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UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV  
1600 E LAMAR BLVD  
ARLINGTON, TX 76011-4511

March 16, 2015

EA-14-070

Randall K. Edington, Executive  
Vice President, Nuclear/CNO  
Arizona Public Service Company  
P.O. Box 52034, Mail Stop 7602  
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION - NRC INVESTIGATION  
REPORT 4-2013-030 AND INSPECTION REPORT 05000528/2014405,  
05000529/2014405, AND 05000530/2014405

Dear Mr. Edington:

This letter refers to the investigation conducted by the U.S. Nuclear Regulatory Commission's Office of Investigations at Palo Verde Nuclear Generating Station; Inspection Report 05000528/2014405, 05000529/2014405, and 05000530/2014405 enclosed. The purpose of the investigation was to determine if a willful security-related violation at the Palo Verde Station. The investigation was initiated on June 14, 2013, and completed on May 2, 2014. Based on the evidence developed during the investigation, the NRC substantiated that a willful security-related violation occurred. This investigation is closed. The enclosed inspection report documents the inspection results, which were discussed on February 19, 2015, with Ms. M. Lacal, Vice President, Operations Support, and other members of your staff.

Nuclear Regulatory Commission (NRC) inspectors documented one finding of very low security significance (Green) in this report. This finding involved a violation of NRC requirements and this violation was also determined to be Severity Level IV under the traditional enforcement process. 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 NCV or its significance, you should provide a response within 30 days of the date of this letter, with the basis for your denial, to the U. S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to Director, Office of Enforcement, U. S. Nuclear Regulatory Commission, Washington, DC 20555-0001; the Regional Administrator, Region IV; and the NRC Resident Inspectors at the Palo Verde Station.

**“Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled.”**

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R. Edington

- 2 -

If you disagree with the cross-cutting assignment in the enclosure, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV, and the NRC resident inspectors at the Palo Verde Station.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and your response, if you choose to provide one, will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS) accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response, if you choose to provide one, should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the PARS component of NRC's ADAMS. If you choose to provide a response and Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, if Security-Related Information is necessary to provide an acceptable response, 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). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

*/RA/*

Mark S. Haire, Branch 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

Nonpublic Enclosures:

1. Factual Summary NRC investigation  
Report 4-2013-030
2. NRC Inspection Report 05000528/2014405,  
05000529/2014405, and 05000530/2014405  
w/Attachment: Supplemental Information

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Letter to Randall K. Edington from Mark S. Haire, dated March 16, 2015

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05000529/2014405, AND 05000530/2014405

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