



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION IV
1600 E. LAMAR BLVD
ARLINGTON, TX 76011-4511

January 10, 2017

Mr. Robert S. Bement
Executive Vice President/CNO
Mail Station 7602
Arizona Public Service Company
P. O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION –
NUCLEAR REGULATORY COMMISSION SECURITY INSPECTION
REPORT 05000528/2016404, 05000529/2016404 AND 05000530/2016404

Dear Mr. Bement:

On December 15, 2016, 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 inspectors discussed the results of this inspection with Ms. M. Lacal, Vice President, Nuclear Regulatory Oversight, and other members of your staff. The results of this inspection are documented in the enclosed report.

No NRC-identified or self-revealing findings were identified during this inspection.

However, inspectors documented a licensee-identified violation which was determined to be of very low safety significance in this report. 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 inspector at the Palo Verde Nuclear Generating Station, Units 1, 2, and 3.

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

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2

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/

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

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

Enclosure:
Inspection Report 05000528/2016404,
05000529/2016404, and 05000530/2016404
w/Attachment: Supplemental Information

Mr. Michael J. Cosenza
Department Leader, Nuclear Security
Programs
Arizona Public Service Company
P.O. Box 52034, MS 7002
Phoenix, AZ 85072-2034

cc w/o encl: Electronic Distribution

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3

PALO VERDE NUCLEAR GENERATING STATION – NUCLEAR REGULATORY
COMMISSION SECURITY INSPECTION REPORT 05000528/2016404, 05000529/2016404
AND 05000530/2016404, DATED JANUARY 10, 2017

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