

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
WASHINGTON PUBLIC POWER SUPPLY SYSTEM) Docket No. 50-513
(WPPSS Nuclear Project No. 4))

AFFIDAVIT OF ARNOLD H. MELTZ

I, Arnold H. Meltz, having been duly sworn, state that:

I am the financial analyst assigned to WNP-4. A copy of my professional qualifications is attached.

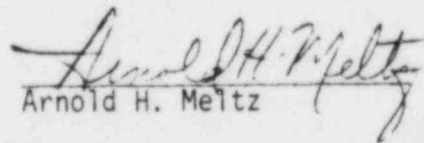
By letter dated December 9, 1977, the applicant submitted three affidavits, one of which was an update of financial qualifications, dated December 5, 1977, by James D. Perko, the Assistant Director for Finance and Administration, and the Treasurer of the Washington Public Power Supply System. The affidavit contains information concerning the current estimate for the cost of WNP-4 (\$1,869,982,000), and recent financing activities undertaken by the applicant, both of which were not previously reflected in the record of this case.

Mr. Perko's December 5, 1977 affidavit also notes that prior testimony by WPPSS officials established estimated costs for WNP-4 of \$1.095 billion (NRC docket number 50-460 and 50-513, Applicant's Exh. 42) and later, approximately \$1.715 billion (NRC Docket Nos. STN 50-508, STN 50-509, Tr. following p. 598 at pp. 11). The instant affidavit by Mr. Perko

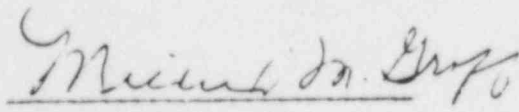
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shows a WNP-4 cost estimate significantly greater than the earlier estimate of \$1.095 billion evaluated by Jim Petersen in his affidavit (August 6, 1976, Staff Exhibit 12) in this proceeding. However, this increase does not change our earlier finding that WPPSS is financially qualified to design and construct WNP-4. Our conclusion is based on our judgement that there is reasonable assurance that the estimated cost increases can be met under the WPPSS project financing method. As the Staff stated previously, "WPPSS' ability to finance its capital expenditures is well established by its issuance to date of billions of dollars in highly rated revenue bonds and notes." (NRC Docket Nos. STN 50-508, STN 50-509; Staff Exhibits 16 and 21).

Consequently, I conclude that there is no reason to change the Staff's prior favorable determination concerning the applicant's financial qualifications, as presented in the affidavit of Jim C. Petersen, dated August 6, 1976.


Arnold H. Meltz

Subscribed and sworn to before
me this 11 day of Jan, 1978


Notary Public

My Commission Expires July 1, 1978

ARNOLD H. MELTZ

PROFESSIONAL QUALIFICATIONS

I am currently the Senior Financial Analyst at the U. S. Nuclear Regulatory Commission and am responsible for coordinating all financial qualifications review activities during the licensing process. In this regard, I plan and direct the staff financial evaluation of specific facility applications. These evaluations include a review of estimated construction costs or operating expenses, projected financing methods and underlying assumptions, regulatory trends, and money and capital market developments. I have also served as an expert witness in certain safety hearings before the Atomic Safety and Licensing Board when financial qualifications was a contested issue.

I was graduated from Boston University in 1965 with a B.S.B.A. in Finance and received an M.B.A. in Finance in 1966 and a J.D. in Law in 1969 from the University of California at Berkeley. I am a member of Beta Gamma Sigma, the national business administration honorary society, the New York Bar, and the American Bar Association and its Section of Public Utility Law.

Prior to joining the Nuclear Regulatory Commission in December 1974, I spent over two years with the New York Public Service Commission as a financial analyst in the Utility Finance Section of the Office of Accounting and Utility Finance. My responsibilities in this position included preparing testimony and exhibits in the cost of capital and rate of return areas and serving as an expert witness on these subjects in rate proceedings. I have testified in cases dealing with electric, gas, telephone, and water companies. My duties also involved making recommendations to the Commission on the suitability of utilities' financing petitions after an analysis of their financial condition, construction program, and ability to raise short and long-term capital.