



10 CFR 50.69
10 CFR 50.90

MARIA L. LACAL
Senior Vice President
Nuclear Regulatory and Oversight

Palo Verde
Nuclear Generating Station
P.O. Box 52034
Phoenix, AZ 85072
Mail Station 7605
Tel 623.393.6491

102-07765-MLL/MDD
August 10, 2018

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Reference: Arizona Public Service Company (APS) Letter 102-07690, *APS Response to Request for Additional Information for License Amendment Request to Adopt 10 CFR 50.69 Risk-Informed Categorization and Treatment of Structures, Systems, and Components*, dated May 9, 2018, ADAMS No. ML18129A448

Dear Sirs:

Subject: **Palo Verde Nuclear Generating Station
Units 1, 2, and 3
Docket Nos. STN 50-528, 50-529, and 50-530
Updated Proposed License Condition Regarding License
Amendment Request to Adopt 10 CFR 50.69 Risk-Informed
Categorization and Treatment of Structures, Systems, and
Components**

On July 19, 2017, APS submitted a license amendment request (LAR) to adopt Title 10 of the Code of Federal Regulations (10 CFR) Section 50.69, *Risk-Informed Categorization and Treatment Of Structures, Systems, and Components for Nuclear Power Reactors*. During the week of February 20, 2018, the NRC staff conducted an audit at the Palo Verde Nuclear Generating Station (PVNGS) to gain an understanding of the risk-informed categorization process and to review the probabilistic risk assessment models that will be used by APS for this risk-informed LAR. The NRC staff determined that additional information was required to complete their review. The APS response to the Request for Additional Information (RAI) was provided by the referenced letter.

Subsequently, the NRC staff requested a clarification call with APS that was held on August 8, 2018. During the call, the NRC noted that it would be appropriate for APS to provide an update to the proposed license condition. Specifically, the license condition should itemize, in greater detail, the probabilistic risk assessment models used to perform 10 CFR 50.69 evaluations. The enclosure to this letter includes the entire license condition that supports the license amendment request.

APS has reviewed the information supporting a finding of no significant hazards consideration that was provided to the NRC. The information provided in this letter does not affect the basis for concluding that the proposed license amendment does not involve a significant hazards consideration under the standards set forth in 10 CFR 50.92.

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Updated Proposed License Condition Regarding License Amendment Request to Adopt 10 CFR 50.69 Risk-Informed Categorization and Treatment of Structures, Systems, and Components

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In accordance with the PVNGS Quality Assurance Program Description, the Plant Review Board has reviewed and approved the updated license condition.

By copy of this letter, this updated license condition is being forwarded to the Arizona Department of Health Services Bureau of Radiation Control in accordance with 10 CFR 50.91(b)(1).

No new commitments are being made to the NRC by this letter.

Should you need further information regarding this letter, please contact Michael DiLorenzo, Nuclear Regulatory Affairs, at (623) 393-3495.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 10, 2018
(Date)

Sincerely,

Thomas H. Wabell... for

Maria C. Lacal

MLL/MDD/CJS/sa

Enclosure: Updated Proposed License Condition

cc:	K. M. Kennedy	NRC Region IV Regional Administrator
	M. D. Orenak	NRC NRR Project Manager for PVNGS
	C. A. Peabody	NRC Senior Resident Inspector for PVNGS
	T. Morales	Arizona Department of Health Services – Bureau of Radiation Control (ADHS)

Enclosure

Updated Proposed License Condition

**Additional Condition
Operating License No. NPF-41, NPF-51, and NPF-74**

APS proposes the following license condition be added to Appendix D of the PVNGS Units 1, 2, & 3 Renewed Operating Licenses:

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
[NUMBER]	<p>APS is approved to implement 10 CFR 50.69 using the processes for categorization of Risk-Informed Safety Class (RISC)-1, RISC-2, RISC-3, and RISC-4 structures, systems, and components (SSCs) using: Probabilistic Risk Assessment (PRA) models to evaluate risk associated with internal events, internal flooding, internal fire, and seismic; the shutdown safety assessment process to assess shutdown risk; the Arkansas Nuclear One, Unit 2 (ANO-2) passive categorization method to assess passive component risk for Class 2 and Class 3 SSCs and their associated supports; and the results of non-PRA evaluations that are based on a screening of other external hazards using the external hazard screening significance process identified in ASME/ANS PRA Standard RA-Sa-2009; as specified in license amendment [NUMBER] dated [DATE].</p> <p>Prior NRC approval, under 10 CFR 50.90, is required for a change to the categorization process specified above (e.g., change from a seismic margins approach to a seismic probabilistic risk assessment approach).</p> <p>APS will complete the implementation items listed in the Enclosure of APS letter 102-07546, dated July 19, 2017, to the NRC and in Attachment 1, Table 1-1 of APS letter 102-07690, dated May 8, 2018, prior to implementation of 10 CFR 50.69. All issues identified in the enclosure will be addressed and any associated changes will be made, focused scope peer reviews will be performed on changes that are PRA upgrades as defined in the PRA standard (ASME/ANS RA-Sa-2009, as endorsed by RG 1.200, Revision 2), and any findings will be resolved and reflected in the PRA of record prior to implementation of the 10 CFR 50.69 categorization process.</p>	<p>Prior to implementation of 10 CFR 50.69.</p>