

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8308190017 DOC. DATE: 83/08/15 NOTARIZED: NO DOCKET #
 FACIL: 50-397 WPPSS Nuclear Project, Unit 2, Washington Public Powe 05000397
 STN-50-509 WPPSS Nuclear Project, Unit 5, Washington Public 05000509
 50-513 WPPSS Nuclear Project, Unit 4, Washington Public Powe 05000513
 AUTH. NAME: SØRENSEN, G.C. AUTHOR AFFILIATION: Washington Public Power Supply System
 RECIP. NAME: SCHWENCER, A. RECIPIENT AFFILIATION: Licensing Branch 2

SUBJECT: Forwards util 830725 memo declaring default on obligations to complete Projects 4 & 5 & telegram from Bonneville Power Administration Confirming intent & authority to fund completion of Unit 2.

DISTRIBUTION CODE: B001S COPIES RECEIVED: LTR ENCL SIZE: 4
 TITLE: Licensing Submittal: PSAR/FSAR Amdts & Related Correspondence

NOTES: Standardized Plant.

05000509

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NRR	LB2 LA	1	0	NRR	LB3 LA	1	0
NRR	LB4 LA	1	0	AULUCK, R.	01	1	1
WHEELER, L.	01	1	1	HERNAN, R.	01	1	1
INTERNAL:	ELD/HDS2	1	0	ELD/HDS1		1	0
	ELD/HDS4	1	0	IE FILE		1	1
	IE/DEPER/EPB 36	3	3	IE/DEPER/IRB 35		1	1
	IE/DEQA/QAB 21	1	1	NRR/DE/AEAB		1	0
	NRR/DE/CEB 11	1	1	NRR/DE/EHEB		1	1
	NRR/DE/eqB 13	2	2	NRR/DE/GB 28		2	2
	NRR/DE/MEB 18	1	1	NRR/DE/MTEB 17		1	1
	NRR/DE/SAB 24	1	1	NRR/DE/SGEB 25		1	1
	NRR/DHFS/HFEB40	1	1	NRR/DHFS/LQB 32		1	1
	NRR/DHFS/PSRB	1	1	NRR/DL/SSPB		1	0
	NRR/DSI/AEB 26	1	1	NRR/DSI/ASB		1	1
	NRR/DSI/CPB 10	1	1	NRR/DSI/CSB 09		1	1
	NRR/DSI/ICSB 16	1	1	NRR/DSI/METB 12		1	1
	NRR/DSI/PSB 19	1	1	NRR/DSI/RAB 22		1	1
	NRR/DSI/RSB 23	1	1	REG FILE 04		1	1
	RGNS	3	3	RM/DDAMI/MIB		1	0
EXTERNAL:	ACRS 41	6	6	BNL (AMDTs ONLY)		1	1
	DMB/DSS (AMDTs)	1	1	FEMA-REP DIV 39		1	1
	LPDR 03	2	2	NRC PDR 02		1	1
	NSIC 05	1	1	NTIS		1	1

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FROM:	ACTION CONTROL	DATES	CONTROL NO.
Rep. Jim Weaver	COMPL DEADLINE	11/2/83	13655
	INTERIM REPLY	11	DATE OF DOCUMENT
TO:	FINAL REPLY	5/ Denton	10/11/83
Chairman Palladino	FILE LOCATION	10/7/83	PREPARE FOR SIGNATURE OF:
			<input type="checkbox"/> CHAIRMAN
			<input checked="" type="checkbox"/> EXECUTIVE DIRECTOR
			OTHER:

DESCRIPTION ☒ LETTER ☐ MEMO ☐ REPORT ☐ OTHER

Request status of WNC's investigation of UPPSS financial problems on the licensing of UPPSS 2

SPECIAL INSTRUCTIONS OR REMARKS

PRIORITY

Denton/Case
Funches

1. Vollmer
2. Mattson
3. Thompson
4. Speis
5. Grace
6. Snyder

NOTE MEMO TO REHM FROM REGION V. ATTACHED

ASSIGNED TO	DATE	INFORMATION ROUTING
Martin, RV	10/19/83	Dircks
	11-1	Roe
Eisenhut, DL	11/01/83	Rahn
Bover	11/5/83	Stello
Chinman	11/3/83	Denton
Wunder	11/7/83	DeYoung
		CCunningham
		LUnderwood

Washington Public Power Supply System

3000 George Washington Way P.O. Box 968 Richland, Washington 99352-0968 (509)372-5000

August 15, 1983
G01-83-0395

Director of Nuclear Reactor Regulation
Attention: Mr. A. Schwencer, Chief
Licensing Branch No. 2
Division of Licensing
U.S. Nuclear Regulatory Commission
Washington, DC 20555

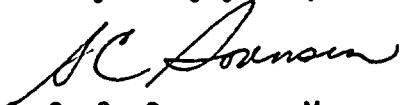
Dear Mr. Schwencer:

As we discussed via telephone on August 4, 1983, the Supply System was declared in default on its obligations of Projects 4 and 5 on July 22, 1983. A copy of an internal Supply System memorandum on this topic is attached.

Also attached is a copy of a telegram from the Bonneville Power Administration, confirming their intent and authority to fund completion of WNP-2 from Bonneville revenues.

We will keep you advised should the situation change.

Very truly yours,



G. C. Sorensen, Manager (Acting)
Nuclear Safety and Regulatory Programs

cc: R. Auluck, NRC
M. Thadani, NRC
A. Vietti, NRC
NS Reynolds, D&L
WS Chin, BPA
A. Toth, NRC WNP-2

*13001
1/1*

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PDR ADDCK 05000397
A PDR

A SPECIAL MESSAGE SERVICE FOR EMPLOYEES OF THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM

HOT LINE

A publication of Public Affairs and Information. If you have any questions, contact Kathie Knight, 372-6326, mail drop 325.

July 25, 1983

"EVENT OF DEFAULT" DECLARED ON PROJECTS 4 AND 5

On July 22, Deputy Managing Director Al Squire was served with a legal document (an interrogatory) by Chemical Bank. The interrogatory asked if the Supply System was unable to pay its debts incurred in the ownership and operation of the projects (WNP-4/5) as they become due. An "Event of Default" was triggered when the answer was "yes."

This morning, \$25,565,088.49 in cash and securities (the remaining Project 4/5 funds) were transferred to Chemical Bank upon their demand under the Bond Resolution. According to the bond resolution, during an "Event of Default" revenues received by the bond fund trustee (Chemical Bank) shall be first used to pay the expenses and liabilities paid or incurred by the bond fund trustee. The trustee is obligated second to pay the cost of operation and maintenance, repair and replacement of the projects and third, to pay the principal of and interest on the bonds.

ICS IPMENCZ CSP

5032305101 TDRN PORTLAND OR 129 08-02 0238P EST.

PMS DON MAZUR WASHINGTON PUBLIC POWER SUPPLY SYSTEM RPT DLY MGM, DLR
BY SPM, DLR

3000 GEORGE WASHINGTON WAY

RICHLAND WA

DEAR MR MAZUR, ON MARCH 25 1983 WE ADVISED THE SUPPLY SYSTEM THAT WE
WOULD PAY FOR THE COST TO COMPLETE CONSTRUCTION OF WNP #2 FROM EPA
REVENUES. TODAY, THE GENERAL ACCOUNTING OFFICE CONFIRMED BONNEVILLE'S
AUTHORITY TO COMPLETE THE PROJECT.

WE IN BONNEVILLE HAVE APPRECIATED THE CONTINUED COMMITMENT OF THE
SUPPLY SYSTEM TO PROJECT #2 AND THE SOUND PROGRESS THAT HAS BEEN MADE
IN RECENT WEEKS AND MONTHS. THE DEDICATION OF THOSE EMPLOYEES AT THE
SITE HAS BEEN COMMENDABLE IN THE LIGHT OF THE ADVERSE REPORTS
REGARDING OUR ABILITY TO SEE THIS PROJECT THROUGH TO ITS COMPLETION.
WE WISH TO COMMEND AND THANK YOU ALL FOR THIS COMMITMENT AND
DEDICATION.

THE SUCCESSFUL COMPLETION AND OPERATION OF #2 ARE ON THE PROPER TRACK
AND WE CAN PROCEED WITH CONFIDENCE. SINCERELY,

PETER T JOHNSON ADMINISTRATOR

BONNEVILLE POWER ADMINISTRATION

PO BOX 3621

PORTLAND OR 97208

1444 EST

NNNN

1452 EST

+

WU AGENT RCLD

Telex/TWX

Union
western
time

WX

HOT LINE

A publication of Public Affairs and Information. If you have any questions, contact Kathie Knight, 372-6326, mail drop 325.

August 2, 1983

GENERAL ACCOUNTING OFFICE SAYS BPA HAS AUTHORITY TO COMPLETE PLANT 2

The following letter was sent today to Managing Director Don Mazur from Bonneville Power Administrator Peter Johnson.

"Dear Mr. Mazur:

"On March 25, 1983, we advised the Supply System that we would pay for the cost to complete construction of WNP-2 from BPA revenues. Today, the General Accounting Office confirmed Bonneville's authority to complete the project.

"We in Bonneville have appreciated the continued commitment of the Supply System to Project 2 and the sound progress that has been made in recent weeks and months. The dedication of those employees at the site has been commendable in the light of the adverse reports regarding our ability to see this project through to its completion. We wish to commend and thank you for this commitment and dedication.

"The successful completion and operation of #2 are on the proper track and we can proceed with confidence.

"Sincerely,

"Peter T. Johnson, Administrator
Bonneville Power Administration"