



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

December 27, 2005

Mr. Brian C. McNeil
Executive Director
Arizona Corporation Commission
1200 West Street
Phoenix, AZ 85007-2927

Dear Mr. McNeil:

I am responding to your letter of December 16, 2005, and following up to our telephone conversation of December 20, 2005, in which we discussed the Nuclear Regulatory Commission's (NRC) participation in an open meeting of the Arizona Corporation Commission (ACC).

My Regional Administrator, Dr. Bruce S. Mallett, looks forward to the opportunity to provide to the ACC, in a non-judicial forum, information about our agency, our regulatory processes and our oversight of the Palo Verde Nuclear Generating Station (PVNGS). Dr. Mallett particularly wants me to convey his gratitude for your willingness to re-schedule the proposed meeting so that he can appear personally. It is my understanding that the meeting is scheduled to occur at 1:00 p.m. MST on January 26, 2006, at your offices in Phoenix. Please contact the individual listed at the end of this letter if that schedule cannot be held.

As we discussed in previous conversations, the NRC desires that its participation in this meeting be independent from that of its regulated licensee, Arizona Public Service Company. As a fellow regulator, I am sure you can understand the need to establish this independence both in fact and in the perception of any public audience in attendance. I would appreciate the ACC's actions preparing for and conducting the meeting to preserve this concept.

I mentioned earlier that the substance of the NRC's briefing to the ACC would be limited to information that is publicly available. Any discussion of NRC assessment of PVNGS performance will necessarily be limited to information that is already docketed in our public records and will be focused on the safety of the nuclear units and the site.

Joining Dr. Mallett at the meeting will be Victor L. Dricks, the NRC Region IV Public Affairs Officer and Troy W. Pruet, the Chief of Reactor Projects Branch D. Mr. Pruet's branch is tasked with daily oversight responsibility of the Palo Verde units. Please feel free to contact Mr. Pruet at 817-860-8173 to discuss any logistical arrangements or scheduling changes for the upcoming meeting.

Mr. Brian C. McNeil, Executive Director - 2 -

I hope this meeting will help to establish a relationship of information sharing between our agencies and work to our mutual benefit.

Sincerely,

/RA/

William A. Maier
Regional State Liaison Officer

cc:
Aubrey Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40th Street
Phoenix, AZ 85040

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