

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

May 9, 2011

EA-11-011

Randall K. Edington, Executive
Vice President, Nuclear/CNO
Arizona Public Service Company
P.O. Box 52034, Mail Stop 7602
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 –
NRC SECURITY INSPECTION REPORT 05000528/2011403,
05000529/2011403 AND 05000530/2011403

Dear Mr. Edington:

On April 15, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Palo Verde Nuclear Generating Station, Units 1, 2, and 3. 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 on April 15, 2011, with Mr. D. Mims, Senior Vice President, Regulatory Oversight, 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 were identified; however, a licensee-identified violation, which was determined to be of very low security significance, is listed in this report. Because of this violation's very low security significance, and because it is entered into your corrective action program, the NRC is treating this violation as a non-cited violation (NCV) consistent with Section 2.3.2 of the NRC Enforcement Policy. If you contest this NCV, you should provide a response within 30 days of

“Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled.”

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

Arizona Public Service Company

- 2 -

the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator Region IV, the Director of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Palo Verde Nuclear Generating Station.

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 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). 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. 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/

Michael P. Shannon, Chief
Plant Support Branch-1
Division of Reactor Safety

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

Nonpublic Enclosure:
NRC Inspection Report 05000528/2011403,
05000529/2011403 and 05000530/2011403
w/Attachment: Supplemental Information

cc w/o enclosure:
Mr. Douglas K. Porter, Esq.
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

Arizona Public Service Company

- 3 -

Mr. Dwight C. Mims
Vice President
Regulatory Affairs and Plant Improvement
Palo Verde Nuclear Generating Station
Mail Station 7605
P.O. Box 52034
Phoenix, AZ 85072-2034

Mr. Ron Barnes, Director
Regulatory Affairs
Palo Verde Nuclear Generating Station
MS 7638
P.O. Box 52034
Phoenix, AZ 85072-2034

Jake Lefman
Southern California Edison Company
5000 Pacific Coast Hwy, Bldg. D21
San Clemente, CA 92672

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~

Arizona Public Service Company

- 4 -

Distribution w/enclosure:

- Chief, Reactor Security Oversight Branch (Ronald.Albert@nrc.gov)
- Security Specialist, NSIR/DSO/DDSO/STSB/PMT (Shyrl.Coker@nrc.gov)
- Branch Chief, NSIR/DSO/DDSO/SPEB (Clay.Johnson@nrc.gov)
- Branch Chief, RI DRS (James.Trapp@nrc.gov)
- Branch Chief, RII DRS/PSB2 (Michael.Ernstes@nrc.gov)
- Branch Chief, RIII DRS/PSB (Richard.Skokowski@nrc.gov)
- Senior Resident Inspector (Tony.Brown@nrc.gov)

Electronic distribution by RIV:

- Regional Administrator (Elmo.Collins@nrc.gov)
- Deputy Regional Administrator (Art.Howell@nrc.gov)
- DRP Director (Kriss.Kennedy@nrc.gov)
- DRP Deputy Director (Troy.Pruett@nrc.gov)
- DRS Director (Anton.Vegel@nrc.gov)
- Resident Inspector (Joseph.Bashore@nrc.gov)
- Resident Inspector (Mica.Baquera@nrc.gov)
- Branch Chief, DRP/D (Ryan.Lantz@nrc.gov)
- PV Administrative Assistant (Regina.McFadden@nrc.gov)
- Senior Project Engineer, DRP/D (Don.Allen@nrc.gov)
- Project Engineer, DRP/D (Zachary.Hollcraft@nrc.gov)
- Public Affairs Officer (Victor.Dricks@nrc.gov)
- Public Affairs Officer (Lara.Uselding@nrc.gov)
- Project Manager (Lauren.Gibson@nrc.gov)
- Branch Chief, DRS/TSB (Michael.Hay@nrc.gov)
- RITS Coordinator (Marisa.Herrera@nrc.gov)
- Regional Counsel (Karla.Fuller@nrc.gov)
- ACES (Ray.Kellar@nrc.gov)
- Congressional Affairs Officer (Thomas.Combs@nrc.gov)
- OEMail Resource
- RIV/ETA:OEDO (Stephanie.Bush-Goddard@nrc.gov)
- DRS/TSB STA (Dale.Powers@nrc.gov)

Security Related Complete Report - OUO:

SUNSI Review Completed: MKB ADAMS: Yes Initials: MKB
 Non-Publicly Available Sensitive-Security- Related-Periodic Review Required

Letter Only:

SUNSI Review Completed: MKB ADAMS: Yes Initials: MKB
 Publicly Available Non-Sensitive ML

PSI:PSB1	PSI:PSB1	Sr.ES:	C:PSB1	C:PBD	C:PSB1
PFrechette	MBrooks	R. Keller	MShannon	RLantz	MShannon
/RA/	/RA/	/RA/	/RA/	/RA/	/RA/
04/26/2011	04/26/2011	5/2/11	5/9/11	04/26/2011	5/9/11

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

~~OFFICIAL USE ONLY - SECURITY-RELATED INFORMATION~~