

AUG 28 1986

Docket Nos. 50-528, 529,
and 530

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(10 CFR 2.206)

Ms. Barbara S. Bush, Executive Director
Ms. Lyn McKay, President
Mr. Myron L. Scott, Intervention Coordinator
Coalition for Responsible Energy Education
315 West Riviera Drive
Tempe, Arizona 85282

Dear Ms. Bush, Ms. McKay and Mr. Scott:

This is to acknowledge receipt of the petition filed by you on behalf of the Coalition for Responsible Energy Education (CREE) on July 16, 1986. The petition alleges that Arizona Power Service Corp., et al. (Licensees), have knowingly violated the provisions of 10 CFR §50.7 by requiring certain employees to submit to polygraph testing as a means of discouraging employees from reporting unsafe conditions at the Palo Verde facility. As sanctions against Licensees for these alleged violations, you request that the Commission: (1) impose a stringent civil penalty; (2) require the posting of notices to employees advising them of protection afforded under 10 CFR §50.7 and the Energy Reorganization Act; (3) require the posting of notices of public apology by Licensees for the alleged violation of 10 CFR §50.7 and the Energy Reorganization Act; and (4) deny or revoke all Palo Verde licenses. Regarding these requests, the Licensees are currently required under 10 CFR §50.7(d) to post a notice (NRC Form 3, a copy enclosed) that describes the protections afforded by 10 CFR §50.7 and section 210 of the Energy Reorganization Act.

Your petition is being considered pursuant to 10 CFR §2.206 of the Commission's regulations. As provided by Section 2.206(b), action will be taken on your request within a reasonable time. I have also enclosed for your information a copy of the notice that is being filed with the Office of the Federal Register for publication.

Sincerely,

Original Signed By
James M. Taylor
James M. Taylor, Director
Office of Inspection and Enforcement

Enclosures:
As Stated

cc: Arizona Public Service Corp.

bcc: J. Lieberman, OGC
J. Martin, RV
H. Denton, NRR
E. Christenbury, OGC
PDR
L. Dewey, OGC
L. Shollenberger, RV
G. Knighton, NRR
M. Licitra, NRR
LPDR
IE:ES/116 OGC
EHoller JLieberman
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ES:DP/116 JAxelrad
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IE:DB RStarostecki
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