

SAFEGUARDS INFORMATION

September 21, 2004

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
Palo Verde Nuclear Generating Station, Units 1, 2, and 3
P. O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: SECURITY PLAN PROVISIONS FOR ENHANCED OWNER CONTROLLED
AREA SURVEILLANCE AND RESPONSE (TAC NOS. MC2950, MC2951 AND
MC2952)

Dear Mr. Overbeck:

On May 14, 2004, the U. S. Nuclear Regulatory Commission's (NRC) staff completed an evaluation of lessons learned from the pilot expanded force-on-force exercises. As a result of this evaluation, surveillance and response in the owner controlled area (OCA) was identified as one aspect of security at nuclear power plant facilities that required further improvement. On August 13, 2004, the Commission directed the staff to work with industry toward voluntary implementation of enhanced OCA surveillance and response measures.

The NRC staff worked with the industry's Security Working Group and the Nuclear Energy Institute to develop appropriate provisions to be included in physical security plans. These provisions have been discussed with your staff for incorporation into your facility's physical security plan. Specific revised security plan language developed to achieve this objective is included as an enclosure to this letter.

Thank you for your cooperation in resolving this issue. Should you have further questions on this matter, please call Juan Peralta at (301) 415-6689 or me at (301) 415-7083.

Sincerely,

/RA/

Scott A. Morris, Chief
Reactor Security Section
Division of Nuclear Security
Office of Nuclear Security and Incident Response

Enclosure: As stated

cc: See next page

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

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

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