



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

May 12, 2003

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

SUBJECT: CLOSURE OF INVESTIGATION (OI 4-2002-027)

Dear Mr. Overbeck:

This letter is in reference to an investigation conducted by the NRC Office of Investigations (OI) regarding activities at the Palo Verde Nuclear Generating Station. OI initiated the investigation to determine whether a former contract employee of The Atlantic Group had been subjected to employment discrimination.

Based on the evidence developed during the investigation, testimony, and document reviews, the allegation was not substantiated. The NRC plans no further action regarding this investigation and considers this case closed.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Arthur T. Howell III, Director
Division of Reactor Projects

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