



A subsidiary of Pinnacle West Capital Corporation

Palo Verde Nuclear
Generating Station

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102-06298-DCM/CJS
December 20, 2010

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528, 50-529, and 50-530
Exemption for 10 CFR 73.55 Implementation - Completion**

By letter number 102-06111, dated December 21, 2009, Arizona Public Service Company (APS) applied for an exemption from the schedule requirement of 10 CFR Part 73, *Physical Protection of Plants and Materials*, paragraph 73.55(a)(1), for PVNGS Units 1, 2, and 3, pursuant to 10 CFR 73.5. This initial request was further clarified in APS letter numbers 102-06131 and 102-06144, dated February 16, and March 5, 2010, respectively.

By letter dated March 23, 2010, the NRC issued an exemption to extend the deadline for the implementation of two specified requirements in 10 CFR Part 73 from March 31, 2010, to June 30, 2010, for the first item, and to December 17, 2010, for the second item. This letter formally documents that PVNGS is in full compliance with the revised regulation, as of December 17, 2010.

No commitments are being made by this letter. Should you need further information regarding this exemption, please contact Russell A. Stroud, Licensing Section Leader, at (623) 393-5111.

Sincerely,

FOR D.C. MIMS

DCM/TNW/CJS/gat

AOD
MRR

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cc: E. E. Collins Jr. NRC Region IV Regional Administrator
J. R. Hall NRC NRR Senior Project Manager
L. K. Gibson NRC NRR Project Manager
J. H. Bashore NRC Senior Resident Inspector (acting) for PVNGS
P. F. Frechette Sr. Physical Security Inspector, RIV/DRS/PSB