



A subsidiary of Pinnacle West Capital Corporation

10 CFR 50.34

Palo Verde Nuclear
Generating Station

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102-05189-GRO/RAS
December 16, 2004

U. S. Nuclear Regulatory Commission
ATTN: John Nakoski, Chief Section I, PDII, Section I
Mail Stop 08G1
11555 Rockville Pike
Rockville, MD 20852

- References: 1) Order dated April 29, 2003, Requiring Compliance with Revised Design Basis Threat ("Order EA-03-086" or "Order")
- 2) NRC letter dated 10/28/2004, Subject: Palo Verde Nuclear Generating Station, Units 1, 2, and 3 – Administrative Change to Facility Operating License In Conjunction With The Commission Order EA-03-086 Regarding Revised Design Basis Threat; and Revisions To Physical Security Plan, Training and Qualification Plan, And Safeguards Contingency Plan (TAC nos. MC2950, MC2951, and MC2952)

**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
APS Response to NRC Safety Evaluation of the PVNGS Physical Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program.**

Dear Mr. Nokaski:

APS is providing this correspondence to notify the NRC of certain inconsistencies between the NRC safety evaluation and the PVNGS Revised Security Plan. As discussed with you on November 30, 2004, these items, while minor in nature, are in need of resolution to ensure the PVNGS Revised Security Plan meets the requirements of the applicable Orders and that the NRC based their regulatory evaluation on accurate information. APS has identified the noted inconsistencies within the enclosure to this letter.

Enclosure Contains Safeguards Information
When Separated From Enclosure This Page De-Controlled

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U. S. Nuclear Regulatory Commission

Response to the Safety Evaluation Report of the Palo Verde Nuclear Generating Station
Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and
Independent Spent Fuel Storage Installation Security Program.

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If you have questions regarding this correspondence, please contact Daniel G. Marks,
Section Leader, Regulatory Affairs, at (623) 393-6492. Arizona Public Service
Company makes no commitments in this letter.

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,



GRO/RAS/ras

Enclosure: Inconsistencies between NRC safety evaluation and the PVNGS Revised
Security Plan

cc:

B. S. Mallett	NRC Region IV Regional Administrator
M. B. Fields	NRC NRR Project Manager (without enclosures)
N. L. Salgado	NRC Senior Resident Inspector for PVNGS