

Docket Nos. 50-528
50-529

JUN 22 1984

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 and 2

This refers to the inspection conducted by Messrs. R. Zimmerman, G. Fiorelli, and C. Bosted of this office on May 1 - June 1, 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 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. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A. We note that you have corrected Item No. 1 of Appendix A, and therefore need not address in your response, unless desired, those actions taken regarding the deficiencies noted in your drawing control program.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure 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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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,

*Original signed by
D. Bishop*

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

Enclosure:

- A. Notice of Violation
- B. Inspection Report
Nos. 50-528/84-18
50-529/84-14

cc w/o enclosure B:
J. Bynum, Director
Nuclear Operations

bcc: RSB/Document Control Desk (RIDS)

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RV/jk

ZIMMERMAN <i>jk</i>	FIGORELLI <i>jk</i>	A. JOHNSON <i>jk</i>	BOSTED <i>jk</i>	YOUNG <i>jk</i>	BISHOP <i>K</i>
6/21/84	6/21/84	6/21/84	6/21/84	6/22/84	6/22/84