



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

June 22, 2007

Randall K. Edington
Senior Vice President, Nuclear
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: MEETING SUMMARY FOR THE TOWN HALL PUBLIC MEETING OF
JUNE 7, 2007

Dear Mr. Edington:

This refers to the public meeting conducted in the Ruth Fisher Elementary School Cafeteria in Tonopah, Arizona on June 7, 2007. The meeting was a town hall meeting where the public presented questions and comments to an NRC panel consisting of representatives from Region IV's Division of Reactor Projects. The meeting attendance list and NRC presentation are enclosed.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams/index.htm> (the Public Electronic Reading Room).

Should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Neil O'Keefe".

for Neil O'Keefe, Chief
Project Branch D
Division of Reactor Projects

Dockets: 50-528
50-529
50-530

Licenses: NPF-41
NPF-51
NPF -74

Enclosures:

1. Attendance Lists
2. NRC Presentation

cc w/Enclosures:

Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Douglas K. Porter, Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, CA 91770

Chairman
Maricopa County Board of Supervisors
301 W. Jefferson, 10th Floor
Phoenix, AZ 85003

Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, AZ 85040

Scott Bauer, Acting General Manager
Regulatory Affairs and
Performance Improvement
Palo Verde Nuclear Generating Station
Mail Station 7636
P.O. Box 52034
Phoenix, AZ 85072-2034

Jeffrey T. Weikert
Assistant General Counsel
El Paso Electric Company
Mail Location 167
123 W. Mills
El Paso, TX 79901

John W. Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, CA 90051-0100

John Taylor
Public Service Company of New Mexico
2401 Aztec NE, MS Z110
Albuquerque, NM 87107-4224

Geoffrey M. Cook
Southern California Edison Company
5000 Pacific Coast Hwy, Bldg. N50
San Clemente, CA 92672

Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, AZ 85251

Brian Almon
Public Utility Commission
William B. Travis Building
P.O. Box 13326
1701 North Congress Avenue
Austin, TX 78701-3326

Karen O'Regan
Environmental Program Manager
City of Phoenix
Office of Environmental Programs
200 West Washington Street
Phoenix, AZ 85003

Matthew Benac
Assistant Vice President
Nuclear & Generation Services
El Paso Electric Company
340 East Palm Lane, Suite 310
Phoenix, AZ 85004

Arizona Public Service Company

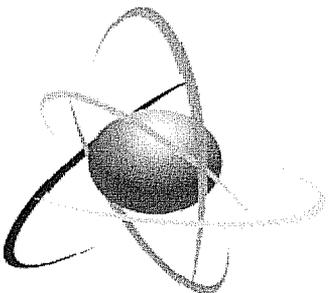
- 4 -

Chief, Radiological Emergency Preparedness Section
National Preparedness Directorate
Technological Hazards Division
Department of Homeland Security
1111 Broadway, Suite 1200
Oakland, CA 94607-4052

MEETING ATTENDANCE

LICENSEE/FACILITY	APS/Palo Verde
DATE/TIME	June 7, 2007; 6:30 PM (MST)
LOCATION	Ruth Fisher Elementary School, Tonopah, AZ
NAME (PLEASE PRINT)	ORGANIZATION/Member of public
SILVERIO Garcia Jr	PVNGS Employee - Community member
NICOLAS ARDITO	PVNGS EMPLOYEE
Pam + Rex Miller	CAP Members for PVNGS
Tim Healine	APS/Local Resident
Roger Brodwick	APS/Local
ALISA ALVESON	LOCAL RESIDENT
Laura Phillips	Local Resident
Susan Teppo	APS/Local Resident
Phil Ramba	Interested Person
Mark Fallon	ADS
Terry Young	APS
Rose Majors	Community Resident / APS

Palo Verde Nuclear Generating Station Public Town Hall Meeting



Nuclear Regulatory Commission - Region IV

June 7, 2007

Purpose of Today's Meeting

- **Discussion between public and NRC regarding NRC oversight of Palo Verde Nuclear Generating Station**

Agenda

- Introduction
- Major Roles of the NRC
- Reactor Oversight Process
- PV Performance
- Focus Areas for Palo Verde
- Public Question and Answer Session – Anytime
- NRC Closing Remarks

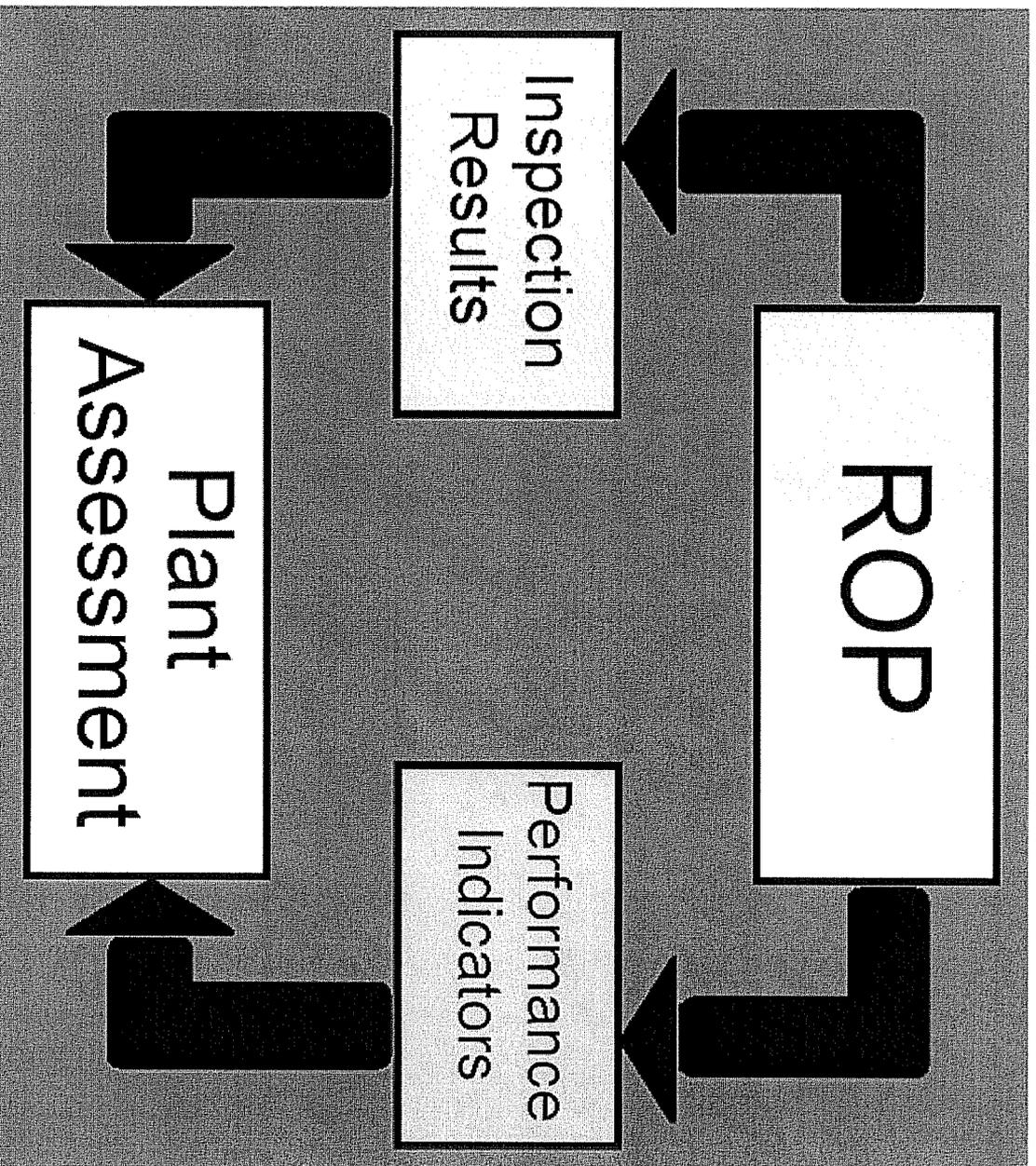
NRC Mission

The mission of the U.S. Nuclear Regulatory Commission (NRC) is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

NRC Performance Goals

- Safety: Ensure protection of the public health and safety and the environment
- Security: Ensure the secure use and management of radioactive materials
- Openness: Ensure openness in our regulatory process
- Effectiveness: Ensure that NRC actions are effective, efficient, realistic, and timely
- Management: Ensure excellence in agency management to carry out the NRC's strategic objective

Reactor Oversight Process



Action Matrix Concept

Licensee Response I	Regulatory Response II	Degraded Cornerstone III	Multiple/Rep. Degraded Cornerstone IV	Unacceptable Performance V
------------------------	---------------------------	-----------------------------	--	-------------------------------



Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

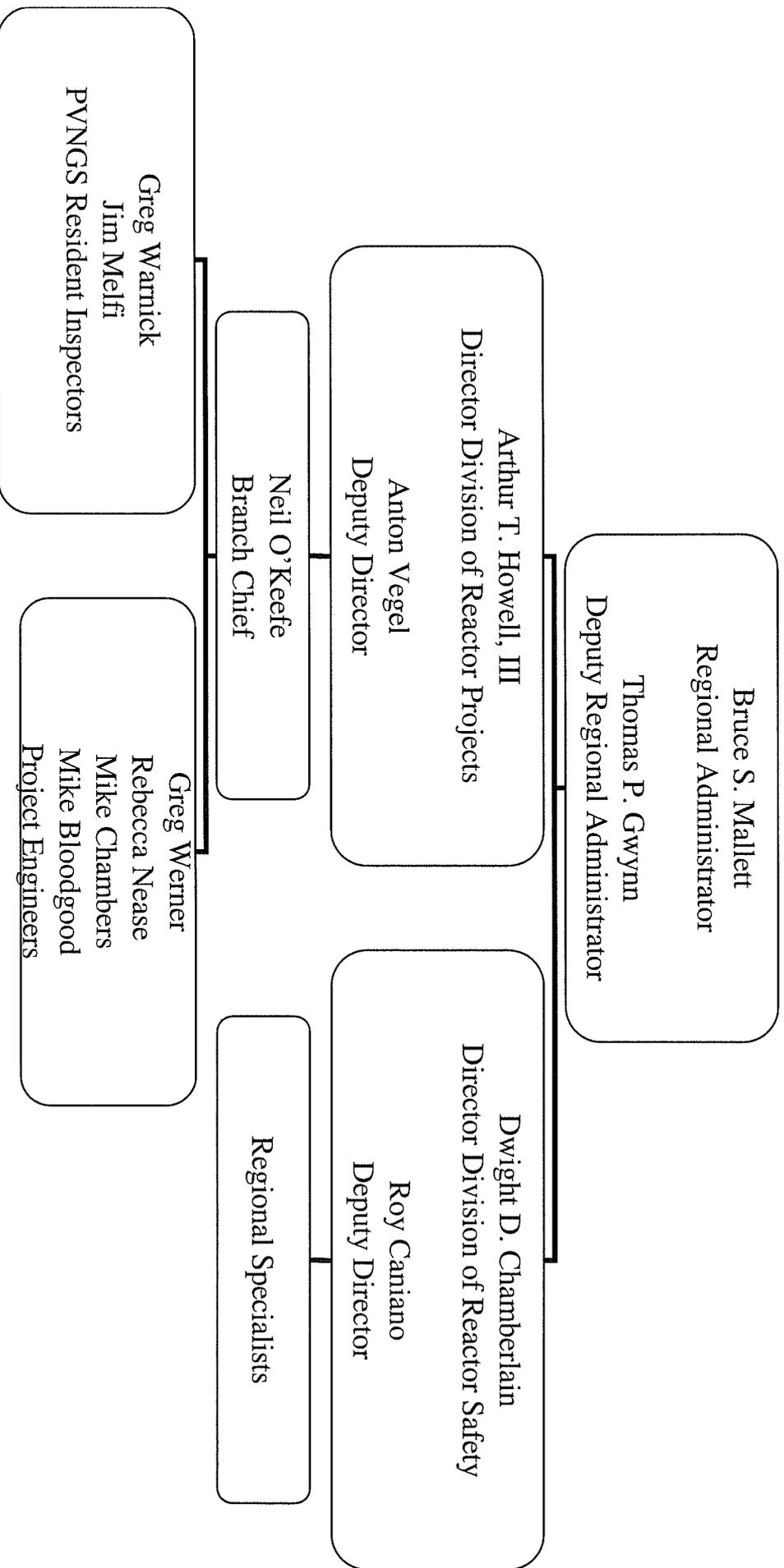
Increasing Regulatory Actions

Column IV Actions

Licensee Response I	Regulatory Response II	Degraded Cornerstone III	Multiple/Rep. Degraded Cornerstone IV	Unacceptable Performance V
------------------------	---------------------------	-----------------------------	--	-------------------------------

- Hold Regulatory Performance meetings
- Licensee Performance Improvement Plan must be developed with NRC Oversight
- Additional NRC inspection (95003)
- Additional Regulatory Actions as required:
 - Demand For Information, Confirmatory Action Letter or Order
 - Regional Administrator (or Executive Director) will discuss performance with Senior Licensee Management
- Plant Management briefs the Commission

Region IV Organization



NRC Representatives

- Tony Vegel, Deputy Director, Division Reactor Projects
 - (817) 860-8291
- Neil O’Keefe, Branch Chief
 - (817) 860-8269
- Greg Warnick, Senior Resident Inspector
 - (623) 393-3736
- Jim Melfi, Resident Inspector
 - (623) 393-3737
- Gregory Werner, Senior Project Engineer
 - (817) 860-8156
- Victor Dricks, Public Affairs Officer
 - (817) 860-8128

2006 Performance History Summary

- All three units operated safely
- Units 1 and 2 remain in the Degraded Cornerstone Column
- Unit 3 entered the Multiple/Repetitive Degraded Cornerstone in the 4th quarter

Path Forward

- Key Interactions with Licensee
 - Issue Confirmatory Action Letter (CAL) to document licensee commitments
 - Periodic meetings to discuss performance and status of improvement initiatives
- Key Inspections
 - Perform 95003 inspection

Reference Sources

- Public Website
 - ▶ <http://www.nrc.gov>
- Reactor Quick Links
 - ▶ <http://www.nrc.gov/reactors/ql-reactors.html>
- Public Electronic Reading Room
 - ▶ <http://www.nrc.gov/reading-rm.html>
- Public Document Room
 - ▶ 1-800-397-4209 (Toll Free)