



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

November 9, 2015

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 –
ACCEPTANCE LETTER FOR LICENSE AMENDMENT REQUEST TO REVISE
TECHNICAL SPECIFICATIONS TO ADOPT TSTF-505-A, REVISION 1 (CAC
NOS. MF6576, MF6577, AND MF6578)

Dear Mr. Edington:

By letter dated July 31, 2015, Arizona Public Service Company (APS, the licensee) submitted a license amendment request (LAR) for Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15218A300). The proposed amendment would revise the Technical Specifications (TSs) to permit the use of Risk-Informed Completion Times (RICTs) in accordance with TS Task Force (TSTF) traveler TSTF-505-A, Revision 1, "Provide Risk-Informed Extended Completion Times – RITSTF [Risk-Informed TSTF] Initiative 4b." The purpose of this letter is to provide the results of the U.S. Nuclear Regulatory Commission (NRC) staff's acceptance review of this LAR. The acceptance review was performed to determine if there is sufficient technical information in scope and depth to allow the NRC staff to begin 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 TSs) 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 it does provide technical information in sufficient detail to enable the NRC staff to begin its detailed technical review and make an independent assessment regarding the acceptability of the proposed amendment in terms of regulatory requirements and the protection of public health and safety and the environment. You will be advised of any further information needed to support the NRC staff's detailed technical review by separate correspondence.

Despite a determination that the request is acceptable to begin the technical review, during the acceptance review, NRC staff identified concerns that are more appropriate for being addressed during the technical review process (i.e. via the request for additional information (RAI) process, an audit, or a public meeting). The issues listed below impact the NRC staff's ability to complete the detailed technical review and impact the timeliness of the review.

A clarification call was held on August 28, 2015, with representatives from APS to discuss the linkage between the LAR to adopt TSTF-439, Revision 2, "Eliminate Second Completion Times Limiting Time From Discovery of Failure to Meet an LCO [Limiting Condition for Operation]," dated February 27, 2015 (ADAMS Accession No. ML15065A031), and this amendment request. TSTF-505-A states:

It is necessary to adopt TSTF-439, Eliminate Second Completion Times Limiting Time From Discovery of Failure To Meet an LCO, in order to adopt TSTF 505 for those Required Actions that are affected by both Travelers.

The licensee stated that adoption of TSTF-439 is not required to adopt TSTF-505 and that it will still pursue the adoption of TSTF-505 even if the TSTF-439 LAR is not approved. Your LAR to adopt TSTF-439 has not been approved by NRC; therefore, the NRC staff has decided to exclude the review of the TSs that are impacted by the approval of the LAR to adopt TSTF-439. The following TSs will not be reviewed by NRC staff until the TSTF-439 LAR is approved:

- TS 1.3, "Completion Times"
- TS 3.7.5, "Auxiliary Feedwater (AFW) System"
- TS 3.8.1, "AC [Alternating Current] Sources – Operating"
- TS 3.8.9, "Distribution Systems – Operating"

If the TSTF-439 LAR is not approved, you will need to resubmit the TSs listed above with the second completion times included.

A clarification call was held on October 15, 2015 with representatives from APS to discuss the proposed Fire PRA, including the Fact and Observations (F&Os) provided, the Configuration Risk Management Program (CRMP) tool, and PRA functionality information requested in the model application. The LAR indicates that only Unit 1 currently has a Fire PRA. The NRC staff stated that in order to complete the TSTF-505 LAR review for PVNGS, the staff will request additional information on the Unit 2 and 3 Fire PRAs. The NRC staff also stated its plan to ask additional information on the Fire PRA F&Os and noted the need for a completed CRMP tool to be used for the RICT program in order to perform a complete evaluation of the TSTF-505 LAR. In addition, information requested in the model application, Enclosure 1, related to PRA functionality would be necessary for the review.

A public teleconference was held on August 27, 2015, between NRC staff and NEI to discuss NRC's concerns related to the application of the industry guidance, Nuclear Energy Institute (NEI) 06-09, Revision 0-A, "Risk-Informed Technical Specifications Initiative 4b Risk-Managed Technical Specifications (RMTS) Guidelines," dated November 2006 (ADAMS Accession No. ML12286A322), and its implementation in TSTF-505. The August 27th meeting notice, slides, and summary can be found at ADAMS Package Accession No. ML15226A469. As a follow-up to the August 27th teleconference, NRC staff met with the NEI Risk-Informed Task

R. Edington

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Force on October 22, 2015, to discuss the definition of "PRA functional" and if it will be used consistently by the licensees during full power operation with loss of a specified safety function or inoperability of all required trains or divisions of a system and in a manner that maintains safety margins, defense in depth, and conformance with regulatory requirements. Many insights came out of the October 22, 2015 including the need for additional information regarding degraded conditions, where an actuation logic channel is inoperable but PRA functional. The October 22, 2015, meeting notice and slides can be found at ADAMS Package Accession No. ML15268A006. The completion of your TSTF-505 LAR review is tied to the issues listed above, which may result in an RAI in order for NRC staff to complete its review and it could affect the review schedule.

If you have any questions, please contact me at (301) 415-1233 or via e-mail at Margaret.Watford@nrc.gov.

Sincerely,



Margaret M. Watford, Project Manager
Plant Licensing Branch IV-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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

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If you have any questions, please contact me at (301) 415-1233 or via e-mail at Margaret.Watford@nrc.gov.

Sincerely,

/RA/

Margaret M. Watford, Project Manager
 Plant Licensing Branch IV-1
 Division of Operating Reactor Licensing
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ADAMS Accession No. ML15303A098

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DATE	11/02/15	10/30/15	11/06/15	11/06/15	11/04/15
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DATE	11/03/15	11/03/15	11/03/15	11/06/15	11/09/15
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DATE	11/09/15				

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