



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

October 11, 2006

Mr. James M. Levine, Executive
Vice President, Generation
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: CLOSURE OF INVESTIGATION (OI 4-2006-021)

Dear Mr. Levine:

This refers to an investigation conducted by the NRC Office of Investigations (OI) regarding activities at the Palo Verde Nuclear Generating Station. OI initiated the investigation to determine whether a former security officer was subjected to employment discrimination for having raised safety concerns.

Based on the evidence developed during the investigation, the allegation was not substantiated. The NRC plans no further action related to alleged discrimination and considers this investigation closed.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA AVegel for/

Arthur T. Howell, III, Director
Division of Reactor Projects

Dockets: 50-528
50-529
50-530
Licenses: NPF-41
NPF-51
NPF-74

J. Levine

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bcc: Allegation File

SUNSI Review Completed: HAF ADAMS: X Yes No Initials: HAF
X Publicly Available Non-Publicly Available Sensitive X Non-Sensitive

OFFICE	RIV:SAC	RC/TL	C:PSB	C:RPBD	D:DRP
NAME	HAFreeman	KDFuller	MPShannon	TWPruett	ATHowell
	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA AVeget for/</i>
DATE	9/29/2006	10/2/2006	10/3/2006	120/3/2006	10/6/2006

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