

~~SAFEGUARDS INFORMATION~~

DEC 13 1985

Docket No. 50-529

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-2

This letter refers to the pre-operational physical security inspection of your activities at Palo Verde Nuclear Generating Station (PVNGS) Unit 2, by Messrs. D. Schaefer and L. Norderhaug of this office on November 11-14, 1985. It also refers to the discussion of our inspection findings with Mr. J. G. Haynes, Vice President, Nuclear Production, Arizona Nuclear Power Project (ANPP), and members of his staff on November 14, 1985. Further, this letter refers to the telephone discussion between Messrs. W. Fernow, ANPP and D. Schaefer of this office on November 27, 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 inspectors.

Within the scope of the inspection, no violations were observed.

In accordance with Section 2.790(d) of 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 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
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Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,

James L. Montgomery, Chief
Nuclear Materials Safety and Safeguards
Branch

Enclosure:

Inspection Report No. 50-529/85-41 (IE-V-720)

cc w/enclosure:

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T. D. Shriver, ANPP
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REGION V/dot

Schaefer *JS*

12/13/85

Norderhaug *JS*

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MS
Schuster

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JK
Miller

12/13/85

Jm
Montgomery

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