



A subsidiary of Pinnacle West Capital Corporation

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102-05439-SAB/TNW/CJJ
 March 16, 2006

U. S. Nuclear Regulatory Commission
 ATTN: Document Control Desk
 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
 Present Levels of Financial Protection**

Pursuant to 10 CFR 50.54(w)(3), the present levels and sources of Nuclear Property insurance maintained for PVNGS are reported as follows:

<u>Insurer</u>	<u>Policy Number</u>	<u>Limit of Liability</u>
Nuclear Electric Insurance Limited	P05-055	\$ 500,000,000
Nuclear Electric Insurance Limited	X05-064	<u>\$2,250,000,000</u>
Total Nuclear Property Insurance		<u>\$2,750,000,000</u>

The total Nuclear Property insurance coverage in force for PVNGS for Policy Period October 1, 2005 to October 1, 2006 is \$2,750,000,000.

No commitments are being made to the NRC by this letter. Should you have any questions, please contact Thomas N. Weber at (623) 393-5764.

Sincerely,

SAB/TNW/CJJ/ca

cc: B. S. Mallett
 M. B. Fields
 G. G. Warnick

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