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G. CARL ANDOGNINI
VICE PRESIDENT
NUCLEAR OPERATIONS

REGION V

December 22, 1983
NOLD 83-361

Mr. John B. Martin
Office of Inspection and Enforcement
Region V
US Nuclear Regulatory Commission
1450 Maria Lane, Suite 210
Walnut Creek Plaza
Walnut Creek, California 94596

Subject: Palo Verde Nuclear Generating Station
Notice of Violation
Docket Nos. STN 50-528/529
File: 83-019-026

Reference: NRC Inspection Report Nos. 50-528/83-40 and 50-529/83-19
from T. W. Bishop to G. C. Andognini, dated November 21,
1983

Dear Mr. Martin:

As a result of the inspection conducted on September 1 through October 31, 1983, and in accordance with NRC Enforcement Policy, 10 CFR Part 2, Appendix C, 47 FR 9987, the following violations were identified:

1. Criterion II of Appendix B to 10 CFR 50 states, in part, that "Activities affecting quality shall be accomplished under suitably controlled conditions. Controlled conditions include....suitable environmental conditions for accomplishing the activity..."

Contrary to the above, the inspector observed on September 1, 1983, that safety injection system valve No. UV666 in Unit 1 had been leaking excessively through the packing for a significant period of time without correction. The leakage had caused a considerable amount of boric acid to crystalize on the floor of the HPSI A pump room as well as on the safety injection piping carbon steel pipe supports. This had the potential for degrading the safety-related pipe support components.

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Corrective Action Which Has Been Taken and Results Achieved

- A. Upon notification by the inspector, immediate action was taken to clean the equipment and general area. The boric acid crystals were removed from all exposed surfaces.
- B. The carbon steel supports in question were visually inspected for damage with none noted. Further inspection was deemed unnecessary because the supports are protected by a paint coating.
- C. After cleanup, the valve was inspected and, based upon the results of that inspection it was determined that the amount of leakage did not warrant the suspension of in progress testing. Upon completion of testing, the valve was taken out of service, repacked, and satisfactorily returned to service. Periodic inspections and required cleaning were performed for the period of time that testing remained in progress.

Corrective Action Which Will Be Taken to Avoid Further Noncompliance

The Startup Department is developing a Department Instruction which will address the identification and reporting of deficient equipment as well as requirements for periodic walkdown inspections of systems which are within Startup jurisdiction.

The Operations Department has developed and implemented a similar Department Instruction for identification and reporting of deficient equipment.

Date When Full Compliance Will Be Achieved

- A. Area cleanup and valve repacking is complete.
 - B. The Operations Department Instruction is in effect.
 - C. The Startup Department Instruction is scheduled to be effective 01/16/84.
2. Criteria V to Appendix B of 10 CFR 50 states, in part, that "Activities affecting quality shall be prescribed by documented instructions, procedures....and shall be accomplished in accordance with these instructions, procedures..."

- A. Bechtel Procedure WPP/QCI 13, "Housekeeping," states: "A Zone V area shall be kept orderly utilizing good construction site housekeeping practices. Garbage, trash, scrap, litter and other excess material....shall not be allowed to accumulate..."

Contrary to the above, on October 6, 1983, the inspector observed in the Unit 2 auxiliary feedwater pump rooms an accumulation of excessive construction trash, scrap, litter, and carelessly hung Class IE cabling. The pumps had been transferred to APS Startup for testing with one pump in operation at the time of the observation.

Corrective Action Which Has Been Taken and Results Achieved.

Upon notification by the inspector, the pump rooms were inspected and cleaned with all inspection deficiencies corrected.

Corrective Action Which Will Be Taken to Avoid Further Noncompliance

- A. A letter redefining previously agreed to housekeeping responsibilities is being forwarded to all supervisory personnel in Construction, Startup, and Operations.
- B. Startup is developing a Department Instruction to address and implement its responsibilities in this area.

Date When Full Compliance Will Be Achieved

- A. The cleanup of the pump rooms has been completed.
- B. The letter regarding housekeeping will be issued by 12/30/83.
- C. The Startup Department instruction is scheduled to be effective 01/16/84.
2. Criteria V to Appendix B of 10 CFR 50 states, in part, that "Activities affecting quality shall be prescribed by documented instructions, procedures....and shall be accomplished in accordance with these instructions, procedures..."
- B. APS Startup Quality Assurance Procedure, "Performance and Documenting Surveillances of Preoperation Testing," incorporates the identification of Acceptance Criteria which shall be witnessed.

Contrary to the above, a review sampling of Unit 1 Quality Control (QC) surveillance records during the inspection period disclosed several acceptance criteria identified as requiring QC witnessing had not been witnessed. For example the "Volume Control Tank" preoperational test, performed on March 20, 1983 had two steps to be verified by QC but instead were verified only by the test engineer.

Corrective Action Which Has Been Taken and Results Achieved

Startup QC has reviewed approximately 85% of the completed QC test surveillance packages. This review indicates that Startup QC has witnessed an average of 70.3% of each preoperational test performed and an average of 72.3% of each Hot Functional Test performed.

The results of the review performed to date establishes confidence that preoperational tests have been performed in accordance with the applicable test procedure and administrative guidelines and that the data recorded was the actual data observed.

The review of the particular preoperational test, 91PE-1CH03 Revision 1, Volume Control Tank, used as an example in the Notice of Violation revealed that 75% of the 171 completed steps in the preoperational test were witnessed by Startup.

Corrective Action Which Will Be Taken to Avoid Further Noncompliance

- A. The initial Startup Quality Assurance Program required the preparation of a surveillance package to be developed indicating which preoperational steps would be verified by QC witness. This program and the Startup administrative program was inconsistent and allowed this deviation to occur because Startup was not aware of these Quality Control verifications. Startup Quality Assurance Directive (SUQAD) 10.3 was revised on September 2, 1983, to establish methods which incorporate QC witness requirements into the "Official Test Copy" of the Preoperational Test to preclude recurrence of the deviation.
- B. SUQAD 10.1 Revision 1, is being revised to include the requirements of SUQAD 10.3 and 10.3 will be cancelled.
- C. All Quality Control Engineers will receive training on the new revision of SUQAD 10.1.

Date When Full Compliance Will Be Achieved

- A. Full compliance will be achieved on February 1, 1984 with the completion of the Preoperational Test Surveillance Package reviews.

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- B. SUQAD 10.1 Revision 2, will be issued by January 3, 1984 and training will be completed and documented on or before January 10, 1984 with the procedure having an effective date of January 11, '84.
- C. CAR S-83-257-N has been issued to document the lack of compliance to SUQAD 10.3 and will be closed when QA has verified completion of all corrective action items identified.
- D. All actions taken in resolving this item were performed, reviewed and documented in accordance with approved project procedures.

Arizona Public Service does not agree with the Nuclear Regulatory Commission in classifying this item as a severity IV violation. Based on a review of 10CFR Part 2, Appendix C, Supplement II - Definitions of Severity Levels, APS feels that this item should be classified no higher than a deviation. This decision is based on the fact that this item has no safety or environmental significance to Palo Verde Nuclear Generating Station.

We feel that this response adequately addresses the items of concern. Should you have any questions, please feel free to contact Todd Bloom, 943-7200, extension 6159.

Very truly yours,


G. C. Andognini

GCA/SRF/amh

cc: Director, Office of Nuclear Reactor Regulation
Director, Office of Inspection and Enforcement
NRC Resident Inspector - PVNGS
PVNGS Project Manager - USNRC