



10 CFR 26.71(d)

A subsidiary of Pinnacle West Capital Corporation

Palo Verde Nuclear
Generating Station

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102-05817-TNW/CJJ
February 29, 2008

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 July 1, 2007 through December 31, 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: E. E. Collins Jr. NRC Region IV Regional Administrator
M.T. Markley NRC NRR Project Manager
G. G. Warnick NRC Senior Resident Inspector for PVNGS

A021

NRR

ENCLOSURE 1

SEMIANNUAL PERFORMANCE REPORT

July 1, 2007 through December 31, 2007

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 3658 tests. Of these, 849 were administered on a random basis. An equivalent annual testing rate of 45.6 percent was completed during this reporting period. Therefore, the overall equivalent annual testing rate of at least 50 percent was not achieved.

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 0.1 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	7	
Amphetamines	1	
Total	8	Confirmed Positive Test Results

Comments: APS tested a total of 2413 individuals under the "Pre-Access Testing" category during this reporting period. Eight individuals tested positive. All eight individuals were contractors. Site access was denied and the individuals were released to their employers.

Semiannual FFD Performance Report – July 1, 2007 through December 31, 2007

For Cause Testing:

Cocaine	1	
Amphetamines	1	
Opiates	1	
Marijuana	2	
Alcohol	4	
Total:	9	Confirmed Positive Test Results

Comments: APS tested a total of 122 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. Six individuals tested positive. Three of the individuals testing positive were contractors. Two of these contract individuals tested positive for more than one drug. The third individual was a sub-contractor who did not have unescorted access or a site badge. Site access was denied and the individuals were released to their employers. The other three of the individuals testing positive were APS employees. Two of the APS employees were evaluated by the EAP staff and entered substance abuse treatment. One APS employee who tested positive was terminated. This was the employee's second positive test.

Random Testing:

Amphetamine	1	
Total	1	Confirmed Positive Test Result

Comments: APS conducted a total of 849 tests under the "Random Testing" category during this reporting period. The individual testing positive was an APS employee. The employee was evaluated by the EAP staff and entered substance abuse treatment.

Semiannual FFD Performance Report – July 1, 2007 through December 31, 2007

Follow-up Testing:

Marijuana	1	
Alcohol	1	
Total	2	Confirmed Positive Test Results

Comments: APS conducted a total of 190 tests under the "Follow-up Testing" category during this reporting period. Two individuals tested positive. One individual was a contractor. The individual was denied access and released to his employer. One individual was an APS employee. The APS employee was terminated. This was the employee's second positive test.

Other:

Total	0	Confirmed Positive Test Results
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Comments: APS tested 84 individuals in the "Other" category during this reporting period. This category includes pre-employment testing. None of the individuals tested were positive.

Reportable Events:

As defined in 10CFR 26.73, there was no reportable event during this reporting period.

Palo Verde failed to meet the requirements of 10CFR 26.24(a)(2) when an equivalent annual testing rate of at least 50 percent was not achieved. This deficiency was entered into the site's Corrective Action Program. An evaluation was conducted and appropriate corrective actions are being put in place. The testing rate for the time period from January 1, 2007 thru June 30, 2007 was 50.4 percent, however, the overall equivalent annual testing rate of at least 50 percent was not achieved.

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

December 31, 2007							
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	
Average Number with Unescorted Access		2173		NA		1553	
Categories		# Tested	# Positive	# Tested	# Positive	# Tested	# Positive
Pre- Access		218	0	NA	NA	2195	8
For Cause	Post accident	10	0	NA	NA	38	0
	Observed behavior	22	3	NA	NA	52	3
Random		530	1	NA	NA	319	0
Follow-Up		113	1	NA	NA	77	1
Other		84	0	NA	NA	0	0
Total		977	5	NA	NA	2681	12

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	2	0	3	0			5
Long-Term Contractors	NA	NA	NA	NA	NA	NA	NA			NA
Short-Term Contractors	10	1	1	1	0	2	0			15
Total	10	1	1	3	0	5	0			20

Additional Information Required by 10 CFR 26.71 (d)

Specimens screening positive for marijuana at 50 ng/ml: 12

Specimens screening positive for marijuana at 100 ng/ml: 0

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