February 2, 1990

Docket No. 50-529

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Mr. William F. Conway
Executive Vice President
Arizona Public Service Company
Post Office Box 52034
Phoenix, Arizona 85072-2034

Dear Mr. Conway:

SUBJECT: ISSUANCE OF AMENDMENT NO. 32 TO FACILITY OPERATING LICENSE NO. NPF-51 FOR THE PALO VERDE NUCLEAR GENERATING STATION, UNIT 2 (TAC NO. 75532)

The Commission has issued the subject amendment, which is enclosed, to the Facility Operating License for Palo Verde Nuclear Generating Station, Unit 2. The amendment consist of changes to the Technical Specifications (Appendix A to the license) in response to your application transmitted by letter dated December 29, 1989, as supplemented January 3, 1990. The emergency request was made on the basis that technical information needed to support the amendment request, until recently, was not available, and that significant schedule and economic impacts would be incurred if the required surveillances were mandated.

The amendment revises surveillance requirement 4.1.3.12 of Technical Specification 3/4.1.3, "Movable Control Assemblies," by excluding Control Element Assemblies 27 and 41 from their 31-day surveillances for the remainder of the current operating cycle (Cycle 2).

A copy of the related Safety Evaluation is also enclosed. A Notice of Issuance will be included in the Commission's next regular biweekly Federal Register notice.

Sincerely,

original signed by T. Chan

Terence L. Chan, Senior Project Manager
Project Directorate V
Division of Reactor Projects III,
IV, V and Special Projects
Office of Nuclear Reactor Regulation

Enclosures:
1. Amendment No. 32 to NPF-51
2. Safety Evaluation

cc w/enclosure:
See next page

DRSP/PD5	DRSP/PD5	OGC	DRSP/AD:PD5
PShea	TLChan:dr	MYoung	CMTrammell
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

February 2, 1990

Docket No. 50-529

Mr. William F. Conway
Executive Vice President
Arizona Public Service Company
Post Office Box 52034
Phoenix, Arizona 85072-2034

Dear Mr. Conway:

SUBJECT: ISSUANCE OF AMENDMENT NO. 32 TO FACILITY OPERATING LICENSE NO. NPF-51 FOR THE PALO VERDE NUCLEAR GENERATING STATION, UNIT 2 (TAC NO. 75532)

The Commission has issued the subject amendment, which is enclosed, to the Facility Operating License for Palo Verde Nuclear Generating Station, Unit 2. The amendment consist of changes to the Technical Specifications (Appendix A to the license) in response to your application transmitted by letter dated December 29, 1989, as supplemented January 3, 1990. The emergency request was made on the basis that technical information needed to support the amendment request, until recently, was not available, and that significant schedule and economic impacts would be incurred if the required surveillances were mandated.

The amendment revises surveillance requirement 4.1.3.1.2 of Technical Specification 3/4.1.3, "Movable Control Assemblies," by excluding Control Element Assemblies 27 and 41 from their 31-day surveillances for the remainder of the current operating cycle (Cycle 2).

A copy of the related Safety Evaluation is also enclosed. A Notice of Issuance will be included in the Commission's next regular biweekly Federal Register notice.

Sincerely,

Terence L. Chan, Senior Project Manager
Project Directorate V
Division of Reactor Projects III,
IV, V and Special Projects
Office of Nuclear Reactor Regulation

Enclosures:
1. Amendment No. 32 to NPF-51
2. Safety Evaluation

cc w/enclosure:
See next page

cc:

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

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. 32
License No. NPF-51

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment, dated December 29, 1989, as supplemented January 3, 1990 by the Arizona Public Service Company (APS) 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 (the Act) and the Commission's regulations set forth in 10 CFR Part I;

   B. The facility will operate in conformity with the application, the provisions of Act, and the 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;

   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, the license is amended by changes to the Technical Specifications as indicated in the enclosure to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-51 is hereby amended to read as follows:

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 32, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

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

FOR THE NUCLEAR REGULATORY COMMISSION

Charles M. Trammell

Charles M. Trammell, Acting Director
Project Directorate V
Division of Reactor Projects III,
IV, V and Special Projects
Office of Nuclear Reactor Regulation

Enclosure:
Changes to the Technical
Specifications

Date of Issuance: February 2, 1990

ENCLOSURE TO LICENSE AMENDMENT

AMENDMENT NO. 32 TO FACILITY OPERATING LICENSE NO. NPF-51

DOCKET NO. STN 50-529

Replace the following page of the Appendix "A" Technical Specifications with the enclosed page. The revised page is identified by amendment number and contain vertical line indicating the area of change.

Remove Page	Insert Page
3/4 1-22	3/4 1-22

LIMITING CONDITION FOR OPERATION (Continued)

ACTION: (Continued)

b) The SHUTDOWN MARGIN requirement of Specification 3.1.1.2 is determined at least once per 12 hours.

Otherwise, be in at least HOT STANDBY within 6 hours.

d. With one full-length CEA inoperable due to causes other than addressed by ACTION a., above, but within its above specified alignment requirements, operation in MODES 1 and 2 may continue pursuant to the requirements of Specification 3.1.3.6.

e. With one part-length CEA inoperable and inserted in the core, operation may continue provided the alignment of the inoperable part length CEA is maintained within 6.6 inches (indicated position) of all other part-length CEAs in its group and the CEA is maintained pursuant to the requirements of Specification 3.1.3.7.

SURVEILLANCE REQUIREMENTS

4.1.3.1.1 The position of each full-length and part-length CEA shall be determined to be within 6.6 inches (indicated position) of all other CEAs in its group at least once per 12 hours except during time intervals when one CEAC is inoperable or when both CEACs are inoperable, then verify the individual CEA positions at least once per 4 hours.

4.1.3.1.2 Each full-length CEA not fully inserted and each part-length CEA which is inserted in the core shall be determined to be OPERABLE by movement of at least 5 inches in any one direction at least once per 31 days.*

*With the exception that CEAs 27 and 41 are exempt from this surveillance requirement until restart from the second refueling outage.

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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMENDMENT NO. 32 TO FACILITY OPERATING LICENSE NO. NPF-51,

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2

DOCKET NO. STN 50-529

1.0 INTRODUCTION

By letter dated December 29, 1989, as supplemented January 3, 1990, the Arizona Public Service Company (APS) 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 (licensees), requested changes to the Technical Specifications for the Palo Verde Nuclear Generating Station (PVNGS), Unit 2 (Appendix A to Facility Operating License No. NPF-51). The proposed changes would revise surveillance requirement 4.1.3.1.2 of Technical Specification 3/4.1.3, "Movable Control Assemblies," by excluding Control Element Assemblies (CEAs) 27 and 41 from their 31-day surveillances for the remainder of the current operating cycle (Cycle 2 ending mid-February 1990). The proposed amendment was requested on an emergency basis to avoid shutting down the unit solely to perform the required surveillance for the above mentioned CEAs. The emergency request was made on the basis that technical information needed to support the amendment request, until recently, was not available, and that significant schedule impacts would be incurred if the required surveillances were mandated.

APS requested this change because these two CEAs are exhibiting a ground fault condition which could lead to either a slipped or dropped CEA when the CEA is moved to perform Surveillance Requirement 4.1.3.1.2. This ground fault condition will be corrected during the next refueling outage.

2.0 DISCUSSION AND EVALUATION

The ground fault condition observed in CEAs 27 and 41 has previously been observed in some CEAs at the other PVNGS units (Ref. 3). The ground fault condition is suspected of being caused, according to Reference 3, by a break in the lower lift coil wire lead insulation. The movement of either CEA 27 or 41 with this ground fault condition could cause the CEA itself or other CEAs to slip or drop. The slipping, and thus the misalignment, or dropping a single CEA is an analyzed event for the PVNGS units. However, the slipping and dropping of multiple CEAs has not been evaluated for PVNGS and would result in an unreviewed safety question.

When the grounds were discovered on the lower lift coils of the two CEAs in October 1989, APS submitted a justification for continued operation (JCO). APS stated in the JCO that the affected CEAs would be tested in accordance with the provisions of the surveillance requirement with the reactor shut down to preclude the possibility of CEAs slipping or dropping during power operation. Testing with the reactor shut down was necessary because no analysis of record existed, which accounted for multiple slipped or dropped CEAs, and gave acceptable results. APS now concludes that following the stipulations of the JCO would put an unnecessary burden on PVNGS-2 by requiring two shutdowns and two startups near end of cycle. These shutdowns and startups are, according to APS, a burden because, when the plant is near end of cycle, the reactor startups can be a lengthy matter because of the small amount of reactivity held by the soluble boron in the coolant.

The control rods in question, CEAs 27 and 41, are fortuitously in a shutdown group. This means that these CEAs are fully withdrawn from the core when the reactor is in Modes 1 and 2 and critical. When the reactor is in other Modes of operation and non-critical, these CEAs are usually fully inserted. There are no intermediate positions between fully inserted and fully withdrawn defined for shutdown CEAs. Surveillance Requirement 4.1.3.1.2 requires at least a movement of 5 inches in any one direction at least once per 31 days to determine CEA operability. APS proposes a temporary change to Surveillance Requirement 4.1.3.1.2 which would exempt CEAs 27 and 41 from testing for the remainder of the current cycle. This would mean the skipping of two tests for these CEAs. APS states that the proposed change to the surveillance requirement is justified because the two CEAs would still be capable of dropping into the core on a trip signal and, thus, performing their only required function and because performing the testing required by the surveillance requirement could result in slipped or dropped CEAs resulting in either a reactor trip or operation of the reactor outside the bounds of previously analyzed conditions.

The issues that need to be addressed in evaluating this proposed change to exempt CEAs 27 and 41 from further testing required by Surveillance Requirement 4.1.3.1.2 for the remainder of PVNGS-2 Cycle 2 are as follows:

(1) Will CEAs 27 and 41, which are safety rods, drop into the core and fully insert on a trip signal?

(2) If the two CEAs do not drop into the reactor on a trip signal, will the shutdown margin be maintained? If the shutdown margin is not maintained, will the reactor be subcritical?

(3) If the CEAs fail to insert on a trip signal, what is the probability of an overcooling event that would add reactivity to the core and affect the core damage risk?

2.1 APS states in its submittal that all performances of the motion testing required by Surveillance Requirement 4.1.3.1.2 to date show that CEAs 27 and 41 are unobstructed. That is, these two rods are operable and will insert into the core on a trip signal. PVNGS-2 has had two reactor trips and two voluntary shutdowns that add validity to the assumed operability of CEAs 27 and 41. It is considered unlikely that an obstruction will occur between now and the end of cycle. Generally, an obstruction would be more likely to occur near the beginning of cycle after a refueling outage with all of its attendant maintenance activities. We, therefore, conclude that the first issue is not a significant concern.

2.2 In the event that an obstruction occurs in either or both of the CEAs before the end of cycle, then one or both of the CEAs may fail to insert on a trip signal. If only one CEA fails to insert when required, then the shutdown margin will be maintained, as this is an analyzed condition which is based on the highest worth CEA stuck out of the core. However, if both CEAs fail to insert on a trip signal, then the shutdown margin will not be maintained but the reactor will be subcritical. APS states that the reactor will be subcritical at hot, zero power by at least -5.6 percent delta k/k. The analysis performed by APS was performed for the two highest worth CEAs. Thus, for this case of the two CEAs failing to insert, the shutdown margin will not be maintained but the reactor will remain subcritical. We, therefore, conclude that of issue is acceptably addressed provided that APS takes extra precautions on a reactor trip or planned shutdown to ensure that both CEAs 27 and 41 are fully inserted and, in the event that both CEAs 27 and 41 fail to insert, to immediately initiate boration to reestablish the required shutdown margin.

2.3 If a reactor trip occurs and the two affected CEAs fail to insert, then an overcooling event occurring simultaneously would place the reactor in an unanalyzed condition. However, this accident would require a number of events to occur: (1) a reactor trip, (2) both CEAs 27 and 41 failing to insert, and (3) an overcooling event such as a stuck open atmospheric dump valve (ADV) or a main steamline break.

For the postulated stuck open ADV coincident with a reactor trip in which the highest worth CEA pair were to stick, APS stated that the return to criticality in such an event would occur in 28 minutes. The event would be terminated by closing the affected ADV, which APS estimates, could conservatively be accomplished by an operator within 20 minutes. Emergency boration in the event any CEA is not fully inserted following a reactor trip would eventually return the required shutdown margin. APS concluded that the cooldown could be terminated prior to a return to criticality for this event. The staff concurs with this assessment, and thus this issue is not significant.

APS also performed an analysis of the risk impact of the main steamline break accident and concluded that it would not significantly impact the incremental core damage risk incurred by suspending for 60 days testing of CEAs 27 and 41 per Surveillance Requirement 4.1.3.1.2. After reviewing the

referenced report, the staff finds that APS' conclusion provides supplemental support for a temporary relief from the surveillance requirement. The staff did not have access to APS' probabilistic risk assessment (PRA) upon which the total core damage frequency was based. Therefore, the assumptions of the PRA could not be reviewed, nor could the applicability of the data used in the analysis be verified. Nonetheless, the conclusion of the staff's independent analysis of risk impact was consistent with that of the licensee's. We, therefore, conclude that issue 3 is not significant provided that APS takes, as noted previously, extra precautions to ensure that CEAs 27 and 41 are fully in-serted and, if not, to immediately initiate boration to maintain the shut-down margin.

2.4 Based on the considerations discussed above, we conclude that CEAs 27 and 41 may be exempted from the testing required for the remainder of Cycle 2. However, we require that APS take extra precautions on a reactor trip or planned shutdown to ensure that both CEAs 27 and 41 are fully inserted and, in the event that both CEAs 27 and 41 fail to insert, to immediately initiate boration to reestablish the required shutdown margin.

3.0 FINAL NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION

In accordance with the requirements of 10 CFR 50.92, the licensee submitted an analysis of whether the changes involved no significant hazards consideration. The discussion of the analysis is as follows:

Standard 1. Involve a significant increase in the probability or consequences of an accident previously evaluated.

Accidents which have been previously evaluated are single CEA drop events, and a single stuck out CEA following any of the design basis events.

CEAs 27 and 41 are Shutdown Group B CEAs. The required safety function of these CEAs is to fully insert into the reactor core in response to a reactor trip signal. These CEAs are required to remain fully withdrawn during all times that the reactor is critical per Technical Specification Limiting Condition for Operation (LCO) 3.1.3.5. The only time that these CEAs are required to move other than in response to a reactor trip is during monthly CEA exercise testing per Technical Specification Surveillance Requirement 4.1.3.1.2.

The basis of this surveillance requirement is to demonstrate that all applicable CEAs are determined to be operable so that the CEA will insert into the core when required. All performances of this test to date conclusively show that CEAs 27 and 41 can perform the required safety function, that is CEAs 27 and 41 are not obstructed and will insert fully into the core if required.

The proposed change would exclude shutdown CEAs 27 and 41 from the testing required in Surveillance Requirement 4.1.3.1.2 for the duration of Cycle 2 operation (until restart from the second refueling outage). This change is requested because both CEAs 27 and 41 are exhibiting a

ground fault condition which can lead to CEA slips or drops when the CEA with the ground is exercised. By not exercising these CEAs, the probability of a spurious drop of any CEA will be reduced.

If CEAs 27 and 41 are exempted from testing per Surveillance Requirement 4.1.3.1.2, the probability of either of these CEAs becoming inoperable (stuck) is slightly increased. However, this slightly increased probability is offset by the following:

1. If any single CEA would not drop into the core when required, this condition is still within the bounds of the safety analyses. All analyses in which Shutdown CEA reactivity is critical require that the most reactive rod be assumed to remain stuck out (reference Section 15.0.3.3.3 of CESSAR Amendment 7).

2. In addition, the amount shutdown would not be affected by this change because it is determined considering a single malfunction resulting in the highest worth CEA failing to insert.

Thus, we conclude that there is no significant increase in the probability or consequences of an accident previously evaluated.

Standard 2. Create the possibility of a new or different kind of accident from any accident previously evaluated.

The accidents/events which would be considered new or different from those previously evaluated are multiple rod drop events and multiple stuck out rod events.

Dropped CEAs

CESSAR Section 15.4.3 Amendment 7 describes the analysis of one dropped CEA but multiple CEA drop events are not analyzed. The proposed change is requested for the duration of Unit 2 Cycle 2 operation to avoid unnecessary reactor trips and/or potential operation of the reactor outside the bounds of previously analyzed conditions.

Surveillance Requirement 4.1.3.1.2 requires that each full length CEA not fully inserted and each part length CEA which is inserted in the core shall be determined to be OPERABLE by movement of at least 5 inches in any one direction at least once per 31 days.

Previous experience at Palo Verde has shown that exercising CEAs with known ground faults can cause CEA slippage, and in some cases, multiple CEA slippage. Therefore, by excluding CEAs 27 and 41 from their required surveillance testing for the remainder of the cycle, the possibility of an accident of a different type than any previously evaluated in the FSAR will not be created.

Stuck CEA(s)

All analyses in which Shutdown CEA reactivity is crucial require that the most reactive rod be assumed to remain stuck out (reference Section 15.0.3.3.3 of CESSAR Amendment 7).

Exclusion of surveillance testing for CEAs 27 and 41, by itself, does not create the possibility of multiple stuck rods. All previous surveillance testing of these CEAs to date have shown them to be operable and free from obstructions. Futhermore, experience has shown that CEA obstructions. are more likely to occur near the beginning of the cycle after a refueling outage (as a result of maintenance activities) rather than the end of the cycle.

As such, this change does not create a new or different kind of accident.

Standard 3. Involve a significant reduction in a margin of safety.

All performances of this test to date conclusively show that CEAs 27 and 41 can be inserted into the core. If any single CEA would not drop into the core when required, this condition is still within the bounds of the Safety Analyses. There is sufficient scram reactivity to ensure subcriticality upon a reactor trip if no significant change in core temperature occurs and both CEA 27 and 41 are stuck out.

This shutdown margin could decrease if a significant overcooling event such as a steam line break occurs. However, the probability of a steam line break event in conjunction with CEAs 27 and 41 stuck is very small. A study of this probability showed that the incremental core damage risk incurred by suspending testing of two CEAs for a 90 day period is not significant. Even under a series of conservative modeling assumptions, the risk of even localized fuel damage is much less than 1 percent of the base case PRA core damage frequency for PVNGS.

Thus, we conclude that there is no significant reduction in a margin of safety.

Based on the above, the staff finds that the change does not involve a significant hazards consideration.

4.0 FINDING ON EXISTENCE OF EMERGENCY SITUATION

In their December 29, 1989 submittal, as supplemented January 3, 1990, the licensees explain that the technical justification in support of this proposed amendment was not available until the week prior to December 29. The situation was known as of October 14, 1989 when grounds were discovered on two CEA lower lift coils in Unit 2. At that time, however, a Justification for Continued Operation (JCO) was written to operate Unit 2 until the next refueling outage when the CEA grounds could be corrected. The JCO stated that APS would continue to perform CEA exercising on the grounded CEAs by shutting down the Unit to preclude the possibility of multiple CEA slips or drops occurring during power operation since no analysis of record existed to justify operation with the potential of

Now that technical justification based upon probabilistic risk assessment is available, the licensee contends that performance of the surveillance will necessitate unnecessary shutdowns. Furthermore, return to power following a shutdown would be delayed since the current core is nearly at the end of its operating cycle.

The staff has reviewed the submittals and concludes that since the previous surveillance test verified the operability of the CEAs, and that CEAs 27 and 41 are shutdown rods and are fully withdrawn during normal operation, failure to act in a timely manner would result in an unnecessary plant shutdown. Also, the licensee made a timely application for amendment after it determined the existence of adequate technical justification. Accordingly, the Commission granted a waiver of compliance from the surveillance requirement on January 5, 1990 and is issuing this amendment under the provisions of 10 CFR 50.91(a)(5).

5.0 CONTACT WITH STATE OFFICIAL

The Arizona Radiation Regulatory Agency was advised on January 5, 1990 of the proposed issuance of the amendment. No comments were received.

6.0 ENVIRONMENTAL CONSIDERATION

The amendment involves changes to surveillance requirements of facility components located within the restricted area as defined in 10 CFR Part 20. The staff has determined that the amendment involves no significant increase in the amount, and no significant change in the type, of any effluent that may be released offsite and that there is no significant increase in individual or cumulative occupational radiation exposure. Accordingly, the amendment meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b) no environ-mental impact statement or environmental assessment need to be prepared in connection with the issuance of the amendment.

7.0 CONCLUSION

The staff 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 amendment will not be inimical to the common defense and security or to the health and safety of the public. We, therefore, conclude that the proposed change is acceptable.

Principal Contributor: T. Chan

Dated: February 2, 1990

REFERENCES

1. Letter (Serial No. 161-02727-WFC/JRP) from William F. Conway (APS) to NRC, dated December 29, 1989.

2. Letter (Serial No. 161-02738-WFC/RAB) from William F. Conway (APS) to NRC, dated January 3, 1990.

3. Letter (PHX-89-1224) from J.C. Mosher (Combustion Engineering) to Edward C. Sterling (APS), dated May 1, 1989.