



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

SEP 12 1986

Docket Nos.: STN 50-528  
and STN 50-529

Mr. E. E. Van Brunt, Jr.  
Executive Vice President  
Arizona Nuclear Power Project  
Post Office Box 52034  
Phoenix, Arizona 85072-2034

Dear Mr. Van Brunt:

SUBJECT: EXEMPTION RELATED TO SUBMITTAL OF UPDATED FINAL SAFETY  
ANALYSIS REPORT - PALO VERDE NUCLEAR GENERATING STATION,  
UNITS 1 AND 2

In response to your letters dated January 30 and March 18, 1986, the Commission has issued the enclosed Exemption from the requirements of 10 CFR 50.71(e)(3)(i) for the above facilities. The Exemption extends the date for submittal of the Updated Final Safety Analysis Report to no later than one year after initial licensing of Palo Verde Nuclear Generating Station, Unit 3.

We have concluded, based on the considerations discussed in the Exemption, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by this action, and (2) such activities will not be inimical to the common defense and security or to the health and safety of the public.

The exemption is being forwarded to the Office of the Federal Register for publication. The related Notice of Environmental Assessment and Finding of No Significant Impact was published in the Federal Register on September 5, 1986. A copy is enclosed for your information.

Sincerely,

*George W. Knighton*  
George W. Knighton, Director  
PWR Project Directorate No. 7  
Division of PWR Licensing-B

Enclosures:

- 1. Exemption
- 2. Environmental Assessment

cc: See next page

DESIGNATED ORIGINAL

Certified By *C. Stewart*

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Arizona Nuclear Power Project

Palo Verde

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of  
ARIZONA PUBLIC SERVICE COMPANY, ET AL. }  
(Palo Verde Nuclear Generating Station, }  
Units 1 and 2) }

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

EXEMPTION

I.

On December 31, 1984 and December 9, 1985, the Commission issued Facility Operating License Nos. NPF-34 and NPF-46, respectively, to Arizona Public Service Company, Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Public Service Company of New Mexico, Southern California Edison Company, Los Angeles Department of Water and Power, and Southern California Public Power Authority for Palo Verde Nuclear Generating Station, Units 1 and 2, (facilities).\* These licenses provide, among other things, that the facilities are subject to all rules, regulations and Orders of the Commission.

II.

Section 50.71(e)(3)(i) of 10 CFR Part 50 requires the licensees of nuclear power reactors to submit an Updated Final Safety Analysis Report (UFSAR) within 24 months of either July 22, 1980, or the date of issuance of the operating license, whichever is later. The above regulation would have required submittal of the UFSAR for Palo Verde Unit 1 by December 31, 1986 and for Palo Verde Unit 2 by December 9, 1987.

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\*These licenses were superseded by Facility Operating License Nos. NPF-41 and NPF-51, issued June 1, 1985 and April 24, 1986, respectively for the facilities.

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By letter dated January 30, 1986, supplemented by letter dated March 18, 1986, the licensees requested an exemption from 10 CFR 50.71(e) which would defer submittal of the UFSAR until one year following receipt of a low-power operating license for Palo Verde Unit 3. The licensees state that they will amend the current FSAR, which applies to all three Palo Verde units, twice a year until Unit 3 receives an operating license to assure that the FSAR will contain accurate information regarding all three units on a timely basis. The latest Amendment (No. 15) to the FSAR was submitted on April 28, 1986.

III.

The NRC staff has reviewed the licensees' request for an extension of the Palo Verde UFSAR submittal date. 10 CFR 50.34 requires that, until Palo Verde Unit 3 receives an operating license, the information contained in the FSAR docketed with the operating license application be maintained current. Hence, if an extension to the submittal date for the UFSAR is not granted, the licensees would be required to maintain current both the present FSAR as well as the UFSAR until Palo Verde Unit 3 is licensed. Maintaining two versions of the same document for the three Palo Verde units would cause a hardship, could lead to ambiguities or confusion, and would serve no useful purpose if the existing FSAR is maintained up-to-date until Unit 3 is licensed.

Therefore an extension is needed to eliminate the hardship of maintaining two versions of the same document. Until Palo Verde Unit 3 receives an operating license, the licensees have committed to maintain the present FSAR current for all three units by amending the document twice a year.

For these reasons, the staff finds that the licensees have shown good cause for the requested extension of the date for submittal of the Updated Final Safety Analysis Report. Therefore, the requested extension to no later than one year after issuance of a low power license for Palo Verde Unit 3 is acceptable.

#### IV.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12 (a)(1), this exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. The Commission further determines that special circumstances, as provided in 10 CFR 50.12(a)(2)(iii), are present justifying the exemption. The application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the rule in that the licensees have updated the Palo Verde FSAR in support of licensing Palo Verde Unit 3 by submittal of Amendment No. 15 on April 28, 1986 and will continue to update it at least twice a year until Unit 3 is licensed.

Furthermore, the exemption would provide only temporary relief from the applicable regulation in that only a limited time extension is requested, and a good faith effort to comply with the regulation was made by the submittal of Amendment No. 15 to the Palo Verde FSAR.

Accordingly, the Commission hereby grants an exemption as described in Section III above from Section 50.71(e)(3)(i) of 10 CFR Part 50 to extend the date for submittal of the updated FSAR to no later than one year after initial licensing of Palo Verde Unit 3.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this Exemption will have no significant impact on the environment (51 FR 31853).

This Exemption is effective upon issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

  
Frank Schroeder, Acting Director  
Division of PWR Licensing-B  
Office of Nuclear Reactor Regulation

Dated at Bethesda, Maryland  
this 12th day of September, 1986

UNITED STATES NUCLEAR REGULATORY COMMISSION  
ARIZONA PUBLIC SERVICE COMPANY, ET AL.  
DOCKET NOS. STN 50-528 AND STN 50-529  
NOTICE OF ENVIRONMENTAL ASSESSMENT AND FINDING OF  
NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the schedular requirements of 10 CFR 50.71(e)(3)(i) to the Arizona Public Service Company, Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Public Service Company of New Mexico, Southern California Edison Company, Los Angeles Department of Water and Power, and Southern California Public Power Authority (the licensees) for the Palo Verde Nuclear Generating Station, Units 1 and 2, located at the licensees' site in Maricopa County, Arizona.

ENVIRONMENTAL ASSESSMENT

Identification of Proposed Action: The proposed action would grant an exemption from the requirement of 10 CFR 50.71(e) to submit an updated Final Safety Analysis Report (UFSAR) for Units 1 and 2 of the Palo Verde Nuclear Generating Station within 24 months of the issuance of the operating licenses. Operating licenses were issued for Palo Verde Units 1 and 2 on December 31, 1984 and December 9, 1985 respectively. By letter dated January 30, 1986, supplemented by letter dated March 18, 1986, the licensees requested an exemption to 10 CFR 50.71(e) which would defer submittal of the UFSAR for Palo Verde Units 1 and 2 until one year following receipt of a low-power opera-

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ting license for Palo Verde Unit 3 on the basis that the present FSAR applies to all three units. It has been updated on April 28, 1986 and will continue to be updated twice a year until Palo Verde Unit 3 is licensed.

The Need for the Proposed Action: 10 CFR 50.34 requires that, until Palo Verde Unit 3 receives an operating license, the information contained in the FSAR docketed with the operating licenses application be maintained current. Hence, if an extension to the submittal date for the UFSAR is not granted, the licensees would be required to maintain current both the present FSAR as well as the UFSAR until Palo Verde Unit 3 is licensed. Maintaining two versions of the same document for the three Palo Verde units would cause a hardship, could lead to ambiguities or confusion, and would serve no useful purpose if the existing FSAR is maintained up-to-date until Unit 3 is licensed.

Therefore an extension is needed to eliminate the hardship of maintaining two versions of the same document. Until Unit 3 receives an operating license, the licensees have committed to maintain the present FSAR current for all three units by amending the document twice a year.

Environmental Impact of the Proposed Action: The proposed exemption affects only the required date for submitting the UFSAR and does not affect the risk of facility accidents. Thus, post-accident radiological releases will not differ from those determined previously, and the proposed exemption does not otherwise affect facility radiological effluents, or any significant occupational exposures. With regard to potential non-radiological impacts, the proposed exemption does not affect plant non-radiological effluents and has no other environmental impact. Therefore, the Commission concludes there are no measurable radiological or non-radiological environmental impacts associated with the proposed exemption.

Since the Commission has concluded there is no measurable environmental impact associated with the proposed exemption, any alternatives either will have no environmental impact or will have a greater environmental impact. The principal alternative to the exemption would be to require an earlier date for submittal of the UFSAR. Such an action would not enhance the protection of the environment and would result in unnecessary hardship of maintaining two versions of the same document.

Alternative Use of Resources: This action does not involve the use of resources not considered previously in the Final Environmental Statement for Palo Verde Nuclear Generating Station, Units 1, 2 and 3.

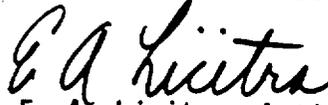
Agencies and Persons Consulted: The NRC staff reviewed the licensees' request and did not consult other agencies or persons.

Finding of No Significant Impact: The Commission has determined not to prepare an environmental impact statement for the proposed exemption. Based upon the environmental assessment, the NRC staff concludes that the proposed action will not have a significant effect on the quality of the human environment.

For further details with respect to this proposed action, see the licensee's letters dated January 30, 1986 and March 18, 1986. These letters are available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C., and at the Phoenix Public Library, Business, Science and Technology Department, 12 East McDowell Road, Phoenix, Arizona 85004.

Dated at Bethesda, Maryland, this 29th day of August, 1986.

FOR THE NUCLEAR REGULATORY COMMISSION



E. A. Licitra, Acting Director  
PWR Project Directorate No. 7  
Division of PWR Licensing-B