

OCT 25 1984

84-33

Docket Nos. 50-528
50-529

IE HQ FILE COPY

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

Attention: Mr. E. E. Van Brunt Jr.,
Vice President - Nuclear Operations

Gentlemen:

Subject: NRC Inspection of Palo Verde Units 1 and 2

This refers to the inspection conducted by Messrs. R. Zimmerman, G. Fiorelli, and C. Bosted of this office on August 13 - September 8, 1984 of activities authorized by NRC Construction Permit Nos. CPPR 141 and 142 and to the discussions of our findings held by Mr. Zimmerman with you and members of your staff periodically during the inspection.

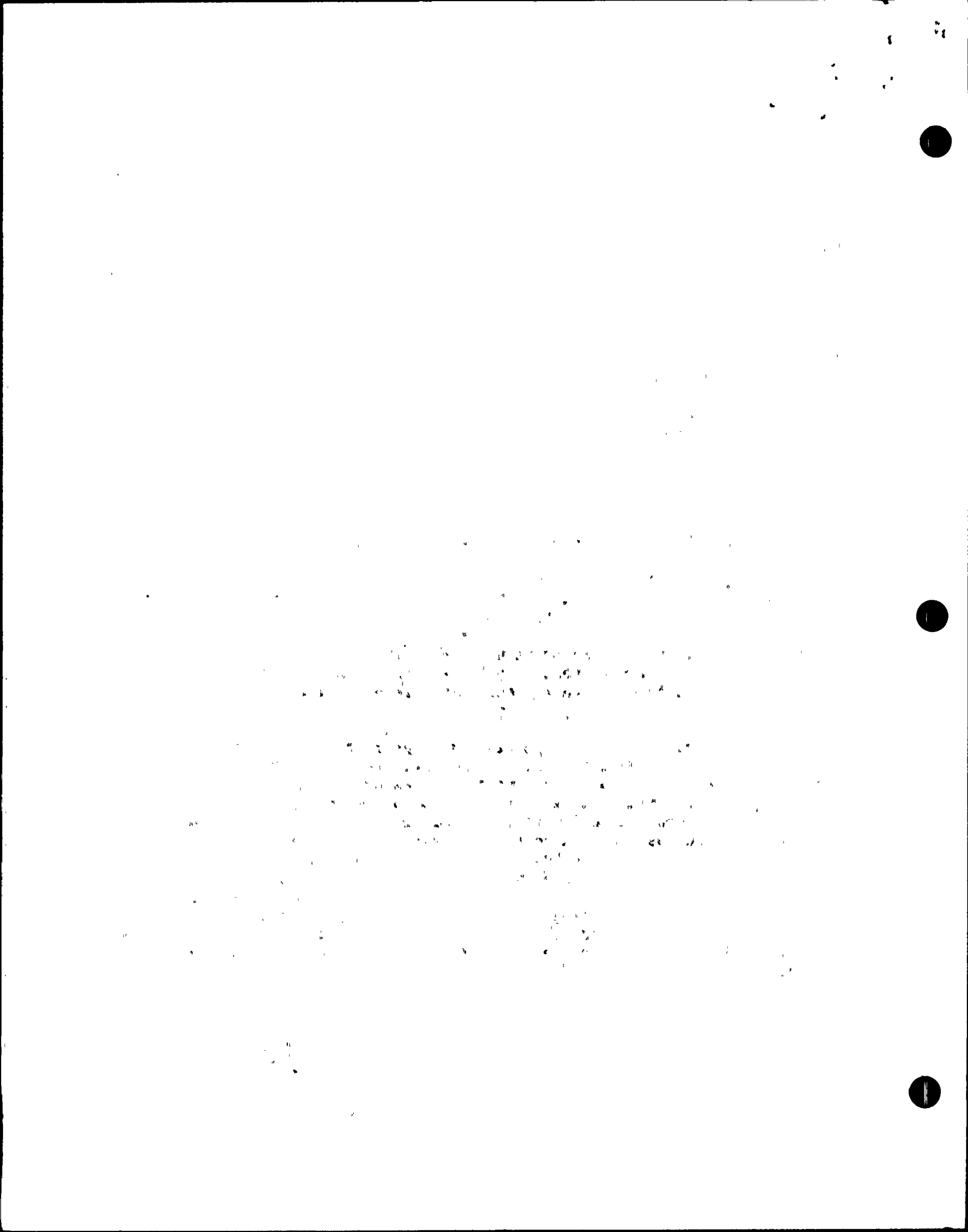
Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This violation, dealing with insufficient controls to assure a proper equipment lineup prior to component operation, is similar to two previous instances documented in NRC Inspection Report 50-528/84-28, and highlighted as a concern in my letter to you dated September 14, 1984 which transmitted the inspection report. We requested in the referenced letter that you provide us with the actions you plan to take to improve your controls in assuring proper equipment lineups and statusing. We understand that you intend to include in your response to that request the specific corrective action for the enclosed violation. Therefore, unless desired, no response to the enclosed violation is required.

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

Sincerely,

// Signed //

T. W. Bishop, Director
Division of Resident, Reactor
Projects and Engineering Programs

Enclosure:
Inspection Report
Nos. 50-528/84-33
50-529/84-26

cc w/enclosure:
J. Bynum, Director, Nuclear Operations
S. R. Frost, Supervisor
Nuclear Operations Licensing, Station 4080
T. D. Shriver, Manager, Quality Systems & Engineering
W. E. Ide, Manager, Corporate QA/QC
C. N. Russo, Manager, QA Audits
Ms. Jill Morrison
Lynne Bernabei, GAP

bcc: Document Control Room (RIDS)

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