



A subsidiary of Pinnacle West Capital Corporation

Palo Verde Nuclear
Generating Station

Thomas N. Weber
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Regulatory Affairs

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102-05886-TNW/KAR
August 21, 2008

Attn: 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, 2008, through June 30, 2008.

No commitments are being made to the NRC by this letter. Should you have any questions regarding this submittal, please contact Rusty Stroud, Licensing Section Leader, at (623) 393-5111.

Sincerely,

TNW/RAS/KAR/gat

Enclosure

cc: E. E. Collins Jr. NRC Region IV Regional Administrator
M.T. Markley NRC NRR Project Manager
R.I. Treadway NRC Senior Resident Inspector for PVNGS

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

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AD21
NRR

ENCLOSURE 1

SEMIANNUAL PERFORMANCE REPORT

January 1, 2008 through June 30, 2008

SEMIANNUAL PERFORMANCE REPORT

January 1, 2008 – June 30, 2008

PREPARED BY:

William Thomack

William Thomack 7-30-08
Signature Date

APPROVED BY:

Donna Thomas

Donna Thomas 7-30-08
Signature Date

REVIEWED BY:

Ouida Bland

Ouida A. Bland 7-30-08
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 3013 tests. Of these, 892 were administered on a random basis. An equivalent annual testing rate of 55.5 percent was completed during this reporting period.

APS experienced four 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 0.5 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	3	
Total	3	Confirmed Positive Test Results

Comments: APS tested a total of 1621 individuals under the "Pre-Access Testing" category during this reporting period. Three individuals tested positive. All three individuals were contractors. Site access was denied and the individuals were released to their employers.

For Cause Testing:

Marijuana	2	
Refusal	1	
Total:	3	Confirmed Positive Test Results

Comments: APS tested a total of 96 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. All three individuals were contractors. Site access was denied and the individuals were released to their employers.

Random Testing:

Alcohol	1	
Cocaine	1	
Refusal	2	
Total	4	Confirmed Positive Test Results

Comments: APS conducted a total of 892 tests under the “Random Testing” category during this reporting period. Four individuals tested positive. One individual was an APS employee. The employee was evaluated by the EAP staff and entered substance abuse treatment. Three individuals were contractors. Site access was denied and the individuals were released to their employers.

Follow-up Testing:

Amphetamines	1	
Alcohol	1	
Total	2	Confirmed Positive Test Results

Comments: APS conducted a total of 181 tests under the "Follow-up Testing" category during this reporting period. Two individuals tested positive. Both individuals were contractors. Site access was denied and the individuals were released to their employers.

Other:

Total	0	Confirmed Positive Test Results
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Comments: APS tested 223 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.

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

June 30, 2008

Arizona Public Service Company

Company

6 months ending

Palo Verde Nuclear Generating Station (PVNGS)

Location

William Thomack

Contact Name

(623) 393-2508

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	
		2225		NA		992	
Average Number with Unescorted Access		2225		NA		992	
Categories		# Tested	# Positive	# Tested	# Positive	# Tested	# Positive
Pre- Access		351	0	NA	NA	1270	3
For Cause	Post accident	10	0	NA	NA	24	1
	Observed behavior	17	0	NA	NA	45	2
Random		627	1	NA	NA	265	3
Follow-Up		98	0	NA	NA	83	2
Other		223	0	NA	NA	0	0
Total		1326	1	NA	NA	1687	11

Breakdown of Confirmed Positive Tests for Specific Substances

	Marijuana	Cocaine	Opiates	Amphetamines	Phencyclidine	Alcohol	Refusal to Test			Total		
Licensee Employees	0	0	0	0	0	1	0			1		
Long-Term Contractors	NA	NA	NA	NA	NA	NA	NA			NA		
Short-Term Contractors	5	1	0	1	0	1	3			11		
Total	5	1	0	1	0	2	3			12		

Additional Information Required by 10 CFR 26.71 (d)

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

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

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