



Palo Verde Nuclear  
Generating Station

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**10 CFR 50.90**  
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102-04663-WEI/SAB/GAM/kg  
March 1, 2002

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Mail Station P1-37  
Washington, DC 20555-0001

Dear Sirs:

Subject: **Palo Verde Nuclear Generating Station (PVNGS)  
Units 1, 2 and 3  
Docket Nos. STN 50-528/529/530  
Request for Amendment to Technical Specification Surveillance  
Requirement 3.0.3 Regarding Missed Surveillance Using the  
Consolidated Line Item Improvement Process (CLIIP)**

Pursuant to 10 CFR 50.90, Arizona Public Service Company (APS) hereby requests an amendment to Technical Specifications (TS) Section 3.0 for Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3. The proposed amendment would modify the TS requirements for missed surveillances in Surveillance Requirement (SR) 3.0.3 using the Consolidated Line Item Improvement Process (CLIIP). The changes are consistent with Nuclear Regulatory Commission (NRC) approved Industry/Technical Specification Task Force (TSTF) change TSTF-358, Revision 6. The availability of this CLIIP TS improvement was published in the *Federal Register* on September 28, 2001 (66 FR 49714).

APS is submitting this license amendment application in conjunction with an industry consortium of six plants as a result of a mutual agreement known as Strategic Teaming and Resource Sharing (STARS). The STARS group consists of the six plants operated by Wolf Creek Nuclear Operating Corporation, TXU Electric, AmerenUE, Pacific Gas and Electric, STP Nuclear Operating Company, and Arizona Public Service.

A001

A member of the **STARS** (Strategic Teaming and Resource Sharing) Alliance

Callaway • Comanche Peak • Diablo Canyon • Palo Verde • South Texas Project • Wolf Creek

U. S. Nuclear Regulatory Commission  
Request for Amendment to Technical Specification Surveillance Requirement 3.0.3  
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Attachment 1 provides a description and assessment of the proposed change, the requested confirmation of applicability, and plant-specific verifications. Attachment 2 provides the existing TS pages marked up to show the proposed change. Attachment 3 provides revised (clean) TS pages. Attachment 4 provides a summary of the regulatory commitments made in this submittal. Attachment 5 provides the existing TS Bases pages marked up to show the proposed change. Final TS Bases changes will be implemented pursuant to TS 5.5.14, Technical Specifications Bases Control Program. Attachment 5 is provided for information only; however, APS will adopt these TS Bases changes upon implementation of the license amendment. This is the only commitment associated with this amendment application.

In accordance with the PVNGS Quality Assurance Program, the Plant Review Board and Offsite Safety Review Committee have reviewed and concurred with this proposed amendment. By copy of this letter, this submittal is being forwarded to the Arizona Radiation Regulatory Agency (ARRA) pursuant to 10 CFR 50.91(b)(1)

Approval of this amendment application is requested by July 31, 2002. Once approved, this amendment will be implemented within 60 days.

Should you have any questions, please contact Thomas N. Weber at (623) 393-5764.

Sincerely,



WEI/SAB/GAM/kg

- Attachments:
1. Description and Assessment
  2. Proposed Technical Specification Changes (Mark-up)
  3. Proposed Technical Specification Pages (Clean)
  4. List of Regulatory Commitments
  5. Proposed Technical Specification Bases Changes (Mark-up)

cc:	E. W. Merschoff	[Region IV Administrator]	(all w/Attachments)
	J. N. Donohew	[NRR Project Manager]	
	J. H. Moorman	[Sr. Resident Inspector]	
	A. V. Godwin	[ARRA]	

STATE OF ARIZONA       )  
  ) ss.  
COUNTY OF MARICOPA   )

I, William E. Ide, represent that I am Vice President Nuclear Production, Arizona Public Service Company (APS), that the foregoing document has been signed by me on behalf of APS with full authority to do so, and that to the best of my knowledge and belief, the statements made therein are true and correct.



William E. Ide

Sworn To Before Me This 1st Day Of March, 2002.



  
Notary Public

Notary Commission Stamp

## **Attachment 1**

### **Proposed Technical Specification Change Description and Assessment**

## **Description and Assessment**

### **1.0 DESCRIPTION**

The proposed amendment would modify technical specifications (TS) requirements for missed surveillances in Surveillance Requirement (SR) 3.0.3.

The changes are consistent with Nuclear Regulatory Commission (NRC) approved Industry/Technical Specification Task Force (TSTF) change TSTF-358, Revision 6. TSTF-358, Revision 6, incorporates the modifications made to TSTF-358, Revision 5, by Federal Register Notice 66 FR 32400 of June 14, 2001, and in response to public comments. The availability of this TS improvement was published in the *Federal Register* on September 28, 2001 (66 FR 49714) as part of the consolidated line item improvement process (CLIIP).

### **2.0 ASSESSMENT**

#### **2.1 Applicability of Published Safety Evaluation**

Arizona Public Service Company (APS) has reviewed the proposed safety evaluation dated June 14, 2001, as modified in response to the comments noticed on September 28, 2001, as part of the CLIIP. This review included a review of the NRC staff's evaluation, as well as the supporting information provided to support TSTF-358. APS has concluded that the justifications presented in the TSTF proposal and the safety evaluation prepared by the NRC staff are applicable to Palo Verde Nuclear Generating Station (PVNGS) and justify this amendment for the incorporation of the changes to the PVNGS Plant TS.

#### **2.2 Optional Changes and Variations**

APS is not proposing any variations or deviations from the TS changes described in TSTF-358, Revision 6, or the NRC staff's model safety evaluation dated June 14, 2001, as modified in response to the comments noticed on September 28, 2001.

### **3.0 REGULATORY ANALYSIS**

#### **3.1 No Significant Hazards Consideration Determination**

APS has reviewed the proposed no significant hazards consideration determination (NSHCD) published in the *Federal Register* as part of the CLIIP. The modifications to TSTF-358 and the proposed safety evaluation noticed on September 28, 2001, as part of the CLIIP, do not affect the NSHCD published in the Federal Register Notice of June 14, 2001. APS has concluded that the proposed NSHCD presented in the Federal Register notice is applicable to PVNGS and is hereby incorporated by reference to satisfy the requirements of 10 CFR 50.91(a).

### **3.2 Verification and Commitments**

As discussed in the notice of availability published in the *Federal Register* on September 28, 2001, for this TS improvement, plant-specific verifications were performed as described below.

APS has established TS Bases for SR 3.0.3 which state that use of the delay period established by Surveillance Requirement 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend surveillance intervals, but only for the performance of missed surveillances. The modification will also include changes to the Bases for SR 3.0.3 that provide details on how to implement the new requirements. The Bases changes provide guidance for surveillance frequencies that are not based on time intervals but are based on specified unit conditions, operating situations, or requirements of regulations. In addition, the Bases changes state that APS is expected to perform a missed surveillance test at the first reasonable opportunity, taking into account appropriate considerations, such as the impact on plant risk and accident analysis assumptions, consideration of unit conditions, planning, availability of personnel, and the time required to perform the surveillance. The Bases also state that the risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, "Assessing and Managing Risks Before Maintenance Activities at Nuclear Power Plants," and that the missed surveillance should be treated as an emergent condition, as discussed in Regulatory Guide 1.182. In addition, the Bases state that the degree of depth and rigor of the evaluation should be commensurate with the importance of the component and that missed surveillances for important components should be analyzed quantitatively. The Bases also state that the results of the risk evaluation determine the safest course of action. In addition, the Bases state that all missed surveillances will be placed in the licensee's Corrective Action Program. Finally, APS has a Bases Control Program consistent with Section 5.5 of the Standard Technical Specifications.

### **4.0 ENVIRONMENTAL EVALUATION**

APS has reviewed the environmental evaluation included in the model safety evaluation dated June 14, 2001 as part of the CLIIP. The modifications to TSTF-358 and the proposed safety evaluation noticed on September 28, 2001, as part of the CLIIP, do not affect the environmental evaluation published in the Federal Register Notice of June 14, 2001. APS has concluded that the staff's findings presented in that evaluation are applicable to PVNGS and the evaluation is hereby incorporated by reference for this application.

## **Attachment 2**

### **Proposed Technical Specification Changes (Mark-up)**

### 3.0 SURVEILLANCE REQUIREMENT (SR) APPLICABILITY

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SR 3.0.1      SRs shall be met during the MODES or other specified conditions in the Applicability for individual LCOs, unless otherwise stated in the SR. Failure to meet a Surveillance, whether such failure is experienced during the performance of the Surveillance or between performances of the Surveillance, shall be failure to meet the LCO. Failure to perform a Surveillance within the specified Frequency shall be failure to meet the LCO except as provided in SR 3.0.3. Surveillances do not have to be performed on inoperable equipment or variables outside specified limits.

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SR 3.0.2      The specified Frequency for each SR is met if the Surveillance is performed within 1.25 times the interval specified in the Frequency, as measured from the previous performance or as measured from the time a specified condition of the Frequency is met.

For Frequencies specified as "once," the above interval extension does not apply.

If a Completion Time requires periodic performance on a "once per ..." basis, the above Frequency extension applies to each performance after the initial performance.

Exceptions to this Specification are stated in the individual Specifications.

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SR 3.0.3      If it is discovered that a Surveillance was not performed within its specified Frequency, then compliance with the requirement to declare the LCO not met may be delayed, from the time of discovery, up to 24 hours or up to the limit of the specified Frequency, whichever is ~~less~~ greater. This delay period is permitted to allow performance of the Surveillance. A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed.

If the Surveillance is not performed within the delay period, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

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## **Attachment 3**

### **Proposed Technical Specification Pages (Clean)**

### 3.0 SURVEILLANCE REQUIREMENT (SR) APPLICABILITY

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SR 3.0.1      SRs shall be met during the MODES or other specified conditions in the Applicability for individual LCOs, unless otherwise stated in the SR. Failure to meet a Surveillance, whether such failure is experienced during the performance of the Surveillance or between performances of the Surveillance, shall be failure to meet the LCO. Failure to perform a Surveillance within the specified Frequency shall be failure to meet the LCO except as provided in SR 3.0.3. Surveillances do not have to be performed on inoperable equipment or variables outside specified limits.

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SR 3.0.2      The specified Frequency for each SR is met if the Surveillance is performed within 1.25 times the interval specified in the Frequency, as measured from the previous performance or as measured from the time a specified condition of the Frequency is met.

For Frequencies specified as "once," the above interval extension does not apply.

If a Completion Time requires periodic performance on a "once per ..." basis, the above Frequency extension applies to each performance after the initial performance.

Exceptions to this Specification are stated in the individual Specifications.

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SR 3.0.3      If it is discovered that a Surveillance was not performed within its specified Frequency, then compliance with the requirement to declare the LCO not met may be delayed, from the time of discovery, up to 24 hours or up to the limit of the specified Frequency, whichever is greater. This delay period is permitted to allow performance of the Surveillance. A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed.

If the Surveillance is not performed within the delay period, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

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**Attachment 4**  
**List of Regulatory Commitments**

<b>Regulatory Commitments</b>	<b>Due Date</b>
APS will establish the Technical Specification Bases for SR 3.0.3 as adopted with the applicable license amendment	To be implemented with implementation of license amendment.

## **Attachment 5**

### **Proposed Technical Specification Bases Changes**

BASES

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SR 3.0.2  
(continued)      The provisions of SR 3.0.2 are not intended to be used repeatedly merely as an operational convenience to extend Surveillance intervals (other than those consistent with refueling intervals) or periodic Completion Time intervals beyond those specified.

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SR 3.0.3      SR 3.0.3 establishes the flexibility to defer declaring affected equipment inoperable or an affected variable outside the specified limits when a Surveillance has not been completed within the specified Frequency. A delay period of up to 24 hours or up to the limit of the specified Frequency, whichever is ~~less~~ greater, applies from the point in time that it is discovered that the Surveillance has not been performed in accordance with SR 3.0.2, and not at the time that the specified Frequency was not met. Reference Bases Section 3.0.2 for discussion and applicability of Frequency and 25% extension.

This delay period provides an adequate time to complete Surveillances that have been missed. This delay period permits the completion of a Surveillance before complying with Required Actions or other remedial measures that might preclude completion of the Surveillance.

The basis for this delay period includes consideration of unit conditions, adequate planning, availability of personnel, the time required to perform the Surveillance, the safety significance of the delay in completing the required Surveillance, and the recognition that the most probable result of any particular Surveillance being performed is the verification of conformance with the requirements.

~~When a Surveillance with a Frequency based not on time intervals but upon specified unit conditions or operational situations is discovered not to have been performed when specified, SR 3.0.3 allows the full delay period of 24 hours to perform the Surveillance.~~

~~SR 3.0.3 also provides a time limit for completion of Surveillances that become applicable as a consequence of MODE changes imposed by Required Actions.~~

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BASES

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SR 3.0.3  
(continued)

When a Surveillance with a Frequency based not on time intervals, but upon specified unit conditions, operating situations, or requirements of regulations (e.g., prior to entering MODE 1 after each fuel loading, or in accordance with 10 CFR 50, Appendix J, as modified by approved exemptions, etc.) is discovered to not have been performed when specified, SR 3.0.3 allows for the full delay period of up to the specified Frequency to perform the Surveillance. However, since there is not a time interval specified, the missed Surveillance should be performed at the first reasonable opportunity.

SR 3.0.3 provides a time limit for, and allowances for the performance of, Surveillances that become applicable as a consequence of MODE changes imposed by Required Actions.

Failure to comply with specified Frequencies for SRs is expected to be an infrequent occurrence. Use of the delay period established by SR 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend Surveillance intervals. While up to 24 hours or the limit of the specified Frequency is provided to perform the missed Surveillance, it is expected that the missed Surveillance will be performed at the first reasonable opportunity. The determination of the first reasonable opportunity should include consideration of the impact on plant risk (from delaying the Surveillance as well as any plant configuration changes required or shutting the plant down to perform the Surveillance) and impact on any analysis assumptions, in addition to unit conditions, planning, availability of personnel, and the time required to perform the Surveillance. This risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, "Assessing and Managing Risk Before Maintenance Activities at Nuclear Power Plants." This Regulatory Guide addresses consideration of temporary and aggregate risk impacts, determination of risk management action thresholds, and risk management action up to and including plant shutdown. The missed Surveillance should be treated as an emergent condition as discussed in the Regulatory Guide. The risk evaluation may use quantitative, qualitative, or blended methods. The degree of depth and rigor of the evaluation should be commensurate with the importance of the component. Missed Surveillances for important components should be analyzed

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BASES

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quantitatively. If the results of the risk evaluation determine the risk increase is significant, this evaluation should be used to determine the safest course of action. All missed Surveillances will be placed in the licensee's Corrective Action Program.

If a Surveillance is not completed within the allowed delay period, then the equipment is considered inoperable or the variable is considered outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon expiration of the delay period. If a Surveillance is failed within the delay period, then the equipment is inoperable, or the variable is outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon the failure of the Surveillance.

Completion of the Surveillance within the delay period allowed by this Specification, or within the Completion Time of the ACTIONS, restores compliance with SR 3.0.1.

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SR 3.0.4 SR 3.0.4 establishes the requirement that all applicable SRs must be met before entry into a MODE or other specified Condition in the Applicability.

This Specification ensures that system and component OPERABILITY requirements and variable limits are met before entry into MODES or other specified conditions in the Applicability for which these systems and components ensure safe operation of the unit.

The provisions of this Specification should not be interpreted as endorsing the failure to exercise the good practice of restoring systems or components to OPERABLE status before entering an associated MODE or other specified condition in the Applicability.

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