

JUN 14 1983

Annette

MEMORANDUM FOR: H. Denton
E. Case
D. Eisenhut
R. Purple
R. Mattson
T. Speis
R. Vollmer
H. Thompson
J. Kramer
T. Novak
F. Miraglia
T. Ippolito
J. Sniezek
G. Lainas

THRU: George W. Knighton, Chief
Licensing Branch No. 3
Division of Licensing

FROM: Annette Vietti, Project Manager
Licensing Branch No. 3
Division of Licensing

SUBJECT: DAILY HIGHLIGHT

WNP-3

I have been informed that Washington Public Power Supply System implemented a slowdown of construction on Project No. 3 for a period of 30 days. The reason for this action is that construction funds are nearly exhausted and the Supply System has been unable to secure financing from the municipal bond market necessary to continue construction. During the 30 days slowdown period, the Supply System will attempt to obtain alternate sources of financing. If successful, construction will be restarted with no change in the project completion schedule; if not, detailed plans are being developed for a possible 3 years extension of the WNP-3 scheduled completion date, from December 1985 to December 1988.



Annette Vietti, Project Manager
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cc: G. W. Knighton
Licensing BC's
S. Black

HOT LINE

A publication of Public Affairs and Information. If you have any questions, contact Kathie Knight, 372-6326, mail drop 328.

May 27, 1983

COMPLETION OF PROJECT 3 DELAYED FOR THREE YEARS

The Executive Board today passed a resolution to delay completion of Project 3 for three years if additional financing is not obtained within 30 days. The Bonneville Power Administration recommended this toothball action.

The resolution states that "it would not be prudent for the Supply System to continue construction of Project 3 at present levels of effort and expenditure in the absence of an assured source of funds..."

In the next 30 days, construction will be slowed without precluding the possibility of completing the Project on its current schedule. During this time, the Managing Director is directed to seek additional financing. Without obtaining financing, it becomes unlikely that Project 3 will be completed on its current schedule.

Between now and August 1, the slowdown will impact about 260 Supply System employees (including Satsop and Richland), 1030 craft workers, 390 construction nonmanuals and 175 Ebasco engineers. Present employment at Project 3 is about 3,000 total.

In addition, the Executive Board rescinded the four-day work week for Project 3.

Managing Director Don Mazur said, "It's a shame we couldn't have worked out a solution in a collaborative mode throughout the region. The work of the people on Project 3 has been excellent. I've been darned proud to be associated with them and proud to be their champion." Mazur's remarks seemed to reflect the mood of the Executive Board as they unanimously passed the resolution.

In other action, the Executive Board approved a motion to put Projects 4 and 5 into Phase II of termination, that is, to sell off all assets, unless the participants and the Owners' Committee disapprove.