

September 27, 2002

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
P. O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT 1 - NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT RELATED TO REQUIRED SCOPE OF STEAM GENERATOR TUBE INSPECTION UNDER EXIGENT CIRCUMSTANCES (TAC NO. MB6378)

Dear Mr. Overbeck:

By your application dated September 26, 2002, you are requesting an amendment to Facility Operating License No. NPF-41 for Palo Verde Nuclear Generating Station (PVNGS), Unit 1. The proposed amendment would revise Technical Specification (TS) 5.5.9, "Steam Generator (SG) Tube Surveillance Program," to clearly delineate the scope of the tube inspection required in the SG tubesheet region. TS 5.5.9 is in Section 5 of the Administration Controls of the TSs. You state that the basis for the proposed amendment is Westinghouse WCAP-15947, "NDE Inspection Strategy For the Tubesheet Region in PVNGS Unit 1," Revision 0, and submitted proprietary and non-proprietary versions of the report with your application.

Because you state that the amendment needs to be approved before PVNGS, Unit 1 can enter Mode 4 (currently scheduled for October 26, 2002), when the TSs require that the Unit 1 SGs are operable in the restart from the October 2002 refueling outage, you have requested that the amendment request be reviewed on an exigent basis, with less than the normal 30-day public comment period before issuance of an amendment, in accordance with 10 CFR 50.91(a)(6). You state that the Westinghouse report could not be obtained in time to avoid exigent circumstances. Based on our review of your application, we conclude that the amendment will be reviewed by the staff on an exigent basis, but that we will allow the longest possible public comment period for the amendment.

A copy of the enclosed Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing will be published in the *Federal Register*.

G. Overbeck

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If you have any questions concerning this letter, please contact me at 301-415-1307 or, through the internet, at jnd@nrc.gov.

Sincerely,

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. STN 50-528

Enclosure: Notice of Consideration of Issuance
of Amendment

cc w/encl: See next page

G. Overbeck

- 2 -

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NRR-106

OFFICE	PDIV-2/PM	PDIV-1/LA	PDIV-2/SC
NAME	JDonohew	MMcAllister	SDembek
DATE	9/27/02	9/27/02	9/27/02

OFFICIAL RECORD COPY

Palo Verde Generating Station, Units 1, 2, and 3

cc:

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UNITED STATES NUCLEAR REGULATORY COMMISSION

ARIZONA PUBLIC SERVICE COMPANY

DOCKET NO. 50-528

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-41, issued to Arizona Public Service Company (the licensee), for operation of the Palo Verde Nuclear Generating Station (PVNGS), Unit 1, located in Maricopa County, Arizona.

The proposed amendment would revise item a.10, definition of steam generator (SG) tube inspection, in Section 5.5.9.4, "Acceptance Criteria," of Technical Specification (TS) 5.5.9, "Steam Generator (SG) Tube Surveillance Program," which is in the administrative controls section of the plant TSs. The proposed amendment would revise the scope of the required inspection of the tube in the SG tubesheet region. The amendment is based on the Westinghouse report, WCAP-15947, "NDE Inspection Strategy For the Tubesheet Region in PVNGS Unit 1," Revision 0. A proprietary and non-proprietary version of the report was submitted with the licensee's application.

In the application, the licensee stated that the amendment is needed before PVNGS, Unit 1 could enter Mode 4, when the TSs require that the Unit 1 SGs are operable in the restart from the October 2002 refueling outage, which begins September 28, 2002. The licensee stated that the Westinghouse WCAP-15947 report, which is the basis for the proposed

amendment, could not be completed in time to avoid the exigent circumstances. The licensee stated that entry into Mode 4 is currently scheduled for October 26, 2002.

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.

Pursuant to Section 50.91(1)(6) of Title 10 of the *Code of Federal Regulations* (10 CFR) for amendments to be granted under exigent circumstances, the NRC staff must determine that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration in its application, which is presented below:

1. Does the proposed change involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No.

Arizona Public Service Company (APS) proposes to modify Palo Verde Nuclear Generating Station (PVNGS) Technical Specifications for Unit 1 to define the SG tube inspection scope. The PVNGS Unit 1 specific analysis takes into account the reinforcing effect the tubesheet has on the external surface of an expanded SG tube. Tube-bundle integrity will not be adversely affected by the implementation of the revised tube inspection scope. SG tube burst or collapse cannot occur within the confines of the tubesheet; therefore, the tube burst and collapse criteria of NRC Regulatory Guide (RG) 1.121 (Bases for Plugging Degraded PWR Steam Generator Tubes) are inherently met. Any degradation below the TEA [Tube Engagement Area] length is shown by analyses and test results to be acceptable, thereby precluding an event with consequences similar to a postulated tube rupture event.

Tube burst is precluded for cracks within the tubesheet by the constraint provided by the tubesheet. Thus, structural integrity is maintained by the tubesheet constraint. However, a 360-degree circumferential crack or many axially oriented cracks could permit severing of the tube and tube pullout from the tubesheet under the axial forces on the tube from primary to secondary pressure differentials. Testing was performed to define the length of non-degraded tubing that is sufficient to compensate for the axial forces on the tube and thus prevent pullout. This proposed amendment would encompass that length of non-degraded tubing for inspection.

In conclusion, incorporation of the revised inspection scope into PVNGS Unit 1 Technical Specifications maintains existing design limits and therefore, the proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed change create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No.

Tube-bundle integrity is expected to be maintained during all plant conditions upon implementation of the proposed tube inspection scope. Use of this scope does not introduce a new mechanism that would result in a different kind of accident from those previously analyzed. Even with the limiting circumstances of a complete circumferential separation of a tube occurring below the TEA length, SG tube pullout is precluded and leakage is predicted to be maintained within the Updated Final Safety Analysis Report limits during all plant conditions.

Therefore, the proposed change does not create the possibility of a new or different kind of accident from any accident previously.

3. Does the proposed change involve a significant reduction in a margin of safety?

Response: No.

Upon implementation of the revised inspection scope, operation with potential cracking below the Inspection Extent length in the expansion region of the SG tubing meets the margin of safety as defined by RG 1.121 and RG 1.83 (Inservice Inspection of Pressurized Water Reactor Steam Generator Tubes) and the requirements of General Design Criteria 14, 15, 31, and 32 of 10 CFR 50. Accordingly, the proposed change does not involve a significant reduction in a margin of safety.

Based on the above evaluation, APS [Arizona Public Service] concludes that the proposed amendment presents no significant hazards consideration under the standards set forth in 10 CFR 50.92(c), and accordingly, a finding of "no significant hazards consideration" is justified.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received by close of business October 25, 2002, will be considered in making any final determination. The licensee is currently scheduling the entry of Unit 1 into Mode 4 for October 26, 2002, and requested in its application that NRC approve the amendment by October 24, 2002. However, by allowing for comments through October 25, 2002, the NRC will maximize the public comment period for the proposed amendment, and should provide a minimum of a 21-day notice period. The actual date that this notice is published in the FEDERAL REGISTER may allow for a slightly longer comment period.

Normally, the Commission will not issue the amendment until the expiration of the 21-day notice period. However, should circumstances change during the notice period, such that failure to act in a timely way would result, for example, in derating or the shutdown of the facility, or in preventing the facility from restarting from an outage, the Commission may issue the license amendment before the expiration of the notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By November 4, 2002, 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 2.714,¹ which is available at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and available electronically on the Internet at the NRC Web site

¹ The most recent version of Title 10 of the Code of Federal Regulations, published January 1, 2002, inadvertently omitted the last sentence of 10 CFR 2.714(d) and subparagraphs (d)(1) and (2), regarding petitions to intervene and contentions. Those provisions are extant and still applicable to petitions to intervene. Those provisions are as follows: "In all other circumstances, such ruling body or officer shall, in ruling on-

- (1) A petition for leave to intervene or a request for hearing, consider the following factors, among other things:
 - (i) The nature of the petitioner's right under the Act to be made a party to the proceeding.
 - (ii) The nature and extent of the petitioner's property, financial, or other interest in the proceeding.
 - (iii) The possible effect of any order that may be entered in the proceeding on the petitioner's interest .
- (2) The admissibility of a contention, refuse to admit a contention if:
 - (i) The contention and supporting material fail to satisfy the requirements of paragraph (b)(2) of this section; or
 - (ii) The contention, if proven, would be of no consequence in the proceeding because it would not entitle petitioner to relief."

<http://www.nrc.gov/reading-rm/doc-collections/cfr/>. 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.

If the amendment is issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

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: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, by the above date. Because of continuing disruptions in delivery of mail to United States Government offices, it is requested that petitions for leave to intervene and requests for hearing be transmitted to the Secretary of the Commission either by means of facsimile transmission to 301-415-1101 or by e-mail to hearingdocket@nrc.gov. A copy of the request for hearing and petition for leave to intervene should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and because of continuing disruptions in delivery of mail to United States Government offices, it is requested that copies be transmitted either by means of facsimile transmission to 301-415-3725 or by e-mail to OGCMailCenter@nrc.gov. A copy of the request for hearing and petition for leave to intervene should also be sent 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).

For further details with respect to this action, see the application for amendment dated September 26, 2002, which is available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC web site <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the

documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 27th day of September 2002.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation