



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

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No. 07-026

February 23, 2007

NRC CHAIRMAN DALE KLEIN DISCUSSES PALO VERDE NUCLEAR PLANT

Nuclear Regulatory Commission Chairman Dale Klein said Friday he is not satisfied with the performance of the Palo Verde nuclear generating station and plant operations will be even more closely scrutinized in coming years because of the agency's responsibility to ensure existing reactors are operated safely.

Klein, who toured the plant Friday morning and met with plant managers to discuss two years of declining performance, said at a press conference that he had "very frank discussions with the management" at the plant.

"The message I took to them is simple: the number one priority is to maintain the safety of the fleet of existing reactors," said Klein.

"At the NRC we set very high standards for safety, and the Palo Verde plant is meeting them. However, if we see the large margins of safety that we require in jeopardy, we have to act firmly – and we have," he said. "There are significant performance problems at Palo Verde that must be addressed. To put it bluntly: The status quo at Palo Verde is not acceptable."

Klein said that NRC inspectors have found that when problems arise at the plant there has been a tendency to address symptoms "rather than get to the heart of why a problem arose. This must change."

He said that over the past two years Palo Verde's management has sought to change course at the plant, but they have not been successful. As a result, the plant will now receive the NRC's highest level of scrutiny.

Klein said he met Friday with the plant's new senior vice president, Randy Edington, to discuss the situation.

He said Edington "told me he intends to turn around this decline. I told him we are going to be watching closely. He has a good reputation for setting things straight, and I believe he will give this the hard work, dedication and commitment it requires. It will not be an overnight job. The NRC will continue to closely monitor operations at Palo Verde to ensure performance improves."

Klein also said he will visit a regional electric grid oversight facility in Phoenix, noting that one of the issues of the growth of nuclear generation is the ability of the electrical grid to convey new power sources to consumers.

“The grid is one of the pinch points in the expansion of nuclear generation. Our agency is working closely with the Federal Energy Regulatory Commission on transmission issues,” he said.

Owned and operated by the Arizona Public Service Co., the three pressurized water reactors at the site 55 miles west of Phoenix are capable of generating up to 3,804 megawatts of electricity. A megawatt is enough to power about 1,000 homes. The first unit went on line in January of 1986, and the second unit followed in September of that year. The third unit became operational in January of 1988.

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

Those weaknesses include a lack of questioning attitude, lack of technical rigor and poor operability determinations by workers - factors which contributed to the “white” finding issued by the NRC earlier this week for problems with the diesel generators at Unit 3. With the issuance of the white finding Palo Verde automatically goes into the NRC’s highest level of 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. APS has also had numerous operational challenges since 2004, including 11 reactor trips and 18 unplanned shutdowns.

In response to this declining performance trend, the NRC has conducted additional inspections at the plant, augmented regional staffing assigned to monitor Palo Verde, held numerous meetings with APS officials and monitored the licensee’s implementation of its performance improvement plan.

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