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March 18, 1983

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U. S. Nuclear Regulatory
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Washington, D. C. 20555

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Atomic Safety and
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Mr. Glen O. Bright
Atomic Safety and Licensing
Board
U. S. Nuclear Regulatory
Commission
Washington, D. C. 20555

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

Gentlemen:

On March 7, 1983, petitioner in the captioned proceeding forwarded to the Board an article which appeared in the Oregonian. The date of "2/26/83" was handwritten on the article.

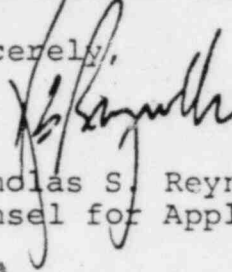
While normally we do not feel obliged to respond to letters of this nature, we wish to bring to the attention of the Board the fact that this article appeared at page B-8 of the March 3, 1983 Oregonian and not the February 26, 1983 edition of that newspaper as implied by petitioner. It was also published in the Oregonian on March 4, 1983 at B-3, although the last paragraph of the March 3 edition of the article was deleted.

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In any event, we have enclosed a copy of both articles reflecting their true and correct dates of publication and request they be included on the docket in this proceeding.

Sincerely,



Nicholas S. Reynolds
Counsel for Applicant

Enclosures

cc: Service List

Coverage of minorities ripped

Panel says media perpetuates racist views

By SCOTTA CALLISTER
of The Oregonian staff

The American print and electronic media, through a lack of education and awareness, perpetuate racist views of minorities, members of a panel told a group of journalists Wednesday in Portland.

"Raise your standards," urged Art Alexander, a cable television producer and a founder of the Portland Black Media Coalition.

He and other panelists stressed the need for journalists to be better versed in cultural and historical backgrounds of minority populations in Portland, in Oregon and across the nation.

The panel, appearing at a meeting of the Society of Professional Journalists' Willamette Valley chapter, included Alexander; Gail Chehak, public education officer for the Columbia River Inter-Tribal Fish Commission; Robert Lamb, director of the U.S. Justice Department's Community Relations Service in Seattle; and moderator Linda Williams, a reporter for The Oregonian.

A better understanding of minority cultures would not mean an end to the racism pervading American society, Alexander said. It would, however, aid reporters and assignment editors in identifying racist elements in both news events and news coverage, he said.

On the local level, Alexander and Chehak both expressed concern about the amount and type of coverage afforded to minority issues.

Alexander cited the difficulty that black community members experienced in drawing the media's attention to the murder of 17-year-old Trina Hunter, a Northeast Portlander whose body was

found in Battle Ground, Wash., on Dec. 29.

Alexander said local television stations were particularly slow in picking up on the story, following it only after newspaper accounts were published. The full coverage of the combined local stations probably amounted to no more than two minutes from December to the present, he said.

"It gave the distinct impression that there is no concern for the death of a black girl from Portland," he said.

Chehak also charged that media coverage of Indian affairs was inadequate, portraying Indians as either noble or warlike savages. "I think some folks still view us as people who run around in feathers and beads and leather," she said.

Chehak displayed a large stack of clippings from Northwest newspapers concerning alleged poaching of fish by Indians and a small handful of clippings discussing poaching by non-Indians. Inter-Tribal commission reports, however, indicated that the majority of the poaching cases involved non-Indians, she said. "Yet the Indians are getting more of the bad press," she said.

Lamb echoed such concerns, stating that minorities are rarely interviewed for news stories that do not involve race or civil rights issues.

He said he hears increasing complaints that minorities generally are portrayed as "more violent, less intelligent and less hard-working than they are."

Lamb cited coverage of the recent election of Harold Washington as mayor of Chicago as an example of alienation of the media from minority cultures.

"The media had not given Harold Washington a ghost of a chance," Lamb said. People in Chicago's black community were not at all surprised by Washington's easy victory, however.

Lamb said that the reporting before the election erroneously implied that Washington was not as qualified as the other candidates and that blacks do not vote, he said.

"We do vote, and we vote overwhelmingly — when we have a choice," Lamb said.

Draft energy plan up for discussion

The Northwest Power Planning Council's draft 20-year regional energy plan will be discussed Monday at a program sponsored by the Oregon chapter of the Sierra Club and the Northwest Conservation Act Coalition.

Roy Hemmingway, one of Oregon's two representatives on the council, and state Rep. Darlene Hooley, a West Linn Democrat who serves as chairwoman of the House Environment and Energy Committee, will speak at the meeting, which is aimed at explaining the content of the draft plan.

Issues to be discussed include how electric rates will be affected by the energy plan, the exclusion of nuclear power from the draft, the role of conservation and several other aspects of the council's energy program.

The program, which is open to the public, is scheduled for 7:30 p.m. at the Willamette Center Auditorium, 121 S.W. Salmon St.

WPPSS maps Plant 1 cutback

By SANDRA McDONOUGH
of The Oregonian staff

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

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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.

MULTNOMAH COUNTY PLANNING COMMISSION
 Will hold a public hearing on the following:

3 refinancing plans offered for termination

By SANDRA McDONOUGH

of The Oregonian staff

A Washington utility group Wednesday released three debt refinancing options that could reduce the debt from Washington's two-terminated nuclear projects by up to 75 percent.

The refinancing plans were devised by the Resolutions Committee, a special panel established by the Washington Public Utility District Association to study ways of easing the multibillion-dollar debt left after termination of the Washington Public Power Supply System's nuclear power Plants 4 and 5.

Jim Boldt, director of the PUD association, said the three options will be presented to the association's governing board this Friday. He said the board should choose its preferred option at that meeting, paving the way for the association's financial consultant to begin working on the ultimate plan.

David Beller, the Seattle Northwest Securities Corp. president who devised the plans for the Resolutions Committee, said he hoped to have the details of the final plan worked out by late March, so that a refinancing plan could be fully implemented by July.

However, while the three options would substantially reduce the debt faced by the 88 utility sponsors of Plants 4 and 5, many sources considered the complicated refinancing plans long-shots. The skepticism is caused largely by the fact that two of the three options depend upon the utilities' being able to borrow money for the refinancing effort.

The utilities face repayment of \$2.25 billion in bonds plus interest over the

next 30 years, boosting their total obligation to \$7 billion. Several utilities have challenged their obligations to pay interest and most refused to make their payments to WPPSS in January, fueling the speculation that WPPSS may default on its multibillion-dollar debt. It would be the largest municipal bond default in history.

The three plans devised by the Resolutions Committee include a "regionalization" of the plants' debt through Bonneville Power Administration rates, a buy-back of the outstanding bonds from their individual owners at reduced

Many sources considered the complicated plans long-shots

values or a "debt reduction" plan.

The preferred plan appears to be the debt reduction option, which Beller said could cut the \$7 billion debt by 50 percent to 75 percent. That plan depends upon the Washington Legislature establishing a "debt refinancing" agency that could help the 29 Washington PUDs and municipal utilities involved in the WPPSS plants borrow \$680 million for their portion of the refinancing effort. The plan assumes that the loan, which probably would be in the form of revenue bonds secured by the individual utilities, would carry interest rates of 9 percent to 10 percent.

The 43 electric cooperatives that backed the plants' construction would borrow \$270 million through the federal Rural Electrification Association for their share of the refinancing effort. The plan envisions an interest rate of 5 percent to 6 percent.

Finally, the 11 Oregon PUDs and municipal utilities and the five Idaho municipal utilities involved in the construction project would be responsible for raising about \$100 million, although the plan does not specify how that would be accomplished.

The status of those utilities in the WPPSS financing arena is uncertain. An Oregon court ruled the contracts for the 11 Oregon utilities void late last year, and the Idaho Supreme Court is studying a case that questions the validity of the contracts signed by utilities in that state.

About \$1 billion of the money raised through the utilities would be placed in high-yield investments, possibly even bonds from WPPSS Plants 2 and 3.

The plan counts on investments yielding at least 13.5 percent interest. Since that investment would carry interest rates higher than the rates paid by the utilities on the loans they secured to accomplish the refinancing effort, the utilities would realize a profit.

The profit would be used to pay debt service on the outstanding bonds for Plants 4 and 5, covering about two-thirds of the total debt. In this plan, the outstanding bonds would be fully repaid.

The debt reduction plan also calls for settling, in some unspecified manner, the \$400 million dispute over costs

that were shared between Plants 4 and 5 and their "twin" projects 1 and 3 respectively. The plan envisions that Plants 1 and 3 pay \$100 million over the next 30 years at an interest rate of 13.5 percent, while Plants 4 and 5 would pay about one-third of the current service on the current bonds.

Finally, the plan counts on the "bond account" for Plants 4 and 5 to be used as an investment, with the help to retire the current debt. The account holds enough to pay \$93 million in interest payments on the bonds this July if no funds is available.

The regionalization plan would have the BPA assume the debt from Plants 4 and 5 and pass it to all of the Northwest utilities through the rates. Under the plan, the utilities would regionalize the debt from the dead Pebble Springs and the endangered Skagit projects in Washington.

That plan probably would require congressional approval on the BPA's authority hurdle for this effort.

Under the buy-back plan, the utilities would issue "refinancing" bonds backed by their individual utilities to repurchase the outstanding bonds for Plants 4 and 5 at their face value. It would depend upon the individual utilities' willingness to be taking a loss

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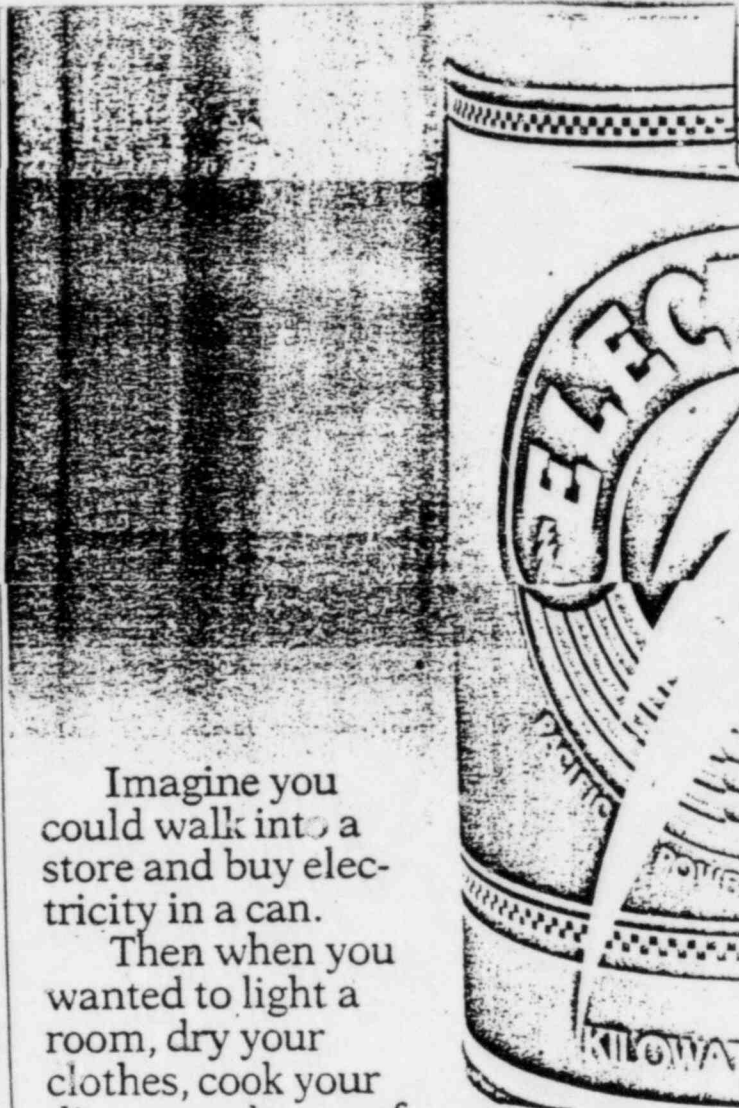
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Making the available funds last until late 1986 pushes the need to raise additional funds for Plant 1 out of the next BPA rate period, which will run from this Nov. 1 until June 30, 1985. That means the BPA will not have to count on new financing costs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

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