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September 25, 2012

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



RE: Palo Verde Nuclear Generating Station Nuclear Performance Reporting Standard
Semi-Annual Report of Corrective Actions Status
Docket No. E-01345A-09-0506

By letter dated July 3, 2012, APS delivered to the ACC a 60-day report as required by the Nuclear Performance Reporting Standard in Decision No. 71310. APS notified the ACC that the NRC, in a letter dated May 7, 2012, had characterized a security-related violation as greater than green in significance.

The Nuclear Performance Reporting Standard also requires that APS provide semi-annual updates to the ACC regarding the status of the corrective actions associated with the security-related violation, which this letter provides.

In the NRC's June 25, 2012 supplemental inspection report on the security-related violation, the NRC acknowledged (i) that APS had identified the appropriate corrective actions for each root and contributing cause, and (ii) that APS had established an appropriate schedule for their implementation. The NRC has not modified the findings in the supplemental inspection report. APS is implementing the corrective actions in accordance with the schedule.

The Nuclear Performance Reporting Standard requires APS to provide semi-annual updates to the ACC until Palo Verde is returned to the Licensee Response Column of the NRC Reactor Oversight Program Action Matrix. Assuming that no additional greater than green violations occur, Palo Verde will return to the Licensee Response Column of the NRC Action Matrix at the end of the third quarter of 2012, and no further semi-annual reports will be required.

If you have any questions regarding this information, please contact Zachary Fryer at 602-250-4167.

Sincerely,

Zachary Fryer
ZF/cd