



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

August 23, 2019

Ms. Maria Lacal  
Senior Vice President, Nuclear  
Regulatory & Oversight  
Mail Station 7605  
Palo Verde Nuclear Generating Station  
P.O. Box 52034  
Phoenix, AZ 85072

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION INDEPENDENT SPENT  
FUEL STORAGE INSTALLATION — ISSUANCE OF EXEMPTION

Dear Ms. Lacal:

This is in response to your letter dated July 5, 2019 (Agencywide Documents Access and Management System (ADAMS) No. ML19186A449), requesting an exemption under Title 10 of the *Code of Federal Regulations* (10 CFR) 72.7 to load and store spent fuel with a larger maximum pellet diameter than authorized in Amendment No. 7 of the NAC International (NAC) Certificate of Compliance (CoC) No. 1031 for the MAGNASTOR® storage system. Specifically, you requested an exemption from the requirements of 10 CFR 72.212(a)(2), 10 CFR 72.212(b)(3), 10 CFR 72.212(b)(5)(i), 10 CFR 72.214, and the portion of 10 CFR 72.212(b)(11), which requires storage of spent nuclear fuel under a general license in dry storage casks approved under the provisions of 10 CFR Part 72, and compliance with the terms and conditions set forth in the CoC for each spent fuel cask used by an independent spent fuel storage installation (ISFSI) general licensee.

Arizona Public Service Company (APS) plans to use NAC's MAGNASTOR® storage cask utilizing CoC No. 1031, Amendment No. 7 for dry storage of Combustion Engineering 16×16 fuel assemblies at the Palo Verde Nuclear Generating Station (PVNGS) ISFSI. The maximum pellet diameter in CoC No. 1031, Amendment No. 7, for Combustion Engineering 16×16 fuel assemblies is 0.3250 in., whereas the maximum pellet diameter for the majority of fuel assemblies to be loaded at PVNGS is 0.3255 in.

The U.S. Nuclear Regulatory Commission (NRC) staff reviewed APS' exemption request for the PVNGS ISFSI. The details of the review are included in the enclosed safety evaluation report. Based upon the staff's evaluation, the NRC has determined that, pursuant to 10 CFR 72.7, the exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Therefore, the NRC is granting APS an exemption from the requirements in 10 CFR 72.212(a)(2), 10 CFR 72.212(b)(3), 10 CFR 72.212(b)(5)(i), 10 CFR 72.214, and the portion of 10 CFR 72.212(b)(11) that requires compliance with terms, conditions, and specifications of the CoC to load and store spent fuel with a maximum pellet diameter of 0.3255 in. using Amendment No. 7 of CoC No. 1031 for the MAGNASTOR® storage system.

In accordance with 10 CFR 2.390 of the NRC "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the publicly available records component of the NRC's document system, ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact me at (301) 415-5722, or Bernard White of my staff, at (301) 415-6577.

Sincerely,

**/RA/**

John McKirgan, Chief  
Spent Fuel Licensing Branch  
Division of Spent Fuel Management  
Office of Nuclear Material Safety  
and Safeguards

CAC No. 001028  
DOCKET Nos.: 72-1031, 72-44,  
50-528, 50-529, and 50-530  
EPID No.: L-2019-LLE-0015

Enclosure:  
Safety Evaluation Report

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION INDEPENDENT SPENT  
FUEL STORAGE INSTALLATION — ISSUANCE OF EXEMPTION, DOCUMENT  
DATE: August 23, 2019

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issuance\Letter to Palo Verde issuing exemption for larger pellet diameter.docx

Closes out EPID L-2019-LLE-0015

**Package: ML19213A031; Ltr: ML19213A032; Enclosure (SER): ML19213A033**

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