



Palo Verde Nuclear  
Generating Station

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102-04495-CDM/SAB/RKR  
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U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Mail Station P1-37  
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Units 1, 2, and 3  
Docket Nos. STN 50-528/529/530  
ZIRLO™ Fuel Rod Cladding**

With the recent acquisition of the ABB nuclear businesses by the Westinghouse Electric Company, the full range of Westinghouse nuclear fuel products has become available to Arizona Public Service for use at PVNGS. One product of particular interest to APS is ZIRLO™ fuel rod cladding. We have begun discussions with Westinghouse regarding the possibility of using ZIRLO™. PVNGS is currently licensed to use ZIRLO™ fuel rod cladding, however, there are no ZIRLO™ clad fuel rods installed at PVNGS.

APS is considering installing ZIRLO™ clad fuel rods for Palo Verde Unit 2 during the Spring, 2002 refueling outage. NRC approval of the use of ZIRLO™ fuel rod cladding in CE NSSS reactors is critical to our decision. Therefore, APS encourages the NRC support of Westinghouse's plan for ZIRLO™ fuel rod cladding use in CE NSSS reactors, which is to be discussed with NRC staff on Tuesday, October 17, 2000.

No commitments are being made to the NRC by this letter.

If you have any questions, please contact Scott A. Bauer at (623) 393-5978.

Sincerely,

CDM/SAB/RKR/kg

cc: E. W. Merschoff  
M. B. Fields  
J. H. Moorman

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