



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

March 20, 2019

Mr. Robert S. Bement
Executive Vice President Nuclear/CNO
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 MATERIAL CONTROL AND ACCOUNTING PROGRAM INSPECTION
REPORT 05000528/2019404, 05000529/2019404, AND 05000530/2019404

Dear Mr. Bement:

On February 8, 2019, 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 the material control and accounting of special nuclear material attribute of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on February 8, 2019, with J. Cadogan, Senior Vice President of Site 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 inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, no findings were identified.

This letter will be available electronically 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, 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"

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R. Bement

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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/

Heather J. Gepford, PhD., CHP, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket Nos. 50-528, 50-529, and 50-530
License Nos. NPF-41, NPF-51, and NPF-74

Nonpublic Enclosure:
NRC Inspection Report 05000528/2019404,
05000529/2019404, and 05000530/2019404,
w/ Attachment: Request for Information

cc w/o encl:
Electronic Distribution

cc w/enclosure:
Mr. Samuel S. West
Director, Nuclear Security &
Emergency
Arizona Public Service Company
P.O. Box 52034, MS 7398
Phoenix, AZ 85072-2034

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NRC MATERIAL CONTROL AND ACCOUNTING PROGRAM INSPECTION
REPORT 05000528/2019404, 05000529/2019404, AND 05000530/2019404 –
MARCH 20, 2019

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