



A subsidiary of Pinnacle West Capital Corporation

10 CFR 26.71(d)

Palo Verde Nuclear
Generating Station

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102-05733-TNW/CJJ
August 13, 2007

Document Control Desk
U.S. Nuclear Regulatory Commission
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, 2007 through June 30, 2007.

No commitments are being made to the NRC by this letter. Should you have any questions, please contact Glenn A. Michael at (623) 393-5750.

Sincerely,

TNW/GAM/CJJ/gat

Enclosure

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

AO21

NRR

ENCLOSURE 1

SEMIANNUAL PERFORMANCE REPORT

January 1, 2007 through June 30, 2007

SEMIANNUAL PERFORMANCE REPORT

January 1, 2007 – June 30, 2007

PREPARED BY:

William G. Thomack II

William G. Thomack II 7-27-07
Signature Date

APPROVED BY:

Gayle Schiavone

Gayle Schiavone 7/31/07
Signature Date

REVIEWED BY:

Ouida Bland

Ouida Bland 7-27-07
Signature Date

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 2725 tests. Of these, 743 were administered on a random basis. An equivalent annual testing rate of 50.4 percent was achieved during this reporting period.

APS experienced two confirmed positive random drug and alcohol tests during this reporting period. Therefore, the percentage of confirmed positive random drug and alcohol tests for this period is 0.27 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:

Marijuana	6	
Alcohol	1	
Opiates	1	
Cocaine	1	
Total	9	confirmed positive tests

Comments: APS tested a total of 1560 individuals under the Pre-Access Testing category during this reporting period. Nine individuals tested positive. Seven of the individuals were contractors. Site access was denied and the individuals were released to their employers. Two individuals were APS employees. One individual completed a mandatory treatment program and was placed in the follow-up program. The second individual was in a probationary period and was terminated.

For Cause Testing:

Cocaine	2	
Refusal To Test	1	
Total:	3	Confirmed Positive Tests

Comments: APS tested a total of 87 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. Three individuals tested positive. Two of the individuals testing positive were contractors. Site access was denied and the individuals were released to their employers. One of the individuals testing positive was an APS employee. This individual was denied access and terminated. The termination was not based solely on the drug screen results.

Random Testing:

Amphetamine	1	
Cocaine	1	
Total	2	Confirmed Positive Tests

Comments: APS conducted a total of 743 tests under the Random category during this reporting period. Two individuals tested positive. One individual was a contractor. Site access was denied and the individual was released to his employer. One individual was an APS employee. The individual was terminated. This was the individual's second positive test.

Follow-up Testing:

Amphetamine	1	
Total	1	Confirmed Positive Test

Comments: APS conducted a total of 151 tests under the Follow-up category during this reporting period. One individual tested positive. The individual was a contractor. The individual was denied access and released to his employer.

Other:

Total	0	Confirmed Positive Tests
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Comments: APS tested 184 individuals in the other testing category during this reporting period. This category includes pre-employment testing. None of the individuals tested were positive.

Reportable Events:

There were no reportable events during this reporting period.

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

Arizona Public Service Company	June 30, 2007
Company	6 months ending
Palo Verde Nuclear Generating Station (PVNGS)	
Location	
Ouida Bland	(623) 393-3228
Contact Name	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	
Average Number with Unescorted Access		2136		NA		812	
Categories		# Tested	# Positive	# Tested	# Positive	# Tested	# Positive
Pre- Access		299	2	NA	NA	1261	7
For Cause	Post accident	13	0	NA	NA	22	0
	Observed behavior	27	1	NA	NA	25	2
Random		569	1	NA	NA	174	1
Follow-Up		78	0	NA	NA	73	1
Other		184	0	NA	NA	0	0
Total		1170	4	NA	NA	1555	11

Breakdown of Confirmed Positive Tests for Specific Substances

	Marijuana	Cocaine	Opiates	Ampheta- mines	Phency- clidine	Alcohol	Refusal to Test			Total		
Licensee Employees	1	1	1	1	0	0	0			4		
Long-Term Contractors	NA	NA	NA	NA	NA	NA	NA			NA		
Short-Term Contractors	5	3	0	1	0	1	1			11		
Total	6	4	1	2	0	1	1			15		

Additional Information Required by 10 CFR 26.71 (d)

Specimens screening positive for marijuana at 50 ng/ml: 7

Specimens screening positive for marijuana at 100 ng/ml: 4

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