



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION V  
1450 MARIA LANE, SUITE 210  
WALNUT CREEK, CALIFORNIA 94596

RSB

AUG 7 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 Production

Gentlemen:

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

This refers to the inspection conducted by Mr. L. E. Vorderbrueggen of this office during the period April 2 - May 31, 1984, of activities authorized by NRC Construction Permit Nos. CPPR-141, -142 and -143, and to the discussion of our findings 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 one of your activities was 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 your response to the violation please provide an explanation as to whether the indicated improper work controls had been identified by your reinspection efforts committed in response to report 50-528/83-34 (the CAT inspection), and please explain the effectiveness of that reinspection effort in light of this current finding.

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PDR ADOCK 05000528  
Q PDR

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Arizona Public Service Company - 2 -

We are disturbed that this violation may indicate a deficiency in the effectiveness of the quality program improvements which you indicated would be implemented subsequent to our Construction Assessment Team inspection performed last September. Specifically, your letter of January 31, 1984 stated that your follow-up actions included the establishment of an improved work control program for work performed during startup, and the institution of a comprehensive reinspection program reaching beyond the limited scope of the CAT inspection. Further, Attachment A to your January 31 letter contains a statement that APS management had determined that prior to resumption of any preoperational testing, the actual configuration of the component or system must be verified against design drawings. It was also stated that a series of walkdowns to specified criteria had been and were being conducted to assure that the configuration of each subsystem is known prior to the resumption of testing.

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

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,

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

Enclosures:

- A. Notice of Violation
- B. Inspection Report  
Nos. 50-528/84-21, 50-529/84-16 and 50-530/84-10

cc:

- J. Bynum, Plant Superintendent
- S. R. Frost, Supervisor  
Nuclear Operations Licensing, Station 4080
- T. D. Shirver, Manager, Quality Systems & Engineering

bcc: RSB/Document Control Desk (RIDS)  
Ms. Jill Morrison, Lynne Bernabei, GAF, Arthur C. Gehr, Esq., J. B. Martin, RV  
Resident Inspector

RV  
L.Vorderbrueggen:dh  
7/31/84

PPW for  
T.Young  
7/31/84

A.Johnson  
7/31/84

T.Bishop  
7/3/84