

JUN 8 1984

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 inspection conducted by Messrs. P. P. Narbut, J. Burdoin, J. Ball, K. Ivey, C. Myers, D. Pereira, J. Tatum and D. Hollenbach of this office on April 9-20, 1984 of activities authorized by NRC Construction Permit Nos. CPPR-141, 142, and 143, and to the discussion of their findings held with you 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 inspectors.

Based on the results of this inspection, it appears that five 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 addition, please provide the committed written responses to the issues addressed in paragraphs 5.6.3)(a) regarding CE review of test changes and in paragraph 5.b.)3(b) regarding technical concerns in connection with reactor vessel shimming requirements.

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

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.

Sincerely,

Original signed by  
D. B. Bishop

T. W. Bishop, Director  
Division of Reactor Safety  
and Projects

Enclosures:

- A. Notice of Violation
- B. Notice of Deviation
- C. Inspection Report
  - Nos. 50-528/84-15
  - 50-529/84-12
  - 50-530/84-07

cc w/enclosures:

- W. E. Ide, APS
- C. N. Russo, APS
- J. Bynum, Plant Superintendent, APS
- S. R. Frost, Supervisor  
Nuclear Operations Licensing, APS

bcc: RSB/Document Control Desk (RIDS)

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RV/jk

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|-------------------|-----------------------|--------------------------|----------------------|-----------------|
| NARBUT <u>PPN</u> | la BURDOIN <u>PPN</u> | la AL JOHNSON <u>PPN</u> | For YOUNG <u>PPN</u> | BISHOP <u>K</u> |
| 6/8/84            | 6/8/84                | 6/8/84                   | 6/8/84               | 6/8/84          |