



# "SAFEGUARDS INFORMATION"

10CFR73.45

Palo Verde Nuclear  
Generating Station

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102-05138-GRO/SAB/DGM  
August 13, 2004

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

Reference: 1) Order dated April 29, 2003, Requiring Compliance with Revised Design Basis Threat ("Order EA-03-086" or "Order")  
2) Letter dated 07/23/2004, NRC to G. R. Overbeck, Palo Verde Nuclear Generating Station, Units 1, 2, and 3 – Request for Additional Information re: Safeguards Contingency Plan and Section 9.4.1 of the Physical Security Plan (TAC Nos. MC2950, MC2951, and MC2952)  
3) Letter dated 07/08/2004, NRC to Power Reactor Security Working Group, NRC Staff Requests for Additional Information on Security Plans Submitted by Licensees Pursuant to the April 29, 2003, Design Basis Threat Order (Supplement)

Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Units 1, 2 and 3  
Docket No. STN 50-528; 50-529; 50-530  
License No. NPF-41; NPF-51; NPF-74  
Response to Request for Additional Information re: Safeguards Contingency Plan, Section 9.4.1 of the Physical Security Plan and the July 8, 2004 NRC Letter to Power Reactor Security Working Group (TAC Nos. MC2950, MC2951, and MC2952)

Dear Sirs:

The NRC issued an Order dated April 29, 2003, requiring compliance with revised Design Basis Threat ("Order EA-03-086" or "Order", Reference 1) and other security related Orders (collectively "Orders") for the Palo Verde Nuclear Generating Station.

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.

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## **SAFEGUARDS INFORMATION**

U. S. Nuclear Regulatory Commission

Response to Request for Additional Information re: Safeguards Contingency Plan,  
Section 9.4.1 of the Physical Security Plan and the July 8, 2004 NRC Letter to Power  
Reactor Security Working Group (TAC Nos. MC2950, MC2951, and MC2952)  
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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 Reference 2, the NRC requested additional information, necessary in order to complete its evaluation based on its review of the Safeguards Contingency Plan and Section 9.4.1 of the PVNGS physical security plan. This information is contained in Enclosure 1.

In Reference 3, the NRC requested additional information, necessary in order to complete its evaluation based on the information contained in its letter to the Power Reactor Security Working Group. PVNGS' response for that information is contained in Enclosure 2.

If you have questions regarding this submittal, please contact Daniel G. Marks, Section Leader, Regulatory Affairs, at (623) 393-6492.

Arizona Public Service Company makes no commitments in this letter.

A telephone conversation was held with Messrs. B. J. Benney (NRC), D. G. Marks (APS) and E. E. Lumley (APS) on 07/28/2004. It was agreed in that conversation that submittal of this response on 08/13/2004 would be acceptable in order to incorporate the results of meetings between the NRC, NEI and the Power Reactor Security Working Group. APS appreciates the extension and resultant opportunity to include this consensus input.

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.

Sincerely,

*David Overbeck*  
for G.R. Overbeck

GRO/SAB/DGM/dgm

Enclosures:

- 1) Response to the July 23, 2004 NRC Letter associated with Section 9.4.1 of the Physical Security Plan, Sections 1.1, 1.3, 2.2, Responsibility Matrix, Sections 3.5, 4.5 and 7 of the Safeguards Contingency Plan
- 2) RAI Update to the NRC Letter dated July 8, 2004

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