



102-06734-TNW/RKR
July 18, 2013

**Palo Verde
Nuclear Generating Station**
P.O. Box 52034
Phoenix, AZ 85072-2034
Mail Station 7636
Tel: 623-393-5764

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 and Independent Spent Fuel
Storage Installation (ISFSI)
Docket Nos. STN 50-528/529/530 and 72-44
Response to Request for Additional Information (RAI) -
Consolidated Decommissioning Funding Status Report -
2012**

Pursuant to the requirements of 10 CFR 50.75(f)(1) & 72.30 and in accordance with the guidance in NRC Regulatory Issue Summary 2001-07, Revision 1, *10 CFR 50.75 Reporting and Recordkeeping for Decommissioning Planning*, dated January 8, 2009, Arizona Public Service Company (APS) submitted the 2012 Decommissioning Funding Status Reports for Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3, and for the PVNGS Independent Spent Fuel Storage Installation (ISFSI) by letter number 102-06677 dated March 29, 2013 (Agencywide Documents Access and Management System Accession No. ML13098A033).

In e-mail dated June 19, 2013, the NRC staff indicated that the APS submittal had been reviewed and that additional information was needed to complete their review. The NRC requested that the information be provided by July 19, 2013. The enclosure to this letter contains the requested information.

A001
LMSS26
MRR
JMSS

102-06734-TNW/RKR

July 18, 2013

NRC Document Control Desk

Response to Request for Additional Information (RAI) - Consolidated

Decommissioning Funding Status Report - 2012

Page 2

No commitments are being made to the NRC by this letter. Should you need further information regarding this submittal, please contact Mr. Robert K. Roehler, Licensing Section Leader, at (623) 393-5241.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas N. Weber". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas N. Weber
Department Leader, Regulatory Affairs

TNW/RKR/hsc

Enclosure: Response to Request for Additional Information

cc: A. T. Howell III NRC Region IV Regional Administrator
J. K. Rankin NRC NRR Project Manager for PVNGS
J. A. Reynoso NRC Senior Resident Inspector for PVNGS

Enclosure

RESPONSE TO REQUEST

FOR ADDITIONAL INFORMATION

RESPONSE TO
REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
2013 DECOMMISSIONING FUNDING STATUS REPORT
ARIZONA PUBLIC SERVICE COMPANY
PALO VERDE NUCLEAR GENERATING STATION UNITS 1, 2, AND 3

By letter number 102-06677 dated March 29, 2013 (Agencywide Documents Access and Management System Accession No. ML13098A033), Arizona Public Service Company (APS) submitted to the U.S. Nuclear Regulatory Commission (NRC) the Decommissioning Funding Status (DFS) Report for Palo Verde Nuclear Generating Station, Unit Nos. 1, 2, and 3 (PVNGS) as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, Section 50.75(f)(1).

The NRC staff has reviewed the information provided in the DFS Report and determined that the following additional information is required in order to complete its review.

RAI #1: Amounts Accumulated

Please indicate if the amount of decommissioning funds identified in the report dated March 29, 2013, is for the after-tax amounts of decommissioning funds accumulated through December 31, 2012. If not, please provide the after-tax amounts of decommissioning funds accumulated through December 31, 2012, for PVNGS.

On March 29, 2013, APS reported the amounts of decommissioning funds accumulated as of December 31, 2012, for PVNGS, but did not indicate if the amounts stated were the before or after-tax balances.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

Response:

The above referenced March 29, 2013 report ("Report") provided the amount of decommissioning funds accumulated through December 31, 2012, on an after-expense and after-tax basis. Please note that the response to Item 2 of the Report contains a table, and that footnote 1 to that table was intended to convey that the values in the table were the liquidation values of the reported funds (Enclosure 1, Page 4). The liquidation value of the trust is an estimate of the trust balance after all accrued expenses and taxes have been paid.