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NRC PROPOSES TO FINE ARIZONA PUBLIC SERVICE COMPANY \$55,000
FOR VIOLATIONS AT PALO VERDE NUCLEAR PLANT

The U.S. Nuclear Regulatory Commission staff has proposed a civil penalty of \$55,000 against Arizona Public Service Co. for failing to promptly detect and correct improperly installed check valves in the emergency core cooling system at its Palo Verde Nuclear Generating Station, a three-reactor plant about 50 miles west of Phoenix, AZ.

The emergency core cooling system is designed to pump cooling water into the nuclear core during an accident in which the normal flow of water is lost. Check valves allow the flow of water in only one direction, and the improperly installed check valves were leaking excessively in the direction from which flow should have been blocked. Palo Verde operators failed to detect the improperly assembled check valves for approximately six years in Unit 1, five years in Unit 2 and one and one-half years in Unit 3 despite opportunities to have done so.

The NRC staff classified the violations as a single Severity Level III problem, which carries a base civil penalty of \$55,000. The NRC uses a four-level scale to rate the severity of violations, with Severity Level I being the most serious.

The NRC considers the potential safety consequences from this violation to warrant a Level III citation and civil penalty because emergency cooling water flow to the nuclear core during some accident conditions would have been reduced below that specified in the plant's final safety analysis. This condition would only have occurred if one of the emergency core cooling system pumps failed to start when needed during a loss of coolant accident.

Palo Verde operators have re-assembled the check valves, tested the system for reverse leakage and restored the emergency core cooling system to proper operation since the problem was detected in April of this year. An NRC inspection was conducted from May through July, and a predecisional enforcement conference was held on September 14.

Arizona Public Service Co. has 30 days to respond in writing to the NRC's Notice of Violation. The response must document specific actions taken to prevent recurrence of the violations. During this time the company may pay the fine or file a protest.

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