October 15, 2001

Mr. Gregg R. Overbeck Senior Vice President, Nuclear Arizona Public Service Company P. O. Box 52034 Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -ISSUANCE OF AMENDMENTS RE: VARIOUS ADMINISTRATIVE CONTROLS (TAC NOS. MB1668, MB1669, AND MB1670)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 137 to Facility Operating License No. NPF-41, Amendment No. 137 to Facility Operating License No. NPF-51, and Amendment No. 137 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, respectively. The amendments consist of changes to the Technical Specifications (TS) in response to your application dated April 1, 2001, as supplemented by letter dated July 26, 2001.

The amendments revise TS Section 5.0: (1) TS 5.5.13 to clarify new diesel fuel oil limits for water and sediment, (2) TS 5.5.14 to revise guidance on changes to TS Bases, (3) TS 5.5.15 to clarify requirements for the Safety Function Determination Program, (4) TS 5.6.5 to add CENTS computer code for core operating limits, and (5) TS 5.6.5 to revise the list of approved topical reports.

A copy of the related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

L. Raynard Wharton, Project Manager, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529, and STN 50-530

Enclosures: 1. Amendment No. 137 to NPF-41

- 2. Amendment No. 137 to NPF-51
- 3. Amendment No. 137 to NPF-74
- 4. Safety Evaluation

cc w/encls: See next page

Mr. Gregg R. Overbeck Senior Vice President, Nuclear Arizona Public Service Company P. O. Box 52034 Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -ISSUANCE OF AMENDMENTS RE: VARIOUS ADMINISTRATIVE CONTROLS (TAC NOS. MB1668, MB1669, AND MB1670)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 137 to Facility Operating License No. NPF-41, Amendment No. 137 to Facility Operating License No. NPF-51, and Amendment No. 137 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, respectively. The amendments consist of changes to the Technical Specifications in response to your application dated April 1, 2001, as supplemented by letter dated July 26, 2001.

The amendments revise Technical Specification Section 5.0: (1) TS 5.5.13 to clarify new diesel fuel oil limits for water and sediment, (2) TS 5.5.14 to revise guidance on changes to TS Bases, (3) TS 5.5.15 to clarify requirements for the Safety Function Determination Program, (4) TS 5.6.5 to add CENTS computer code for core operating limits, and (5) TS 5.6.5 to revise the list of approved topical reports.

A copy of the related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

L. Raynard Wharton, Project Manager, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529, and STN 50-530 DISTRIBUTION: See next page

- Enclosures: 1. Amendment No. 137 to NPF-41
 - 2. Amendment No. 137 to NPF-51
 - 3. Amendment No. 137 to NPF-74
 - 4. Safety Evaluation

cc w/encls: See next page				
ACCESSION NO:	ML012880473	TS: ML		

	*See previous	concurrence
PKG:	ML012890107	NRR-058

OFFICE	PDIV-2/PM	PDIV-1/LA	EMCB/SC*	RTSB/SC*	OGC*	PDIV-2/SC
NAME	LRWharton:sp	MMcAllister	TSullivan	RDennig	AFernadez	SDembek
DATE	10/2/01	10/2/01	9/13/01	9/14/01	10/01/01	10/15/01

DOCUMENT NAME: C:\Program Files\Adobe\Acrobat 4.0\PDF Output\AMD-MB1668.wpd OFFICIAL RECORD COPY
DISTRIBUTION
PUBLIC
PDIV-2 r/f
GHill (6)

RidsNrrDlpmLpdiv(SRichards) RidsNrrPMRWharton RidsNrrLAMMcAllister RidsNrrDripRtsb(WBeckner) RidsAcrsAcnwMailCenter RidsOgcRp RidsRgn4MailCenter(PHarrell/LHurley/DBujol) AAttard AChu

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 137 License No. NPF-41

- 1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and the Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Southern California Edison Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority dated April 1, 2001, as supplemented by letter dated July 26, 2001, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
- 2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-41 is hereby amended to read as follows:

(2) <u>Technical Specifications and Environmental Protection Plan</u>

The Technical Specifications contained in Appendix A, as revised through Amendment No. 137, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical Specifications

Date of Issuance: October 15, 2001

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-529

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 137 License No. NPF-51

- 1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and the Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Southern California Edison Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority dated April 1, 2001, as supplemented by letter dated July 26, 2001, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
- 2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-51 is hereby amended to read as follows:

(2) <u>Technical Specifications and Environmental Protection Plan</u>

The Technical Specifications contained in Appendix A, as revised through Amendment No. 137, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical Specifications

Date of Issuance: October 15, 2001

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-530

PALO VERDE NUCLEAR GENERATING STATION, UNIT 3

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 137 License No. NPF-74

- 1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and the Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Southern California Edison Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority dated April 1, 2001, as supplemented by letter dated July 26, 2001, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
- 2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-74 is hereby amended to read as follows:

(2) <u>Technical Specifications and Environmental Protection Plan</u>

The Technical Specifications contained in Appendix A, as revised through Amendment No. 137, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical Specifications

Date of Issuance: October 15, 2001

ATTACHMENT TO LICENSE AMENDMENT NOS. 137, 137, AND 137

FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74

DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

Replace the following pages of the Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE	INSERT
5.5-21	5.5-21
5.5-22 5.5-23	5.5-22 5.5-23
*5.5-24 5.6-3	*5.5-24 5.6-3
5.6-4	5.6-4
5.6-5 *5 6-6	5.6-5 *5 6-6
0.0-0	5.0-0

*Overleaf pages provided to maintain document completeness. No changes on these pages.

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMENDMENT NO. 137 TO FACILITY OPERATING LICENSE NO. NPF-41,

AMENDMENT NO. 137 TO FACILITY OPERATING LICENSE NO. NPF-51,

AND AMENDMENT NO. 137 TO FACILITY OPERATING LICENSE NO. NPF-74

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3

DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

1.0 INTRODUCTION

By application dated April 1, 2001, (Reference 1) the Arizona Public Service Company (APS or the licensee) requested changes to the Technical Specifications (TS) for the Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3. The APS submitted this request on behalf of itself, the Salt River Project Agricultural Improvement and Power District, Southern California Edison Company, El Paso Electric Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority. The proposed changes would revise TS Section 5.0, "Administrative Controls," by (1) clarifying new diesel fuel oil limits for water and sediment, (2) revising guidance on changes to TS Bases consistent with changes to 10 CFR 50.59, (3) adding clarification to the requirements for the Safety Function Determination Program, (4) adding the CENTS computer code to the list of analytical methods used to determine core operating limits, and (5) revising the Core Operating Limits Report (COLR) list of references to approved topical reports.

The July 26, 2001, supplemental letter (Reference 2) provided additional clarifying information that did not change the initial no significant hazards consideration determination published in the *Federal Register* on May 2, 2001 (66 FR 22022).

2.0 EVALUATION

2.1 <u>Diesel Fuel Oil Testing Program</u>

The proposed change to TS 5.5.13.a.3 corrects an inaccurate reference in the current TSs. The current TS implies that the ASTM D1796, "Water and Sediment in Fuel Oils By the Centrifuge Method," contains acceptance criteria for water and sediment content when testing new diesel fuel oil. ASTM D1796 covers the standardized centrifuge methodology for performing laboratory test on fuel oil. TS 5.5.13, "Diesel Fuel Oil Testing Program" establishes the program for testing new and stored diesel fuel oil. The program addresses sampling requirements, testing requirements, and acceptance criteria. The actual water and sediment limits for new fuel oil are contained in the TS Bases section.

TS 5.5.13.a.3 currently states: "Water and sediment are within the limits of ASTM D1796."

TS 5.5.13.a.3 is being revised to state: "Water and sediment within limits when tested in accordance with ASTM D1796."

The NRC staff has reviewed the proposed change and concurs with the clarification.

2.2 <u>Technical Specification (TS) Bases Control Program</u>

The proposed change is consistent with the Nuclear Energy Institute (NEI) Technical Specification Task Force (TSFT) Standard Technical Specification Change Traveler, TSTF-364 Revision 0, "Revision to TS Bases Control Program to Incorporate Changes to 10 CFR 50.59." The approval of TSTF-364 Revision 0 was documented in NRC letter to Mr. James Davis, Director Operations Department - Nuclear Energy Institute (NEI) dated July 6, 2000.

Section 10 CFR 50.59 establishes the conditions under which licensees may make changes to the facility or procedures and conduct tests or experiments without prior NRC approval.

The NRC revised the regulation (Volume 64, Federal Register Number 191 dated October 4, 1999) controlling changes, tests and experiments performed by nuclear plant licensees. The changes were prompted by the need to resolve differences in interpretation of the rule's requirements by the industry and the NRC. The rule changes had two principle objectives, both aimed at restoring much-needed regulatory stability to this extensively used regulation:

- Establish clear definitions to promote common understanding of the rule's requirements.
- Clarify the criteria for determining when changes, tests and experiments require prior NRC approval.

The changes to 10 CFR 50.59 approved by the Commission in 1999, provide a greater flexibility to licensees, primarily by allowing changes that have minimal safety impact to be made without prior NRC approval, and clarify the threshold for "screening out" changes that do not require full evaluation under 10 CFR 50.59, primarily by adoption of key definitions.

Proposed changes, tests and experiments that satisfy the definitions and one or more of the criteria in the rule must be reviewed and approved by the NRC before implementation.

The Bases Control Program required by TS 5.5.14 allows licensees to make changes to the Bases without NRC approval provided the changes do not involve a change to the updated final safety analysis report (FSAR) or Bases that involves an unreviewed safety question as defined in 10 CFR 50.59. With the revisions to 10 CFR 50.59, the definition of "unreviewed safety question" was eliminated. Therefore, the TS should be revised consistent with the revision to 10 CFR 50.59.

Technical Specification 5.5.14, "Technical Specifications (TS) Bases Control Program," requires a program for processing changes to the Bases of the Technical Specifications.

TS 5.5.14.b currently states: "Licensees may make changes to the Bases without prior NRC approval provided the changes do not involve either of the following:

- 1. A change in the TS incorporated in the license; or
- 2. A change to the updated FSAR or Bases that involves an unreviewed safety question as defined in 10 CFR 50.59."

TS 5.5.14.b is being revised to state: "Licensees may make changes to the Bases without prior NRC approval provided the changes do not require either of the following:

- 1. A change in the TS incorporated in the license; or
- 2. A change to the updated FSAR or Bases that requires NRC approval pursuant to 10 CFR 50.59."

The Commission's Final Rule dated October 4, 1999, on the revision of 10 CFR 50.59 affects the wording of the "Technical Specification Bases Control Program." In that revision, the Commission removed the term "unreviewed safety question." The amendment merely removes this phrase from the TS, while retaining the citation of 50.59. The revised 50.59 continues to provide appropriate and adequate control of changes to TS Bases.

2.3 <u>Safety Function Determination Program (SFDP)</u>

The Standard Technical Specifications were developed such that the Actions for a single support system inoperability would be addressed by that support system's Action - without cascading to the supported system. Limiting condition for operation (LCO) 3.0.6 establishes this exception to LCO 3.0.2 for support systems that have a LCO specified in the TS. However, LCO 3.0.6 also requires an evaluation under the SFDP to ensure that a loss of function does not exist.

The requirements for the SFDP in TS section 5.0 have resulted in misinterpretation. Therefore, clarification has been developed in TSTF-273 as amended by Westinghouse Owners Group (WOG) initiated change WOG-ED-23. The PVNGS TS 5.5.15 has added the insert 2 from the TSTF-273 appropriately at the end of the current TS 5.5.15 as follows:

"When a loss of safety function is caused by the inoperability of a single Technical Specification support system, the appropriate Conditions and Required Actions to enter are those of the support system."

This section of TS also inserted words from WOG-ED-23 as part of TSTF-273 requirement. The words are:

"no concurrent loss of offsite power, or no current loss of onsite diesel generator(s),"

The above words are added to the paragraph after 5.5.15.d. This change does not affect the design, operation, or maintenance of PVNGS but only adds clarification for determining loss of function and for the appropriate LCO(s) to be entered when function is lost and is therefore acceptable.

The proposed changes for LCO 3.0.6 Bases are to add the insert 1 from TSTF-273 to the end of the current LCO 3.0.6 Bases, which are:

"This loss of safety function does not require the assumption of additional single failure or loss of offsite power. Since operation is being restricted in accordance with the ACTIONS of the support system, any resulting temporary loss of redundancy or single failure protection is taken into account. Similarly, the ACTIONS for inoperable offsite circuit(s) and inoperable diesel generator(s) provide the necessary restriction for cross train inoperabilities. This explicit cross train verification for inoperable AC electrical power sources also acknowledges that supported system(s) are not declared inoperable solely as a result of inoperability of a normal or emergency electrical power source (refer to the definition of OPERABILITY).

When a loss of safety function is determined to exist, and the SFDP requires entry into the appropriate Conditions and Required Actions of the LCO in which the loss of safety function exits, consideration must be given to the specific type of function affected. Where a loss of function is solely due to a single Technical Specification support system (e.g., loss of automatic start due to inoperable instrumentation, or loss of pump suction source due to low tank level) the appropriate LCO is the LCO for the support system. The ACTIONS for a support system LCO adequately addresses the inoperabilities of that system without reliance on entering its supported system LCO. When the loss of function is the result of multiple support systems, the appropriate LCO is the LCO for the support system."

The NRC staff finds that the addition of insertion 1 to LCO 3.0.6 Bases is appropriate and adds clarification. We have no objection to TS bases changes.

The NRC staff has reviewed the APSs proposed change and finds that it appropriately incorporates the NRC approved TSTF-273, Revision 2. Therefore, the NRC staff concludes that the implementation of TSTF-273 Revision 2 for this amendment request is acceptable.

2.4 Replacement of the CESEC Code with the CENTS Code

The proposed change adds the "Combustion Engineering Nuclear Transient Simulation" (CENTS) computer code to the list of analytical methods used to determine the core operating limits. The new TS 5.6.5.b.12 will add the option to use the CENTS computer code in licensing analyses in place of the currently licensed transient computer code CESEC. The CENTS computer code has been generically approved by the NRC for the calculation of transient behavior in pressurized water reactors designed by Combustion Engineering (CE) with some limitations on its use.

In a continuing effort to improve the accident and transient analyses methods, CE developed the CENTS computer code. APS proposes adding the option to use the CENTS computer code

in their licensing analyses and intends to add the code to the list of computer codes contained in the COLR. APS intends to replace the CESEC computer code with the CENTS computer code starting with Unit 2 operating cycle 11. CENTS is a best-estimate computer code designed to provide a realistic simulation of nuclear steam supply system (NSSS) behavior during normal and transient conditions. The CENTS code safety evaluation report (Reference 3) documented the generic NRC approval of the CENTS code for use in licensing analyses with limitations. One of the limitations associated with the NRC safety evaluation for the generically approved CENTS code involves the use of CENTS for control element assembly (CEA) ejection analyses.

The NRC staff identified a number of issues related to bench marking the CENTS code during its review. The open issues associated with the use (limitations) of the CENTS code in analyzing CEA events were resolved through a letter from APS to the NRC staff (Reference 2).

The APS analysis of the CEA ejection was performed with the CENTS and the CESEC computer codes. The bench marking of CENTS conducted by APS was aimed at simulating the CEA event for fuel performance (fuel temperature and enthalpy) and reactor cooling system (RCS) peak pressure evaluation. Typically, APS uses the STRIKIN-II code, as required by Reference 3, and as the RCS peak pressure event is analyzed by the CESEC code. The APS analyses of record (AOR) was re-analyzed with both the CENTS and the CESEC codes. The re-analysis utilized the same initial and transient parameters and conditions that were used in previous bounding CEA ejection analyses. APS pointed out that the fuel performance cases will continue to be analyzed using STRIKIN-II code as previously approved in their licensing basis.

The initial conditions from which the CENTS and the CESEC codes were initiated are summarized in Table 1.1.1-1 of Reference 1, with additional information provided in Reference 4. Table 1.1.1-2 of Reference 1 presents a comparative sequence of events for the RCS pressure as generated by the CENTS and the CESEC codes bench marking results. Figures 1.1.1-1 through 1.1.1-9 show the comparative behavior of key parameters of interest, corresponding to the AOR re-analyses that are summarized in Table 1.1.1-2. Figures 1.1.1-1 through 1.1.1-9 were later amended and resubmitted as a supplemental study to the NRC staff (Reference 2).

The bench marking study was performed to demonstrate that the predictions of the NSSS response by the CESEC and CENTS codes for the CEA ejection event are comparable, and that CENTS can replace CESEC in accident analyses to predict the NSSS response. Although some differences existed between the plant specific base decks and the event specific base decks of each code, the study showed that the similar trends are obtained in both codes predictions. The results presented in Reference 1 and in the supplemental study of Reference 2, supports the conclusion arrived by APS that the two codes, CENTS and CESEC, provide good agreement in predicting the NSSS response to a CEA ejection event. The NRC staff concurs with this conclusion.

TS 5.6.5, COLR, is being revised to add the option to use the CENTS computer code in licensing analysis by adding the CENTS code to the list of approved core operating limit analytical methods contained in TS 5.6.5.b. The proposed change is intended to provide APS

with the option of using CESEC or the CENTS code for transient simulation in their reload analysis. The option to substitute the NRC approved CESEC code with another NRC approved code (CENTS) will not alter the physical characteristics of any component involved in the initiation or mitigation of an accident. The CENTS code will be used to perform non-loss-ofcoolant-accident transient design calculations such as rod ejection calculation and for exclusive use by APS on a plant specific basis. This safety evaluation is not a generic approval of the CENTS computer code. The plant specific use of the CENTS computer code is based on the data provided in the referenced submittal only. Additional applications of the CENTS code other than that discussed in the submittal for this amendment are subject to prior NRC staff approval.

APS intends to qualify CENTS for use in future Palo Verde licensing analyses by following the guidelines prescribed in Generic Letter 83-11, Supplement 1, "Licensee Qualification for Performing Safety Analyses." Following the implementation of the CENTS code, APS has stated that they will send a letter to the NRC providing a minimum of three months notification prior to the date of the APS intended first licensing application.

2.5 <u>TS 5.6.5.b, "Core Operating Limits Report (COLR)</u>

APS proposes to revise the COLR and the list of approved topical reports. The proposed change to TS 5.6.5, COLR, from the current method of identifying the topical reports by number, title, date, and NRC staff approval document to a new method of identifying the reports by number and title only. APS will add a note to TS 5.6.5.b to specify a complete citation to be included in the COLR for each report including the report number, title, revision, date, and any supplements. Since this change is consistent with NRC accepted TSTF 364, Revision 0, the NRC staff agrees with proposed request.

3.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Arizona State official was notified of the proposed issuance of the amendments. The State official had no comments.

4.0 ENVIRONMENTAL CONSIDERATION

The amendments relates to changes in recordkeeping, reporting, or administrative procedures or requirements. Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(10). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendment.

5.0 <u>CONCLUSION</u>

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

6.0 <u>REFERENCES</u>

- 1. Letter from David Mauldin, Vice President Nuclear Engineering and Support, to the U.S. Nuclear Regulatory Commission, entitled "Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3, Request for Amendment to Various Administrative Controls for Section 5.0 of Technical Specification," April 1, 2001.
- 2. Letter from David Mauldin, Vice President of Nuclear Engineering and Support to the NRC, "Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3, Docket Nos. STN 50-528/529/530, "Additional Information for the Addition of The CENTS Computer Code to Section 5.0 of Technial Specificatios," dated July 26, 2001.
- 3. Acceptance for referencing of licensing topical report CE-NPD 282-P,"Technical Manual for the CENTS Code," from Martin J. Virgilio, NRC to SA Tolle, ABB Combustion Engineering, dated March 17, 1994.
- 4. Letter from David Mauldin, Vice President of Nuclear Engineering and Support to the NRC, "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," dated January 3, 2001.

Principal Contributors: A. Attard R. Wharton A. Chu

Date: October 15, 2001

Palo Verde Generating Station, Units 1, 2, and 3

CC:

Mr. Steve Olea Arizona Corporation Commission 1200 W. Washington Street Phoenix, AZ 85007

Douglas Kent Porter Senior Counsel Southern California Edison Company Law Department, Generation Resources P.O. Box 800 Rosemead, CA 91770

Senior Resident Inspector U.S. Nuclear Regulatory Commission P. O. Box 40 Buckeye, AZ 85326

Regional Administrator, Region IV U.S. Nuclear Regulatory Commission Harris Tower & Pavillion 611 Ryan Plaza Drive, Suite 400 Arlington, TX 76011-8064

Chairman Maricopa County Board of Supervisors 301 W. Jefferson, 10th Floor Phoenix, AZ 85003

Mr. Aubrey V. Godwin, Director Arizona Radiation Regulatory Agency 4814 South 40 Street Phoenix, AZ 85040

Mr. Craig K. Seaman, Director Regulatory Affairs Arizona Public Service Company P.O. Box 52034 Phoenix, AZ 85072-2034

Mr. Hector R. Puente Vice President, Power Generation El Paso Electric Company 2702 N. Third Street, Suite 3040 Phoenix, AZ 85004

Mr. David Summers Public Service Company of New Mexico 414 Silver SW, #1206 Albuquerque, NM 87102

Mr. Jarlath Curran Southern California Edison Company 5000 Pacific Coast Hwy Bldg DIN San Clemente, CA 92672

Mr. Robert Henry Salt River Project 6504 East Thomas Road Scottsdale, AZ 85251

Terry Bassham, Esq. General Counsel El Paso Electric Company 123 W. Mills El Paso, TX 79901

Mr. John Schumann Los Angeles Department of Water & Power Southern California Public Power Authority P.O. Box 51111, Room 1255-C Los Angeles, CA 90051-0100