

UNITED STATES NUCLEAR REGULATORY COMMISSIONARIZONA PUBLIC SERVICE COMPANY ET AL.DOCKET NO. STN 50-528NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE AND PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION AND OPPORTUNITY FOR HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-41, issued to Arizona Public Service Company, et al., (the licensees)*, for operation of the Palo Verde Nuclear Generating Station, Unit 1 located in Maricopa County Arizona. The request for amendment was submitted by letter dated December 23, 1988.

The proposed amendment would revise Technical Specification Surveillance Requirement 4.1.3.1.2 to allow continued operation of Unit 1 until the end of the current cycle (approximately three months), without conducting any further exercise tests of Control Element Assembly (CEA) 64. The proposed change will

*The other licensees are the Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Southern California Edison Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority.

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eliminate a potentially challenging operating condition. The plant may be unnecessarily challenged during performance of testing on CEA No. 64 because this CEA has slipped during previous rod motion testing due to an intermittent ground on the CEA's lower gripper coil.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

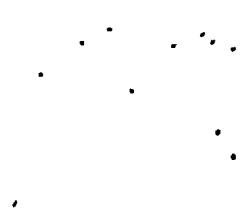
The Commission has made a proposed determination that the amendment request involves no significant hazards considerations. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety.

A discussion of these standards as they relate to this amendment follows:

Criterion 1

The proposed change would not increase the probability or consequences of any accident previously evaluated since the proposed change is still within the bounds of the current safety analyses. The proposed change is intended to reduce the probability of a reactor transient due to a dropped rod. The licensees have provided the following discussion:

"The basis for Surveillance Requirement 4.1.3.1.2 is to demonstrate that all applicable CEAs are capable of being inserted into the core when required. All performances of this test to date conclusively show that CEA #64 can be inserted into the core. Additionally, Unit 1 has experienced six reactor trip events during the current cycle of operation. During each reactor trip, CEA #64 fell into the core as required."



"It is unlikely that an obstruction would develop between now and the end of the current cycle that would render CEA #64 untrippable. However, even if CEA #64 would not drop into the core when required, this condition is within the bounds of the safety analyses. All analyses in which shutdown CEA reactivity is critical require that the most reactive CEA be assumed to remain stuck outside the core.... In addition, shutdown margin... would not be adversely affected by this change because it is determined by considering a single malfunction resulting in the highest worth CEA failing to insert."

Criterion 2

The proposed change would not create the possibility of a new or different kind of accident from any previously analyzed since it would not introduce new systems, modes of operation, failure modes or other plant perturbations. The lower gripper coil for CEA-64 would only be energized during CEA inward or outward motion. The coil is not energized when the reactor is tripped nor during steady state operation. Therefore, the requested Technical Specification change will not create the possibility of an accident or malfunction of a different type than those already evaluated in the FSAR.

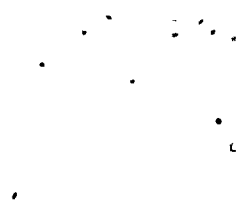
Criterion 3

The proposed change would not involve a significant reduction in the margin of safety. The licensee stated:

"The requested change for CEA #64 will not reduce the margin of safety as defined in the basis for the Technical Specifications. All performances of the CEA exercise testing to date have conclusively shown that CEA #64 can be inserted into the core. CEA #64 has successfully fallen into the core as required during 6 reactor trip events during the current cycle of operation. Additionally, the safety analyses already address the condition where the single most reactive CEA fails to drop into the core during design basis events."

Accordingly, the Commission proposes to determine that this change does not involve significant hazards considerations.

The Commission is seeking public comments on this proposed determination. Any comments received within 15 days after the date of publication of this



notice will be considered in making any final determination. The Commission will not normally make a final determination unless it receives a request for a hearing.

Written comments may be submitted by mail to the Regulatory Publications Branch, Division of Freedom of Information and Publications Services, Office of Administration and Resources Management, U. S. Nuclear Regulatory Commission, Washington, D.C. 20555, and should cite the publication date and page number of the FEDERAL REGISTER notice.

Written comments may also be delivered to Room P-216, Phillips Building, 7920 Norfolk Avenue, Bethesda, Maryland from 7:30 a.m. to 4:15 p.m. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, D.C. The filing of requests for hearing and petitions for leave to intervene is discussed below.

By January 18, 1989 , the licensees may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for hearing and a petition for leave to intervene. Requests for a hearing and petitions for leave to intervene shall be filed in accordance with the Commission's "Rule of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the



Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to fifteen (15) days prior to the first pre-hearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than fifteen (15) days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene, which must include a list of the contentions that are sought to be litigated in the matter, and the bases for each contention set forth with reasonable specificity. Contentions shall be limited to matters within the scope of the amendment under consideration. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.



Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If the amendment is issued before the expiration of 30-days, the Commission will make a final determination on the issue of no significant hazards considerations. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards considerations, the Commission may issue the amendment and make it effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

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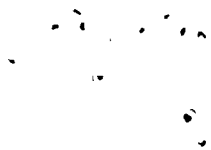
Normally, the Commission will not issue the amendment until the expiration of the 15-day notice period. However, should circumstances change during the notice period, such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 15-day notice period, provided that its final determination is that the amendment involves no significant hazards considerations. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.



A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Docketing and Service Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC, by the above date. Where petitions are filed during the last ten (10) days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 325-6000 (in Missouri 1-(800) 342-6700). The Western Union operator should be given Datagram Identification Number 3737 and the following message addressed to George W. Knighton: petitioner's name and telephone number; date petition was mailed; plant name; and publication date and page number of this FEDERAL REGISTER notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and to: Arthur C. Gehr, Esq., Snell & Wilmer, 3100 Valley Center, Phoenix, Arizona 85007, attorney for the licensees.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated December 23, 1988, which is available for public inspection at the Commission's Public Document Room, 2120 L Street, N.W., Washington, D.C. 20555, and at the Local Public Document Room, Phoenix Public Library, Business



and Science Division, 12 East McDowell Road, Phoenix, Arizona 85004.

Dated at Rockville, Maryland, this 23rd day of December 1988.

FOR THE NUCLEAR REGULATORY COMMISSION



George W. Knighton
Project Directorate V
Division of Reactor Projects III/IV/V
and Special Projects
Office of Nuclear Reactor Regulation



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