

COMPUTER ACCESS AND OPERATING AGREEMENT

Purpose

This Computer Access and Operating Agreement ("Agreement") is made between the United States (U.S.) Nuclear Regulatory Commission (NRC) and Arizona Public Service Company ("APS" or "Owner"), serving in its capacity as the Operating Agent for the Palo Verde Nuclear Generating Station (PVNGS), for the purpose of providing the NRC on-site access at PVNGS to certain PVNGS computer electronic data and information.

Basis of Agreement

WHEREAS, APS desires to enhance the NRC's ability to perform its regulatory functions with respect to the regulatory duties performed by NRC's staff at PVNGS by providing the NRC staff with on-site access to certain computer hardware, software, and electronic files owned by APS and under APS' control so that data needed for NRC inspection activities may be electronically accessed in an efficient manner; and

WHEREAS, APS is willing to make available to NRC's staff at PVNGS on-site access to certain computer hardware, software, and electronic files as appropriate or otherwise necessary for said staff to continue to perform its regulatory responsibilities subject to the terms below;

Terms

1. At no charge to the NRC, APS will make available for use and maintain for the NRC's staff at PVNGS a personal computer and associated hardware, certain software that is listed below and access to electronic information necessary for the NRC staff's performance of its regulatory responsibilities.
 - a. Basic office automation tools on the PVNGS network including, but from time-to-time not limited to: MS Windows, MS Outlook (PVNGS Public Folders), Microsoft Office, Adobe Acrobat Reader, PVNGS CMI (Computer Based Training), Folio Views, SWMS (Site Work Management System).
 - b. Access to PVNGS Local Area Network (LAN) for the purpose of reading reference material on the nt75pv: drive and reviewing the operator logs.
2. The software and electronic information referred to above in Paragraph 1 will be available for NRC use and on-site access only at PVNGS with no downloading or transmission, and no control over the associated software programs. No one representing the NRC will have the capability to modify, revise, alter or amend any portion of any of the information or the associated software programs to which the NRC staff has on-site access pursuant to this Agreement. Nor will NRC install any software on the designated hardware provided to NRC by APS other than those provided by APS pursuant to this Agreement.

APS including its agents, representatives, or employees do not assume any responsibility whatsoever for defects in the said software programs or

hardware or any consequences therefrom. APS agrees to, upon notification by the NRC staff with on-site access, of any defectiveness or malfunctioning of said software or hardware, make reasonable efforts to provide appropriate comparable replacement software and hardware as necessary, within a reasonable time upon notification thereof.

3. APS acknowledges, and the NRC agrees, that all communications that are part of the regulatory process will continue to be accomplished in a format consistent with relevant NRC regulations found in Title 10 of the Code of Federal Regulations (10 CFR), i.e., in a paper format or by electronic exchange and processed according to the NRC's normal docketing procedures.
4. NRC acknowledges, and APS agrees, that all information or data residing on or accessible from the computer made available to NRC pursuant to this Agreement are "owned" and under the "control" of APS. The NRC will treat such information as proprietary to APS pursuant to 10 CFR 2.790 unless determined otherwise. Any downloading, transmission, or modification of data or information residing on or accessible through the computer that is made available for use by the NRC is strictly prohibited. In the event a request is received by the NRC for any such PVNGS data and/or information, the NRC will provide APS the opportunity to request that the data and/or information be withheld from public disclosure in accordance with the NRC's regulations, 10 CFR 9.17 and 2.790.
5. The term of this Agreement shall be for one (1) year from the date of its execution by both parties. Thereafter, this Agreement shall be extended automatically on a year-to-year basis until terminated by either party giving ten (10) days prior written notice of termination to the other party.
6. As a result of electric industry deregulation in Arizona, APS contemplates assigning this Agreement, including all rights, benefits, duties and obligations therein or thereunder, to its affiliate, Pinnacle West Energy Corporation (PWEC), or such other affiliate created to acquire APS' interests in PVNGS ("other affiliate") at which the obligations under this Agreement are to be performed. NRC hereby acknowledges and consents to the transfer of this Agreement to PWEC or other affiliate at such time that PWEC or other affiliate becomes the licensed operator of PVNGS.

In Witness Whereof, the undersigned have executed this Agreement.

Arizona Public Service Company

By: 

Title: SENIOR VICE PRESIDENT, NUCLEAR
APS

Date

1-2-02

Nuclear Regulatory Commission

Regional Administrator, Region IV

By: 

Date

2/1/02

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Arizona Public Service Company

Date

By: Meggy N. Ovaluch

1-02-02

Title: SENIOR VICE PRESIDENT, NUCLEAR
APS

Nuclear Regulatory Commission
Regional Administrator, Region IV

Date

By: [Signature]

2/4/02