



NRC NEWS

U. S. NUCLEAR REGULATORY COMMISSION

Office of Public Affairs Region IV
611 Ryan Plaza Drive - Suite 400
Arlington, TX 76011-4005

No. IV-07-023
Contact: Victor Dricks
Phone: 817-860-8128

June 21, 2007
E-Mail: opa4@nrc.gov

NRC ISSUES CONFIRMATORY ACTION LETTER ON PALO VERDE NUCLEAR PLANT

The Nuclear Regulatory Commission staff has issued a Confirmatory Action Letter (CAL) to Arizona Public Service Co. confirming the company's commitments regarding actions it will take to improve performance at the Palo Verde Nuclear Generating Station. APS operates the plant located in Wintersburg, Ariz.

"Palo Verde is being operated safely, but performance improvements are needed," NRC Region IV Administrator Bruce S. Mallett said. "We intend to hold APS accountable to perform a thorough evaluation of the causes of the performance problems at Palo Verde and to complete actions to correct them. The letter will serve as a roadmap for performance improvement."

The letter confirms commitments the company has made to the NRC to:

1. Complete actions to address root and contributing causes identified in its evaluations in response to performance problems associated with the voided containment sump suction piping for all three units, and associated with the Unit 3 emergency diesel generator electrical relay problems, including:

- Ineffective resolution of emerging technical issues, including thoroughness of technical evaluations and troubleshooting
- Failure to routinely question the validity of engineering assumptions used to support operability decisions for degraded equipment
- Lack of consistently notifying operations personnel of immediate operability concerns
- Inadequate performance monitoring measures necessary to fully assess the effectiveness of the corrective actions.

2. Complete corrective actions that result in measurable improvement in the crosscutting areas of human performance and problem identification and resolution. Specific areas to address are:

- Palo Verde operability determination process; timeliness and thoroughness for evaluations of conditions/significant conditions adverse to quality; and engineering quality.
3. Complete an independent (third party) safety culture assessment by September 15.
 4. Incorporate the results of their in-depth evaluations and safety culture assessments into a modified improvement plan.
 5. Submit to the NRC portions of the modified improvement plans that impact the Reactor Safety strategic performance area, including safety culture improvement initiatives by November 30.

Issuance of the CAL does not preclude subsequent issuance of an order formalizing the commitments requiring other actions on the part of the company.

Palo Verde has been under increased NRC oversight since the fourth quarter of 2004 following a finding for a substantial safety issue. Inspectors found that APS had incorrectly left air pockets in portions of the emergency core cooling system for each reactor that could have hindered the system's operation during certain types of accidents. The finding remains open because APS has not effectively addressed performance problems.

Those problems include a lack of questioning attitude, lack of technical rigor and poor operability determinations by workers - factors which contributed to a more recent finding issued by the NRC for problems with a emergency diesel generator at Unit 3, moving Palo Verde into a higher level of NRC oversight.

Two substantive cross-cutting issues in the areas of human performance and problem identification and resolution have also remained open since the NRC's 2004 end-of-cycle assessment. Palo Verde has also had numerous operational challenges since 2004, including multiple reactor trips and unplanned shutdowns.

##

NRC news releases are available through a free list serve subscription at the following Web address: <http://www.nrc.gov/public-involve/listserver.html> . The NRC homepage at www.nrc.gov also offers a SUBSCRIBE link. E-mail notifications are sent to subscribers when news releases are posted to NRC's Web site.