



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

June 1, 1985

Docket No.: 50-528

Mr. E. E. Van Brunt, Jr.
Vice President - Nuclear Projects
Arizona Public Service Company
Post Office Box 21666
Phoenix, Arizona 85036

Dear Mr. Van Brunt:

Subject: Palo Verde Nuclear Generating Station, Unit 1 - Issuance of Facility
Operating License No. NPF-41

The U. S. Nuclear Regulatory Commission has issued the enclosed Facility Operating License No. NPF-41, together with the Technical Specifications and the Environmental Protection Plan, to Arizona Public Service Company, 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, for the Palo Verde Nuclear Generating Station, Unit 1 located in Maricopa County, Arizona.

License No. NPF-41, authorizes operation of the Palo Verde Nuclear Generating Station, Unit 1 at core power levels not to exceed 3800 megawatts thermal.

A copy of a related Federal Register Notice, the original of which has been forwarded to the Office of the Federal Register for publication, is enclosed.

The Commission has also issued Supplement No. 8 to the Safety Evaluation Report related to operation of the Palo Verde Nuclear Generating Station. Two copies of Supplement No. 8 are enclosed. Additional copies will be sent to you following printing.

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Eight signed copies of Amendment No. 4 to Indemnity Agreement No. B-95, which cover the activities authorized under License No. NPF-41, are also enclosed. Please have each licensee sign all copies and return one copy of the amendment to this office.

Sincerely,

Hugh L. Thompson, Jr., Director
Division of Licensing
Office of Nuclear Reactor Regulation

Enclosures:

1. Facility Operating License No. NPF-41
2. Federal Register Notice
3. Supplement No. 8 to SER
4. Amendment No. 4 to Indemnity Agreement No. B-95

cc: w/enclosures

See next page

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cc: w/enclosures
See next page

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Palo Verde

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

ARIZONA PUBLIC SERVICE COMPANY

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*

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

FACILITY OPERATING LICENSE

License No. NPF-41

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for license filed by Arizona Public Service Company, 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 (licensees), complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Palo Verde Nuclear Generating Station, Unit 1 (facility) has been substantially completed in conformity with Construction Permit No. CPPR-141 and the application, as amended, the provisions of the Act and the regulations of the Commission;
 - C. The facility will operate in conformity with the application; as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);

*Los Angeles Department of Water and Power will be included as an owner in this license on the date it officially acquires an ownership interest in the facility which is expected to occur shortly after Palo Verde Nuclear Generating Station, Unit 1 achieves commercial operation.

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- D. There is reasonable assurance: (i) that the activities authorized by this operating license 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 set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D below);
 - E. Arizona Public Service Company* is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and after considering available alternatives, the issuance of this Facility Operating License No. NPF-41, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Pursuant to approval by the Nuclear Regulatory Commission at a meeting held on May 30, 1985, the license for fuel loading and low power testing, License No. NPF-34, issued on December 31, 1984, is superseded by Facility Operating License No. NPF-41 hereby issued to the Arizona Public Service Company, 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 (licensees) to read as follows:

*Arizona Public Service Company is authorized to act as agent for 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 and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

- A. This license applies to the Palo Verde Nuclear Generating Station, Unit 1, a pressurized water reactor and associated equipment (facility) owned by the licensees. The facility is located on the licensees' site in Maricopa County, Arizona and is described in the licensees' Final Safety Analysis Report, as supplemented and amended through Amendment No. 14; in the related CESSAR Final Safety Analysis Report, as supplemented and amended through Amendment No. 8; and in their Environmental Report, as supplemented and amended through Supplement No. 4.
- B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
- (1) Pursuant to Section 103 of the Act and 10 CFR Part 50, Arizona Public Service Company, 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 to possess, and Arizona Public Service Company (APS) to use and operate the facility at the designated location in Maricopa County, Arizona, in accordance with the procedures and limitations set forth in this license;
 - (2) Pursuant to the Act and 10 CFR Part 70, APS to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the licensees' Final Safety Analysis Report, as supplemented and amended through Amendment No. 14 and the CESSAR Final Safety Analysis Report as supplemented and amended through Amendment No. 8;
 - (3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, APS to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - (4) Pursuant to the Act and 10 CFR Part 30, 40 and 70, APS to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - (5) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, APS to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

Arizona Public Service Company (APS) is authorized to operate the facility at reactor core power levels not in excess of 3800 megawatts thermal (100% power) in accordance with the conditions specified herein and in Attachment 1 to this license. The items identified in Attachment 1 to this license shall be completed as specified. Attachment 1 is hereby incorporated into this license.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, both of which are attached hereto, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

This license is subject to the antitrust conditions delineated in Appendix C to this license.

(4) Operating Staff Experience Requirements

APS shall have operators on each shift who meet the requirements described in Attachment 2. Attachment 2 is hereby incorporated into this license.

(5) Post-Fuel-Loading Initial Test Program (Section 14, SER and SSER 2)*

Any changes in the Initial Test Program described in Section 14 of the FSARs (Palo Verde and CESSAR) made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

(6) Environmental Qualification (Section 3.11, SSER 7 and SSER 8)

Prior to November 30, 1985, APS shall environmentally qualify all electrical equipment according to the provisions of 10 CFR 50.49.

(7) Fire Protection Program (Section 9.5.1, SSER 6, SSER 7, and SSER 8)

- (a) APS shall maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility through Amendment No. 14, and as provided in the SER through Supplement 8, subject to provisions (b) & (c) below.
- (b) APS may make no change in features of the approved fire protection program which would decrease the level of fire protection in the plant without prior approval of the Commission. To make such a change APS must submit an application for license amendment pursuant to 10 CFR 50.90.
- (c) APS may make changes to features of the approved fire protection program which do not decrease the level of fire protection without prior Commission approval, provided:
 - (i) such changes do not otherwise involve a change in a license condition or technical specification or result in an unreviewed safety question (see 10 CFR 50.59), and
 - (ii) such changes do not result in failure to carry out the fire protection program approved by the Commission prior to license issuance.

APS shall maintain, in an auditable form, a current record of all such changes including an analysis of the effects of the change on the fire protection program and shall make such records available to NRC inspectors upon request. All changes to the approved program made without prior Commission approval shall be reported annually to the Director of the Office of Nuclear Reactor Regulation, together with supporting analyses.

(8) Emergency Preparedness

In the event that the NRC finds that the lack of progress in completion of the procedures in the Federal Emergency Management Agency's final rule, 44 CFR Part 350, is an indication that a major substantive problem exists in achieving or maintaining an adequate state of preparedness, the provisions of 10 CFR Section 50.54(s)(2) will apply.

(9) Results of Piping Vibration Test Program (Section 3.9.2, SER)

Three months following completion of the piping vibration test program performed during initial startup, APS shall submit a summary of the results which demonstrate that the vibration of piping systems is within acceptable levels.

(10) Response to Salem ATWS Event (Section 7.2, SSER 7, and Section 1.11, SSER 8)

APS shall complete implementation of the requirements of Generic Letter 83-28 on a schedule which is consistent with that given in its letter dated April 19, 1985.

(11) Supplement No. 1 to NUREG-0737 Requirements

APS shall complete the emergency response capabilities as required by Attachment 3.

(12) Radiochemistry Laboratory (Section 7.3.1.5(3), Emergency Plan)

APS shall maintain and operate the Palo Verde, Unit 2 radiochemistry laboratory as part of the Palo Verde, Unit 1 facility under this Part 50 license authorization, in accordance with the commitments made by letter ANPP-30937, dated October 24, 1984, until the Unit 2 facility is issued a Part 50 license.

- D. The facility requires an exemption from Paragraph III.D.2(b)(ii) of Appendix J to 10 CFR Part 50 (Section 6.2.6, SSER 7). This exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. This exemption is, therefore, hereby granted pursuant to 10 CFR 50.12. With the granting of this exemption, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.
- E. APS shall fully implement and maintain in effect all provisions of the Commission approved physical security, guard training and qualification, and safeguards contingency plans, including all amendments and revisions made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p), which are part of this license. These approved plans, which contain Safeguards Information protected under 10 CFR 72.21, are entitled: "Palo Verde Nuclear Generating Station Security Plan," including a Chapter 8 contingency plan, and "Palo Verde Nuclear Generating Station Training and Qualification Plan." The Palo Verde Nuclear Generating Station Safeguards contingency Plan is integrated into the Physical Security Plan.

- F. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, APS shall report any violations of the requirements contained in Section 2.C of this license in the following manner: Initial notification shall be made within 24 hours in accordance with the provisions of 10 CFR 50.72 with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e);
- G. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims; and
- H. This license is effective as of the date of issuance and shall expire at midnight on December 31, 2024.

FOR THE NUCLEAR REGULATORY COMMISSION



Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosures:

- 1. Attachment 1 -
Requirements for Initial Mode 1 Entry
- 2. Attachment 2 -
Operating Staff Experience Requirements
- 3. Attachment 3 -
Emergency Response Capabilities
- 4. Appendix A -
Technical Specifications
- 5. Appendix B -
Environmental Protection Plan
- 6. Appendix C -
Antitrust Conditions

Date of Issuance: June 1, 1985

ATTACHMENT 1

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1
OPERATING LICENSE NPF-41

This attachment identifies items which must be completed to the NRC staff's satisfaction in accordance with the schedule identified below.

Surveillance Program

Prior to entering Mode 1 for the first time, APS shall

- a. Have completed a review of the surveillance procedures applicable to the change of mode, and determined that the procedures demonstrate the operability of the required systems with respect to all acceptance criteria defined in the Technical Specifications.
- b. Have dispatched written notification to the NRC Regional Administrator, Region V, that the action defined in (a), above, has been completed for Mode 1.

June 1, 1985

ATTACHMENT 2

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1
OPERATING LICENSE NPF-41

OPERATING STAFF EXPERIENCE REQUIREMENTS

APS shall have a licensed senior operator on each shift who has had at least six months of hot operating experience on a same type plant, including at least six weeks at power levels greater than 20% of full power, and who has had startup and shutdown experience. For those shifts where such an individual is not available on the plant staff, an advisor shall be provided who has had at least four years of power plant experience, including two years of nuclear plant experience, and who has had at least one year of experience on shift as a licensed senior operator at a similar type facility. Use of advisors who were licensed only at the RO level will be evaluated on a case-by-case basis. Advisors shall be trained on plant procedures, technical specifications and plant systems, and shall be examined on these topics at a level sufficient to assure familiarity with the plant. For each shift, the remainder of the shift crew shall be trained in the role of the advisors. Advisors, or fully trained and qualified replacements, shall be retained until the experience levels identified in the first sentence above have been achieved. The names of any replacement advisors shall be certified by APS prior to these individuals being placed on shift. The NRC shall be notified at least 30 days prior to the date APS proposes to release the advisors from further service.

June 1, 1985

ATTACHMENT 3

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1
OPERATING LICENSE NPF-41

EMERGENCY RESPONSE CAPABILITIES

APS shall complete the following requirements of NUREG-0737 Supplement No. 1 on the schedule noted below:

- (a) Three months after the staff issues its evaluation of Revision 2 to the CE Owners Group emergency procedure guidelines (CEN-152), dated May 8, 1984, APS shall provide a schedule for revising (i) the Procedure Generation Package to be in conformance with Revision 2 to CEN-152, as modified by the staff's evaluation, and (ii) the emergency operating procedures to be in conformance with the revised Procedures Generation Package.
- (b) Prior to August 31, 1985, APS shall submit for review and approval a Supplemental DCRDR Summary Report which provides the information described in SSER 7.
- (c) Prior to startup following the first refueling outage, APS shall implement actions to correct HEDs A-5.14, A-5.9, B-5.9, B-5.14 and deferred HEDs A-1.2, A-1.3, 64, 100, 101b, 138, 172, and A-5.16 as described in APS letter, dated October 29, 1984.
- (d) By June 28, 1985, APS shall have installed, tested and made functional the primary system to be used for post accident dose assessment (the Chemical and Radiological Analysis Computer system or an alternate system which meets the NRC staff's requirements).
- (e) After completion of the verification and validation program for the Safety Parameter Display System (SPDS), APS shall provide a date for the NRC staff's on-site audit of the SPDS. The system shall not be used by the operators for accident evaluation until the NRC staff has approved its use.

APPENDIX B

TO FACILITY OPERATING LICENSE NO. NPF-41
PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

ARIZONA PUBLIC SERVICE COMPANY, ET AL
DOCKET NO. 50-528

ENVIRONMENTAL PROTECTION PLAN
(NON-RADIOLOGICAL)

MAY 1985

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PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

ENVIRONMENTAL PROTECTION PLAN
(NON-RADIOLOGICAL)

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1.0 Objectives of the Environmental Protection Plan

The Environmental Protection Plan (EPP) is to provide for protection of environmental values during construction and operation of the nuclear facility. The principal objectives of the EPP are as follows:

- (1) Verify that the station is operated in an environmentally acceptable manner, as established by the FES and other NRC environmental impact assessments.
- (2) Coordinate NRC requirements and maintain consistency with other Federal, State and local requirements for environmental protection.
- (3) Keep NRC informed of the environmental effects of facility construction and operation and of actions taken to control those effects.

2.0 Environmental Protection Issues

In the FES-OL dated February 1982, the staff considered the environmental impacts associated with the operation of the Palo Verde Nuclear Generating Station. Certain environmental issues were identified which required study or license conditions to resolve environmental concerns and to assure adequate protection of the environment.

2.1 Aquatic Issues

Because there will be no station effluents discharged to natural surface water bodies, station operation will have no direct adverse impacts on the quality of surface water. Therefore, there are no aquatic issues raised by the staff in the FES-OL.

2.2 Terrestrial Issues

No new terrestrial issues requiring environmental monitoring programs were identified in the FES-OL. The FES-CP did identify a program for monitoring the effects of salt deposition due to cooling tower drift. The requirements for this program specified in Subsection 4.2.2 of this EPP.

2.3 Cultural Resources Issues

Upon resolution of the final alignment of the PVNGS-to-Saguaro transmission line, the applicant will conduct an appropriate cultural resource survey relative to the corridor for NRC review and evaluation pursuant to condition 7.f. of the construction permit (FES-CP, p. iii). There is a need to protect any cultural resources sites identified in the survey which may be eligible for or which are included in the National Register of Historic Places. NRC requirements with regard to the cultural resources issues are specified in Subsection 4.2.1 of this EPP.

3.0 Consistency Requirements

3.1 Plant Design and Operation

The licensees may make changes in station design or operation or perform tests or experiments affecting the environment provided such changes, tests or experiments do not involve an unreviewed environmental question, and do not involve a change in the Environmental Protection Plan. Changes in plant design or operation or performance of tests or experiments which do not affect the environment are not subject to the requirements of this EPP. Activities governed by Subsection 3.2 of this EPP are not subject to the requirements of this subsection.

Before engaging in additional construction or operational activities which may affect the environment, the licensees shall prepare and record an environmental evaluation of such activity*. When the evaluation indicates that such activity involves an unreviewed environmental question, the licensees shall provide a written evaluation of such activities and obtain prior approval from the NRC. When such activity involves a change in the Environmental Protection Plan, such activity and change to the Environmental Protection Plan may be implemented only in accordance with an appropriate license amendment as set forth in Subsection 5.3 of this EPP.

A proposed change, test or experiment shall be deemed to involve an unreviewed environmental question if it concerns (1) a matter which may result in a significant increase in any adverse environmental impact previously evaluated in the Final Environmental Statement (FES) as modified by staff's testimony to the Atomic Safety and Licensing Board, supplements to the FES, environmental impact appraisals, or in any decisions of the Atomic Safety and Licensing Board; or (2) a significant change in effluents or power level or (3) a matter not previously reviewed and evaluated in the documents specified in (1) of this subsection, which may have a significant adverse environmental impact.

The licensees shall maintain records of changes in facility design or operation and of tests and experiments carried out pursuant to this subsection. These records shall include a written evaluation which provide bases for the determination that the change, test, or experiment does not involve an unreviewed environmental question nor constitute a decrease in the effectiveness of this EPP to meet the objectives specified in Section 1.0. The licensees shall include as part of their Annual Environmental Operating Report (per Subsection 5.4.1 of this EPP) brief descriptions, analyses, interpretations, and evaluations of such changes, tests and experiments.

*Activities are excluded from this requirement if all measurable nonradiological effects are confined to the on-site areas previously disturbed during site preparation and plant construction.

3.2 Changes Required for Compliance with Other Environmental Regulations

Changes in plant design or operation and performance of tests or experiments which are required to achieve compliance with other Federal, State, or local environmental regulations are not subject to the requirements of Subsection 3.1 of this EPP.

4.0 Environmental Conditions

4.1 Unusual or Important Environmental Events

Any occurrence of an unusual or important event that indicates, or could result in, significant environmental impact causally related to plant operation shall be recorded and promptly reported to the NRC within 24 hours by telephone, telegraph, or facsimile transmissions followed by a written report per Sub-section 5.4.2 of this EPP. The following are examples: excessive bird impact events, onsite plant or animal disease outbreaks, mortality or unusual occurrence of any species protected by the Endangered Species Act of 1973, fish kills, and an increase in nuisance organisms or conditions.

No routine monitoring programs are required to implement this condition.

4.2 Environmental Monitoring

4.2.1 Cultural Resources

Section 4.3.6 of the FES-OL states, "No Archeological surveys have been undertaken in the PVNGS-to-Saguaro corridor because the construction of this line is not scheduled until 1984-1986. When a final alignment for the Saguaro transmission line is selected, appropriate archeological surveys will be undertaken and submitted for staff review and evaluation pursuant to condition 7.f. of the construction permit (FES-CP, p. iii)." The licensees should consult with the State Historic Preservation Office (SHPO) and the NRC in developing an appropriate cultural resource survey. A survey report will be submitted to NRC for review. Should the survey identify significant sites which may be eligible for the National Register of Historic Places, the licensees shall be required to provide the NRC with the information necessary to initiate a determination of eligibility request to the Keeper of the National Register. The U.S. Department of Interior form entitled, "National Register of Historic Places Inventory-Nomination Form," should be filled out in detail with appropriate maps and other materials for each such site and returned to the NRC. Item 12 of the form need not be filled out. The licensees should refer to the Federal Register, September 21, 1977, Part 11, for detailed guidance. The NRC requests the licensees to take appropriate measures to protect such sites during the determination of eligibility process. Upon receipt and review of the information, the NRC will forward the materials to the Keeper for action. If the Keeper rules the sites are not eligible, the finding will be filed and this subsection of the EPP is fully satisfied with no further action required.

If the Keeper rules that any of the sites are eligible for the National Register, the licensees are required to provide the NRC with the information with regard to completing a determination of effect which the operation and maintenance activities of the plant may have on the eligible sites. The licensees should follow the steps presented in 36 CFR 800.3 and 36 CFR 800.4 in developing the information. Upon receipt of the information, the NRC, in consultation with the SHPO, will complete the determination of effect process. If the determination results in a no effect determination as provided in 36 CFR 800.4(4)(B)(1), the documentation will be filed and this subsection of the EPP is fully satisfied with no further action required.

If the determination results in an effect determination, the licensees will be required to provide the NRC with information adequate to document the effect determination and an appropriate action program which the licensees have developed in consultation with the SHPO and concurred in by the SHPO. Upon review of the program, the NRC will forward the documentation to the Advisory Council on Historic Preservation (ACHP) for comment.

After ACHP comment is received by NRC, the program will be revised, if necessary, to incorporate any comments provided by the ACHP. The licensees shall then proceed, in consultation with the SHPO, to implement the proposed program. Upon completion of the program, a report shall be submitted to the NRC which will include a description of the results of the program and the disposition of data recovered (if applicable). Upon submittal of this report, this subsection of the EPP is fully satisfied with no further action required.

4.2.2 Terrestrial Ecology Monitoring

The licensees will implement the Salt Deposition and Impact Monitoring Plan provided to NRC by letter dated May 17, 1985 from E. E. Van Brunt, Jr., Arizona Nuclear Power Project, to G. W. Knighton, U. S. Nuclear Regulatory Commission. The purpose of the Plan is to assess the impacts of cooling tower salt drift on soils, native vegetation and agricultural crops in the PVNGS vicinity.

The monitoring program shall commence by the onset of commercial operation of the first unit and continue for a minimum of three full years after the onset of operation of all three PVNGS Units or until such time that the licensees can demonstrate to the satisfaction of the NRC that the objectives of the study have been fulfilled. Annual monitoring reports shall be submitted to the NRC for review.

The licensees may not make changes in the procedures described in the document without prior NRC approval unless the proposed changes do not affect the program objectives described in the introduction to the Monitoring Plan. For example, changes in the procedures, which affect sampling frequency, location, gear, or replication, can be made without prior NRC approval, but shall be reported to the NRC within 30 days after their implementation. These reports shall describe the changes made, the reasons for making the changes, and a statement showing how continuity of the study will be affected. Any modifications or changes of the initially approved program shall be governed by the need to maintain consistency with previously used procedures so that direct comparisons of data are technically valid. Such modifications or changes shall be justified and supported by adequate comparative sampling programs or studies demonstrating the comparability of results or which provide a basis for making adjustments that would permit direct comparisons. The licensees shall maintain at the site, available for inspection, a copy of the Monitoring Plan with all revisions.

5.0 Administrative Procedures

5.1 Review and Audit

The licensees shall provide for review and audit of compliance with the Environmental Protection Plan. The audits shall be conducted independently of the individuals or groups responsible for performing the specific activity. A description of the organizational structure utilized to achieve the independent review and audit function and the results of the audit activities shall be maintained and made available for inspection.

5.2 Records Retention

Records and logs relative to the environmental aspects of plant operation shall be made and retained in a manner convenient for review and inspection. These records and logs shall be made available to NRC on request.

Records of modifications to plant structures, systems and components determined to potentially affect the continued protection of the environment shall be retained for the life of the plant. All other records, data and logs relating to this EPP shall be retained for five years or, where applicable, in accordance with the requirements of other agencies.

5.3 Changes in Environmental Protection Plan

Request for change in the Environmental Protection Plan shall include an assessment of the environmental impact of the proposed change and a supporting justification. Implementation of such changes in the EPP shall not commence prior to NRC approval of the proposed changes in the form of a license amendment incorporating the appropriate revision to the Environmental Protection Plan.

5.4 Plant Reporting Requirements

5.4.1 Routine Reports

An Annual Environmental Operating Report describing implementation of this EPP for the previous year shall be submitted to the NRC prior to May 1 of each year. The initial report shall be submitted prior to May 1 of the year following issuance of the operating license. The period of the first report shall begin with the date of issuance of the operating license for the first operational unit.

The report shall include summaries and analyses of the results of the environmental protection activities required by Subsection 4.2 of this Environmental Protection Plan for the report period, including a comparison with preoperational studies, operational controls, and an assessment of the observed impacts of the plant operation on the environment (as appropriate). If harmful effects or evidence of trends towards irreversible damage to the environment are observed, the licensees shall provide a detailed analysis of the data and a proposed course of action to alleviate the problem.

The Annual Environmental Operating Report shall also include:

- (a) A list of EPP noncompliances and the corrective actions taken to remedy them.
- (b) A list of all changes in station design or operation, tests, and experiments made in accordance with Subsection 3.1 of this EPP which involved a potentially significant unreviewed environmental issue.
- (c) A list of nonroutine reports submitted in accordance with Subsection 5.4.2 of this EPP.

In the event that some results are not available by the report due date, the report shall be submitted noting and explaining the missing results. The missing data shall be submitted as soon as possible in a supplementary report.

5.4.2 Nonroutine Reports

A written report shall be submitted to the NRC within 30 days of occurrence of nonroutine event. The report shall (a) describe, analyze, and evaluate the event, including the extent and magnitude of the impact and plant operating characteristics, (b) describe the probable cause of the event, (c) indicate the action taken to correct the reported event, (d) indicate the corrective action taken to preclude repetition of the event and to prevent similar occurrences involving similar components or systems, and (e) indicate the agencies notified and their preliminary responses.

Events reportable under this subsection which also require reports to other Federal, State or local agencies shall be reported in accordance with those reporting requirements in lieu of the requirements of this subsection. The NRC shall be provided a copy of such report at the same time it is submitted to the other agency.

APPENDIX C

ANTITRUST CONDITIONS
LICENSE NO. NPF-41

Arizona Public Service Company and the Salt River Project Agricultural Improvement and Power District shall comply with the following antitrust conditions:

1. In connection with the antitrust conditions, the following definitions are used herein:
 - A. "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.
 - B. "Entity" means a person, private or public corporation, a municipality, a cooperative, an association, a joint stock association or business trust owning, operating or proposing in good faith to own or operate equipment or facilities for the generation, transmission or distribution of electricity to or for the public as a utility.
 - C. "Joint Applicant(s)" means the Arizona Public Service Company and the Salt River Project Agricultural Improvement and Power District.
2.
 - A. Each joint applicant will transmit Bulk Power over its transmission system, between or among two or more Entities with which it is interconnected, or will be interconnected in the future, without restrictions on use or resale of the power so transmitted, provided that such services can reasonably be accommodated from a technical standpoint without impairing each joint applicant's reliability or its own use of its facilities.
 - B. Each joint applicant is obligated under this condition to transmit Bulk Power on the terms stated above, and in connection with each joint applicant's plan to construct new transmission facilities for its own use, to include in its planning and construction program sufficient transmission capacity for such Bulk Power transactions, provided that such applicant has received sufficient advance notice as may be necessary from a technical standpoint to accommodate the requirements of any requesting entity, and further provided that such entity(ies) are obligated as may be agreed (i) to share the capital, operating and maintenance costs of such new transmission facilities to the extent that additional costs burdens would be imposed on such joint applicant or (ii) to compensate the joint applicant fully for the use of its system.

3. The foregoing shall be implemented in a manner consistent with the provisions of the Federal Power Act as applicable and all rates, charges or practices in connection herewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

UNITED STATES NUCLEAR REGULATORY COMMISSION

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

NOTICE OF ISSUANCE OF FACILITY OPERATING LICENSE

Notice is hereby given that the U.S. Nuclear Regulatory Commission (the Commission), has issued Facility Operating License No. NPF-41, (License) to Arizona Public Service Company, 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. This License authorizes operation of the Palo Verde Nuclear Generating Station, Unit 1 (facility) at reactor core power levels not in excess of 3800 megawatts thermal in accordance with the provisions of the License, the Technical Specifications and the Environmental Protection Plan. On December 31, 1984, the Commission issued Facility Operating License No. NPF-34, which authorized operation of Palo Verde Nuclear Generating Station, Unit 1 at power levels not in excess of 190 megawatts thermal. Facility Operating License No. NPF-41 supercedes Facility Operating License No. NPF-34.

Palo Verde Nuclear Generating Station, Unit 1 is a pressurized water reactor which utilizes a CESSAR standard plant design and is located at the licensees' site in Maricopa County, Arizona approximately 36 miles west of the city of Phoenix.

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P PDR

The application for the license, as amended, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. The issuance of this License has been authorized by the Atomic Safety and Licensing Board in its Initial Decision, dated December 30, 1982, and by the Commission at its meeting on May 30, 1985. The Commission has made appropriate findings as required by the Act and the Commission's regulations in 10 CFR Chapter I, which are set forth in the License. Prior public notice of the overall action involving the proposed issuance of an operating license was published in the FEDERAL REGISTER on July 11, 1980 (45 F.R. 46941) as clarified in a notice published July 25, 1980 (45 F.R. 49732).

The Commission has determined that the issuance of this License will not result in any environmental impacts other than those evaluated in the Final Environmental Statement since the activity authorized by the License is encompassed by the overall action evaluated in the Final Environmental Statement.

For further details with respect to this action, see (1) Facility Operating License No. NPF-41, with Technical Specifications (NUREG-1133) and Environmental Protection Plan; (2) the report of the Advisory Committee on Reactor Safeguards dated December 15, 1981; (3) the Commission's Safety Evaluation Report on Palo Verde dated November 1981; Supplement Nos. 1 through 8, dated February 1982, May 1982, September 1982, March 1983, November 1983, October 1984, December 1984, and May 1985, respectively; (4) the Commission's related Safety Evaluation Report on CESSAR dated November 1981; Supplement No. 1 dated March 1983; Supplement No. 2 dated September 1983; (5) the Final Safety Analysis Reports

and amendments thereto; (6) the Environmental Report and supplements thereto; (7) the Draft Environmental Statement dated October 1981; (8) the Final Environmental Statement dated March 1982; and (9) the Initial Decision issued by the Atomic Safety and Licensing Board dated December 30, 1982.

These documents are available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C., and the Phoenix Public Library, Business, Science and Technology Department, 12 East McDowell Road, Phoenix, Arizona 85004. A copy of Facility Operating License No. NPF-41 may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D. C. 20555, Attention: Director, Division of Licensing. Copies of the Safety Evaluation Report and its Supplements 1 through 8 (NUREG-0857) and the Final Environmental Statement (NUREG-0841) may be purchased by calling (202) 275-2060 or (202) 275-2171 or by writing to the Superintendent of Documents, U.S. Government Printing Office, Post Office Box 37082, Washington, D.C. 20013-7082. All orders should clearly identify the NRC publication number and the requester's GPO deposit account, or VISA or Mastercard number and expiration date. NUREG-0857 may also be purchased from the National Technical Information Service, Department of Commerce, 5285 Port Royal Road, Springfield, Virginia 22161.

Dated at Bethesda, Maryland, the 1st day of June, 1985.

FOR THE NUCLEAR REGULATORY COMMISSION



Harry Rood, Acting Chief
Licensing Branch No. 3
Division of Licensing



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket 50-528

AMENDMENT TO INDEMNITY AGREEMENT NO. B-95
AMENDMENT NO. 4

Effective June 1, 1985, Indemnity Agreement No. B-95, between Arizona Public Service Company, Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Public Service Company of New Mexico, El Paso Electric Company, Southern California Public Power Authority, Los Angeles Department of Water and Power and the U.S. Nuclear Regulatory Commission, dated January 26, 1983, as amended, is hereby further amended as follows:

Item 3 of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 3 - License number or numbers

SNM-1887	(From 12:01 a.m., January 26, 1983 to 12 midnight December 30, 1984 inclusive)
SNM-1922	(From 12:01 a.m., December 19, 1983)
NPF-34	(From 12:01 a.m., December 31, 1984 to 12 midnight May 31, 1985, inclusive)

NPF-41

(From 12:01 a.m., June 1, 1985)

FOR THE U. S. NUCLEAR REGULATORY COMMISSION

for Jerome Saltzman

 Jerome Saltzman, Assistant Director
 State and Licensee Relations
 Office of State Programs

Accepted _____, 1985

By _____
ARIZONA PUBLIC SERVICE COMPANY

Accepted _____, 1985

By _____
SOUTHERN CALIFORNIA EDISON CO.

Accepted _____, 1985

By _____
SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

Accepted _____, 1985

By _____
PUBLIC SERVICE COMPANY OF
NEW MEXICO

Accepted _____, 1985

By _____
EL PASO ELECTRIC COMPANY

Accepted _____, 1985

By _____
SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY

Accepted _____, 1985

By _____
LOS ANGELES DEPARTMENT OF
WATER AND POWER

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1
ISSUANCE OF FACILITY OPERATING LICENSE
NPF-41

June 1, 1985

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