

August 13, 2003

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, UNITS 1, 2, AND 3 -
ISSUANCE OF AMENDMENTS RE: REVISE TECHNICAL SPECIFICATION 5.3,
UNIT STAFF QUALIFICATIONS (TAC NOS. MB8766, MB8767, MB8768)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 148 to Facility Operating License No. NPF-41, Amendment No. 148 to Facility Operating License No. NPF-51, and Amendment No. 148 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, respectively. The amendments consist of changes to the Technical Specifications (TSs) in response to your application dated April 25, 2003.

The amendments revise Section 5.3, "Unit Staff Qualifications," of the TSs to state new education and experience eligibility requirements for operator license applicants. As stated in the letter dated April 25, 2003, the new requirements are outlined by the National Academy for Nuclear Training in its "Guidelines for Initial Training and Qualification of Licensed Operators," which were issued January 2000.

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,

/RA/

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

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

Enclosures: 1. Amendment No. 148 to NPF-41
2. Amendment No. 148 to NPF-51
3. Amendment No. 148 to NPF-74
4. Safety Evaluation

cc w/encls: See next page

August 13, 2003

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, UNITS 1, 2, AND 3 -
ISSUANCE OF AMENDMENTS RE: REVISE TECHNICAL SPECIFICATION 5.3,
UNIT STAFF QUALIFICATIONS (TAC NOS. MB8766, MB8767, MB8768)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 148 to Facility Operating License No. NPF-41, Amendment No. 148 to Facility Operating License No. NPF-51, and Amendment No. 148 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, respectively. The amendments consist of changes to the Technical Specifications (TSs) in response to your application dated April 25, 2003.

The amendments revise Section 5.3, "Unit Staff Qualifications," of the TSs to state new education and experience eligibility requirements for operator license applicants. As stated in the letter dated April 25, 2003, the new requirements are outlined by the National Academy for Nuclear Training in its "Guidelines for Initial Training and Qualification of Licensed Operators," which were issued January 2000.

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,

/RA/

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

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

- Enclosures:
1. Amendment No. 148 to NPF-41
 2. Amendment No. 148 to NPF-51
 3. Amendment No. 148 to NPF-74
 4. Safety Evaluation

cc w/encls: See next page

DISTRIBUTION:

PUBLIC GHill (6)
PDIV-2 Reading
RidsNrrDlpmLpdiv (HBerkow)
RidsNrrPMJDonohew
RidsNrrLAMMcAllister
DDuvigneaud (PDIV-2)
RidsRgn4MailCenter (AHowell)
RidsNrrDrip (TBoyce)
RidsAcrsAcnwMailCenter
RidsOgcRp

* See previous concurrence

PKG: ML03227042

TS Page: ML032300178

ADAMS Accession No.: ML032270377

NRR-100

NRR-058

OFFICE	PDIV-2/PM	PDIV-1/LA	PDIV-2/INT	DIPM/SC	OGC	PDIV-2/SC
NAME	JDonohew	MMcAllister	DDuvigneaud*	DTrimble*	SCole	SDembek*
DATE	8/13/03	8/13/03	07/31/03	07/31/03	08/06/03	08/11/03

DOCUMENT NAME: C:\ADAMS\Cache\ML0322703770.wpd

OFFICIAL RECORD COPY

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.148
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 April 25, 2003, 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, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-41 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. 148, 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, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 90 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: August 13, 2003

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-529

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 148
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 April 25, 2003, 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, the license is amended by changes to the Technical Specifications as indicated in the attachment 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. 148, 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, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 90 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: August 13, 2003

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-530

PALO VERDE NUCLEAR GENERATING STATION, UNIT 3

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 148
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 April 25, 2003, 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, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-74 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. 148, 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, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 90 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: August 13, 2003

ATTACHMENT TO LICENSE AMENDMENT NOS. 148, 148, AND 148

FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74

DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

Replace the following page of the Appendix A Technical Specifications with the attached revised page. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

REMOVE

5.3-1

INSERT

5.3-1

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 148 TO FACILITY OPERATING LICENSE NO. NPF-41,
AMENDMENT NO. 148 TO FACILITY OPERATING LICENSE NO. NPF-51,
AMENDMENT NO. 148 TO FACILITY OPERATING LICENSE NO. NPF-74
ARIZONA PUBLIC SERVICE COMPANY, ET AL.
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

1.0 INTRODUCTION

By application dated April 25, 2003, Arizona Public Service Company (the licensee), requested changes to the Technical Specifications (TSs) for Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The amendments would revise Specification 5.3.1 in Section 5.3, "Unit Staff Qualifications," of the TSs, and add a new Specification 5.3.2. Specification 5.3.1 states the qualifications of the unit staff. The revision would state that there is an exception for operator license applicants and the new specification would provide the requirements for these applicants. Only the qualification of operator license applicants are being changed. Because a new specification would be added, the existing Specification 5.3.2 would also be renumbered 5.3.3.

2.0 REGULATORY EVALUATION

On March 20, 1985, the NRC issued the Commission Policy Statement on Training and Qualification of Nuclear Power Plant Personnel (50 FR 11147) which endorsed the training accreditation process developed by the Institute of Nuclear Power Operations (INPO) and the National Academy for Nuclear Training (NANT). In Generic Letter 87-07, "Information Transmittal of Final Rulemaking for Revisions to Operator Licensing - 10 CFR 55 and Conforming Amendments," dated March 19, 1987, and in NUREG-1262, "Answers to Questions at Public Meetings Regarding Implementation of Title 10, Code of Federal Regulations, Part 55 on Operators' Licenses," published November 1987, the NRC indicated it would accept a facility's licensed operator training program if the facility certified in writing that the program was accredited and based on a systems approach to training. This certification would supersede the requirements of ANSI N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel," and ANSI/ANS-3.1-1978, "Selection, Qualification and Training of Personnel for Nuclear Power Plants." Facility licensees were advised to submit a request to the NRC for an administrative change to its licensing documents to revise or delete, as appropriate, the requirements that had been superseded.

On January 18, 2001, the NRC published Regulatory Issue Summary (RIS) 2001-01, "Eligibility of Operator License Applicants," to familiarize licensees with the NRC's current guidelines for

the qualification and training of reactor operator and senior operator license applicants. RIS 2001-01 acknowledged that 10 CFR 55.31(a)(4) allows the NRC to accept an application for an operator's license if the facility licensee certifies that the applicant has successfully completed a Commission-approved training program that is based on a systems approach to training. RIS 2001-01 stated in part that the NANT guidelines for education and experience (those in effect in 1987 or those issued in January 2000) outline acceptable methods for implementing the Commission's regulations for the qualification and training of reactor operator and senior operator license applicants.

3.0 TECHNICAL EVALUATION

The licensee proposes to change Palo Verde TS Section 5.3, "Unit Staff Qualification," in the following way:

1. Specification 5.3.1 will be revised to add the statement "with the exception of operator license applicants." TS 5.3.1 states qualifications for the unit staff in which operator license applicants are exempt. The following new specification will provide the requirements for these applicants. Therefore, the NRC staff concludes that this change is acceptable, because it is administrative in nature.
2. A new TS 5.3.2 will be added. This is to update requirements that had been outdated based on licensed operator training programs being accredited by the INPO and promulgation of the revised 10 CFR Part 55, "Operators' Licenses." TS Section 5.3 describes the requirements for unit staff qualifications. These changes conform to the current requirements of 10 CFR Part 55. The TS requirements for all other unit staff qualifications remain unchanged.

The licensee stated in its letter of April 25, 2003, that the proposed new requirements are outlined by the NANT in its "Guidelines for Initial Training and Qualification of Licensed Operators," which were issued January 2000. In RIS 2001-01, the Commission stated that these guidelines were an acceptable method for implementing the Commission's regulations for the qualification and training of reactor operator and senior operator license applicants.

The NRC staff concludes that the revised qualification requirements in TS Section 5.3 are adequate as they conform with the reactor operator and senior reactor operator license eligibility criteria and standards acceptable to the NRC, as discussed in Section 2.0 above. In addition, the changes will not affect the 10 CFR 50.36(c)(5) requirement to ensure the licensee maintains administrative controls that assure the operation of the facility in a safe manner by properly qualified licensed operators.

Based on the above discussion, the NRC staff concludes that the proposed revision to TS Section 5.3 is consistent with 10 CFR Part 55 and does not adversely affect nuclear safety or plant operations. Therefore, the staff also concludes that the proposed amendment is acceptable.

3. The current TS 5.3.2, will be renumbered to 5.3.3. This is due to the addition of the new TS, stated above, which will precede the current TS 5.3.2 and be given that title.

Because this change is administrative in nature and does not change any unit staff qualification requirements, the NRC staff concludes that the change is acceptable.

4.0 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.

5.0 ENVIRONMENTAL CONSIDERATION

The amendments relate to changes in recordkeeping, reporting, or administrative procedures or requirements. The Commission has previously issued a proposed finding that the amendments involve no significant hazards consideration, and there has been no public comment on such finding (68 FR 34662 dated June 10, 2003). Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(10). 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.

6.0 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: DyLanne Duvigneaud

Date: August 13, 2003

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

cc:

Mr. Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Douglas Kent Porter
Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, CA 91770

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 40
Buckeye, AZ 85326

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavillion
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Chairman
Maricopa County Board of Supervisors
301 W. Jefferson, 10th Floor
Phoenix, AZ 85003

Mr. Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, AZ 85040

Mr. Craig K. Seaman, Director
Regulatory Affairs/Nuclear Assurance
Palo Verde Nuclear Generating Station
P.O. Box 52034
Phoenix, AZ 85072-2034

Mr. Hector R. Puente
Vice President, Power Generation
El Paso Electric Company
2702 N. Third Street, Suite 3040
Phoenix, AZ 85004

Mr. John Taylor
Public Service Company of New Mexico
2401 Aztec NE, MS Z110
Albuquerque, NM 87107-4224

Ms. Cheryl Adams
Southern California Edison Company
5000 Pacific Coast Hwy Bldg DIN
San Clemente, CA 92672

Mr. Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, AZ 85251

Terry Bassham, Esq.
General Counsel
El Paso Electric Company
123 W. Mills
El Paso, TX 79901

Mr. John Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, CA 90051-0100

Brian Almon
Public Utility Commission
William B. Travis Building
P. O. Box 13326
1701 North Congress Avenue
Austin, TX 78701-3326