



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

December 27, 2017

Mr. Robert S. Bement  
Executive Vice President Nuclear/  
Chief Nuclear Officer  
Arizona Public Service Company  
P.O. Box 52034, MS 7602  
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 –  
NRC SECURITY INSPECTION REPORT 05000528/2017404, 05000529/2017404  
AND 05000530/2017404

Dear Mr. Bement:

On December 15, 2017, the U.S. Nuclear Regulatory Commission (NRC) completed a security inspection at your Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The NRC inspector discussed the results of this inspection with Mr. T. Weber, Director, Regulatory Affairs, and other members of your staff. The results of this inspection are documented in the enclosed report.

NRC inspectors documented one finding of very low security significance (Green) in this report. This finding involved a violation of NRC requirements. The NRC is treating this violation as a non-cited violation (NCV) consistent with Section 2.3.2.a of the Enforcement Policy.

If you contest the violation or significance of the NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement; the Director, Office of Nuclear Security and Incident Response; and the NRC Resident Inspectors at the Palo Verde Nuclear Generating Station.

If you disagree with a cross-cutting aspect assignment in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001; with copies to the Regional Administrator, Region IV, and the NRC Resident Inspectors at the Palo Verde Nuclear Generating Station.

One cross-cutting aspect was assigned to a finding in the area of Human Performance, Change Management (H.3), because Palo Verde Nuclear Generating Station security management

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failed to use a systematic process for evaluating and implementing change so that nuclear safety and security remains the overriding priority.

This letter will be made available for public inspection and copying at <http://www.nrc.gov/reading-rm/adams.html> and at the NRC Public Document Room in accordance with 10 CFR 2.390, "Public Inspections, Exemptions, and Requests for Withholding."

However, the enclosed report contains Security-Related Information, so the enclosed report will not be made publically available in accordance with 10 CFR 2.390(d)(1). If you choose to provide a response that contains Security-Related Information, 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). The NRC is waiving the affidavit requirements for your response in accordance with 10 CFR 2.390(b)(1)(ii).

Sincerely,

*/RA/*

Jeremy R. Groom, 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:  
Inspection Report 05000528/2017404,  
05000529/2017404, and 05000530/2017404  
w/Attachment: Supplemental Information

cc w/o enclosure: Electronic Distribution

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PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 – NRC SECURITY INSPECTION REPORT 05000528/2017404, 05000529/2017404, AND 05000530/2017404 – December 27, 2017

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