

ORIGINAL



0000150134



RECEIVED

2014 JAN 31 P 3:46

AZ CORP COMMISSION  
DOCKET CONTROL

Leader  
Federal and State Compliance

Mail Station 9704  
PO Box 53999  
Phoenix, Arizona 85072-3999  
Tel 602-250-5671  
Elisa.Malagon@aps.com

January 31, 2014

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

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

Pursuant to Decision No. 71310 dated October 30, 2009:

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 2013 calendar year.

If you have any questions regarding this information, please contact Jeff Johnson at (602)250-2661.

Sincerely,

Lisa Malagon

LM/cd  
Attachments

Cc: Brian Bozzo  
Terri Ford  
Jodi Jerich  
Steve Olea

Arizona Corporation Commission  
**DOCKETED**

JAN 31 2014

DOCKETED BY	
-------------	--

**ARIZONA PUBLIC SERVICE COMPANY**

**PALO VERDE NUCLEAR GENERATING STATION  
ANNUAL REPORT ON  
2013 PLANT PERFORMANCE**

**DOCKET NO. E-01345A-09-0506**

**JANUARY 31, 2014**



TABLE OF CONTENTS

EXECUTIVE SUMMARY..... 1

**I. APS NUCLEAR PERFORMANCE REPORTING STANDARD..... 2**

**II. PALO VERDE 2013 PERFORMANCE ..... 4**

A. CALCULATION OF CAPACITY FACTORS ..... 5

B. PALO VERDE UNIT 1 OUTAGES FOR 2013 ..... 5

C. PALO VERDE UNIT 2 OUTAGES FOR 2013 ..... 7

D. PALO VERDE UNIT 3 OUTAGES FOR 2013 ..... 7

**III. PALO VERDE 2014 PROJECTED PERFORMANCE..... 9**

A. ANTICIPATED EXTRAORDINARY EVENTS..... 9

B. ANTICIPATED REGULATORY ISSUES ..... 10

ATTACHMENT A – APS Nuclear Performance Reporting Standard

ATTACHMENT B – Palo Verde 2013 Performance Timeline

## **EXECUTIVE SUMMARY**

In 2013, the Palo Verde Nuclear Generating Station ("Palo Verde" or "Station") performed very well. A total of 31,431,083 megawatt-hours ("MWh") was generated, which yielded an overall station capacity factor of 91.1%. At the station level, this performance puts Palo Verde in the first tier classification used in the APS Nuclear Performance Reporting Standard (NPRS). Unit 1 had a planned refueling outage and generated a total of 10,481,922 MWh achieving a capacity factor of 91.3%. Unit 2 achieved a capacity factor of 97.6%, generating 11,235,027 MWh. Unit 3 had a planned, and extended, refueling outage and generated 9,714,134 MWh with an 84.5% capacity factor.

The rigor of the NPRS is such that notwithstanding Unit 1, Unit 2 and the station's high performances overall, APS must still report unit performance at the more-detailed second tier level because the Unit 3 capacity factor falls in the second tier of the NPRS. The Unit 3 capacity factor of 84.5% was primarily due to the 52.2 day refueling outage, of which 22.2 days was an outage extension.

The individual capacity factors for each Palo Verde operating unit directly reflects the Station's 18-month refueling cycle. Unit 1 and Unit 3 both performed refueling outages in 2013. Additionally, the station experienced the following down powers due to equipment issues: Unit 1 had two down powers and two minor power reductions (from 100% to 98%), Unit 2 had one short notice outage and Unit 3 had three down powers.

Total net replacement power costs for the short notice outage and down powers in all operating units in 2013 was \$5,380,172. Likewise, reduced off-system sales and lost opportunity sales margins due to short notice outages were 65,800 MWh and \$754,506, 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 had been acquired in advance. The cost of fuel for power acquired during the 2013 refueling outages at Palo Verde was \$20,773,683.

In 2014, Station production is expected to improve. Unit 3 is projected to finish 2014 with a 99% capacity factor. Units 1 and 2 will be refueled in 2014 and are both expected to have 90% capacity factors. The overall Palo Verde station capacity factor for 2014 is projected to be 93%.

## 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.<sup>1</sup> This report is the fifth annual performance report required by the NPRS. Per the NPRS standard re-evaluation period of three years, APS would like to work with Staff to evaluate the Reporting Standard. A copy of the approved NPRS is included as Attachment A. 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.<sup>2</sup>

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 forecasted 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, and then multiplied by 100.<sup>3</sup> Maximum attainable generation is

<sup>1</sup> ACC Decision No. 69663, dated June 28, 2007, pp. 119-120, 157

<sup>2</sup> ACC Decision No. 71310, dated October 30, 2009

<sup>3</sup> The capacity factor calculation is dependent on the electrical rating of a generating unit, which is the guaranteed output of a generator under specified conditions as designated by its manufacturer. In general, electrical ratings are lower for summertime months because higher ambient temperatures increase condenser pressure and reduce thermal cycle efficiency. Therefore, in winter months, a generating unit that is running at full capacity may achieve output higher than its electrical rating, 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:

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

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. The Reporting Standard also allows the station and/or each unit to be in the first reporting tier if it meets or exceeds the prior year's NPRS's estimate of projected capacity factors even if the capacity factor falls below the 85% level. 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. 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 2013, performance at Palo Verde fell into the second reporting tier. Although the overall capacity factor for the Station was 91.1%, and Units 1 and 2 achieved 91.3% and 97.6%, respectively, the Unit 3 capacity factor was 84.5%, which does not meet the required NPRS first tier requirement of 85%. The lower Unit 3 capacity factor was primarily due to the 22.2 day extension of the Unit 3 refueling outage in 2013.

This report provides information as required under the second tier of the NPRS. The following sections provide an overview of the 2013 performance at Palo Verde, descriptions of 2013 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 2014. Additionally, Attachment B provides a graphic timeline of the Palo Verde 2013 outages.

**II. PALO VERDE 2013 PERFORMANCE**

In 2013, Palo Verde achieved an overall annual capacity factor of 91.1%. Palo Verde produced a total of 31,431,083 net MWh.

The following table provides an overview of Station and unit overall performance in 2013:

Overview of 2013 Palo Verde NPRS Performance Metrics

	Capacity Factor <sup>4</sup>	Total Generation in MWh	APS Share Generation in MWh	Net Replacement Fuel Costs Incurred during Planned Outages	Short Notice Outage/Down Power		
					Net Replacement Power Cost	Reduced Off-System Sales in MWh	Lost Opportunity Sales Margins
Unit 1	91.3%	10,481,922	3,050,239	\$4,234,382	\$ 414,813	-	-
Unit 2	97.6%	11,235,027	3,269,393	-	\$ 3,589,835	65,800	\$754,506
Unit 3	84.5 %	9,714,134	2,826,813	\$8,428,250	\$ 1,375,525	-	-
Total Station	91.1 %	31,431,083	9,146,445	\$12,662,632	\$ 5,380,172	65,800	\$754,506

<sup>4</sup> In comparison, assuming that no forced outages were experienced at Palo Verde during the 2013 reporting year, the station capacity factor would have achieved 92.2%. Likewise, Unit 2's 2013 capacity factor would have been 100.7%.

**A. CALCULATION OF CAPACITY FACTORS**

Capacity factors for 2013 at Palo Verde were calculated using the formula described in Section I as follows:

---

**2013 Capacity Factor Calculation for Palo Verde Unit 1**

Actual Unit Generation = 10,481,922 MWh  
 Unit Capacity Rating (summer) = 1311 MW  
 Hours in Period = 8760

$$10,481,922 / (1311 \times 8760) \times 100 = 91.3\%$$


---

**2013 Capacity Factor Calculation for Palo Verde Unit 2**

Actual Unit Generation = 11,235,027 MWh  
 Unit Capacity Rating (summer) = 1314 MW  
 Hours in Period = 8760

$$11,235,027 / (1314 \times 8760) \times 100 = 97.6\%$$


---

**2013 Capacity Factor Calculation for Palo Verde Unit 3**

Actual Unit Generation = 9,714,134 MWh  
 Unit Capacity Rating (summer) = 1312 MW  
 Hours in Period = 8760

$$9,714,134 / (1312 \times 8760) \times 100 = 84.5\%$$


---

**2013 Capacity Factor for the Palo Verde Station**

Actual Unit Generation = 31,431,083 MWh  
 Plant Capacity Rating (summer) = 1311 + 1314 + 1312 = 3937 MW  
 Hours in Period = 8760

$$31,431,083 / (3937 \times 8760) \times 100 = 91.1\%$$


---

**B. PALO VERDE UNIT 1 OUTAGES FOR 2013**

Palo Verde Unit 1 had one planned refueling outage and two downpowers [excluding two power decreases to 98% power]. Unit 1 generated a total of 10,481,922 MWh (APS share 3,050,239 MWh) and achieved a capacity factor of 91.3% in 2013.

**Unit 1 Outage # 1**

Outage Type: Refueling Outage 1R17  
 Outage Dates: March 30 – April 28, 2013  
 Outage Duration: 29.8 days

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

- Essential Chiller ‘B’ Cooler 100% Eddy Current Testing
- High Pressure Turbine Diaphragm Replacement
- Containment Spray Pump ‘B’ mechanical Seal Replacement
- Replaced Cooling tower # 1 Motors / Fan Assemblies (16) and refurbished 22 bays in Cooling Tower # 2
- Low Pressure Feedwater Heat ‘1A’ Tube Removal
- Circulating Waterbox ‘2A’ 100% Eddy Current Testing
- ‘A’ Main Feedwater Pump Over Haul
- Control Element Drive Mechanism Control System Automatic Timer Module Modification.

The 1R17 refueling outage is considered a success by several measures. All outage safety goals were achieved. The outage duration of 29.8 days was the shortest refueling outage in Palo Verde history.

Net Replacement Cost Incurred:	\$4,234,382
(Fuel and purchased power cost)	
Off-System Sales Reduction:	None
Lost Opportunity Sales margins:	None

**Unit 1 Down-power # 1**

Unit Power Level: 60%  
 Down-power Dates: July 2 – July 6, 2013  
 Down-power Duration: 3.2 Days

Unit 1 had an unplanned reactor power cutback when the 480V load center fault caused Main Feedwater Pump ‘B’ to trip.

Net Replacement Cost Incurred:	\$221,740
(Fuel and purchased power cost)	

Off-System Sales Reduction: None  
 Lost Opportunity Sales margins: None

Unit 1 Down-power # 2

Unit 1 Power Level: 60%  
 Down-power Dates: Nov 6 – Nov 9, 2013  
 Outage Duration: 2.5 days

Unit 1 power was reduced after a failure of the Main Steam Isolation Valve – 170 Accumulator. The reduction was required to shut the valve and exit a Technical Specification Action Statement.

Net Replacement Cost Incurred: \$193,073  
 (Fuel and purchased power cost)  
 Off-System Sales Reduction: None  
 Lost Opportunity Sales margins: None

C. PALO VERDE UNIT 2 OUTAGES FOR 2013

Palo Verde Unit 2 generated a total of 11,235,027 MWh (APS share 3,269,393 MWh) and achieved a capacity factor of 97.6%. There was no refueling, no downpowers and one Short Notice Outage in 2013.

Unit 2 Outage # 1

Outage Type: Short Notice Outage  
 Outage Dates: December 2 – December 14, 2013  
 Outage Duration: 11.3 days

Unit 2 experienced an automatic reactor trip due to the failure of the '1A' Reactor Coolant Pump motor. Due to the nature of the motor fault, the pump motor required replacement. All four RCPs are required during unit operation.

Net Replacement Cost Incurred: \$3,589,835  
 (Fuel and purchased power cost)  
 Off-System Sales Reduction: 65,800 MWh  
 Lost Opportunity Sales margins: \$754,506

D. PALO VERDE UNIT 3 OUTAGES FOR 2013

Palo Verde Unit 3 had three power reductions and one refueling outage in 2013. Unit 3 generated a total of 9,714,134 MWh (APS share 2,826,813 MWh) and achieved a capacity factor of 84.5% in 2013.

Unit 3 Down-power # 1:

Unit Power Level	40%
Down-power Dates	January 8 – January 12, 2013
Down-power Duration	4.8 days

Unit 3 had a planned power reduction to 40% for condenser integrity improvement.

Net Replacement Cost Incurred:	\$647,660
(Fuel and purchased power cost)	
Off-System Sales Reduction:	None
Lost Opportunity Sales margins:	None

Unit 3 Down-power # 2:

Unit Power Level	~ 50%
Down-power Dates	January 17 – January 19, 2013
Down-power Duration	1.9 days

Unit 3 had an unplanned down-power to approximately 50% due to an instrumentation issue that caused a trip of heater drain pump 'B'.

Net Replacement Cost Incurred:	\$285,334
(Fuel and purchased power cost)	
Off-System Sales Reduction:	None
Lost Opportunity Sales margins:	None

Unit 3 Outage # 1

Outage Type:	Refueling Outage 3R17
Outage Dates	October 5, to November 26, 2013
Outage Duration	52.2 days

The 3R17 refueling outage presented an unanticipated significant challenge that the station very successfully addressed and minimized outage duration impact. During inspection of the reactor Bottom Mounted Instrumentation (BMI) a very small leak was detected on BMI number 3. This same condition had been identified at another nuclear station in 2003. Palo Verde personnel used operating experience from that station and engaged various vendors and personnel from the other station to complete repairs safely and efficiently. While the repairs at the other station took about six months, the Palo Verde outage extension was 22.2 days, including other minor delays associated with outages.

Net Replacement Cost Incurred:	\$8,428,250
(Fuel and purchased power cost)	
Off-System Sales Reduction:	None
Lost Opportunity Sales margins:	None

Unit 3 Down-power # 3:

Unit Power Level	~ 35%
Down-power Dates	December 2 – December 5, 2013
Down-power Duration	2.4 days

Unit 3 had an unplanned down-power due to a Control Element Assembly inserting automatically into the core.

Net Replacement Cost Incurred:	\$442,531
(Fuel and purchased power cost)	
Off-System Sales Reduction:	None
Lost Opportunity Sales margins:	None

**III. PALO VERDE 2014 PROJECTED PERFORMANCE**

Palo Verde is expected to have capacity factors in 2014 that bring it within the first tier of the NPRS. The station overall capacity factor is projected to be 93% in 2014. Capacity factors at the individual units are as follows:

2014 Projected Unit 1 Capacity Factor:	90%
2014 Projected Unit 2 Capacity Factor:	90%
2014 Projected Unit 3 Capacity Factor:	99%

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 2014, these refueling outages will occur in Unit 1 and Unit 2. Palo Verde is anticipating to report in the first tier of NPRS for 2014.<sup>5</sup>

**A. ANTICIPATED EXTRAORDINARY EVENTS**

There are no anticipated extraordinary events in 2014.

<sup>5</sup> For planning purposes, APS is utilizing a 1.0% forced outage rate and Palo Verde Unit 1 and 2 refueling outage durations of 30 days for 2014. 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 94%. Likewise, Unit 1's 2014 capacity factor would be 91%, Unit 2 would reach a 2014 capacity factor of 91%, and the 2014 capacity factor at Unit 3 would be 100%.

**B. ANTICIPATED REGULATORY ISSUES**

No regulatory issues are anticipated in 2014 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	<p>Station at 88% or Greater and Every Unit at 85% or Greater</p> <p>APS shall submit annual reports each January to ACC presenting:</p> <ul style="list-style-type: none"> <li>▪ CF for each unit for preceding calendar year</li> <li>▪ Forecast CF for each unit for present calendar year<sup>1</sup></li> <li>▪ 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</li> <li>▪ 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</li> </ul>
Station at Least 80% but Less Than 88% or Any Unit at Least 75% but Less Than 85%	<p>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.</p>
Station Less Than 80% or Any Unit Less Than 75%	<p>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:</p> <ul style="list-style-type: none"> <li>▪ CF for each unit for preceding 6 months</li> <li>▪ Forecast CF for each unit for next* 6 months</li> <li>▪ 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</li> <li>▪ 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</li> <li>▪ Detailed discussion of specific outages and/or down-powers</li> <li>▪ 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%</li> <li>▪ 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.</li> </ul>
Regulatory Performance	<p>For any Greater than Green NRC violations, APS will submit a report to the ACC, within 60 days of the NRC violation<sup>2</sup>, describing the violation, planned corrective action and the regulatory impact.</p>

<sup>1</sup> 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.

<sup>2</sup> 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

Regulatory Performance (cont)	Topic	Description
	Identification of a Cross-Cutting Issue	<p>If the NRC identifies a cross-cutting issue, APS will submit a report to the ACC, within 60 days of NRC identification<sup>2</sup>, 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<sup>3</sup> on the status of the corrective actions until the cross-cutting issue is resolved.</p>
	Palo Verde Unit not in the Licensee Response Column of the NRC Reactor Oversight Program Action Matrix	<ol style="list-style-type: none"> <li>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<sup>2</sup>, 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<sup>3</sup> on the status of the corrective actions until the unit is returned to the Licensee Response Column.</li> <li>Whenever a Palo Verde unit is moved to a lower performance column (lower than RRC) by the NRC<sup>2</sup>, 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.</li> <li>For every Palo Verde unit in the Degraded Cornerstone Column or Multiple/Repetitive Degraded Cornerstone Column, APS will provide quarterly reports<sup>4</sup> 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.</li> <li>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.</li> </ol>
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.

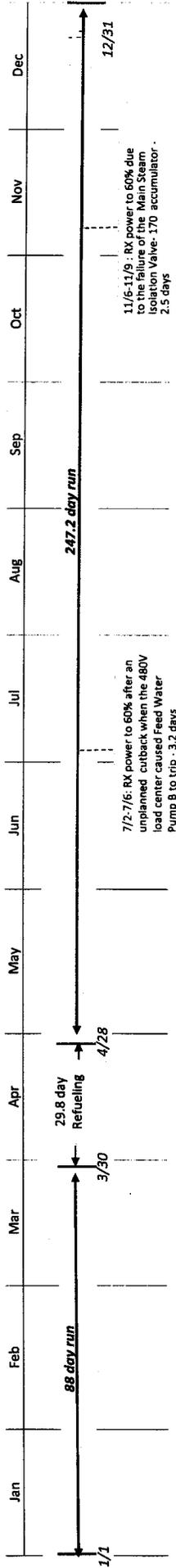
<sup>3</sup> Semi-Annual reports will be submitted in March and September of each year and cover the prior 6 months.

<sup>4</sup> Quarterly reports will be submitted no later than 30 days after the quarter ends (on a calendar year basis) and cover the prior quarter.

**ATTACHMENT B**

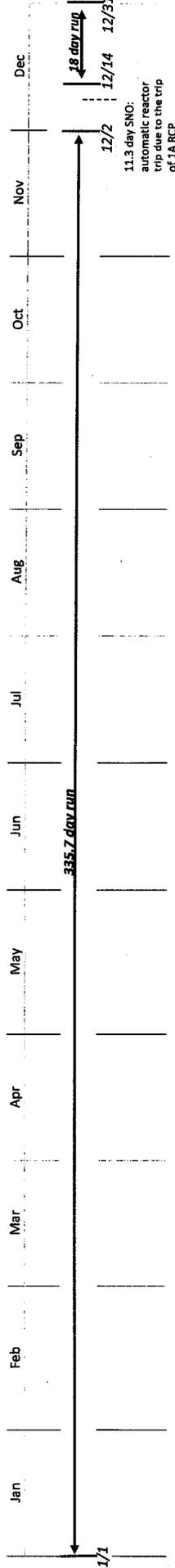
**2013 Palo Verde Station Performance Timeline**  
Station Capacity Factor: 91.1%

**UNIT 1:**



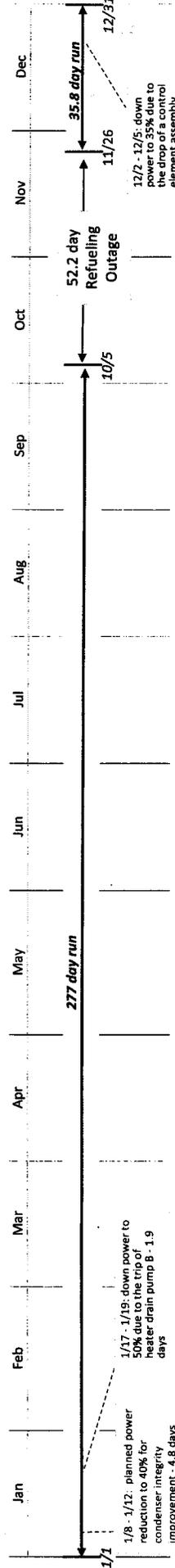
Unit 1 Capacity Factor: 91.3%

**UNIT 2:**



Unit 2 Capacity Factor: 97.6%

**UNIT 3:**



NOTE: Please see Section I for an explanation of capacity factor calculation and Section II for the 2013 Palo Verde specific calculations.

SNO: Short Notice Outage  
RX: Reactor