

12

Docket No. 50-597

MEMORANDUM FOR: A. Schwencer, Chief
Licensing Branch 2, DOL

THRU: Jerome Saltzman, Assistant Director
State and Licensee Relations
Office of State Programs

FROM: Jim C. Petersen
Senior Financial Analyst
Licensee Relations Section
Office of State Programs

SUBJECT: REQUEST FOR FINANCIAL INFORMATION - WASHINGTON PUBLIC
POWER SUPPLY SYSTEM : WNP-2

Updated financial information is needed from WPPSS to enable up to evaluate its financial qualifications to operate WNP-2.

Accordingly, we need complete responses to the enclosed request eight weeks prior to the SER input date.

Jim C. Petersen
Senior Financial Analyst
Licensee Relations Section
Office of State Programs

Enclosure:
As stated

cc: R. Auluck, DOL, w/encl.
M. Servica, DOL, w/encl.

Distribution:
Docket Files
JSaltzman
DNash
JPetersen, w/encl.
MKarlowicz w/encl.
SLR:OSP Reading
SLR:OSP Files WPPSS ←
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8409270292 840824
PDR FOIA
COHENB4-603 PDR

SLR:OSP Petersen/rg	SLR:OSP DNash	SLR:OSP JSaltzman			
11/6/81	11/6/81	11/6/81			

REQUEST FOR FINANCIAL INFORMATION

WNP-2

Docket No. EC-307

1. a. Indicate the estimated annual costs by year to operate the subject facility for the first seven full years of commercial operation. The types of costs included in the estimates should be indicated and should include (but not necessarily be limited to) operation and maintenance expenses with fuel costs shown separately, depreciation, taxes, and reasonable return on investment. (Enclosed is a form which should be used for each year of the seven year period.) Indicate the projected plant capacity of each unit for each year. In addition, provide similar data assuming plant capacity factors of 50% and 60%.
b. Indicate the average unit price per kWh experienced on system-wide sales of electric power to all customers for the most recent 12-month period.
2. Indicate the estimated costs of permanently shutting down the facility, a listing of what is included in such costs, the assumptions made in estimating the costs, the type of shutdown contemplated, and the source of funds to cover these costs.
3. Provide an estimate of the annual cost to maintain the shutdown facility in a safe condition. Indicate what is included in the estimate, assumptions made in estimating the costs, and the source of funds to cover these costs.
4. Provide copies of WPPSS's quarterly financial report for the most recent period. Also, provide a copy of the most recent "Annual Financial Report".
5. Provide copies of the official statement for WPPSS's most recent security issue and copies of the preliminary statement for any pending issue(s).
6. Describe the legal basis for WPPSS's rate-setting authority and how it may be used to ensure that sufficient funds will be available to operate the facility and to eventually shut it down and maintain it in a safe shutdown condition.
7. Describe the contractual provisions between WPPSS and its member municipal systems that ensure that sufficient funds will be available to operate the facility and to eventually shut it down and maintain it in a safe shutdown condition. Describe the municipals' rate-setting authority and the rate covenants from the municipals to WPPSS that ensure satisfaction of these requirements.
8. Indicate the amount of WPPSS's most recent rate relief action and provide copies of the order authorizing the rates. Provide details of the amount and timing of any prospective rate increases.
9. Indicate the current limit on WPPSS's bonded indebtedness and any prospective or requested increase in the limit. Indicate the current outstanding indebtedness that is applied to this limit.

ATTACHMENT FOR ITEM NO. 1.a.

ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT:

FOR THE CALENDAR YEAR 19__

(thousands of dollars)

Operation and maintenance expenses

Nuclear power generation

Nuclear fuel expense (plant factor _____%) \$ _____
Other operating expenses _____
Maintenance expenses _____
Total nuclear power generation _____

Transmission expenses _____

Administrative and general expenses

Property and liability insurance _____
Other A.&G. expenses _____
Total A.&G. expenses _____

TOTAL O&M EXPENSES _____

Depreciation expense _____

Taxes other than income taxes

Property taxes _____
Other _____
Total taxes other than income taxes _____

Income taxes - Federal _____

Income taxes - other _____

Deferred income taxes - net _____

Investment tax credit adjustments - net. _____

Return (rate of return: _____%) _____

TOTAL ANNUAL COST OF OPERATION \$ _____

Distribution:
Subject: WPPSS:WNP-2
SLR:OSP
DIR:R/F
J. Petersen w/encl.
M. Karłowicz w/encl.
Docket Files
J. Saltzman
D. Nash

10

FEB 24 1982

Docket No. STN 50-397

MEMORANDUM FOR: Albert Schwencer, Chief
Licensing Branch No. 2, DOL
Office of Nuclear Reactor Regulation

FROM: Jerome Saltzman, Assistant Director
State and Licensee Relations
Office of State Programs

SUBJECT: FINANCIAL QUALIFICATIONS OF WASHINGTON PUBLIC POWER
SUPPLY SYSTEM TO OPERATE AND DECOMMISSION WASHINGTON
PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT, UNIT NO. 2

Enclosed is an analysis prepared by Jim C. Petersen of my staff regarding the financial qualifications of Washington Public Power Supply System to operate and decommission WNP-2. It is intended for inclusion in the staff's Safety Evaluation Report in this proceeding.

Jerome Saltzman, Assistant Director
State and Licensee Relations
Office of State Programs

Enclosure:
As stated

cc: R. Auluck, DOL w/encl.
M. Service, DOL w/encl.

~~820309065~~ 1p.

OFFICE	OSP	OSP	OSP
BY NAME	J. Petersen/bh	D. Nash	J. Saltzman
DATE	2/23/82	2/ /82	27/ /82

The NRC requirements for the determination of an applicant's financial qualifications for an Operating License are stated in 10 CFR 50.33(f) and Appendix C to 10 CFR Part 50. The former regulation states: "[If] the application is for an Operating License, such information shall show that the applicant possesses the funds necessary to cover estimated operating costs or that the applicant has reasonable assurance of obtaining the necessary funds, or a combination of the two." Appendix C Subsection I(B) restates the former with the additional proviso: "For purposes of the latter requirement, it will ordinarily be sufficient to show at the time of filing of the application, availability of resources sufficient to cover estimated operating costs for each of the first five years of operation plus the estimated costs of permanent shutdown and maintenance of the facility in a safe condition." This subsection concludes with the expectation that: "In most cases, the applicant's annual financial statements contained in its published annual reports will enable the Commission to evaluate the applicant's financial capability to satisfy this requirement."

In response to a staff request submitted pursuant to Appendix C(IV), the applicant submitted the necessary financial information. This information addresses the applicant's financial plans to operate, shutdown (if necessary), and maintain Washington Public Power Supply System Nuclear Project, Unit No. 2 (WNP-2) in a safe condition. The financial information provided by the applicant states the required financial data regarding estimated facility operating expenses, shutdown costs, and projected maintenance expenses to keep the facility in a safe shutdown condition.

The following analysis constitutes the staff evaluation of the applicant's submittal and addresses the financial qualifications of the applicant to operate the WNP-2 facility, shut it down (if necessary), and maintain it in a safe condition. The cost estimates and other financial data presented are the most current figures available to the staff at the time of preparation of this analysis. Although these estimates and figures may be revised or updated over time, the staff has no reason to expect that the relative magnitudes as measured against the applicant's resources will vary significantly enough to affect the conclusions herein.

20.1 Business of Applicant

WPPSS is a joint operating agency and a municipal corporation of the State of Washington organized under Chapter 43.52 of the Revised Code of Washington, as amended. The Supply System is composed of 19 operating public utility districts of the State of Washington and the cities of Richland, Seattle, Tacoma, and Ellensburg, Washington. Pursuant to its statutory authority, WPPSS is empowered to acquire, construct, and operate plants and facilities for the generation and transmission of electrical power and energy. WPPSS is reimbursed, pursuant to the provisions of the WNP-2 Net Billing Agreements, by the participants for all WNP-2 costs, whether or not the project is completed, operable, or operating.

20.2 Estimated Operating Costs of Facility

For the purpose of estimating the facility's operating costs, the applicant has assumed that the first year of commercial operation for WNP-2 will be 1984 (5 months only). Estimates of the total annual cost of operating the plant for 5 months of 1984 and for each of the following years are presented in Table 20.1. WPPSS assumes that the plant capacity factors will be 60 percent for the first 12 months of operation, 65 percent for the second 12 months, and 70 percent thereafter. As an element of conservatism operating costs are also presented in Table 20.1 based upon alternative capacity factors of 50 and 60 percent, respectively. Operating costs include all costs associated with the capital investment and operation and maintenance including nuclear fuel. Total estimated expenses also include a provision for full recovery from customers of eventual decommissioning costs.

Table 20.1 Estimate of total annual cost of operation of WNP-2 (\$ millions)

	<u>Fiscal Years Ending June 30</u>							
	1984*	1985	1986	1987	1988	1989	1990	1991
<u>Capacity Factor</u>								
60% 1st year 65% 2nd year 70% thereafter	\$96	\$243	\$240	\$249	\$263	\$280	\$300	\$317
50% all years	89	223	222	222	229	241	253	266
60% all years	96	240	231	235	247	260	276	292

* 1984 Cost Estimate Data is for 5 months only.

20.3 Estimated Costs To Decommission Facility

Although an applicant is not required to commit to a particular mode of decommissioning when applying for an OL, WPPSS is presently planning to decommission WNP-2 by placing the facility in protective storage at the end of its operating life and then dismantle it after 50 years. The applicant estimates the total cost for placing WNP-2 in passive safe storage to be \$26.8 million (1978 dollars) and estimates that subsequent annual protective maintenance costs will total \$75 thousand (1978 dollars) prior to final dismantlement. WPPSS further estimates that eventual dismantlement costs will total \$30.2 million (1978 dollars).

Under contract for the NRC, the Pacific Northwest Laboratory operated by Battelle Memorial Institute issued its report "Technology, Safety, and Cost of Decommissioning a Reference Boiling Water Reactor Power Station" - NUREG/CR-0672 (June 1980). In this report the Pacific Northwest Laboratory (PNL) estimated the costs of decommissioning a boiling water reactor power station under various types of decommissioning methods. The PNL estimates (in 1978 dollars) corresponding to the decommissioning methods and time frame assumed by WPPSS are as follows:

Preparation for passive safe storage	-	\$26.8 million
Annual protective maintenance	-	\$68 thousand
Dismantlement costs after 50 years of passive safe storage	-	\$26.4 million

The WPPSS estimates are comparable or slightly higher than the PNL estimates for each decommissioning activity. As an element of conservatism, the higher estimates are assumed for the purpose of this analysis.

20.4 Reasonable Assurance of Funds, General

The staff evaluation of the financial qualifications of the applicant included consideration of the Commission's decision on Public Service Company of New Hampshire, et al., 7 NRC 1, at 18, (1978), (Seabrook Station, Units 1 and 2), affirmed sub nom. New England Coalition on Nuclear Pollution vs. NRC 582.F, 2d 87 (1st Cir. 1978), which states: "...the applicant must have a reasonable financing plan in light of relevant circumstances." The reasonable assurance standard, cited above, must be viewed in light of the potentially long period of commercial utilization of the facility. Consequently, one must necessarily assume that there will be rational regulatory policies over this period with respect to the setting of rates. This implies that rates will be set to at least cover the cost of service, including the cost of capital. In consideration of the foregoing cost estimates, the following analysis will evaluate the reasonableness of the applicant's financial plans in covering the various costs that will result from operation of the facility.

In general, an evaluation of the financing plans of the applicant to meet operational expenses and decommissioning costs can only reasonably be considered in relation to the applicant's nature of business, size in revenue, assets, net income, and overall financial strength. Because the applicant is an ongoing entity, such an evaluation requires a review

of the financial results of the operation of the entity over a sustained period of time. Emphasis is placed upon recent performance. The near term financial outlook of the entity is also given consideration.

Long-term financial considerations are also important in the financial review because some costs will occur over a long time. However, as noted in Seabrook, the number of variables such as interest rates, the state of the stock and bond markets, inflation, and the costs of fuel and labor, among many others, make long-term financial forecasting inherently uncertain. Therefore, for long-term forecasts, the staff places primary reliance on recent performance and current characteristics of the applicant's financial condition. In consideration of those relevant circumstances, the following evaluates the reasonableness of the applicant's financial plan.

20.5 Reasonable Assurance of Funds, Costs of Operation

The applicant and its member public utility systems plan to recover all costs of operation of WNP-2 in the same manner in which they have historically recovered such costs; i.e., through revenues derived from customers in system-wide sales of electricity. The sole purpose of the WNP-2 facility will be the production of electricity for the service of the member systems' customers. Because such capability will qualify the facility as a productive asset, from an accounting viewpoint such property will reasonably be expected to qualify as "property used and useful in public utility service" for ratemaking purposes. As a consequence of this, the facility's costs

of construction will be included in the utilities' rate bases for rate-making purposes in the amount of the investment in it. Rate base inclusion of the facility will allow the applicant to recover the capital costs associated with facility construction. The same regulatory treatment also allows recovery of all fixed and variable operation and maintenance expenses necessary for the production of power. As would be expected, review of the applicant's long-term statements of operation shows consistent recovery of historical costs of operation.

Because the applicant has demonstrated the ability historically to achieve consistent recovery of capital and operating costs for other facilities it has constructed and operated, it is reasonable to conclude that the plan to finance the facility's operation through revenues derived from rates charged to customers for utility service represents a reasonable financing plan in light of relevant circumstances.

WNP-2 will be used for the generation of electrical energy. It will be financed, constructed, operated, and owned by the Supply System. Net Billing Agreements between the Supply System, the Bonneville Power Administration (BPA), and the utility customers provide for the payment of project costs and the allocation of project capability.

Under the Net Billing Agreements, each participant will assign its share of the project capability to BPA. BPA's purchase of the capability of WNP-2 was authorized and approved by Congress in the Public Works Appropriations Acts of 1970 and 1971. BPA is obligated under the Net Billing Agreements to pay the participants of WNP-2, and such participants are obligated to pay the Supply System, the total annual costs of WNP-2, including debt service on the bonds issued on the project, less amounts paid from other sources, whether or not WNP-2 is completed, operable, or operating and notwithstanding the suspension, reductions, or curtailment of WNP-2's output. Payments of project costs by the participants to the Supply System will be credited against the billing made by BPA to the participants for power and certain services. Each participant has covenanted that it will establish, maintain, and collect rates or charges for power and energy and other services furnished through its electric utility properties which shall be adequate to provide revenues sufficient to make required payments to cover all WNP-2 costs of the Supply System.

20.6 Reasonable Assurance of Funds, Decommissioning of Unit

The applicant plans that decommissioning costs of WNP-2 will be recovered in the rate process, and through the use of a decommissioning sinking fund. Payments into the fund during operation of the plant, together with investment income thereon, will result in the accumulation of monies to finance the subsequent decommissioning. Periodically, at intervals no longer than five years during commercial operations, the decommissioning technology and regulatory climate will be reviewed to determine if the payments will be adjusted accordingly.

The applicant maintains and the staff concurs that there is reasonable assurance of financing the decommissioning of WNP-2 at the expiration of its serviceable life. This opinion is based on the applicant's nature of business, in combination with its historical and present financial strength. Additionally, because the NRC requires that any operating reactor be safely decommissioned when it is retired (for the protection of the public health and safety), it is reasonable to assume that those amounts will be allowed in customer rate charges as necessary and reasonable expenses. Accordingly, the staff has concluded that the applicant's plan to finance these expenses from customer revenues constitutes a reasonable financing plan in light of relevant circumstances.

Moreover, although the NRC requires no specific plan to fund decommissioning expenses, the staff believes that the applicant's plan to fund such amounts provides the necessary element of assurance in that it constitutes a reasonable method for obtaining the necessary amounts of proceeds to meet decommissioning costs. As stated earlier, utilities customarily adjust their charges for decommissioning on a periodic basis to compensate for changes in the decommissioning cost estimates. This constitutes an additional level of assurance that decommissioning funds will be available when necessary. Furthermore, should additional amounts be needed over and above those accumulated in the sinking funds, the applicant has two other traditional sources of funds available to meet any such amounts. The first source is internal cash generation attributable to depreciation expenses for all utility plants. The second source of funds is the

external capital market. As public utilities constitute the most capital-intensive industry in the United States, they have long had access to funds in the public securities market.

20.7 Conclusion

In accordance with the regulations cited herein, an applicant must demonstrate that it has reasonable assurance of obtaining the necessary funds to cover the estimated costs of the activities contemplated under the license. As stated earlier, the Commission has determined in Seabrook that the reasonable assurance requirement for financial qualifications is a reasonable financing plan in light of relevant circumstances. Based upon the preceding analysis of its proposed financing plan, the staff concludes that the applicant has a reasonable financing plan in light of relevant circumstances to operate, shut down (if necessary), and maintain the WNP-2 facility in a safe condition.

Accordingly, the staff has determined that the applicant has reasonable assurance under 10 CFR 50.33(f) of obtaining the necessary funds to cover estimated operating costs of the facility. As a consequence, the staff finds the applicant financially qualified to operate and decommission the WNP-2 facility.

11-8-83

~~Bob~~
~~Jimmy~~
~~David~~

NRK faxed this over for
telephone commerce. Do you
have any comments?

Jim P.

phoned commerce to Raj Anand,
11-8-83. Told him we had not
seen invoice. Said he would send
invoice to us.

11-10-83

1. ~~Daniel~~

2. ~~John~~

NRR has revised a response
to Jim Weaver and wants a phone
conference.

The incoming is attached. Please
also note Bishop's memo to Rehm. ✓

Jim P.

This looks ok to me.

Telephoned conference to Ray Ambuck, 11-10-83.
Jep



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

J. Peterson
File
11

Docket No: 50-397

NOV 12 1981

Washington Public Supply System
ATTN: Mr. R. L. Ferguson
Managing Director
3000 George Washington Way
Richland, Washington 99352

Dear Mr. Ferguson:

Subject: WNP2 FSAR Request for additional information

As a result of our review of your application for operating license we find that we need additional information regarding the WNP2 FSAR. The specific financial information requested is listed in the Enclosure.

To maintain our licensing review schedule for the WNP2 FSAR, we will need responses to the enclosed request by December 11, 1981. If you cannot meet this date, please inform us within seven days after receipt of this letter of the date you plan to submit your responses so that we may review our schedule for any necessary changes.

Please contact Raj Auluck, Licensing Project Manager, if you desire any discussion or clarification of the enclosed request.

Sincerely,

M. D. Hunter for
A. Schwencer, Chief
Licensing Branch No. 2
Division of Licensing

Enclosure: As stated

cc: See next page

~~8112670063~~ LP.

Mr. R. L. Ferguson
Managing Director
Washington Public Power Supply System
P. O. Box 968
3000 George Washington Way
Richland, Washington 99352

cc: Nicholas Reynolds, Esquire
Debevoise & Liberman
1200 Seventeenth Street, N. W.
Washington, D. C. 20036

Richard Q. Quigley, Esquire
Washington Public Power Supply System
P. O. Box 968
Richland, Washington 99352

Nicholas Lewis, Chairman
Energy Facility Site Evaluation Council
820 East Fifth Avenue
Olympia, Washington 98504

Roger Nelson, Licensing Manager
Washington Public Power Supply System
P.O. Box 968
Richland, Washington 99352

Mr. O. K. Earle, Project Licensing Supervisor
Burns and Roe, Incorporated
601 Williams Boulevard
Richland, Washington 99352

Mr. Albert D. Toth
U.S.N.R.C. Resident Inspector
WPPSS-2 NPS
P.O. Box 69
Richland, Washington 99352

ATTACHMENT FOR ITEM NO. 1.a.

ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: _____

FOR THE CALENDAR YEAR 19__

(thousands of dollars)

Operation and maintenance expenses

Nuclear power generation
Nuclear fuel expense (plant factor _____%) \$ _____
Other operating expenses _____
Maintenance expenses _____
Total nuclear power generation _____

Transmission expenses _____

Administrative and general expenses

Property and liability insurance _____
Other A.&G. expenses _____
Total A.&G. expenses _____

TOTAL O&M EXPENSES _____

Depreciation expense _____

Taxes other than income taxes

Property taxes _____
Other _____
Total taxes other than income taxes _____

Income taxes - Federal _____

Income taxes - other _____

Deferred income taxes - net _____

Investment tax credit adjustments - net. _____

Return (rate of return: _____%) _____

TOTAL ANNUAL COST OF OPERATION \$ _____

ENCLOSURE
REQUEST FOR FINANCIAL INFORMATION
WNP-2
Docket No. 50-397

- 600.1 a. Indicate the estimated annual costs by year to operate the subject facility for the first seven full years of commercial operation. The types of costs included in the estimates should be indicated and should include (but not necessarily be limited to) operation and maintenance expenses with fuel costs shown separately, depreciation, taxes, and reasonable return on investment. (Enclosed is a form which should be used for each year of the seven year period.) Indicate the projected plant capacity of each unit for each year. In addition, provide similar data assuming plant capacity factors of 50% and 60%.
- b. Indicate the average unit price per kWh experienced on system-wide sales of electric power to all customers for the most recent 12-month period.
- 600.2 Indicate the estimated costs of permanently shutting down the facility, a listing of what is included in such costs, the assumptions made in estimating the costs, the type of shutdown contemplated, and the source of funds to cover these costs.
- 600.3 Provide an estimate of the annual cost to maintain the shutdown facility in a safe condition. Indicate what is included in the estimate, assumptions made in estimating the costs, and the source of funds to cover these costs.
- 600.4 Provide copies of WPPSS's quarterly financial report for the most recent period. Also, provide a copy of the most recent "Annual Financial Report".
- 600.5 Provide copies of the official statement for WPPSS's most recent security issue and copies of the preliminary statement for any pending issue(s).
- 600.6 Describe the legal basis for WPPSS's rate-setting authority and how it may be used to ensure that sufficient funds will be available to operate the facility and to eventually shut it down and maintain it in a safe shutdown condition.
- 600.7 Describe the contractual provisions between WPPSS and its member municipal systems that ensure that sufficient funds will be available to operate the facility and to eventually shut it down and maintain it in a safe shutdown condition. Describe the municipals' rate-setting authority and the rate covenants from the municipals to WPPSS that ensure satisfaction of these requirements.
- 600.8 Indicate the amount of WPPSS's most recent rate relief action and provide copies of the order authorizing the rates. Provide details of the amount and timing of any prospective rate increases.
- 600.9 Indicate the current limit on WPPSS's bonded indebtedness and any prospective or requested increase in the limit. Indicate the current outstanding indebtedness that is applied to this limit.



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

11-10-83

9

The Honorable Jim Weaver, Chairman
Subcommittee on Mining, Forest Management
and Bonneville Power Administration
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your letter to Chairman Palladino, dated October 11, 1983, in which you asked the status of the review of the current financial situation of the Washington Public Power Supply System (WPPSS) on licensing of WPPSS Nuclear Project No. 2 (WNP-2). *Same*

Although press accounts may have indicated that there is currently a further NRC review of the impact of WPPSS financial problems on the licensing of WNP-2, such is not the case. In so far as we know, there is no reason to expect that the WPPSS financial problems associated with its other nuclear projects will have an impact on WNP-2. In fact, in a recent letter dated August 2, 1983, Mr. Peter T. Johnson, Administrator, Bonneville Power Administration, reaffirmed to Mr. Don Mazur, Managing Director, WPPSS that BPA would pay for the cost to complete construction of WNP-2 from BPA revenues. *Copy encl.* *same*

correct
However, the NRC staff ~~did complete~~ a financial review for an operating license for WNP-2 in March 1982, which was published in the staff's Safety Evaluation Report. A copy of that evaluation is enclosed. The staff concluded (in accordance with 10 CFR 50.33(f)) that WPPSS had demonstrated reasonable assurance that it could obtain the funds necessary to cover estimated operating costs and decommissioning costs of the plant. We did not update this formal review because, on March 31, 1982, the Federal Register published a Commission rule change eliminating its financial qualification reviews of electric utilities constructing and operating nuclear power plants (47 FR 13750). *out*

With respect to costs that might arise from an accident after the plant goes into operation, under the provisions of 10 CFR 50.54(w) an electric utility licensee for a nuclear power plant must maintain on-site property damage insurance equal to a formula of certain minimum coverage available from insurers. At present that coverage would be at least \$568 million for WNP-2. WPPSS could be expected to use the proceeds from such insurance to cover costs of on-site property damage. In case of liability arising from injury to a member of the public, WPPSS would be covered by provisions of the Price-Anderson Act. *out*

83-122301-51 8pp.

The Honorable Jim Weaver

- 2 -

I trust the above information is responsive to your request. I would be pleased to provide any additional information relating to this matter which *you* you may find necessary.

Sincerely,

William J. Dircks
Executive Director for Operations

Enclosure:
Section 21 of staff
Safety Evaluation Report

NRC FORM 386
11-83
NRC 2076

U.S. NUCLEAR REGULATORY COMMISSION

REQUESTER'S MAILING ADDRESS

FACSIMILE TRANSMITTAL
REQUEST

STREET	
CITY	STATE
DATE	RETURN ORIGINAL TO SENDER
11/10/83	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

MESSAGE TO		FACSIMILE PHONE NUMBER	VERIFICATION PHONE NUMBER
NAME AND ORGANIZATION			
Jim Petersen OSP			
CITY	STATE	AUTOMATIC	
Ar Rights Bldg.		<input type="checkbox"/> YES <input type="checkbox"/> NO	
		NUMBER OF PAGES (INCLUDING TRANSMITTAL INSTRUCTIONS)	

MESSAGE FROM				
NAME	TELEPHONE NO.	FACSIMILE PHONE NUMBER		VERIFICATION TELEPHONE NUMBER
R. Anluck	28547	HIGH-SPEED (UP TO 2 MIN.)	LOW-SPEED (2-5 MIN.)	
BUILDING	MAIL STOP	AUTOMATIC		[Stamp]
		YES		
		NO		

PRECEDENCE				
<input type="checkbox"/> OVERNIGHT	<input type="checkbox"/> FOUR HOURS	<input type="checkbox"/> TWO HOURS	<input type="checkbox"/> ONE HOUR	<input checked="" type="checkbox"/> IMMEDIATE

SPECIAL INSTRUCTIONS

TIME/DATE (Stamp)	
RECEIVED	TRANSMITTED