



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION V

1450 MARIA LANE  
WALNUT CREEK, CALIFORNIA 94596-5368

NOV - 3 1992

Docket Nos. 50-528, 50-529, and 50-530  
License Nos. NPF-41, NPF-51 and NPF-74

Arizona Public Service Company  
P.O. Box 53999, Station 9012  
Phoenix, Arizona 85072-3999

Attention: Mr. W. F. Conway  
Executive Vice President, Nuclear

Gentlemen:

SUBJECT: NOTICE OF VIOLATION  
NRC INSPECTION REPORT NO. 50-528/529/530/92-31

This refers to the inspection conducted by J. Sloan, J. Ringwald, B. Olson, and L. Tran of this office, on August 25 through September 30, 1992. The inspection included a review of activities authorized for your Palo Verde facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Based on the results of this inspection, one of your activities appeared to be in violation of NRC requirements. This apparent violation involved an operator failing to respond appropriately to an annunciator and is similar to a violation cited in NRC Inspection Report 50-529/91-49 less than one year ago. These violations both resulted in operators not being aware of plant status and therefore not properly responding to abnormal plant conditions. In response to this violation, you should describe the actions you plan to take to assure lasting corrective actions.

During the inspection period, a reactor trip occurred in Unit 1 as a result of work on an energized circuit. In addition, during troubleshooting being performed on an energized reactor trip breaker cubicle, we observed that protective equipment was not being used and that an electrical lead from test equipment attached by an alligator clip fell off and landed on the floor of the cubicle. The loss of annunciator event in Unit 3 in May 1992, which resulted in an Alert, was also caused by similar conditions - work on an energized circuit and the loss of positive control of an electrical lead. We note that in response to the unit trip, you took aggressive actions to further control work on energized equipment. You are encouraged to continue to monitor and control work activities to minimize the potential for inadvertently causing plant events.

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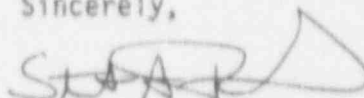
You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96.511.

Should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely,



S. A. Richards, Deputy Director  
Division of Reactor Safety and  
Projects

Enclosures:

1. Notice of Violation
2. Inspection Report Numbers 50-528/92-31, 50-529/92-31, and 50-530/92-31

cc w/enclosures:

Mr. O. Mark DeMichele, APS  
 Mr. James M. Levine, APS  
 Mr. R. Stevens, APS  
 Mr. S. Guthrie, APS  
 Mr. E. C. Simpson, APS  
 Mr. Robert W. Page, APS  
 Mr. Thomas R. Bradish, APS  
 Ms. Nancy C. Loftin, Esq., Corporate Secretary & Corporate Counsel, APS  
 Mr. Curtis L. Hoskins, El Paso Electric Company  
 Mr. Steve Olea, Chief Engineer, Arizona Corporation Commission  
 Mr. Aubrey Godwin, Director, Arizona Radiation Regulatory Agency  
 Chairman, Maricopa County Board of Supervisors  
 Mr. Bradley W. Jones, Esq., Akin, Gump, Strauss, Hauer and Feld  
 Mr. Jack R. Newman, Esq., Newman & Holtzinger P. C.  
 Mr. Roy P. Lessey, Jr., Esq., Arkin, Gump, Strauss, Hauer and Feld  
 Mr. James A. Beoletto, Esq., Assistant Council, Southern California Edison Company  
 Mr. Charles B. Brinkman, Combustion Engineering, Inc.

bcc w/enclosures:

bcc w/o enclosure B:

Docket file

LFMB

J. Martin

M. Smith

B. Faulkenberry

G. Cook

Resident Inspector (4)

Project Inspector

REGION V/Ann

*JSloan*  
JSloan *for*  
11/2/92

*JRingwald*  
JRingwald  
11/2/92

*Bulson*  
Bulson  
11/2/92

*Dis. N. P.*  
*Plaintiff's*  
*Went to FBI*  
LTran *Report*  
1/1/92 *Hand*

*Pl. for*  
D. Acker (412. a (2))  
11/2/92

REQUEST COPY  
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*SRichards*  
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*K Perkins (911-Audiotape)*  
11/3/92

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SEND TO PDR  
YES / NO