

June 26, 2003

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
P. O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
ISSUANCE OF AMENDMENTS ON ELIMINATION OF PLANT ORGANIZATION
POSITIONS (TAC NOS. MB8458, MB8459, AND MB8460)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 146 to Facility Operating License No. NPF-41, Amendment No. 146 to Facility Operating License No. NPF-51, and Amendment No. 146 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, respectively. The amendments consist of changes to the Technical Specifications in response to your application dated April 15, 2003 (102-04926).

The amendments revise Sections 2.2, "SL [Safety Limits] Violations," for reporting such violations to positions in the plant organization; 5.2.1, "Onsite and Offsite Organizations," for the position responsible for overall safe plant operation; and 5.5.1, "Offsite Dose Calculation Manual (ODCM)," to replace the positions of Vice President, Nuclear Production, and Director, Site Chemistry, with other positions in the plant organization. Also, there would be the format change of adding the title of Section 2.2 near the top of TS page 2.0-2.

A copy of the related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

Enclosures: 1. Amendment No. 146 to NPF-41
2. Amendment No. 146 to NPF-51
3. Amendment No. 146 to NPF-74
4. Safety Evaluation

cc w/encls: See next page

Palo Verde Generating Station, Units 1, 2, and 3

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The amendments revise Sections 2.2, "SL [Safety Limits] Violations," for reporting such violations to positions in the plant organization; 5.2.1, "Onsite and Offsite Organizations," for the position responsible for overall safe plant operation; and 5.5.1, "Offsite Dose Calculation Manual (ODCM)," to replace the positions of Vice President, Nuclear Production, and Director, Site Chemistry, with other positions in the plant organization. Also, there would be the format change of adding the title of Section 2.2 near the top of TS page 2.0-2.

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cc w/encls: See next page

TS: ML031820583

NRR-100

PKG: ML031820386

ACCESSION NO: ML031820335

NRR-058

OFFICE	PDIV-2/PM	PDIV-1/LA	IEHB/SC	OGC Nlo	PDIV-2/SC
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DATE	05/23/03	05/14/03	05/23/03	06/2 /03	06/26/03

DOCUMENT NAME: C:\MYFILES\Copies\Palo Verde.wpd

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ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-528

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 146
License No. NPF-41

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and 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 dated April 15, 2003, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-41 is hereby amended to read as follows:

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 146, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by R. Gramm for/

Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: June 26, 2003

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-529

PALO VERDE NUCLEAR GENERATING STATION, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 146
License No. NPF-51

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and 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 dated April 15, 2003, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-51 is hereby amended to read as follows:

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 146, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by R. Gramm for/

Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: June 26, 2003

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

DOCKET NO. STN 50-530

PALO VERDE NUCLEAR GENERATING STATION, UNIT 3

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 146
License No. NPF-74

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Arizona Public Service Company (APS or the licensee) on behalf of itself and 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 dated April 15, 2003, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 2.C(2) of Facility Operating License No. NPF-74 is hereby amended to read as follows:

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 146, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated into this license. APS shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan, except where otherwise stated in specific license conditions.

3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by R. Gramm for/
Stephen Dembek, Chief, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical
Specifications

Date of Issuance: June 26, 2003

ATTACHMENT TO LICENSE AMENDMENT NOS. 146, 146, AND 146

FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74

DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

Replace the following pages of the Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

2.0-1
2.0-2
5.2-1
5.5-1

INSERT

2.0-1
2.0-2
5.2-1
5.5-1

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 146 TO FACILITY OPERATING LICENSE NO.
NPF-41, AMENDMENT NO. 146 TO FACILITY OPERATING LICENSE NO.
NPF-51, AMENDMENT NO. 146 TO FACILITY OPERATING LICENSE NO.

NPF-74

ARIZONA PUBLIC SERVICE COMPANY, ET AL.

PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3

DOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530

1.0 INTRODUCTION

By application dated April 15, 2003, Arizona Public Service Company (the licensee), requested changes to the Technical Specifications (TSs) for Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3. The amendments would revise Sections 2.2, "SL [Safety Limits] Violations," for reporting such violations to positions in the plant organization; 5.2.1, "Onsite and Offsite Organizations," for the position responsible for overall safe plant operation; and 5.5.1, "Offsite Dose Calculation Manual (ODCM)," for the position that approves changes to the ODCM, of the TSs. The revisions would account for the elimination of the positions of Vice President, Nuclear Production, and Director, Site Chemistry, and the assignment of the responsibilities of these positions in the above TS sections to other positions in the plant organization. Also, there would be the format change of adding the title of Subsection 2.2 to the left hand corner (LHC) near the top of TS page 2.0-2.

2.0 REGULATORY EVALUATION

Section 10 CFR 50.36 of Title 10 of the *Code of Federal Regulations* (10 CFR), specifies what shall be in the plant TSs and paragraph 50.36(c)(5), "Administrative controls," states that the administrative controls in the TSs are the provisions relating to organization and management, procedures, recordkeeping, review and audit, and reporting necessary to assure operation of the facility in a safe manner.

In addition, in applying the Commission's Final Policy Statement criterion to identify design conditions and associated surveillances to be retained in the Standard Technical Specification (STS) as limiting conditions for operations resulted in improved STSs (i.e., NUREGs 1430-1434 for the different nuclear steam supply systems vendors, such as Combustion Engineering for PVNGS). These STSs have a format in which the requirements are specified.

3.0 TECHNICAL EVALUATION

The licensee has proposed the following changes to plant organization positions in the TSs:

- TS 2.2.4, "SL Violations," change one of the two positions notified within 24 hour of a safety limit (SL) violation from Vice President, Nuclear Production to Senior Vice President, Nuclear.
- TS 2.2.5, "SL Violations," change one of the two positions that licensee event reports (LERs) are submitted to from Vice President, Nuclear Production to Senior Vice President, Nuclear.
- TS 5.2.1.b, "Onsite and Offsite Organization," change the position responsible for overall safe operation of the plant, and the control of those onsite activities necessary for safe operation and maintenance of the plant from Vice President, Nuclear Production to Senior Vice President, Nuclear.
- TS 5.5.1.b, "Offsite Dose calculation Manual (ODCM)," change the position which approves changes to the ODCM from Director, Site Chemistry to Director, Radiation Protection.

In addition, the licensee also proposed an editorial change to state "2.2 SL Violations (continued)" on the LHC of TS page 2.0-2 below the upper line across the page.

3.1 Position Title Changes

In its application, the licensee stated that the proposed changes to replace certain positions titles in TSs 2.2.4, 2.2.5, 5.2.1.b, and 5.5.1.b are needed because the positions of Vice President, Nuclear Production and Director, Site Chemistry are being eliminated. The licensee explained that this resulted from organizational changes at PVNGS due to the retirement of a number of personnel. The Senior Vice President, Nuclear is assuming the duties and responsibilities of the Vice President, Nuclear Production and the responsibility for approving the ODCM has been moved from the Director, Site Chemistry to the Director, Radiation Protection. The appropriate subordinate personnel will be reassigned as needed.

The licensee further stated that the changes proposed are administrative and are the result of deliberate, thoughtful changes to the plant organization. They will not affect the plant structures, systems, or components, and will not reduce programmatic controls such that the plant safety is affected. The licensee concluded that safe operation of the PVNGS units will not be degraded by these changes.

Based on its review, the NRC staff concludes that the licensee has proposed changes in management to reflect the organization and management controls in the plant organization to fulfil the administrative control requirements in TSs 2.2.4, 2.2.5, 5.2.1.b, and 5.5.1.b. Based on this, the staff further concludes that the proposed changes meet 10 CFR 50.36(c)(5) and the proposed changes are acceptable.

3.2 Format Change

The licensee has also proposed to add the phrase "2.2 SL Violations (continued)" to the LHC of TS page 2.0-2 below the upper line across the page. The licensee stated that this was a minor editorial change involving a section header.

For the continuation of subsections from one TS page to the other, the format of the STSs in NUREG-1432, the standard that the PVNGS TSs are based upon, is that the name of the subsection and the word "continued" in parentheses is placed in the LHC of the continuation page at the level where the continuation begins on the new page. This is what the licensee has proposed for Subsection 2.2. Based on this, the NRC staff concludes that the proposed change in the format is administrative, does not change any requirements upon which the plant is operated, and meets the Commission's Final Policy Statement on Technical Specifications. Therefore, the staff concludes that the proposed change to the format of TS 2.2 is acceptable.

3.3 Conclusion

Based on Sections 3.1 and 3.2, the NRC staff concludes that the proposed amendments are acceptable. The licensee did not state in its application how many days it would need to implement the amendments after the amendments were issued. In the conference call on April 30, 2003, the licensee stated that the proposed amendments would be implemented within 30 days after the amendments were issued. This is acceptable to the staff.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Arizona State official was notified of the proposed issuance of the amendments. The State official had no comments.

5.0 ENVIRONMENTAL CONSIDERATION

The amendments relate to changes in recordkeeping, reporting, or administrative procedures or requirements. The NRC staff has determined that the amendments involve no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendments involve no significant hazards consideration, and there has been no public comment on such finding (68 FR 28845 dated May 27, 2003). Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(10). Pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendments.

6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the

Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: Jack Donohew

Date: June 26, 2003