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Commissioner Kris Mayes
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington, 2nd Floor
Phoenix, Arizona 85007

AZ CORP COMMISSION
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Arizona Corporation Commission

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Dear Commissioner Mayes:

The purpose of this letter is to express my opposition to Arizona Public Service Company (APS) request for a rate increase. The reason I am writing now and not closer to the Public Hearing scheduled for March 30, 2009 is to allow the Corporation Commissioners time to investigate my allegations and/or concerns.

First, I am not an employee nor have I ever been employed by the Palo Verde Nuclear Generating Plant (PVNGS). The information being provided has come from the Newspaper, public records, and past and present employees of PVNGS.

Approximately three years ago the Site NRC Representation discovered some critical discrepancies at the PVNGS. Among these was a safety system that should have contained water when in fact it contained air. There are plenty of reports available to the Commissioner to review and substantiate these discrepancies. Following the NCR's investigation, solutions were submitted and the NRC brought in additional personnel to insure that PVNGS corrected these problems.

Although the following is relevant, the information may not be completely correct and should be fully investigated.

- a. Several senior level management personnel were released including a Senior VP, an Executive VP and VP. Two of these senior leaders were responsible for successfully operating the plant for a significant number of years.
- b. A new generation of senior leadership was hired and began making changes.
 - (1) With the exception of two, every Director was relieved. The two that was not relieved were promoted.
 - (2) As the in place directors and managers were replaced, they were not required to retire or resign. They were simply moved to "Special Projects" with their full salaries and no real job.
 - (3) The new directors and managers have been brought in at enormous expense and given high salaries. There were travel costs, a home purchases and signing

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bonuses. This sounds a little like "Wall Street" or "AIG". These expenditures totally blew that year's budget.

- (4) The new regime has to this date not brought an outage in on-time or at cost. Overtime cost and payroll has doubled. My information is that these new leaders have paid over \$10 million in bonuses to their cronies and even bought a house or two, i.e., check out the Maintenance Director's financial deal. They brag about having three plants running full time. The older regime often had three plants running full time and outages were often brought in on-time and on budget.
- (5) Non-qualified people have been placed in leadership positions. Example of this is a mechanic being placed as the supervisor of electrical unit until he could be moved to welding.
- (6) I've been told that workers have been threatened and intimidated and at least one has been hospitalized due to the stress. Also, PVNGS Human Resources is investigating into this very thing. But, I doubt the in house HR will find anything to substantiate this claim.

The cost to the rate payer seems of no concern to the leadership. Why should it be, they will just ask for a rate increase and probably received it.

Cordially,


David P Wheeler

cc: All Commissioners