

JUL 22 1986

Docket Nos. 50-528
50-529
50-530

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Attention: Mr. E. E. Van Brunt Jr.,
Executive Vice President

Gentlemen:

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

This refers to the inspection conducted by Messrs. R. Zimmerman, C. Bosted, G. Fiorelli, J. Ball and J. Melfi of this office on May 27, 1986, through June 30, 1986 of activities authorized by NRC License Nos. NPF-41, NPF-51 and Construction Permit Number CPPR-143, and to the discussion of our findings held with yourself 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 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.

Additionally, paragraph 9 in the enclosed report documents a discrepancy between the inputs used in the seismic calculation for the diesel generator bridge cranes, and those required by the design specification. This instance of failure to assure that procured equipment satisfies the appropriate design specification is similar in nature to several examples for which a violation was issued following the NRC Construction Appraisal Team inspection conducted earlier this year (50-530/86-03). A report of the team's findings and a Notice of Violation were transmitted to you on April 4, and June 16, 1986, respectively. It is our understanding that you have agreed to include your assessment and corrective actions associated with the adequacy of the diesel generator bridge crane design verification as part of your response to Item 2, in the Notice of Violation issued on June 16, 1986. Also, it is our understanding that you have agreed to respond to that Notice of Violation, in total, by the revised date of July 28, 1986.

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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 accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

The response directed by this letter and the accompanying Notice are not subject to the clearance procedure 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 pleased to discuss them with you.

Sincerely,

Original signed by
D. F. Kirsch
D. F. Kirsch, Director
Division of Reactor Safety and Projects

Enclosures:

- A. Appendix A - Notice of Violation
- B. Inspection Report Nos. 50-528/86-20
 50-529/86-20
 50-530/86-14

cc w/enclosures:

- J. G. Haynes, Vice President, Nuclear Operations
- J. R. Bynum, PVNGS Plant Manager
- W. F. Quinn, Manager, Nuclear Operations Licensing
- T. D. Shriver, Manager, Compliance
- W. E. Ide, Manager, Corporate QA/QC
- C. N. Russo, Manager, QA Audits/Monitoring
- Arthur C. Gehr, Esq.
- Ms. J. Morrison
- Ms. L. Bernabei, GAP
- D. Railsback, Arizona Corporation Commission

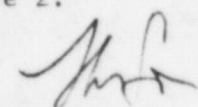



bcc w/enclosures:

RSB/Document Control Desk (RIDS); Resident Inspector; Project Inspector; G. Cook; B. Faulkenberry; J. Martin

bcc w/o enclosure 2:

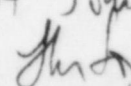
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