



WASHINGTON PUBLIC POWER SUPPLY SYSTEM

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

August 8, 1996
GO3-96-0110

Docket No. 50-508

Mr. James M. Taylor
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Taylor:

Subject: **WASHINGTON PUBLIC POWER SUPPLY SYSTEM
NUCLEAR PROJECT NO. 3
TERMINATION OF CONSTRUCTION PERMIT**

The Washington Public Power Supply System (Supply System) Board of Directors voted on May 13, 1994, to formally terminate the partially completed, and previously deferred, Supply System Nuclear Project No. 3 (WNP-3). At that time, you were informed that the Supply System intended to keep the NRC Construction Permit (CP) in effect in order to maximize the value of the project for an interim period prior to site restoration.

The Supply System has determined that the NRC license is no longer necessary to maintain the value of the project. Accordingly, the Supply System requests the termination of the Construction Permit (CPPR-154) and the withdrawal of the pending Operating License (OL) application for WNP-3. The Supply System will file a separate request with the Atomic Safety and Licensing Board to terminate the pending OL application hearing.

The Supply System is currently developing plans to transfer ownership of the entire site (including previously terminated WNP-5) to an interlocal agency formed by Grays Harbor County, the Port of Grays Harbor, and Grays Harbor PUD. This new agency will not complete the project as a nuclear power plant; rather they plan to adapt the site and certain structures for economic development purposes.

210008

9608210038 960808
PDR ADOCK 05000508
A PDR

1001
1/0

Mr. James M. Taylor

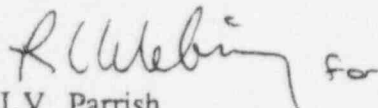
TERMINATION OF CONSTRUCTION PERMIT

Page 2

This transfer has been enabled by a recent change to Washington State law (RCW 80.50). The change was made to encourage the transfer of the plant site to the local government for the purposes of promoting economic development. The revised law also reassigns the existing regulatory authority for site restoration from the state to the local government. Any restoration of the transferred properties required by the local government will be addressed at the time of transfer.

We will keep you apprised of further developments on this subject. Should you have any questions or desire additional information regarding this matter, please contact me or Mr. D.W. Coleman at (509) 377-4342.

Respectfully,

A handwritten signature in dark ink, appearing to read "J.V. Parrish", followed by a small "for" written in the same ink.

J.V. Parrish
Chief Executive Officer
(Mail Drop 1023)

cc: Document Control Desk
LJ Callan - NRC RIV
KE Perkins, Jr. - NRC RIV, WCFO
MM Mendonca - NRC NRR
NS Reynolds - Winston & Strawn
DL Williams - BPA/399