

Mr. James M. Levine
Executive Vice President, Generation
Arizona Public Service Company
and Chief Operating Office
Pinnacle West Energy Corporation
P.O. Box 53999
Phoenix, AZ 85072-3999

February 4, 2003

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
WITHDRAWAL OF APPLICATION FOR APPROVAL OF LICENSE
TRANSFERS AND CONFORMING AMENDMENTS (TAC NOS. MB4821
THROUGH MB4823, AND MB4824 THROUGH MB4826, RESPECTIVELY)

Dear Mr. Levine:

By letter dated April 15, 2002 (102-04686), as supplemented by letter dated July 11, 2002 (102-04813), from Pinnacle West Energy Corporation (PWE) and Arizona Public Service Company (APS), you requested approval of the transfer of the Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, for the Palo Verde Nuclear Generating Station (Palo Verde), Units 1, 2, and 3, to the extent held by APS, to PWE, in connection with a proposed restructuring of APS. The application also requested approval of proposed conforming amendments.

Subsequently, by letter dated December 23, 2002 (102-04876), you withdrew the application because of continuing uncertainty regarding deregulation of the electric industry in Arizona. The Commission does not object to your withdrawal of your application for approval of the transfer of the facility operating licenses for the Palo Verde units and will close out its review of your application and the subject TACs with this letter. The Commission has filed the enclosed Notice of Withdrawal of Application for Approval of Transfer of Facility Operating Licenses and Conforming Amendments with the Office of the Federal Register for publication.

Sincerely,

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

Enclosure: Notice of Withdrawal

cc w/encl: See next page

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Executive Vice President, Generation
Arizona Public Service Company
and Chief Operating Office
Pinnacle West Energy Corporation
P.O. Box 53999
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SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
WITHDRAWAL OF APPLICATION FOR APPROVAL OF LICENSE
TRANSFERS AND CONFORMING AMENDMENTS (TAC NOS. MB4821
THROUGH MB4823, AND MB4824 THROUGH MB4826, RESPECTIVELY)

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Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

Enclosure: Notice of Withdrawal

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UNITED STATES NUCLEAR REGULATORY COMMISSIONARIZONA PUBLIC SERVICE COMPANYDOCKET NOS. 50-528, 50-529, AND 50-530NOTICE OF WITHDRAWAL OF APPLICATION FOR APPROVAL OF
TRANSFER OF FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS

The U.S. Nuclear Regulatory Commission (the Commission) has permitted the withdrawal of the application dated April 15, 2002, as supplemented by letter dated July 11, 2002, filed by Arizona Public Service Company (APS) and Pinnacle West Energy Corporation (PWE), which had requested approval of the transfer of the Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 for the Palo Verde Nuclear Generating Station (Palo Verde), Units 1, 2, and 3, to the extent held by APS, to PWE, in connection with a proposed restructuring of APS. The application also requested approval, pursuant to 10 CFR 50.90, of proposed conforming amendments. Palo Verde, Units 1, 2, and 3, are located in Maricopa County, Arizona.

The Commission had previously issued a Notice of Consideration of Approval of Transfer of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing, which was published in the Federal Register on July 29, 2002 (67 FR 49044). However, by letter dated December 23, 2002, APS and PWE withdrew the application.

For further details with respect to this action, see the application dated April 15, 2002, as supplemented by letter dated July 11, 2002, and the licensee's letter dated December 23, 2002, which withdrew the application. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams/html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the

NRC PDR Reference staff by telephone at 1-800-397-4209, or 301-415-4737 or by email to pdr@nrc.gov.

Dated at Rockville, Maryland, this 4 day of February 2003.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Palo Verde Generating Station, Units 1, 2, and 3

cc:

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