

Docket No.: 50-529

NOV 26 1985

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: PALO VERDE NUCLEAR GENERATING STATION, UNIT 2 DRAFT LICENSE

The staff is preparing a license for the Palo Verde Nuclear Generating Station, Unit 2. Enclosed is a draft copy of the license. It is being provided for your information, review and comment to insure that it accurately reflects the commitments required of you as described in the FSAR, SER and other documentation.

We request that you review the draft license and provide any comments in writing by November 27, 1985. Should you have any questions regarding this draft license, please contact the Palo Verde Unit 2 Project Manager, Ms. Marilyn Ley at (301) 492-7792.

Sincerely,

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

Enclosure:
Unit 2 Draft License

cc: See next page

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Mr. E. E. Van Brunt, Jr.
Arizona Nuclear Power Project

Palo Verde

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

DRAFT

ARIZONA PUBLIC SERVICE COMPANY
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*
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
DOCKET NO. STN 50-529
PALO VERDE NUCLEAR GENERATING STATION, UNIT 2
FACILITY OPERATING LICENSE

License No. NPF-46

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for license filed by Arizona Public Service Company, 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, and the Commission's regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Palo Verde Nuclear Generating Station, Unit 2 (facility) has been substantially completed in conformity with Construction Permit No. CPPR-142 and the application, as amended, the provisions of the Act and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);

*Los Angeles Department of Water and Power will be included as an owner in this license on the date it officially acquires an ownership interest in the facility which is expected to occur shortly after Palo Verde Nuclear Generating Station, Unit 1 achieves commercial operation.

- D. There is reasonable assurance: (i) that the activities authorized by this operating license 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 set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D below);
 - E. Arizona Public Service Company* is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and after considering available alternatives, the issuance of this Facility Operating License No. NPF-46, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings, the Initial Decision and the Order Dismissing Proceeding issued by the Atomic Safety and Licensing Board dated December 30, 1982, and July 22, 1985, respectively, and the Decision issued by the Atomic Safety and Licensing Appeal Board dated February 15, 1983 (ALAB-713), regarding this facility, Facility Operating License No. NPF-46 hereby issued to the Arizona Public Service Company, 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) to read as follows:

*Arizona Public Service Company is authorized to act as agent for 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 and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

- A. This license applies to the Palo Verde Nuclear Generating Station, Unit 2, a pressurized water reactor and associated equipment (facility) owned by the licensees. The facility is located on the licensees' site in Maricopa County, Arizona and is described in the licensees' Final Safety Analysis Report, as supplemented and amended; in the related CESSAR Final Safety Analysis Report, as supplemented and amended through Amendment No. 8; and in their Environmental Report, as supplemented and amended.
- B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
- (1) Pursuant to Section 103 of the Act and 10 CFR Part 50, Arizona Public Service Company, 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 to possess, and Arizona Public Service Company (APS) to use and operate the facility at the designated location in Maricopa County, Arizona, in accordance with the procedures and limitations set forth in this license;
 - (2) Pursuant to the Act and 10 CFR Part 70, APS to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the licensees' Final Safety Analysis Report, as supplemented and amended through Amendment No. 14 and the CESSAR Final Safety Analysis Report as supplemented and amended through Amendment No. 8;
 - (3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, APS to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - (4) Pursuant to the Act and 10 CFR Part 30, 40 and 70, APS to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - (5) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, APS to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

Arizona Public Service Company (APS) is authorized to operate the facility at reactor core power levels not in excess of 3800 megawatts thermal (100% power) in accordance with the conditions specified herein and in Attachment 1 to this license. The preoperational tests, startup tests and other items identified in Attachment 1 to this license shall be completed as specified. Attachment 1 is hereby incorporated into this license. Pending Commission approval, this license is restricted to power levels not to exceed 5 percent of full power (190 megawatts thermal).

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, both of which are attached hereto, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

This license is subject to the antitrust conditions delineated in Appendix C to this license.

(4) Operating Staff Experience Requirements (Section 13.1.2, SSER 9)

APS shall have a licensed senior operator on each shift who has had at least six months of hot operating experience on the same type of plant, including startup and shutdown experience and at least six weeks at power levels greater than 20% of full power.

(5) Initial Test Program (Section 14, SER and SSER 2)*

Any changes in the initial test program described in Section 14 of the FSARs (Palo Verde and CESSAR), made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

(6) Environmental Qualification (Section 3.11, and Appendix SSER 9

Prior to March 30, 1986, APS shall environmentally qualify the hydrogen recombiners according to the provisions of 10 CFR 50.49.

(7) Fire Protection Program (Section 9.5.1, SSER 6, SSER 7 and SSER 8)

- (a) 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 8, subject to provisions (b) & (c) below.
- (b) APS may make no change in features of the approved fire protection program which would significantly decrease the level of fire protection in the plant without prior approval of the Commission. To make such a change APS must submit an application for license amendment pursuant to 10 CFR 50.90.
- (c) APS may make changes to features of the approved fire protection program which do not significantly decrease the level of fire protection without prior Commission approval, provided:
 - (i) such changes do not otherwise involve a change in a license condition or technical specification or result in an unreviewed safety question (see 10 CFR 50.59), and
 - (ii) such changes do not result in failure to carry out the fire protection program approved by the Commission prior to license issuance.

APS shall maintain, in an auditable form, a current record of all such changes including an analysis of the effects of the change on the fire protection program and shall make such records available to NRC inspectors upon request. All changes to the approved program shall be reported to the Director of the Office of Nuclear Reactor Regulation with the FSAR revisions required by 10 CFR 50.71(e).

(8) Inservice Inspection Program (Sections 5.2.4 and 6.6, SER and SSER 9)

APS shall submit the inservice inspection program for Unit 2 for NRC review and approval within six months from the issuance date of this license.

- (9) Response to Salem ATWS Event (Section 7.2, SSER 7, and Section 1.11, SSER 8)

APS shall complete implementation of the requirements of Generic Letter 83-28 on a schedule which is consistent with that given in its letter dated April 19, 1985.

- (10) Supplement No. 1 to NUREG-0737 Requirements

APS shall complete the emergency response capabilities as required by Attachment 2.

- (11) Pressurizer Auxiliary Spray

To be established.

- (12) Post Accident Sampling System (Section 22.2, SSER 9)

Prior to exceeding five percent of full power, APS shall install and have operable a Post Accident Sampling System which meets the provisions of NUREG-0737 (II.B.3).

- D. (1) 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.
- (2) The facility requires a partial exemption from those portions of General Design Criterion 4 of Appendix A to 10 CFR Part 50 which require protection of structures, systems, and components against certain dynamic effects associated with postulated reactor coolant system pipe breaks. 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 was granted on November , 1985 pursuant to 10 CFR 50.12 for a period ending with the completion of the second refueling outage for PVNGS-2 or the adoption of the proposed rulemaking for modification of GDC 4 whichever occurs first. 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. APS shall fully implement and maintain in effect all provisions of the Commission approved physical security, guard training and qualification, and safeguards contingency plans, including all amendments and revisions made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). These approved plans, which contain Safeguards Information protected under 10 CFR 72.21, are entitled: "Palo Verde Nuclear Generating Station Security Plan," including a Chapter 8 contingency plan, and "Palo Verde Nuclear Generating Station Training and Qualification Plan." The Palo Verde Nuclear Generating Station Safeguards contingency Plan is integrated into the Physical Security Plan.
- 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 in accordance with the provisions of 10 CFR 50.72 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 2025.

FOR THE NUCLEAR REGULATORY COMMISSION

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosures:

- 1. Attachment 1
- 2. Attachment 2 -
Emergency Response Capabilities
- 3. Appendix A -
Technical Specifications
- 4. Appendix B -
Environmental Protection Plan
- 5. Appendix C -
Antitrust Conditions

Date of Issuance:

ATTACHMENT 1

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2
OPERATING LICENSE NPF-46

This attachment identifies items which must be completed to the NRC staff's satisfaction in accordance with the schedule identified below.

To be established.

ATTACHMENT 2

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2
OPERATING LICENSE NPF-46

EMERGENCY RESPONSE CAPABILITIES

APS shall complete the following requirements of NUREG-0737 Supplement No. 1 on the schedule noted below:

(a) Detailed Control Room Design Review

(b) HED corrections

To be established.