



A subsidiary of Pinnacle West Capital Corporation

Scott A. Bauer
Department Leader
Regulatory Affairs
Palo Verde Nuclear
Generating Station

Tel. 623-393-5978
Fax 623-393-5442
e-mail: sbauer@apsc.com

Mail Station 7636
PO Box 52034
Phoenix, Arizona 85072-2034

102-05557-SAB/TNW/CJJ
August 29, 2006

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528/529/530
Fitness-For-Duty Program Semiannual Performance Report**

Pursuant to 10 CFR 26.71(d), Arizona Public Service Company hereby provides, as an enclosure to this letter, the Fitness-For-Duty Program Semiannual Performance Report for the reporting period of January 1, 2006 through June 30, 2006.

No commitments are being made to the NRC by this letter. Should you have any questions, please contact Thomas N. Weber at (623) 393-5764.

Sincerely,

SAB/TNW/CJJ/gt

cc: B. S. Mallett NRC Region IV Regional Administrator
M. B. Fields NRC NRR Project Manager
G. G. Warnick NRC Senior Resident Inspector for PVNGS

A member of the **STARS** (Strategic Teaming and Resource Sharing) Alliance

Callaway • Comanche Peak • Diablo Canyon • Palo Verde • South Texas Project • Wolf Creek

A021

ENCLOSURE

ARIZONA PUBLIC SERVICE COMPANY
SEMIANNUAL PERFORMANCE REPORT

January 1, 2006 THROUGH June 30, 2006

Introduction

The Arizona Public Service Company (APS) Fitness-for-Duty (FFD) Program continues to remain successful in its mission to maintain a drug-free workplace. During this reporting period, APS conducted 2323 tests. Of these, 766 were administered on a random basis. An equivalent annual testing rate of 54.8 percent was achieved during this reporting period.

APS experienced one confirmed positive random drug and alcohol test during this reporting period. Therefore, the percentage of confirmed positive random drug and alcohol tests for this period is 0.001 percent.

Analysis of Program Results

The confirmed positive drug and alcohol test results for this reporting period by type of test and type of drug are summarized in Table 1 and 2 respectively and are discussed below.

Pre-Access Testing:

Cocaine	1	
Marijuana	6	
Amphetamines	4	
Alcohol	1	
Refusal to Test	0	
Total	12	confirmed positive tests

Comments: APS tested a total of 1326 individuals under the Pre-Access Testing category during this reporting period. Ten individuals tested positive. Two individuals tested positive for two drugs. One of these individuals tested positive for amphetamines and marijuana. The other individual tested positive for cocaine and marijuana. The ten individuals were contractors. Site access was denied and the individuals were released to their employers.

For Cause Testing:

Marijuana	2	
Amphetamines	1	
Alcohol	1	
Total:	4	Confirmed Positive Tests

Comments: APS tested a total of 58 individuals under the For Cause testing category during this reporting period. For cause testing includes; behavior observation, post accident, suspected adulteration of specimens, or an odor of alcohol on an individual. Four individuals tested positive. All individuals testing positive were contractors. Site access was denied and the individuals were released to their employers.

Random Testing:

Marijuana	1	
Total	1	Confirmed Positive Tests

Comments: APS conducted a total of 766 tests under the Random category during this reporting period. One individual tested positive. The individual was a contractor. Site access was denied and the individual was released to his employer.

Follow-up Testing:

Total	0	Confirmed Positive Tests
-------	---	--------------------------

Comments: APS conducted a total of 81 tests under the Follow-up category during this reporting period. None of the individuals tested were positive.

Other:

Refusal	1	
Total	1	Confirmed Positive Tests

Comments: APS tested 92 individuals in the other testing category during this reporting period. This category includes pre-employment testing. One individual being tested for pre-employment left the testing facility and left the site before providing a specimen. The individual was denied employment.

Reportable Events:

There were no reportable events during this reporting period.

**Fitness for Duty Program
Performance Data
Personnel Subject to 10 CFR 26**

June 30, 2006

Arizona Public Service Company

Company

6 months ending

Palo Verde Nuclear Generating Station (PVNGS)

Location

Ouida Bland

Contact Name

(623) 393-3228

Phone(include area code)

Cutoffs: Screen/Confirmation (ng/ml) Appendix A to 10 CFR 26

Marijuana	100/15	Amphetamines	1000/500
Cocaine	300/150	Phencyclidine	25/25
Opiates	300/300	Alcohol (% BAC)	0.04%

PVNGS screening test for Marijuana uses a cut off level of 50 ng/ml

Testing Results		Licensee Employees		Long-Term Contractor Personnel		Short-Term Contractor Personnel	
		# Tested	# Positive	# Tested	# Positive	# Tested	# Positive
Average Number with Unescorted Access		2036		NA		758	
Categories		# Tested	# Positive	# Tested	# Positive	# Tested	# Positive
Pre- Access		191	0	NA	NA	1135	10
For Cause	Post accident	17	0	NA	NA	20	2
	Observed behavior	19	0	NA	NA	2	2
Random		585	0	NA	NA	181	1
Follow-Up		62	0	NA	NA	19	0
Other		92	1	NA	NA	0	0
Total		966	1	NA	NA	1357	15

Breakdown of Confirmed Positive Tests for Specific Substances

	Marijuana	Cocaine	Opiates	Ampheta- mines	Phency- clidine	Alcohol	Refusal to Test			Total		
Licensee Employees	0	0	0	0	0	0	1			1		
Long-Term Contractors	NA	NA	NA	NA	NA	NA	NA			NA		
Short-Term Contractors	9	1	0	5	0	2	0			17		
Total	9	1	0	5	0	2	1			18		

Additional Information Required by 10 CFR 26.71 (d)

Specimens screening positive for marijuana at 50 ng/ml: 10
 Specimens screening positive for marijuana at 100 ng/ml: 8

These numbers include blind specimens sent to offsite lab for testing.