Docket Nos. 50-528, 50-529, 50-530

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

Attention: Mr. E. E. Van Brunt Jr., Vice President

Nuclear Projects Management

Gentlemen:

Subject: NRC Inspection of Palo Verde Units 1, 2 and 3

This refers to the routine inspection conducted by Messrs. J. H. Eckhardt and G. Hernandez of this office on August 30 - September 3, 1982 of activities authorized by NRC Construction Permit Nos. CPPR-141, -142, and -143 and to the discussion of our findings held with you and 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.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A.

Your response to this notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room unless you notify this office, by telephone, within ten days of the date of this letter and submit written application to withhold information contained therein within thirty days of the date of this letter. Such application must be consistent with the requirements of 2.790(b)(1).

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NRC FORM 318	(10-80) NRCM 0240		OFFICIAL	RECORD C	OPY	1	USGPO: 1981-335-960

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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

Sincerely,

D. M. Sternberg, Chief Reactor Projects Branch No. 1

Enclosures:

A. Notice of Violation B. Inspection Report Nos.

50-528/82-25 50-529/82-09 50-530/82-10

bcc: DMB/Document Control Desk (RIDS)

Distributed by RV: Arthur C. Gehr, Esq (w/o enc B) RHE (w/o enc B) A. Johnson (w/o enc B) Resident Inspector