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SEP 13 1983

Docket No. 70-2949
50-528

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

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

Gentlemen:

Subject: NRC Safeguards Inspection - Palo Verde Unit 1

This letter refers to the unannounced preoperational Material Control and Accounting Safeguards inspection of your activities authorized under NRC License No. SNM-1887 conducted by Messrs. A. V. Wieder and G. B. Nelson of this office on July 11 through July 14, 1983 and subsequent telephone conversations reopening the inspection August 5, 11 and 22, 1983. It also refers to the discussion of their inspection findings with members of the Unit 1 Staff July 14, 1983.

The inspection included examination of activities related to your program for the control and accounting of special nuclear material in accordance with applicable requirements of Title 10, Code of Federal Regulations, Part 70, "Domestic Licensing of Special Nuclear Material", and pertinent license conditions as described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and records, interviews with facility personnel and observations by the inspectors.

Within the scope of the inspection, no items of noncompliance were observed.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of the findings of your control and accounting procedures for safeguarding special nuclear material are exempt from public disclosure; therefore, the enclosed inspection report will not be placed in the Public Document Room.

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

Sincerely,

Original signed by
L. R. Norderhaug

L. R. Norderhaug, Chief
Safeguards and Emergency Preparedness
Branch

Enclosure:
NRC Inspection Report
50-528/83-27 (IE-V-578)
70-2949/83-01

cc w/enclosure:
J. Bynum
Manager Nuclear Operations
K. W. Gross
Compliance Supervisor Station 6075

bcc: RSB/Document Control Desk (RIDS)

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