

January 31, 2003

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2 AND 3 -
FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE INFORMATION

Dear Mr. Overbeck:

We are writing to advise you that your company has not yet submitted its Foreign Ownership, Control, or Influence (FOCI) information that was outlined in our letter of March 22, 2002. As you may recall, the Nuclear Regulatory Commission (NRC) is taking steps to enhance its licensees' ability to respond to the continuing heightened security environment by processing personnel security clearances for licensees. In order for the NRC to grant the personnel security clearances that your company requested subsequent to our March 22, 2002, letter, we must first make a Facility Security Clearance determination based on the FOCI information you submit. Currently, the NRC is authorized to disseminate classified information to uncleared persons only under special circumstances when timeliness is critical to mitigating an emergency situation. Under our new clearance program, licensees may have access to classified information under more routine circumstances once personnel security clearances are granted. However, before we can grant personnel security clearances, the NRC needs to make a successful FOCI determination, which may require several months to complete. Therefore, it is imperative that you provide your FOCI information to us as soon as possible. If you need to review the regulations on FOCI and Facility Security Clearance requirements, an overview can be found in Part 95 of Title 10 of the *Code of Federal Regulations*.

Questions regarding FOCI packages should be referred to J. Keith Everly of the Office of Nuclear Security and Incident Response at 301-415-7048 or jke@nrc.gov.

Sincerely,

/RA/

Michael L. Springer, Director
Office of Administration

Docket Nos: 50-528, 50-529 and 50-530

cc: See next page

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Sincerely,

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Michael L. Springer, Director
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*See previous concurrence

**No legal objection

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DISTRIBUTION (Letter to licensees regarding submittal of FOCl information)

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LRD 7.00.09

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Palo Verde Generating Station, Units 1, 2, and 3

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