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USNRC

Arizona Public Service
PALO VERDE NUCLEAR GENERATING STATION
5801 S. WINTERSBURG ROAD TONOPAH, ARIZONA 85354-7529

'95 DEC -7 P3:20

WILLIAM L. STEWART
EXECUTIVE VICE PRESIDENT
NUCLEAR

102-03558-WLS/AKK/ACR
November 28, 1995

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Mr. John C. Hoyle
Secretary of the Commission
Attention: Docketing and Service Branch
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

DOCKET NUMBER
PETITION RULE PRM 50-62
(60FR 47716) (17)

Dear Mr. Hoyle:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528/529/530
Comments on Petition for 10CFR50.54 Rulemaking
(60 Federal Register 47716)**

On September 14, 1995, the Nuclear Regulatory Commission (NRC) requested public comment on a petition for rulemaking filed by the Nuclear Energy Institute (NEI) on behalf of the nuclear power industry. The notice in the Federal Register pertained to proposed changes to 10CFR50.54 which would achieve more consistency in the regulations by making 50.54 more like 10CFR50.59.

Arizona Public Service Company (APS) participated in activities that resulted in NEI submitting the petition. APS is an active member of the Appendix B Working Group. The Appendix B Working Group initiated the NEI's activities that focused on the need for changes in 50.54. The Appendix B Working Group provided oversight, fostered comments, and contributed guidance as NEI drafted the petition.

APS endorses the industry petition and the response to the petition provided by NEI. Of specific interest to APS is that the proposed rule focuses both utility and regulatory resources on changes which have the greatest potential to impact safety. The petition proposes a change which eliminates the use of a poorly defined "reduction in commitment" philosophy to determine the need for NRC review of proposed changes prior to implementation. Instead, the petition provides a method which ensures the NRC is periodically informed of changes to a licensee's QA Program, that safety significant changes receive appropriate evaluation, and that those changes that have the potential to degrade safety (i.e., unreviewed safety questions as determined using existing 10 CFR 50.59 regulation and industry guidance) will receive the appropriate level of NRC review and approval prior to implementation.

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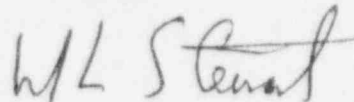
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The petition also interfaces well with recently endorsed guidelines related to management of NRC commitments which allow for licensees to evaluate and modify commitments using criteria that eliminates unnecessary regulatory interface, yet provides for periodic notification of changes to commitments so that appropriate regulatory oversight can be applied. Provisions to add a "reduction in effectiveness clause" or other NRC guidance, as implied in the Federal Registrar "Specific Areas for Public Comment" items 4, 5, 6, and 7, would not address the root cause of the problems experienced in implementing the regulation, nor would they support our mutual goals of improving consistency and efficiency of the regulatory process.

NEI has included in the industry response suggested additional guidance which is intended to supplement the NSAC-125 guidance for 50.59 Evaluations. This additional guidance is based on the NRC's comment that "...NSAC-125 deals principally with evaluating changes associated with nuclear plant equipment and not programmatic controls." The NRC should recognize that many 50.59 Screenings and Evaluations involve proposed procedure changes. Procedure changes can and often do require research of programmatic commitments that may be found in the Safety Analysis Report or other Licensing Basis documents. Therefore, based on the fact that programmatic changes have been made using 50.59 since it became a regulation, APS believes that application of a similar process for quality assurance program changes could be done without additional programmatic guidance. The addition of a guidance document would detract from the goal of consistency in the change process.

Should you have any questions, please contact Ms. Angie Krainik at
(602) 393-5421.

Sincerely,

A handwritten signature in black ink, appearing to read "W. H. Rasin". The signature is written in a cursive style with a large, sweeping flourish at the end.

WLS/AKK/ACR/rv

cc: W. H. Rasin - NEI