

10-8-75

D. SIKOVHOLT

To be confirmed

() Yes

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SUBJECT: WNP-1,4 SAFETY HRNG.

FROM

TO

Name A. G. HoslerName T. H. Cox

X7886

Company or Dept. WPPSSCompany or Dept. NRCSUBJECT(S) DISCUSSED FINANCING FOR WNP-4

\$5

REMARKS I told Tom that I had some information to relate relative to the financing for WNP-4. I emphasized that what I had to say only affects WNP-4--not WNP-1; also this was more of a status report to aid the Staff in preparing for the Safety Hearing, in particular to aid in the preparation of any testimony.

In order to obtain permanent financing for WNP-4, we need to have the participants' agreements signed and we had hoped to have these agreements signed by the time of the hearing as reported to the Staff in our May 29, 1975, financial information submittal. These agreements are now not expected to be signed until May or June of 1976. The reason, and only reason, for the failure to obtain signed agreements is the requirement to complete secondary environmental impact statements as required by a recent interpretation of the Washington SEPA. These impact statements are to address the local impact of acquiring power to assist in meeting challenges like that recently experienced by Seattle City Light that we had previously made Tom aware of.

Unit 5 I further explained that, until we obtain permanent financing for WNP-4, we are limited to expenditures of \$100 x 10⁶ for WNP-4 and 5 which was obtained under option agreements. Because of the schedule differences, most of this money is available for WNP-4. This dollar limit presents a cash flow problem and also presents a problem of making certain that the \$100 million is sufficient to cover all contracts, etc., including termination charges. Of a particular problem is the ERDA contract for enrichment services which increases from only a few million to over \$25 million upon receipt of a Construction Permit. We hope to meet this week with ERDA to discuss a proposed method of decreasing this liability. I summarized our other efforts to stretch the \$100 million--like renegotiate the B&W contract.

I explained that the result of all of this was that within a few days we may need to send a letter to the NRC requesting that they defer the review of the financial qualification for WNP-4 for the present time; that is, this matter not be addressed at the Safety Hearing and, therefore, the Construction Permit for WNP-4 be deferred.

I reemphasized that this was all a status report; that things could change, but we believed that with the Staff preparing financial testimony we were not in a position to put off notifying the Staff any longer. Tom said he agreed and wished we had notified him a few weeks ago. I responded that a few weeks ago we had hopes of resolving the problem completely and thereby not be required to

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bring up the problem at all.

I said that if we had a meeting Friday with ERDA we would be glad to meet with the Staff to discuss this problem, and even if the ERDA meeting is not held, we can meet. We will do anything we can to hold to the schedule we are currently on for the Safety Hearing. We still strongly desire to receive the Construction Permit for WNP-1 in 1975.

Tom said he would discuss this with his management and let me know what happens.

AGH:km

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