



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

PDR-016
LPDR

Docket No. 50-528

AUG 23 1984

Ms. Lynne Bernabei
General Counsel
Government Accountability Project
1901 Que Street, NW
Washington, DC 20009

IN RESPONSE REFER
TO FOIA-84-524

Dear Ms. Bernabei:

This is in further response to your letter dated June 21, 1984, in which you requested, pursuant to the Freedom of Information Act (FOIA), all documents generated in connection with the civil penalty and/or enforcement action taken by the NRC against the Arizona Public Service Company regarding the Construction Assessment Team (CAT) inspection findings for the Palo Verde Nuclear Generating Station (PVNGS), including but not limited to the \$40,000 civil penalty recommended for the CAT Inspection Notice of Violation, the reduction of the civil penalty to \$20,000, any discussion or debate concerning the amount or appropriateness of the civil penalty, and/or any discussion, debate, or dissent concerning reduction of the civil penalty.

Appendix A is a listing of documents subject to your request. Documents 1 through 4 have previously been placed in the NRC Public Document Room (PDR). Access to these documents may be acquired by using the accession numbers listed with the documents. Documents 5, 6, and 7 are being placed in their entirety at the PDR in file folder FOIA-84-524.

The documents listed on Appendix B are being withheld in their entirety as explained herein. These documents do not contain any reasonably segregable factual portions. The documents withheld pursuant to Exemption (5), as noted on Appendix B, are various memoranda and drafts maintained by the enforcement staff. These memoranda and drafts contain advice, opinions, recommendations, and comments of the staff. Release of this information would interfere with the frank exchange of views essential to the deliberative process. This information is being withheld from public disclosure pursuant to Exemption (5) of the FOIA (5 U.S.C. 552(b)(5)), and 10 CFR 9.5(a)(5) of the Commission's regulations.

8502070137 840823
PDR FOIA
BERNABEB4-524 PDR

Ms. Lynne Bernabei

-2-

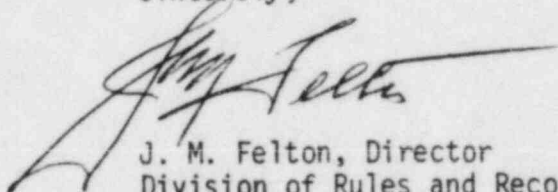
The documents being withheld pursuant to Exemption (7)(A) were compiled for law enforcement purposes, the release of which would interfere with enforcement proceedings by, for example, alerting the subjects of the investigation to the scope, direction, and focus of the investigation. This information is being withheld from public disclosure pursuant to Exemption (7)(A) of the FOIA (5 U.S.C. 552(b)(7)(A)), and 10 CFR 9.5(a)(7)(i) of the Commission's regulations.

Pursuant to 10 CFR 9.9 of the Commission's regulations, it has been determined that the information withheld is exempt from production or disclosure and that its production or disclosure is contrary to the public interest. The persons responsible for the denial of these documents are the undersigned and Mr. Richard DeYoung, Director, Office of Inspection and Enforcement.

This denial may be appealed to the Commission's Executive Director for Operations within 30 days from the receipt of this letter. As provided in 10 CFR 9.11, any such appeal must be in writing, addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should clearly state on the envelope and in the letter that it is an "Appeal from an Initial FOIA Decision."

The search for additional documents subject to your request has not been completed. As soon as the search is completed, we will contact you.

Sincerely,



J. M. Felton, Director
Division of Rules and Records
Office of Administration

Enclosures: As stated

APPENDIX A

1. EN 83-79A, dated April 3, 1984; Subject: Imposition of Civil Penalty - \$20,000 - Accession No. 8404050188
2. Letter from Richard C. DeYoung, Director, Office of Inspection and Enforcement, to Arizona Public Service Company, ATTN: Mr. T. G. Woods, Jr., Executive Vice President, dated April 3, 1984; Subject: Transmits an Order Imposing A Civil Monetary Penalty - Accession No. 8404160280
3. Letter from J. L. Crews, Director, Division of Resident Reactor Projects and Engineering Programs, Region V, to Arizona Public Service Company, ATTN: Mr. E. E. Van Brunt, Jr., Vice President, Nuclear Projects Management, dated April 22, 1983; Subject: Special NRC Inspection of Palo Verde Units 1, 2, and 3 - Accession No. 8305170531
4. Letter to Director, Office of Inspection and Enforcement from Edwin E. Van Brunt, Jr., Arizona Public Service Company, Subject: "Request for Extension of Response Time to Notice of Violation dated 12/12/83," dated January 11, 1984 - Accession No. 8401180107
5. Draft - NRC Staff Reduces Proposed Civil Penalty Against Arizona Public Service for Previously Cited Quality Assurance Violation at Palo Verde (1 page)
6. 6/24/82 - Arizona Public Service Company Independent Design Verification Agenda (22 pages) w/attached Vugraphs
7. 6/29/82 - Independent Quality Assurance Evaluation of PVNGS Units 1, 2, and 3 - Presentation to NRC by Torrey Pines Technology (26 pages)

APPENDIX B

1. Note from Walter P. Haass to Jane Axelrad, Director, Enforcement Staff, undated; Subject: Falsification of Electrical Termination Installation Cards - Palo Verde. (Exemption 5)
2. Draft memorandum from William J. Dircks, Executive Director for Operations to Samuel J. Chilk, Secretary, dated March 25, 1983; Subject: Staff Requirements - Discussion/Possible Vote on Contested Issues in Palo Verde Full Power Proceeding, 10:00 A.M., Tuesday, 3/15/83, Commissioner's Conference Room, D. C. Office (Closed-- Ex. 10). (Exemption 5)
3. Draft Enforcement Packages. (Exemption 5)
4. Memorandum from Allen D. Johnson, Enforcement Officer, RV to Jane Axelrad, Acting Director, Enforcement Staff, IE, dated 4/11/83; Subject: Draft NOV. (Exemption 5)
5. Signed sworn statements of Hector Nunez and Reginald E. Johnson, dated 4/8/83 and 4/7/83 respectively. (Exemption 7 A).