

ENVIRONMENTAL WHISTLEBLOWER PROJECT
NATIONAL WHISTLEBLOWER CENTER

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June 6, 1991

Kenneth Carr
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Palo Verde Nuclear Generating Station

Dear Chairman Carr:

We are writing to inform the NRC of extremely serious allegations concerning the operation of the Palo Verde Nuclear Generating Station ("Palo Verde") near Phoenix, Arizona which have recently come to our attention. These allegations have been received by the National Whistleblower Center ("NWC") from several John Doe and Jane Doe whistleblowers who are present and former employees at Palo Verde.

The operation of Palo Verde by Arizona Public Service Co. ("APS") has reached crisis proportions. The consequences of these allegations are so severe that there exists an imminent health and safety risk to the entire Phoenix, Arizona metropolitan area.

These allegations are as follows:

- (1) A hydrogen leak in Palo Verde Unit 1 has been ongoing since late 1990 or early 1991. This has created an extremely dangerous and volatile condition which could ignite in a catastrophic fire. It is believed that APS has known of this condition for at least six months but has not fixed the problem. Moreover, APS had an opportunity to resolve the problem during a planned outage earlier this year but failed to do so.
- (2) It has been recently discovered that the plant's fire pumps malfunction due to a lack of adequate maintenance. Although this equipment was upgraded to quality augmented system in 1990 APS has failed to perform adequate QA and routine maintenance. Thus, in the event of fire at the plant there exists an

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unacceptable risk that the fire pumps would be unable to pump water to extinguish a fire.

- (3) The cooling towers for all three Palo Verde units are crumbling and are unsafe. In fact, a portion of one of the cooling towers for Unit 1 recently collapsed. APS has not proposed a solution to this problem, and it is believed that APS plans to continue to operate Unit 1 at full power even though a portion of its cooling tower is incapacitated. It is also believed that APS has known for an extended period of time about the weaknesses in the concrete material used to construct the cooling towers but has failed to correct these deficiencies.
- (4) In numerous areas the NRC has permitted APS to operate Palo Verde outside safety regulations by accepting letters of Justification for Continued Operation ("JCO"). This is an unacceptable and highly dangerous practice. First, APS has not fully committed to permanent solutions for these JCO's. For example, APS has not proposed a permanent solution for the JCO governing problems with its Reactor Coolant Seals. Second, APS has been permitted to violate Technical Specifications and other licensing conditions for unreasonable and extensive periods of time and JCO's are not resolved in a timely fashion. Third, neither APS nor the NRC has conducted safety evaluations of these JCO's. Fourth, there are no procedures governing the writing and control of JCO's. Fifth, given the sheer volume of JCO's in effect it is believed that the operators are not fully cognizant of operating conditions.
- (5) APS has not identified nor coordinated Appendix R breakers throughout the units. Thus, in the event of a fire APS would not know what pieces of equipment would be lost.
- (6) It has been rumored that APS has experienced a primary to secondary leak over 2 gpm in Unit 2 but has failed to properly notify the NRC or shut down the unit. If this is true, then the secondary system in Unit 2 has been contaminated with radiation.

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- (7) APS has covered up and knowingly failed to report safety violations to the NRC via Licensee Event Reports ("LER's"). APS has knowingly and wilfully operated Palo Verde while not in compliance with its licensing requirements.
- (8) Although APS committed to be able to move its hydrogen recombiner from one unit to another in a 72 hour period, it has never done so and has no procedure to move it. Moreover, APS does not have a back up hydrogen recombiner (although it committed to have one).
- (9) APS failed to properly implement its Design Change Package ("DCP") for Control Element Drive Mechanisms ("CEDM's") in Unit 3 (RCTS #039846). This DCP was designed incorrectly resulting in pulling the wrong group of rods during testing. However, rather than resolve this problem APS removed the DCP in order to restart Unit 3 without committing to permanent resolution. It is alleged that the CEDM problem is a generic one at Palo Verde.
- (10) APS has engaged in widespread harassment and retaliation of employees who raise safety concerns. This has created a "chilling effect" on employees at Palo Verde and resulted in the suppression of the free disclosure of safety violations.


Palo Verde is a nuclear power plant that is out of control. APS management either will not or cannot solve the serious safety problems which exist today at Palo Verde. These risks of a major accident or fire are unacceptable at any industrial facility, let alone at one of the world's largest nuclear power plants. If left unresolved, these severe problems could develop into a nuclear disaster on a scale larger than Chernobyl.


We request that the NRC take immediate action regarding these ongoing unsafe and hazardous conditions. Units 1 and 2 at Palo Verde should be immediately shut down until these serious safety problems have been fully resolved. APS should not be permitted to restart these units as well as Unit 3 until it can prove that it can operate Palo Verde in conformance with its licensing requirements.

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Accordingly, we ask that the NRC Commissioners request APS to voluntarily cease operating until the pervasive quality control breakdown is aborted. If the licensee will not voluntarily shut down, the Commission should order APS to cease operation of Palo Verde. Furthermore, a special investigative team should be appointed to monitor and inspect conditions at the plant.

Sincerely,


David K. Colapinto
Attorney for Palo Verde
Employee Allegor


Stephen M. Kohn
Chairman, Board of Governors,
National Whistleblower Center

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FOR IMMEDIATE RELEASE

The National Whistleblower Center ("Center"), a Washington, D.C. public interest group, today requested Kenneth Carr, Chairman, U.S. Nuclear Regulatory Commission, to take immediate action concerning alleged safety hazards at the Palo Verde Nuclear Generating Station near Phoenix, Arizona. The Center's alert is based on safety allegations received from several John Doe and Jane Doe whistleblowers who are former and present employees at Palo Verde.

The serious allegations disclosed today, which may pose an imminent health and safety risk to the residents of Phoenix, Arizona, include:

- * A hydrogen leak in Unit 1 has been ongoing for at least six months. This condition could result in a catastrophic fire.
- * Fire pumps at the plant have malfunctioned and are unable to pump water in the event of a fire.
- * Cooling towers for all three units are crumbling and unsafe. A portion of one of the cooling towers in Unit 1 recently collapsed.
- * For more than a year, the NRC has permitted Palo Verde to operate in violation of safety requirements.

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The Center has demanded that the NRC Commissioners request Arizona Public Service Co. ("APS") to voluntarily cease operations at Palo Verde until these problems and the pervasive quality control breakdowns at the plant are corrected. In the event APS refuses to voluntarily cease operations the NRC should order a shut down of Palo Verde.

In today's letter to NRC Chairman Carr, the Center warned:

Palo Verde is a nuclear power plant that is out of control. APS management either will not or cannot solve the serious safety problems which exist today at Palo Verde. These risks of a major accident or fire are unacceptable at any industrial facility, let alone at one of the world's largest nuclear power plants. If left unresolved, these severe problems could develop into a nuclear disaster on a scale larger than Chernobyl.

A copy of the letter sent by the Center to NRC Chairman Carr is enclosed.

The National Whistleblower Center is a project of Northwest Environmental Advocates, a non-profit, tax exempt organization formed in 1969. The Center was created in 1988 and supports precedent setting litigation on behalf of employee whistleblowers, provides legal advice and referrals for counsel to whistleblowers nationwide, and educates the public about the rights of employees to make disclosures regarding corporate or government misconduct, environmental protection or health and safety violations. The Center is currently assisting whistleblowers at Palo Verde to disclose safety allegations.

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Encl.

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