December 13, 2006

Mr. James M. Levine
Executive Vice President, Generation
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT 2 - APPROVAL OF GENERIC LETTER 2004-02 EXTENSION REQUEST (TAC NO. MD3335)

Dear Mr. Levine:

In an October 12, 2006, updated response to the Nuclear Regulatory Commission (NRC) Generic Letter (GL) 2004-02, "Potential Impact of Debris Blockage on Emergency Recirculation during Design Basis Accidents at Pressurized-Water Reactors [PWR]," Arizona Public Service Company (APS or the licensee) provided information on its ongoing activities for resolution of the Generic Safety Issue 191 (GSI-191) containment sump clogging issue. In this letter, APS requested an extension of time to delay installation of the new containment sump strainers at Palo Verde Nuclear Generating Station (Palo Verde), Unit 2, until the refueling outage scheduled for April 2008. APS had committed, in its September 1, 2005, response to GL 2004-02, to install new containment sump strainers at Unit 2 during its fall 2006 refueling outage.

APS stated that its strainer designer and manufacturer, Control Components, Inc. (CCI), had informed APS of a strainer fabrication/delivery delay for the Palo Verde, Unit 2, strainer, which would result in the new strainers not being available for mockup testing (assembly) and installation during the fall 2006 Unit 2 refueling outage. APS reported that the delay was stated by CCI to be due to CCI's workload, which included supplying new containment sump strainers to other nuclear plants with fall 2006 refueling outages.

In accordance with SECY-06-0078 extension acceptability criteria, APS provided a plant-specific technical/experimental plan with milestones, stating that the new strainer confirmatory head-loss testing, capture ratio verification, and chemical effects margin validation are scheduled to be completed by March 31, 2007.

APS stated in its October 12, 2006, letter that the following mitigative measures have been or will be put in place in Unit 2 prior to December 31, 2007:

- Compensatory operator actions in response to Bulletin 2003-01, "Potential Impact of Debris Blockage on Emergency Sump Recirculation at Pressurized Water Reactors," have been implemented;

- The licensee plans to remove Fiberfax insulation from Unit 2 during the fall 2006 refueling outage[1]; and

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[1] In a November 7, 2006, docketed e-mail (Agencywide Documents Access and Management System Accession No. ML063130267), the licensee reported that all known Fiberfax on Palo Verde, Unit 2, had been removed during the fall 2006 refueling outage—approximately 155 cubic feet.

- Changes in programs and procedures to ensure and/or enhance the control of transportable debris (e.g., insulation, signs, and foreign materials) in containment will be implemented in Unit 2 during the fall 2006 refueling outage.

APS stated that the following favorable conditions exist at Palo Verde, Unit 2:

- The existing two Palo Verde, Unit 2, sump screens of 210 square feet surface area each are relatively large compared to typical PWR screens prior to GL 2004-02 replacements; and

- Although Palo Verde uses trisodium phosphate as a containment sump pool pH buffer, no calcium silicate insulation material is used in containment that might react to form calcium phosphate precipitate.

The NRC has confidence that the licensee has a plan that will result in the installation of modifications that provide acceptable strainer function with an adequate margin for uncertainties. Further, the NRC has concluded that the licensee has put mitigation measures in place to reduce the risk for the requested short extension period (from December 31, 2007, to the April 2008 scheduled outage); therefore, it is acceptable to extend the completion date for the corrective actions for the issues discussed in GL 2004-02 until the completion of the Palo Verde spring 2008 refueling outage, currently scheduled to begin on March 29, 2008. Should the licensee elect to begin the Palo Verde, Unit 2, outage more than 30 days after March 29, 2008, the licensee will need to provide the NRC additional justification for further delay in completing corrective actions for GL 2004-02. A licensee with an approved GSI-191 extension into 2008 or beyond should send in an “as complete as possible” GL 2004-02 supplemental and/or request for additional information response by December 31, 2007. If any substantive GL corrective action analytical results or technical details change in 2008 (e.g., during an outage in which GL corrective action modifications are completed), a GL supplemental response should be submitted within 90 days of the change or outage completion.

Sincerely,

/RA/

Mel B. Fields, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. STN 50-529

cc: See next page

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Mel B. Fields, Senior Project Manager
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OFFICIAL AGENCY RECORD

cc:

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

Mr. 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, General Manager
Regulatory Affairs and
Performance Improvement
Palo Verde Nuclear Generating Station
Mail Station 7636
P.O. Box 52034
Phoenix, AZ 85072-2034

Mr. Matthew Benac
Assistant Vice President
Nuclear & Generation Services
El Paso Electric Company
340 East Palm Lane, Suite 310
Phoenix, AZ 85004

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

Mr. Geoffrey M. Cook
Southern California Edison Company
5000 Pacific Coast Hwy Bldg N50
San Clemente, CA 92672

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

Mr. Jeffrey T. Weikert
Assistant General Counsel
El Paso Electric Company
Mail Location 167
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

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

Ms. Karen O'Regan
Environmental Program Manager
City of Phoenix
Office of Environmental Programs
200 West Washington Street
Phoenix AZ 85003