

SAFETY EVALUATION

PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2 AND 3

Introduction

By letter dated October 12, 1982, Arizona Public Service Company (APS), as Project Manager and Operating Agent of the Palo Verde Nuclear Generating Station, Units 1, 2 and 3 (PVNGS), submitted a request for amendments to the Construction Permits (CPPR-141, CPPR-142, and CPPR-143) for PVNGS, to delete M-S-R Public Power Agency as a co-owner and to secure approval for El Paso Electric Company to maintain its current ownership interest of 15.8 percent. Amendment No. 3 to CPPR-141, CPPR-142 and CPPR-143, dated March 26, 1982, had previously been issued to reflect staff approval of the addition of M-S-R Public Power Agency as a co-owner and for the transfer of a 3.95 percent ownership interest from El Paso Electric Company to M-S-R Public Power Agency. Subsequent to the issuance of Amendment No. 3, consummation of the transfer did not occur since the required ordinances, approving the issuance of indebtedness, were not affirmed by the voters in the elections which were held for that purpose.

The purpose of this Safety Evaluation is to present the results of the staff's analysis of the proposed transfer of M-S-R Public Power Agency's ownership interest in PVNGS back to El Paso Electric Company.

Evaluation

APS, as Project Manager and Operating Agent, has exclusive responsibility for the design and construction of PVNGS. The proposed amendment only requests a transfer in ownership interest and does not involve any other change. Since APS will retain exclusive responsibilities for the design and construction of PVNGS with the proposed deletion of M-S-R Public Power Agency as a co-owner, the only issue which required consideration is the financial qualifications of El Paso Electric Company to maintain its 15.8 percent ownership interest in PVNGS.

The NRC regulations relating to the determination of an applicant's financial qualifications are in Section 50.33(f) of 10 CFR Part 50. These regulations state that a financial review of an applicant to construct a production facility (commercial nuclear power plant) shall not be conducted if the applicant is an electric utility. Since PVNGS is a production facility and since El Paso Electric Company is an electric utility, a financial review of El Paso Electric Company's ownership shares in PVNGS is not required.

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Conclusions

On the basis of the above evaluation the staff finds that the issuance of the requested amendments, deleting M-S-R Public Power Agency as a co-owner in PVNGS will not be inimical to the common defense and security or to the health and safety of the public. The staff finds that the requested amendments do not involve a significant hazards consideration because this action will not involve any significant increase in the probability or consequences of any accident, and this action will not involve any significant decrease in safety margin.

Further, the staff has determined that the amendments do not authorize a change in effluent types or total amounts and will not result in any significant environmental impact. Having made this determination, the staff also concluded that the amendments involve action which is insignificant from the standpoint of environmental impact and, pursuant to 10 CFR 51.5(d)(4), that an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with the issuance of the amendments.

Date Issued: DEC 6 1982

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