

April 3, 1997

Mr. James M. Levine  
Executive Vice President, Nuclear  
Arizona Public Service Company  
Post Office Box 53999  
Phoenix, Arizona 85072-3999

SUBJECT: NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO FACILITY  
OPERATING LICENSES AND OPPORTUNITY FOR HEARING - PALO VERDE NUCLEAR  
GENERATING STATION UNIT NO. 1 (TAC NO. M96672), UNIT NO. 2 (TAC NO.  
M96673), AND UNIT NO. 3 (TAC NO. M96674)

Dear Mr. Levine:

Enclosed is a copy of the subject notice that relates to your application for  
amendments dated October 4, 1996, as supplemented by letter dated March 16,  
1997, to convert the current technical specifications (TS) for Palo Verde  
Nuclear Generating Station (PVNGS) Unit Nos. 1, 2, and 3 to a set of TS based  
on NUREG-1432, Revision 1, "Standard Technical Specifications, Combustion  
Engineering Plants," dated April 1995.

This notice has been forwarded to the Office of the Federal Register for  
publication.

Sincerely,

Original Signed By

Charles R. Thomas, Project Manager  
Project Directorate IV-2  
Division of Reactor Projects III/IV  
Office of Nuclear Reactor Regulation

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

Enclosure: Safety Evaluation

cc w/encl: See next page

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OFC	PDIV-2	PDIV-2	PDIV-2
NAME	CThomas <i>CK</i>	JClifford	EPeyton
DATE	4/3/97	4/3/97	3/31/97

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Mr. James M. Levine

- 2 -

April 3, 1997

cc w/encl:

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

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

Senior Resident Inspector  
USNRC  
P. O. Box 40  
Buckeye, Arizona 85326

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

Chairman, Board of Supervisors  
ATTN: Chairman  
301 W. Jefferson, 10th Floor  
Phoenix, Arizona 85003

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

Ms. Angela K. Krainik, Manager  
Nuclear Licensing  
Arizona Public Service Company  
P.O. Box 52034  
Phoenix, Arizona 85072-2034

Mr. John C. Horne, Vice President  
Power Supply  
Palo Verde Services  
2025 N. Third Street, Suite 220  
Phoenix, Arizona 85004

Mr. Robert Burt  
Los Angeles Department of Water & Power  
Southern California Public Power Authority  
111 North Hope Street, Room 1255-B  
Los Angeles, California 90051

Mr. David Summers  
Public Service Company of New Mexico  
414 Silver SW, #0604  
Albuquerque, New Mexico 87102

Mr. Robert D. Bledsoe  
Southern California Edison Company  
14300 Mesa Road, Drop D41-SONGS  
San Clemente, California 92672

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

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

UNITED STATES NUCLEAR REGULATORY COMMISSION  
ARIZONA PUBLIC SERVICE COMPANY  
DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530  
NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO  
FACILITY OPERATING LICENSES AND OPPORTUNITY FOR A HEARING

The U.S Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 issued to the Arizona Public Service Company (APS or the licensee) for operation of the Palo Verde Nuclear Generating Station, Unit Nos. 1, 2, and 3, located in Maricopa County, Arizona.

The proposed amendments, requested by the licensee in a letter dated October 4, 1996, as supplemented by letter dated March 16, 1997, would represent a full conversion from the current Technical Specifications (TSs) to a set of TS based on NUREG-1432, Revision 1, "Standard Technical Specifications, Combustion Engineering Plants" dated April 1995. NUREG-1432 has been developed through working groups composed of both NRC staff members and industry representatives and has been endorsed by the staff as part of a industry-wide initiative to standardize and improve TS. As part of this submittal, the licensee has applied the criteria contained in the Commission's "Final Policy Statement on Technical Specification Improvements for Nuclear Power Reactors (Final Policy Statement)," published in the Federal Register on July 22, 1993 (58 FR 39132), to the current Palo Verde Nuclear Generating Station (PVNGS) TSs, and, using NUREG-1432 as a basis, developed a proposed set of improved TSs for PVNGS. The criteria in the final policy statement

were subsequently added to 10 CFR 50.36, "Technical Specifications," in a rule change which was published in the Federal Register on July 19, 1995 (60 FR 36953) and became effective on August 18, 1995.

The licensee has categorized the proposed changes to the existing TSs into six general groupings. These groupings are characterized as administrative changes, relocated changes, more restrictive changes, less restrictive changes, other relocated changes, and other less restrictive changes.

Administrative changes are those that involve restructuring, renumbering, rewording, interpretation and complex rearranging of requirements and other changes not affecting technical content or substantially revising an operational requirement. The reformatting, renumbering and rewording process reflects the attributes of NUREG-1432 and do not involve technical changes to the existing TSs. The proposed changes include (a) providing the appropriate numbers, etc., for NUREG-1432 bracketed information (information which must be supplied on a plant-specific basis, and which may change from plant to plant), (b) identifying plant-specific wording for system names, etc., and (c) changing NUREG-1432 section wording to conform to existing licensee practices.

Such changes are administrative in nature and do not impact initiators of analyzed events or assumed mitigation of accident or transient events.

Relocated changes are those involving relocation of requirements and surveillances for structures, systems, components or variables that do not meet the criteria for inclusion in the TSs. Relocated changes are those current TS requirements which do not satisfy or fall within any of the four criteria specified in the Commission's policy statement and may be relocated to appropriate licensee-controlled documents.

The licensee's application of the screening criteria is described in Attachment (1) of its October 4, 1996, application titled "Application of the TS Criteria (Split Report)" in Volume 1 of the submittal. The affected structures, systems, components or variables are not assumed to be initiators of analyzed events and are not assumed to mitigate accident or transient events. The requirements and surveillances for these affected structures, systems, components or variables will be relocated from the TS to administratively controlled documents such as the Updated Final Safety Analysis Report (UFSAR), the BASES, the Technical Requirements Manual (TRM) or other licensee-controlled documents. Changes made to these documents will be made pursuant to 10 CFR 50.59 or other appropriate control mechanisms. In addition, the affected structures, systems, components or variables are addressed in existing surveillance procedures which are also subject to 10 CFR 50.59. These proposed changes will not impose or eliminate any requirements.

More restrictive changes are those involving more stringent requirements for operation of the facility or eliminate existing flexibility. These more stringent requirements do not result in operation that will alter assumptions relative to mitigation of an accident or transient event. The more restrictive requirements will not alter the operation of process variables, structures, systems and components described in the safety analyses. For each requirement in the current PVNGS TSs that is more restrictive than the corresponding requirement in NUREG-1432 which the licensee proposes to retain in the improved Technical Specifications (ITSs), they have provided an explanation of why they have concluded that retaining the more restrictive requirement is desirable to ensure safe operation of the facilities because of specific design features of the plant.

Less restrictive changes are those where current requirements are relaxed or eliminated, or new flexibility is provided. The more significant "less restrictive" requirements are justified on a case-by-case basis. When requirements have been shown to provide little or no safety benefit, their removal from the TSs may be appropriate. In most cases, relaxations previously granted to individual plants on a plant-specific basis were the result of (a) generic NRC actions, (b) new NRC staff positions that have evolved from technological advancements and operating experience, or (c) resolution of the Owners Groups' comments on the ITSs. Generic relaxations contained in NUREG-1432 were reviewed by the staff and found to be acceptable because they are consistent with current licensing practices and NRC regulations. The licensee's design will be reviewed to determine if the specific design basis and licensing basis are consistent with the technical basis for the model requirements in NUREG-1432 and thus provides a basis for these revised TSs or if relaxation of the requirements in the current TSs is warranted based on the justification provided by the licensee.

Other changes from the current TS requirements will involve relocating details of requirements and surveillances for these affected structures, systems, components or variables to administratively controlled documents such as the UFSAR, the Bases, the TRM or other licensee-controlled documents. Changes made to these documents will be made pursuant to 10 CFR 50.59 or other appropriate control mechanisms. In addition, the affected structures, systems, components or variables are addressed in existing surveillance procedures which are subject to 10 CFR 50.59. These proposed changes will not impose or eliminate any requirements.

Other less restrictive changes are additional changes that result in less restrictions in the TS which are discussed individually in the licensee's submittal. In addition to the changes solely involving the conversion, changes are proposed to the current technical specifications or as deviations from the improved CE Technical Specifications (NUREG-1432) as follows:

1. Limiting Condition for Operation (LCO) 3.6.1.5, containment air temperature is being revised to incorporate instrument uncertainties.
2. LCO 3.6.2.1, containment spray system applicability is being revised to specify that in Modes 1, 2, 3, and 4\* with the asterisk meaning "only when shutdown cooling is not in operation."
3. Surveillance Requirement 4.6.2.1.c, containment spray header piping water level is being revised to include instrument uncertainty.
4. Surveillance Requirement 4.6.4.3.d.1, allowable pressure drop across the hydrogen purge filtration unit is being revised as a result of a revised analysis.
5. Surveillance Requirement 4.3.2.1, frequency testing of the engineered safety feature actuation system (ESFAS) subgroup relays is being extended in accordance with CE Topical Report CEN-403, Revision 1-A and the associated safety evaluation issued by the NRC.
6. Applicability Note for LCO 3.5.1, safety injection tank minimum nitrogen cover pressure is being revised to include instrument uncertainties.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

By May 14, 1997, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license

and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Phoenix Public Library, 1221 N. Central Avenue, Phoenix, Arizona 85004. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has



filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Where petitions are filed during the last 10 days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 248-5100 (in Missouri 1-(800) 342-6700). The Western Union operator should be given Datagram Identification Number N1023 and the following message addressed to William H. Bateman, Director, Project Directorate IV-2: petitioner's name and telephone number; date petition was mailed; plant name; and publication date and page number of this FEDERAL REGISTER notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Nancy C. Loftin, Esq., Corporate Secretary and Counsel, Arizona Public Service Company, P.O. Box 53999, Mail Station 9068, Phoenix, Arizona 85072-3999, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).


If a request for a hearing is received, the Commission's staff may issue the amendment after it completes its technical review and prior to the completion of any required hearing if it publishes a further notice for public

comment of its proposed finding of no significant hazards consideration in accordance with 10 CFR 50.91 and 50.92.

For further details with respect to this action, see the application for amendment dated October 4, 1996, as supplemented by letter dated March 16, 1997, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Phoenix Public Library, 1221 N. Central Avenue, Phoenix, Arizona 85004.

Dated at Rockville, Maryland, this 3rd day of April 1997.

FOR THE NUCLEAR REGULATORY COMMISSION

  
Charles R. Thomas, Project Manager  
Project Directorate IV-2  
Division of Reactor Projects III/IV  
Office of Nuclear Reactor Regulation