

Office of the Assistant Attorney General

Washington, D.C. 20530

February 11, 1982

Howard K. Shapar, Esquire
Executive Legal Director
United States Nuclear
Regulatory Commission
Washington, D.C. 20555

DESIGNATED ORIGINAL

Certified By Ar. J. [Signature]

Re: Arizona Public Service Company
Palo Verde Nuclear Generating Station,
Units 1, 2 and 3
NRC Docket Nos. 50-528A/529A/530A

Dear Mr. Shapar:

You have requested our advice pursuant to the provisions of Section 105c of the Atomic Energy Act of 1954, as amended, in regard to a transfer of ownership interest in the above referenced units by Salt River Project Agricultural Improvement and Power District ("SRP") to the Los Angeles Department of Water and Power ("LADWP") and to the Southern California Public Power Authority ("SCPPA"). ^{1/} Under the proposed transfer, LADWP will acquire a 5.7 percent interest, and SCPPA will acquire a 5.91 percent interest in each of the three 1270 megawatt units. The Palo Verde Nuclear Generating Station ("PVNGS") is located near Phoenix, Arizona. LADWP and the members of SCPPA are California utilities.

LADWP has been the subject of antitrust review on three previous occasions. The most recent occasion was in connection with LADWP's participation in PVNGS Units 4 and 5. The Department of Justice advised the Nuclear Regulatory Commission by letter dated February 22, 1979 that the participation of

^{1/} The SCPPA is an entity formed pursuant to California law for the purpose of financing, acquiring, constructing, maintaining, and operating generation and transmission projects. The members of, and their percentage participation in SCPPA are: Los Angeles Department of Water (62%), City of Burbank (4%), City of Glendale (4%), City of Pasadena (4%), City of Riverside (5%), City of Anaheim (7.5%), City of Colton (1%), City of Azusa (1%), City of Banning (1%), City of Vernon (4.5%), and Imperial Irrigation District (6%).

LADWP in PVNGS Units 4 and 5 would not create or maintain a situation inconsistent with the antitrust laws. 2/

Some of the members of SCPPA were the subject of antitrust review in connection with the Sundesert Nuclear Plant, and the San Joaquin Nuclear Project. On November 24, 1975 the Department advised that no hearing was required in connection with the Cities of Anaheim, Glendale, Riverside and Pasadena participating in the San Joaquin Nuclear Project. On September 2, 1977 the same advice was given in connection with the four cities participating in the Sundesert Nuclear Plant. We advised on July 17, 1978 that participation by the City of Burbank in the Sundesert Project would not require an antitrust hearing. We also advised on January 31, 1980, that participation by the Cities of Anaheim and Riverside in San Onofre Nuclear Generating Company, Units 2 and 3. would not require an antitrust hearing.

Our review of the information submitted in connection with the current application, as well as other relevant information, has disclosed no evidence that would warrant a change of our earlier advice with respect to LADWP, ~~or~~ the members of SCPPA that were the subject of prior antitrust review. We are not aware of any evidence that the other members of SCPPA have engaged in any conduct that might warrant further antitrust scrutiny. Accordingly, it is the Department's view that no antitrust hearing is necessary with respect to the proposed transfers of ownership.

Sincerely,



William F. Baxter
Assistant Attorney General
Antitrust Division

2/ LADWP was also the subject of antitrust review in connection with the Sundesert Nuclear Plant, Units 1 and 2, and the San Joaquin Nuclear Project. In both reviews the Department advised that antitrust hearings were not required.

Identical Letters sent to:

The Honorable Morris K. Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

cc: Rep. Manuel Lujan

The Honorable Richard L. Ottinger, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

cc: Rep. Carlos Moorhead

The Honorable Alan Simpson, Chairman
Subcommittee on Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

cc: Senator Gary Hart

The Honorable Toby Moffett, Chairman
Subcommittee on Government Operations
United States House of Representatives
Washington, DC 20515

cc: Rep. Joel Deckard