



EA-03-086

Palo Verde Nuclear
Generating Station

Gregg R. Overbeck
Senior Vice President
Nuclear

TEL (623) 393-5148
FAX (623) 393-6077

Mail Station 7602
P.O. Box 52034
Phoenix, AZ 85072-2034

102-05098-GRO/RAS
April 28, 2004

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
11555 Rockville Pike
Rockville, MD 20852

Dear Sirs:

**Subject: Supplemental Response to the April 29, 2003, Orders to Palo Verde Nuclear Generating Station (PVNGS)
Docket Nos. STN 50-528, 50-529 and 50-530**

The NRC issued an Order dated April 29, 2003, Requiring Compliance with Revised Design Basis Threat ("Order EA-03-086" or "Order") and other security related Orders (collectively "Orders") for the Palo Verde Nuclear Generating Station. This Supplemental Response of APS to Order EA-03-086 supplements the previous response dated June 3, 2003 that APS filed pursuant to 10 CFR § 50.4 and Section III, Conditions A.1, B.1 and B.2.

Order EA-03-086 imposes license conditions on nuclear power plants licensed pursuant to the Atomic Energy Act of 1954 and Title 10 of the Code of Federal Regulations. Section III.A of the Order requires licensees to revise their physical security plans and safeguards contingency plans to provide protection against the revised design basis threat (DBT) set forth in Attachment 2 to the Order. Section III.A also requires licensees to revise the security force training and qualification plan to implement the revised DBT. These revised plans, along with an implementation schedule, were required to be submitted to the Commission for review and approval no later than April 29, 2004.

In accordance with the Order and 10 CFR § 50.4, APS is submitting this Supplemental Response for the above-mentioned licensed facility. This submittal includes, as Attachment A, revisions to the PVNGS Physical Security Plan, the Contingency Plan, and the Training and Qualification Plan as required by Order EA-03-086. These plans contain the integrated commitments to comply with Order EA-03-086 and the other security related Orders issued on February 25, 2002, January 7, 2003, and April 29, 2003. As a result, these plans supersede previous submittals of APS in these areas, including those related to the February 25, 2002, January 7, 2003, and April 29, 2003, Orders. APS will continue to implement the provisions of those previous submittals

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except to the extent that they are superseded by these plans. All changes that have been or will be made have been evaluated to ensure that they do not compromise plant safety.

APS has developed these plans to be consistent with NEI 03-01 (Revision 1), *Nuclear Power Plant Access Authorization Program* (April 2004); NEI 03-09 (Revision 2), *Security Officer Training Program* (April 2004); and NEI 03-12 (Revision 2), *Template for the Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program* (April 2004). The schedule for completing those actions, which includes the identification of major transitional activities, is provided in Attachment B to this submittal. To facilitate the NRC's review, any provisions that are different from NEI 03-12 are identified and the justification provided in Attachment C, *Deviations from NEI 03-12*, to this submittal. Attachment D, *Previous Exemptions to 10 CFR Part 73*, is a listing of any exemptions to 10 CFR Part 73 previously granted to APS and an explanation of their status under the plans hereby submitted. Attachment E, *Justification for Alternatives*, includes the justification for any of the alternatives provided in NEI 03-12 or in "NRC Guidance on Implementation of the April 2003 Revised Design Basis Threat" that APS has adopted. Further, APS has chosen to implement Option 2 of Section 9.4.1.2. of NEI 03-12 and the justification for that choice is provided in Attachment F, *Justification for Vehicle Search Criteria*, to this submittal.

When the final revision of NEI 03-12 is approved by the NRC, APS will supplement this response, if necessary, to conform with NEI 03-12 as finally approved. However, with the filing of these plans, APS will be implementing its revised protection strategy and completing plant modifications and security personnel training pursuant to these plans to ensure that implementation will be completed by October 29, 2004, as required by the Orders. Upon completion of the implementation of these plans, APS will be in compliance with all applicable security requirements. For the purpose of complying with the requirements of 10 CFR Part 73 to conduct an annual audit, the date of the letter that will be submitted to the NRC pursuant to Order EA-03-086 certifying that implementation of the plans is complete will be the effective date for determining commencement of the annual audit requirement period.

Because of the requirement for these plans to be fully implemented by October 29, 2004; the need to integrate the requirement of the revised DBT Order with the Orders issued February 25, 2002, January 7, 2003, and April 29, 2003; and the Commission's determination that it would be appropriate to exercise enforcement discretion to accommodate any transitional issues which may arise as licensees, in good faith, take reasonable actions to implement the specific requirements of the Orders, APS requests that enforcement discretion be exercised during the transition period until full implementation of the plans is accomplished and the physical plant modifications and

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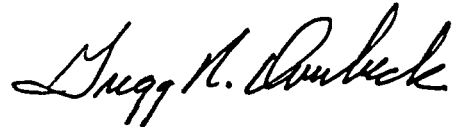
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security force training are complete. At that time, the revised plans will be fully implemented and the exercise of enforcement discretion will no longer be necessary.

If you have any questions concerning this matter, please contact Mr. Scott Bauer at 623-393-5978.

Sincerely,



GRO/RAS/ras

Attachments: A. Revisions to the PVNGS Physical Security Plan, Contingency Plan, and Training and Qualification Plan
B. Schedule for Completing Major Transitional Activities
C. Deviations from NEI 03-12
D. Previous Exemptions to 10 CFR Part 73
E. Justification for Alternatives
F. Justification for Vehicle Search Criteria

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STATE OF ARIZONA)
) .ss
COUNTY OF MARICOPA)

I, Gregg R. Overbeck, represent that I am Senior Vice President, Nuclear, and the foregoing *Supplemental Response to the April 29, 2003, Orders to Palo Verde Nuclear Generating Station (PVNGS)*, has been signed by me, with full authority to do so on behalf of the Arizona Public Service Company, and to the best of my knowledge and belief, the statements made therein are true and correct.

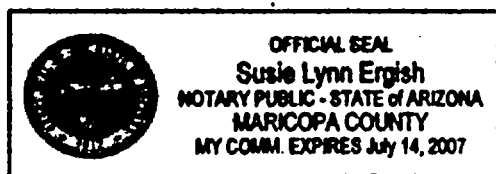


/ / Gregg R. Overbeck

Sworn Before Me This 28 Day Of April, 2004.



Notary Public



Notary Commission
Stamp