

March 25, 1991

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

Mr. William F. Conway
Executive Vice President, Nuclear
Arizona Public Service Company
P. O. Box 53999
Phoenix, Arizona 85072-3999

Dear Mr. Conway:

SUBJECT: EXEMPTION FROM 10 CFR 55.45(b)(2)(iii)

By letter dated January 25, 1991, Arizona Public Service Company (APS) requested an exemption from the filing requirements of 10 CFR 55.45(b)(2)(iii) to allow for the submittal of Form NRC-474, "Simulation Facility Certification," after the March 26, 1991 deadline provided in the rule, but no later than May 24, 1991. The NRC staff has reviewed APS's letter and decided to grant the requested exemption. It is effective immediately and expires on May 24, 1991.

Based on the considerations discussed in the exemption, we have concluded that the information provided and the actions described in the application form an acceptable basis for the granting of an exemption. The Commission has determined, pursuant to 10 CFR 55.11, that this exemption is authorized by law and will not result in undue hazard to life or property and is otherwise in the public interest. Furthermore, the Commission has determined, pursuant to 10 CFR 50.12(a), that the special circumstances of 10 CFR 50.12(a)(2)(v) are applicable in that the exemption would provide only temporary relief from the regulation and you have made good faith efforts to comply with the regulation.

The exemption is being filed with the Office of the Federal Register for publication.

Sincerely,

Original signed by Catherine M. Thompson
Catherine M. Thompson, Project Manager
Project Directorate V
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

Enclosure:
As stated

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Mr. William F. Conway
Arizona Public Service Company

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, 2, and 3)

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

EXEMPTION

I.

Arizona Public Service Company (APS), 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 (the licensees) are the holders of Facility Operating Licenses No. NPF-41, No. NPF-51 and No. NPF-74, which authorize operation of the Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2 and 3, respectively. The licenses provide, among other things, that they are subject to all rules, regulations and Orders of the Commission now or hereafter in effect. The facility consists of three pressurized water reactors (PWR) at the licensees' site located in Maricopa County, Arizona.

The revision of 10 CFR Part 55, "Operators' Licenses," which became effective on May 26, 1987, established requirements for the administration of operating tests on nuclear power plant simulators. These regulations, in conjunction with 10 CFR 50.54(i-1), require facility licensees to use simulation facilities when administering operating tests for initial

licensing and requalification. These regulations further require that a certified or NRC-approved simulation facility must be used to administer operating tests after May 26, 1991. By letter dated January 25, 1991, APS requested an exemption from the schedular requirements for certification of a plant-referenced simulator.

II.

The licensee intends to comply with 10 CFR 55.45(b) by certifying a plant-referenced simulator. Section 55.45(b)(2)(iii) of 10 CFR Part 55 requires that facility licensees proposing to use a simulation facility consisting solely of a plant-referenced simulator submit Form NRC-474, "Simulation Facility Certification," no later than 46 months after the effective date of this rule, that is, by March 26, 1991. On January 25, 1991, APS requested an exemption from this filing requirement to allow for the submittal of Form NRC-474 after March 26, 1991, but no later than May 24, 1991.

The PVNGS simulator became operational in October 1980, approximately 4 years before issuance of the Unit 1 operating license. The simulator was used for several years to conduct operator training and administer operating tests before the May 1987 revision to 10 CFR 55.45. Although an ongoing effort to incorporate plant modifications and maintain simulator fidelity was undertaken after the simulator became operational, significant

simulator fidelity problems and performance deficiencies were noted after May 1987 and throughout 1988 and 1989.

In early 1989, APS began an intensive evaluation of the existing simulator utilizing a multi-disciplined team. On September 28, 1989, APS awarded a contract to upgrade the PVNGS simulator with an original scheduled certification date of March 21, 1991. However, the vendor has experienced unexpected problems such as obtaining experienced staff, resignation of key engineers, and computer system problems.

APS is concerned that additional problems may arise during the remainder of the acceptance testing of the upgraded PVNGS simulator which may require correction before certification. Should significant problems be uncovered, the required modifications and performance testing may not be completed in time to support submittal of the certification by March 26, 1991. Therefore, APS proposes to certify the upgraded PVNGS simulator no later than May 24, 1991.

APS is not requesting an exemption from the requirements of 10 CFR 55.45(b)(2)(iv) at this time. APS believes that the deferral of submission of the simulator certification will not have an impact on the conduct of operating tests in accordance with NRC requirements. The first operating tests after May 26, 1991, are currently scheduled to begin on June 3, 1991. These tests are for the initial licensing of 20 reactor operator (RO) candidates.

III.

The Commission has determined, pursuant to 10 CFR 55.11, that this exemption is authorized by law and will not endanger life or property and is otherwise in the public interest. Furthermore, the Commission has determined pursuant to 10 CFR 50.12(a), that special circumstances of 10 CFR 50.12(a)(2)(v) are applicable in that the exemption would provide only temporary relief from the applicable regulation and the licensee has made good faith efforts to comply with the regulation. This exemption grants a temporary relief period of 2 months from the March 1991 date for submittal of the PVNGS simulation facility certification. Good faith efforts to comply with the regulation were made as follows:

- (1) The existing PVNGS simulator became operational in October 1980.
- (2) On August 18, 1989, in a meeting at the NRC Region V offices, APS presented the status and plans for the simulator upgrade project.
- (3) On August 30, 1989, APS provided an operator licensing examination schedule which voluntarily indicated that, at that time, the planned certification date was March 1991.
- (4) On September 28, 1989, APS awarded a contract to upgrade the PVNGS simulator with a scheduled certification date of March 21, 1991.
- (5) During an inspection of the operator requalification training program conducted in July of 1990, APS provided a schedule for the upgrading of the simulator which indicated that APS intended, at that time, to submit Form NRC-474 by March 21, 1991.

- (6) Significant resources have been allocated to expedite the test program and certification submittal. These resources include additional operations personnel and vendor engineers assigned to all shifts, 20 hours per day of simulator time, and increased planning for coordination between various APS groups with responsibility for the simulator certification.

IV.

The Commission hereby grants an exemption from the schedular requirements of 10 CFR 55.45(b)(2)(iii) for submittal of Form NRC-474, "Simulation Facility Certification." This exemption is effective until May 24, 1991.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of the exemption will have no significant impact on the quality of the human environment (56 FR 12282, March 22, 1991).

This Exemption is effective upon issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by Bruce A. Boger
 Bruce A. Boger, Director
 Division of Reactor Projects III/IV/V
 Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
 this 25th day of March, 1991.

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