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

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

In the Matter of Washington Public Power Supply System
(WPPSS Nuclear Project Nos. 3 and 5)
Docket Nos. STN 50-508 and STN 50-509

Gentlemen:

Enclosed is a copy of "NRC Staff's Proposed Findings of Fact and Conclusions of Law in the Form of a Proposed Initial Decision," dated July 1, 1977 (Findings). The Findings do not include a finding or conclusion of law regarding the Applicant's financial qualifications. The Staff had completed a review of the Applicant's financial qualifications based on the information in Amendment 39 to the Preliminary Safety Analysis Report. This review is set forth in Supplement 1 to the Staff's Safety Evaluation Report (Staff Exhibit 16). However, this review does not take into account the recent cost changes noted in the Applicant's testimony of James D. Perko regarding the Applicant's financial qualifications (following Tr. 598).

In light of the fact that the unanticipated testimony of Mr. Perko was received by the Staff immediately before the hearing, leaving no opportunity for Staff review, and the implication of Mr. Perko's testimony that the cost changes did not significantly change the obligations in terms of dollar costs to the participating utilities (Tr. 600), the need for further Staff review was not immediately apparent. Only recently, following examination of this testimony by our financial analyst, was the significance of the changed information and necessity for such review determined.

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Accordingly, additional time will be necessary for the Staff to complete its review, supplement the record with additional evidence by affidavit indicating the results of the Staff's review, and file appropriate findings of fact and conclusions of law. We anticipate that the Staff will complete its review of this matter in approximately one week after receipt of the information recently requested from the Applicant. Several additional days will be necessary for the Staff to complete and file the appropriate affidavit and findings of fact and conclusions of law.

The Staff will submit proposed Construction Permits along with its affidavit, findings of fact, and conclusions of law.

Sincerely,

Daniel T. Swanson
Counsel for NRC Staff

Enclosure
As Stated

cc: Mr. Thomas F. Carr
Joseph B. Knotts, Jr., Esq.
Richard O. Quigley, Esq.
Mr. Roger Polzin
Atomic Safety and Licensing
Board Panel
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7/21/77

WNP 345

Review increased cost estimates (Perko testimony following Tr. 598; Perko affidavit 7-13-77).

(9% Increase)

	<u>SER Suppl. 1</u>			<u>Perko affidavit</u>		
	<u>3</u>	<u>5</u>	<u>Total</u>	<u>3</u>	<u>5</u>	<u>Total</u>
NPP	\$1,191	\$1,189	\$2,380	\$1,301 (9%)	\$1,710 (44%)	\$3,011 (27%)
T, D, OPP	25	11	36	22	21	43
Fuel	53	82	135	64	178	242
	<u>\$1,269</u>	<u>\$1,282</u>	<u>\$2,551</u>	<u>\$1,387 (9%)</u>	<u>\$1,909 (44%)</u>	<u>\$3,296 (29%)</u>
				<u>\$118m</u>	<u>\$629m</u>	<u>\$745m</u>

Total \$ Increase

Unit 3 \$118

WPPSS - 70% \$83m

PP&L - 10% \$12m

Unit 5 \$627

WPPSS - 90% \$564m

PP&L - 10% \$63m

addtl. cost to WPPSS - \$647m / 10 years - \$65m avg. per yr.

PP&L - \$75m / 10 years - \$7.5m avg. per yr.

1.4% of PP&L's avg. costs, budget '76-'85

WNP 3#5

Commercial operation

	<u>SER Suppl. L</u>	<u>Perbo - latest</u>	<u>Delay</u>
Unit 3	3-82	9-83	18 mo
5	9-83	3-85	18 mo

PGE - WNP-3

$$\frac{\$.10(118)}{\$2,185} \quad 0.5\% \text{ increase per year}$$

PS P&L

$$\frac{\$.05(118)}{\$1,773} \quad 0.3\% \text{ increase per year}$$

WWP

$$\frac{\$.05(118)}{665} \quad 0.9\% \text{ increase per year}$$