

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
ARIZONA PUBLIC SERVICE) Docket Nos. STN 50-528
COMPANY, et al.) STN 50-529
) STN 50-530
(Palo Verde Nuclear)
Generating Station,)
Units 1, 2 and 3))
_____)

APPLICATION FOR AMENDMENT TO
CONSTRUCTION PERMITS NOS.
CPPR-141, CPPR-142 and CPPR-143

Pursuant to 10 CFR §50.90, Arizona Public Service Company (APS), Salt River Project Agricultural Improvement and Power District (SRP), El Paso Electric Company (EPE), Southern California Edison Company (SCE), Public Service Company of New Mexico (PNM), and Southern California Public Power Authority (SCPPA) (hereinafter collectively referred to as "Joint Applicants") submit herewith this "Application for Amendment to Construction Permits Nos. CPPR-141, CPPR-142 and CPPR-143." The purpose of this Application is twofold. First, this Application, pursuant to 10 CFR §50.55(b), seeks an extension of the latest date for completion of construction of Unit 1 of the Palo Verde Nuclear Generating Station (PVNGS) from November 1, 1982, to August 31, 1983. Second, this Application requests that the M-S-R Public Power Agency (M-S-R) be deleted as an "applicant" from each of Construction Permits Nos. CPPR-141, CPPR-142 and CPPR-143.

In support of this Application, APS states as follows:

I. Extension of Latest Day for Completion of Unit 1.

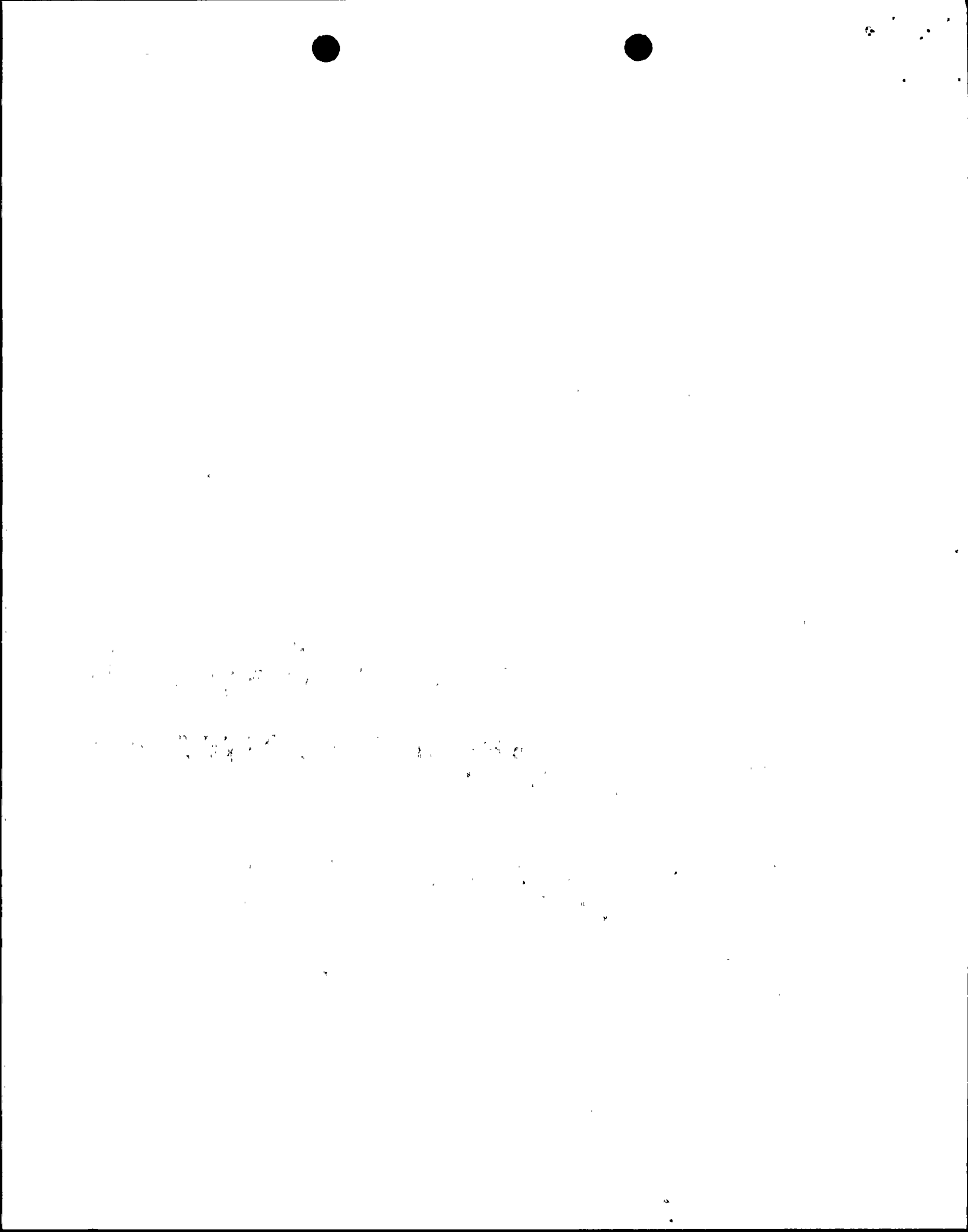
1. On May 25, 1976, the Nuclear Regulatory Commission issued permits to construct PVNGS Units 1, 2 and 3 (CPPR-141, CPPR-142 and CPPR-143, respectively) to applicants APS, SRP, EPE, SCE, PNM and Arizona Electric Power Cooperative (AEPCO).^{a/}

2. In April of 1982, with Palo Verde Unit 1 being 95% complete, it was determined by APS that Unit 1 would not be completed by the authorized latest completion date of November 1, 1982, specified in CPPR-141.

3. In July of 1982, a completion date of August 1, 1983, plus or minus one month, was forecast for Palo

^{a/} On April 19, 1978, the Nuclear Regulatory Commission issued Amendment No. 1 to the PVNGS construction permits. Amendment No. 1 deleted AEPCO as a co-owner in PVNGS and reflected the transfer by AEPCO of its 2.4% ownership interest to APS (1%), SRP (1%) and SCE (0.4%).

On April 28, 1982, the Nuclear Regulatory Commission issued Amendment No. 4 to the PVNGS construction permits. Amendment No. 4 reflected the Commission's approval of the contemplated transfers by SRP of interests in PVNGS to SCPPA and the Los Angeles Department of Water and Power (LADWP). The transfer to SCPPA was consummated on September 10, 1982, and SCPPA is now a co-owner of PVNGS. The transfer to LADWP will become effective at such time as Palo Verde Unit 1 is placed into commercial operation.



Verde Unit 1.^{b/} The delay in completion of Palo Verde Unit 1 is due to the following factors:

- A. Late delivery of key electrical and instrumentation and control equipment;
- B. Changes and additions to the PVNGS design associated with TMI modifications necessary for an operating license;
- C. Changes in regulatory requirements other than those resulting from the TMI accident; and
- D. Lack of available qualified personnel to perform preoperational testing and other problems associated with the transition from the construction phase to the start-up phase.

A schedule analysis integrating the impacts of the above factors resulted in the determination of a total delay in the Unit 1 completion date of nine months, plus or minus one month. The latest date for completion of Palo Verde Unit 1 requested herein of August 31, 1983, includes an allowance for the one month uncertainty associated with the schedule analysis.

4. The extension of the latest completion date for the construction of Unit 1 does not present an unre-

^{b/} Although a delay in the completion of Unit 2 to August, 1984, was also forecast at that time, there is no need to extend the latest date for completion of Unit 2 as the date stated in the Unit 2 construction permit (CPPR-142) is November 1, 1984.



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viewed environmental impact. Pursuant to 10 CFR §51.5(d)(4), no environmental impact statement, negative declaration, or environmental impact appraisal need be prepared in connection with such extension.

5. The extension of the latest completion date for the construction of Unit 1 does not involve a significant hazards consideration and is not inimical to the common defense and security or to the health and safety of the public.

II. Deletion of M-S-R as an "Applicant".

6. By application dated November 6, 1981, Arizona Public Service Company, on its own behalf and as agent for all other joint participants in PVNGS, requested the approval of the Nuclear Regulatory Commission to (1) the transfer by EPE of a portion of its interest in PVNGS to M-S-R and (2) the amendment of Construction Permits Nos. CPPR-141, CPPR-142 and CPPR-143 to reflect such transfer, upon notification to the Office of Nuclear Reactor Regulation that such transfer had been consummated.

7. On March 26, 1982, the Nuclear Regulatory Commission issued Amendment No. 3 to Construction Permits Nos. CPPR-141, CPPR-142 and CPPR-143. Amendment No. 3 provided that all references to "applicants" in said construction permits shall include M-S-R.

8. The "EPE/M-S-R Arizona Nuclear Power Project Assignment Agreement," (Assignment Agreement) dated as of



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December 1, 1981, between EPE and M-S-R, pursuant to which the transfer from EPE to M-S-R was to take place, provided that the consummation of the transfer was subject to, in the case of M-S-R and among other matters, the authorization by each member of M-S-R participating in PVNGS of the issuance of indebtedness in order for M-S-R to pay EPE for the interest transferred. Such authorization was sought in each case by means of an election to affirm an ordinance approving the issuance of indebtedness. Because the ordinances were not affirmed by the voters in such elections, EPE and M-S-R agreed in August, 1982, to terminate the Assignment Agreement.

9. Because the Assignment Agreement has been terminated by EPE and M-S-R, the transfer contemplated therein will not be consummated, and M-S-R will not become a participant in PVNGS.

10. The Final Environmental Impact Statement related to the operation of PVNGS, dated February 1982 (NUREG-0841), was prepared on the basis that EPE owned a 15.8% interest in PVNGS. The retention by EPE of a 15.8% undivided ownership interest in PVNGS, and the requested amendment of the PVNGS Units 1, 2 and 3 construction permits to delete M-S-R do not present an unreviewed environmental impact. Pursuant to 10 CFR §51.5(d)(4), no environmental impact statement, negative declaration, or environmental impact appraisal need be prepared in connection with the proposed amendment.

11. The Safety Evaluation Report related to the operation of PVNGS, dated November 1981 (NUREG-0857), was prepared on the basis that EPE owned a 15.8% interest in PVNGS. The retention by EPE of a 15.8% undivided ownership interest, and the requested amendment of the PVNGS Units 1, 2 and 3 construction permits to delete M-S-R do not involve a significant hazards consideration and are not inimical to the common defense and security or to the health and safety of the public.


WHEREFORE, Joint Applicants request the following relief:

1. That paragraph 3A of Construction Permit No. CPPR-141 be amended by order of the Nuclear Regulatory Commission to provide that the latest date for completion of Palo Verde Unit 1 is August 31, 1983;

2. That the caption of each of Construction Permits Nos. CPPR-141, CPPR-142 and CPPR-143 be amended by the deletion of the reference to M-S-R Public Power Agency as an applicant.

Respectfully submitted,

ARIZONA PUBLIC SERVICE COMPANY

By 
Edwin E. Van Brunt, Jr.
Vice President - Nuclear
Projects

On its own behalf and as agent
for all other Joint Applicants

Dated: October 12, 1982



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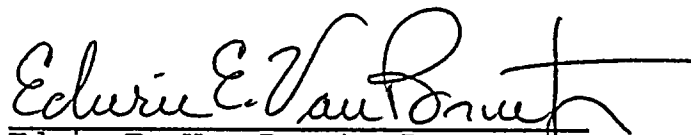
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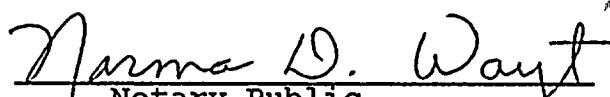
STATE OF ARIZONA)
) ss.
County of Maricopa)

Edwin E. Van Brunt, Jr., being first duly sworn,
upon his oath deposes and says:

That he is Vice President, Nuclear Projects, of
Arizona Public Service Company, that the foregoing document
has been signed by him on behalf of Arizona Public Service
Company with full authority so to do, that he has read such
document and knows its contents, and that to the best of his
knowledge and belief, the statements made therein are true.


Edwin E. Van Brunt, Jr.

Subscribed and sworn to before me this 12th day
of October, 1982.


Notary Public

My commission expires:

May 5, 1984

