

May 20, 2004

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 -
SUPPLEMENTAL RESPONSE TO THE APRIL 29, 2003, ORDERS MODIFYING
LICENSES FOR REVISED DESIGN BASIS THREAT (TAC NOS. MC2950,
MC2951, AND MC2952)

Dear Mr. Overbeck:

On April 29, 2003, the Nuclear Regulatory Commission (NRC) issued Orders modifying the operating licenses for Palo Verde Nuclear Generating Station, Units 1, 2, and 3 to: (1) require compliance with a revised design basis threat (DBT); (2) implement new security force personnel training and physical fitness requirements; and (3) prescribe compensatory measures related to fitness-for-duty enhancements applicable to security force personnel.

Section III.A.1 of the EA-03-086 (DBT Order) required that all licensees submit revised physical security plans, safeguards contingency plans, and guard training and qualification plans, including an implementation schedule, based on the revised DBT, to the NRC for review and approval no later than April 29, 2004. The Order further requires licensees to implement the revised physical security plans, revised safeguards contingency plans, and revised security force personnel training and qualification plans no later than October 29, 2004.

By letter dated April 28, 2004, you submitted a supplemental response to the Orders for Palo Verde Nuclear Generating Station, Units 1, 2, and 3.

You provided information on your security plan as it relates to your Independent Spent Fuel Storage Installation (ISFSI). You will be notified by separate correspondence of the NRC staff's plan for review of your ISFSI security plan.

The NRC staff will be reviewing your physical security plan in the months of May and June, your training and qualification plan during July, and your contingency plan during August. Should further information regarding your submittal be necessary to support our review, you will be notified promptly.

G. R. Overbeck

-2-

The NRC staff is currently reviewing your supplemental response and intends to complete the review of your revised plans by October 29, 2004.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

cc: See next page

The NRC staff is currently reviewing your supplemental response and intends to complete the review of your revised plans by October 29, 2004.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

cc: See next page

DISTRIBUTION:

- PUBLIC
- SPRT R/F
- J. Nakoski
- J. Peralta
- C. Hawes
- M. Chernoff
- P. Peduzzi
- OGC
- ACRS
- NRR/DLPM - PMs
- NRR/DLPM - SCs
- A. Howell, RIV

ADAMS Accession Number: ML041410281

OFFICE	SPRT/NRR/PM	SPRT/NRR/LA	SPRT/NSIR/SSC	SPRT/NSIR/SC	SPRT/NRR/SC
NAME	MChernoff	CHawes	PPeduzzi	JPeralta	JNakoski
DATE	5/20/04	5/20/04	5/20/04	5/20/04	5/20/04

OFFICIAL RECORD COPY

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

cc:

Mr. Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 40
Buckeye, AZ 85326

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavillion
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

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

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

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

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

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

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

Mr. Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, AZ 85251

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

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

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