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ARIZONA CORPORATION COMMISSION

March 19, 2007

Dr. Bruce S. Mallet
Regional Administrator U. S. Nuclear Regulatory Commission (NRC), Region IV
611 Ryan Plaza Drive
Suite 400
Arlington, TX 76011-4005

Dear Dr. Mallet,

This letter is a follow-up to the discussions I have had with Mr. Maier of your office.

As Mr. Maier and I have discussed, the Arizona Corporation Commission (ACC) respectfully requests your participation during an April 4, 2007 Special Open Meeting to be held in our main hearing room located in Phoenix, Arizona. This will be a morning meeting, probably starting at approximately 10a.m. I will send you the precise start time before the end of this week.

Consistent with the January 2006 meeting, this meeting will be presided over by our five elected Commissioners. It is a public meeting, but is not being conducted as part of any judicial or formal evidentiary proceeding. There will be no substantive votes taken at the meeting. While Arizona Public Service Company (APS) may be called upon to address questions/concerns, the ACC will not engage in dialogue with APS until after you are finished.

As Mr. Maier and I have discussed, the Arizona Commissioners are interested in a better understanding of the current regulatory status of the Palo Verde Nuclear Generating Station (PVNGS), with particular emphasis on the "Column 4" status of one of the units. The Commissioners are also interested in the NRC's expectations for improved PVNGS performance, and what those expectations may mean in terms of potential impact on plant operations and cost.

The upcoming meeting is a great opportunity to build upon the foundation established in the meeting held last year. The Commissioners were very grateful for the NRC's participation last year, and are looking forward to renewed dialogue on PVNGS—a matter of great importance to Arizona.

Thank you for your willingness to participate in this upcoming public meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian C. McNeil".

Brian C. McNeil
Executive Director

cc: Mr. William Maier, Regional State Liaison Officer, NRC