



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 15, 2010

Mr. Randall K. Edington
Executive Vice President Nuclear/
Chief Nuclear Officer
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT
IMPACT RE: REQUEST FOR EXEMPTION FROM PHYSICAL SECURITY
REQUIREMENTS (TAC NOS. ME3024, ME3025, AND ME3026)

Dear Mr. Edington:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to a request for exemption from the Arizona Public Service Company (APS), dated December 21, 2009, as supplemented by letters dated February 16 and March 5, 2010. Publicly available versions of these letters can be found in the Agencywide Documents Access and Management System (ADAMS), at Accession Nos. ML100040088, ML100550875, and ML100680760, respectively. Portions of the December 21, 2009, and March 5, 2010, letters contain security-related information and, accordingly, those portions of the letters are being withheld from public disclosure. The proposed exemption would grant an extension of time for APS to be in full compliance with certain new requirements contained in Title 10 of the *Code of Federal Regulations* (10 CFR), Section 73.55, by the March 31, 2010, deadline.

The assessment is being forwarded to the Office of the Federal Register for publication. If you have any questions, please contact me at (301) 415-4032 or via e-mail at randy.hall@nrc.gov.

Sincerely,

A handwritten signature in cursive script that reads "James R. Hall".

James R. Hall, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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

Enclosure:
Environmental Assessment

cc w/encl: Distribution via Listserv

NUCLEAR REGULATORY COMMISSION
ARIZONA PUBLIC SERVICE COMPANY
DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
ENVIRONMENTAL ASSESSMENT AND
FINDING OF NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an Exemption, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.5, "Specific exemptions," from the implementation date for certain new requirements of 10 CFR Part 73, "Physical protection of plants and materials," for Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, issued to Arizona Public Service Company (APS, the licensee), for operation of the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 (PVNGS, Units 1, 2, and 3), located in Maricopa County, Arizona. In accordance with 10 CFR 51.21, the NRC prepared an environmental assessment documenting its finding. The NRC concluded that the proposed actions will have no significant environmental impact.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would exempt APS from the required implementation date of March 31, 2010, for several new requirements of 10 CFR Part 73. Specifically, APS would be granted an exemption from being in full compliance with certain new requirements contained in 10 CFR 73.55 by the March 31, 2010, deadline. APS has proposed an alternate full compliance implementation date of December 17, 2010, approximately 8 1/2 months beyond the date required by 10 CFR Part 73. The proposed action, an extension of the schedule for completion

of certain actions required by the revised 10 CFR Part 73, does not involve any physical changes to the reactor, fuel, plant structures, support structures, water, or land at the PVNGS, Units 1, 2, and 3 site.

The proposed action is in accordance with the licensee's application dated December 21, 2009, as supplemented by letters dated February 16 and March 5, 2010. Publicly available versions of these letters can be found in the Agencywide Documents Access and Management System (ADAMS), at Accession Nos. ML100040088, ML100550875, and ML100680760, respectively. Portions of the December 21, 2009, and March 5, 2010, letters contain security-related information and, accordingly, those portions of the letters are being withheld from public disclosure.

The Need for the Proposed Action:

The proposed action is needed to provide the licensee with additional time to implement two specific elements of the new requirements that involve significant physical modifications to the PVNGS security systems.

Environmental Impacts of the Proposed Action:

The NRC has completed its environmental assessment of the proposed exemption. The staff has concluded that the proposed action to extend the implementation deadline would not significantly affect plant safety and would not have a significant adverse effect on the probability of an accident occurring.

The proposed action would not result in an increased radiological hazard beyond those previously analyzed in the environmental assessment and finding of no significant impact made by the Commission in promulgating its revisions to 10 CFR Part 73 as discussed in a *Federal Register* notice dated March 27, 2009 (74 FR 13926). There will be no change to radioactive effluents that affect radiation exposures to plant workers and members of the public. Therefore,

no changes or different types of radiological impacts are expected as a result of the proposed exemption.

The proposed action does not result in changes to land use or water use, or result in changes to the quality or quantity of non-radiological effluents. No changes to the National Pollution Discharge Elimination System permit are needed. No effects on the aquatic or terrestrial habitat in the vicinity of the plant, or to threatened, endangered, or protected species under the Endangered Species Act, or impacts to essential fish habitat covered by the Magnuson-Stevens Act are expected. There are no impacts to the air or ambient air quality.

There are no impacts to historical and cultural resources. There would be no impact to socioeconomic resources. Therefore, no changes to or different types of non-radiological environmental impacts are expected as a result of the proposed exemption.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action. In addition, in promulgating its revisions to 10 CFR Part 73, the Commission prepared an environmental assessment and published a finding of no significant impact [Part 73, Power Reactor Security Requirements, 74 FR 13926 (March 27, 2009)].

The NRC staff's safety evaluation will be provided in the exemption that will be issued as part of the letter to the licensee approving the exemption to the regulation, if granted.

Environmental Impacts of the Alternatives to the Proposed Action:

As an alternative to the proposed actions, the NRC staff considered denial of the proposed actions (i.e., the "no-action" alternative). Denial of the exemption request would result in no change in current environmental impacts. If the proposed action was denied, the licensee would have to comply with the March 31, 2010, implementation deadline. The environmental impacts of the proposed exemption and the "no-action" alternative are similar.

Alternative Use of Resources:

The action does not involve the use of any different resources than those considered in the Final Environmental Statement for PVNGS, Units 1, 2, and 3, NUREG-0841, dated February 1982.

Agencies and Persons Consulted:

In accordance with its stated policy, on March 1, 2010, the NRC staff consulted with the Arizona State official, Mr. Aubrey Godwin of the Arizona Radiation Regulatory Agency, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

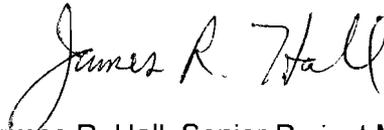
On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letters dated December 21, 2009, February 16, 2010, and March 5, 2010. Portions of these letters contain security-related information and, accordingly, are not available to the public. The publicly available parts of these documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O-1F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available records will be accessible electronically from the 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 or 301-415-4737,
or send an e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 15th day of March , 2010.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink that reads "James R. Hall". The signature is written in a cursive style with a large initial "J" and "H".

James R. Hall, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

March 15, 2010

Mr. Randall K. Edington
Executive Vice President Nuclear/
Chief Nuclear Officer
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT
IMPACT RE: REQUEST FOR EXEMPTION FROM PHYSICAL SECURITY
REQUIREMENTS (TAC NOS. ME3024, ME3025, AND ME3026)

Dear Mr. Edington:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to a request for exemption from the Arizona Public Service Company (APS), dated December 21, 2009, as supplemented by letters dated February 16 and March 5, 2010. Publicly available versions of these letters can be found in the Agencywide Documents Access and Management System (ADAMS), at Accession Nos. ML100040088, ML100550875, and ML100680760, respectively. Portions of the December 21, 2009, and March 5, 2010, letters contain security-related information and, accordingly, those portions of the letters are being withheld from public disclosure. The proposed exemption would grant an extension of time for APS to be in full compliance with certain new requirements contained in Title 10 of the *Code of Federal Regulations* (10 CFR), Section 73.55, by the March 31, 2010, deadline.

The assessment is being forwarded to the Office of the Federal Register for publication. If you have any questions, please contact me at (301) 415-4032 or via e-mail at randy.hall@nrc.gov.

Sincerely,

/RA/

James R. Hall, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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

Enclosure:
Environmental Assessment

cc w/encl: Distribution via Listserv

DISTRIBUTION:

PUBLIC

LPLIV r/f

RidsAcrsAcnw_MailCTR Resource

RidsNrrDirRerb Resource

RidsNrrDorLpI4 Resource

RidsNrrPMPaloVerde Resource

RidsNrrLAJBurkhardt Resource

RidsOgcRp Resource

RidsRgn4MailCenter Resource

ADAMS Accession Nos. Letter: ML100221843, EA: ML100221855

OFFICE	NRR/LPL4/PM	NRR/LPL4/LA	NRR/DLR/RERB/BC	OGC	NRR/LPL4/BC	NRR/LPL4/PM
NAME	JRHall	JBurkhardt	Almboden	BMizuno	MMarkley	JRHall
DATE	3/4/10	1/27/10	3/8/10	3/12/10	3/15/10	3/15/10

OFFICIAL RECORD COPY