



A subsidiary of Pinnacle West Capital Corporation

Palo Verde Nuclear
Generating Station

Dwight C. Mims
Senior Vice President
Nuclear Regulatory and Oversight

Tel. 623-393-5403
Fax 623-393-6077

Mail Station 7605
P. O. Box 52034
Phoenix, Arizona 85072-2034

102-06531-DCM/MAM/DLK
June 11, 2012

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
11555 Rockville Pike
Rockville, MD 20852

Reference: 1. NRC Letter, *Request for Information Pursuant to Title 10 of the Code of Federal Regulations 50.54(f) Regarding Recommendations 2.1, 2.3, and 9.3, of the Near-Term Task Force Review of Insights from the Fukushima Dai-ichi Accident*, dated March 12, 2012

Dear Sir:

**Subject: Palo Verde Nuclear Generating Station (PVNGS) Units 1, 2, and 3
Docket No. STN 50-528, STN 50-529, and STN 50-530
License No. NPF-41, NPF-51, and NPF-79
90-Day Response to Seismic Evaluation Information Requested by
NRC Letter, *Request for Information Pursuant to Title 10 of the Code of Federal Regulations 50.54(f) Regarding Recommendations 2.1, 2.3, and 9.3, of the Near-Term Task Force Review of Insights from the Fukushima Dai-ichi Accident*, dated March 12, 2012**

On March 12, 2012, the Nuclear Regulatory Commission (NRC) issued Reference 1 to all power reactor licensees and holders of construction permits in active or deferred status. Enclosure 1 of Reference 1 contains specific Requested Actions, Requested Information, and Required Responses associated with Recommendation 2.1, Seismic Evaluations. Reference 1 requires that, if an addressee cannot meet the requested response date, it must provide a response to the NRC within 90 days of the date of the information request describing the licensee's proposed alternative course of action, the basis for the acceptability of the proposed alternative course of action, and the estimated completion dates.

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June 11, 2012

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U.S Nuclear Regulatory Commission

90 Day Response to 10 CFR 50.54(f) Letter Regarding Seismic Recommendation 2.1

Page 2

Within 60 days of the NRC endorsement of the Screening, Prioritization and Implementation guidance, APS will submit: (1) its intention to follow the endorsed guidance, or (2) provide an alternative approach. At that time, APS will assess whether it can meet the submittal deadlines for the Seismic Risk Evaluation and take the appropriate regulatory action.

The response date for PVNGS's Seismic Hazard Evaluation was identified as March 12, 2015 which corresponds to three years from the date of Reference 1. Enclosure 1 of Reference 1 states that if an addressee cannot meet the requested response date, then the addressee must provide a response within 90 days of the date of the letter and describe the alternative course of action that it proposes to take, including the basis of the acceptability of the proposed alternative course of action and estimated completion date. This letter provides APS's response to this requirement with respect to performance of a Senior Seismic Hazard Analysis Committee (SSHAC) Level 3 in accordance with NUREG-2117 for Ground Motion Characterization (GMC) and Seismic Source Characterization (SSC).

Currently, it is APS's intent to perform a SSHAC Level 3 in accordance with NUREG-2117 for GMC and SSC, and to meet the schedule for completion of the subsequent Seismic Hazard Evaluation for PVNGS specified in Reference 1. However, an alternate plan may be necessary because the number of personnel available with the level of seismic expertise necessary to participate in the SSHAC process for Western U.S. (WUS) nuclear power plants is limited. The WUS plants will be performing 6-8 SSHACs within this three year period. This resource limitation has the potential to delay the development of the new models needed for performance of the Seismic Hazard Evaluation within three years.

APS is currently in the process of retaining experts and coordinating with other WUS nuclear plant licensees concerning the performance of the required SSHAC Level 3 activities. Completion of these actions will permit APS and the other WUS plants to better estimate the time frames needed for implementation of the SSHAC Level 3 process. If it is determined that APS will be unable to implement these activities on a schedule that supports completion of a Seismic Hazard Evaluation for PVNGS by March 12, 2015, as required by Reference 1, APS proposes to meet with the NRC to agree upon a new completion date. Additionally, if resource constraints develop during the estimated 2.5 years it will take to complete the SSHAC Level 3 process, APS would propose to meet with the NRC to develop a revised mutually agreeable schedule. Any revised schedule would consider prioritization of the limited available resources for the WUS sites.

102-06531-DCM/MAM/DLK

June 11, 2012

ATTN: Document Control Desk

U.S Nuclear Regulatory Commission

90 Day Response to 10 CFR 50.54(f) Letter Regarding Seismic Recommendation 2.1

Page 3

APS believes that this course of action is acceptable because it will result in performance of the SSHAC process and Seismic Hazard Evaluation as soon as reasonably possible for PVNGS in light of limited seismic resources and in accordance with applicable NRC guidance.

This letter contains no new regulatory commitments.

Should you have any questions concerning the content of this letter, please contact Mark McGhee, Operations Support Manager, Regulatory Affairs at (623) 393-4972.

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

Executed on 6/11/12
(Date)

Respectfully,
A.C. Morris

DCM/MAM/DLK/hsc

cc:	E. J. Leeds	NRC Director, Office of Nuclear Reactor Regulation
	E. E. Collins Jr.	NRC Region IV Regional Administrator
	B. K. Singal	NRC NRR Project Manager for PVNGS
	L. K. Gibson	NRC NRR Project Manager
	J. R. Hall	NRC NRR Senior Project Manager
	M. A. Brown	NRC Senior Resident Inspector for PVNGS