

August 18, 1986

Docket No.: STN 50-529

Mr. E. E. Van Brunt, Jr.  
Executive Vice President  
Arizona Nuclear Power Project  
Post Office Box 52034  
Phoenix, Arizona 85072-2034

Dear Mr. Van Brunt:

Subject: Errata for Amendment No. 2 to Facility Operating License No. NPF-51  
Palo Verde Nuclear Generating Station, Unit 2

On August 12, 1986, the above amendment was issued. Page 2 of the amendment is hereby reissued to correct an error and to include a line inadvertently omitted at the end of the page. Vertical lines in the margin indicate the area of the change.

Sincerely,

/s/

E. A. Licitra, Senior Project Manager  
PWR Project Directorate No. 7  
Division of PWR Licensing-B

Enclosure:  
Page 2 of Amendment 2  
to NPF-51

cc: See next page

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This transaction is similar to that approved by the Commission in its Order of December 12, 1985, with regard to the sale and leaseback of PNM's interest in Palo Verde Unit 1. Subject to the foregoing, the Commission hereby approves the application under the conditions set forth in the enclosed Amendment No. 2 to the Palo Verde Unit 2 license.

- C. The facility will operate in conformity with the above application and the Director of the Office of Nuclear Reactor Regulations letter of August 12, 1986, the provisions of the Act, and the regulations of the Commission;
  - D. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - E. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public;
  - F. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
  - G. The present amendment authorizes any such sale and leaseback transactions made pursuant thereto until September 30, 1986.
2. Accordingly, a new Paragraph, 2.B(6) is added to read as follows:

- (6)(a) The Public Service Company of New Mexico (PNM) is authorized to transfer all or a portion of its 10.2% ownership share in Palo Verde Unit 2 and a proportionate share of a third of PNM's interest in the Palo Verde common facilities to certain equity investors identified in its submission of August 6, 1986, and at the same time to lease back from such purchasers such interest sold in the Palo Verde Unit 2 facility. The term of the lease is for approximately 29- $\frac{1}{2}$  years subject to a right of renewal. Any such sale and leaseback transaction is subject to the representations and conditions set forth in the aforementioned application of February 14, 1986, and the subsequent submittals dated April 22, June 10, July 29, July 30, August 6, and August 7, 1986, as well as the letter of the Director of the Office of Nuclear Reactor Regulation dated August 12, 1986, consenting to such transactions. Specifically, the lessor and anyone else who may acquire an interest under this transaction are prohibited from exercising directly or indirectly any control over the licensees of the Palo Verde Nuclear Generating Station, Unit 2. For purposes of this condition the limitations in 10 CFR 50.81, "Creditor Regulations," as now in effect and as they

Mr. E. E. Van Brunt, Jr.  
Arizona Nuclear Power Project

Palo Verde

cc:

Arthur C. Gehr, Esq.  
Snell & Wilmer  
3100 Valley Center  
Phoenix, Arizona 85073

Kenneth Berlin, Esq.  
Winston & Strawn  
Suite 500  
2550 M Street, NW  
Washington, DC 20037

Mr. James M. Flenner, Chief Counsel  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Ms. Lynne Bernabei  
Government Accountability Project  
of the Institute for Policy Studies  
1901 Que Street, NW  
Washington, DC 20009

Charles R. Kocher, Esq. Assistant  
Council  
James A. Boeletto, Esq.  
Southern California Edison Company  
P. O. Box 800  
Rosemead, California 91770

Ms. Jill Morrison  
522 E. Colgate  
Tempe, Arizona 85238

Mr. Mark Ginsberg  
Energy Director  
Office of Economic Planning  
and Development  
1700 West Washington - 5th Floor  
Phoenix, Arizona 85007

Mr. Charles B. Brinkman, Manager  
Washington Nuclear Operations  
Combustion Engineering, Inc.  
7910 Woodmont Avenue Suite 1310  
Bethesda, Maryland 20814

Mr. Wayne Shirley  
Assistant Attorney General  
Bataan Memorial Building  
Santa Fe, New Mexico 87503

Mr. Ron Rayner  
P. O. Box 1509  
Goodyear, AZ 85338

Mr. Roy Zimmerman  
U.S. Nuclear Regulatory Commission  
P. O. Box 239  
Arlington, Arizona 85322

Ms. Patricia Lee Hourihan  
6413 S. 26th Street  
Phoenix, Arizona 85040

Regional Administrator, Region V  
U. S. Nuclear Regulatory Commission  
1450 Maria Lane  
Suite 210  
Walnut Creek, California 94596

Chairman  
Arizona Corporation Commission  
P. O. Box 6019  
Phoenix, Arizona 85003

Arizona Radiation Regulatory Agency  
ATTN: Ms. Clara Palovic, Librarian  
925 South 52nd Street  
Tempe, Arizona 85238

Mr. Charles Tedford, Director  
Arizona Radiation Regulatory Agency  
924 South 52nd Street, Suite 2  
Tempe, Arizona 85281

Chairman  
Maricopa County Board of Supervisors  
111 South Third Avenue  
Phoenix, Arizona 85003

August 18, 1986

ERRATA - AMENDMENT NO. 2 TO FACILITY OPERATING  
LICENSE NPF-51 FOR PALO VERDE UNIT 2

DISTRIBUTION

Docket File 50-529 ✓

NRC PDR

Local PDR

PD7 Reading

FMiraglia

✓Lee (5)

EALicitra

Attorney, OGC - Bethesda

LHarmon

EJordan

BGrimes

JPartlow

TBarnhart (4)

WJones

WRegan

ACRS (10)

OPA

RDiggs, LFMB

EButcher

NThompson

GWKnighton

JSaltzman, OSP

JPeterson