

**Withhold from Public Disclosure Under 10 CFR 2.390  
SAFEGUARDS INFORMATION**

May 31, 2005

Mr. Gregg R. Overbeck  
Senior Vice President, Nuclear  
Palo Verde Nuclear Generating Station  
Arizona Public Service Company  
5801 S. Wintersburg Road  
Tonopah, Arizona 85354-7529

**SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -  
CORRECTION OF ADMINISTRATIVE CHANGE TO SAFETY EVALUATION  
REGARDING REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND  
QUALIFICATION PLAN, SAFEGUARDS CONTINGENCY PLAN AND  
INDEPENDENT SPENT FUEL STORAGE INSTALLATION SECURITY PROGRAM  
PURSUANT TO COMMISSION ORDER EA-03-086 (TAC NOS. MC5583, MC5584,  
AND MC5585)**

Dear Mr. Overbeck:

By letter dated October 28, 2004, the U.S. Nuclear Regulatory Commission (NRC) issued an administrative license change to the Palo Verde Nuclear Generating Station, Units 1, 2 and 3 Licenses to incorporate the reference to the recently-revised physical security plans, training and qualification plans, and safeguards contingency plans.

By letter dated December 16, 2004, you identified inconsistencies in the Safety Evaluation (SE) associated with the October 28, 2004, letter. The NRC staff has reviewed the inconsistencies identified in your letter, and concluded that the inconsistencies required modification of the SE. For the most part, the inconsistencies you identified were either editorial in nature or clarified the SE with regard to statements made in the revised security plans. The corrections made to the SE did not affect the NRC staff's previous evaluation of the revised security plans.

**Violation of Section 147 of the Atomic Energy Act  
"Safeguards Information" is  
subject to Civil and Criminal Penalties**

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A correction to the SE is enclosed. The revised portions of the SE are denoted. We apologize for any confusion this may have caused. If there are any further questions, please call the NRC Project Manager, Mr. Mel Fields, at 301-415-3062.

Sincerely,

***/RA/***

Robert A. Gramm, Chief, Section 2  
Project Directorate IV  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

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

Enclosure: Corrected SE Pages (SAFEGUARDS INFORMATION)

cc w/encl: Andy Black, Site Security Manager

cc w/o encl: See next page

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

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