

UNITED STATES OF AMERICA  
ATOMIC ENERGY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of )  
 )  
WASHINGTON PUBLIC POWER SUPPLY SYSTEM) Docket No. 50-397  
 )  
(Hanford No. 2 Nuclear Power Plant) )

REGULATORY STAFF'S PROPOSED  
MODIFICATIONS OF APPLICANT'S PROPOSED  
FINDINGS OF FACT AND CONCLUSIONS OF LAW

Proposed Modification I

The following should be substituted for subdivisions "A" through "F" of Section II of applicant's proposed findings:

A. Design and Site

18. The record shows that the Applicant has adequately described the proposed design of the facility, including the principal architectural and engineering criteria for the design, and has identified the major features or components incorporated therein for the protection of the health and safety of the public, in that it shows, among other things, that:

- (1) The Applicant has provided adequate information on reactor design (SOA 7.2; PSAR 3.0, SE 3.0) including control methods and on design and criteria for important subsystems, including the reactor coolant pressure boundary

2 to SE, sections 4.0 and 5.0; Ex. A-3, Item 9; Staff comments, Tr. f. 183; p. 3, Item 9, Tr. 198-201).

C. Operations and Technical Qualifications

27. The management and organizational arrangements and plans for construction, operation, and staffing of the facility meet Commission requirements. The Applicant and its principal contractors, the General Electric Company and Burns and Roe, Inc. are technically qualified. The Applicant's management and staff have extensive nuclear experience. (SOA 2.0 and addendum 1 thereto; PSAR 13.2, 13.3; SE 13.1, 13.2; Tr. 236).
28. The Applicant's plans in the areas of emergency planning and industrial security meet Commission requirements for this construction permit stage. (SOA 9.0; PSAR 13.4, 13.11; SE 13.3, 13.4).

D. Financial Qualifications

28. (a) Washington Public Power Supply System is a municipal corporation of the State of Washington and was organized in January 1957 as a joint operating agency, pursuant to the laws of Washington. The Supply System is composed of 18 Public Utility Districts and 3 cities, each of which operates an electrical distribution system within the State

of Washington, serving approximately 659,000 electrical customers. The Supply System is empowered to acquire, construct and operate facilities for the generation and transmission of electric power and energy, but does not engage in the distribution of electric energy at retail.

- (b) The total cost of construction is estimated to be \$457,000,000. To finance the project, the Supply System has adopted resolutions in accordance with Washington law (R.C.W. 43, 54.3411) and sold revenue (bond anticipation) notes thereunder in the amount of \$15 million in February 1971 and \$40 million in December 1972. The Applicant expects to market long term bonds in the approximate amount of \$457,000,000 in three increments, starting with a first increment of at least \$150,000,000 in about November 1973.
- (c) By agreements with some 95 public and consumer-owned power purchasers, termed "participants", the Applicant receives a promise to pay a portion of the costs of acquiring, constructing and operating the facility. The aggregate of the participants' obligation to pay costs of the facility will equal the total of such costs.

(d) Net Billing Agreements between each participant, the Supply System and Bonneville Power Administration ("Bonneville") provide that the Project's entire capability will be sold by the Supply System to certain statutory preference customers of Bonneville, and assigned by the participants to Bonneville. The Net Billing Agreements provide that each participant will assign its share of Project capability to Bonneville which will credit the payments made to the Supply System by each participant for its proportionate share of the Project's annual costs (which includes debt service) against billings made by Bonneville to the participant for power and certain services delivered under other contracts. The Net Billing Agreements provide that the participants are obligated to pay the Supply System whether or not the Project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output. These Net Billing Agreements are included in the Ten Year Hydrothermal Power Program of the Pacific Northwest. This program was approved by Congress in the Public Works Bill, 1970 (83. Stat. 323,333) and in Public Works Appropriations Bill, 1971 (84 Stat. 890).

- (e) The Applicant has successfully financed, constructed, and is now operating two other projects, the Packwood Lake Hydroelectric Project and the Hanford Generating Project which is supplied steam by the Commission's N-Reactor.
- (f) All of the System's long term funding for these projects was provided from the sale of revenue bonds. The System's current rating is A-1 by Moody's Investors Service, Inc., and AA by Standard and Poor Corporation.
- (g) The Staff concluded, in view of the Applicant's record of performance on existing projects, the high regard held for its bond issues, the opinions of its financial consultants, and the security for the bonds, that there is reasonable assurance that the Applicant can finance construction of Hanford No. 2 by issuance of revenue bonds as planned. The Applicant will, however, be required to advise the Staff by November 30, 1973, that it has formally adopted the resolution required by Washington law for issuance of bonds and that it has sold bonds, in the principal amount of at least \$150,000,000, to partially finance construction of Hanford No. 2 or show good cause for not adopting said resolution and selling such bonds.

(Ex. A-1, Application and Ex. A and Schedule 1 thereto; PSAR Amendment 11; PSAR Vo. 7; Answers to Q 15.0; Summary of Applicant's Financial Qualifications, Tr. 148; Ex. A-6; SE 17.0; Tr. 155, 165-66; proposed form of construction permit appended hereto as Attachment A).

E. Common Defense and Security

29. The activities to be conducted by the Applicant under the construction permit will be within the jurisdiction of the United States. All directors and operating personnel of WPPSS are citizens of the United States. WPPSS is not owned, controlled or dominated by an alien, a foreign corporation, or a foreign government. The application does not contain any restricted data or other defense information, and it is not expected that any will become involved. As required by the Commission's regulations, WPPSS has agreed that it will not permit any individual to have access to any restricted data until the Atomic Energy Commission determines that permitting such an individual to have access to restricted data will not endanger the common defense and security. As a licensee, the Applicant will be subject to regulations of the Atomic Energy Commission relating to the transfer of and accountability for special nuclear material in its

- (b) The word "conflicting" should be added before the word "factors" appearing in line 10 of Applicant's proposed finding 61.
  
- (c) The following Order should be substituted for Applicant's proposed Order (Applicant's proposed finding 62)

ORDER

Based on the Board's findings and conclusions and pursuant to the Atomic Energy Act and the Commission's regulations, IT IS ORDERED that the Director of Regulation is authorized to issue a construction permit to the Washington Public Power Supply System to construct the Hanford No. 2 Nuclear Power Plant, which shall be consistent with the terms of this initial decision and substantially in the form appended as Attachment A.

IT IS FURTHER ORDERED, in accordance with 10 CFR § 2.760, § 2.762, § 2.764, § 2.785, and § 2.786 of the Commission's Rules of Practice, that this Initial Decision shall constitute the final decision of the Commission subject to the review thereof pursuant to the above-cited rules.

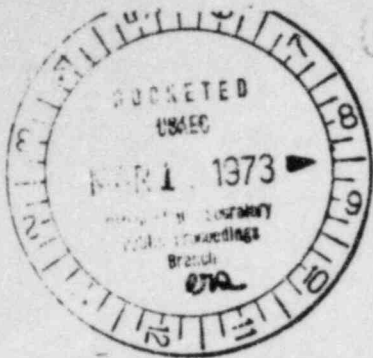
IT IS SO ORDERED.

Respectfully submitted,

*Mark R. Haflich*

Mark R. Haflich  
Counsel for AEC Regulatory Staff

Dated at Bethesda, Maryland  
this 21st day of February, 1973



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UNITED STATES OF AMERICA  
ATOMIC ENERGY COMMISSION

In the Matter of	)	
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WASHINGTON PUBLIC POWER	)	
SUPPLY SYSTEM	)	Docket No. 50-397
	)	
(Hanford No. 2 Nuclear	)	
Power Plant)	)	

SYLLABUS

The Atomic Safety and Licensing Board authorizes construction permit for nuclear power plant provided that a meteorology tower is constructed to provide data for use in assessing potentially adverse environmental effects resulting from the construction and operation of the plant. The Board also requires that chemicals discharged to the soil be immobilized by some means such as earth cover so that residues cannot become airborne and that three additional River monitoring stations be incorporated into the radiological monitoring program.

APPEARANCES

Joseph B. Knotts, Jr., Esq.  
on behalf of the Washington Public Power Supply System

Mark R. Haflich, Esq.  
William Massar, Esq.  
on behalf of the Regulatory Staff of the  
Atomic Energy Commission

Dr. Oswald Greager, Chairman  
Thermal Power Plant Site Evaluation Council  
on behalf of the State of Washington





UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

HANFORD NO. 2 NUCLEAR POWER PLANT

DOCKET NO. 50-397

CONSTRUCTION PERMIT

Construction Permit No. CPPR-93

1. Pursuant to Section 103 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10, Chapter 1, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and pursuant to the Initial Decision of the Atomic Safety and Licensing Board, the Atomic Energy Commission (the Commission) hereby issues a construction permit to the Washington Public Power Supply System (the applicant) for a utilization facility (the facility), designed to operate at 3323 megawatts thermal, as described in the application and amendments thereto (the application), filed in this matter by the applicant and as more fully described in the evidence received at the public hearing upon that application. The facility, known as the Hanford No. 2 Nuclear Power Plant, will be located on a site leased from the Commission within the Commission's Hanford reservation in Benton County, Washington, approximately three miles from the Columbia River and approximately 12 miles north of the City of Richland, Washington.
2. This permit shall be deemed to contain and be subject to the conditions specified in Sections 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act, and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the conditions specified or incorporated below:
  - A. The earliest date for the completion of the facility is September 1, 1977, and the latest date for completion of the facility is September 1, 1978.

Enclosure A

- B. The facility shall be constructed and located at the site as described in the application, in Benton County, Washington.
- C. This construction permit authorizes the applicant to construct the facility described in the application, and in the hearing record in accordance with the principal architectural and engineering criteria and environmental protection commitments set forth therein.
- D. (Upon determination by the Director of Regulation, an appropriate antitrust provision may be included in this permit when issued.)
- E. The applicant shall comply with the following conditions:
  - (1) The applicant shall construct a meteorology tower to provide data for use in assessing potentially adverse environmental effects of a radiological and nonradiological nature resulting from the construction and operation of the facility.
  - (2) The applicant shall immobilize chemicals discharged to the soil by some means such as earth cover so that residues cannot become airborne.
  - (3) The applicant shall incorporate three additional river monitoring stations into the radiological monitoring program in order to more clearly discriminate between liquid discharges from the facility and other sources. These monitoring stations are to be located approximately one mile upstream, 500 feet downstream, and approximately one mile downstream of the facility discharge point in the river.
  - (4) By November 30, 1973 the applicant shall advise the Commission's regulatory staff that it has adopted the resolution required by Washington law for the issuance of bonds and that it has sold bonds in the principal amount of at least

\$150,000,000, to partially finance construction of the facility, or show good cause for not adopting said resolution and selling such bonds.

3. This permit is subject to the limitation that a license authorizing operation of the facility will not be issued by the Commission unless (a) the applicant submits to the Commission, by amendment to the application, the complete final safety analysis report, portions of which may be submitted and evaluated from time to time; (b) the Commission finds that the final design provides reasonable assurance that the health and safety of the public will not be endangered by the operation of the facility in accordance with procedures approved by it in connection with the issuance of said license; and (c) the applicant submits proof of financial protection and the execution of an indemnity agreement as required by Section 170 of the Act.

FOR THE ATOMIC ENERGY COMMISSION

A. Giambusso, Deputy Director  
for Reactor Projects  
Directorate of Licensing

Date of Issuance: