

February 19, 1987

Docket No.: STN 50-530

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: EXTENSION OF CONSTRUCTION COMPLETION DATE FOR PALO VERDE NUCLEAR
GENERATING STATION, UNIT 3

In response to a letter dated September 8, 1986, from Mr. J. Haynes requesting an extension of the completion date for Palo Verde Nuclear Generating Station, Unit 3, the Nuclear Regulatory Commission has issued an Order extending the construction completion date. In lieu of the latest completion date of November 1, 1986, the construction completion date of Construction Permit No. CPPR-143 has been extended to December 31, 1987.

Copies of the Order, the staff's safety evaluation of the request, and the Environmental Assessment and Finding of No Significant Impact are enclosed for your information. The Order has been forwarded to the Office of the Federal Register for publication. The Environmental Assessment and Finding of No Significant Impact was published in the Federal Register on February 13, 1987.

Sincerely,

MSI

Michael J. Davis, Project Manager
PWR Project Directorate No. 7
Division of PWR Licensing-B

Enclosures:

1. Order Extending Construction Completion Date
2. Safety Evaluation
3. Environmental Assessment

cc: See next page

PD7 *MD*
MDavis/yt
1/28/87

PD7 *JL*
JLee
1/21/87

PD7 *EAL*
EALicitra
1/22/87

OGC *[Signature]*
1/21/87

DIV *[Signature]*
GK Knighton
2/6/87

DPB *[Signature]*
FJ Fraglia
2/9/87

8702270423 870219
PDR ADOCK 05000530
A PDR

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

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

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. 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
Post Office Box 6019
Phoenix, Arizona 85003

Arizona Radiation Regulatory Agency
ATTN: Ms. Clara Palovic, Librarian
4814 South 40 Street
Phoenix, Arizona 85040

Mr. Charles Tedford, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, Arizona 85040

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

ARIZONA PUBLIC SERVICE COMPANY, ET AL
PALO VERDE NUCLEAR GENERATING STATION, UNIT 3
DOCKET NO. STN 50-530
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 CPPR-143 issued by the Nuclear Regulatory Commission on May 25, 1976, for construction of the Palo Verde Nuclear Generating Station, Unit 3. Construction of the facility is substantially complete at the applicants' site in Maricopa County, Arizona, approximately 34 miles west of Phoenix, Arizona.

On September 8, 1986, Arizona Public Service Company (APS) filed a request for an extension of the completion date. The extension has been requested because construction has been delayed by the following factors:

1. Palo Verde, Units 1, 2 and 3 have been constructed on a sequential schedule. Delays in construction, testing and operations of Units 1 and 2 to assure safety have resulted in modifications and delays impacting the sequential schedule for completion of Unit 3.
2. Although, at the current time, basic construction of Palo Verde, Unit 3 is substantially complete, and preoperational testing is at an advanced stage, additional time will be required for completion in a safe manner. Unit 3 is expected to be ready for fuel load toward the end of the first quarter of 1987.

Additionally, APS states that extension of the latest date for completion of Palo Verde, Unit 3 to December 31, 1987, will preclude the need for requesting further amendments of CPPF-143 if there should be any slippage in the expected Unit 3 fuel load date due to unforeseen circumstances.

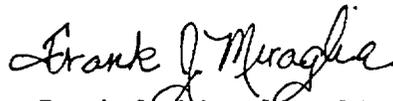
This action involves no significant hazards consideration; good cause has been shown for the delays; and the extension is for a reasonable period, the bases for which are set forth in the staff's evaluation dated February 19, 1987.

Pursuant to 10 CFR 51.32, the Commission has determined that extending the construction completion dates will have no significant impact on the environment (52 FR 4694).

The NRC staff safety 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 the Phoenix Public Library, Business, Science and Technology Department, 12 East McDowell Road, Phoenix, Arizona 85004.

IF IS HEREBY ORDERED THAT the latest completion date for Construction Permit No. CPPR-143 is extended from November 1, 1986 to December 31, 1987.

FOR THE NUCLEAR REGULATORY COMMISSION



Frank J. Miraglia, Director
Division of PWR Licensing-B
Office of Nuclear Reactor Regulation

Date of Issuance: February 19, 1987



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

SAFETY EVALUATION OF REQUEST FOR EXTENSION OF
CONSTRUCTION PERMIT NO. CPPR-143
PALO VERDE NUCLEAR GENERATING STATION, UNIT 3
DOCKET NO. 50-530

1.0 INTRODUCTION

Construction Permit No. CPPR-143 for Palo Verde Nuclear Generating Station, Unit 3 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, is November 1, 1986. By letter dated September 8, 1986, the Arizona Public Service Company (APS) filed a request for extension of the latest construction completion date for Palo Verde, Unit 3 to December 31, 1987.

2.0 EVALUATION

The permittee's letter of September 8, 1986, states that good cause exists for the delay in the completion of construction of Palo Verde Nuclear Generating Station, Unit 3 because of the following factors.

1. Palo Verde, Units 1, 2 and 3 have been constructed on a sequential schedule. Acts beyond the control of the permit holder have resulted in delays in construction, testing and operations of Units 1 and 2. To assure safety in those Units, modifications and delays impacting the sequential schedule for completion of Unit 3 have resulted.
2. Although, at the current time, basic construction of Palo Verde, Unit 3 is substantially complete, and preoperational testing is at an advanced stage, additional time will be required for completion in a safe manner. Unit 3 is expected to be ready for fuel load toward the end of the first quarter of 1987.

Additionally, APS states that extension of the latest date for completion of Palo Verde, Unit 3 to December 31, 1987, will preclude the need for requesting further amendments of CPPR-143 if there should be any slippage in the expected Unit 3 fuel load date due to unforeseen circumstances.

8702270433 870219
PDR ADOCK 05000530
A PDR

The alternatives to granting the requested extension of construction permit CPPR-143 are (1) the denial of any extension or (2) the granting of an extension for a shorter period of time than requested.

1. The denial of any extension would prevent the completion and force the abandonment of Palo Verde, Unit 3. The consequences of such action would be severe economic losses to the joint applicants and their respective investors and customers. It would also result in the loss of substantial generating capability which would have to be replaced ultimately by construction of other generating facilities.
2. The granting of an extension for a shorter period of time than that requested might result in the need for a further amendment of CPPR-143 in the event unforeseen circumstances result in a delay of Palo Verde, Unit 3 readiness for fuel load. The provision of some allowance for unforeseen circumstances is considered prudent.

3.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.32, the Commission has determined that extending the construction completion date until licensing is completed will have no significant impact on the environment (52 FR 4694) since no additional construction impacts on the environment will be created over those previously evaluated in the Final Environmental Statement and its Supplement (NUREG-0036).

4.0 CONCLUSIONS

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. Therefore, in accordance with 10 CFR 50.55b, the staff concludes that the factors discussed above were beyond the control of the permit holder and 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 in connection with the extension of the construction completion date for the Palo Verde Nuclear Generating Station, Unit 3. 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) this action does not involve a significant increase in the probability or consequences of an accident previously evaluated, does not create the possibility of a new or different kind of accident from any previously evaluated and does

not involve a significant reduction in a margin of safety; (2) 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 (3) good cause exists for issuance of an order extending the construction completion date. Accordingly, the NRC staff has concluded that this action does not involve a significant hazards consideration. For these reasons the staff concludes that issuance of an Order extending the latest construction completion date for the Palo Verde Nuclear Generating Station, Unit 3, as set forth in CPPR-143, to December 31, 1987 is reasonable and should be authorized.

Principal Contributor: Michael J. Davis, PBD7

Date of Issuance: February 19, 1987

U.S. NUCLEAR REGULATORY COMMISSION
ARIZONA PUBLIC SERVICE COMPANY, ET AL.
PALO VERDE NUCLEAR GENERATING STATION, UNIT 3
DOCKET NO. STN 50-530
ENVIRONMENTAL ASSESSMENT AND FINDING OF
NO SIGNIFICANT IMPACT

The Nuclear Regulatory Commission (the Commission) is considering issuance of an extension to the latest construction completion date specified in Construction Permit CPPR-143. Construction Permit CPPR-143 for the Palo Verde Nuclear Generating Station, Unit 3 was issued to Arizona Public Service Company (APS), et al.* on May 25, 1976, with the latest construction completion date as November 1, 1986. The Palo Verde Nuclear Generating Station (PVNGS) is located in Maricopa County, Arizona.

Environmental Assessment

Identification of Proposed Action:

The proposed action would amend the construction permit by extending the latest construction completion date from November 1, 1986, to December 31, 1987. The proposed action is in response to the applicants' request dated September 8, 1986.

*The other Construction Permit holders are the Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, Southern California Edison Company, Public Service Company of New Mexico, Los Angeles Department of Water and Power, and Southern California Public Power Authority.

The Need for the Proposed Action:

The proposed action is needed because Unit 3 will not be ready for fuel loading until the end of the first quarter of 1987. The delay in completion of Palo Verde Unit 3 beyond November 1, 1986, is due to the following factors:

1. PVNGS Units 1, 2, and 3 have been constructed on a sequential schedule with planned minimum and maximum spacings between units of one and two years, respectively. Acts beyond the control of the permit holder have resulted in delays in construction, testing and operations, to assure safety of Units 1 and 2. This has resulted in modifications and delays impacting the sequential schedule for completion of Unit 3.
2. Although construction of PVNGS Unit 3 is essentially complete with the pre-operational program currently in progress, additional time will be required for completion in a safe manner.

APS stated that extension of the latest date for completion of PVNGS Unit 3 to December 31, 1987, will preclude the need for requesting further amendments of CPPR-143 if there should be any slippage in the expected Unit 3 fuel load date due to unforeseen circumstances.

Environmental Impacts of the Proposed Action:

The environmental impacts associated with construction of the facility have been previously discussed and evaluated in the NRC staff's Final Environmental Statement (FES) issued in September 1975 (NUREG-75/0708) and in the Final Supplement to the FES (FES Supplement) issued in February, 1976 (NUREG-0036) for the PVNGS construction permit stage.

Since the proposed action involves extending the construction permit, radiological impacts are not affected by this action. The impacts that are involved are all non-radiological and are associated with continued construction. As a result of the review of the Final Safety Analysis Report to date and considering the nature of the delays, the NRC staff has identified no area of significant safety consideration in connection with the extension of the construction completion date for Palo Verde Nuclear Generating Station, Unit 3. The only change proposed by the applicant is an extension of the latest construction completion date to December 31, 1987. This extension of the construction and testing period would not change the activities already considered by previous Commission safety reviews of the facility, considered in the FES and FES Supplement and authorized by the construction permit, other than to extend the latest date by which construction must be completed. There are no new significant impacts associated with the extension.

Alternative Use of Resources:

This action does not involve the use of resources not previously considered in the FES or the FES Supplement for the PVNGS discussed above.

Agencies and Persons Contacted:

The NRC staff reviewed the applicants' request and applicable documents referenced therein that support this extension. The NRC did not consult other agencies or persons.

Finding of No Significant Impact:

The Commission has determined not to prepare an environmental impact statement for this action. Based upon the environmental assessment, we conclude that this action will not have a significant effect on the quality of the human environment.

For details with respect to this action, see the request for extension, dated September 8, 1986, which is available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the Local Public Document Room in the Phoenix Public Library, Business, Science, and Technology Department, 12 East McDowell Road, Phoenix, Arizona 85004.

Dated at Bethesda, Maryland this 9th day of February, 1987.

FOR THE NUCLEAR REGULATORY COMMISSION


George W. Knighton, Director
PWR Project Directorate No. 7
Division of PWR Licensing-B

EXTENSION OF CONSTRUCTION COMPLETION DATE FOR PALO VERDE NUCLEAR
GENERATING STATION, UNIT 3

DISTRIBUTION

Docket File

~~NRC PDR~~

LPDR

PD7 Reading File

MDavis

EALicitra

JLee (5)

FMiraglia/FSchoreder

JSaltzman, SP

IDinitz, SP

OPA

HDenton

RVollmer

WLamb

RDiggs

JPartlow

BGrimes

EJordan

LHarmon

TBarnhart (4)

IBailey

JScinto, OGC

Antitrust Lawyer, OGC

ACRS (10)