



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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January 29, 2015

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

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 –
REVIEW OF PHYSICAL SECURITY PLAN, SAFEGUARDS CONTINGENCY
PLAN, AND TRAINING AND QUALIFICATION PLAN, REVISION 16 (TAC NOS.
MF4592, MF4593, AND MF4594)

Dear Mr. Edington:

By letter dated June 12, 2013 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13168A417), as supplemented by letter dated August 14, 2014 (ADAMS Accession No. ML14233A413), Arizona Public Service Company (the licensee), submitted the Physical Security Plan (PSP), Safeguards Contingency Plan (SCP), and Training and Qualification Plan, Revision 16, for Palo Verde Nuclear Generating Station, Units 1, 2, and 3, under the provisions of paragraph 50.54(p)(2) of Title 10 of the *Code of Federal Regulations* (10 CFR). Portions of the letters dated June 12, 2013, and August 14, 2014, contain safeguards or sensitive security-related information and, accordingly, those portions have been withheld from public disclosure.

Pursuant to 10 CFR 50.54(p)(2), the licensee may make changes to the plans without prior U.S. Nuclear Regulatory Commission (NRC) approval if the changes do not decrease the safeguards effectiveness of the security plans. The NRC staff's review consisted of determining whether the licensee properly concluded that changes did not decrease the safeguards effectiveness of the NRC-approved security plans. The review was conducted consistent with the applicable requirements of 10 CFR Part 73.

The NRC staff reviewed the changes incorporated under Revision 16 of the security plan and requested additional information to complete the review by letter dated June 2, 2014 (ADAMS Accession No. ML14148A374). The licensee was requested to provide a complete description of the Security Owner Controlled Area (SOCA) and the SOCA's intended function in the PSP and SCP. By letter dated August 14, 2014, the licensee described changes made to the security plan, including the implementation of the site's SOCA barrier and associated intrusion detection and assessment equipment. However, the licensee's response did not characterize how all the elements of the SOCA system are integrated within the site's security systems.

On December 10, 2014, the staff met with representatives from industry and Nuclear Energy Institute to discuss the use of Restricted Owner Controlled Area-SOCA technology. From the

R. Edington

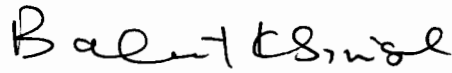
- 2 -

discussion, the staff expects that guidance will be developed in this area in the future and, at which time, those licensees using the technology security plans may need to be updated.

Overall, the NRC staff determined that the reported changes in Revision 16 were implemented consistent with the provisions of 10 CFR 50.54(p). The effectiveness of the implementation of the identified changes in Revision 16 of the security plans is subject to future NRC review and inspection.

If you have any questions, please contact me at (301) 415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,



Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

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If you have any questions, please contact me at (301) 415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,

/RA/

Balwant K. Singal, Senior Project Manager
 Plant Licensing Branch IV-1
 Division of Operating Reactor Licensing
 Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
 and STN 50-530

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