



A subsidiary of Pinnacle West Capital Corporation



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January 29, 2008

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

RE: PALO VERDE OUTAGE REPORT  
DECISION NO. 69663  
DOCKET NO. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Sir or Madame:

Pursuant to Decision No. 69663, enclosed please find an Outage Report for planned or unplanned outages at the Palo Verde Nuclear Generating Station.

If you have any questions, please call Jeff Johnson at 602-250-2661.

Sincerely,

Barbara Klemstine

BK/bgs

cc: Brian Bozzo  
Ernest Johnson

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**OUTAGE REPORT  
PALO VERDE NUCLEAR GENERATING STATION (PVNGS)  
PURSUANT TO DECISION NO. 69663**

PVNGS Unit 1 was manually shut down on November 24, 2007, when the unit's Train A Safety Features Actuation System alarmed, indicating that the Emergency Diesel Generator "A" breaker was closed and the generator was on-line. The alarm was erroneous, as operations confirmed that the diesel generator was not on line. This inconsistency was determined to be caused by a failed diode and short circuits in the Actuation System cabinet. The diode was replaced, and Unit 1 was returned to service on November 30, 2007.

Replacement net fuel and purchased power costs incurred as a result of this outage were \$3.8 million. Off-system sales were reduced by 10,692 MWhs, with an associated lost opportunity sales margin of \$79,220.