

Dick

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUN 17 1975

FLASH NOTE

Docket No. 50-460
50-513

A. Schwencer, Chief, Light Water Reactors Branch 2-3, DRL

WNP-1,4 FACILITY FINANCING

A lawsuit was filed Thursday, 5/29/75, in Seattle, calling for cancellation of an agreement between Seattle City Light Co. and WPPSS for participation in WPPSS-1, 4, 3, and 5 facilities. The basis for the suit is that Seattle City Light did not write its own environmental impact statement to the state on the proposed agreement. (See attached newspaper article.)

One potential effect of the action could be to delay City Light's participation in the funding of the WNP-4 LWA work planned to start later this calendar year. D. Renberger, Technical Division Manager, does not feel that there would be any delay in initiating LWA work at the WNP-1 plant location. Funds for that effort are already available, and in fact, funding for LWA work at WNP-4 may be assured through options that allow other utility members of WPPSS to provide the funds originally expected from Seattle City Light Company.

Further development of this situation will be monitored for its potential effect on our financial qualifications review now underway.

Thomas H. Cox

Thomas H. Cox, Project Manager
Light Water Reactors Branch 2-3
Division of Reactor Licensing

Enclosure: Newspaper article

cc: B. Rusche
E. Case
A. Giambusso
R. Boyd
V. Moore
D. Skovholt
~~J. Peterson~~
ELD

FLASH NOTE

WPPSS

1. Project financing

2. Suit against Seattle City Light

Tax Exem.
Washington
Plans \$50 M
WSP
800 WALL STREET
RICHLAND, Wash.
Public Power System
committee authorized a sale of
of revenue bonds but didn't act
because of a lawsuit against the
tem's customers.
The publicly owned system repre-
municipal agencies. It will use the at-
cords to redeem \$17.5 million of
notes, to help finance its two nuclear
ects and to purchase a 15% interest in a
clear project of Puget Sound Power & Light
Co.
A spokesman said the system's legal and
financial advisers believed that a suit
against Seattle City Light, a municipal elec-
tric agency, could hurt the proposed bond
sale. Seattle City Light is potential pur-
chaser of about 11% of the projected output
from the nuclear projects, which are in a
"very preliminary" stage, he added.

3. Check on odjw Bond Survey March 3, 1975
page 1551.

MAY 30 1975

Suit asks Seattle City Light stay out of Hanford, Satsop

TCH 30 MAY 1975

A lawsuit filed Thursday to cancel a nuclear power agreement made by Seattle City Light for participating in nuclear plants at Hanford and Satsop was filed Thursday.

The Washington Environmental Council and three individuals charged the city of Seattle in King County Superior Court with violating state environmental laws.

They allege as the violation the failure of City Light to write an environmental impact statement on an agreement with the Washington Public Power Supply System (WPPSS).

That agreement allows City Light to reserve between 9 per cent and 11.4 per cent of the output from nuclear projects planned for completion in the 1980s at Hanford and Satsop. The Seattle City Council approved the agreement May 2.

City Light is one of 104 Northwest utilities asked to loan credit to the supply system to build the plants. The utilities were to back the loan of credit with power contracts from the system.

Utility spokesmen said Thursday about 90 utilities already

have agreed to participate. The supply system is scheduled to call for bids on \$100 million in bonds Monday.

Jerry Parker, a state employe, Aaron McKiernan, a University of Washington law student and Ken Bostock of the Washington Committee on Consumer Interests joined the environmental council in the suit.

The City of Seattle "is really going along with the idea of building a nuclear plant without knowing what it means," J. Richard Aramburu, lawyer for the plaintiffs, said Thursday.

Aramburu also represents the North Cascades Conservation Council in efforts to stop Seattle City Light from building High Ross Dam.

He said, "They haven't addressed questions of electrical curtailment programs. They haven't addressed questions of energy conservation."

They're unfortunately just rolling with the tide and not looking at options," he said. "It's a lot of money, to be provided by the ratepayers."

A WPPSS spokesman today said, "The Supply System has

addressed all those questions about the need for power, both in its application to the state for site certification and in environmental reports filed with the Nuclear Regulatory Commission."

In addition, he said, "Those same factors are considered in the environmental impact statement filed by the Bonneville Power Administration in its application for a rate increase."

He expressed concern that if the suit against City Light is successful, "About 100 individual utilities would have to duplicate what the Supply System has already done."

"It would certainly place a burden on those utilities," which, he said, include small municipalities and rural electric associations, as well as large cities.

Earlier this week delay in construction of the two nuclear plants at Hanford was threatened by a proposal from Richland officials to reopen site certification hearings to include comments on the socio-economic report about the impact of the WPPSS project.

June 25, 1975

Memo to File

WPPSS - WNP-1 and WNP-4

Suit by Washington Environmental Council and three individuals charged the city of Seattle with violation of the state environmental laws. They allege as the violation the failure of City Light to write an environmental impact statement on an agreement with WPPSS. The WPPSS addressed all these questions about need for power, both in its application to the state for site certification and in environmental reports filed with the Nuclear Regulatory Commission."

6/24/75

Re: Conversation into LPM - Tom Coy he stated the suit against the city of Seattle has been dropped with the city of Seattle agreeing to write an environmental impact statement.

Dick Curie