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August 16, 1996
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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)	
)	
Washington Public Power)	Docket No. 50-508-OL
Supply System)	
)	
(Nuclear Project No. 3))	

MOTION FOR WITHDRAWAL OF APPLICATION

Pursuant to 10 C.F.R. § 2.107(a), the Washington Public Power Supply System ("Supply System"), the applicant in this proceeding, requests the issuance of an order authorizing the withdrawal of the Operating License ("OL") application at issue and terminating the proceeding.

In 1983, the Supply System notified the Licensing Board that construction of the WNP-3 project would be deferred indefinitely. The project has been preserved in a deferred status since that time, in accordance with the NRC's "Policy Statement on Deferred Plants" (52 Fed. Reg. 38,077 (1987)). On May 13, 1994, the Supply System Board of Directors voted to formally terminate the WNP-3 project. At the time, the Supply System wished to

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maintain the Construction Permit ("CP") in effect and to continue the deferred status of the OL application in order to maximize the value of the project and the equipment for an interim period. The Supply System apprised the Licensing Board of these developments by letter dated May 17, 1994 (with an update on February 15, 1995).

As described in the attached correspondence to the NRC Staff dated August 8, 1996, the Supply System has now determined that it is no longer necessary to maintain the CP and the deferred OL application. The Supply System currently is developing plans to transfer ownership of the entire site (which includes the previously terminated WNP-5 project) to a new interlocal agency formed by Grays Harbor County, the Port of Grays Harbor, and Grays Harbor PUD. The new agency will be known as the Satsop Adaptive Redevelopment Program ("SRP"). This transfer was made possible by a recent change to Washington State law (RCW § 80.50).^{4/} The WNP-3 project will not be completed as a nuclear power plant; rather the

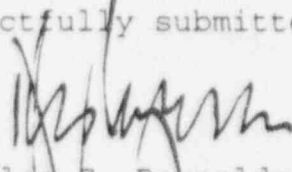
^{4/} Attached is a copy of Washington Senate Bill No. 6427, which was enacted into law on March 6, 1996. The Act amends RCW 80.50.010 and adds new sections to chapter 80.50 to address transfers of unfinished nuclear power projects and "[t]o avoid costs of complete site restoration and demolition."

SRP will adapt and use the site and structures for economic development purposes.

The Supply System is now prepared to terminate the existing CP, to withdraw the application for an OL, and to seek termination of this proceeding. Due to the early deferral and cessation of construction, there is no nuclear fuel at the site and the unfinished WNP-3 plant is incapable of being operated as a "utilization facility." Under the Washington state law cited above, as amended, the state regulatory authority regarding site restoration may be assigned to the local government. If the pending transfer to the SRP is completed, the SRP would have that authority. Any restoration required by the SRP at the time of the site transfer would be addressed by the Supply System. Under the current circumstances, there is no basis or need for conditions on the withdrawal of the OL application or on the termination of this proceeding. See, e.g., Duke Power Company (Perkins Nuclear Station, Units 1, 2 and 3), LBP-82-81, 16 NRC 1128 (1982).

On the basis of the foregoing, Applicants move that the Board issue an order authorizing withdrawal of the application and termination of the proceeding.

Respectfully submitted,



Nicholas S. Reynolds
David A. Repka

WINSTON & STRAWN
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Washington, DC 20005-3502
(202) 371-5700

Attorneys for Washington Public Power
Supply System

Dated in Washington, DC
this 16th day of August, 1996



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.

Mr. James M. Taylor

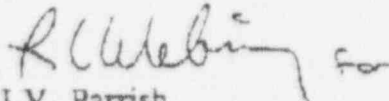
TERMINATION OF CONSTRUCTION PERMIT

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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,



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

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6427

54th Legislature
1996 Regular Session

Passed by the Senate February 3, 1996
YEAS 49 NAYS 0

President of the Senate

Passed by the House February 28, 1996
YEAS 93 NAYS 0

Speaker of the
House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the
State of Washington,
do hereby certify that the attached
is ENGROSSED SUBSTITUTE SENATE BILL
6427 as passed by the Senate and the
House of Representatives on the
dates hereon set forth.

Secretary

FILED

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 6427

State of Washington 54th Legislature 1996 Regular Session

By Senate Committee on Energy, Telecommunications & Utilities
(Originally sponsored by Senators Snyder, Hargrove, Sutherland, Owen,
Loveland and Newhouse)

Read first time 02/02/96.

AN ACT Relating to the restoration and redevelopment of an unfinished nuclear energy facility; amending RCW 30.50.010; adding new sections to chapter 30.50 RCW; adding a new section to chapter 43.21C RCW; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

1. RCW 30.50.010 and 1975-'76 2nd ex.s. c 108 s 29 are each amended to read as follows:

The legislature finds that the present and predicted growth in energy demands in the state of Washington requires the development of a procedure for the selection and utilization of sites for energy facilities and the identification of a state position with respect to each proposed site. The legislature recognizes that the selection of sites will have a significant impact upon the welfare of the population, the location and growth of industry and the use of the natural resources of the state.

It is the policy of the state of Washington to recognize the pressing need for increased energy facilities, and to ensure through available and reasonable methods, that the location and operation of such facilities will produce minimal adverse effects on the

environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life.

It is the intent to seek courses of action that will balance the increasing demands for energy facility location and operation in conjunction with the broad interests of the public. Such action will be based on these premises:

(1) To assure Washington state citizens that, where applicable, operational safeguards are at least as stringent as the criteria established by the federal government and are technically sufficient for their welfare and protection.

(2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; and to pursue beneficial changes in the environment.

(3) To provide abundant energy at reasonable cost.

(4) To avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished nuclear energy sites, and to use unfinished nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.

2. A new section is added to chapter 80.50 RCW to read as follows:

(1) This section applies only to unfinished nuclear power projects that are not located on federal property. If a certificate holder stops construction of a nuclear energy facility before completion, terminates the project or otherwise resolves not to complete construction, never introduces or stores fuel for the energy facility on the site, and never operates the energy facility as designed to produce energy, the certificate holder may contract, establish interlocal agreements, or use other formal means to effect the transfer of site restoration responsibilities, which may include economic development activities, to any political subdivision or subdivisions of the state composed of elected officials. The contracts, interlocal agreements, or other formal means of cooperation may include, but are not limited to provisions effecting the transfer or conveyance of interests in the site and energy facilities from the certificate holder to other political subdivisions of the state, including costs of maintenance and security, capital improvements, and demolition and

salvage of the unused energy facilities and infrastructure.

(2) If a certificate holder transfers all or a portion of the site to a political subdivision or subdivisions of the state composed of elected officials and located in the same county as the site, the council shall amend the site certification agreement to release those portions of the site that are transferred pursuant to this section. Immediately upon release of all or a portion of the site pursuant to this section, all responsibilities for maintaining the public welfare, including but not limited to health and safety, are transferred to the political subdivision or subdivisions of the state.

(3) The legislature finds that ensuring water for site restoration including economic development, completed pursuant to this section can best be accomplished by a transfer of existing surface water rights, and that such a transfer is best accomplished administratively through procedures set forth in existing statutes and rules. However, if a transfer of water rights is not possible, the department of ecology shall, within six months of the transfer of the site or portion thereof pursuant to subsection (1) of this section, create a trust water right under chapter 90.42 RCW containing between ten and twenty cubic feet per second for the benefit of the appropriate political subdivision or subdivisions of the state. The trust water right shall be used in fulfilling site restoration responsibilities, including economic development. The trust water right shall be from existing valid water rights within the basin where the site is located.

3. A new section is added to chapter 30.50 RCW to read as follows:

Council actions pursuant to the transfer of the site or portions of the site under section 2 of this act are exempt from the provisions of chapter 43.21C RCW.

4. A new section is added to chapter 43.21C RCW to read as follows:

Council actions pursuant to the transfer of the site or portions of the site under section 2 of this act are exempt from the provisions of this chapter.

5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the

application of the provision to other persons or circumstances is not affected.

6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

--- END ---

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)
)
Washington Public Power Supply System) Docket No. 50-508-OL
)
(Nuclear Project No. 3))

NOTICE OF APPEARANCE

Notice is hereby given that the undersigned attorney herewith enters an appearance in the captioned matter. In accordance with 10 C.F.R. § 2.713(b), the following information is provided:

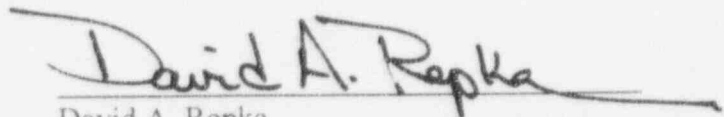
Name: David A. Repka

Address: Winston & Strawn
1400 L Street, N.W.
Washington, DC 20005

Telephone Number: (202) 371-5726

Admissions: District of Columbia Court of Appeals
U.S. Court of Appeals (Fourth Circuit)

Name of Party: Washington Public Power Supply System
P.O. Box 968
Richland, WA 99352



David A. Repka
Winston & Strawn
Counsel for Washington Public Power
Supply System

Dated in Washington, DC
this 16th day of August, 1996

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
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Before the Atomic Safety and Licensing Board

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

In the Matter of)
)
Washington Public Power) Docket No. 50-508-OL
Supply System)
)
(Nuclear Project No. 3))

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing "MOTION FOR WITHDRAWAL OF APPLICATION" and "NOTICE OF APPEARANCE" in the above-captioned proceeding have been served upon the following persons by deposit in the United States mail, first class, except as otherwise noted and in accordance with the requirements of 10 C.F.R. Section 2.712, this 16th day of August, 1996.

Adm. Judge Charles Bechhoefer
Chairman, Atomic Safety and
Licensing Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Office of Commission Appellate
Adjudication
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Adm. Judge Frederick J. Shon
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
Commission
Washington, DC 20555

Office of the General Counsel
U.S. Nuclear Regulatory
Commission
Washington, DC 20555

Adm. Judge Richard F. Foster
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U.S. Nuclear Regulatory
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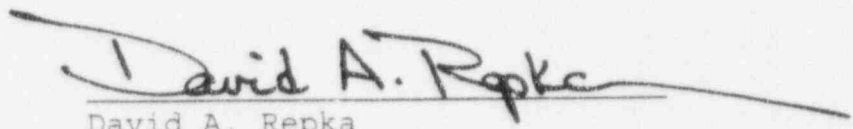
Regional Administrator,
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Commission
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Arlington, TX 76011-8064

Mr. Frederick S. Adair
Chairman, Energy Facility
Site Evaluation Council
State of Washington
P.O. Box 43172
Olympia, Washington 98504

Adjudicatory File
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Mr. David A. Swank
Manager, Regulatory Affairs
Washington Public Power Supply
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P.O. Box 968, Mail Drop PE20
Richland, Washington 99352

Office of the Secretary
Attn: Docketing and Service
Section
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555


David A. Repka