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

March 11, 2016

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

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 –
NRC SECURITY INSPECTION REPORT 05000528/2016403, 05000529/2016403,
AND 05000530/2016403

Dear Mr. Edington:

On February 4, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed a security inspection at Palo Verde Nuclear Generating Station, Units 1, 2, and 3, and the NRC inspectors discussed the results of this inspection with Ms. M. Lacal, Vice President, Regulatory and Oversight, and other members of your staff. The inspectors documented the results of this inspection in the enclosed inspection report.

The NRC inspectors did not identify any findings or violations of more than minor significance.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice and Procedure," a copy of this letter 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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 Security-Related Information is necessary to

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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
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 Enclosure:
NRC Inspection Report 05000528/2016403,
05000529/2016403, 05000530/2016403
w/Attachment: Supplemental Information

cc w/enclosure:
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 enclosure: Electronic Distribution

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Letter to Randall K. Edington from Mark S. Haire, dated March 11, 2016

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NRC SECURITY INSPECTION REPORT 05000528/2016403, 05000529/2016403,
AND 05000530/2016403

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