



**Palo Verde
Nuclear Generating Station**
P.O. Box 52034
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Mail Station 7636
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102-08261-MDD/MSC
April 9, 2021

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

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS) Unit 2
Renewed Operating License No. NPF-51
Docket No. STN 50-529
Arizona Public Service Company (APS) Sale and Leaseback
Transaction Renewal Extension**

This letter is being provided pursuant to Paragraph 2.B(8)(b) of Renewed Facility Operating License No. NPF-51. Paragraph 2.B(8)(b) of the license requires the Nuclear Regulatory Commission (NRC) to be notified in writing prior to any change in "the terms or conditions of any lease agreements executed as part of this transaction."

In 1986, APS proposed to enter into sale and leaseback transactions relating to Palo Verde Nuclear Generating Station (PVNGS) Unit 2. On December 11, 1986, the NRC issued a license amendment pursuant to which APS transferred and leased back a portion of its ownership share in PVNGS Unit 2 to an institutional investor, noting the term of the lease was for approximately 29-1/2 years, subject to a right of renewal. In the Renewed Facility Operating License No. NPF-51, issued April 21, 2011, the NRC restated the representations and conditions for the PVNGS Unit 2 sale and leaseback transactions.

This letter provides written notification of an amendment to the Unit 2 Facility Lease (the Lease) between Arizona Public Service Company (APS), as Lessee, and U.S. Bank National Association, as Owner Trustee under a Trust Agreement with Access Energy Investors III LLC (assignee of PV2-APS 150 Corporation, assignee of Chase Manhattan Realty Leasing Corporation) as Owner Participant (the OP), reflecting modifications to certain terms of the Lease, including extending the Lease for a renewal term ending on December 31, 2033, and modification to the basic rent payment. The parties signed the amendment on April 1, 2021. The delay in providing this notification has been entered in the site corrective action program.

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No commitments are being made to the NRC by this letter. Should you need further information regarding this letter, please contact Matthew S. Cox, Licensing Section Leader, at (623) 393-5753.

Sincerely,

Dilorenzo, Michael
D(Z99838)

Digitally signed by Dilorenzo, Michael
D(Z99838)
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Michael DiLorenzo
Nuclear Regulatory Affairs Department Leader

MDD/MSC/mg

cc:	S. A. Morris	NRC Region IV Regional Administrator
	S. P. Lingam	NRC NRR Project Manager for PVNGS
	C. A. Peabody	NRC Senior Resident Inspector for PVNGS (electronic)