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**From:** Richard Barrett  
**To:** Mallett, Bruce RV  
**Date:** 7/15/04 1:05PM  
**Subject:** Re: Draft Palo Verde Report for Review

Bruce:

I read through the report, reviewed the slides that Tony used in his brief last week and discussed the issue with Tom Koshy and Jose Calvo. We think you have the right slant on the message regarding grid reliability and independence. We also believe that the licensee's actions and the regional follow-up actions in that area are appropriate.

In the larger picture, we NRR need to address whether the current regulatory framework (GDC 17, SBO rule and Maintenance rule) as currently implemented provides sufficient assurance of the availability of AC to power safety systems. This question is the focus of part three of our grid action plan.

Thanks for giving us a chance to look it over before issuance. It looks like a very good report with a well directed message.

--Rich

>>> Bruce Mallett 07/15/04 09:04AM >>>

Rich,

Attached is the latest version of the report. Thank you in advance for reviewing the follow up actions and message.

Bruce

L/30