

# SAFEGUARDS INFORMATION

MAY 30 1985

Docket No. 50-528

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 Security Inspection - Palo Verde Unit 1

This letter refers to the routine safeguards inspection of your activity at Palo Verde Nuclear Generating Station (PVNGS) Unit 1, by Mr. D. Schaefer of this office on May 6-10, 1985. It also refers to the discussion of our inspection findings with Mr. Joe Bynum, Plant Manager and members of his staff on May 10, 1985.

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 facility and contract personnel and observations by the inspector.

Based on the results of this inspection, it appears that your activities were not in full compliance with NRC regulations, as set forth in the Notice of Violation, enclosed herewith as Appendix A.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of the findings of your safeguards and security procedures are exempt from public disclosure; therefore, the enclosed inspection report and Appendix A thereto will not be placed in the Public Document Room and will receive limited distribution.

We have determined that the enclosed inspection report contains Safeguards Information and must be protected against unauthorized disclosure in accordance with the provisions of 10 CFR 73.21.

ENCLOSURE CONTAINS  
SAFEGUARDS INFORMATION.  
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Should you have questions concerning this letter, we will be glad to discuss them with you.

Sincerely,

*for me Schuster*  
James L. Montgomery, Chief  
Nuclear Materials Safety and  
Safeguards Branch

Enclosures:

1. Appendix A - Notice of Violation
2. Inspection Report No. 50-528/85-15 (IE-V-688)

cc w/enclosures:

J. R. Bynum, Director, Nuclear Operations  
T. D. Shriver, Manager, Quality Systems and Engineering  
W. E. Ide, Manager, Corporate QA/QC  
C. N. Russo, Manager, QA Audits

cc w/o enclosures:

Ms. Jill Morrison, PVIF  
Lynne Bernabei, GAP  
Arthur C. Gehr, Esq., APS

bcc w/o enclosures:

Resident Inspector  
Mr. Martin  
LFMB  
pink/green

bcc w/enclosures:

docket file

RV

*S*  
Schaefer/dot

5/29/85

*RES*  
Schuster

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*for RES*  
Montgomery

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*for Miller*  
L. Miller

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*for A. Johnson*  
A. Johnson

5/ /85

*(Reviewed by draft)*