AUG 21984

Docket Nos. 50-528, 50-529

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 and 2

This refers to the inspection conducted by Messrs. R. Zimmerman, G. Fiorelli, and C. Bosted of this office on June 2 - July 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.

No items of noncompliance with NRC requirements were identified within the scope of this inspection.

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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AUG 21984

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

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Sincerely,

Cristiant signed by

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

Enclosure: Inspection Report Nos. 50-528/84-23 & 50-529/84-17

cc w/enclosure: J. Bynum, APS S. R. Frost, APS T. D. Shriver, APS Ms. Jill Morrison Lynne Bernabei, GAP Arthur C. Gehr, Esq., Snell & Wilmer

bcc: RSB/Document Control Desk (RIDS) Mr. Martin, RV pink/green/docket file copies Resident Inspector

RV Zimmerman/dot

2/1/84

PDDfor Fiorelli

8/ 1/84



8/1/84

Narbut for Bishop 8/1/84 8/1/84