

Washington Public Power Supply System

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

April 30, 1982
G01-82-0169
Docket No. 50-460

Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation/NRC
Phillips Bldg., Room P-404A
9720 Norfolk Avenue
Bethesda, Maryland 20014

Dear Mr. Denton:

Subject: STATUS OF WNP-1



The purpose of this letter is to provide you with current information regarding the status of activities related to continued construction of WNP-1.

On April 19, 1982, the Administrator of Bonneville Power Administration (BPA) recommended to the Supply System's Board of Directors that construction of WNP-1 be delayed for a period of "from 2 to 5 years" (see attached letter). On Wednesday (April 21) an order was issued by the Benton County Superior Court restraining the Board from taking any action to slowdown or terminate construction on WNP-1 for a two week period, until a show-cause hearing could be held. The Supply System Board met in Richland on Friday (April 23) to review the BPA recommendation with the Administrator and to receive further input from the Supply System staff and the public. Because of the existence of the restraining order, and to provide time for the Board to evaluate alternatives presented at the meeting, no action was taken by the Board at the April 23 meeting. As a result of a court hearing held on Monday (April 26) the restraining order against Board action on WNP-1 was lifted.

Several alternatives to the BPA recommendation were presented at the April 23 meeting, and others were prepared subsequent to that. The Board met again on Wednesday (April 28) in Seattle to hear further public comment on the BPA recommendation. At the conclusion of the April 28 meeting, the Board deferred their decision until Thursday (April 29) to provide time to review the alternatives and consider public comments. At the Thursday meeting, the BPA Administrator stated

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H. R. Denton
Page 2
April 30, 1982
Status of WNP-1

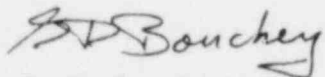
that none of the alternatives would be acceptable to BPA and that a construction delay on WNP-1 was required. Because BPA support is essential to the financing of all three Supply System projects, the Board voted to accept the BPA recommendation.

A ramp down of construction activities at WNP-1 will begin immediately. Activities essential to maintaining the Construction Permit will continue throughout the construction delay. This will include supporting NRC review of the FSAR as required, and processing of the OL Application. We would like to meet with the staff in the near future to discuss details of the WNP-1 licensing review schedule in light of the planned construction delay.

It should be noted that the most recent "need for power" study performed by BPA (attached), which was the basis for the recommendation to delay WNP-1, shows a clear need for all three of the Supply System projects. The only item being questioned is the time of the need. Therefore, the action taken on WNP-1 is only a deferral and not termination. Because WNP-1 is approximately 63% complete at this time and represents a valuable resource to the region, termination of the plant at this stage is not being considered. We firmly believe that construction will be resumed in the 2 to 5 year period discussed by BPA. For this reason, we believe it will be to our mutual benefit for the Commission to proceed with the docketing of the WNP-1 FSAR. The FSAR was submitted for acceptance review in November 1981, and it is our understanding that the staff has found it acceptable for docketing. Copies of the FSAR are now being prepared for docketing and it is our intent to submit those copies to the staff by May 14, 1982. Docketing of the Operating License Application at this time would avoid the need to repeat the acceptance review process when construction resumes.

We will continue to keep you apprised of the situation as further information is developed.

Very truly yours,



G. D. Bouchey, Deputy Director
Safety & Security

GCS/sm

Attachments

cc: CR Bryant	BPA
RW Hernan	NRC
AD Toth	NRC
DG Eisenhut	NRC
RH Engelken	RO. V



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

OFFICE OF THE ADMINISTRATOR

April 19, 1982

In reply refer to: AP

Mr. Stanton H. Cain
Chairman, Executive Board
Washington Public Power Supply System
17930 Pacific Highway South
Suite 400
Seattle, Washington 98188

Dear Mr. Cain:

In accordance with my commitment to express my recommendation regarding the construction schedules to be maintained for the WNP 1, 2, and 3 projects, I am hereby notifying you of the conclusions which have been reached. It is necessary that these recommendations be fully understood by you and the members of your Board in the development of the Washington Public Power Supply System's 1983 budget and in the development of a future financing plan. To assist in this understanding, members of my staff and I will be available at the Executive Board meeting of April 19, 1982 to review the factors leading to this recommendation and will be available thereafter to respond to any further inquiries which you or members of your Board may develop.

I am recommending to the Board and staff of the Supply System that:

1. The construction of WNP #2 and WNP #3 proceed at full pace to maintain or improve the existing construction schedules for these projects.
2. The construction completion schedule of WNP #1 be delayed for a period of from 2 to 5 years; and
3. The Board instruct the staff of the Supply System to prepare a budget and financing plan consistent with these recommendations.

This recommendation is the result of careful consideration of many factors and, in view of the significant impact it will have on the region, was not an easy choice. However, I believe that as you and the other members of your Board become more fully acquainted with all of the financing, economic, marketing and load/resource balance studies and investigations which have preceded this recommendation you will share my belief that adherence to the proposal is the prudent action to be taken.

Sincerely,

Administrator