

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



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
1600 EAST LAMAR BLVD  
ARLINGTON, TEXAS 76011-4511

February 28, 2013

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 05000528/2013404,  
05000529/2013404 AND 05000530/2013404

Dear Mr. Edington:

On January 17, 2013, 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 January 17, 2013, with Mr. B. Bement, Nuclear Operations, Senior Vice President, 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.

NRC identified one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process) during this inspection. The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the area. This finding was determined to involve a violation of NRC requirements.

In addition, a licensee-identified violation which was determined to be of very low security significance is listed in this report. The NRC is treating these violations as non-cited violations (NCVs) consistent with Section 2.3.2 of the Enforcement Policy.

**“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~~

R. Edington

- 2 -

If you contest the violations or significance of the NCVs, you should provide a response within 30 days of 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, 1600 E. Lamar Blvd., Arlington, TX 76011-4511; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at Palo Verde Nuclear Generating Station.

The NRC identified finding was not associated with a cross-cutting aspect because the performance deficiency was not reflective of current licensee performance.

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 (PARS) component of NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the PARS component of NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information – Withhold from public disclosure under 10 CFR 2.390" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

*/RA/*

Mark S. Haire, Chief  
Plant Support Branch-1  
Division of Reactor Safety

Docket No.: 50-528, 50-529, 50-530  
License No.: NPF-41, NPF-51, NPF-74

Nonpublic Enclosure:  
NRC Inspection Report 05000528/2013404,  
05000529/2013404 and 05000530/2013404  
w/Attachment: Supplemental Information

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

~~OFFICIAL USE ONLY - SECURITY RELATED INFORMATION~~

R. Edington

- 3 -

cc w/enclosure:

Mr. Randall Bramlett

Department Leader, Nuclear Security Programs

Arizona Public Service Company

P.O. Box 52034, MS 7002

Phoenix, AZ 85072-2034

cc w/o enclosure: Electronic Distribution for Palo Verde

Nuclear Generating Station, Units 1 and 2

~~OFFICIAL USE ONLY - SECURITY RELATED INFORMATION~~

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

R. Edington

- 4 -

ADAMS Accession No.: **ML13060A418**

Cover Letter <input checked="" type="checkbox"/> SUNSI Review		<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive		<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available	
Cover Letter w/Enclosure(s) <input checked="" type="checkbox"/> SUNSI Review		<input type="checkbox"/> Non-Sensitive <input checked="" type="checkbox"/> Sensitive		<input type="checkbox"/> Publicly Available <input checked="" type="checkbox"/> Non-Publicly Available	
PSI:PSB1	PSI:PSB1	PSI:PSB1	C:PSB1	C:PBD	C:PSB1
JLBuchanan	MBrooks	MChambers	MHaire	RLantz	MHaire
<b>/RA/</b>	<b>/RA/</b>	<b>/RA/</b>	<b>/RA/</b>	<b>/RA/</b>	<b>/RA/</b>
02/19 /13	02/ 20 /13	02/ 19 /13	02/ 27 /13	02/ 27 /13	02/ 28 /13

OFFICIAL COPY

T=Telephone

E=E-Mail

F=FAX