses concern with regard to security officer overtime, behavioral observation program, and the timeliness of a safeguard report related to a security incident. As requested by the referenced letter, these concerns and the other matter discussed in Paragraph 2 of the inspection report, are addressed in Attachment 4 to this letter.

Very truly yours,

W. F. Conway

~~894060082~~ 16pp



NRC Document Control Desk
Page 2

102-01487-WFC/TDS/TRB
October 27, 1989

WFC/TDS/TRB/kj

Attachments

cc: J. B. Martin
T. J. Polich
T. L. Chan
E. E. Van Brunt
A. C. Gehr
J. R. Newman



APPENDIX A

NOTICE OF VIOLATION

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Docket No. 50-528
License No. NPF-41

During a routine physical security inspection conducted from August 7 through August 31, 1989, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the violation is listed below:

Paragraph 2E of the Facility Operating License No. NPF-41 for the Arizona Nuclear Power Project's Palo Verde Nuclear Generating Station, Unit 1 states, in part:

"APS shall fully implement and maintain in effect all provisions of the Commission approved physical security...plan, including all amendments and revisions made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p), which are a part of this license."

The licensee's approved "Palo Verde Nuclear Generating Station Security Plan," dated October, 1979, as amended, at Section 8.3.11 (entitled "Event 11: Loss of Intrusion Detection System") states, in part, that compensatory measures are to be implemented to compensate for degraded systems and that access control is to be maintained to all vital areas through the use of security force members.

Contrary to the above, at approximately 1315 hours on April 9, 1989, the licensee discovered that the compensatory officer, stationed at a vital area door blocked open to facilitate work on the Unit 2 atmospheric dump valves, was asleep at his post.

Also, at approximately 0255 on July 31, 1989, an officer, posted at the vehicle door to the vital Unit 2 Fuel Building to compensate for an inoperative alarm, was discovered by the licensee to be asleep. Again, at approximately 0925 hours that same day another officer, posted at the Unit 1 Containment Air Lock Hatch to compensate for a vital area barrier deficiency, was also discovered by the licensee to be asleep.



Attachment 1

Response to Notice of Violation 50-528/89-32-03

I. REASON FOR THE VIOLATION

The reason for each of the three licensee identified events, reported by APS to the NRC on April 9 and July 31, 1989 (two events), was determined to be a cognitive personnel error on the part of the contract security officers for being asleep at their assigned post.

APS performed a Human Performance Evaluation (HPES) to assess the factors affecting the events that occurred on July 31, 1989. The evaluation identified boredom and fatigue as contributing factors.

The evaluation also showed that the causes for these factors could be traced to work schedule and supervisory methods.

II. THE CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

As immediate corrective action, each of the involved security officers was terminated. In accordance with APS procedures, applicable protected area locks were rekeyed. Additionally, a memorandum was issued to security supervisors and personnel to emphasize the importance of maintaining alertness while on post, routine scheduled post rotation and the desirability to call for a break, if needed, in order to maintain



alertness while on post. Also, a memorandum was issued to Shift Captains and Sergeants to ensure they make frequent post visitations.

In addition, based upon the HPES evaluation discussed above, the following corrective actions have been implemented:

1. The security command post is required to conduct radio checks with each compensatory post on 30-minute intervals during the night shifts and on one (1) hour intervals during day shifts.
2. Rotation of security officers every two hours at all compensatory posts is now required. (This action was implemented in 1988 for posts in low traffic areas as a result of an event in October, 1988).
3. Security patrols are instructed to make frequent contact with posted officers and assist with relief if needed.
4. Sergeants are required to conduct random checks of each compensatory post in their assigned areas at least once every two (2) hours.
5. Sitting on remote compensatory posts is allowed only on 36 inch stools with no back or arm rests.



Although not specifically in response to these events, APS is currently evaluating its security staffing and overtime policies. The results of that evaluation and actions currently under consideration for implementation are discussed in Attachment 4.

III. CORRECTIVE STEPS THAT WILL BE TAKEN TO AVOID FURTHER VIOLATIONS

APS believes that the actions described above are sufficient to preclude further violations.

IV. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

- Full compliance was achieved at the time of each event's discovery when the posted guards were relieved from their posts.



APPENDIX B

NOTICE OF DEVIATION

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Docket No. 50-528
License No. NPF-41

During a routine physical security inspection conducted from August 7 through August 31, 1989, a deviation from commitments made to the NRC was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the deviation is listed below:

Safeguards Report No. 3-89-S01-00 dated April 15, 1989, documented the March 19, 1989 failure to compensate for an open containment hatch and committed to reporting the results of the licensee's investigation by June 1, 1989. A supplemental licensee report, No. 3-89-S01-01 dated June 8, 1989, noted delays in completing the investigation and revised the estimated completion date to July 30, 1989.

Contrary to the above commitment, a subsequent supplemental report (No. 3-89-S01-02) documenting the results of the licensee's investigation was not issued until September 18, 1989; nor was the NRC informed of the anticipated further delay.



Attachment 2

Response to Notice of Deviation 50-528/89-32-01

I. EXPLANATION OF DEVIATION AND CORRECTIVE STEPS THAT HAVE BEEN TAKEN

The reason for the deviation has been determined to be an interpretation of the requirements contained in NUREG 1022, Supplement No. 1, Licensee Event Report System. Since 10CFR73.71, Reporting of Safeguard Events, and Regulatory Guide 5.62, Revision 1, November 1987, requires the submittal of written safeguards reports on NRC Form 366, Licensee Event Report, APS has utilized NUREG 1022 as the basis for interpreting NRC requirements for submittal of written safeguards reports.

Question 25.8 in NUREG 1022, Supplement 1 states: "Is the date of supplemental reports considered firm (i.e., a regulatory commitment) or is it just a target date?"

Answer: "The "Expected Submission Date" (Item 15) for supplemental reports is a target/planning date. It is not a regulatory commitment."

Question 14.11: "What should we do if we know that a report will be late?"

Answer: "Discuss the situation with the appropriate Regional Office."



Discussions with the responsible Compliance Lead Engineer revealed that he believed if a supplement was not ready for submittal, a revision of the expected submission date via another supplement was not required. The Compliance Lead Engineer also believed that since he had discussed the fact that the report would be delayed with NRC Region V personnel, both in telephone calls prior to July 31, 1989, and at the inspection exit meeting on August 11, 1989, he had complied with NUREG 1022.

While the intent of the NUREG 1022, Supplement 1 was met when the status of the report was verbally discussed with Region V personnel and when a supplement to Licensee Event Report (LER) 3-89-S01-02 was submitted on September 18, 1989, APS recognizes the interpretation underlying the Notice of Deviation and will treat dates given for submittal of supplements to LER's in accordance with this interpretation.

In the future, if the "Expected Submission Date" for a supplement to a LER cannot be met, a revised submittal date will be provided by a LER supplement or other writing to the NRC. This policy has been promulgated by the Compliance Manager to all Compliance engineers.

APS also recognizes that the deviation would not have occurred if the investigation had been completed in a timely manner. The timeliness of investigations is discussed further in Attachment 4 to this letter.



II. DATE WHEN CORRECTIVE ACTION WILL BE COMPLETED

The corrective action was completed upon submittal of Supplement 2 to Licensee Event Report 3-89-S01 on September 18, 1989 and issuance of the new policy memorandum by the Compliance Manager.

Attachment 3

Response to Non-cited Violation 50-528/89-07-S0

Paragraph 3.m. of the inspection report identified the failure to submit a written report within 30 days of an event which occurred on May 19, 1989. The Licensee Event Report (LER) 1-89-S07-00, Report of a Safeguards Event, was submitted on June 19, 1989, 31 days after the event. The 30-day period for submission of the written report ended on Sunday, June 18, 1989. LER 1-89-S07-00 was mailed on June 19, 1989, the first working day following the end of the 30-day period.

This submittal was consistent with 10CFR50.4(d), Written Communications, which states in part "...If a submittal due date falls on Saturday, Sunday, or Federal holiday, the next Federal working day becomes the official due date." A similar instruction is provide in NUREG 1022, Supplement 1 in the answer to Question 14.10.

Therefore, APS requests that the non-cited violation 50-528/89-07-S0 be rescinded.



Attachment 4

Responses to Paragraph 2 of Inspection Report

50-528, 529, 530/89-32

A. Security Staffing Policies

The events which occurred on July 31, 1989, were the first security events experienced at PVNGS where sustained overtime and potential fatigue could be considered as a contributory cause.

Subsequent to the July 31 events, APS promptly initiated several measures designed specifically to enhance our security staff and, hence, control overtime demands for our security personnel. These measures are summarized as follows:

1. The Security Department is presently conducting nuclear security training for 30 contract personnel to provide a larger reservoir of trained guards to supplement our permanent APS staff during outages and other peak periods.
2. APS has initiated a review of the adequacy of the permanent contract guard force. A decision of whether additional permanent contract personnel are required will be made prior to 1990.
3. Site Services management is currently evaluating measures to reduce the rate of turnover among the contract security force, up



to and potentially including an adjustment in pay rates.

APS will continue to monitor the performance of the Security Department, and will take such other actions as may be found necessary to maintain performance at acceptable levels.

B. Behavioral Observation Program

APS acknowledges that there was an undue delay in alerting the security staff of a suspected or potential personnel problem on June 21, 1989.

The delay resulted from (1) ambiguity respecting the supervisor's authority when faced with a problem which could affect the free flow of information, (2) the fact that the newly hired manager had not yet received training in the PVNGS behavioral program, and (3) delays inherent in escalation of the problem to the Director level of management (which was proper and consistent with management's expectations when the supervisor and his manager were faced with uncertainty).

The following actions have been or are currently in process to enhance our Behavioral Observation Program:

1. As part of the implementation of 10CFR Part 26, APS has separated the Behavioral Observation Program from the Fitness for Duty



Program. This will assist supervisors in clarifying actions to be taken for aberrant behavior as opposed to suspicion of drug or alcohol use identified in the Fitness for Duty procedure.

2. Behavioral Reliability Training (BRT) has been evaluated and determined to fully meet the requirements of 10 CFR Part 26. The new procedure is scheduled to be approved by November 15, 1989.

C. Centralized Screening Program

Paragraph 2 of the Inspection Report mentioned the APS plans to implement a Centralized Screening Program. The following actions have been or will be taken:

1. As a function of the implementation of the "non" Centralized Badging and Access Authorization Facility, the Security Department will coordinate the background screening and psychological evaluation of any individual requiring unescorted access to protected/vital areas.
2. The Site Services Director has authorized the hiring of one (1) permanent security screening analyst and four (4) contract analysts. This group is expected to begin functioning in January, 1990.



3. Pending the transition described above, the Security Department Access Control Section has updated its screening procedure to include more detailed criteria. Additionally, the Security Manager has mailed a copy of the Palo Verde security screening procedure to each contractor with whom Security conducts business, advising them of the requirement to comply with the contents of the procedure. Failure to comply would result in their employees' unescorted access being revoked.

APS believes the changes discussed above will effectively resolve and prevent recurrence of previously identified problems.

D. Timeliness of Investigations and Supplemental Reports

Attachment 2 to this letter contains APS's response to the Notice of Deviation which addresses a failure to submit a supplemental report by the expected due date.

Although not specifically raised by the Inspection Report, the lack of timeliness in completing investigations is the underlying cause of the delay in submitting the supplemental report. Appropriate actions to resolve this issue have been taken as discussed in the September 1, 1989 NRC/APS Management Meeting, in letters to the NRC dated August 28 and September 8, 1989, and again in the civil penalty response of October 2, 1989. APS is closely monitoring the investigation program and the



implementation of corrective actions to ensure that the recent
enhancements achieve our objectives.



. QUIT

*** END RUN dBASE III PLUS

U.S. Nuclear Regulatory Commission

NUDOCS Data Record

04 DTC:CLNTU AA1:NE R5 DIN:890929 RA1:EUTAZPS SN:____
05 Author:Affil. Name(Last F M) Recip:Affil. Name(Last F M) Nbr Pages:
06 1.NE R5 PATE,R.J. 1.EUTAZPS CONWAY,W.F. 3pp.
07 2.____ 2.____ Size:
08 3.____ 3.____ A4
09 Date Issued:89/09/29 Indexed:89/10/12 Availability:PDR LPDR:Y Security:____
10 Docket date:____/____/____ Docket #'s:(1)05000528 (2)05000529 (3)05000530
11 Accession #:8910060222 Contract #:____ Sales Avl:NRC ____
12 Task #:____ Format:____ Other doc. id #:____ Bft:____
13 T I T L E / D E S C R I P T I O N
14 Forwards Security Insp Repts 50-528/89-32,50-529/89-32 &
15 50-530/89-32 on 890807-11 & notices of violation &
16 deviation.Program weaknesses re security officer overtime &
17 behavioral observation program noted.Encls withheld.
18 * * * * File Locations/Levels * * * * File Pkg No. Microfilm address
19 PDR ADOCK 05000528 Q 890929 8910060222_ **** ARMS ****
20 PDR ADOCK 05000529 Q 890929 Beg:51465 083
21 PDR ADOCK 05000530 Q 890929 End:51465 085
22 Formal Report No.:____ Admin:3GOE Sup:Y
23 Distribution:List #:IE02D Date:89/10/06 Other MF adr:____ 24X:____

Press Home to Continue



ACCELERATED DISTRIBUTION DEMONSTRATION SYSTEM

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION MBR:8911060082 DOC.DATE: 89/10/27 NOTARIZED: NO DOCKET #
 FILE:STN-50-528 Palo Verde Nuclear Station, Unit 1, Arizona Publi 05000528
 TH.NAME AUTHOR AFFILIATION
 CONWAY,W.F. Arizona Public Service Co. (formerly Arizona Nuclear Power
 RECIP.NAME RECIPIENT AFFILIATION
 Document Control Branch (Document Control Desk)

SUBJECT: Responds to NRC 890929 ltr re violations noted in Insp Rept
 50-528/89-32.Corrective actions noted.

DISTRIBUTION CODE: IE04D COPIES RECEIVED:LTR 1 ENCL 1 SIZE: 16
 TITLE: Safeguards Inspection Rpt/NOV Response (50 DKT)-Publicly Available

NOTES:

05000528

	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL
	PD5 LA	1 0	PD5 PD	1 1
	CHAN,T	1 1	DAVIS,M.	1 1
INTERNAL:	ACRS	1 1	AEOD/DOA	1 0
	NRR/DRIS/SGB 9D	1 1	NRR/PMAS/ILRB12	1 0
	NUDOCS-ABSTRACT	1 1	<u>REG FILE</u> 02	1 1
	RGN5 FILE 01	1 1		
EXTERNAL:	LPDR	1 1	NRC PDR	1 1
	NSIC	1 1		
NOTES:		1 1		

R
I
D
S
/
A
D
D
S

TOTAL NUMBER OF COPIES REQUIRED: LTTR 15 ENCL 12



Arizona Public Service Company

P.O. BOX 53999 • PHOENIX, ARIZONA 85072-3999

102-01487-WFC/TDS/TRB

October 27, 1989

WILLIAM F. CONWAY
EXECUTIVE VICE PRESIDENT
NUCLEAR

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Reference: Letter from R. J. Pate, Chief, Nuclear Material Safety and
Safeguards, NRC to W. F. Conway, Executive Vice President Nuclear,
Arizona Public Service, dated September 29, 1989

Dear Sir:

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket No. STN 50-528 (License No. NPF-41)
STN 50-529 (License No. NPF-51)
STN 50-530 (License No. NPF-74)
Reply to Notice of Violation 50-528/89-32-03
and Notice of Deviation 50-528/89-32-01
File: 89-070-026

This letter is provided in response to the report of the inspection conducted by Messrs. L. R. Norderhaug and D. W. Schaefer on August 7 through August 31, 1989. Based on the results of the inspection, one (1) violation and one (1) deviation of NRC requirements were identified.

The violation and deviation are discussed in Appendix A and B, respectively of the referenced letter. A restatement of the violation and deviation, and PVNGS's responses are provided in Appendix A and B, and Attachment 1 and 2, respectively, to this letter.

The inspection report, transmitted by the referenced letter, contained a non-cited violation of the reporting requirements of 10CFR73.71. PVNGS's response to this non-cited violation is contained in Attachment 3 to this letter.

The referenced letter expresses concern with regard to security officer overtime, behavioral observation program, and the timeliness of a safeguard report related to a security incident. As requested by the referenced letter, these concerns and the other matter discussed in Paragraph 2 of the inspection report, are addressed in Attachment 4 to this letter.

Very truly yours,

W. F. Conway

8911060082 891027
PDR ADCK 05000528
Q PNU

IE04
1/1



102-01487-WFC/TDS/TRB
October 27, 1989

WFC/TDS/TRB/kj

Attachments

cc: J. B. Martin
T. J. Polich
T. L. Chan
E. E. Van Brunt
A. C. Gehr
J. R. Newman



APPENDIX A

NOTICE OF VIOLATION

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Docket No. 50-528
License No. NPF-41

During a routine physical security inspection conducted from August 7 through August 31, 1989, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the violation is listed below:

Paragraph 2E of the Facility Operating License No. NPF-41 for the Arizona Nuclear Power Project's Palo Verde Nuclear Generating Station, Unit 1 states, in part:

"APS shall fully implement and maintain in effect all provisions of the Commission approved physical security...plan, including all amendments and revisions made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p), which are a part of this license."

The licensee's approved "Palo Verde Nuclear Generating Station Security Plan," dated October, 1979, as amended, at Section 8.3.11 (entitled "Event 11: Loss of Intrusion Detection System") states, in part, that compensatory measures are to be implemented to compensate for degraded systems and that access control is to be maintained to all vital areas through the use of security force members.

Contrary to the above, at approximately 1315 hours on April 9, 1989, the licensee discovered that the compensatory officer, stationed at a vital area door blocked open to facilitate work on the Unit 2 atmospheric dump valves, was asleep at his post.

Also, at approximately 0255 on July 31, 1989, an officer, posted at the vehicle door to the vital Unit 2 Fuel Building to compensate for an inoperative alarm, was discovered by the licensee to be asleep. Again, at approximately 0925 hours that same day another officer, posted at the Unit 1 Containment Air Lock Hatch to compensate for a vital area barrier deficiency, was also discovered by the licensee to be asleep.



Attachment 1

Response to Notice of Violation 50-528/89-32-03

I. REASON FOR THE VIOLATION

The reason for each of the three licensee identified events, reported by APS to the NRC on April 9 and July 31, 1989 (two events), was determined to be a cognitive personnel error on the part of the contract security officers for being asleep at their assigned post.

APS performed a Human Performance Evaluation (HPES) to assess the factors affecting the events that occurred on July 31, 1989. The evaluation identified boredom and fatigue as contributing factors.

The evaluation also showed that the causes for these factors could be traced to work schedule and supervisory methods.

II. THE CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

As immediate corrective action, each of the involved security officers was terminated. In accordance with APS procedures, applicable protected area locks were rekeyed. Additionally, a memorandum was issued to security supervisors and personnel to emphasize the importance of maintaining alertness while on post, routine scheduled post rotation and the desirability to call for a break, if needed, in order to maintain

alertness while on post. Also, a memorandum was issued to Shift Captains and Sergeants to ensure they make frequent post visitations.

In addition, based upon the HPES evaluation discussed above, the following corrective actions have been implemented:

1. The security command post is required to conduct radio checks with each compensatory post on 30-minute intervals during the night shifts and on one (1) hour intervals during day shifts.
2. Rotation of security officers every two hours at all compensatory posts is now required. (This action was implemented in 1988 for posts in low traffic areas as a result of an event in October, 1988).
3. Security patrols are instructed to make frequent contact with posted officers and assist with relief if needed.
4. Sergeants are required to conduct random checks of each compensatory post in their assigned areas at least once every two (2) hours.
5. Sitting on remote compensatory posts is allowed only on 36 inch stools with no back or arm rests.



Although not specifically in response to these events, APS is currently evaluating its security staffing and overtime policies. The results of that evaluation and actions currently under consideration for implementation are discussed in Attachment 4.

III. CORRECTIVE STEPS THAT WILL BE TAKEN TO AVOID FURTHER VIOLATIONS

APS believes that the actions described above are sufficient to preclude further violations.

IV. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance was achieved at the time of each event's discovery when the posted guards were relieved from their posts.



APPENDIX B

NOTICE OF DEVIATION

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Docket No. 50-528
License No. NPF-41

During a routine physical security inspection conducted from August 7 through August 31, 1989, a deviation from commitments made to the NRC was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988), the deviation is listed below:

Safeguards Report No. 3-89-S01-00 dated April 15, 1989, documented the March 19, 1989 failure to compensate for an open containment hatch and committed to reporting the results of the licensee's investigation by June 1, 1989. A supplemental licensee report, No. 3-89-S01-01 dated June 8, 1989, noted delays in completing the investigation and revised the estimated completion date to July 30, 1989.

Contrary to the above commitment, a subsequent supplemental report (No. 3-89-S01-02) documenting the results of the licensee's investigation was not issued until September 18, 1989; nor was the NRC informed of the anticipated further delay.



Attachment 2

Response to Notice of Deviation 50-528/89-32-01

I. EXPLANATION OF DEVIATION AND CORRECTIVE STEPS THAT HAVE BEEN TAKEN

The reason for the deviation has been determined to be an interpretation of the requirements contained in NUREG 1022, Supplement No. 1, Licensee Event Report System. Since 10CFR73.71, Reporting of Safeguard Events, and Regulatory Guide 5.62, Revision 1, November 1987, requires the submittal of written safeguards reports on NRC Form 366, Licensee Event Report, APS has utilized NUREG 1022 as the basis for interpreting NRC requirements for submittal of written safeguards reports.

Question 25.8 in NUREG 1022, Supplement 1 states: "Is the date of supplemental reports considered firm (i.e., a regulatory commitment) or is it just a target date?"

Answer: "The "Expected Submission Date" (Item 15) for supplemental reports is a target/planning date. It is not a regulatory commitment."

Question 14.11: "What should we do if we know that a report will be late?"

Answer: "Discuss the situation with the appropriate Regional Office."

Discussions with the responsible Compliance Lead Engineer revealed that he believed if a supplement was not ready for submittal, a revision of the expected submission date via another supplement was not required. The Compliance Lead Engineer also believed that since he had discussed the fact that the report would be delayed with NRC Region V personnel, both in telephone calls prior to July 31, 1989, and at the inspection exit meeting on August 11, 1989, he had complied with NUREG 1022.

While the intent of the NUREG 1022, Supplement 1 was met when the status of the report was verbally discussed with Region V personnel and when a supplement to Licensee Event Report (LER) 3-89-S01-02 was submitted on September 18, 1989, APS recognizes the interpretation underlying the Notice of Deviation and will treat dates given for submittal of supplements to LER's in accordance with this interpretation.

In the future, if the "Expected Submission Date" for a supplement to a LER cannot be met, a revised submittal date will be provided by a LER supplement or other writing to the NRC. This policy has been promulgated by the Compliance Manager to all Compliance engineers.

APS also recognizes that the deviation would not have occurred if the investigation had been completed in a timely manner. The timeliness of investigations is discussed further in Attachment 4 to this letter.



II. DATE WHEN CORRECTIVE ACTION WILL BE COMPLETED

The corrective action was completed upon submittal of Supplement 2 to Licensee Event Report 3-89-S01 on September 18, 1989 and issuance of the new policy memorandum by the Compliance Manager.



Attachment 3

Response to Non-cited Violation 50-528/89-07-S0

Paragraph 3.m. of the inspection report identified the failure to submit a written report within 30 days of an event which occurred on May 19, 1989. The Licensee Event Report (LER) 1-89-S07-00, Report of a Safeguards Event, was submitted on June 19, 1989, 31 days after the event. The 30-day period for submission of the written report ended on Sunday, June 18, 1989. LER 1-89-S07-00 was mailed on June 19, 1989, the first working day following the end of the 30-day period.

This submittal was consistent with 10CFR50.4(d), Written Communications, which states in part "...If a submittal due date falls on Saturday, Sunday, or Federal holiday, the next Federal working day becomes the official due date." A similar instruction is provide in NUREG 1022, Supplement 1 in the answer to Question 14.10.

Therefore, APS requests that the non-cited violation 50-528/89-07-S0 be rescinded.



Attachment 4

Responses to Paragraph 2 of Inspection Report

50-528, 529, 530/89-32

A. Security Staffing Policies

The events which occurred on July 31, 1989, were the first security events experienced at PVNGS where sustained overtime and potential fatigue could be considered as a contributory cause.

Subsequent to the July 31 events, APS promptly initiated several measures designed specifically to enhance our security staff and, hence, control overtime demands for our security personnel. These measures are summarized as follows:

1. The Security Department is presently conducting nuclear security training for 30 contract personnel to provide a larger reservoir of trained guards to supplement our permanent APS staff during outages and other peak periods.
2. APS has initiated a review of the adequacy of the permanent contract guard force. A decision of whether additional permanent contract personnel are required will be made prior to 1990.
3. Site Services management is currently evaluating measures to reduce the rate of turnover among the contract security force, up



to and potentially including an adjustment in pay rates.

APS will continue to monitor the performance of the Security Department, and will take such other actions as may be found necessary to maintain performance at acceptable levels.

B. Behavioral Observation Program

APS acknowledges that there was an undue delay in alerting the security staff of a suspected or potential personnel problem on June 21, 1989. The delay resulted from (1) ambiguity respecting the supervisor's authority when faced with a problem which could affect the free flow of information, (2) the fact that the newly hired manager had not yet received training in the PVNGS behavioral program, and (3) delays inherent in escalation of the problem to the Director level of management (which was proper and consistent with management's expectations when the supervisor and his manager were faced with uncertainty).

The following actions have been or are currently in process to enhance our Behavioral Observation Program:

1. As part of the implementation of 10CFR Part 26, APS has separated
.. the Behavioral Observation Program from the Fitness for Duty

Program. This will assist supervisors in clarifying actions to be taken for aberrant behavior as opposed to suspicion of drug or alcohol use identified in the Fitness for Duty procedure.

2. Behavioral Reliability Training (BRT) has been evaluated and determined to fully meet the requirements of 10 CFR Part 26. The new procedure is scheduled to be approved by November 15, 1989.

C. Centralized Screening Program

Paragraph 2 of the Inspection Report mentioned the APS plans to implement a Centralized Screening Program. The following actions have been or will be taken:

1. As a function of the implementation of the "non" Centralized Badging and Access Authorization Facility, the Security Department will coordinate the background screening and psychological evaluation of any individual requiring unescorted access to protected/vital areas.
2. The Site Services Director has authorized the hiring of one (1) permanent security screening analyst and four (4) contract analysts. This group is expected to begin functioning in January, 1990.



3. Pending the transition described above, the Security Department Access Control Section has updated its screening procedure to include more detailed criteria. Additionally, the Security Manager has mailed a copy of the Palo Verde security screening procedure to each contractor with whom Security conducts business, advising them of the requirement to comply with the contents of the procedure. Failure to comply would result in their employees' unescorted access being revoked.

APS believes the changes discussed above will effectively resolve and prevent recurrence of previously identified problems.

D. Timeliness of Investigations and Supplemental Reports

Attachment 2 to this letter contains APS's response to the Notice of Deviation which addresses a failure to submit a supplemental report by the expected due date.

Although not specifically raised by the Inspection Report, the lack of timeliness in completing investigations is the underlying cause of the delay in submitting the supplemental report. Appropriate actions to resolve this issue have been taken as discussed in the September 1, 1989 NRC/APS Management Meeting, in letters to the NRC dated August 28 and September 8, 1989, and again in the civil penalty response of October 2, 1989. APS is closely monitoring the investigation program and the



implementation of corrective actions to ensure that the recent
enhancements achieve our objectives.

