



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

September 17, 2003

EA-03-138
EA-03-139
EA-03-140

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

SUBJECT: NRC INVESTIGATION REPORT NOS. 4-2003-011, -015 & -026

Dear Mr. Overbeck:

This refers to investigation reports issued by the NRC's Office of Investigations (OI) in response to Arizona Public Service (APS) informing the NRC of possible misconduct by three employees of the Palo Verde Nuclear Generating Station. In each case, APS informed the NRC that employees had come forward and admitted that they had failed to follow procedures that required them to report arrests. Specifically, in February and March of 2003, a security officer, an auxiliary operator, and a maintenance services employee admitted to having been arrested for driving under the influence of alcohol (DUI) anywhere from 3 to 6 years earlier and had failed to report this information as required by PVNGS procedures. The NRC has reviewed the information compiled by APS and documented by OI and determined that the individuals willfully failed to make the required reports.

The actions of these individuals caused APS to be in violation of its access authorization procedures. PVNGS procedure 20DP-OSK40, "PVNGS Access Screening and Badge Processing," Revision 13, Section 3.8.3, states, in part, "Each individual granted unescorted access to PVNGS ... shall promptly notify the Access Authorization Section Leader and their immediate leader/designee in the event that he/she is arrested or charged with any misdemeanor or felony."

Based on the results of these investigations, the NRC has determined that a willful violation of NRC requirements occurred, consisting of three examples. This violation is being treated as a Non-Cited Violation (NCV), consistent with Section VI.A of the Enforcement Policy. Specifically, although willfulness was involved, APS identified each of the examples of the violation and voluntarily provided this information to the NRC. In addition, the examples involved the isolated actions of the employees without management involvement, involved non-managerial personnel, and resulted in APS taking appropriate remedial and corrective action. APS initially revoked the individuals' access to the facility and placed them on administrative leave. Each of the individuals appealed their access revocations, and was reauthorized access to the facility following reconsideration of the circumstances, including the fact that each had voluntarily

reported this information. APS documented its actions in Condition Report/Deficiency Report Nos. 2590311, 2590656, and 2593279.

If you contest the violation or significance of this NCV, you should provide a response within 30 days of the date of this letter, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, Region IV, the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001, and the NRC Resident Inspector at PVNGS.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, and any response you submit will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, any response you submit should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Please contact Gary Sanborn of my staff at 817-860-8222 should you have any questions.

Sincerely,

/RA/

Thomas P. Gwynn
Acting Regional Administrator

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cc:
Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Douglas K. Porter, Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, California 91770

Arizona Public Service Company

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Chairman
Maricopa County Board of Supervisors
301 W. Jefferson, 10th Floor
Phoenix, Arizona 85003

Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, Arizona 85040

Craig K. Seaman, Director
Regulatory Affairs/Nuclear Assurance
Palo Verde Nuclear Generating Station
Mail Station 7636
P.O. Box 52034
Phoenix, Arizona 85072-2034

Hector R. Puente
Vice President, Power Generation
El Paso Electric Company
2702 N. Third Street, Suite 3040
Phoenix, Arizona 85004

Terry Bassham, Esq.
General Counsel
El Paso Electric Company
123 W. Mills
El Paso, Texas 79901

John W. Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, California 90051-0100

John Taylor
Public Service Company of New Mexico
2401 Aztec NE, MS Z110
Albuquerque, New Mexico 87107-4224

Cheryl Adams
Southern California Edison Company
5000 Pacific Coast Hwy. Bldg. DIN
San Clemente, California 92672

Arizona Public Service Company

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Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, Arizona 85251

Brian Almon
Public Utility Commission
William B. Travis Building
P.O. Box 13326
1701 North Congress Avenue
Austin, Texas 78701-3326

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ADAMS: Yes No Initials: GFS
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