

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

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File
Wash. Pub. Power S
Units 1 & 4

Docket Nos. 50-460
50-513

APR 30 1975

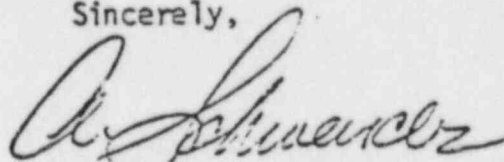
Washington Public Power Supply System
ATTN: Mr. J. J. Stein
Managing Director
P. O. Box 968
Richland, Washington 99352

Gentlemen:

In order that we may continue our review of your application for a license to construct the Washington Nuclear Projects No. 1 and 4, an update of previously submitted financial information and certain additional information is required. This information is needed pursuant to our review of your financial qualifications to design and construct the WNP-1,4 facility.

In order to maintain our licensing review schedule, we will need a completely adequate response to the enclosed request for information by June 2, 1975. Please inform us within 7 days after receipt of this letter of your confirmation of the schedule date or the date you will be able to meet. Please contact us if you have any questions regarding the information requested.

Sincerely,



A. Schwencer, Chief
Light Water Reactors Branch 2-3
Division of Reactor Licensing

Enclosure:
Request for Additional
Financial Information

ccs:
Listed on page 2



8409270403 840824
PDR FOIA
COHEN84-603 PDR

ccs:

Mr. J. R. Schmieder
United Engineers & Constructors, Inc.
2000 Market Street
Philadelphia, Pennsylvania 19103

Mr. Donald F. X. Finn
Room 4211
44 Montgomery Street
San Francisco, California 94104

Joseph B. Knotts, Jr., Esquire
Conner, Hadlock & Knotts
1747 Pennsylvania Avenue, NW
Washington, D. C. 20006

Mr. G. M. Olds
Senior Project Manager
Babcock & Wilcox Company
P. O. Box 1260
Lynchburg, Virginia 24505

APR 30 1975

REQUEST FOR ADDITIONAL
FINANCIAL INFORMATION

WPPSS NUCLEAR PROJECT NOS. 1 AND 4
DOCKET NOS. 50-460 AND 50-513

1. Amendment No. 1 (dated July 22, 1974) to the license application indicates that the total capital cost of WNP-Unit 1 will be financed by the issuance of WPPSS revenue bonds, with interim financing provided by the issuance of WPPSS revenue notes. It is further indicated that the issuance of the revenue bonds will be based upon the contractual commitments of 104 consumer-owned utilities (the "Participants") and five investor-owned utilities (the "Companies"), to purchase the entire electrical output capability of WNP-Unit 1. Provide us with representative samples of these contracts as well as samples of both the "Net Billing Agreements" to be used with the Participants, and the "Exchange Agreements" to be used with the Companies. By way of updating Amendment No. 1, Exhibit A, "Financial Qualifications", provide the following additional information:

- (a) Describe in detail the contractual security provided by the Participants and the Companies as a basis for issuing WPPSS revenue obligations to finance the subject facilities.
- (b) Describe in detail the financing plan for WNP-Unit 4 which was not firmly established at the time Amendment No. 1 was submitted to the Commission.
- (c) Identify the source(s) of short and long-term debt service payments during the period of construction of each unit.
- (d) Describe the contractual arrangements between WPPSS and the Participants and Companies, that will provide not only for purchase of the entire electrical output capability of the units but that will also provide adequate funds for debt service and retirement of the WPPSS revenue obligations used to finance WNP-Units 1 and 4.

What assurances does WPPSS have that the Participants and the Companies will have the capability to pay their respective shares of the total capital, interest, and operating costs of the facilities in the event these costs escalate above current estimated levels?

- (e) Are the Participants and Companies required to pay their respective portions of the facilities' total costs (including debt service) regardless of the level of power availability from the units? If not, describe the source(s) of funds to make up any difference.

- (f) What is the nature and amount of reserves, if any, required to be maintained by WPPSS to provide for debt service charges on revenue bonds? What is the source of funds for the reserves?
- (g) Previously submitted information indicates that WNP-Unit 1 (and presumably WNP-Unit 4) will be financed on a project basis as a separate generating system, as have all construction projects undertaken by WPPSS. If there is to be any deviation from this financing method in the case of WNP-Units 1 and 4, provide details of the financing plan and a detailed statement of sources of funds with underlying assumptions for each year through completion of construction of both units.
- (h) Provide any further information that is needed to completely update Exhibit A, "Financial Qualifications", of Amendment No.1.
2. Provide copies of the indenture and/or other documents governing the issuance of long-term debt by WPPSS.
 3. Provide a detailed explanation of all restrictions and constraints on the sale of long and short-term debt. Short-term debt should include notes, bank lines of credit, and commercial paper, if any. If interest coverage requirements apply to any class or classes of debt, explain the requirements and provide a calculation of the coverage for the most recent twelve months' period.
 4. Provide copies of Official Statements prepared in connection with the most recent WPPSS bond and note issuances, including issuances specifically related to the financing of WNP-Units 1 and 4. If there are prospective debt issues related to the subject units, provide copies of the preliminary Official Statements.
 5. Provide for each unit the most recent cost estimates grouped as follows: (a) total nuclear production plant costs; (b) transmission, distribution, and general plant costs; and (c) nuclear fuel inventory cost for the first core. Also, complete the attached schedule titled, "Plant Capital Investment Summary", for each unit using the most recent cost estimates.
 6. If nuclear fuel for the facility is to be acquired by lease or other arrangement than purchase, submit copies of the lease or documents relating to the "other arrangement".
 7. Indicate the earliest and latest estimated dates for completion of construction of each unit, if changed from those presently shown.
 8. Provide copies of WPPSS' financial statements for the most recent twelve months' period. Include the "Statement of Funds" for the subject nuclear units. Also, copies of similar statements for the corresponding twelve months' period ended in the previous year should be submitted. Subsequent to the current submission, continue to submit copies of the WPPSS annual financial statements as required by 10 CFR 50.71(b).

9. Provide for each of the five investor-owned Companies the following information:
 - (a) copies of the 1974 Annual Report to Stockholders;
 - (b) copies of interim financial statements including income and retained earnings statements and balance sheet for the most recent twelve months' period. Copies of similar statements for the corresponding twelve months' period ended in the previous year should also be submitted, and
 - (c) copies of the prospectus for the most recent security issue.
10. Provide a 1974 update of the financial and operating summaries of the 104 consumer-owned Participants as presented in Schedule III, Exhibit A, of Amendment No. 1.
11. Indicate the amount of WPPSS' most recent rate relief action and provide copies of the relative rate order(s) establishing the increases. Provide details of the amounts and timing of any prospective WPPSS rate increases. Describe the statutory authority, if any, allowing WPPSS to charge rates to its member utility districts that are sufficient to cover all costs of operation plus a reasonable return on investment.

PLANT CAPITAL INVESTMENT

SUMMARY

BASIC DATA

Name of plant	_____	Cost basis: at start of construction	_____
Net capacity	_____ MW(e)		_____
Reactor type	_____		_____
Location	_____	Type of cooling	_____
		Run of river	_____
<u>Design and construction period</u>		Natural draft	_____
Month, year NSSS order placed	_____	cooling towers	_____
Month, year of commercial operation	_____	Mechanical draft	_____
Length of workweek	_____	cooling towers	_____
Interest rate, interest during construction	_____	Other (describe)	_____

COST SUMMARY

<u>Account Number</u>	<u>Account Title</u>	<u>Total Cost</u> (thousand dollars)
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DIRECT COSTS

20	Land and land rights.....	\$ _____
	<u>PHYSICAL PLANT</u>	
21	Structures and site facilities.....	_____
22	Reactor plant equipment.....	_____
23	Turbine plant equipment.....	_____
24	Electric plant equipment.....	_____
25	Misc. plant equipment.....	_____
	Subtotal.....	\$ _____
	Spare parts allowance.....	_____
	Contingency allowance.....	_____
	Subtotal.....	\$ _____

INDIRECT COSTS

91	Construction facilities, equip't, and services.....	\$ _____
92	Engineering and const. mg't. services...	_____
93	Other costs.....	_____
94	Interest during construction.....	_____
	Subtotal.....	\$ _____
	Start of construction cost.....	\$ _____
	Escalation during construction (___ % yr.)	_____
	Total plant capital investment (\$ ___/KW)	\$ _____