

February 28, 2006

Mr. James M. Levine
Executive Vice President, Generation
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 RE: DELETION OF LICENSE CONDITION AND
REVISIONS TO VARIOUS TECHNICAL SPECIFICATIONS
(TAC NOS. MC6347, MC6348, AND MC6349)

Dear Mr. Overbeck:

The Commission has issued the enclosed Amendment No. 158 to Facility Operating License No. NPF-41, Amendment No. 158 to Facility Operating License No. NPF-51, and Amendment No. 158 to Facility Operating License No. NPF-74 for the Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3, respectively. The amendments consist of changes to the Facility Operating Licenses and Technical Specifications (TSs) in response to your application dated March 4, 2005, as supplemented by letter dated January 25, 2006.

The amendments delete Section 2.F (2.G in Unit 3) of the PVNGS Facility Operating Licenses, which requires reporting violations of the requirements in Section 2.C of the Operating License. The amendments also make administrative and editorial changes to the PVNGS TS 1.4, "Frequency," TS 2.1.1, "Reactor Core SLs [Safety Limits]," TS 3.1.10, "Special Test Exceptions (STE) - MODES 1 and 2," TS 3.3.1, "Reactor Protective System (RPS) Instrumentation - Operating," TS 3.4.3, "RCS [Reactor Coolant System] Pressure and Temperature (P/T) Limits," TS 3.7.2, "Main Steam Isolation Valves (MSIVs)," TS 3.7.3, "Main Feedwater Isolation Valves (MFIVs)," TS 3.8.1, "AC [Alternating Current] Sources - Operating," TS 3.8.4, "DC [Direct Current] Sources - Operating," TS 3.8.6, "Battery Cell Parameters," and TS 5.5.9, "Steam Generator (SG) Tube Surveillance Program"

J. M. Levine

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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/

Mel B. Fields, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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

Enclosures: 1. Amendment No. 158 to NPF-41
 2. Amendment No. 158 to NPF-51
 3. Amendment No. 158 to NPF-74
 4. Safety Evaluation

cc w/encls: See next page

J. M. Levine

- 2 -

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cc w/encs: See next page

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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. 158
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 March 4, 2005, as supplemented by letter dated January 25, 2006, 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 Facility Operating License and 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. 158, 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 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

David Terao, Branch Chief
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility Operating
License and Technical Specifications

Date of Issuance: February 28, 2006

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. 158
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 March 4, 2005, as supplemented by letter dated January 25, 2006, 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 Facility Operating License and 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. 158, 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 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

David Terao, Branch Chief
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility Operating
License and Technical Specifications

Date of Issuance: February 28, 2006

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. 158
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 March 4, 2005, as supplemented by letter dated January 25, 2006, 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 Facility Operating License and 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. 158, 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 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

David Terao, Branch Chief
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility Operating
License and Technical Specifications

Date of Issuance: February 28, 2006

ATTACHMENT TO LICENSE AMENDMENT NOS. 158, 158, AND 158

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 page of Facility Operating License No. NPF-41 with the attached revised page. The revised page is identified by amendment number and contains a marginal line indicating the area of change.

REMOVE
7

INSERT
7

Replace the following page of Facility Operating License No. NPF-51 with the attached revised page. The revised page is identified by amendment number and contains a marginal line indicating the area of change.

REMOVE
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INSERT
7

Replace the following page of Facility Operating License No. NPF-74 with the attached revised page. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

REMOVE
5

INSERT
5

Replace the following page of Facility Operating License No. NPF-41 with the attached revised page. The revised page is identified by amendment number and contains a marginal line indicating the area of change.

REMOVE
1.4-1
2.0-1
3.1.10-1
3.1.10-2
3.3.1-10
3.3.1-19
3.4.3-3
3.7.2-1
3.7.3-1
3.8.1-6
3.8.4-2
3.8.4-4
3.8.6-4
3.8.6-5
5.5-15

INSERT
1.4-1
2.0-1
3.1.10-1
3.1.10-2
3.3.1-10
3.3.1-19
3.4.3-3
3.7.2-1
3.7.3-1
3.8.1-6
3.8.4-2
3.8.4-4
3.8.6-4

5.5-15

5.5-16

5.5-16

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 158 TO FACILITY OPERATING LICENSE NO. NPF-41,
AMENDMENT NO. 158 TO FACILITY OPERATING LICENSE NO. NPF-51,
AND AMENDMENT NO. 158 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 March 4, 2005, (Agencywide Documents and Access Management System Accession No. ML050770384), as supplemented by letter dated January 25, 2006 (ML060530592) Arizona Public Service Company (APS) requested changes to the Technical Specifications (TSs) for Palo Verde Nuclear Generating Station (PVNGS), Units 1, 2, and 3. The January 25, 2006, supplement provided additional information that clarified the application, did not expand the scope of the application as originally noticed, and did not change the NRC staff's original proposed no significant hazards consideration determination as published in the *Federal Register* on May 10, 2005 (70 FR 24647).

The proposed changes would delete Section 2.F (2.G in Unit 3) of the PVNGS Units 1, 2, and 3 Operating Licenses, which requires reporting violations of the requirements in Section 2.C of the Operating License. The amendments also make administrative and editorial changes to various TSs. Specifically, the following Facility Operating Licenses and TS changes are requested:

Facility Operating License No. NPF-41

Delete the following License Condition:

2. F. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, APS shall report any violations of the requirements contained in Section 2.C of this license in the following manner: Initial notification shall be made within 24 hours in accordance with the provisions of 10 CFR 50.72 with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e).

Facility Operating License No. NPF-51

Delete the following License Condition:

2. F. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, APS shall report any violations of the requirements contained in Section 2.C of this license in the following manner: Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e);

Facility Operating License No. NPF-74

Delete the following License Condition:

2. G. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, APS shall report any violations of the requirements contained in Section 2.C of this license in the following manner: Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System, with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e);

TS 1.4, "Frequency"

Add line and "(continued)" at the bottom of the page.

TS 2.1.1, "Reactor Core SLs [Safety Limits]"

Delete "as follows: § 1.3 (through operating cycle 10)" and "(operating cycle 11 and later)" from 2.1.1.1, and add "at" before "§ 1.34."

TS 3.1.10, "Special Test Exceptions (STE) - MODES 1 and 2"

Change the format to add item a labeling to the first item. Add additional limiting condition for operation (LCO) provision "and b. Shutdown reactivity equivalent to at least the highest estimated CEA [Control Element Assembly] worth (of those CEAs actually withdrawn) is available for trip insertion" and new surveillance requirement (SR) "SR 3.1.10.2 Verify that the position of each CEA not fully inserted is within the acceptance criteria for available negative reactivity addition" with a two hour frequency.

TS 3.3.1, "Reactor Protective System (RPS) Instrumentation - Operating"

Delete "§ 1.3 (through operating cycle 10)" and "(operating cycle 11 and later)" from Tables 3.3.1-1, Function 15.

TS 3.4.3, "RCS [Reactor Coolant System] Pressure and Temperature (P/T) Limits"

Add "/HR" Heatup Rate after "75EF" in Table 3.4.3-1.

TS 3.7.2, "Main Steam Isolation Valves (MSIVs)"

Revise Applicability for this specification from "MODES 2, 3, and 4 except when all MSIVs are closed" to "MODES 2, 3, and 4 except when all MSIVs are closed and deactivated."

TS 3.7.3, "Main Feedwater Isolation Valves (MFIVs)"

Revise Applicability for this specification from "MODES 1, 2, 3, and 4 except when MFIV is closed or isolated by a closed power operated valve" to "MODES 1, 2, 3, and 4 except when MFIV is closed and deactivated or isolated by a closed and deactivated power operated valve."

TS 3.8.1, "AC [Alternating Current] Sources - Operating"

Add the following note to SR 3.8.1.2:

"4. The steady state voltage and frequency limits are analyzed values and have not been adjusted for instrument error."

TS 3.8.4, "DC [Direct Current] Sources - Operating"

1. Revise SR 3.8.4.1 from "Verify battery terminal voltage is \$129 V on float charge (low specific gravity cells) or \$131 V on float charge (AT&T)" to "Verify battery terminal voltage is \$129 V on float charge."
2. Revise SR 3.8.4.8 from "Verify battery capacity is \$80% (low specific gravity cells) or \$ 90% (AT&T) of the manufacturer's rating when subjected to a performance discharge test or a modified performance discharge test" to "Verify battery capacity is \$80% of the manufacturer's rating when subjected to a performance discharge test or a modified performance discharge test."
3. Delete the asterisk at the end of SR 3.8.4.8 and the asterisk note, "* The requirement to perform SR 3.8.4.8 for the Unit 1 batteries A, B, and C is waived until entry into MODE 4 coming out of the ninth refueling outage for Unit 1 (1R09)" at the bottom of page 3.8.4-4.

TS 3.8.6, "Battery Cell Parameters"

4. Revised the title of Table 3.8.6-1 from "(page 1 of 2) (Low Specific Gravity Cells) Battery Surveillance Requirements" to "(page 1 of 1) Battery Surveillance Requirements."
5. Delete page 3.8.6-5, "Table 3.8.6-1 (page 2 of 2) (AT&T) Battery Surveillance Requirements."

TS 5.5.9, "Steam Generator (SG) Tube Surveillance Program"

Revise the requirement for NRC notification in Tables 5.5.9-2 and 5.5.9-3 from "pursuant to 10 CFR 50.72(b)(2)" to "pursuant to 10 CFR 50.72(b)(3)"

2.0 REGULATORY EVALUATION

The staff finds that the licensee in Section 5.2 of its March 4, 2005, submittal identified the applicable regulatory requirements. The regulatory requirements on which the staff based its acceptance are 10 CFR 50.72, "Immediate notification requirements for operating nuclear power reactors," and 10 CFR 50.73, "Licensee event report system."

The proposed changes to the Technical Specifications are administrative and/or editorial and do not affect any regulatory requirements or criteria.

The licensee made reference to several license amendments issued by the NRC in recent years where similar requests were made by other licensees. The NRC staff used these precedents to the extent practical to achieve efficiency and consistency in the regulatory process.

3.0 EVALUATION

3.1 Operating License Condition 2.F (2.G in Unit 3)

Operating License Condition 2.C lists requirements regarding Maximum Thermal Power Level, Technical Specifications and Environmental Protection Plan, Antitrust, and Fire Protection (Units 1 and 2 only).

Operating License Condition 2.F (2.G in Unit 3) requires that PVNGS notify the NRC of violations of the conditions in Condition 2.C within 24 hours and submit a report within 30 days. Operating License Condition 2.F (2.G in Unit 3) reporting requirements related to the Maximum Thermal Power (2.C.(1)), Technical Specifications and Environmental Protection Plan (2.C.(2)), and Fire Protection (Unit 1 - 2.C.(7) and Unit 2 - 2.C.(6)) are adequately addressed by the requirements of 10 CFR 50.72 and 50.73. Condition 2.C.(3) regarding Antitrust is an administrative issue and has no safety significance. Since the NRC's requirements for immediate notification with written follow-up requirements (Licensee Event Reports) of events at operating nuclear power reactors are stated in 10 CFR 50.72 and 10 CFR 50.73, and based on the above, the NRC concludes that Operating Licensing Condition 2.F (2.G in Unit 3) may be deleted.

3.2 Change to TS 1.4

The change to TS 1.4 maintains the format of the PVNGS TSs. The NRC staff concludes that this editorial and formatting correction is administrative and does not affect the safe and reliable operation of the plant. Therefore, this proposed change is acceptable.

3.3 Change to TS 2.1.1

TS 2.1.1 provides the SLs for Departure from Nucleate Boiling Ratio (DNBR). As part of Amendment No. 133 to the PVNGS Operating License, the minimum DNBR was revised based on Unit operating cycle, "\$1.3 (through operating cycle 10)" and "\$1.34 (operating cycle 11 and later)." All three PVNGS units have completed operating cycle 10. The DNBR based on unit operating cycle is no longer required. Therefore, the reference to the minimum DNBR through operating cycle 10 (\$1.3) is no longer required. The NRC staff concludes that deletion of the above mentioned statements are administrative in nature and, therefore, is acceptable.

3.4 Change to TS 3.1.10

TS 3.1.10 allows the suspension of existing TS LCOs to allow the performance of PHYSICS TESTS. These tests are conducted to determine specific reactor core characteristics. TS Bases 3.1.10 states that "Even if an accident occurs during PHYSICS TESTS with one or more LCOs suspended, fuel damage criteria are preserved because the limits on power distribution and shutdown capability are maintained during PHYSICS TESTS." Per TS Bases 3.1.10, the limits on power distribution are maintained by TSs 3.2.1, "Linear Heat Rate (LHR)" and 3.2.4 "Departure from Nucleate Boiling Ratio (DNBR)." NUREG-1432, "Standard Technical Specifications, Combustion Engineering Plants," Section 3.1.1 included the requirement to verify shutdown margin (SDM). During the conversion to the improved TS, verification of SDM in Modes 1 and 2 was removed by Technical Specification Task Force (TSTF) Standard Technical Specification Change Traveler, TSTF-67. This resulted in TS 3.1.10 not including explicit requirements for maintaining shutdown capability. This change will ensure that shutdown capability is maintained during PHYSICS TESTS. This change is also consistent with the requirements of TS 3.1.9, "Special Test Exception (STE) - SHUTDOWN MARGIN (SDM)." This TS change corrects the inconsistency between TS 3.1.10 and TS 3.1.9. The NRC staff concludes that this change is administrative in nature and, therefore, is acceptable.

3.5 Change to TS 3.3.1

TS 3.3.1, Table 3.3.1-1 provides the minimum trip setpoint for DNBR. As part of Amendment No. 133 to the PVNGS Operating License, the minimum DNBR was revised based on Unit operating cycle, "\$1.3 (through operating cycle 10)" and "\$1.34 (operating cycle 11 and later)." All three PVNGS units have completed operating cycle 10. Therefore, the reference to the minimum DNBR through operating cycle 10 (\$1.3) is no longer required. The NRC staff concludes that deletion of the above mentioned statements are administrative in nature and, therefore, is acceptable.

3.6 Change to TS 3.4.3

This change only corrects the parameter for the heatup rate. The heat rates in Table 3.4.3-1 are in "EF/HR." One of the heatup rates in the Table only had a parameter of "EF." This change corrects that omission. The NRC staff concludes that this editorial correction is administrative and does not affect the safe and reliable operation of the plant. Therefore, this proposed change is acceptable.

3.7 Change to TSs 3.7.2 and 3.7.3

The purpose of the MFIVs is to isolate Main Feedwater (MFW) flow to the secondary side of the steam generators following a High Energy Line Break (HELB). Closure of the MFIVs terminates flow to both steam generators, terminating the event for Feedwater Line Breaks (FWLBs) occurring upstream of the MFIVs. The consequences of events occurring in the main steam lines or in the MFW lines downstream of the MFIVs will be mitigated by their closure. Closure of the MFIVs effectively terminates the addition of feedwater to an affected steam generator, limiting the mass and energy release for Steam Line Breaks (SLBs) or FWLBs inside containment, and reducing the cooldown effects for SLBs.

The LCO for TS 3.7.3 states that "Four economizer MFIVs and four downcomer MFIVs shall be OPERABLE" with Applicability to "MODES 1, 2, 3, and 4 except when MFIV is closed or isolated by a closed power operated valve." Condition A, "One or more MFIVs inoperable" requires that the inoperable MFIV(s) be closed or isolated within "72 hours" and verified closed or isolated "Once per 7 days." Condition B, "Two valves in the same flow path inoperable" requires that the affected flow path be isolated within "8 hours" and verify inoperable MFIV is closed or isolated "Once per 7 days." However, closing the inoperable valve removes the valve from the Applicability for the LCO, which removes the valve from the requirement to periodically verify that the valve is closed.

The NUREG-1432 Applicability for this LCO includes the bracketed words "[and deactivated]." During conversion to the improved TS, APS did not include the bracketed words in the Applicability for this LCO. In the original PVNGS TS, the requirement to close and deactivate the valves was part of the action, and during the conversion it was relocated to the TS Bases.

Based on the discussion above, the requirement to deactivate the valve should have been relocated to the Applicability in the TS instead of the Actions discussion in the TS Bases. Adding "and deactivated" to the Applicability would correct the inconsistency between the current Applicability and the required action. Also, changing the Applicability to exclude the MFIV when it is closed and deactivated ensures that the isolation function of the MFIV is maintained, the MFIV cannot be inadvertently opened, and, therefore, a weekly check that the MFIV is closed is not necessary.

The purpose of the MSIVs is to isolate steam flow from the secondary side of the steam generators following a HELB. MSIV closure terminates flow from the unaffected (intact) steam generator. One MSIV is located in each main steam line outside, but close to, containment. The MSIVs are downstream from the Main Steam Safety Valves (MSSVs), atmospheric dump valves, and auxiliary feedwater pump turbine steam supplies to prevent their being isolated from the steam generators by MSIV closure. Closing the MSIVs isolates each steam generator from the other, and isolates the turbine, Steam Bypass Control System, and other auxiliary steam supplies from the steam generators.

The LCO for TS 3.7.2 states that "Four MSIVs shall be OPERABLE" with the Applicability to "MODE 1. MODES 2, 3, and 4 except when all MSIVs are closed." Condition C, "One or more MSIVs inoperable in MODE 2, 3, or 4" requires that the inoperable MSIV be closed within "4 hours" and verified closed "Once per 7 days." The NUREG-1432 Applicability for this LCO includes the bracketed words "[and deactivated]." The original PVNGS TS only required that an

inoperable MSIV be maintained closed and did not specifically require that the MSIV be deactivated. However, APS has determined that the same inconsistency described above for the MFIVs, applies to this LCO and proposes to add "and deactivated" to the Applicability. This change corrects the inconsistency between the current Applicability and the required action.

The proposed change corrects an inconsistency in TSs 3.7.2 and 3.7.3. The NRC staff concludes that this change is administrative in nature and, therefore, is acceptable.

3.8 Change to TS 3.8.1

Amendment No. 129 to the PVNGS Operating License revised the voltage and frequency limits in the SRs for TS 3.8.1, "AC Sources - Operating." As part of the change, a note was added to each of the affected SRs, except SR 3.8.1.2, stating that "The steady state voltage and frequency limits are analyzed values and have not been adjusted for instrument error." However, the voltage and frequency limits were also revised in SR 3.8.1.2. This change corrects this inconsistency by adding the note to SR 3.8.1.2. The NRC staff concludes that this change is administrative in nature and, therefore, is acceptable.

3.9 Change to TSs 3.8.4 and 3.8.6

APS has replaced the AT&T batteries with low specific gravity batteries in all three units. This change removes the requirements and references to the AT&T batteries from the TS.

As part of the replacement of the AT&T batteries, PVNGS received a one-time deferral from the requirement to perform a performance discharge test on the Unit 1 AT&T batteries until startup from the ninth Unit 1 refueling outage. The AT&T batteries were replaced prior to startup from the ninth Unit 1 refueling outage. Therefore, the one-time deferral no longer applies and the note is being deleted.

Since AT&T batteries are no longer installed at PVNGS, these requirements are no longer applicable and are being removed from the TSs. The NRC staff concludes that this change is administrative in nature and, therefore, is acceptable.

3.10 Change to TS 5.5.9

Tables 5.5.9-2 and 5.5.9-3 require NRC notification in accordance with 10 CFR 50.72 when the condition of the nuclear power plant, including its principal safety barriers, are seriously degraded (e.g., defective steam generator tubes). Prior to January 23, 2001, this requirement was in 10 CFR 50.72(b)(2). A rule change was issued for 10 CFR 50.72 on January 23, 2001. As part of the rule change, the reporting requirement for this criteria was changed to an 8-hour non-emergency report in 10 CFR 50.72(b)(3). Therefore, this change corrects NRC notification requirements based on the January 23, 2001, rule change to 10 CFR 50.72 (65 FR 63769, 10/25/00). The NRC staff concludes that this change is administrative in nature and, therefore, is acceptable.

4.0 STATE CONSULTATION

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

5.0 ENVIRONMENTAL CONSIDERATION

The amendments change Surveillance Requirements and requirements with respect to installation or use of facility components located within the restricted area as defined in 10 CFR Part 20. The amendments also change reporting 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 published May 10, 2005 (70 FR 24647). Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9),(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.

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