

Coalition for Safe Power

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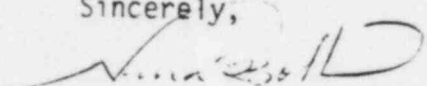
BOOKET NUMBER 50-460-04
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Gentlemen:

We are forwarding the attached information to all parties. Given Applicant's claim that WNP-1 could possibly be operational by 1988 (Applicant's Memorandum Regarding the Scheduling and Renoticing of Future Hearings dated February 28, 1983, pg. 5) we believe that the Board and parties should be aware of any situation which might affect that claim.

While it is the obligation of Applicant to supply such information its failure to do so in a timely manner necessitates our action. The Board should compel full disclosure on this matter.

Sincerely,


Nina Bell
Staff Intervenor

cc: Service List
Encl.

DS03

WPPSS maps Plant 1 cutback

By SANDRA McDONOUGH
of The Oregonian staff

2/26/83

The Washington Public Power Supply System staff has been told to draft a 1983-84 budget that will further reduce manpower at the mothballed WPPSS Plant 1.

Gary Petersen, a WPPSS public information officer, said the directions came from the supply system committees in closed sessions last Friday in Seattle. The committees essentially are subcommittees of the WPPSS executive board, but, because they do not include a quorum of the 11-member board, they are not subject to the Washington open meetings law.

The committees asked the staff to draft a 1983-84 budget for Plant 1 that would reduce the current work force at the project from 600 to 150. Most of the workers at the mothballed project now are architects, engineers and supply system personnel. Petersen said cuts would be made at all levels.

If the budget is ultimately approved by the full executive board, the reduction in work force would take effect July 1, the first day of the supply system's next fiscal year. Petersen said supply system officials were informing potentially affected workers Wednesday that further staff reductions appeared likely.

Petersen said committees also told the staff that the budget should be based upon an expectation that Plant 1 would be mothballed for at least five years. Earlier, WPPSS had said construction of Plant 1 had been delayed for up to five years.

Plant 1, which is backed entirely by the Bonneville Power Administration, is about 60 percent complete on the Hanford Nuclear Reservation in southeastern Washington. It was mothballed last spring, which eliminated almost 6,000 jobs at the site. The plant was scheduled to be completed in 1986, but with a full five-year delay, the soonest it would be ready for commercial operation would be 1991.

The aim of the budget plan is to stretch out funds available at the plant and avoid the need to raise additional money. Currently, WPPSS has \$173 million in the account for the mothball program at Plant 1.

Under the current program, the supply system would exhaust those funds by October 1984. However, with the reduction in work force envisioned by the committees, the available funds would carry the project into late 1986.

Petersen said the staff would prepare a budget based on the reduced work force at Plant 1. The full board will probably consider the budget in late May.

The cutback at Plant 1, Petersen added, is part of the supply system's efforts to meet a BPA request that it cut costs at the three WPPSS projects backed by the federal power agency. The BPA backs 100 percent of Plants 1 and 2 and Hanford and 70 percent of Plant 3 at Satsop, Wash.

The BPA requested the cost reductions in an effort to reduce its own costs because of a potential 45 percent increase in the rates it charges its wholesale utility customers. Peter Johnson, the BPA administrator, said last month that such a large rate boost would be unacceptable, adding that he would seek ways of lowering the potential increase, including a reduction in WPPSS costs born by the BPA.

Making the available funds last until late 1986 pushes the need to raise additional funds for Plant 1 out of the next BPA rate period, which will run from this Nov. 1 until June 30, 1985. That means the BPA will not have to count on new financing costs from the project in its upcoming 1983 rate case.