

Mr. James M. Levine
 Senior Vice President, Nuclear
 Arizona Public Service Company
 Post Office Box 53999
 Phoenix, AZ 85072-3999

July 8, 1999

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT NOS. 1, 2, AND 3 -
 ISSUANCE OF EXEMPTION FROM CERTAIN REQUIREMENTS OF 10 CFR
 50.71(e)(4) (TAC NOS. MA2159, MA2160, AND MA2161)

Dear Mr. Levine:

The Commission has issued the enclosed exemption from certain requirements of 10 CFR 50.71(e)(4) for the Palo Verde Nuclear Generating Station (Palo Verde) Unit Nos. 1, 2, and 3. This exemption is related to your application dated June 9, 1998, as supplemented by your letter dated December 21, 1998. In these letters, Arizona Public Service Company (APS) requested approval to submit to the Commission, on a 24-month periodicity, revisions to the Updated Final Safety Analysis Report, changes to the quality assurance program made in accordance with 10 CFR 50.54(a)(3), and reports of changes, tests, and experiments made in accordance with 10 CFR 50.59(b)(2). The updates would not be tied to a particular unit's refueling outage schedule.

A copy of the exemption and the staff's safety evaluation are enclosed. The exemption is being forwarded to the Office of the Federal Register for publication.

APS also requested that this exemption apply to the reports of changes to the Technical Specification (TS) Bases made in accordance with Section 5.5.14d of the Palo Verde TSs. The staff has concluded that the exemption process is not the appropriate regulatory vehicle for making this change. Instead, APS should request an amendment to the Palo Verde TSs in accordance with 10 CFR 50.90 to modify the reporting frequency of changes made to the TS Bases.

Sincerely,

/s/

Mel B. Fields, Project Manager, Section 2
 Project Directorate IV & Decommissioning
 Division of Licensing Project Management
 Office of Nuclear Reactor Regulation

11
 JB1

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

- Enclosures: 1. Exemption
 2. Safety Evaluation

NRC FILE CENTER COPY

cc w/encls: See next page

DISTRIBUTION

Docket File MBBoyle RScholl (e-mail SE)
 PUBLIC OGC PHarrell, RGN-IV
 PDIV-2 Reading ACRS DLange
 SRichards (clo) GHill(6)

*Previously Concurred

To receive a copy of this document, indicate "C" in the box											
OFFICE	PDIV-2/PM	C	PDIV-D/LA	C	OGC*		PDIV-2/SC	E	PDIV/D	E	DLPM/D
NAME	MFields:rb		CJamerson		AHodgdon		SDembek		SRichards		JZwolinski
DATE	7/1/99		7/1/99		06/18/99		7/2/99		7/2/99		7/2/99

DOCUMENT NAME: G:\PDIV-2\PaloVerde\EXE2159.WPD

OFFICIAL RECORD COPY

130010

NA3

9907140029 990708
 PDR ADOCK 05000528
 PDR



1 7
2 2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



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

July 8, 1999

Mr. James M. Levine
Senior Vice President; Nuclear
Arizona Public Service Company
Post Office Box 53999
Phoenix, AZ 85072-3999

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT NOS. 1, 2, AND 3 -
ISSUANCE OF EXEMPTION FROM CERTAIN REQUIREMENTS OF 10 CFR
50.71(e)(4) (TAC NOS. MA2159, MA2160, AND MA2161)

Dear Mr. Levine:

The Commission has issued the enclosed exemption from certain requirements of 10 CFR 50.71(e)(4) for the Palo Verde Nuclear Generating Station (Palo Verde) Unit Nos. 1, 2, and 3. This exemption is related to your application dated June 9, 1998, as supplemented by your letter dated December 21, 1998. In these letters, Arizona Public Service Company (APS) requested approval to submit to the Commission, on a 24-month periodicity, revisions to the Updated Final Safety Analysis Report, changes to the quality assurance program made in accordance with 10 CFR 50.54(a)(3), and reports of changes, tests, and experiments made in accordance with 10 CFR 50.59(b)(2). The updates would not be tied to a particular unit's refueling outage schedule.

A copy of the exemption and the staff's safety evaluation are enclosed. The exemption is being forwarded to the Office of the Federal Register for publication.

APS also requested that this exemption apply to the reports of changes to the Technical Specification (TS) Bases made in accordance with Section 5.5.14d of the Palo Verde TSs. The staff has concluded that the exemption process is not the appropriate regulatory vehicle for making this change. Instead, APS should request an amendment to the Palo Verde TSs in accordance with 10 CFR 50.90 to modify the reporting frequency of changes made to the TS Bases.

Sincerely,

A handwritten signature in black ink, appearing to read "Mel B. Fields".

Mel B. Fields, Project Manager, Section 2
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

Enclosures: 1. Exemption
2. Safety Evaluation

cc w/encls: See next page



Palo Verde Generating Station, Units 1, 2, and 3

cc:

Mr. Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Douglas Kent Porter
Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, CA 91770

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 40
Buckeye, AZ 85326

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavillion
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Chairman, Board of Supervisors
ATTN: Chairman
301 W. Jefferson, 10th Floor
Phoenix, AZ 85003

Mr. Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, AZ 85040

Ms. Angela K. Krainik, Manager
Nuclear Licensing
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

Mr. John C. Home
Vice President, Power Generation
El Paso Electric Company
2702 N. Third Street, Suite 3040
Phoenix, AZ 85004

Mr. David Summers
Public Service Company of New Mexico
414 Silver SW, #1206
Albuquerque, NM 87102

Mr. Jarlath Curran
Southern California Edison Company
5000 Pacific Coast Hwy Bldg DIN
San Clemente, CA 92672

Mr. Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, AZ 85251

Terry Bassham, Esq.
General Counsel
El Paso Electric Company
123 W. Mills
El Paso, TX 79901

Mr. John Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, CA 90051

May 19, 1999

