

March 20, 1997

Mr. James M. Levine
Executive Vice President, Nuclear
Arizona Public Service Company
Post Office Box 53999
Phoenix, Arizona 85072-3999

SUBJECT: ENVIRONMENTAL ASSESSMENT FOR THE PALO VERDE NUCLEAR GENERATING
STATION, UNIT NO. 1 (TAC NO. M97668), UNIT NO. 2 (TAC NO. M97669),
AND UNIT NO. 3 (TAC NO. M97670)

Dear Mr. Levine:

Enclosed is a copy of the Environmental Assessment and Finding of No
Significant Impact related to your application for amendments dated
December 27, 1996. The proposed amendments would modify the licenses to
authorize incorporation in the Updated Final Safety Analysis Report (UFSAR) of
a revised electrical grid stability analysis to reflect the existence of a new
high voltage transmission line over two of the five transmission lines that
serve the Palo Verde Nuclear Generating Station.

The assessment is being forwarded to the Office of the Federal Register for
publication.

Sincerely,

Original Signed By

James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

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

Enclosure: Environmental Assessment

cc w/encl: See next page

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

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Sincerely,

A handwritten signature in cursive script that reads "James W. Clifford".

James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

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

Enclosure: Environmental Assessment

cc w/encl: See next page

Mr. James M. Levine

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March 20, 1997

cc w/encl:

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UNITED STATES NUCLEAR REGULATORY COMMISSIONARIZONA PUBLIC SERVICE COMPANYDOCKET NOS. STN 50-528, STN 50-529, AND STN 50-530PALO VERDE NUCLEAR GENERATING STATION, UNIT NOS. 1, 2, AND 3ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

The U. S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, issued to Arizona Public Service Company (the licensee), for operation of the Palo Verde Nuclear Generating Station, Unit Nos. 1, 2, and 3, located in Maricopa County, Arizona.

ENVIRONMENTAL ASSESSMENTIdentification of the Proposed Action:

The proposed action would modify the licenses for Palo Verde Nuclear Generating Station (PVNGS), Unit Nos. 1, 2, and 3, to authorize revision of the Updated Final Safety Analysis Report (UFSAR) to reflect a revised electrical grid stability analysis. The revised analysis addresses a previously unanalyzed condition of loss of two offsite transmission lines. This condition results from the construction by the Salt River Project of a new high voltage transmission line over two of five existing transmission lines serving PVNGS.

The proposed action is in accordance with the licensee's application dated December 27, 1996.

The Need for the Proposed Action:

The proposed action would permit the licensee to revise the UFSAR to incorporate the previously unanalyzed simultaneous loss of two transmission lines, making this condition part of the licensing basis for the facility.

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed action and concludes that there is no significant environmental consideration involved with the proposed action. Incorporation of the event involving the simultaneous loss of two of five offsite power sources does not affect the existing design or operation of the plants, does not involve any modifications to the plants or any increase in the licensed power for the plants, does not affect plant effluents, and does not create any new or unreviewed environmental impacts that were not considered in the Final Environmental Statement (FES).

The revised analysis for loss of offsite transmission lines demonstrates that the loss would not result in a loss of offsite power (LOOP) event to the site. The remaining electrical power supply lines will continue to supply power to all three units following the grid disturbance resulting from the postulated simultaneous loss of two power supply lines. Thus the loss of these two lines will not affect the plants' operation. The revised analysis does not, therefore, increase the environmental impacts of postulated accidents discussed in Section 5.9.2 of the FES, and is of no measurable environmental impact.

Alternatives to the Proposed Action:

Since the Commission has concluded that there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement Related to the Operation of the Palo Verde Nuclear Generating Station, Units 1, 2, and 3," dated February 1982.

Agencies and Persons Consulted:

In accordance with its stated policy, on March 17, 1997, the staff consulted with the Arizona State official, Mr. William Wright of the Arizona Radiation Regulatory Agency, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

Based on the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated December 27, 1996, which is available for public inspection at the Commission's Public Document Room, which is located at The Gelman Building, 2120 L Street, NW., Washington, D. C., and at the local public document room located at the Phoenix Public Library, 1221, N. Central Avenue, Phoenix, Arizona 85004.

Dated at Rockville, Maryland, this 20th day of March 1997.

FOR THE NUCLEAR REGULATORY COMMISSION



James W. Clifford, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation