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ENCLOSURE 2

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket Nos.: 50-528
50-529
50-530

License Nos.: NPF-41
NPF-51
NPF-74

Report No.: 50-528/98-13
50-529/98-13
50-530/98-13

Licensee: Arizona Public Service Company

Facility: Palo Verde Nuclear Generating Station, Units 1, 2, and 3

Location: 5951 S. Wintersburg Road
Tonopah, Arizona

Dates: October 19-24, 1998

Inspector: A. Bruce Earnest, Physical Security Specialist, Plant Support Branch

Approved By: Blaine Murray, Chief, Plant Support Branch

ATTACHMENT: Supplemental Information

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EXECUTIVE SUMMARY

Palo Verde Nuclear Generating Station, Units 1, 2, and 3
NRC Inspection Report 50-528/98-13; 50-529/98-13; 50-530/98-13

This routine, announced inspection focused on the licensee's physical security program. The areas inspected included access control - personnel, packages, and vehicles; protected area physical barriers; plans and procedures; review of security event logs; contingency plan implementation; management support; security program audits; and followup of previously identified items. Significant improvements continue to be noted in the security program.

Plant Support

- A very good program for searching personnel, packages, and vehicles was maintained (Section S1.1).
- A proper protected area barrier was in place (Section S2.1).
- Changes to security plans were reported within the required time frame. Revision 40 to the physical security plan was a violation in that changes were not made in accordance with 10 CFR 50.54(p). Implementing procedures met the performance requirements in the physical security plan (Section S3.1).
- A very good security event reporting program was in place. The security staff was correctly reporting security events. The security field reports were accurate and neat (Section S3.2).
- The licensee effectively implemented the safeguards contingency plan in response to a bomb threat. (Section S3.3).
- Senior management support for the security organization was very good. The security program was implemented by a well qualified and highly professional staff (Section S6.1).
- Audits of the security, access authorization, and fitness-for-duty programs were effective, thorough, and intrusive (Section S7.1).