

## **SAFEGUARDS INFORMATION**

March 18, 2010

Randall K. Edington, Executive  
Vice President, Nuclear and  
Chief Nuclear Officer  
Mail Station 7602  
Arizona Public Service Company  
P.O. Box 52034  
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION – NUCLEAR  
REGULATORY COMMISSION SECURITY INSPECTION REPORT  
05000528/2010201, 05000529/2010201 AND 05000530/2010201

Dear Mr. Edington:

On February 25, 2010, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Palo Verde Nuclear Generating Station. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed via conference call on March 3, 2010, with Mr. Robert Bement, Vice President, Nuclear Operations, and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

No findings of significance were identified.

In accordance with Title 10 of the *Code of Federal Regulations* (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 System component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS.

|                                                                                      |
|--------------------------------------------------------------------------------------|
| Enclosure contains Safeguards Information. Upon removal this letter is decontrolled. |
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R. Edington

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If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Sincerely,

*/RA/*

Robert C. Johnson, Chief  
Security Performance Evaluation Branch  
Division of Security Operations  
Office of Nuclear Security and Incident Response

Docket: 50-528; 50-529; 50-530  
License: NPF-41; NPF-51; NPF-74

Enclosure:  
NRC Inspection Report No. 05000528/2010201; 05000529/2010201; 05000530/2010201  
w/Attachments: Supplemental Information, Table of Security Personnel, Exercise One, Exercise Two, and Exercise Three (Safeguards)

cc:  
D. Porter  
S. Bauer  
D. Mims  
R. Barnes  
G. Cook

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R. Edington

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Sincerely,

**/RA/**

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cc:

D. Porter  
S. Bauer  
D. Mims  
R. Barnes  
G. Cook

Distribution

See Attached List

**Accession Number: ML100710233**

|               |               |                            |               |          |               |
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| <b>DATE</b>   | 3/17/10       | 3/17/10                    | 3/17/10       | 3/11/10  | 3/18/10       |

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COMMISSION SECURITY INSPECTION REPORT 05000528/2010201,  
05000529/2010201 AND 05000530/2010201

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