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AZ CORP COMMISSION
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January 31, 2011

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

RE: Palo Verde Nuclear Generating Station Nuclear Performance Reporting Standard
Docket No. E-01345A-09-0506

Pursuant to Decision No. 71310:

> "IT IS FURTHER ORDERED that Arizona Public Service Company shall docket all reports filed with the Commission associated with the Nuclear Performance Reporting Standard in a separate docket..."

Attached please find the plant performance report, based on annual capacity factor of each operating unit at Palo Verde as well as overall station capacity factor, as required by the approved Nuclear Performance Reporting Standard. This report covers the 2010 calendar year.

If you have any questions, please call Zac Fryer at 602-250-4167.

Sincerely,

Susan Casady

Susan Casady

LRS/sl

cc: Brian Bozzo
Terri Ford
Jodi Jerich
Steve Olea

Arizona Corporation Commission
DOCKETED
JAN 31 2011

ARIZONA PUBLIC SERVICE COMPANY

PALO VERDE NUCLEAR GENERATING STATION
ANNUAL REPORT ON
2010 PLANT PERFORMANCE

DOCKET NO. E-01345A-09-0506

JANUARY 31, 2011

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EXECUTIVE SUMMARY

In 2010, the Palo Verde Nuclear Generating Station ("Palo Verde" or "Station") performed exceptionally well, achieving its best generation year ever, generating a total of 31,199,935 megawatt-hours ("MWh"), which yielded an overall station capacity factor of 90.5%. At the station level, this performance would ordinarily bring Palo Verde within the first tier classification used in the APS Nuclear Performance Reporting Standard ("NPRS"). Palo Verde Unit 2 had its best generation year ever, generating a total of 11,652,972 MWh and achieving a capacity factor of 101.2%. Palo Verde Unit 3 had a planned refueling outage and achieved a capacity factor of 89.1%, generating 10,238,993 MWh. Even so, the rigor of the NPRS is such that, notwithstanding the Station's, Unit 2's, and Unit 3's high performances overall, APS must still report unit performance at the more detailed second tier level because Unit 1 missed the capacity factor estimate provided in the 2010 NPRS report of 82% by one percentage point. The Unit 1 capacity factor was 81.0%, due primarily to the planned refueling outage and two short notice outages. Unit 1 generated 9,307,970 MWh.

The individual capacity factor for each Palo Verde operating unit directly reflects the Station's currently effective 18-month refueling cycle. In 2010, both Unit 1 and Unit 3 successfully completed refueling outages, which included installation of the new Reactor Vessel Heads ("RVHs") and the simplified head modification – also referred to as the Rapid Refuel Package ("RRP"). These outages encompassed additional significant work projects that could only be completed while the units were off-line. The RVH and RRP projects are designed to provide safety benefits and eliminate costly inspections. Additionally, Palo Verde experienced only two short notice outages in 2010, both which occurred in Unit 1. Unit 2 and Unit 3 had no short notice outages in 2010.

Net replacement power costs for all short notice outages and down powers at all operating units for Palo Verde in 2010 were $3.8 million. Likewise, reduced off-system sales and lost opportunity sales margins due to short notice outages were 162 MWh and $23,000, respectively. Refueling outages, as with any planned outage, do not create net replacement power costs, reduced off-system sales or lost opportunity margins because any power necessary to replace power not generated during a planned outage has been acquired in advance. The cost of fuel for power acquired during the 2010 refueling outages at Palo Verde was $9.3 million.

In 2011, Station production is expected to further improve compared to 2010 production levels. Units 1 and 2 will be refueled in 2011. Unit 1 is projected to finish 2011 with an 88% capacity factor, Unit 2's capacity factor for 2011 is projected to reach 88%, and a 98% capacity factor is expected at Unit 3. The overall Palo Verde station capacity factor for 2011 is projected to be 91%.

I. APS NUCLEAR PERFORMANCE REPORTING STANDARD

The NPRS, developed jointly by Arizona Public Service Company ("APS" or "Company") and the Arizona Corporation Commission ("ACC" or "Commission") Staff, was presented to the ACC to comply with the Commission's decision in the Company's 2005 rate case.[1] That standard, approved in an October 2009 Open Meeting, requires APS to:

1. Provide specified reports relating to generating and regulatory performance at Palo Verde in accordance with the approved reporting standard;
2. File all required reports with Docket Control in a separate docket; and
3. Present key findings of these reports to the Commission as part of the Commission's annual Summer Preparedness meetings.[2]

A copy of the approved NPRS is included as Attachment A. This report is the second annual performance report required by the NPRS.

The NPRS requires specific reporting in two major categories: plant performance and regulatory performance. Regulatory performance reporting is required under certain specific instances, such as Nuclear Regulatory Commission ("NRC") inspection "Greater than Green" findings, NRC identification of cross-cutting issues, and the placement of Palo Verde at a lower level than Column I of the NRC Reactor Oversight Program Action Matrix. Reports discussing any of these issues are generally due within 60 days of the NRC inspection or report identifying violations, and are not the focus of this report.

The plant performance reporting requirements of the NPRS are separated into three reporting tiers based on the achieved annual capacity factor of each operating unit, the average station capacity factor in the reporting period, as well as how the station and each unit compared to the estimated capacity factors provided in the previous year's report.

The NRC defines capacity factor as the ratio of available capacity (the amount of electrical power actually produced by a generating unit) to theoretical capacity (the amount of electrical power that could theoretically have been produced if the generating unit had operated continuously at full power) during a given time period. Capacity factor is a percentage calculation in which the maximum attainable generation (based on summer conditions) of the unit is divided into the actual generation of the unit, then multiplied by 100.[3] Maximum attainable generation is

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[1] ACC Decision No. 69663, dated June 28, 2007, pp. 119-120, 157.

[2] ACC Decision No. 71310, dated October 30, 2009.

[3] The capacity factor calculation is dependent on the nameplate rating of a generating unit, which is the guaranteed output of a generator under specified conditions as designated by its manufacturer. In general, nameplate ratings are lower for summertime months due to the combination of ambient atmospheric heat and the heat produced by the operation of the engine itself. Therefore, in winter months, a generating unit that is running at full capacity may achieve output higher than its manufacturing designation, resulting in a capacity factor of over 100%.

determined by multiplying the capacity rating of the unit by the hours during the calculation period. The capacity factor calculation is:

$$\frac{\textit{Actual Unit Generation}}{\textit{Unit Capacity Rating} \times \textit{Hours In Period}} \times 100$$

Under the reporting requirements of the NPRS, the first tier applies when Palo Verde as a whole averages 88% or higher for the reporting period and every individual unit attains an annual average capacity factor of 85% or greater for the reporting period or the station and each unit meets or exceeds the prior year's NPRS's estimate of projected capacity factors. In this category, annual reports are to include actual capacity factors for the reporting year, forecasted capacity factors for the upcoming year, and any issues or events that are anticipated to reduce capacity factor levels in the upcoming year below these percentages.

The second tier, with more extensive reporting, applies when Palo Verde as a whole averages between 80% and 88% capacity factor for the reporting year or if the estimated capacity factors provided in the previous year's NPRS were not achieved. In addition, each individual operating unit must achieve an annual average capacity factor of at least 75%. If performance falls into this tier, annual reports must include detailed discussions of outages experienced during the reporting period and must identify the replacement power costs, reduced off-system sales, and lost opportunity sales margins associated with each outage.

The third tier of the NPRS would apply if, during any reporting period, Palo Verde experienced an annual net capacity factor of less than 80%. This tier would also apply if the capacity factor at any individual unit at the station dropped to below 75% for the reporting period. Once performance falls into this reporting tier, semi-annual reports including explanations of unit performance, corrective actions to address outages, and 6-month forecasts of expected unit performance are required, and the Company must meet with ACC Staff, at Staff's request, to explain the performance. These reporting requirements would remain in effect until Palo Verde attains performance levels in the first tier, and are in addition to those specified in the first two tiers.

In 2010, performance at Palo Verde fell into the second reporting tier. Although the overall capacity factor for the Station was 90.5%, and Units 2 and 3 achieved 101.2% and 89.1%, respectively, the Unit 1 capacity factor was 81.0%, which does not meet the required NPRS first tier requirement because the previous year's NPRS projected that Unit 1 would have an annual capacity factor of 82%. Since the Unit did not perform to that level, APS is required to report in second tier. The lower Unit 1 capacity factor was primarily due to the Unit 1 refueling outage and two short notice outages in 2010.

Therefore, this report provides information as required under the second tier of the NPRS. The following sections provide an overview of the 2010 performance at Palo Verde, descriptions of 2010 outages at each individual unit, and a projection of station performance along with a description of events anticipated to affect capacity factors at Palo Verde in calendar year 2011. Additionally, Attachment B provides a graphic timeline of the Palo Verde 2010 outages.

II. PALO VERDE 2010 PERFORMANCE

In 2010, Palo Verde achieved an overall annual capacity factor of 90.5 % while performing at one of the highest levels in the history of the Station. Palo Verde produced more than 30 million net MWh for the sixth time since the Station entered commercial operation in 1986, generating a total of 31,199,935 net MWh, the best annual production level over its lifetime.

In addition, the number and severity of forced outages showed a significant improvement in 2010 over outage activity in recent years, with only two forced outages at the Station. Both forced outages were in Unit 1 and totaled 14 days; there were none in Units 2 and 3. In 2010, both Unit 1 and Unit 3 experienced refueling outages. The 50-day Unit 1 refueling outage occurred during the spring of 2010 while the 39-day Unit 3 refueling outage was completed during the fall of the year.

The following table provides an overview of Station and unit overall performance in 2010:

Overview of 2010 Palo Verde NPRS Performance Metrics

					Short Notice Outage/Down Power		
	Capacity Factor [4]	Total Station Generation in MWh	APS Share Generation in MWh	Fuel Costs Incurred during Planned Outages	Net Replacement Power Cost	Reduced Off-System Sales in MWh	Lost Opportunity Sales Margins
Unit 1	81.0%	9,307,970	2,708,619	$4,870,752	$3,830,840	162	$23,000
Unit 2	101.2%	11,652,972	3,391,015	–	–	–	–
Unit 3	89.1%	10,238,993	2,979,547	$4,419,853	–	–	–
Total Station	90.5%	31,199,935	9,079,181	$9,290,605	$3,830,840	162	$23,000

[4] In comparison, assuming that no forced outages were experienced at Palo Verde during the 2010 reporting year, the station capacity factor would have achieved 92.1%. Likewise, Unit 1's 2010 capacity factor would have been 85.9%.

A. CALCULATION OF CAPACITY FACTORS

Capacity factors for 2010 at Palo Verde were calculated using the formula described in Section I as follows:

2010 Capacity Factor Calculation for Palo Verde Unit 1

Actual Unit Generation = 9,307,970 MWh
Unit Capacity Rating (summer) = 1,311 MW
Hours in Period = 8,760

$$\frac{9{,}307{,}970}{1{,}311 \times 8{,}760} \times 100 = 81.0\ \%$$

2010 Capacity Factor Calculation for Palo Verde Unit 2

Actual Unit Generation = 11,652,972 MWh
Unit Capacity Rating (summer) = 1,314 MW
Hours in Period = 8,760

$$\frac{11{,}652{,}972}{1{,}314 \times 8{,}760} \times 100 = 101.2\ \%$$

2010 Capacity Factor Calculation for Palo Verde Unit 3

Actual Unit Generation = 10,238,993 MWh
Unit Capacity Rating (summer) = 1,312 MW
Hours in Period = 8,760

$$\frac{10{,}238{,}993}{1{,}312 \times 8{,}760} \times 100 = 89.1\ \%$$

2010 Capacity Factor for the Palo Verde Station

Actual Overall Generation = 31,199,935 MWh
Plant Capacity Rating (summer) = 1,311 + 1,314 + 1,312 = 3,937 MW
Hours in Period = 8,760

$$\frac{31{,}199{,}935}{3{,}937 \times 8{,}760} \times 100 = 90.5\ \%$$

B. PALO VERDE UNIT 1 OUTAGES FOR 2010

Palo Verde Unit 1 experienced two short notice outages, three down-powers, and one refueling outage in 2010. Unit 1 generated a total of 9,307,970 MWh (APS share 2,708,619 MWh) in 2010.

Unit 1 Down-Power # 1

Unit Power Level:	60%
Down-power Dates:	January 12 – January 15, 2010
Down-power Duration:	3.5 days

Unit 1 had an unplanned down-power greater than 20% after a manual trip of main feedwater pump 'B' due to unexpected flow/speed oscillation.

Net Replacement Cost Incurred: (fuel and purchased power cost)	$176,346
Off-System Sales Reduction:	None
Lost Opportunity Sales Margins:	None

Unit 1 Outage #1:

Outage Type:	Short Notice Outage
Outage Dates:	March 7, 2010 – March 20, 2010
Outage Duration:	12.6 days

Unit 1 experienced an automatic reactor trip after a fault of an electrical bus. The post trip evaluation determined that local weather conditions--heavy rains and wind gusts up to 40 mph--resulted in water intrusion into the electrical bus duct, which caused the fault. The station cleaned and repaired the bus so the unit could return to service.

Net Replacement Cost Incurred: (fuel and purchased power cost)	$4,135,934
Off-System Sales Reduction:	$0
Lost Opportunity Sales Margins:	$0

Unit 1 Down-Power # 2

Unit Power Level:	97%
Down-power Dates:	March 23 – April 3, 2010
Down-power Duration:	11 days

Unit 1 had an unplanned down-power to 97% due to failure of an inlet valve in the second stage reheater. The unit remained down-powered until the start of the refueling outage on April 3, 2010 and the valve was repaired during the outage.

Net Replacement Cost Incurred: (fuel and purchased power cost)	$(52,970)[5]
Off-System Sales Reduction:	None
Lost Opportunity Sales Margins:	None

Unit 1 Outage #2:

Outage Type:	Refueling Outage U1R15
Outage Dates:	April 3, 2010 – May 23, 2010
Outage Duration:	50.2 days

In addition to routine refueling, the scope of the work performed during the outage included several major projects:

- Main Generator Rotor Replacement
- Atmospheric Dump Valve Tank Addition
- Refueling Water Tank Modification
- Containment Sump Isolation Valve Replacement
- Essential Cooling Water Heat Exchanger Tube Harvesting
- Cooling Tower Replacement Tie-in
- Switchyard Breaker Replacements
- Steam Generator Eddy Current Testing

The Unit 1 RVH and RRP project, discussed briefly in the Executive Summary, required a longer than normal refueling outage duration. The first time this RVH and RRP work was done was during U2R15 in fall 2009 and that outage required 59.0 days to complete. The spring 2010 U1R15 outage duration was successfully reduced to 50.2 days. This was primarily accomplished through incorporation of lessons learned and improved planning.

Fuel Costs Incurred during Planned Outage:	$4,870,752
Off-System Sales Reduction:	None
Lost Opportunity Sales Margins:	None

Unit 1 Outage # 3

Outage Type:	Short Notice Outage
Outage Dates:	June 18, 2010 – June 19, 2010
Outage Duration:	1.4 days

[5] Negative net replacement costs can occur when plant performance during an outage exceeds expectations (for example, when necessary work is completed ahead of schedule and a unit can return to full power earlier than planned or when overall plant performance exceeds what is considered "normal" plant performance) and fuel or purchase power costs incurred are less than was originally anticipated.

Unit 1 operators manually tripped the main turbine due to loss of the cooling system on Main Transformer C.

Net Replacement Cost Incurred: (fuel and purchased power cost)	$(100,412)
Off-System Sales Reduction:	162 MWh
Lost Opportunity Sales Margins:	$23,000

Unit 1 Down-Power # 3

Unit Power Level:	~ 85%
Down-power Dates:	August 28 – August 30, 2010
Down-power Duration:	1.4 days

Unit 1 had an unplanned down-power to 85% due to a heater drain pump discharge valve issue.

Net Replacement Cost Incurred: (fuel and purchased power cost)	$(328,058)
Off-System Sales Reduction:	None
Lost Opportunity Sales Margins:	None

C. PALO VERDE UNIT 2 OUTAGES FOR 2010

Palo Verde Unit 2 achieved its best generation year ever, generating a total of 11,652,972 MWh (APS share 3,391,015 MWh) and achieving a capacity factor of 101.2%. There were no down-powers, short notice outages or refueling in 2010.

D. PALO VERDE UNIT 3 OUTAGES FOR 2010

Palo Verde Unit 3 experienced one refueling outage and no down-powers or short notice outages in 2010. Unit 3 generated a total of 10,238,993 MWh (APS share 2,979,547 MWh) in 2010.

Unit 3 Outage #1:

Outage Type:	Refueling Outage U3R15
Outage Dates:	October 2 – November 10, 2010
Outage Duration:	39.9 days

In addition to routine refueling, the scope of the work performed during the outage included several major projects:

- Main Generator Hydrogen Leak Repair
- Pressurizer Heater Replacements
- Switchyard Bay 7 Tie In
- Atmospheric Dump Valve Tank Addition
- Refueling Water Tank Modification
- Cooling Tower Tie-in Replacement
- Containment Sump Isolation Valve Replacement

The Unit 3 RVH and RRP outage duration was successfully reduced to 39.9 days (compared to 59.0 days and 50.2 days for Units 2 and 1, respectively). This was primarily accomplished through incorporation of lessons learned and improved planning.

Fuel Costs Incurred during Planned Outage:	$4,419,853
Off-System Sales Reduction:	None
Lost Opportunity Sales Margins:	None

III. PALO VERDE 2011 PROJECTED PERFORMANCE

Palo Verde is expected to have higher capacity factors in 2011, bringing Palo Verde within the first tier of the NPRS. This is due to the fact that the RVH and RRP outages are complete in all three units, and no major modifications which require longer outage durations are currently scheduled for 2011. The station overall capacity factor is projected to be 91% in 2011. Capacity factors at the individual units are as follows:

2011 Projected Unit 1 Capacity Factor:	88%
2011 Projected Unit 2 Capacity Factor:	88%
2011 Projected Unit 3 Capacity Factor:	98%

As noted earlier, the 18-month refueling schedule at Palo Verde results in refueling outages of two of the station's three individual generating units during each calendar year. In 2011, these refueling outages will occur in Unit 1 and Unit 2 but, due to the anticipated shorter duration outages, Palo Verde is anticipating to report in the first tier of NPRS for 2011.[6]

[6] For planning purposes, APS is utilizing a 2.0% forced outage rate and Palo Verde Unit 1 and 2 refueling outage durations of 35 days for 2011. In comparison with the projected capacity factors shown above, if no forced outages were planned for Palo Verde, the station capacity factor would be projected at 93%. Likewise, Unit 1's 2011 capacity factor would be 90%, Unit 2 would reach a 2010 capacity factor of 90%, and the 2010 capacity factor at Unit 3 would be 100%.

A. ANTICIPATED EXTRAORDINARY EVENTS

There are no anticipated extraordinary events in 2011. There are, however, a number of significant and first time modifications that will be installed in Unit 2 and Unit 1 during the scheduled routine refueling outages in the spring and fall, respectively.

For Unit 2, the following projects will be installed during the spring outage:

- Essential cooling water heat exchanger replacement (first time activity)
- Main Generator rotor replacement
- Personnel Air Lock door refurbishment (first time activity)
- Feedwater hydrazine addition system replacement (first time activity)

For Unit 1, the following projects will be installed during the fall outage:

- Single train outage work (first time activity)
- Personnel Air Lock door refurbishment
- Stator cooling water duplex strainer addition (first time activity)

B. ANTICIPATED REGULATORY ISSUES

No regulatory issues are anticipated in 2011 that could require Palo Verde to make a report due to the regulatory performance category requirements.

PALO VERDE
NUCLEAR PERFORMANCE REPORTING STANDARD

Topic		Description
Capacity Factor ("CF") Per Station and Per Unit	Station at 88% or Greater and Every Unit at 85% or Greater	APS shall submit annual reports each January to ACC presenting: ▪ CF for each unit for preceding calendar year ▪ Forecast CF for each unit for present calendar year[1] ▪ Discussion of any known and/or anticipated extraordinary events, equipment problems or issues that could reduce station CF to less than 88% or reduce any unit CF to less than 85% for present calendar year ▪ Discussion of any regulatory issues that could reduce station CF to less than 88% or reduce any unit CF to less than 85% for present calendar year
	Station at Least 80% but Less Than 88% or Any Unit at Least 75% but Less Than 85%	Included in the above annual reports, APS to submit detailed discussion of specific outages and/or down-powers and meet with ACC Staff to explain the reasons for station CF less than 88% and/or reasons for any unit CF less than 85%. Annual reports shall also identify all replacement power costs as well as the amount of reduced off-system sales and lost opportunity sales margins associated with these down-powers and outages.
	Station Less Than 80% or Any Unit Less Than 75%	APS shall submit semi-annual reports (until calendar-year station CF is 88% or greater and every unit CF is 85% or greater) each January and July to ACC presenting: ▪ CF for each unit for preceding 6 months ▪ Forecast CF for each unit for next* 6 months ▪ Discussion of any known and/or anticipated equipment problems or issues that could prevent a station CF of less than 88% or any unit CF of less than 85% for next* 6 months ▪ Discussion of any regulatory issues that could prevent a station CF of less than 88% or any unit CF of less than 85% for next* 6 months ▪ Detailed discussion of specific outages and/or down-powers ▪ A detailed report explaining unit performance, corrective actions to address outages and/or down-powers leading to station CF less than 80% or any unit CF less than 75% and meet with ACC Staff to explain the reasons for station CF less than 80% or any unit CF less than 75% ▪ Identification of all replacement power costs as well as the amount of reduced off-system sales and lost opportunity sales margins associated with these down-powers and outages.
Regulatory Performance	Greater than Green NRC Finding	For any Greater than Green NRC violations, APS will submit a report to the ACC, within 60 days of the NRC violation[2], describing the violation, planned corrective action and the regulatory impact.

[1] The Forecasted Station CF reported in APS's annual report may be used to determine the level of detail required in the following year's annual report. That is, if the Station performs during any year as APS forecast that it would in its prior year's annual report, even if that performance falls below 88% station and 85% unit thresholds, APS will be required to report what would be required with a station CF at 88% or greater, unless the reasons for the underperformance are different than what had been forecast or unless the ACC or ACC Staff specifically requests otherwise.
*Example: for a filing in January of 2010, the "next" 6 months would be January through June of 2010.
[2] The start date for this action is based on the date of the documentation (letter) APS receives from the NRC.

PALO VERDE
NUCLEAR PERFORMANCE REPORTING STANDARD

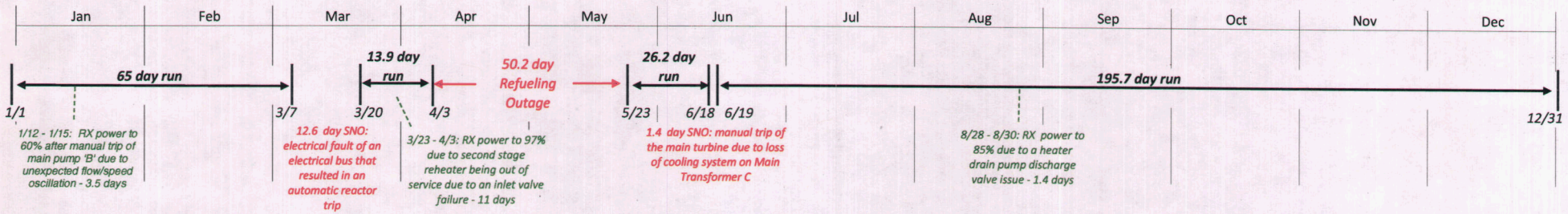
Topic		Description
Regulatory Performance (cont)	Identification of a Cross-Cutting Issue	If the NRC identifies a cross-cutting issue, APS will submit a report to the ACC, within 60 days of NRC identification[2], describing the cause of the cross-cutting issue, the findings that gave rise to the cross-cutting issue and the corrective actions planned to close the cross-cutting issue. APS will provide an update within a semi-annual report[3] on the status of the corrective actions until the cross-cutting issue is resolved.
	Palo Verde Unit not in the Licensee Response Column of the NRC Reactor Oversight Program Action Matrix	1. For any Palo Verde units in the Regulatory Response Column ("RRC") of the NRC's Reactor Oversight Program Action Matrix Summary, APS will submit a report within 60 days of being placed in the RRC[2], to the ACC explaining the cause of the unit being in a lower performance column and the corrective actions planned to return the unit to the Licensee Response Column. APS will provide an update within a semi-annual report[3] on the status of the corrective actions until the unit is returned to the Licensee Response Column. 2. Whenever a Palo Verde unit is moved to a lower performance column (lower than RRC) by the NRC[2], APS will, within 30 days, submit a report to the ACC explaining the reason for the move to a lower performance column, the corrective actions taken to address the cause of the move and the regulatory impact of the move. APS will provide to ACC Staff a copy of all correspondence to the NRC related to the move, and provide a briefing to the ACC Staff. 3. For every Palo Verde unit in the Degraded Cornerstone Column or Multiple/Repetitive Degraded Cornerstone Column, APS will provide quarterly reports[4] to the ACC updating the status of the issue and corrective actions to return the unit to the Licensee Response Column. APS will provide an outlined schedule estimating when the corrective actions will be complete. APS will also notify the ACC once it is known that the Unit will be moved to the Licensee Response Column or the Regulatory Response Column. APS will provide to ACC Staff a copy of all correspondence to the NRC related to the Action Matrix status and provide a briefing to the ACC Staff. 4. The Commission recognizes that, if the NRC were to alter its policies governing APS' disclosure of NRC correspondence or communications, such alterations may affect APS' ability to comply with the disclosure schedule set forth above. In that event, APS will notify Staff of the alterations, and Staff and APS will propose an alternative disclosure schedule to the Commission.
Prudence Review	Following review of detailed outage specific reports, the ACC may elect to conduct a prudence review of specific outages.	
Standard Re-evaluation Period	Staff and APS will collectively work together to evaluate the Reporting Standard after 3 years of implementation.	

[3] Semi-Annual reports will be submitted in March and September of each year and cover the prior 6 months.
[4] Quarterly reports will be submitted no later than 30 days after the quarter ends (on a calendar year basis) and cover the prior quarter.

2010 Palo Verde Station Performance Timeline
Station Capacity Factor: 90.5%

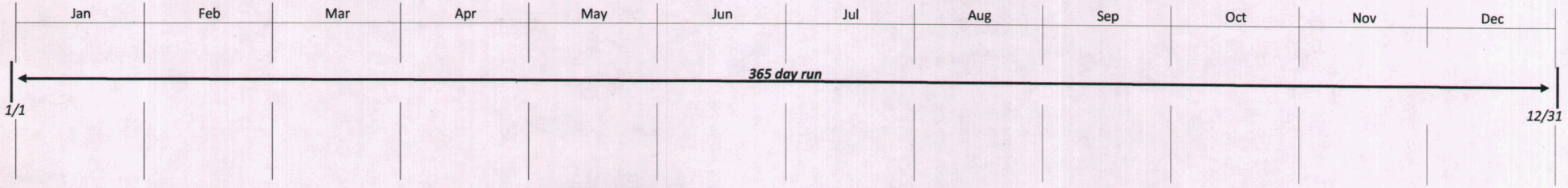
ATTACHMENT B

UNIT 1:



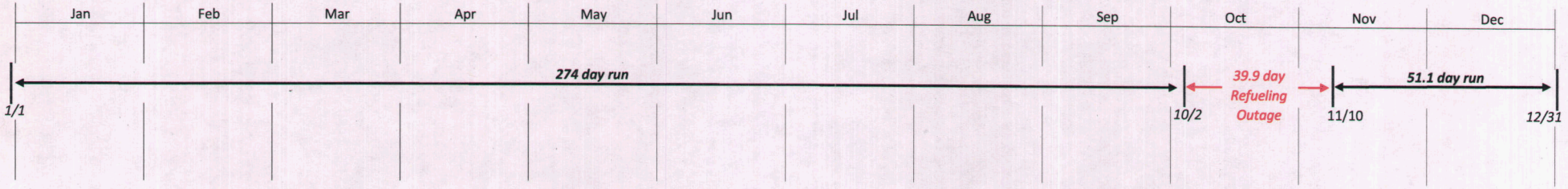
Unit 1 Capacity Factor: 81.0%

UNIT 2:



Unit 2 Capacity Factor: 101.2%

UNIT 3:



Unit 3 Capacity Factor: 89.1%

NOTE: Please see Section I for an explanation of capacity factor calculation and Section II for the 2010 Palo Verde specific calculations.

SNO: Short Notice Outage
RX: Reactor