



Palo Verde Nuclear
Generating Station

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10CFR73.71

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192-01108-CDM/SAB/DLK
August 7, 2002

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station P1-37
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Dockets: STN 50-528, STN 50-529, STN 50-530
Licenses: NPF-41, NPF-51, NPF-74
Licensee Event Report 2002-S01-00**

Attached please find Licensee Event Report (LER) 50-528/2002-S01-00 that has been prepared and submitted pursuant to 10 CFR 73.71(d). This LER reports the discovery of uncontrolled safeguards material in a PVNGS office complex outside of the protected area.

In accordance with 10 CFR 50.4, a copy of this LER is being forwarded to the NRC Region IV Office and the PVNGS Senior Resident Inspector. If you have questions regarding this submittal, please contact Daniel G. Marks, Section Leader, Regulatory Affairs, at (623) 393-6492. Arizona Public Service Company makes no commitments in this letter. The corrective actions described in this LER are not necessary to maintain compliance with regulations.

Sincerely,

 *David Mauldin*

CDM/SAB/DLK

cc: E. W. Merschhoff
J. N. Donohew
D. G. Naujock
N. L. Salgado

A member of the **STARS** (Strategic Teaming and Resource Sharing) Alliance
Callaway • Comanche Peak • Diablo Canyon • Palo Verde • South Texas Project • Wolf Creek

IE74

Estimated burden per response to comply with this mandatory information collection request: 50 hours. Reported lessons learned are incorporated into the licensing process and fed back to industry. Send comments regarding burden estimate to the Records Management Branch (T-6 E6), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to bjs1@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0104), Office of Management and Budget, Washington, DC 20503. If a means used to impose information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

LICENSEE EVENT REPORT (LER)

(See reverse for required number of digits/characters for each block)

1. FACILITY NAME Palo Verde Nuclear Generating Station Unit 1	2. DOCKET NUMBER 05000528	3. PAGE 1 OF 5
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4. TITLE
Safeguards Material Left Unattended

5. EVENT DATE			6. LER NUMBER			7. REPORT DATE			8. OTHER FACILITIES INVOLVED	
MONTH	DAY	YEAR	YEAR	SEQUENTIAL NUMBER	REV NO	MONTH	DAY	YEAR	FACILITY NAME	DOCKET NUMBER
07	11	2002	2002	S01	00	08	07	02	Palo Verde Unit 2	05000529
									Palo Verde Unit 3	05000530

9. OPERATING MODE 1	11. THIS REPORT IS SUBMITTED PURSUANT TO THE REQUIREMENTS OF 10 CFR §: (Check all that apply)									
10. POWER LEVEL 99.2	20.2201(b)	20.2203(a)(3)(ii)	50.73(a)(2)(ii)(B)	50.73(a)(2)(ix)(A)						
	20.2201(d)	20.2203(a)(4)	50.73(a)(2)(iii)	50.73(a)(2)(x)						
	20.2203(a)(1)	50.36(c)(1)(i)(A)	50.73(a)(2)(iv)(A)	73.71(a)(4)						
	20.2203(a)(2)(i)	50.36(c)(1)(ii)(A)	50.73(a)(2)(v)(A)	73.71(a)(5)						
	20.2203(a)(2)(ii)	50.36(c)(2)	50.73(a)(2)(v)(B)							
	20.2203(a)(2)(iii)	50.46(a)(3)(ii)	50.73(a)(2)(v)(C)							
	20.2203(a)(2)(iv)	50.73(a)(2)(i)(A)	50.73(a)(2)(v)(D)							
	20.2203(a)(2)(v)	50.73(a)(2)(i)(B)	50.73(a)(2)(vii)							
	20.2203(a)(2)(vi)	50.73(a)(2)(i)(C)	50.73(a)(2)(viii)(A)							
	20.2203(a)(3)(i)	50.73(a)(2)(ii)(A)	50.73(a)(2)(viii)(B)							
										73.71(d)

12. LICENSEE CONTACT FOR THIS LER

NAME Daniel G. Marks, Section Leader, Regulatory Affairs	TELEPHONE NUMBER (Include Area Code) 623-393-6492
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13. COMPLETE ONE LINE FOR EACH COMPONENT FAILURE DESCRIBED IN THIS REPORT

CAUSE	SYSTEM	COMPONENT	MANUFACTURER	REPORTABLE TO EPIX	CAUSE	SYSTEM	COMPONENT	MANUFACTURER	REPORTABLE TO EPIX

14. SUPPLEMENTAL REPORT EXPECTED				15. EXPECTED SUBMISSION DATE		
YES (If yes, complete EXPECTED SUBMISSION DATE)	X	NO		MONTH	DAY	YEAR

16. ABSTRACT (Limit to 1400 spaces, i.e., approximately 15 single-spaced typewritten lines)

On July 11, 2002 at approximately 1315 Mountain Standard Time (MST), while Units 1, 2, and 3 were in Mode 1, a Palo Verde worker self-reported a loss of control of safeguards material. The worker left a complete copy of the Palo Verde Nuclear Generating Station (PVNGS) Physical Security Plan unattended at his workstation in an office complex outside the protected area. The Security Plan was open but completely covered with other non-safeguards material and thus was not obvious. There was no evidence or indication that suggested that the Security Plan was compromised. The safeguards material was left unattended for a total of approximately 2 hours and 45 minutes.

Upon discovery, the worker immediately secured the safeguards material and promptly reported the event to Security. Following a determination by Security personnel that a 10 CFR 73.71 loss of safeguards event had occurred, a one-hour notification was made to NRC headquarters.

A similar unattended safeguards material event was reported in LER 50-528/2000-S01.

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17. NARRATIVE (If more space is required, use additional copies of NRC Form 366A)

DISCUSSION

On July 11, 2002 at approximately 1315 MST a Palo Verde worker self-reported a loss of control of safeguards material. The worker inadvertently left a complete copy of the Palo Verde Nuclear Generating Station (PVNGS) Physical Security Plan unattended at his workstation. At approximately 1030 MST the worker left his workstation to attend a meeting. Prior to leaving the workstation, the worker checked his desktop but failed to notice the Security Plan, which was open but completely covered with other non-safeguards material. The workstation is located in an office complex outside the protected area. When the worker returned to his workstation at approximately 1315 MST, he realized that the Security Plan had been left unattended. There was no evidence or indication that suggested that the Security Plan was compromised. The worker immediately secured the safeguards material and promptly reported the event to Security (Safeguards Event Program Administrator).

At approximately 1330 MST, the Safeguards Event Program Administrator determined that a 10CFR73.71 loss of safeguards event had occurred. At 1422 MST, a one-hour report was made pursuant to 10CFR73 Appendix (G)(I)(c) via the emergency notification system (ENS) (reference ENS number 39052).

1. DATE AND TIME OF EVENT (START AND END TIME).

At approximately 1030 on July 11, 2002, a Palo Verde worker inadvertently left a copy of the Palo Verde Security Plan unattended when he left his workstation to attend a meeting. The uncontrolled safeguards material was discovered on July 11, 2002 at approximately 1315 MST. At 1330 MST, the Safeguards Event Program Administrator determined that a 10CFR73.71 loss of safeguards event had occurred. At 1422 MST an ENS report was made to NRC headquarters. The total time that the Security Plan was left unattended was approximately 2 hours and 45 minutes.

2. LOCATION OF ACTUAL OR THREATENED EVENT IN A PROTECTED AREA, MATERIAL ACCESS AREA, CONTROLLED ACCESS AREA, VITAL AREA, OR OTHER (SPECIFY AREA).

There was no actual or threatened event in the protected area, material access area, controlled access area, vital area or the office complex where the event occurred, which is located in the owner controlled area.

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17. NARRATIVE (If more space is required, use additional copies of NRC Form 366A)

3. FOR POWER REACTORS, THE OPERATING PHASE, E.G., SHUTDOWN, OPERATING.

At the time of discovery, Units 1, 2 and 3 were in Mode 1 (Power Operations) operating at approximately 99, 98, and 99 percent power, respectively.

4. SAFETY SYSTEMS AFFECTED OR THREATENED, DIRECTLY OR INDIRECTLY.

There were no systems affected or threatened, directly or indirectly during this event.

5. TYPE OF SECURITY FORCE ONSITE (PROPRIETARY OR CONTRACT).

APS employs proprietary security personnel.

6. NUMBER AND TYPE OF PERSONNEL INVOLVED, E.G., CONTRACTORS, SECURITY, VISITORS, NRC PERSONNEL, OTHER (SPECIFY).

One individual was involved with the event. He was a non-licensed, permanent direct APS employee.

7. METHOD OF DISCOVERY OF INCIDENT, E.G., ROUTINE INSPECTION, TEST, MAINTENANCE, ALARM, CHANCE, INFORMANT, COMMUNICATED THREAT, UNUSUAL CIRCUMSTANCES (GIVE DETAILS).

The loss of control of safeguards material was self-identified and self-reported by the employee who left the material unattended.

8. PROCEDURAL ERRORS INVOLVED, IF APPLICABLE.

PVNGS has a procedure to administratively protect against unauthorized disclosure of safeguards material. The current procedure number is 20DP-0SK43, "Control of Safeguards Documents."

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17. NARRATIVE (If more space is required, use additional copies of NRC Form 366A)

This procedure clearly identifies the requirements for maintaining control of safeguards documents and clearly specifies that while in use, safeguards material shall be under the control of an authorized individual. Further, while unattended, safeguards material shall be stored in an approved locked Safeguards Storage Container.

The responsible individual, although approved to have safeguards access, did not follow the procedure requirements for maintaining control of safeguards documents.

9. IMMEDIATE ACTIONS TAKEN IN RESPONSE TO EVENT.

The Palo Verde worker who discovered the unattended safeguards material immediately secured the safeguards material, verified that all safeguards material left out was accounted for, and notified Security (Safeguards Event Program Administrator). The Safeguards Event Program Administrator evaluated the event for reportability and made a 10CFR73.71 safeguards event log entry (02-07-099). A one-hour report was then made pursuant to 10CFR73 Appendix (G)(I)(c) via the ENS (reference ENS number 39052).

10. CORRECTIVE ACTIONS TAKEN OR PLANNED.

The worker responsible for leaving the safeguards material unattended was coached by his Department Leader about his responsibilities concerning the handling and storage of safeguards material. A Condition Report/Disposition Request (CRDR) was generated to document and evaluate the event.

11. LOCAL, STATE, OR FEDERAL LAW ENFORCEMENT AGENCIES CONTACTED.

No local, state or federal law enforcement agencies were notified as a result of this event.

12. DESCRIPTION OF MEDIA INTEREST AND PRESS RELEASE.

There has been no media interest in this event and a press release related to this event is not planned.

LICENSEE EVENT REPORT (LER)

1. FACILITY NAME	2. DOCKET	6. LER NUMBER			3. PAGE
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17. NARRATIVE (If more space is required, use additional copies of NRC Form 366A)

13. INDICATION OF PREVIOUS SIMILAR EVENTS.

One previous similar event was reported in August 2000 (reference LER 50-528/2000-S01-00) – a safe containing safeguards material was found unlocked and unattended. The corrective actions taken for LER 50-528/2000-S01-00 would not have prevented this event.

14. KNOWLEDGEABLE CONTACT.

Daniel G. Marks, Section Leader, Nuclear Regulatory Affairs, (623) 393-6492