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 ARIZONA CORPORATION COMMISSION

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March 3, 2010

AZ CORP COMMISSION
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Arizona Corporation Commission
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MAR 10 2011

DOCKETED BY

President of the United States of America
 President Barack Obama
 1600 Pennsylvania Avenue NW
 Washington, DC 20500

RE: NATIONAL NUCLEAR WASTE REPOSITORY AT YUCCA MOUNTAIN

Dear President Obama:

Please let me begin by thanking you for taking time out of your extremely busy schedule to read this letter. To introduce myself, I am one of five people elected by the citizens of Arizona to serve on the Arizona Corporation Commission ("ACC"). The ACC is one of several State agencies (along with Federal agencies) that have a role in regulating the operations of the largest nuclear power generating facility in the country. As Arizona's public utility commission, the ACC is not only concerned with the safe operation of the Palo Verde Nuclear Generating Station ("Palo Verde"), but also with the costs of that operation that are passed on to Arizona's citizens by the utilities that use the electricity generated by Palo Verde.

As with any nuclear generating facility, Palo Verde creates nuclear waste from its fuel that must be disposed of properly. For many years the disposal site at Yucca Mountain in Nevada was supposed to be the nation's nuclear waste fuel disposal site. During all those years, the nation's utilities that are and/or were involved with nuclear generating stations have been collecting from their customers a fee for the purpose of paying their share of the nation's nuclear waste fuel disposal site. Since 1985, Arizona Public Service Company ("APS") (Arizona's largest energy company) has paid the United States Department of Energy ("DOE") more than \$170 million for its share of the Yucca Mountain project. All that money has come from Arizona rate payers. (In total to date, the combined owners of Palo Verde have paid the Federal government more than \$585 million for Yucca Mountain.)

In your latest budget you have proposed that the Yucca Mountain project be terminated. If that proposal is adopted, there will no longer be a national nuclear waste disposal site; which means that Palo Verde (along with every other nuclear generation facility in the nation) will need to continue to hold its nuclear waste on-site, even though its customers have paid the DOE millions of dollars for the Federal government to dispose of this waste.

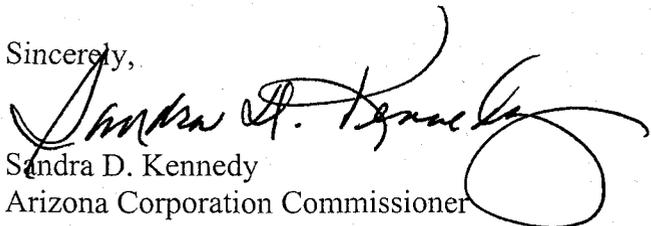
This being the case, the APS ratepayers will be paying for nuclear waste disposal twice – once to the Federal government and again to APS for on-site nuclear waste storage/disposal at Palo Verde.

Based on the above, my questions to you, with all due respect, are

1. Do you believe that it would be fair for the Federal government, specifically the DOE, to refund to all the utilities that have paid for the Yucca Mountain project all the money (or at least a substantial portion thereof) they have collected from ratepayers and passed on to the DOE for this project?
2. Do you believe it is fair for customers of APS (or any customer of any utility associated with a nuclear generating facility) to pay twice for nuclear waste disposal because the Federal government was not able to fulfill its obligation to establish a safe and viable national nuclear waste disposal facility?
3. Do you plan to order the DOE to pursue establishing an alternative to Yucca Mountain and if so, will there be a specific timeline for that alternative project to be operational?

Again, thank you so much for taking the time to read this letter and giving it your attention.

Sincerely,



Sandra D. Kennedy
Arizona Corporation Commissioner

cc: Chairman Gary Pierce, ACC
Commissioner Bob Stump, ACC
Commissioner Paul Newman, ACC
Commissioner Brenda Burns, ACC
Senator John McCain
Senator Jon Kyl
Representative Paul Gosar
Representative Trent Franks
Representative Ben Quayle
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Representative Jeff Flake
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Secretary Steven Chu, DOE
Ernest G. Johnson, Executive Director, ACC
Janice Alward, Chief Counsel, ACC
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Leland Snook, Director State Regulatory & Pricing, APS