UNITED STATES NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

June 20, 2011

Kathleen M. Goforth, Manager **Environmental Review Office** U.S. Environmental Protection Agency, Region IX 75 Hawthorne Street San Francisco, CA 94105-3901

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

NOTICE OF ISSUANCE OF RENEWED FACILITY OPERATING LICENSE FOR

AN ADDITIONAL 20-YEAR PERIOD, RECORD OF DECISION

Dear Ms. Goforth,

In a letter sent February 11, 2011, you requested a signed copy of the Record of Decision (ROD) for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, Notice of Issuance of Renewed Facility Operating License for an Additional 20-Year Period. The ROD was signed by Andrew S. Imboden, Chief of the U.S. Nuclear Regulatory Commission (NRC) Environmental Review and Guidance Update Branch, on April 21, 2011. This letter responds to your request and provides an attached copy of the ROD.

The NRC appreciates the U.S. Environmental Protection Agency's (EPA) review and comments on the Draft Supplemental Environmental Impact Statement. The Final Supplemental Environmental Impact Statement (NUREG-1437, Supplement 43) can be accessed online at http://pbadupws.nrc.gov/docs/ML1035/ML103560149.pdf.

Sincerely,

Andrew S. Imboden, Chief Environmental Review and Guidance Update Branch Division of License Renewal

Office of Nuclear Reactor Regulation

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

Enclosure: As stated

cc w/encl: Listserv

NUCLEAR REGULATORY COMMISSION ARIZONA PUBLIC SERVICE COMPANY PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 NOTICE OF ISSUANCE OF RENEWED FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74 FOR AN ADDITIONAL 20-YEAR PERIOD RECORD OF DECISION

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

NRC-2009-0012

Notice is hereby given that the U.S. Nuclear Regulatory Commission (NRC, the Commission) has issued Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 to Arizona Public Service Company (licensee), the operator of the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 (PVNGS). Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 authorize the licensee to operate PVNGS at reactor core power levels not in excess of 3990 megawatts thermal for all three units, in accordance with the provisions of the PVNGS renewed licenses and technical specifications.

The notice also serves as the record of decision for Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, consistent with Title 10 of the *Code of Federal Regulations* (10 CFR) 51.103, "Record of Decision – General." NUREG-1437, "Generic Environmental Impact Statement for License Renewal of Nuclear Plants: Supplement 43, Regarding Palo Verde Nuclear Generating Station," issued January 2011, discusses the Commission's consideration of a range of reasonable alternatives, including generation of replacement power from new supercritical coal-fired generation; natural gas combined-cycle generation; new

nuclear generation; a combination of alternatives that includes natural gas combined-cycle generation, energy conservation, and solar; and not renewing the license (the no-action alternative). The factors considered in the record of decision appear in the supplemental environmental impact statement for PVNGS.

PVNGS units are pressurized water reactors located in Maricopa County, Arizona. The application for the renewed licenses complied with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations. As required by the Atomic Energy Act and the Commission's regulations in 10 CFR Chapter I, the Commission has made appropriate findings, which are set forth in the licenses. Prior public notice of the action involving the proposed issuance of the renewed licenses and of an opportunity for a hearing regarding the proposed issuance of the renewed licenses was published in the *Federal Register* on May 15, 2009 (74 FR 22978).

For further details with respect to this action, see: (1) Arizona Public Service Company's license renewal application for PVNGS dated December 11, 2008, as supplemented by letters dated through March 17, 2011; (2) the Commission's safety evaluation report (NUREG-1961), issued April 2011; (3) the licensee's updated final safety analysis report; and (4) the Commission's final environmental impact statement (NUREG-1437, Supplement 43), issued January 2011. These documents are available at the NRC's Public Document Room, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, and online in the NRC Library at http://www.nrc.gov/reading-rm/adams.html.

Copies of Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, may be obtained by writing to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Director, Division of License Renewal. Copies of the PVNGS safety evaluation report (NUREG-1961) and the final environmental impact statement (NUREG-1437, Supplement 43) may be purchased from the National Technical Information Service, U.S.

Department of Commerce, Springfield, Virginia 22161 (http://www.ntis.gov), 703-605-6000, or Attention: Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954 Pittsburgh, PA 15250-7954 (http://www.gpoaccess.gov), 202-512-1800. All orders should clearly identify the NRC publication number and the requestor's Government Printing Office deposit account number or VISA or MasterCard number and expiration date.

Dated at Rockville, Maryland, this 21th day of April, 2011.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Andrew S. Imboden, Chief Environmental Review and Guidance Update Branch Division of License Renewal Office of Nuclear Reactor Regulation June 20, 2011

Kathleen M. Goforth, Manager Environmental Review Office U.S. Environmental Protection Agency, Region IX 75 Hawthorne Street San Francisco, CA 94105-3901

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Sincerely,

/RA/

Andrew S. Imboden, Chief Environmental Review and Guidance Update Branch Division of License Renewal Office of Nuclear Reactor Regulation

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DISTRIBUTION: See next page

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|--------|-------------|-----------|-------------|--|
| NAME | ATravers | SFigueroa | Almboden | |
| DATE | 6/01/2011 | 5/25/2011 | 6/20/2011 | |

Letter to Kathleen M. Goforth from Andrew S. Imboden dated June 20, 2011

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

NOTICE OF ISSUANCE OF RENEWED FACILITY OPERATING LICENSE FOR

AN ADDITIONAL 20-YEAR PERIOD, RECORD OF DECISION

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