September 2, 1997

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

SUBJECT: PUBLIC NOTICE OF APPLICATION FOR AMENDMENT TO OPERATING LICENSE FOR PALO VERDE NUCLEAR GENERATING STATION UNIT 2

Dear Mr. Levine:

The enclosed public announcement was forwarded to the Arizona Republic for publication. This announcement relates to your application dated August 28, 1997, for an amendment to Facility Operating License No. NPF-51 for the Palo Verde Nuclear Generating Station Unit 2.

A separate notice will be published later in the Federal Register concerning the license amendment.

Sincerely,

Original Signed By

Kristine M. Thomas, Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket No. STN 50-529

Enclosure: Public Announcement

cc w/encl: See next page

DISTRIBUTION:
Docket
PUBLIC
PDIV-2 Reading
EAdensam (EGA1)
WBateman
KThomas
EPeyton
ACRS
OGC
OPA
MLesar
PGwynn, Region IV
KPerkins, Region IV WCFO
MHammond, Region IV WCFO
BHenderson, Region IV

DFol

*For previous concurrences see attached ORC
Document Name: PV.EXI

OFC	PDIV-2	PDIV-2	PDIV-2*	
NAME	KThomas	EPeyton	WBateman	
DATE	9/2/97	9/2/97	8/29/97	

OFFICIAL RECORD COPY

A43

cc w/encl:
Mr. Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

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

Senior Resident Inspector
USNRC
P. O. Box 40
Buckeye, Arizona 85326

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

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

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

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

Mr. John C. Horne, Vice President
Power Supply
Palo Verde Services
2025 N. Third Street, Suite 220
Phoenix, Arizona 85004

Mr. Robert Burt
Los Angeles Department of Water & Power
Southern California Public Power Authority
111 North Hope Street, Room 1255-B
Los Angeles, California 90051

Mr. David Summers
Public Service Company of New Mexico
414 Silver SW, #0604
Albuquerque, New Mexico 87102

Mr. Robert D. Bledsoe
Southern California Edison Company
14300 Mesa Road, Drop D41-SONGS
San Clemente, California 92672

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

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

PUBLIC NOTICE
NRC STAFF PROPOSED TO AMEND THE OPERATING LICENSE FOR
PALO VERDE, UNIT NO. 2

The U.S. Nuclear Regulatory Commission (NRC) has received an application dated August 28, 1997, from the Arizona Public Service Company (APS or the licensee) for an amendment to Facility Operating License No. NPF-51 for Palo Verde, Unit 2, (PVNGS) located in Maricopa County, Arizona.

The proposed amendment would increase the surveillance interval on a one-time basis for the engineered safety features actuation system, main steam isolation signal instrumentation Surveillance Requirement 4.3.2.1. Specifically, the quarterly CHANNEL FUNCTIONAL TEST requirements of Table 4.3-2, "Engineered Safety Features Actuation System Instrumentation Surveillance Requirements," items 1, 2 and 3 of IV.B, "ESFA System Logic," and IV.C, "Automatic Actuation Logic," would be extended for five days beyond the 25 percent extension of the surveillance interval allowed by TS 4.0.2.

The following is a discussion of the exigent circumstances for the amendment:

> APS is requesting an amendment to PVNGS Unit 2 Technical Specifications (TS) to extend the quarterly surveillance interval by five days beyond the 25 percent extension allowed by TS 4.0.2 for the channel functional test for the main steam isolation signal (MSIS) engineered safety features actuation system (ESFAS) logic consisting of matrix logic, initiation logic, automatic actuation logic and manual MSIS as listed in Table 4.3-2. The surveillance tests cannot be performed because there is a degraded contact block on the control room manual MSIS switch for Channel C which could cause a spurious trip input to the MSIS initiation logic. Spurious actuation of this switch during the performance of the quarterly MSIS channel functional tests may cause an inadvertent MSIS signal and result in tripping the unit. The quarterly surveillances are due September 4, 1997, which includes the maximum extension of 25 percent allowed by TS 4.0.2. A five day surveillance extension would allow the Unit to begin a controlled shut down for the scheduled refueling outage on September 6, 1997, and proceed to Mode 5 by September 9, 1997, where the surveillance is not required. The switch will be replaced after the Unit enters Mode 5 and tested prior to Unit startup.
>
> Although APS has replaced these switches on-line before, this evolution

is considered high risk due to the physical location of the switch and the close proximity to other ESFAS channels and reactor protection system channels. APS has determined that the risk associated with switch replacement outweighs the risk associated with increasing the allowed surveillance interval by five days.

The exigent situation exists and cannot be avoided because (1) the degraded condition of the MSIS manual switch did not occur until August 14, 1997, and could not have been predicted, (2) performance of the ESFAS logic channel functional tests with the degraded switch could cause an inadvertent MSIS (and a resulting plant trip), and (3) the quarterly surveillance requirements cannot be extended beyond September 4, 1997, without exceeding TSs 3.3.2 and 4.0.2 periodicity requirements which would require entering TS 3.0.3 Action Statements to shut down the Unit.

The staff finds the licensee acted in a timely manner and there was not sufficient time to process this amendment request in the routine manner as described in 10 CFR 50.91 without causing an unnecessary shutdown.

The licensee's analysis of the no significant hazards consideration is presented below:

1. The proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

   The proposed Technical Specification (TS) amendment would increase the surveillance interval on a one-time basis for the ESFAS MSIS instrumentation surveillance requirement of TS 4.3.2.1. Specifically, the quarterly CHANNEL FUNCTIONAL TEST requirements of Table 4.3-2, "Engineered Safety Features Actuation System Instrumentation Surveillance Requirements", items 1, 2 and 3 of IV.B, "ESFA System Logic", and IV.C, "Automatic Actuation Logic", would be extended for five days beyond the 25 percent extension of the surveillance interval allowed by TS 4.0.2.

   Increasing the surveillance interval does not constitute a physical change to the Unit or make changes in the setpoints, system logic or manual actuation. In addition, this change does not alter physical plant equipment or the way in which plant equipment is operated. Therefore, it does not involve a significant increase in the probability or consequences of an accident previously evaluated.

   The ESFAS is designed such that a single failure in the system will not prevent actuation of the system if required to do so. The manual initiation logic is designed in a selective two-out-of-four arrangement. Either Channel A or C will actuate leg 1-3 of the initiation logic. Either Channel B or D will actuate leg 2-4 of the initiation logic. When both legs have been actuated, then the appropriate signal will be generated, a MSIS in this case. The Channel C manual MSIS handswitch is still capable of performing its intended function - actuating MSIS leg 1-3 initiation logic. Therefore, the system may sustain a single failure and still be capable of performing its intended safety function of mitigating

certain design basis events. Since the system actuation capability has not been changed by the requested surveillance interval extension, the proposed TS amendment does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. The proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

   The proposed TS amendment would increase the surveillance interval on a one-time basis for the ESFAS MSIS instrumentation surveillance requirement of 4.3.2.1. Specifically, the quarterly CHANNEL FUNCTIONAL TEST requirements of Table 4.3-2, "Engineered Safety Features Actuation System Instrumentation Surveillance Requirements", items 1, 2 and 3 of IV.B, "ESFA System Logic", and IV.C, "Automatic Actuation Logic", would be extended for five days beyond the 25 percent extension of the surveillance interval allowed by TS 4.0.2.

   The proposed one-time surveillance interval extension does not introduce any new modes of plant operation or new accident precursors. No physical alterations to plant configurations or changes to system setpoints or logic are proposed by this request. The proposed TS amendment is requesting a one-time extension of the quarterly surveillance interval for the MSIS system logic and does not represent any activity which could initiate a new or different kind of accident. No new failure modes have been defined, nor any new system interactions introduced, for any plant system or component. In addition, no new limiting failure has been identified as a result of the proposed change.

   The ESFAS MSIS system logic remains the same and is capable of performing its design function. Therefore, the proposed TS amendment does not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. The proposed change does not involve a significant reduction in a margin of safety.

   The proposed TS amendment would increase the surveillance interval on a one-time basis for the ESFAS MSIS instrumentation surveillance requirement of 4.3.2.1. Specifically, the quarterly CHANNEL FUNCTIONAL TEST requirements of Table 4.3-2, "Engineered Safety Feature Actuation System Instrumentation Surveillance Requirements", items 1, 2 and 3 of IV.B, "ESFA System Logic", and IV.C, "Automatic Actuation Logic", would be extended for five days beyond the 25 percent extension of the surveillance interval allowed by TS 4.0.2.

   Under the proposed TS amendment, the ESFAS MSIS instrumentation, including the manual trip switches, remain capable of performing their safety functions. The proposed TS amendment does not affect the design or performance of the ESFAS MSIS logic. As such, the response of the MSIS actuation instrumentation would not change and, therefore, there would be no change in analyzed accident scenarios

and/or outcomes. Therefore, the proposed change does not involve a significant reduction in a margin of safety.

Following an initial review of this application against the standards in 10 CFR 50.92, the NRC staff has made a proposed (preliminary) determination that the amendment request involves no significant hazards consideration. According to 10 CFR 50.92(c), this means that the proposed amendment would not involve a significant increase in the probability or consequences of an accident previously evaluated, would not create the possibility of a new or different kind of accident from any accident previously evaluated, or involve a significant reduction in a margin of safety.

If the proposed determination that the requested license amendment involves no significant hazards consideration becomes final, the NRC staff will issue the amendment without first offering an opportunity for a public hearing. An opportunity for hearing will be published in the Federal Register at a later date and any hearing request will not delay the effective date of the amendment.

If the NRC staff decides in its final determination that the amendment does involve a significant hazards consideration, a notice of opportunity for a prior hearing will be published in the Federal Register and, if a hearing is granted, it will be held before the amendments are issued.

Comments on the proposed determination of no significant hazards consideration may be submitted to William Bateman, Director, Project Directorate IV-2, by collect call to 1-301-415-1371 or by facsimile to 1-301-415-3061. Written comments may be submitted by mail to the Chief, Rules Review and Directives Branch, Division of Freedom and Information and Publications Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001. Written comments may also be delivered to Room 6D22, Two White Flint North, 11545 Rockville Pike, Rockville,

Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC. All comments received by 4:15 p.m. Eastern Daylight Savings Time on September 3, 1997, will be considered in reaching a determination.

A copy of the application may be examined at the NRC's Local Public Document Room located at Phoenix Public Library, 1221 N. Central Avenue, Phoenix, Arizona 85004, and the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.