

March 4, 1998

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

SUBJECT: ISSUANCE OF AMENDMENTS FOR THE PALO VERDE NUCLEAR
GENERATING STATION UNIT NO. 1 (TAC NO. M98362), UNIT NO. 2 (TAC NO.
M98363), AND UNIT NO. 3 (TAC NO. M98364)

Dear Mr. Levine:

The Commission has issued the enclosed Amendment No.115 to Facility Operating License No. NPF-41, Amendment No. 108 to Facility Operating License No. NPF-51, and Amendment No. 87 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Unit Nos. 1, 2, and 3, respectively. The amendments consist of changes to the operating licenses in response to your application dated March 18, 1997, as supplemented by letters dated July 28, 1997, and September 9, 1997.

These amendments revise the operating licenses to reflect approval of Amendment 42 to the Palo Verde Nuclear Generating Station Physical Security Plan.

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,

Original Signed by Kristine M. Thomas for

James W. Clifford, Senior 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

- Enclosures: 1. Amendment No.115 to NPF-41
- 2. Amendment No.108 to NPF-51
- 3. Amendment No. 87 to NPF-74
- 4. Safety Evaluation

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DOCUMENT NAME:PV98362.AMD

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 115
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 March 18, 1997, as supplemented by letters dated July 28, 1997, and September 9, 1997, 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, by Amendment No. 115, the license is amended by changes to Paragraph 2.E to Facility Operating License No. NPF-41 as follows:

- E. The licensees shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The Safeguard Contingency Plan is incorporated into the Physical Security Plan. The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Palo Verde Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.
3. This amendment is effective as of its date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Kristine M. Thomas for
James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Attachment: Page 6a of License

Date of Issuance: March 4, 1998

- 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. The licensees shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The Safeguard Contingency Plan is incorporated into the Physical Security Plan. The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Palo Verde Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-529

PALO VERDE NUCLEAR GENERATING STATION, UNIT NO. 2

AMENDMENT TO FACILITY OPERATING LICENSE

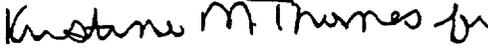
Amendment No. 108
License No. NPF-51

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 March 18, 1997, as supplemented by letters dated July 28, 1997, and September 9, 1997, 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, by Amendment No. 108, the license is amended by changes to Paragraph 2.E. to Facility Operating License No. NPF-51 as follows:

E. The licensees shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The Safeguard Contingency Plan is incorporated into the Physical Security Plan. The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Palo Verde Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

3. This license amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION


James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Attachment: Page 6 of License

Date of Issuance: March 4, 1998

the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The Safeguard Contingency Plan is incorporated into the Physical Security Plan. The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Palo Verde Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

- 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 to the NRC Operations Center via the Emergency Notification System 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 9, 2025.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By

Darrell G. Eisenhut, Acting Director
Office of Nuclear Reactor Regulation

Attachments:

- 1. Attachment 1
- 2. Attachment 2
- 3. Appendix A -
 Technical Specifications
- 4. Appendix B
 Environmental Protection Plan
- 5. Appendix C
 Antitrust Conditions
- 6. Appendix D
 Additional Conditions

Date of Issuance: April 24, 1986

Amendment No. 403, 108



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-530

PALO VERDE NUCLEAR GENERATING STATION, UNIT NO. 3

AMENDMENT TO FACILITY OPERATING LICENSE

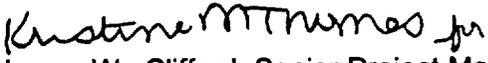
Amendment No. 87
License No. NPF-74

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 March 18, 1997, as supplemented by letters dated July 28, 1997, and September 9, 1997, 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, by Amendment No. 87, the license is amended by changes to Paragraph 2.E to Facility Operating License No. NPF-74 as follows:

E. The licensees shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The Safeguard Contingency Plan is incorporated into the Physical Security Plan. The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Palo Verde Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

3. This license amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION


James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Attachment: Page 5 of License

Date of Issuance: March 4, 1998

Nuclear Station Physical Security Plan," with revisions submitted through March 18, 1997; and "Palo Verde Nuclear Generating Station Guard Training and Qualification Plan," with revisions submitted through December 26, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

- F. APS shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility, as supplemented and amended, and as approved in the SER through Supplement 11, subject to the following provision:

APS may make changes to the approved fire protection program without approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

- G. 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 to the NRC Operations Center via the Emergency Notification System, with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e);
- H. 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
- I. This license is effective as of the date of issuance and shall expire at midnight on March 25, 2027.

FOR THE NUCLEAR REGULATORY COMMISSION

Original Signed By

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Attachments:

1. Attachment 1
2. Appendix A -
Technical Specifications
3. Appendix B -
Environmental Protection Plan
4. Appendix C -
Antitrust Conditions
5. Appendix D -
Additional Conditions

Date of Issuance: November 25, 1987

Amendment No. 83, 87



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 115 TO FACILITY OPERATING LICENSE NO. NPF-41,
AMENDMENT NO. 108 TO FACILITY OPERATING LICENSE NO. NPF-51,
AND AMENDMENT NO. 87 TO FACILITY OPERATING LICENSE NO. NPF-74
ARIZONA PUBLIC SERVICE COMPANY, ET AL.
PALO VERDE NUCLEAR GENERATING STATION, UNIT NOS. 1, 2, AND 3
DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

1.0 INTRODUCTION

By application dated March 18, 1997, as supplemented by letters dated July 28, 1997, and September 9, 1997, the Arizona Public Service Company (APS or the licensee) requested changes to the Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, respectively for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The Arizona Public Service Company 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 update the security plan license condition to reflect the latest NRC-approved amendment to the Physical Security Plan.

The licensee's submittal and documentation of the staff's detailed review of the submittal are classified as safeguards information, and therefore are not releasable to the general public. A brief summary of the requested amendments and the NRC review is included in this non-safeguards version of the evaluation.

2.0 EVALUATION

The requested security plan amendments address personnel searches, the searches of packages and materials, and minor administrative changes. The details of the changes are included in the Palo Verde Nuclear Generating Station Physical Security Plan. The revised security plan was submitted for staff review and approval as part of these amendment requests.

The staff concluded that the changes to the security plan for personnel searches, and for the searches of packages and materials, are consistent with 10 CFR 73.55(d)(1), 10 CFR 73.55(d)(3), and NUREG-0908, "Acceptance Criteria for the Evaluation of Nuclear Power Reactor Security Plans." Based on its review, the staff concluded that the revised security plan

will continue to provide adequate security for personnel, packages, and materials searches. The revised security plan continues to satisfy all regulatory requirements, and will not increase the risk of sabotage at the facility. The proposed amendments to revise paragraph 2.E of the licenses for Palo Verde Units 1, 2, and 3 to reflect revisions (submitted through March 1997) to the physical security plan are therefore acceptable.

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

These amendments relate to changes in recordkeeping, reporting, or administrative procedures or requirements. The amendments also change requirements related to safeguard matters or procedural matters regarding an approved safeguards plan and does not involve any significant construction impacts. Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(12). Pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendments.

5.0 CONCLUSION

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.

Principal Contributor: E. W. McPeck

Date: March 4, 1998