



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

11-9-83  
Earlier draft.

Not used.

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).

The newspaper article implying that such a financial review is being performed is not correct. The NRC staff completed the financial review for an operating license for WNP-2 in February 1982. 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. On March 31, 1982, the Commission issued a rule change eliminating its financial qualification reviews of electric utilities constructing and operating nuclear power plants (47 FR 13750). The Commission determined that such reviews of electric utilities were ineffective in promoting the Commission's public health and safety objective. In a letter dated August 2, 1983, Mr. Peter T. Johnson, Administrator, Bonneville Power Administration reaffirmed Mr. Don Mazur, Managing Director, WPPSS that BPA would pay for the cost to complete construction of WNP-2 from its revenues. *sect.*

*deleted*  
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. Also, Bonneville Power Administration's substantial involvement in financing and utilization of the WPPSS nuclear units might lead BPA to support accident recovery.

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The Honorable Jim Weaver

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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 may find necessary.

Sincerely,

William J. Dircks  
Executive Director for Operations

*W. Dircks*  
RAuluck:pt  
11/8/83

OSP  
JPeterson  
11/ /83

DL:LB#2/BC  
ASchwencer  
11/ /83

DL:AD/L  
TMNovak  
11/ /83

DL:DIR  
DEisenhut  
11/ /83

NRR  
EGCase  
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IRDenton  
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EDO  
WJDircks  
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NRC FORM 586  
(11-81)  
NRCM 0270

U.S. NUCLEAR REGULATORY COMMISSION

REQUESTER'S MAILING ADDRESS

FACSIMILE TRANSMITTAL  
REQUEST

STREET

CITY

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DATE

RETURN ORIGINAL TO  
SENDER

YES

NO

MESSAGE TO

NAME AND ORGANIZATION

Jim Petersen OSP

FACSIMILE PHONE NUMBER

VERIFICATION PHONE NUMBER

CITY

Air Rights Bldg.

STATE

AUTOMATIC

NUMBER OF PAGES (INCLUDING  
TRANSMITTAL INSTRUCTIONS)

YES

NO

MESSAGE FROM

NAME

R. Auluck

TELEPHONE NO.

28547

FACSIMILE PHONE NUMBER

HIGH-SPEED (UP TO 3 MIN.)

LOW-SPEED (4-9 MIN.)

VERIFICATION TELEPHONE NUMBER

BUILDING

MAIL STOP

AUTOMATIC

AUTOMATIC

YES

NO

YES

NO

PRECEDENCE

OVERNIGHT

FOUR HOURS

TWO HOURS

ONE HOUR

IMMEDIATE

SPECIAL INSTRUCTIONS

TIME/DATE (Stamp)

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