



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

September 14, 2021

Mr. Mike McLaughlin, Site Vice President,
Site Services
Arizona Public Service
P.O. Box 52034, MS 7602
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION – SECURITY BASELINE
INSPECTION REPORT 05000528/2021401 AND 05000529/2021401 AND
05000530/2021401

Dear Mr. McLaughlin:

On August 26, 2021, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at Palo Verde Nuclear Generating Station. On August 26, 2021, the NRC inspectors discussed the results of this inspection with you and other members of your staff. The results of this inspection are documented in the enclosed report.

No findings or violations of more than minor significance were identified during this inspection.

This letter, its enclosure, and your response (if any) 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 Title 10 of the *Code of Federal Regulations* 2.390, "Public Inspections, Exemptions, Requests for Withholding."

Sincerely,

A handwritten signature in cursive script that reads "Ray Kellar".

Signed by Kellar, Ray
on 09/14/21

Ray L. Kellar, P.E., Chief
Plant Support Branch 1
Division of Reactor Safety

Docket Nos. 05000528 and 05000529
and 05000530
License Nos. NPF-41 and NPF-51 and
NPF-74

Enclosure:
As stated

cc w/ encl: Distribution via LISTSERV®

PALO VERDE NUCLEAR GENERATING STATION – SECURITY BASELINE INSPECTION
 REPORT 05000528/2021401 AND 05000529/2021401 AND 05000530/2021401 – DATED
 SEPTEMBER 14, 2021

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U.S. NUCLEAR REGULATORY COMMISSION
Inspection Report

Docket Numbers: 05000528, 05000529 and 05000530

License Numbers: NPF-41, NPF-51 and NPF-74

Report Numbers: 05000528/2021401, 05000529/2021401 and 05000530/2021401

Enterprise Identifier: I-2021-401-0011

Licensee: Arizona Public Service Company

Facility: Palo Verde Nuclear Generating Station

Location: Tonopah, AZ

Inspection Dates: August 23, 2021 to August 26, 2021

Inspector: D. Hostetter, Senior Physical Security Inspector

Approved By: Ray L. Kellar, P.E., Chief
Plant Support Branch 1
Division of Reactor Safety

Enclosure

SUMMARY

The U.S. Nuclear Regulatory Commission (NRC) continued monitoring the licensee's performance by conducting a security baseline inspection at Palo Verde Nuclear Generating Station, in accordance with the Reactor Oversight Process. The Reactor Oversight Process is the NRC's program for overseeing the safe operation of commercial nuclear power reactors. Refer to <https://www.nrc.gov/reactors/operating/oversight.html> for more information.

List of Findings and Violations

No findings or violations of more than minor significance were identified.

Additional Tracking Items

None.

INSPECTION SCOPES

Unless otherwise noted, baseline security inspections were conducted in accordance with the appropriate portions of the inspection procedures (IPs) in effect at the beginning of the inspection. Samples were declared complete when the IP requirements most appropriate to the inspection activity were met consistent with Inspection Manual Chapter 2201, "Security Inspection Program for Commercial Nuclear Power Reactors." The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel to assess licensee performance and compliance with Commission rules and regulations, license conditions, site procedures, and standards. Publicly available IPs are located at:

<http://www.nrc.gov/reading-rm/doc-collections/insp-manual/inspection-procedure/index.html>.

The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel to assess licensee performance and compliance with Commission rules and regulations, license conditions, site procedures, and standards. Starting on March 20, 2020, in response to the National Emergency declared by the President of the United States on the public health risks of the coronavirus (COVID-19), inspectors were directed to begin telework. In addition, regional baseline inspections were evaluated to determine if all or a portion of the objectives and requirements stated in the IP could be performed remotely. If the inspections could be performed remotely, they were conducted per the applicable IP. In some cases, portions of an IP were completed remotely and on site. The inspections documented below met the objectives and requirements for completion of the IP.

SAFEGUARDS

71130.08 - Fitness For Duty Program

The inspectors evaluated the fitness for duty program by completing the following inspection elements:

Fitness For Duty Program (1 Sample)

- (1)
 - Tier I: All Requirements
 - Tier II: All Requirements
 - Tier III: All Requirements

INSPECTION RESULTS

No findings were identified.

EXIT MEETINGS AND DEBRIEFS

The inspectors verified no proprietary information was retained or documented in this report.

- On August 26, 2021, the inspector presented the security baseline inspection results to Mike McLaughlin, Site Vice President, Site Services, and other members of the licensee staff.

DOCUMENTS REVIEWED

Inspection Procedure	Type	Designation	Description or Title	Revision or Date
71130.08	Corrective Action Documents	Corrective Actions	CR-17-01444, CR-17-01445, CR-17-17758, CR-20-09806, CR-20-14940, CR-20-16193, CR-21-06748	Multiple
	Corrective Action Documents Resulting from Inspection	Corrective Actions	CR-21-09987	08/23/2021
	Miscellaneous	Fatigue Management	End of Year Fatigue Management Review	Multiple
		FFD Records	Drug and Alcohol Testing for Pre-Access, Random, For-Cause, Post Event and Follow-up	Multiple
		Nantel Study Guides	Generic FFD, BOP, and PAT	Multiple
		Nuclear Assurance Department Audit Report	FFD & AA Audit 2019-006	09/03/2019
		Nuclear Assurance Department Audit Report	FFD & AA Audit 2017-006	08/25/2017
		Testing Services Contract	Testing Services between APS and Medtox Laboratories, a division of Laboratory Corporation of American Holdings	10/26/2018
		Training Records	MRO/SAE/Licensed Physician and FFD Technicians	Multiple
	Procedures	01DP-OAP17	Managing Personnel Fatigue	Revision 12
		01DP-OEM10	Fitness For Duty	Revision 45
		01DP-OR-H03	Drug & Alcohol Testing Collection & Evaluation	Revision 39
		20DP-OSK40	Access Authorization	Revision 46
		20DP-OSK41	Security Event Reporting	Revision 24
		Intoxilyzer 8000	Breath Alcohol Testing Instruction	Revision 11