



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

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April 22, 2004

Gregg R. Overbeck, Senior Vice
President, Nuclear
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE - NRC PHYSICAL SECURITY LIMITED BASELINE INSPECTION
REPORT 05000528/2004008, 05000529/2004008, 05000530/2004008

Dear Mr. Overbeck:

On March 25, 2004, the NRC completed the onsite portion of an inspection at your Palo Verde Nuclear Generating Station. The enclosed report documents the results of the inspection which were discussed with members of your staff.

This inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, without enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

//RA//

Michael P. Shannon, Chief
Plant Support Branch
Division of Reactor Safety

Dockets: 50-528
50-529
50-530
Licenses: NPF-41
NPF-51
NPF-74

Enclosure:

NRC Inspection Report 05000528/2004008, 05000529/2004008, 05000530/2004008
w/Attachment: Supplemental Information

cc without safeguards enclosure:

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cc w/encl (**SAFEGUARDS INFORMATION**)

- E. McNeil (NSIR/DNS/RSS)
- B. Westreich (NSIR/DNS)
- Senior Resident Inspector (**NLS**)
- RIV Docket File - File Room Custodian
- Security Inspector (Pick)

- Electronic distribution by RIV:
- Regional Administrator (**BSM1**)
 - DRP Director (**ATH**)
 - DRS Director (**DDC**)
 - Branch Chief, DRP/D (**TWP**)
 - Senior Project Engineer, DRP/D (**JAC**)
 - Staff Chief, DRP/TSS (**PHH**)
 - RITS Coordinator (**KEG**)
 - Rebecca Tadesse, OEDO RIV Coordinator (**RXT**)
 - Site Secretary (**vacant**)

ADAMS: Yes No Initials: __MPS (non-safeguards information only)____
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DOCUMENT: PV2004-008-sec-dah.lbi.wpd

RIV: PSB/PSI	C:PSB	DRP/D	C:PSB	
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U.S. NUCLEAR REGULATORY COMMISSION

REGION IV

Docket No.: 50-528, 50-529, 50-530
License No.: NPF-41, NPF-51, NPF-74
Report No.: 05000528/200408, 05000529/2004008, 05000530/2004008
Licensee: Arizona Public Service Company
Facility: Palo Verde Nuclear Generating Station
Location: 5801 S. Wintersburg Road
Tonapah, AZ 85354
Dates: March 22 - 25, 2004
Inspectors: David A. Holman, Physical Security Inspector
Thomas Dexter, Consultant
Approved by: Michael P. Shannon, Chief, Plant Support Branch
Division of Reactor Safety

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Enclosure