



Palo Verde Nuclear  
Generating Station

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102-04518-CDM/SAB/JAP  
January 3, 2001

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Mail Station P1-37  
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Units 1, 2, and 3  
Docket Nos. STN 50-528/529/530  
Safety Evaluation for CASMO-4/SIMULATE-3 Technical  
Specification Amendment Request**

By letter dated June 8, 2000, Arizona Public Service Company (APS) submitted a request for a license amendment to incorporate the CASMO-4/SIMULATE-3 methodologies into the Core Operating Limits Report list of methods. On November 8, 2000 and November 21, 2000, APS and the NRC had telephone conversations to discuss the wording of the conclusion section of the NRC Safety Evaluation Report (SER) regarding the range of fuel configurations and core design parameters to which CASMO-4/SIMULATE-3 apply. Specifically, the safety evaluation wording agreed to during the conversations was "The staff's approval is limited to the range of fuel configurations and core design parameters as stated and referenced by the June 8, 2000, submittal. Introduction of significantly different or new fuel designs will require further validation of the above stated physics methods for application to Palo Verde by the licensee and will require review by the NRC staff."

The range of fuel configurations that the benchmarks in the CASMO/SIMULATE topical contain, actually span several fuel assembly lattice designs and are fairly broad. In the discussions noted above, it was clear that interpolation between or modest extrapolations from cases explicitly analyzed in the topical are not considered "significantly different" or "new fuel designs." A new fuel design would instead involve physics components, which are not benchmarked in the topical, as opposed to modification of design components already presented.

APS accepts the proposed wording of the SER delineating the approved range of application of the CASMO and SIMULATE nuclear design codes for safety-related analyses of the Palo Verde reactors.

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CASMO-4/SIMULATE-3 Technical Specification Amendment  
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No commitments are being made to the NRC by this letter. If you have any questions, please contact Scott A. Bauer at (623) 393-5978.

Sincerely,

A handwritten signature in cursive script that reads "David Mauldin". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

CDM/SAB/JAP/kg

cc: E. W. Merschoff  
J. N. Donohew  
J. H. Moorman