



102-07047-TNW/JR
May 1, 2015

Palo Verde
Nuclear Generating Station
5801 S. Wintersburg Road
Tonopah, AZ 85354

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

Reference: Arizona Public Service Company (APS) Letter No. 102-07028,
Consolidated Decommissioning Funding Status Report – 2014,
dated March 31, 2015

Dear Sirs:

Subject: **Palo Verde Nuclear Generating Station (PVNGS)**
Units 1, 2, 3 and Independent Spent Fuel
Storage Installation (ISFSI)
Docket Nos. STN 50-528/529/530 and 72-44
Correction to Page 5 of Enclosure 1 to the Consolidated
Decommissioning Funding Status Report - 2014

Enclosed, please find a corrected copy of page 5 of Enclosure 1 to the previously submitted referenced letter. A revision bar has been added to the left side of the affected page. The following change was made to correct a typographical error:

- In footnote 2 of Table, *Decommissioning Cost Study Estimates for Selected Decommissioning Functions*, the total ISFSI decommissioning cost estimate was changed from \$9,188 million to \$9.188 million. This total cost estimate is the sum of three estimates located within the table.

This correction has been identified in the PVNGS Corrective Action Program as Palo Verde Action Request (PVAR) No. 4650703.

Please update your files accordingly. No commitments are being made to the NRC by this letter.

A001
MH526

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Correction to Page 5 of Enclosure 1 to the Consolidated Decommissioning
Funding Status Report - 2014
Page 2

Should you need further information regarding this submittal, please contact
Mr. Michael Dilorenzo, Licensing Section Leader, at (623) 393-3495.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas N. Weber". The signature is fluid and cursive, with the first name "Thomas" being the most prominent part.

Thomas N. Weber
Department Leader, Regulatory Affairs

TNW/JR/hsc

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cc:	M. L. Dapas	NRC Region IV Regional Administrator
	M. M. Watford	NRC NRR Project Manager
	C. A. Peabody	NRC Senior Resident Inspector for PVNGS

Enclosure

**Correction to Page 5 of Enclosure 1 to the Consolidated
Decommissioning Funding Status Report - 2014**

Decommissioning Cost Study Estimates for Selected Decommissioning Functions
(In Thousands \$) ¹

Purpose	Unit 1	Unit 2	Unit 3
Radiological	\$639,588	\$620,908	\$701,937
ISFSI ²	\$3,063	\$3,063	\$3,063

1. These values come from the 2013 Decommissioning Cost Study, Table 6.1, page 73 of 160 and Appendix L, page 151 of 160 and have not been escalated to 2014 dollars.
2. ISFSI decommissioning is a common cost for all three units, and is equally allocated above. The total ISFSI decommissioning cost estimate is \$9.188 million (the figures above do not add due to rounding) and is consistent with the reported value in Enclosure 2, before the escalation example.

Item 3

A schedule of the annual amounts remaining to be collected.

Response

Pursuant to the Participation Agreement, as amended and reformed, the Participants agreed that each Participant would commit to minimum levels of accumulation of funds, regardless of fund investment performance, pursuant to a pre-established percentage funded commitment or "Funding Curve" for each year through the end of plant life. Each Participant's percentage funding commitment was based upon an analysis which incorporated the Participant's individual business judgments (subject to regulatory approvals, as applicable) with respect to expected rates of fund investment earnings and escalation in total decommissioning costs. Every three years a site specific decommissioning cost estimate is performed, and each Participant applies the new site specific cost estimate to its pre-established Funding Curve. Each Participant is committed to minimum levels of accumulations, which cannot drop below a Funding Floor (which is never less than eighty percent of the Participant's Funding Curve and was established to take into account market fluctuations in the early years of fund accumulation).

For purposes of determining compliance with NRC's minimum financial assurance requirements, based upon an evaluation of the existing balances and earnings to be