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JUL 24 1981

Docket No. 50-528

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U.S. NUCLEAR REGULATORY COMMISSION

Arizona Public Service Company
P. O. Box 21666
Phoenix, Arizona 85036

Attention: Mr. G. C. Andognini
Vice President, Electric Operations

Gentlemen:

Subject: NRC Inspection - Palo Verde Unit 1 (Preoperational Test Phase)

This refers to the inspection conducted by Mr. P. H. Johnson of this office on June 9-11 and July 6-10, 1981, of activities authorized by NRC Construction Permit No. CPPR-141 and to the discussion of our findings held by Mr. Johnson with Mr. F. W. Hartley and other members of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

No items of noncompliance with NRC requirements were identified within the scope of this inspection.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractors) believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you (a) notify this office by telephone within ten (10) days from the date of this letter of your intention to file a request for withholding; and (b) submit within 25 days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven (7) days are available for your review, please notify this office promptly so that a new date may be established. Consistent with section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld and which contains a full statement

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of basis on which it is claimed that the information should be withheld to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, the report will be placed in the Public Document Room.

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

Sincerely,

Original signed by
J. L. Crews

J. L. Crews, Director
Division of Resident, Reactor Projects &
Engineering Inspection

Enclosure: IE Inspection Report
Nos. 50528/81-10

cc w/o enclosure:
F. W. Hartley
Nuclear Operations Manager, APS

bcc w/enclosure:
G. Fiorelli (c/o Vorderbrueggen at Palo Verde)

Sent to DMB for DCS Processing

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