



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

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January 29, 2004

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, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION - PHYSICAL SECURITY
REPORT 05000528/2003012; 05000529/2003012; 05000530/2003012 AND
INVESTIGATIVE REPORT 4-2003-011, -015 & -026

Dear Mr. Overbeck:

On June 26, 2003, the NRC completed the onsite portion of an inspection at your Palo Verde Nuclear Generating Station facility. The enclosed report documents the inspection findings, which were discussed on January 27, 2004, with you and other members of your staff.

This inspection examined activities conducted under your licenses as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without enclosure(s), 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).

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Should you have any questions concerning this inspection, we would be pleased to answer them.

Sincerely,

//RA//

Troy W. Pruett, Chief
Plant Support Branch
Division of Reactor Safety

Dockets: 50-528
50-529
50-530

Licenses: NPF-41
NPF-51
NPF-74

Enclosure:
NRC Inspection Report
05000528; 05000529; 05000530/2003-011 w/Attachment:
Supplemental Information

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cc w/encl (**SAFEGUARDS INFORMATION**)

- E. McNeil (NSIR/DNS/RSS)
- B. Westreich (NSIR/DNS)
- Senior Resident Inspector (**NLS**)
- G. F. Sanborn, D: ACES (**GFS**)
- RIV Docket File - File Room Custodian
- Security Inspector (Pick)

- Electronic distribution by RIV:
- Regional Administrator (**BSM1**)
 - DRP Director (**ATH**)
 - DRS Director (**DDC**)
 - Branch Chief, DRP/D (**JAC**)
 - Senior Project Engineer, DRP/D (**JLT2**)
 - Staff Chief, DRP/TSS (**PHH**)
 - RITS Coordinator (**NBH**)
 - Debby Jackson, OEDO RIV Coordinator (**DAJ1**)
 - PV Site Secretary (**vacant**)

ADAMS: Yes No Initials: _____ **Non-Safeguards only**____
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DOCUMENT: R\ PV\PV2003-012-SEC-GAP.wpd

RIV: PSB/SPSI	PSB/PSI	PSB/RPI	DRP/D	ACES	C:PSB
GAPick;jlh	JRLarsen	DRCarter	JClark	GFSanborn	TWPruett
JLBuchanan for			/RA/		/RA/
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