



Palo Verde Nuclear
Generating Station

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10 CFR 50.90

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102-04926-GRO/TNW/RJR
April 15, 2003

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station P1-37
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528/529/530
License Amendment Request to Technical
Specifications 2.2, "Safety Limit Violations," 5.2,
"Organization," and 5.5, "Programs and Manuals"**

Pursuant to 10 CFR 50.90, Arizona Public Service Company (APS) hereby requests an amendment to Technical Specification (TS) Sections 2.2, "Safety Limit Violations," 5.2, "Organization," and 5.5, "Programs and Manuals," for the Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2 and 3. The proposed change is necessary due to the elimination of the positions of Vice President, Nuclear Production and Director, Site Chemistry.

In accordance with the PVNGS Quality Assurance Program, the Plant Review Board and the Offsite Safety Review Committee have reviewed and concurred with this proposed amendment. By copy of this letter, this submittal is being forwarded to the Arizona Radiation Regulatory Agency (ARRA) pursuant to 10CFR 50.91(b)(1).

No commitments are being made to the NRC by this letter.

Should you have any questions, please contact Thomas N. Weber at (623) 393-5764.

Sincerely,

David Mauldin
for G.R. Overbeck

GRO/TNW/RJR/kg

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License Amendment Request to Technical Specifications 2.2, "Safety Limit
Violations," 5.2, "Organization," and 5.5, "Programs and Manuals"

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Enclosures:

1. Notarized Affidavit
2. Evaluation of the proposed license amendment request

Attachments:

1. Proposed Technical Specification changes (mark-up)
2. Proposed Technical Specification changes (retyped)

cc: E. W. Merschoff (w/attachments)
J. N. Donohew (w/attachments)
N. L. Salgado (w/attachments)
A. V. Godwin (w/attachments)

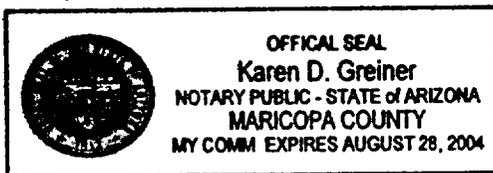
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

I, David Mauldin, represent that I am Vice President Nuclear Engineering and Support, Arizona Public Service Company (APS), that the foregoing document has been signed by me on behalf of APS with full authority to do so, and that to the best of my knowledge and belief, the statements made therein are true and correct.

David Mauldin
David Mauldin

Sworn To Before Me This 16th Day Of April, 2003.
15th KEG

Karen D. Greiner
Notary Public



Notary Commission Stamp

ENCLOSURE 2

**Evaluation of Proposed License Amendment Request to
Technical Specifications 2.2, "Safety Limit Violations,"
5.2, "Organization," and 5.5, "Programs and Manuals"**

Evaluation of Proposed License Amendment Request to Technical Specifications 2.2, "Safety Limit Violations," 5.2, "Organization," and 5.5, "Programs and Manuals"

1.0 DESCRIPTION

This letter is a license amendment request (LAR) to change Operating Licenses NPF-41, NPF-51, and NPF-74 for Palo Verde Nuclear Generating Station Units 1, 2, and 3.

This LAR would revise Technical Specifications (TS) Sections 2.2, "Safety Limit (SL) Violations," 5.2, "Organization," and 5.5, "Programs and Manuals," for the Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2 and 3. The proposed LAR will revise the organizational structure of PVNGS management due to the elimination of the positions of Vice President, Nuclear Production and Director, Site Chemistry and the redistribution of responsibilities.

There is also one minor editorial change moving a Section header.

2.0 PROPOSED CHANGE

The proposed license amendment request (LAR) would replace the position of Vice President, Nuclear Production in TSs 2.2.4 and 2.2.5, with Senior Vice President, Nuclear for the notification of SL violations and Licensee Event Reports as well as in TS 5.2.1b for the responsibility of overall safe operation of PVNGS. The Director, Site Chemistry will be replaced with Director Radiation Protection in TS 5.5.1b for approving changes to the Offsite Dose Calculation Manual.

The proposed TS changes are administrative in nature and needed to allow continued organizational flexibility by eliminating the positions of Vice President, Nuclear Production and Director, Site Chemistry.

3.0 BACKGROUND

On December 5, 2002, organizational changes were made at PVNGS due to the retirement of a number of personnel including one Vice President. These retirements resulted in the Senior Vice President, Nuclear assuming the current duties and responsibilities of the retiring Vice President, Nuclear Production. This change included the elimination of the Director, Site Chemistry position. The responsibility for the Offsite Dose Calculation Manual (ODCM) was moved from Site Chemistry to the Radiation Protection organization. The Director, Radiation Protection will be responsible for approving Licensee identified changes to the ODCM. Appropriate subordinate personnel are also being reassigned.

4.0 TECHNICAL ANALYSIS

The changes proposed in this license amendment request (LAR) are administrative in nature. They are not the result of, nor do they result in, any physical change in the PVNGS units, operating philosophies, methodologies, or changes in culture. The proposed LAR reflects changes in responsibilities and additional functions of certain members of the PVNGS management team. These changes are a result of the early retirement of certain management team members and the re-assignment of duties and responsibilities from other eliminated positions.

The changes proposed in this LAR are administrative in nature and are the result of deliberate thoughtful changes in the PVNGS organization. They will not affect plant structures, systems or components, nor will they reduce programmatic controls such that plant safety would be affected. Therefore, safe operation of the PVNGS units will not be degraded by these changes.

5.0 REGULATORY SAFETY ANALYSIS

5.1 No Significant Hazards Consideration

Arizona Public Service has evaluated whether or not a significant hazards consideration is involved with the proposed amendment(s) by focusing on the three standards set forth in 10 CFR 50.92, "Issuance of Amendment," as discussed below:

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

No. The proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

These changes involve minor changes in the organization of PVNGS. It is expected that the organizational changes will have a positive effect on the conduct of plant operations and safety-related work. Functions which are necessary to operate the facility safely and in accordance with the operating licenses, remain in the re-aligned organization and will not affect the safe operation of the plant and continue to ensure proper control of administrative activities. The Quality Assurance organization reporting structure has not been affected by these changes allowing the QA organization to maintain the required authority and organizational freedom to identify quality problems; to initiate, recommend, or provide solutions; and to verify implementation of solutions. The proposed changes will not affect the operation of structures, systems and components, and will not reduce programmatic controls such that plant safety would be affected.

Therefore, the proposed changes do 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?

No. The proposed amendment does not create the possibility of a new or different kind of accident from any accident previously evaluated.

The proposed changes will not affect the operation of structures, systems and components, and will not reduce programmatic controls such that plant safety would be affected. The changes in the organization will continue to provide necessary oversight and control of administrative processes. Therefore, the proposed changes do not create the possibility of a new or different kind of accident from any previously evaluated.

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

No. The proposed amendment does not involve a significant reduction in a margin of safety.

These changes are administrative and will not diminish any organizational or administrative controls currently in place. The proposed changes will not affect the operation of structures, systems and components, and will not reduce programmatic controls such that plant safety would be affected. Therefore, the proposed changes do not involve a significant reduction in a margin of safety.

Based on the above, APS concludes that the activities associated with the proposed amendment(s) present no significant hazards consideration under the standards set forth in 10 CFR 50.92 "Issuance of Amendment," (c) and, accordingly, a finding of "no significant hazards consideration" is justified.

5.2 Applicable Regulatory Requirements/Criteria

10 CFR 50 Appendix B, I. Organization

10 CFR 50, Appendix B, I. Organization, states in part... "The authority and duties of persons and organizations performing activities affecting the safety-related functions of structures, systems, and components shall be clearly established and delineated in writing. These activities include both the performing functions of attaining quality objectives and the quality assurance functions. The quality assurance functions are those of (a) assuring that an appropriate quality assurance program is established and effectively executed and (b) verifying, such as by checking, auditing, and inspection, that activities

affecting the safety-related functions have been correctly performed. The persons and organizations performing quality assurance functions shall have sufficient authority and organizational freedom to identify quality problems; to initiate, recommend, or provide solutions; and to verify implementation of solutions. Such persons and organizations performing quality assurance functions shall report to a management level such that this required authority and organizational freedom, including sufficient independence from cost and schedule when opposed to safety considerations, are provided. Because of the many variables involved, such as the number of personnel, the type of activity being performed, and the location or locations where activities are performed, the organizational structure for executing the quality assurance program may take various forms provided that the persons and organizations assigned the quality assurance functions have this required authority and organizational freedom. Irrespective of the organizational structure, the individual(s) assigned the responsibility for assuring effective execution of any portion of the quality assurance program at any location where activities subject to this appendix are being performed shall have direct access to such levels of management as may be necessary to perform this function.”

The changes proposed in this license amendment request (LAR) eliminate one level of management between the line organization and the Senior Vice President, Nuclear. However, the Quality Assurance organization reporting structure has not been affected by these changes allowing the QA organization to maintain the required authority and organizational freedom to identify quality problems; to initiate, recommend, or provide solutions; and to verify implementation of solutions.

In conclusion there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner. There is also reasonable assurance that such activities will be conducted in compliance with the Commission’s regulations, and that the issuance of the proposed amendment will not be inimical to the common defense and security or to the health and safety of the public.

6.0 ENVIRONMENTAL CONSIDERATION

APS has determined that the proposed amendment involves no changes in the amount or type of effluent that may be released offsite, and results in no increase in individual or cumulative occupational radiation exposure. As described above, the proposed TS amendment involves no significant hazards consideration and, as such, meets the eligibility criteria for categorical exclusion set forth in Section (c)(9) of 10 CFR 51.22 “Criterion for Categorical Exclusion.”

7.0 REFERENCES

None

Marked-up Technical Specifications Pages

Units 1, 2, and 3: Pages 2.0-1, 2.0-2, 5.2-1, 5.5-1

2.0 SAFETY LIMITS (SLs)

2.1 SLs

2.1.1 Reactor Core SLs

2.1.1.1 In MODES 1 and 2, Departure from Nucleate Boiling Ratio (DNBR) shall be maintained as follows:

≥ 1.3 (through operating cycle 10)

≥ 1.34 (operating cycle 11 and later)

2.1.1.2 In MODES 1 and 2, the peak Linear Heat Rate (LHR) (adjusted for fuel rod dynamics) shall be maintained at ≤ 21.0 kW/ft.

2.1.2 Reactor Coolant System (RCS) Pressure SL

In MODES 1, 2, 3, 4, and 5, the RCS pressure shall be maintained at ≤ 2750 psia.

2.2 SL Violations

2.2.1 If SL 2.1.1.1 or SL 2.1.1.2 is violated, restore compliance and be in MODE 3 within 1 hour.

2.2.2 If SL 2.1.2 is violated:

2.2.2.1 In MODE 1 or 2, restore compliance and be in MODE 3 within 1 hour.

2.2.2.2 In MODE 3, 4, or 5, restore compliance within 5 minutes.

2.2.3 Within 1 hour, notify the NRC Operations Center, in accordance with 10 CFR 50.72.

2.2.4 Within 24 hours, notify the Director, Operations and Vice President, Nuclear Production ⁿ

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2.0 SLs

2.2.5 Within 30 days of the violation, a Licensee Event Report (LER) shall be prepared pursuant to 10 CFR 50.73. The LER shall be submitted to the NRC and the Director, Operations and Vice President, Nuclear Production 2.2 SL Violations (continued) the Senior

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2.2.6 Operation of the unit shall not be resumed until authorized by the NRC.

5.0 ADMINISTRATIVE CONTROLS

5.2 Organization

5.2.1 Onsite and Offsite Organizations

Onsite and offsite organizations shall be established for unit operation and corporate management, respectively. The onsite and offsite organizations shall include the positions for activities affecting safety of the nuclear power plant.

- a. Lines of authority, responsibility, and communication shall be defined and established throughout highest management levels, intermediate levels, and all operating organization positions. These relationships shall be documented and updated, as appropriate, in organization charts, functional descriptions of departmental responsibilities and relationships, and job descriptions for key personnel positions, or in equivalent forms of documentation. These requirements shall be documented in the UFSAR;
- b. The Senior Vice President, Nuclear Production shall be responsible for overall safe operation of the plant and shall have control over those onsite activities necessary for safe operation and maintenance of the plant;
- c. The Senior Vice President, Nuclear shall have corporate responsibility for overall plant nuclear safety and shall take any measures needed to ensure acceptable performance of the staff in operating, maintaining, and providing technical support to the plant to ensure nuclear safety; and
- d. The individuals who train the operating staff, carry out health physics, or perform quality assurance functions may report to the appropriate onsite manager; however, these individuals shall have sufficient organizational freedom to ensure their independence from operating pressures.

5.2.2 Unit Staff

The unit staff organization shall include the following:

- a. A non-licensed operator shall be assigned to each reactor containing fuel and an additional non-licensed operator

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5.0 ADMINISTRATIVE CONTROLS

5.5 Programs and Manuals

The following programs shall be established, implemented, and maintained.

5.5.1 Offsite Dose Calculation Manual (ODCM)

- a. The ODCM shall contain the methodology and parameters used in the calculation of offsite doses resulting from radioactive gaseous and liquid effluents, in the calculation of gaseous and liquid effluent monitoring alarm and trip setpoints, and in the conduct of the radiological environmental monitoring program; and
- b. The ODCM shall also contain the radioactive effluent controls and radiological environmental monitoring activities and descriptions of the information that should be included in the Annual Radiological Environmental Operating, and Radioactive Effluent Release Reports required by Specification 5.6.2 and Specification 5.6.3.

Licensee initiated changes to the ODCM:

- a. Shall be documented and records of reviews performed shall be retained. This documentation shall contain:
 1. Sufficient information to support the change(s) together with the appropriate analyses or evaluations justifying the change(s).
 2. A determination that the change(s) maintain the levels of radioactive effluent control required by 10 CFR 20.1302, 40 CFR 190, 10 CFR 50.36a, and 10 CFR 50, Appendix I, and not adversely impact the accuracy or reliability of effluent, dose, or setpoint calculations;
- b. Shall become effective after the approval of the Director, ~~Site Chemistry, and~~ Radiation Protection
- c. Shall be submitted to the NRC in the form of a complete, legible copy of the entire ODCM as a part of or concurrent with the Radioactive Effluent Release Report for the period of the report in which any change in the ODCM was made. Each change shall be identified by markings in the margin of

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Retyped Technical Specifications Pages

Units 1, 2, and 3: Pages 2.0-1, 2.0-2, 5.2-1, 5.5-1

2.0 SAFETY LIMITS (SLs)

2.1 SLs

2.1.1 Reactor Core SLs

2.1.1.1 In MODES 1 and 2, Departure from Nucleate Boiling Ratio (DNBR) shall be maintained as follows:

≥ 1.3 (through operating cycle 10)

≥ 1.34 (operating cycle 11 and later)

2.1.1.2 In MODES 1 and 2, the peak fuel centerline temperature shall be maintained < 5080°F (decreasing by 58°F per 10,000 MWD/MTU for burnup and adjusting for burnable poisons per CENPD-382-P-A).

2.1.2 Reactor Coolant System (RCS) Pressure SL

In MODES 1, 2, 3, 4, and 5, the RCS pressure shall be maintained at ≤ 2750 psia.

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2.2.2.1 In MODE 1 or 2, restore compliance and be in MODE 3 within 1 hour.

2.2.2.2 In MODE 3, 4, or 5, restore compliance within 5 minutes.

2.2.3 Within 1 hour, notify the NRC Operations Center, in accordance with 10 CFR 50.72.

2.2.4 Within 24 hours, notify the Director, Operations and the Senior Vice President, Nuclear.

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2.0 SLs

2.2 SL Violations (continued)

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2.2.6 Operation of the unit shall not be resumed until authorized by the NRC.

5.0 ADMINISTRATIVE CONTROLS

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- b. The Senior Vice President, Nuclear shall be responsible for overall safe operation of the plant and shall have control over those onsite activities necessary for safe operation and maintenance of the plant;
- c. The Senior Vice President, Nuclear shall have corporate responsibility for overall plant nuclear safety and shall take any measures needed to ensure acceptable performance of the staff in operating, maintaining, and providing technical support to the plant to ensure nuclear safety; and
- d. The individuals who train the operating staff, carry out health physics, or perform quality assurance functions may report to the appropriate onsite manager; however, these individuals shall have sufficient organizational freedom to ensure their independence from operating pressures.

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- b. The ODCM shall also contain the radioactive effluent controls and radiological environmental monitoring activities and descriptions of the information that should be included in the Annual Radiological Environmental Operating, and Radioactive Effluent Release Reports required by Specification 5.6.2 and Specification 5.6.3.

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 2. A determination that the change(s) maintain the levels of radioactive effluent control required by 10 CFR 20.1302, 40 CFR 190, 10 CFR 50.36a, and 10 CFR 50, Appendix I, and not adversely impact the accuracy or reliability of effluent, dose, or setpoint calculations;
- b. Shall become effective after the approval of the Director, Radiation Protection; and
- c. Shall be submitted to the NRC in the form of a complete, legible copy of the entire ODCM as a part of or concurrent with the Radioactive Effluent Release Report for the period of the report in which any change in the ODCM was made. Each change shall be identified by markings in the margin of

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