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April 18, 1994

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Subj: Washington Public Power Supply
System (WPPSS Nuclear Project
No. 1) Docket No. 50-460-OL

Gentlemen:

In accordance with the October 14, 1983, Memorandum and Order in the captioned proceeding, the Washington Public Power Supply System ("Supply System") hereby submits its quarterly status report regarding construction activities at WNP-1.

In our status report of January 12, 1994, we advised the Licensing Board and parties that the Bonneville Power Administration ("BPA") had formally recommended to the Board of the Supply System in January that the WNP-1 project, and the similarly deferred WNP-3 project, in their current conception, be terminated. In that action the BPA encouraged the Supply System to investigate alternative uses for WNP-1 and WNP-3. The Supply System publicly announced at that time that one alternative it would explore is the potential for completing WNP-1 under new arrangements with the United States Department of Energy ("DOE"), whereby the reactor would be fueled with mixed oxide fuel fabricated using weapons grade plutonium. This alternative for WNP-1 would involve termination of the existing WNP-1 contracts between the Supply System and BPA. The Supply System Board scheduled a meeting to vote on termination for April 8, 1994.

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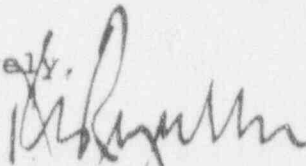
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To update the Board and parties, on April 8, 1994, BPA Administrator Randy Hardy requested that the Supply System Board delay for 30 days its vote on whether to formally terminate the WNP-1 and WNP-3 projects. Mr. Hardy added that BPA continues to favor termination of the projects as it recommended in January of this year. The Board has scheduled a special meeting for May 13, 1994, to vote on whether to terminate the projects.

These actions have no effect on the Supply System's study of alternative uses for WNP-1, including the concept of completion and operation using mixed oxide fuel under contract with DOE. BPA has agreed to assure funding for WNP-1 and WNP-3 to continue the current project preservation programs and to maintain all state and federal permits and licenses at least through January 15, 1995, even if the project under its current arrangements with BPA is terminated. This would allow time to study alternatives for the future of the project.

We will keep the Licensing Board apprised of any further developments on this matter.

Sincerely,



Nicholas S. Reynolds
Counsel for Applicant

cc: Service List