



Palo Verde Nuclear
Generating Station

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102-05835-TNW/GAM
March 27, 2008

ATTN: Document Control Desk
Director, Spent Fuel Project Office
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Sir:

**Subject: Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3 and
Independent Spent Fuel Storage Installation (ISFSI)
Docket Nos. STN 50-528/529/530 and 72-44
Affirmation of Need for Dry Cask Certificate of Compliance
Amendment**

Arizona Public Service Company (APS) utilizes the NAC-UMS dry cask storage system, Certificate No. 1015, to store spent fuel under a 10 CFR Part 72 general license at the Palo Verde Nuclear Generating Station (PVNGS) Independent Spent Fuel Storage Installation. By letter dated September 22, 2006, NAC International, Inc., the NAC-UMS certificate holder, submitted a request for an amendment to the NAC-UMS Certificate of Compliance (CoC) to add high burnup fuel as allowed contents. In that letter, NAC International requested that the proposed CoC amendment be approved by October 2007, in order to support a NAC-UMS cask user's plans to use the amendment to load dry casks during the fourth quarter of 2007. During a public meeting at NRC headquarters on September 28, 2006, Mr. Glenn Michael from APS informed the NRC that APS was the NAC-UMS cask user that needed the NAC-UMS amendment in order to load spent fuel in dry casks beginning the fourth quarter 2007.

By letter dated November 9, 2006, the NRC notified NAC-International that the NAC-UMS CoC amendment application appeared to contain the necessary information for the NRC to begin their technical review. Since then, the schedule for NRC review of the NAC-UMS high burnup amendment has slipped a number of times, and this slippage has caused APS to delay dry cask loading. APS understands that the most recent NRC target date of March 2008 for the issuance of the NAC-UMS high burnup amendment direct final rule will not be met.

UM5501

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APS continues to need the NAC-UMS high burnup amendment in order to resume loading spent fuel in dry casks for the following reasons:

- Following the spring 2008 refueling outage, PVNGS Unit 2 will be in its last operating cycle before full core offload reserve (FCOR) is lost due to total pool capacities in multiple regions. FCOR is lost after October 2009.
- Due to integrated work plans for two outages prior to October 2009 (PVNGS Units 1 and 3), time is of the essence to complete cask loading in Unit 2 in order to prevent the complete loss of FCOR. APS is restricted with respect to available work windows to complete a full dry cask loading campaign in PVNGS Unit 2.

This letter is to affirm that (1) the changes proposed in the NAC-UMS CoC high burnup amendment request will benefit the dry cask loading process at PVNGS, and (2) a CoC amendment effective date no later than June 30, 2008, would allow APS to implement the CoC amendment and resume dry cask loading during a summer 2008 campaign.

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,



TNW/GAM/gat

cc:	E. E. Collins Jr.	NRC Region IV Regional Administrator
	M. T. Markley	NRC NRR Project Manager
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