

DEC 29 1983

Docket No.: 50-528

Mr. E. E. Van Brunt, Jr.
Vice President - Nuclear Projects
Arizona Public Service Company
Post Office Box 21666
Phoenix, Arizona 85036

Dear Mr. Van Brunt:

Subject: Order Extending Construction Completion Date - Palo Verde Nuclear
Generating Station, Unit 1

In response to your request of May 12, 1983, and supplemental letter dated
September 9, 1983, the Nuclear Regulatory Commission has issued an Order
extending the construction completion date for the Palo Verde Nuclear
Generating Station, Unit 1. The referenced Order extends the latest
construction completion date specified in CPPR-141 to December 31, 1984.

Copies of the Order and the staff's evaluation are enclosed for your information.
The Order has been transmitted to the Office of the Federal Register for
publication.

Sincerely,

Original signed by
Darrell G. Eisenhut
Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Enclosures:
As stated

cc w/enclosures
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*See Previous Concurrence

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Palo Verde

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ARIZONA PUBLIC SERVICE COMPANY, ET AL

PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

DOCKET NO. STN 50-528

ORDER EXTENDING CONSTRUCTION COMPLETION DATE

Arizona Public Service Company, Salt River Project Agricultural Improvement and Power District, Southern California Edison Company, El Paso Electric Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power and Southern California Public Power Authority are the holders of Construction Permit No. CPPR-141 issued by the Nuclear Regulatory Commission on May 25, 1976 for the Palo Verde Nuclear Generating Station, Unit 1. This facility is presently under construction at the applicant's site in Maricopa County, Arizona.

By letter dated May 12, 1983, Arizona Public Service Company (APS) filed a request for extension of the latest construction completion date for the facility. A supplemental letter dated September 9, 1983, amended this request to further extend the latest construction completion date. Previously, APS had requested an extension of the construction completion date to August 31, 1983; and by Commission Order, dated November 4, 1982, the extension was granted. The current request, as amended, is to extend the latest completion date to December 31, 1984.

Arizona Public Service Company states that this extension is requested because construction has been delayed due to:

- (1) late delivery of certain electrical instrumentation and control equipment;
- (2) changes and additions to the Palo Verde design required to meet NUREG-0737 requirements necessary for an operating license which have introduced complexities that impacted and delayed pre-operational testing and the

transition from the construction phase to the start-up phase; and

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(3) corrections of deficiencies discovered during and subsequent to the hot functional tests which cannot be completed until some-time after December 31, 1983.

The staff has performed an evaluation of the request for extension. Based on this review, the staff has determined that the above factors would result in significant delays in construction completion and that the request is for a reasonable period of time when considering the magnitude of the delays. In addition, the extension of the latest completion date in the construction permit does not involve any significant hazards consideration since the extension will not allow any work to be performed that is not already allowed by the existing construction permit.

Prior public notice of this extension was not required since the Commission has determined that this action involves no significant hazards consideration; good cause has been shown for the delays; and the requested extension is for a reasonable period of time.

The Commission has determined that this action will not result in any significant environmental impact and, pursuant to 10 CFR 51.5(d)(4), an environmental impact statement, or negative declaration and environmental impact appraisal, need not be prepared in connection with this action.

The NRC staff's evaluation of the request for extension of the construction permit is available for public inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555, and at the Phoenix Public Library, Science and Industry Section, 12 East McDowell Road, Phoenix, Arizona 85004.

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IT IS HEREBY ORDERED THAT the latest completion date for CPPR-141 is extended from August 31, 1983 to December 31, 1984.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Date of Issuance: DEC 29 1983

*See previous concurrence

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EVALUATION OF A REQUEST FOR EXTENSION OF

CONSTRUCTION PERMIT NO. CPPR-141

FOR THE PALO VERDE NUCLEAR GENERATING STATION, UNIT 1

DOCKET NO. STN 50-528

Introduction

Construction Permit No. CPPR-141 for Palo Verde Nuclear Generating Station, Unit 1 was issued on May 25, 1976 to the Arizona Public Service Company, Salt River Project Agricultural Improvement and Power District, Southern California Edison Company, El Paso Electric Company, Public Service Company of New Mexico and Arizona Electric Power Cooperative. The Construction Permit was subsequently amended to delete the Arizona Electric Power Cooperative as a co-owner and to include as co-owners the Los Angeles Department of Water and Power, and Southern California Public Power Authority. The latest date for completion of construction of this facility, as stated in the permit and amended by an Order issued on November 4, 1982, is August 31, 1983. By letter dated May 12, 1983, the Arizona Public Service Company filed a request for extension of the latest construction completion date for Palo Verde Unit 1 to December 31, 1983. Subsequently, by letter dated September 9, 1983, the Arizona Public Service Company amended the request to extend the latest construction completion date to December 31, 1984.

Discussion

In its application for extension of the construction completion date, the Arizona Public Service Company indicated that the following factors are responsible for the delay in completion of the construction activities:

- (1) late delivery of certain electrical instrumentation and control equipment;
(2) changes and additions to the Palo Verde design required to meet NUREG-0737 requirements necessary for an operating license have introduced complexities which have impacted and delayed pre-operational testing and the transition from the construction phase to the start-up phase; and
(3) corrections of deficiencies discovered during and subsequent to the hot functional tests conducted for Palo Verde Unit 1 cannot be completed until sometime after December 31, 1983.

The first two factors were identified in the original request for extension and account for four months of the delay. The third factor was identified in the amended request and accounts for the remainder of the delay. Collectively, these factors have led the Arizona Public Service Company to conclude that construction of Palo Verde Unit 1 would not be completed by August 31, 1983 and Arizona Public Service Company has requested a 16-month extension of the latest completion date to December 31, 1984.

The NRC staff has reviewed the information provided in the Arizona Public

Service Company's submittal. Based on that review, the staff concurs with the permittees as to the reasonableness of time estimated for the delay.

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In particular, the efforts for correcting the deficiencies discovered subsequent to the hot functional tests have already taken several months and the staff expects that several more months will be required before the deficiencies have been fully resolved. Therefore, the staff concludes that the factors discussed above constitute good cause for granting the requested extension.

As a result of the staff's review of the Final Safety Analysis Report to date, and considering the nature of the delays, the staff has identified no areas of significant safety consideration of connection with the extension of the construction completion date for the Palo Verde Nuclear Generating Station, Unit 1. The only change proposed by the permittees to the existing construction permit is an extension of the latest construction completion date. This extension will not allow any work to be performed involving new safety information of a type that was not considered by previous Commission safety reviews of the facility and that is not already allowed by the existing construction permit. Therefore, the staff finds that (1) the extension of the latest completion date in the construction permit does not involve a significant hazards consideration, (2) prior public notice of this action is not required, (3) there is reasonable assurance that the health and safety of the public will not be endangered by the requested extension of the construction completion date, and (4) good cause exists for issuance of an order extending the construction completion date.

The staff has determined that this Order does not authorize a change in effluent types or total amount nor an increase in power level and will not result in any significant environmental impact. Having made this determination, the staff concludes that this Order involves action which is insignificant from the standpoint of environmental impact, and that pursuant to 10 CFR Section 51.5 (d)(4), an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with the issuance of this Order.

Conclusion

For the reasons stated above, the staff concludes that issuance of an Order extending the latest construction completion date for the Palo Verde Nuclear Generating Station, Unit 1, as set forth in CPPR-141, to December 31, 1984 is reasonable and should be authorized.

Dated: DEC 29 1983

*See previous concurrence

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