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SUBJECT: Application for amends to Licenses NPF-41, NPF-51 & NPF-65, authorizing changes to Tech Spec Section 6, "Administrative Controls." Description of changes encl.

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August 10, 1987
161-00432-EEVB/WFQ

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528 (License NPF-41)
STN 50-529 (License NPF-51)
STN 50-530 (License NPF-65)
Proposed License Amendments - Technical Specification
Change Regarding Organization
File: 87-005.419.05; 87-056-026

Dear Sir:

This letter is provided to request changes to the PVNGS Units 1, 2 and 3 Technical Specifications, Section 6, Administrative Controls. These changes are positive organizational structure and staffing changes resulting from an independent study completed for our project. These changes will aid our final move from construction to operation with the future commercial operation of PVNGS Unit 3. The FSAR and other appropriate documents will be revised in the future accordingly after NRC approval.

Enclosed within this change request are:

A. Description of Amendment Request

B. Purpose of the Technical Specification

C. Need for the Technical Specification Amendment

D. Basis for No Significant Hazards Determination

E. Safety Analysis of the Proposed Change Request

F. Environmental Impact Determination

G. Marked-up Technical Specification Change Pages

A001

Pursuant to 10CFR 50.91(b)(1), and by a copy of this letter and attachments we have notified the Arizona Radiation Regulatory Agency of this request for a Technical Specification Change. In accordance with 10CFR 170.12(c), the license amendment application fee of $150 has been forwarded to the USNRC License Fee Management Coordinator.

Very truly yours,

E. E. Van Brunt

E. E. Van Brunt, Jr.
Executive Vice President
Arizona Nuclear Power Project

EEVB/WFQ/dlm
Attachments

cc: O. M. DeMichele
J. G. Haynes
Director Region V USNRC
NRC Project Manager - E. A. Licitra (w/a)
NRC Resident Inspector - J. Ball
Director ARRA - C. F. Tedford (w/a)
A. C. Gehr
R. M. Diggs (with WFD $150)

A. DESCRIPTION OF AMENDMENT REQUEST

The proposed license amendments would modify the Technical Specifications, Section 6 (Administrative Controls), Parts 6.1 through 6.8 and Figures 6.2-1 and 6.2-2. The proposed change alters the organizational structure. Several advantages of the new organization are: Each of the Units are under the direct control of a Plant Manager who is the senior person in the unit organization. This direct unit control does not exist in the current organization. The duties of the Vice President-Nuclear Production, are revised to oversee the unit activities in order to increase senior management attention over the operating units and to eliminate this position's daily responsibilities over offsite activities as well. The Assistant Vice President's duties to oversee the onsite support of the Units is further developed to become a more important role in strategy and decision making. A new onsite senior position, Director of Standards and Technical Support is created to oversee control of the plant standards used by the operating units to assure the uniform, high quality of operations and maintenance procedures and practices among the three units. This new senior position will also be responsible to provide and control existing onsite technical support programs such as the system engineer concept and performance of validation testing and surveillance testing.

Overall, the proposed organization has reduced layers of management, implements a philosophy of increased span of control and functionally defined responsibility. This organization will provide for more effective management since it will allow managers to concentrate more on their responsibilities and reduce the time required to work through the organization.

Attachment 1 discusses the conduct of operations, using the proposed organizational structure, in more detail. Included in Attachment 1 are figures representing the proposed structure. References to existing FSAR figures and sections are provided so that organization structure differences can be recognized where they exist. These proposed organizational changes do not alter PVNGS previous compliance with ANSI/ANS 3.1-1978 with the following exceptions. The Director, Corporate QA/QC does not meet the requirement of Section 4.4.5 of ANSI/ANS 3.1-1978 in that the individual selected for this position does not have "one-year experience within the quality assurance organization". Specifically, the individual has extensive QA related engineering experience including establishment of an ASME Section XI Inservice Inspection Program, development of the station technical specification surveillance test program, supervision of integrated leak rate tests (ILRT), support of local leak rate tests (LLRT), and overall responsibility for nondestructive examination. The intent of this appointment is to obtain improvements in quality programs such that quality controls are effectively applied to the operational aspects of the plant. Such an appointment is judged acceptable because the QA staff is experienced, with the individual quality managers responsible for development of the quality program (Manager of Quality Systems and Engineering) and also for auditing the implementation of the program (Manager, Quality Audits and Monitoring) meeting the requirements of ANSI/ANS 3.1-1978 Section 4.4.5. (Note, a similar approach is already allowed by ANSI/ANS 3.1-1978, Section 4.2.1 with respect to relaxing requirements relative to the Plant Manager). In addition, the appointed

director has had considerable experience in successfully applying the principles of quality assurance in on-site engineering. The combined experienced of the current quality assurance managers and the newly appointed director significantly increase the overall effectiveness of the APS Quality Assurance Program. No current technical capabilities are being reduced. The ANSI/ANS 3.1-1981 Section 4.4.5 requirements for this position does not require this "one year experience within the quality assurance organization". The other exceptions, for the Central Radiation Protection Manager and the unit Radiation Protection Managers are discussed on page 1-20 (Note a) and was previously acceptable to the NRC for similar positions (Refer to the current FSAR pg. 13.1-29 note a). The Radiation Protection and Chemistry Manager exception to RG 8.8 is discussed in Section 1.2.2.3.3.

B. PURPOSE OF THE TECHNICAL SPECIFICATION

The Administrative Controls, Section 6, regarding organization is provided to describe the licensee's Organization (offsite, unit staff, Independent Engineering Group, Shift Technical Advisor), Unit staff qualifications, Unit Review Group, and Company Nuclear Review and Audit. The licensee established organization provides for the overall management of personnel and activities associated with the day to day operation, maintenance and support of the facility. A well established organization with qualified individuals help assure the safe operation of the facility.

C. NEED FOR THE TECHNICAL SPECIFICATION AMENDMENT

The technical specification amendment is needed to reflect organization changes. These changes are being made to enhance the overall management of personnel activities associated with operation and support of a three unit nuclear generation station. These changes are necessary as the third and final Palo Verde Unit moves through final startup testing to commercial operation in the near future.

D. BASIS FOR NO SIGNIFICANT HAZARDS DETERMINATION

1. The Commission has provided standards for determining whether a significant hazards consideration exists as stated in 10 CFR 50.92. A proposed amendment to an operating license for a facility involves no significant hazards consideration if operation of the facility in accordance with a proposed amendment would not: (1) Involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) Create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) Involve a significant reduction in a margin of safety.

   A discussion of these standards as they relate to the amendment request follows:

   Standard 1--Involve a significant increase in the probability or consequences of an accident previously evaluated.

This change involves restructuring the APS nuclear organization. It is expected to have a positive effect on the conduct of plant operations and safety-related work. Due to this restructuring, the functions remain which are necessary to operate the facility safely and in accordance with the operating licenses. Therefore, there is no concern for a significant increase in the probability or consequences of an accident previously evaluated.

Standard 2--Create the possibility of a new or different kind of accident from any accident previously evaluated.

In both the proposed organization and the existing organization, the functions exist which are necessary to operate the facility safely in accordance with the operating licenses. The new organization will still provide for effective management. Therefore, the possibility of a different type of accident than previously analyzed will not be created.

Standard 3--Involve a significant reduction in a margin of safety.

The proposed change does not impact the framework or responsibilities which currently exist in the technical specifications for conducting safe operations at PVNGS. The changes are primarily administrative in that the title of a position which will handle a given responsibility has changed or the responsibility has been assigned to a different manager. Consequently, no reduction in the margin of safety will occur.

2. The proposed change matches the guidance concerning the application of the standards for determining whether a significant hazards consideration exists (51FR 7751) by example.

   (ix) Other: This change would modify the Technical Specifications, Section 6 (Administrative Controls), Parts 6.1 - 6.8 to reflect organizational changes. Chapter 13 (Conduct of Operations) of the FSAR and sections of the Emergency Plan and other documents also will be changed to reflect the new organization.

E. SAFETY ANALYSIS OF THE PROPOSED CHANGE REQUEST

The proposed technical specification change will not increase the probability of occurrence or the consequences of an accident or malfunction of equipment important to safety previously evaluated in the FSAR. This change is an administrative change to the organization charts affecting the chain of command, and has no affect on plant operation.

The proposed technical specification change will not create the possibility for an accident or malfunction of a different type than any evaluated previously in the FSAR. No physical changes are being made to the plant, the changes presented here only affect the organization and are administrative in nature.

The proposed technical specification change will not reduce the margin of safety as defined in the basis for any technical specification. The change in the organization reflects an operational approach to Palo Verde and has no affect on the margin of safety.

F. ENVIRONMENTAL IMPACT CONSIDERATION DETERMINATION

The proposed change request does not involve an unreviewed environmental question because operation of the PVNGS Units, in accordance with this change, would not:

1. Result in a significant increase in any adverse environmental impact previously evaluated in the Final Environmental Statement (FES) as modified by the staff's testimony to the Atomic Safety and Licensing Board; or

2. Result in a significant change in effluents or power levels; or

3. Result in matters not previously reviewed in the licensing basis for PVNGS which may have a significant environmental impact.

No programmatic affects to the station environmental programs or environmental protection plan are associated with this organization change.

G. MARKED-UP TECHNICAL SPECIFICATION CHANGE PAGES

Administrative Controls, Section 6.