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

October 6, 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 — SUPPLEMENTAL INFORMATION NEEDED FOR ACCEPTANCE OF LICENSE AMENDMENT REQUEST TO REVISE TECHNICAL SPECIFICATION 3.7.4, "ATMOSPHERIC DUMP VALVES" (TAC NOS. ME4586, ME4587, AND ME4588)

Dear Mr. Edington:

By letter dated August 25, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML102450051), Arizona Public Service Company (APS, the licensee) submitted a license amendment request for Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The proposed amendment would revise Technical Specification (TS) 3.7.4, "Atmospheric Dump Valves (ADVs)," to require that two ADV lines be operable in Modes 1, 2, and 3, and when the steam generator is relied upon for heat removal, Mode 4. The purpose of this letter is to provide the results of the U.S. Nuclear Regulatory Commission (NRC) staff's acceptance review of this amendment request. The acceptance review was performed to determine if there is sufficient technical information in scope and depth to allow the NRC staff to complete its detailed technical review. The acceptance review is also intended to identify whether the application has any readily apparent information insufficiencies in its characterization of the regulatory requirements or the licensing basis of the plant.

Consistent with Section 50.90 of Title 10 of the *Code of Federal Regulations* (10 CFR), an amendment to the license (including the technical specifications) must fully describe the changes requested, and following as far as applicable, the form prescribed for original applications. Section 50.34 of 10 CFR addresses the content of technical information required. This section stipulates that the submittal address the design and operating characteristics, unusual or novel design features, and principal safety considerations.

The NRC staff has reviewed your application and concluded that the information delineated in the enclosure to this letter is necessary to enable the NRC staff to make an independent assessment regarding the acceptability of the proposed amendment request in terms of regulatory requirements and the protection of public health and safety and the environment.

In order to make the application complete, the NRC staff requests that APS supplement the application to address the information requested in the enclosure by October 20, 2010. This will enable the NRC staff to complete its detailed technical review. If the information responsive to

the NRC staff's request is not received by the above date, the application will not be accepted for review pursuant to 10 CFR 2.101, and the NRC staff will cease its review activities associated with the application. If the application is subsequently accepted for review, you will be advised of any further information needed to support the NRC staff's detailed technical review by separate correspondence.

The information requested and associated time frame in this letter were discussed with Russell Stroud and others of your staff during a conference call on September 30, 2010. Prior to the phone call, a draft of the information requested was sent to your staff via e-mail on September 27, 2010 (ADAMS Accession No. ML102710281).

If you have any questions, please contact me at (301) 415-4032 or via email at randy.hall@nrc.gov.

Sincerely,

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:
As stated

cc w/encl: Distribution via Listserv

SUPPLEMENTAL INFORMATION NEEDED FOR ACCEPTANCE

OF LICENSE AMENDMENT REQUEST TO REVISE

TECHNICAL SPECIFICATION 3.7.4, "ATMOSPHERIC DUMP VALVES (ADVs)"

PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3

DOCKETS NOS. STN 50-528, STN 50-529, and STN 50-530

By letter dated August 25, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML102450051), Arizona Public Service Company (APS, the licensee) submitted a license amendment request (LAR) for Palo Verde Nuclear Generating Station, Units 1, 2, and 3. The proposed amendment would revise Technical Specification (TS) 3.7.4, "Atmospheric Dump Valves (ADVs)," to require that two ADV lines be operable in Modes 1, 2, and 3 and, when the steam generator (SG) is relied upon for heat removal, Mode 4.

The Nuclear Regulatory Commission staff reviewed the LAR and concluded that additional information is needed to enable an independent assessment regarding the acceptability of the proposed amendment request.

To enable this independent assessment the following information is required:

1. The licensee is requesting "A separate condition entry for each SG" for Condition "A" for one ADV inoperable for a 7-day completion time. Standard Technical Specifications (STS) do not permit separate condition entry. Please justify why separate entry condition would be acceptable.

2. The licensee is requesting a 72-hour completion time for two ADVs inoperable on one SG for Condition "B." STS Condition "B" does not allow two inoperable ADVs on one SG for more than 24 hours. Please explain how a design-basis event could be mitigated if an accident on the SG with the operable ADV results in no ADVs available for accident mitigation.

3. STS does not permit separate entry conditions on multiple SGs, and the limiting condition for operation is written to address only one SG at a time; therefore, only one SG is permitted to have two ADVs inoperable. In its LAR, the licensee assumes that STS Condition "B" allows two ADVs to be inoperable on two SGs for 24 hours, and uses this logic on page 9 of its LAR to help justify that the proposed 72-hour CT is more conservative than STS. Please justify the assumption and provide additional information to show that the design basis can be met.

4. The licensee proposes for Condition "C" the following words: "No OPERABLE ADV lines on either generator." The licensee uses the word "either" instead of the word "both," which can lead to possible misinterpretation. The word "either" is generally used as a substitute by the word "or." The meaning of the TS as

Enclosure

worded can be inferred to mean no operable ADVs on SG "A" or no ADVs operable on SG "B." However, inferring from the licensee's description in the TS basis, the intent of this condition is detailing a situation where all four ADVs are inoperable, which describes a condition where there are no operable ADVs on SG "A" and no operable ADVs on SG "B." In addition, TS are typically stated to define inoperability; therefore, a typical condition would define what is inoperable (e.g., "two ADVs inoperable on each SG.") Without referring to the TS basis, the meaning of this condition is ambiguous. Please justify the word choice.

Note:

The Standard Technical Specifications for Combustion Engineering Plants (NUREG-1432, Revision 3) do not contain requirements, but are used by the NRC staff as guidance in its review of licensee requests to revise the Technical Specifications for plants of similar design. There may be valid justification for differences between the STS and a given plant's TS, particularly when the given plant's design differs from the "standard plant" design assumed in the development of the STS. However, it is incumbent on the licensee to identify and justify those differences when proposing alternatives to the STS format and content. The STS allowed outage times (AOTs) are associated with a given system's ability to perform its design function. As redundancy of safety equipment is lost, or the system's functional capability is otherwise degraded due to the inoperability of certain components, the AOTs for restoration of the equipment are reduced. The NRC staff is able to perform its independent review more effectively when a licensee provides a design comparison of its plant systems with those assumed for the "standard plant," explains how the design differences are translated into differences in the governing TS, and further demonstrates that the ability to perform the system's safety function for a given configuration corresponds to the functional capability assumed in the basis of the STS.

the NRC staff's request is not received by the above date, the application will not be accepted for review pursuant to 10 CFR 2.101, and the NRC staff will cease its review activities associated with the application. If the application is subsequently accepted for review, you will be advised of any further information needed to support the NRC staff's detailed technical review by separate correspondence.

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If you have any questions, please contact me at (301) 415-4032 or via email 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:
As stated

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ADAMS Accession No. ML102730762 ***via e-mail (ADAMS Accession No. ML102670525)**

OFFICE	NRR/LPL4/PM	NRR/LPL4/PM	NRR/LPL4/LA	NRR/DSS/SBPB	NRR/LPL4/BC	NRR/LPL4/PM
NAME	LKGibson	JRHall	JBurkhardt	GCasto*	MMarkley	JRHall
DATE	10/1/10	10/1/10	10/1/10	9/22/2010	10/5/10	10/6/2010

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