

Washington Public Power Supply System
A JOINT OPERATING AGENCY

P. O. Box 968 3000 GEO. WASHINGTON WAY RICHLAND, WASHINGTON 99352 PHONE (509) 946-1611

July 19, 1976

Docket No. 50-513

Director of Nuclear Reactor Regulation
ATTN: Mr. Olan D. Parr
Light Water Reactor Project
Branch No. 3
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555



Subject: WPPSS NUCLEAR PROJECT NO. 4
CONTRACTUAL AND FINANCIAL ARRANGEMENTS

- References:
- 1) Letter, N. O. Strand, WPPSS, to A. Giambusso, NRC, Contractual and Financial Arrangement for WPPSS Nuclear Project No. 4, dated October 22, 1975.
 - 2) Letter, J. J. Stein, WPPSS, to A. Giambusso, NRC, Submittal of Financial Data, dated May 29, 1975.

Dear Mr. Parr:

In Reference 1 we requested that the Staff temporarily defer consideration of the Supply System's financial qualifications to construct WPPSS Nuclear Project No. 4 (WNP-4). The basis for this request was that execution of the Participants' Agreements for WNP-4 had been delayed pending completion of secondary environmental impact statements pursuant to the Washington State Environmental Policy Act.

This letter is to inform the NRC Regulatory Staff that Participants' Agreements have been fully executed for 100% of the output of WNP-4 and for the Supply System's share (90%) of the output of WPPSS Nuclear Project No. 5 (WNP-5). As mentioned in Reference 2, WNP-4 and the Supply System's share of WNP-5 will be financed as one system. The participants in WNP-4 and WNP-5 are approximately 89 public and cooperative utilities (consisting of 21 municipalities, 24 public utility districts and 44 electric cooperatives) located principally in Washington, Oregon, Idaho, and Montana.

As you may be aware, by letter dated July 9, 1976, we requested that the Atomic Safety and Licensing Board take steps to receive additional evidence from the Applicant and the Staff by the end of July, 1976, with

8409270088 840824
PDR FOIA
COHEN84-603 PDR

7323

July 19, 1976

a view toward supplementing its Initial Decision with appropriate findings relating to the Applicant's financial qualifications to construct WNP-4. We are hopeful that a favorable supplemental Initial Decision will be issued promptly thereafter, leading to the issuance of a construction permit for WNP-4 in the first or second full week of September, 1976.

The method of financing WNP-4 and the Supply System's share of WNP-5 was presented to the Staff in Reference 2 in response to Staff Questions 1.(a) and 1.(b). In addition, the Atomic Safety and Licensing Board explored this method of financing at some length at the radiological health and safety hearings held in November, 1975 (Tr. 820-845, 850-852).

An updated estimate of the total cost of WNP-4 (current as of May 31, 1976) is:

(a) Total nuclear production plant costs	\$ 991,463,000 ^{1/}
(b) Transmission and general plant costs	12,327,000
(c) Nuclear fuel inventory cost ^{2/} for first core	<u>91,210,000</u>
Total Estimated Cost	\$1,095,000,000

Siting, fuel cycle costs, payments to vendors and preliminary construction expenditures through May 31, 1976, for WNP-4 and WNP-5 are \$21,074,000 and \$7,896,000, respectively. Current estimates for WNP-4 and WNP-5 future expenditures (including fuel and owners' cost) are as follows:

<u>Year</u>	<u>WNP-4 Expenditures</u>	<u>WNP-5 Expenditures</u>
Thru 1976	\$ 72,997,000	\$ 15,624,000
1977	108,358,000	100,442,000
1978	229,672,000	160,091,000
1979	326,031,000	271,351,000
1980	198,567,000	293,651,000
1981	131,970,000	228,899,000
1982	27,405,000	164,426,000
1983		36,359,000
1984		157,000

^{1/} Including net interest during construction, owner's costs, and allowances for escalation and contingencies.

^{2/} Nuclear fuel will be purchased rather than leased.

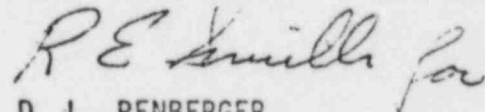
July 19, 1976

With the execution of Participants' Agreements, financing of WNP-4 and WNP-5 will be continued by the issuance of approximately \$2,718,000,000 of tax exempt revenue bonds in series from time to time during the period of construction. The Supply System plans to issue these bonds in the following approximate amounts and on the following schedules:

<u>Date of Issue</u>	<u>Amount</u>
1977	\$300,000,000
1978	300,000,000
1979	450,000,000
1980	600,000,000
1981	750,000,000
1982	318,000,000

Each series of bonds issued will be on a parity with other bonds issued. A scheduled summarizing financing activities through June 15, 1976, for all WPPSS construction projects is attached hereto.

Very truly yours,



D. L. RENBERGER
Assistant Director
Generation & Technology

DLR:AGH:km

Attachments

cc: JB Knotts - Conner & Knotts - w/att.
HW Phillips - UE&C - w/att.
JR Schmieder - UE&C - w/att.
EG Ward - B&W - w/att.
CR Bryant - BPA - w/att.
W Albert - NRC I&E - w/att.

CONSTRUCTION PROJECTS FINANCING ACTIVITIES

June 15, 1976

PROJECT	TYPE	RATING	SALE DATE	MATURITY	PAR	PROCEEDS RECEIVED	EFFECTIVE INT. RATE
W N P 1	Notes	MIG-1;AA	5/22/74	12/15/1976	\$ 77,000,000	\$ 76,722,800	6.050
W N P 1	Bonds	Aaa;AAA	9/18/75	7/01/2017	175,000,000	172,159,750	7.7269
W N P 1	Bonds	Aaa;AAA	2/04/76	7/01/2017	180,000,000	179,715,934	6.83734
W N P 2	Bonds	A-1;Aa*	6/26/73	7/01/2012	150,000,000	149,628,930	5.650
W N P 2	Bonds	A-1;AA*	7/23/74	7/01/2012	80,000,000	79,864,055	7.2035
W N P 2	Bonds	AA;AA *	11/26/74	7/01/2012	125,000,000	124,458,992	7.6667
W N P 2	Bonds	Aaa;AAA	3/06/75	7/01/2012	125,000,000	126,813,477	6.7097
W N P 2	Bonds	Aaa;AAA	6/03/76	7/01/2012	120,000,000	118,845,130	6.634
W N P 3	Bonds	Aaa;AAA	12/03/75	7/01/2018	150,000,000	147,876,742	7.867599
W N P 3	Bonds	Aaa;AAA	4/13/76	7/01/2018	100,000,000	99,444,851	6.481385
W N P 4/5	Bonds	A-1;A	7/24/75	6/01/1981	100,000,000	99,419,902	7.04099
Total Outstanding					\$1,382,000,000		

NOTES RETIRED

W N P 4/5	Notes		3/20/74	12/15/1975	2,500,000	2,500,000	4.700
W N P 4/5	Notes	MIG-1;A	8/01/74	6/15/1976	15,000,000	15,056,867	8.007
W N P 1	Notes		8/24/72	8/24/1973	1,500,000	1,492,879	2.925
W N P 1	Notes	A-1;AA	2/15/73	12/15/1975	25,000,000	24,984,325	4.270
W N P 2	Notes	A-1;AA	7/01/71	7/01/1974	15,000,000	14,775,100	3.550
W N P 2	Notes	A-1	12/15/72	12/15/1974	40,000,000	40,000,401	3.500
W N P 3	Notes		5/15/73	12/17/1973	2,000,000	2,004,026	4.050
W N P 3	Notes	MIG-1;AA	10/01/73	6/15/1976	29,000,000	29,004,640	4.368

*The first series of bonds for WNP-2 were upgraded to AAA ratings by both services subsequent to their issuance.

STATE OF WASHINGTON)
) ss
COUNTY OF BENTON)

R. E. SMITH, Being first duly sworn, deposes and says: That he is the Manager, Operations Division, for the WASHINGTON PUBLIC POWER SUPPLY SYSTEM, the applicant herein; that he is authorized to submit the foregoing on behalf of said applicant; that he has read the foregoing and knows the contents thereof; and believes the same to be true to the best of his knowledge.

DATED July 19, 1976

RE Smith
R. E. SMITH

On this day personally appeared before me R. E. SMITH to me known to be the individual who executed the foregoing instrument and acknowledged that he signed the same as his free act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and seal this 19th day of July, 1976.



Reba B. Helgeson
Notary Public in and for the State of
Washington
Residing at Richland

NRC DISTRIBUTION FOR PART 50 DOCKET MATERIAL

FILE NUMBER

TO:
MR O D PARR

FROM: WPPSS
RICHLAND, WASH
D L RENBERGER

DATE OF DOCUMENT
7-19-76

DATE RECEIVED
7-21-76

LETTER
 ORIGINAL
 COPY

NOTORIZED
 UNCLASSIFIED

PROP
INPUT FORM

NUMBER OF COPIES RECEIVED
1 SIGN

DESCRIPTION
LTR REF THEIR 10-22-75 & 5-29-75 LTRS.....
FURNISHING INFO ON THE CONTRACTUAL AND
FINANCIAL ARRANGEMENTS.....

PLANT NAME: WPPSS # 4

ENCLOSURE

SAFETY

FOR ACTION/INFORMATION

ENVIRO

7-22-76 RB

ASSIGNED AD:
 BRANCH CHIEF: (6) PARR
PROJECT MANAGER:
 LIC. ASST.: (17) RUSHBROOK

ASSIGNED AD:
BRANCH CHIEF:
PROJECT MANAGER:
LIC. ASST.:

INTERNAL DISTRIBUTION

<input checked="" type="checkbox"/> REG FILE	SYSTEMS SAFETY	PLANT SYSTEMS	SITE SAFETY &
<input checked="" type="checkbox"/> NRC PDR	HEINEMAN	TEDESCO	ENVIRO ANALYSIS
<input checked="" type="checkbox"/> I & E (2)	SCHROEDER	BENAROYA	DENTON & MULLER
<input checked="" type="checkbox"/> OELD		LAINAS	
<input checked="" type="checkbox"/> GOSSICK & STAFF	ENGINEERING	IPPOLITO	ENVIRO TECH.
<input checked="" type="checkbox"/> MIPC	MACCARRY	KIRKWOOD	ERNST
<input checked="" type="checkbox"/> CASE	KNIGHT		BALLARD
<input checked="" type="checkbox"/> HANAUER	SIHWEIL	OPERATING REACTORS	SPANGLER
<input checked="" type="checkbox"/> HARLESS	PAWLICKI	STELLO	
			SITE TECH.
<input checked="" type="checkbox"/> PROJECT MANAGEMENT	REACTOR SAFETY	OPERATING TECH.	GAMMILL
<input checked="" type="checkbox"/> BOYD	ROSS	<input checked="" type="checkbox"/> EISENHUT	STEPP
<input checked="" type="checkbox"/> P. COLLINS	NOVAK	<input checked="" type="checkbox"/> SHAO	HULMAN
<input checked="" type="checkbox"/> HOUSTON	ROSZTOCZY	<input checked="" type="checkbox"/> BAER	
<input checked="" type="checkbox"/> PETERSON	CHECK	<input checked="" type="checkbox"/> BUTLER	SITE ANALYSIS
<input checked="" type="checkbox"/> MELTZ		<input checked="" type="checkbox"/> GRIMES	VOLLMER
<input checked="" type="checkbox"/> HELTEMES	AT & I		BUNCH
<input checked="" type="checkbox"/> SKOVHOLT	SALTZMAN		<input checked="" type="checkbox"/> J. COLLINS
	RUTBERG		KREGER

EXTERNAL DISTRIBUTION

<input checked="" type="checkbox"/> LPDR: RICHLAND, WA....	NAT LAB:	BROOKHAVEN NAT LAB
<input checked="" type="checkbox"/> TIC:	REG. VIE	ULRIKSON(ORNL)
<input checked="" type="checkbox"/> NSIC:	IA PDR	
ASLB:	CONSULTANTS	
ACRS 16 CYS	SENT	

CONTROL NUMBER

7323