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March 29, 1982

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US NUCLEAR REGULATORY COMMISSION
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MEMORANDUM FOR: Harold R. Denton, Director
Office of Nuclear Reactor Regulation

FROM: James P. Murray
Director and Chief Counsel
Rulemaking and Enforcement Division, OELD

SUBJECT: 2.206 REQUEST TO REVOKE CONSTRUCTION PERMITS FOR WPPSS NUCLEAR PROJECTS 4 & 5

Attached is a petition filed under 10 CFR 2.206 by the Coalition for Safe Power which requests issuance of an order to show cause why the construction permits for WPPSS Nuclear Project Units 4 and 5 should not be revoked. The Coalition believes that such action is appropriate, because WPPSS has decided to terminate the projects. You should note that NRR currently has for action another petition filed by the Coalition that requests revocation of the WPPSS Unit 4 construction permit on the basis of an alleged material false statement.

Although you could grant the petition (and have granted a similar petition to revoke the Tyrone construction permit), no compelling reasons require you to take such action at this time. WPPSS is apparently pursuing options to transfer the permits and has expressed a desire to retain the permits while it pursues a transfer or other termination options. Even though WPPSS does not intend to complete the project, you do not have to issue an order to show cause at this instant, because allowing the permits to remain in effect does not raise a "substantial health or safety issue." See Northern Indiana Public Service Co. (Bailly Nuclear-1), 7 NRC 429, 433 (1978). WPPSS' decision to halt construction poses in itself no hazard to public

CONTACT: Stephen Burns
x27268

DESIGNATED ORIGINAL

Certified By asf MEMO

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health and safety. */ In the absence of such hazards, you are well within your discretion to permit WPPSS to pursue its various options. Although the NRC has no interest in seeing that WPPSS salvages its investment in Units 4 & 5, there is no reason for us to obstruct WPPSS' efforts, particularly when no health and safety concerns are posed. You may deny, therefore, the 2.206 petition at this time. Your denial would have to be coupled with a denial, if that is appropriate, of the earlier 2.206 petition on WPPSS Unit 4.

You could postpone any action on the petition until WPPSS' plans are firm. Thus, you would be able to grant the petition if it became clear at some future date that WPPSS had no realistic expectation of transferring the permits and formal termination of the permits seemed appropriate. Alternatively, you could deny the petition if WPPSS had a reasonable expectation of transferring the permits (subject, of course, to 10 CFR 50.80 and related procedural requirements) and no other reasons warranted revocation. However, it may take a year or more for a clear picture to emerge. In the meantime, the petitioner might make repeated complaints for failure to act on the petition and even seek judicial review to compel action.

As part of your consideration of the petition, you could compel WPPSS under 10 CFR 50.54(f) to formally explain its intentions and its reasons for retaining the construction permits. A 50.54(f) letter would provide you the same information that an answer to an order to show cause would, but the 50.54(f) letter, unlike an order to show cause, has no risk of throwing the staff into litigation.

I would be happy to discuss these various options with you and will assist your staff in developing an appropriate response to the petition. In the meantime, you should acknowledge receipt of the

---

*/ Arguably, if WPPSS is able to transfer the permits to another utility, some questions might be raised about the adequacy of construction in light of the project's abandonment by WPPSS (e.g., if QA records were not preserved). Such questions go, however, to the issue of whether the permits should be transferred (and on what conditions) or whether the facility has been constructed properly such that construction may continue or an operating license may be granted. "Let the buyer beware" - i.e., the risk of such problems falls on any proposed transferee of the permits, and you are not required to protect the transferee from such risks. In all events, it appears from Attachment C to the Coalition's petition that WPPSS has taken steps to preserve plant equipment and records and Region V is monitoring WPPSS' activities in accordance with WPPSS' termination plans.

petition. A draft acknowledgment letter to the petitioner and a draft Federal Register notice are enclosed for your use. If these drafts are not changed, they need not be returned to me for formal concurrence, but please assure that I receive a copy of the signed letters and that all other correspondence related to the petition receives my concurrence. Please inform me whom your staff contact on this petition will be.

James P. Murray
Director and Chief Counsel
Rulemaking and Enforcement
Division, OELD

cc: D. Eisenhut, NRR
R.Engelken, RV

bcc: J. Gray, ELD
S. Treby, ELD

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Docket Nos. 50-460 & 50-509
(10 CFR 2.206)

Nina Bell
Coalition for Safe Power
Suite 527
408 S.W. 2nd
Portland, Oregon 97204

Dear Ms.Bell:

This letter is sent to acknowledge receipt of your petition under 10 CFR 2.206 on behalf of the Coalition for Safe Power which requests that I issue an order to show cause why the construction permits for the Washington Public Power Supply System's Nuclear Project Units 4 and 5 should not be revoked. Your petition is based upon WPPSS' recent decision to terminate the projects.

I am considering whether the relief you request is necessary or appropriate in light of the matters raised in your petition and other relevant information. As provided in 10 CFR 2.206, I will inform you within a reasonable time of my decision on your petition.

Enclosed for your information is a copy of a notice that is being referred to the Office of the Federal Register for publication.

Sincerely,

Harold R. Denton, Director
Office of Nuclear Reactor
Regulation

cc w/incoming:
Robert L.Ferguson
Managing Director, WPPSS
P.O. Box 968
Richland, WA 99352

Nicholas S. Reynolds, Esq.
Debevoise & Liberman
1200 Seventeenth St.,N.W.
Washington, D.C. 20036

[7590-01]

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-460 & 50-509]

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

(WPPSS Nuclear Project No. 4 & 5)

Receipt of Petition Under 10 CFR 2.206

Notice is hereby given that by petition dated March 17, 1982, the Coalition for Safe Power, Portland Oregon, has requested pursuant to 10 CFR 2.206 that the Director of Nuclear Reactor Regulation order the Washington Power Supply System (WPPSS) to show cause why the construction permits for its Nuclear Project Nos. 4 and 5 should not be revoked. The Coalition believes such action is appropriate in view of WPPSS' decision to terminate construction of the projects. As provided in 10 CFR 2.206, appropriate action will be taken on the petition within a reasonable time.

Copies of the petition are available for public inspection in the Commission's public document room at 1717 H Street,N.W., Washington, D.C., and in the local public document rooms at the Richland Public Library, Swift and Northgate Streets, Richland, WA 99352 and the W. H. Abel Memorial Library, 125 Main Street, South, Montesano, WA 98563.

Dated at Bethesda, Maryland, this day of April 1982.

For the Nuclear Regulatory Commission

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE DIRECTOR

In the Matter of	)	
	)	
WASHINGTON PUBLIC POWER SUPPLY SYSTEM, et al.	)	Docket Nos. 50-460 50-509
	)	Permit Nos. CPPR-174 CPPR-155
(WPPSS Nuclear Projects Nos. 4 & 5)	)	

CERTIFICATE OF SERVICE

I hereby certify that the Coalition For Safe Power's "Show Cause Petition...Regarding Washington Public Power Suplly System Projects 4 & 5" has been served on persons listed below by depositing said petition in the U.S. Mail, with proper postage affixed, fisst class, on March 17, 1982 in Portland, Oregon.

Harold Denton, Director
Office of Nuclear Reactor Regulation
US NRC
Washington D.C. 20555

Secretary of the Commission
US NRC
Washington D.C. 20555

Robert Ferguson
WPPSS
3000 George Washington Way
P.O. Box 968
Richland, Wa.,99352

Nina Bell
Coalition For Safe Power

Dated this 17th day of
March 1982.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE DIRECTOR

In the Matter of	)	
	)	
WASHINGTON PUBLIC POWER SUPPLY SYSTEM, et al.	)	Docket Nos. 50-460 515 50-509
	)	Permit Nos. CPPR-174
(WPPSS Nuclear Projects Nos. 4 & 5)	)	CPPR-155

SHOW CAUSE PETITION BROUGHT PURSUANT TO 10 CFR 2.206(a) REGARDING WASHINGTON PUBLIC POWER SUPPLY SYSTEM PROJECTS 4 & 5, MARCH, 1982

Introduction

1. This petition is brought by the Coalition for Safe Power (hereinafter refered to as "Coalition") before the Director, Nuclear Reactor Regulation pursuant to Chapter 10 of the Code of Federal Regulations, Part 2.206(a). The petition alleges that the decision of the Washington Public Power Supply System (WPPSS) Board of Directors made on January 22, 1982 to terminate the projects 4 and 5 is basis upon which to revoke their respective construction permits.

Description of Petitioner

2. The Coalition is a non-profit citizens organization, founded in 1969 to work for safe energy. Its work includes research and education. The Coalition, through its officers and attorneys, has represetned its members before the Commission, as well as state agencies on questions of nuclear power safety and licensing and electric utility rates. The Coalition has been granted full party status in four proceedings before the Commission including the original application for construction permit for the Skagit Nuclear Projects, Units 1 and 2, application for construction permits of Pebble Springs Nuclear Plants, Units 1 and 2, and two license

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amendments for the Trojan Nuclear Power Plant. The Coalition has also filed several Show Cause petitions before the Nuclear Regulatory Commission.

Authority

3. Pursuant to 10 CFR 2.206(a) the Coalition requests that the Director, Nuclear Reactor Regulation, institute a proceeding pursuant to 10 CFR 2.202 to revoke the WPPSS construction permits Nos. CPPR-174 and CPPR-155 based on the inability of WPPSS to raise the necessary construction funds for the projects and the concurrent decision by the Board of Directors to terminate the plants.

Statement of Facts

4. On May 29, 1981, the Managing Director of WPPSS, Robert Ferguson, asked the Board of Directors to slow construction on WNP-4 and 5 because of continuing problems in financing the projects. In his speech (Attachment A), Mr. Ferguson states:

> Quite frankly, funding the five projects at this $23.8 billion estimated cost level presents a very very difficult problem in today's financial market.
>
> Completing all five projects at this budget level will require that we raise something in excess of $3 billion this year, and quite frankly, this challenges us with one of the most difficult funding programs in the United States. (pg. 2)

5. On June 16, 1981 the WPPSS Board of Directors voted to support the Managing Director's request for a one year moratorium on the projects. Cessation of oonstruction occured in July 1981.

6. By letter dated February 1, 1982, Mr. Robert Ferguson informed Mr. William J. Dircks, Executive Director for Operations, U.S. Nuclear Regulatory COmmission (Attachment B) that

the WPPSS Board of Directors had, on January 22, 1982, adopted a resolution terminating projects 4 and 5.

7. The NRC, in a letter from R.L. Tedesco, Assistant Director for Licensing, Division of Licensing to Mr. Ferguson, dated March 2, 1982, confirmed the intent of WPPSS to terminate the projects. (Attachment C)

8. It is common knowledge that the decision to "mothball" the projects was made due to lack of construction funds with which to complete their construction. It is also common knowledge that the ability of WPPSS to raise the necessary funds for controlled "termination" is in serious jeopardy.

Conclusions of Law

9. 42 U.S.C. §2236(a) and 10 CFR 50.100 provide that a construction permit may be revoked because of "conditions which would warrant the Commission to refuse to grant a license on an original application..."

10. 42 U.S.C. §2236(a) and 10 CFR 50.100 also provide that a construction permit may be revoked "for failure to construct... a facility in accordance with the terms of the construction permit..."

11. Thus, the inability of WPPSS to construct the projects (see para. 4,5, and 8) and the unwaivering and unequivocal intent of WPPSS to abandon the projects (see para. 6 and 7) fufill the respective conditions of the Atomic Energy Act and Chapter 10 of the COde of Federal Regulations as set forth in paragraphs 9 and 10 above.

Relief Requested

12. WHEREFORE, Petitioners pray that the Director, pursuant to 10 CFR 2.202(a), Order the Washington Public Power Supply

System to show cuase as to why Construction Permits Nos. CPPR-174 and CPPR-155, for Projects 4 and 5 respectively, should not be revoked.

Respectively submitted,

Nina Bell

Dated this day, the
16th of March, 1982.

Nina Bell
Coalition for Safe Power

Attachment A

AN INFORMATION SERVICE OF THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM

June 12, 1981
Vol. 1 No. 5

Ferguson recommends WNP-4/5 slowdown

Saying the decision was "pure hell" to make, Managing Director Robert Ferguson has asked the Supply System board of directors to slow down construction of units 4 and 5 for one year.

The recommendation came after Ferguson drew the bottom line on a proposed fiscal 1982 construction budget of $23.9 billion for all five nuclear power plants.

Ferguson's surprise announcement May 29 set in motion a series of high-level meetings throughout the region as board members and participants discussed and debated the recommendation.

Supply System Board President Stanton Cain said the Ferguson recommendation was just that and that the final decisions rest with the 88 Participants that are owners of the two projects and with the board of directors.

On June 10 the Supply System was scheduled to submit its detailed analysis of the budget to the board's Commmittee on Treasury, Finance, and Audits.

On the following day the committee was scheduled to make its report to either the Executive Committee or the full board.

The earliest that the board of directors could act on the slowdown would be at a special meeting of the board June 16, Cain said.

In making his recommendation, Ferguson repeated his belief that WNP-4 and WNP-5 will be needed to provide the electric power needed to ensure the economic well-being of the Pacific Northwest.

But he said it would be extremely difficult to raise the money needed to complete all five projects while people in the region are questioning the need for power from these projects.

In the next year alone, the Supply System would have to raise more than $3 billion to continue work on all five plants, far more than the Supply System has ever had to borrow before.

"The numbers as they appear are just too large to handle without the total commitment and support of the state and region," Ferguson said.

He identified several recent events that have created an atmosphere of "uncertainty" both with the public and on Wall Street.

They include a recent Bonneville Power Administration study indicating a potentially large amount of energy can be saved through conservation.

A recent energy forecast by the Pacific Northwest Utilities Conference Committee projects a decline in power demand in the region.

Finally, the Washington Legislature mandated that an independent study of the feasibility and need for WNP-4/5 be undertaken.

"We have to put that question (need for power) to bed," Ferguson told a press conference in Richland, WA. last week.

At the same press conference, Ferguson indicated he pinned his main hopes on gaining the needed regional consensus from the legislative study and from the new Regional Power Council.

"An endorsement of the council plus the study would go a long way towards relieving the uncertainty that surrounds the 4/5 issue," he said.

By law, the new regional council must come up with an energy plan for the Pacific Northwest in two years, but Ferguson expressed hope that the council would deal with the 4/5 issue sooner.

Speaking before a subcommittee of the U.S. House of Representatives last week, BPA Administrator Peter Johnson urged that this study be completed in one year, "in view of the risk to the region's power supply and the extreme costs associated with the prospective moratorium."

Johnson pointed out that BPA has a legal obligation under the regional power act to meet the region's electric power requirements.

Meanwhile, Ferguson stated he is committed to continuing construction of projects 1, 2, and 3 as quickly and as economically as possible.

Inside

- *Full text of Ferguson's speech, Page 3*
- *Interview with 4/5 study head, Page 4*
- *Full speed ahead on WNP-2, Page 2*
- *Reactor parts arrive at Satsop, Page 7*

Washington Public Power Supply System

P.O. Box 968 3000 George Washington Way Richland, Washington 99352 (509) 372-5000

February 1, 1982
GO-1-82-0041

Docket Nos: 50-509
50-513

Mr. William J. Dircks
Executive Director for Operations
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Dircks:

Subject: TERMINATION OF SUPPLY SYSTEM NUCLEAR PROJECTS 4 AND 5 (WNP-4 and WNP-5)

On January 22, 1982, the Washington Public Power Supply System Board of Directors adopted a resolution terminating the Supply System's Nuclear Projects Nos. 4 and 5. Construction work on these two (2) projects essentially was halted by the Supply System in July 1981, with the intent that an extended construction delay would continue until June 30, 1983. We advised the staff of this construction deferral by letter to Mr. H. R. Denton dated October 26, 1981.

Those projects were under construction pursuant to Construction Permits CPPR-174 and CPPR-155, respectively. At the time that work was halted, WNP-4 was 24% complete and WNP-5 was 16% complete.

The Supply System has developed a plan for termination of these projects which contemplates two phases. Phase One involves efforts to sell the plants intact to a new owner. The Supply System will maintain the plant structures and equipment in a licensable condition at least through Phase One and possibly thereafter, and will comply with the conditions of the Construction Permits and the requirements of NRC regulations. We intend by and during these efforts to retain the Construction Permits. We are willing to meet with your staff to brief it on details of the efforts contemplated.

Phase Two of the termination plan will commence only after the Supply System determines, subject to the rights of the Participants and Pacific Power and Light (10% owner of WNP-5), that it is no longer prudent to expect that the projects can be sold in their entirety within a reasonable time and without unreasonable expense. No definite time period has been set for completion of the first phase and initiation of the second.

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In Phase Two, plant equipment and materials will be sold or otherwise disposed of in a prudent manner, in accordance with applicable contractual and legal procedures.

With regard to WNP-4, the application for an Operating License for WNP-1 and WNP-4, including the FSAR, FER and General Information Document, was submitted to the NRC on November 25, 1981. Because we intended at that time to resume construction of WNP-4 following the extended delay, the application addressed both WNP-1 and WNP-4. Recent events dictate that the application address only WNP-1 now and until further notice.

Very truly yours,

R. L. Ferguson

R. L. Ferguson
Managing Director

GCS/sm

cc: HR Denton NRC
V Stello NRC
EG Adensam NRC
A Schwencer NRC
RH Engelken NRC Region V
NS Reynolds D&L

Attachment C

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

MAR 0 2 1982

Docket Nos: 50-509
and 50-513

Mr. Robert L. Ferguson, Managing Director
Washington Public Power Supply System
P.O. Box 968
Richland, Washington 99352

Dear Mr. Ferguson:

Subject: Termination of Washington Nuclear Projects 4 and 5

In your letter of February 1, 1982, to Mr. W. J. Dircks, you discussed the Supply System's intent to maintain the structures and equipment at Washington Nuclear Project (WNP) Nos. 4 and 5 in a licensable condition at least through the period you have termed Phase One and to comply with all existing construction permit conditions and requirements. Our preliminary assessment of this decision does not indicate that any additional near-term action other than that taken or planned is necessary at this time on the part of the Supply System.

It is our understanding that the Supply System intends to carry out the management plan presented to the Region V Office on December 10, 1981, insofar as maintaining the plant equipment and records. The NRC Resident Inspectors and Regional Inspectors intend to conduct their activities (inspection surveillance, audit) on both units in accordance with this plan until such time as the Supply System announces termination of phase one.

The staff has ceased its review of the operating license (OL) application for WNP-4 as you requested. We are continuing our acceptance review of the WNP-1 OL application. You should amend the pending application for operating licenses for WNP-1 and WNP-4 to reflect the present status of the WNP-4 project. Because the staff expects to complete its acceptance review for WNP-1 only by mid-March 1982, it may be advisable for you to await the outcome of that review and amend your application to delete WNP-4 at that time. We could then docket and notice the application for an operating license for WNP-1 only. Other aspects of the termination of WNP-4 and WNP-5 could also be discussed at that time.

Sincerely,

Frank J. Miraglia

Robert L. Tedesco, Assistant Director
for Licensing
Division of Licensing

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V
1450 MARIA LANE, SUITE 260
WALNUT CREEK, CALIFORNIA 94596

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Duke Wheeler

MEMORANDUM TO: E. J. Miraglia, Chief, Licensing Branch No. 3, NRR
E. G. Adensam, Chief, Licensing Branch No. 4, NRR

FROM: R. T. Dodds, Chief, Reactor Project Section 2,
Reactor Construction Branch

SUBJECT: EXTENDED CONSTRUCTION DELAY AT WNP-4 AND WNP-5
DOCKET NOS. 50-513 AND 50-509

A meeting was held in Region V with representatives of the Washington Public Power Supply System on December 10, 1981 to review the licensee's plans for the extended construction delay ("mothballing") of the subject facilities. IE Report Nos. 50-513/81-11 and 50-509/81-21 contain a summary of the results of that meeting. Enclosed is a copy of the licensee's management plan for mothballing the subject facilities.

The intent of the RV inspection program for WNP-4/5 during the mothball period will be to assure that the licensee has established and implemented plans, instructions and procedures for the preservation and maintenance of equipment, materials, structures and records in a timely manner in conformance with the established QA program. Our inspections will initially include the following:

- Review Management Plan
- Review and evaluate list of equipment, materials, and structures, including preservation requirements. Also consider "minimum attention with risk" category items
- Evaluate program for segregation of "wasted" material when appropriate
- Initially examine records retention program and conduct inspections thereafter of records of different organization/contractor's approximately quarterly
- Monthly tour of plants
- Quarterly inspection of stored materials
- Quaterly review of maintenance and/or surveillance records
- Semiannually review results of licensee's QA audits

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Once we have gained some confidence in the licensee's program, then we will reevaluate our planned inspection program . Irregardless, the Senior Resident Inspector will probably tour some area (plant or storage facilities) monthly.

If you have any questions on our activities for these projects, you may contact me at 463-3720.

R. T. Dodds, Chief
Reactor Project Section 2

cc w/enclosure:
R. W. Hernan, NRR
L. L. Wheeler, NRR

cc w/o enclosure:
B. H. Faulkenberry

MANAGEMENT PLAN FOR
EXTENDED CONSTRUCTION DELAY OF WNP-4/5

OCTOBER 14, 1981

(Revision Package, dated October 27, 1981, Included)

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APPENDIX A--BOARD OF DIRECTORS' RESOLUTION No. 1187
AND RESOLUTION No. 1198

APPENDIX B-- WNP-4 and 5 FY-1982 AND 1983 BASELINE
BUDGET AND CASH FLOW PREPARATION CRITERIA
PHASE I AND II

November 6, 1981

MANAGEMENT PLAN FOR
EXTENDED CONSTRUCTION DELAY OF WNP-4/5

1.0 OVERVIEW

1.1 INTRODUCTION

This Management Plan is a description of the general policy and guidelines to be followed in bringing the WNP-4/5 Projects to an extended construction delay status. The Supply System will use this plan as the basis for all management direction with respect to efforts on Projects 4 and 5.* The extended construction delay status is to be executed within severely limited funding constraints while preserving the assets of the Projects for a two-year period. The term commonly used to describe this extended construction delay is "mothball."

1.2 REASONS FOR THE DELAY

Because of the severe problems in financing the construction of Units 4 and 5 in parallel with the other three Supply System Projects, the Governors of Washington and Oregon appointed a special Blue Ribbon Panel of senior businessmen to evaluate the situation and provide their recommendations. The recommended action, on September 18, 1981, was to place WNP-4 and 5 in a minimum cost status while preserving the assets for a period of at least two years beginning July 1, 1981. The Participants Committee representing the 88 participants in WNP-4/5 approved a resolution on September 24, 1981, supporting these recommendations. The Supply System Board of Directors directed implementation of those recommendations on September 25, 1981, in Resolution No. 1187 (See Appendix A) and further directed preparation of an amended construction budget for fiscal years 1982 and 1983 reflecting the same.

*It is anticipated that an oversight role will be provided by the Participants Committee, IOU's and OSI's. This plan will be amended at that time to reflect tneir role.

1.3 CHANGES TO THE PLAN

Changes to this plan will require approval of the Managing Director.

1.4 FUNDAMENTAL PRINCIPLES GOVERNING WNP-4/5 EXTENDED CONSTRUCTION DELAY

1.4.1 Initiation

The delay is to be initiated immediately and is to be based primarily on absolute minimization of all costs between now and July 1983.

1.4.2 Maintenance of Assets

The plant assets are to be maintained. This will include:

- o conducting preventive maintenance of critical equipment
- o conducting minimum activities necessary to preserve the licenses
- o maintaining sufficient and accurate documentation on all quality, safety, and code-related materials and installations
- o maintaining insurance coverage.

1.4.3 Supply System Transformation

Management actions will be taken to transform the Supply System and its contractors into an efficient/effective organization building three plants, not five.

1.4.4 Lead Unit Impacts

Management actions will be designed to minimize the impact on Units 1 and 3 cost and schedule.

1.5 MANAGEMENT PRINCIPLES

The management of the extended construction delay will be conducted by line management. A task force has been assigned to assist in managing the efforts described in this plan. The functions of the task force are given in Section 10 of this report. In managing the delay, maximum utilization will be made of existing procedures, reports and systems.

2.0 FINANCIAL

2.1 GENERAL

It is emphasized that funding of the WNP-4/5 mothballing will be a not to exceed amount for the period July 1, 1981 through June 30, 1983. At the present time, agreement has not been reached concerning the availability and specific timing of certain funding. A preliminary financial baseline for the mothballing period is shown in Table 1. Table 2 summarizes by major budget line item the preliminary estimated cash requirements.

2.2 BUDGET AND CASH FLOW REQUIREMENTS

The construction delay on WNP-4 and 5 necessitates an amended 1982 construction budget for all five projects. Amended 1982 construction budgets and related cash flows for WNP-1, 2 and 3, and the WNP-4/5 FY-1982 and 1983 baseline budget and cash flow as outlined in Appendix B are to be prepared and submitted for action by the Board of Directors in January 1982.

2.3 GENERAL BUDGET GUIDANCE

2.3.1 Scope

The scope of the mid-year review will include the following for all five projects:

- o all budget line items
- o revised estimate at completion, based on actual cost through September 1981 and estimate to completion for WNP-1, 2 and 3.

October 14, 1981

TABLE 1. PRELIMINARY

FINANCIAL BASELINE

($ in Millions)

Beginning Balance (Cash on Hand 7/1/81)		$ 59
Revenues		
Transfer of fuel assets (Actual 8/81)	$ 61	
Cost-sharing adjustment	5	
Reinvestment income	105	
PP&L ownership share of WNP-5	23	
Regional participation	150	
Total Revenues		344
Cash Requirements		
WNP-4		
Actuals 7/1/81 - 9/27/81	$ 69	
Estimated 9/28/81 - 6/30/83	109	
Total	$178	
WNP-5		
Actuals 7/1/81 - 9/27/81	$ 66	
Estimated 9/28/81 - 6/30/83	159	
Total	$225	
WNP-4 and 5		
Actuals 7/1/81 - 9/27/81	$135	
Estimated 9/28/81 - 6/30/83	268	
Total		403
Ending Balance (Cash on Hand 7/1/83)		$-0-

TABLE 2.

WNP-4/5 CASH REQUIREMENTS*
7/1/81 - 6/30/83

($ in Millions, last working day of the month)

	WNP-4			WNP-5			WNP-4/5		
	Actual 7/81-9/81	Estimated 9/81-6/83	Total	Actual 7/81-9/81	Estimated 9/81-6/83	Total	Actual 7/81-9/81	Estimated 9/81-6/83	Total
Constr. Contracts	$44.4	$ 59.8	$104.2	$37.0	$52.1	$ 89.1	$81.4	$111.9	$193.3
Prepurchased Equip.	7.6	7.0	14.6	17.5	67.2	84.7	25.1	74.2	99.3
Architect-Engineer	6.0	4.0	10.0	3.5	9.8	13.3	9.5	13.8	23.3
Constr. Manager	5.9	2.9	8.8	2.6	4.6	7.2	8.5	7.5	16.0
Owner's A&G	4.7	3.3	8.0	3.7	4.4	8.1	8.4	7.7	16.1
Owner's Constr.	.3	4.0	4.3	1.3	1.0	2.3	1.6	5.0	6.6
Subtotal	$68.9	$ 81.0	$149.9	$65.6	$139.1	$204.7	$134.5	$220.1	$354.6
Nuclear Fuel	$ .2	$ 27.5	$ 27.7	$ .7	$ 20.0	$ 20.7	$ .9	$ 47.5	$ 48.4
TOTAL	$69.1	$108.5	$177.6*	$66.3	$159.1	$225.4*	$135.4	$267.6	$403.0*

*Not to exceed amount.

PRELIMINARY

- o associated cash flow forecasts

- o for WNP-4 and 5 only, special emphasis must be given to the cost estimates and related cash flow forecasts for fiscal years 1982 and 1983 based on slowdown/mothball directives. Specific preparation criteria for this is provided in Appendix B.

- o For WNP-1 and 3 only, the amended 1982 construction budget estimates shall assume that WNP-1 and 3 are single units and require identification of costs that would shift to the twin-unit (4/5) if restarted on July 1, 1983 consistent with the principle of equity, i.e., "cost allocated on the basis of proportion of respective benefit."

2.3.2 Responsibilities

Responsibilities for preparation, review and approval of revised estimates remain the same as defined for the 1982 budget.

2.3.3 General Guidelines

The overall estimating approach to be used for the mid-year budget review is from the standpoint of "variance" from the 1982 budget. Focus should be directed to impacts that have occurred subsequent to preparation of the 1982 budget. For example:

- o Impacts resulting from the extended construction delay on WNP-4 and 5.

- o Changes authorized through Change Management action. These would not impact the bottom line of the budget, but would involve transfers from contingency to other budget line items (or vice versa).

- o Impacts resulting from implementation of Amendment No. 1 to "Policy Statement on Equitable Cost Sharing for Twin-Unit WPPSS Projects." Such impacts are to be uniquely identified in the budget with actual costs incurred during the extended construction delay being recorded as contingency assets or liabilities, as appropriate.

Major estimating assumptions to be used are as follows:

- For the purpose of estimating WNP-1 and 3 cost that would shift to the twin units (4/5) if restarted, assume that the construction restart notification will be given on July 1, 1983 for WNP-4 and 5 without any advance notice.

- Cost-sharing allocations will be made as specified in the Amendment No. 1 to "Equitable Cost Sharing for Twin-Unit WPPSS Projects."

- Assumptions for inflation are to remain the same as those used in the 1982 budget.

The 1982 budget will continue to be the baseline for performance measurement on WNP-1, 2 and 3. The revised estimate and related cash flows for fiscal years 1982 and 1983 for WNP-4 and 5 will become the new baseline for these projects.

2.4 Required Action

A list of specific required actions is given in Section 9.2.

3.0 LICENSE MAINTENANCE

3.1 DESCRIPTION OF LICENSES

3.1.1 License Requirements

The Supply System currently possesses NRC construction permits for both WNP-4 and WNP-5. NRC regulations do not require that any phase of construction of a total project be completed on a specific schedule. The only requirement relating to construction schedule is that construction be completed by the latest completion date specified in the construction permit. The latest completion date may be extended by the NRC for "good cause." (42 USC, 2235; 10CFR50.55)

3.1.2 License Extensions

It has been common for NRC licensees to seek construction permit amendments to extend latest completion dates. Such amendments are usually granted routinely. "Good cause" for such amendments can be demonstrated by factors beyond the licensee's control such as labor difficulties, changing regulatory requirements, and adverse economic conditions.

3.1.3 WNP-4/5 License Status

A request to extend the latest completion date on the WNP-4 permit to June 1, 1987, was submitted recently to the NRC. Under NRC Regulations, the construction permit will remain in effect pending NRC action on the request (10CFR2.109). The latest completion date specified in the WNP-5 permit is July 1, 1986.

3.1.4 WNP-4/5 License Extensions

While the NRC Staff has the authority to require licensees to "show cause" why permits should not be modified, suspended or revoked in view of significant new information (see 10CFR2.202), the issuance of a "show cause" order solely because construction on WNP-4 and WNP-5 is interrupted is considered to be unlikely, particularly in view of the state of completion of the projects and the likelihood of eventual resumption of construction and project completion. Based on precedents where other utilities have deferred construction (e.g., Duke Power deferral of Cherokee Unit 1, 2 and 3), it is expected that the NRC Staff will view the information regarding a deferral of construction on WNP-4 and WNP-5 primarily as it relates to their own resource needs and review priorities.

3.1.5 NRC Overview of Delay

The NRC Inspection and Enforcement staff will have a most direct interest in the plans for, and activities associated with, preservation of the facility records and hardware. It will be important to consider their concerns when formulating our plans for deferral of WNP-4 and WNP-5 construction and to keep them closely informed of our activities.

3.1.6 Site Certification Agreements

The "licenses" issued by the Washington Energy Facility Site Evaluation Council (EFSEC), known as the Site Certification Agreements, do not specify dates for completion of construction. Consequently, many of the points and activities discussed above vis-a-vis the NRC are not applicable. However, in early October, EFSEC did express an interest in a full briefing on the impact of the decision to defer WNP-4 and WNP-5 with an eye to possibly changing the

various permits and licenses issued by the State or to changing EFSEC-required programs and activities. Changes anticipated would make permits and activities more reflective of reduced construction/operation activities and of the possibly extended construction period. During October, Supply System staff will be analyzing the pertinent permits and programs to form the basis for Supply System proposals for appropriate changes or reductions.

3.2 ACTION PLAN FOR PRESERVING THE WNP-4/5 LICENSES

3.2.1 Notifications

Informal notification of NRC management and staff was accomplished almost immediately upon completion of the Governors' Panel Report. Mr. R.H. Engelken, Director of NRC Inspection & Enforcement, Region V, was informed by Mr. R.L. Ferguson, Supply System Managing Director, in a meeting on September 17, 1981. Mr. Harold Denton, Director of Nuclear Reactor Regulations (NRR), was informed by Dr. G.D. Bouchey, Deputy Director of Safety & Security, in a meeting on September 24, 1981. In addition, various NRC inspectors have been informed of the situation at WNP-4 and WNP-5 on a continuous basis.

Formal notification of both the NRC Staff (Bethesda) and Inspection and Enforcement (Region V) of the Supply System action regarding deferral of WNP-4 and WNP-5 construction was accomplished by a letter to the Director, NRR, with copy distribution to the Director of Inspection and Enforcement, Region V. No other formal submittals are considered necessary at this time to maintain the WNP-4 and WNP-5 construction permits or to satisfy normal practices of keeping the NRC informed of significant activities.

The EFSEC was notified of the construction interruption by a letter dated October 5, 1981.

3.2.2 Licensing Applications

Our current plan is to file applications for operating licenses for WNP-1/4 in December 1981 and for WNP-3/5 in April 1982. In reviewing these plans in view of the WNP-4/5 deferral, it is concluded that the operating license applications in both cases should be submitted as originally planned. This approach conserves manpower resources for both the Supply System and the NRC, results in no added cost for the WNP-4/5 Projects, and minimizes the necessity for public hearing on Projects 4 and 5 if construction is resumed and the plants are completed.

There is no filing fee for the operating licenses applications; thus, this action would represent no additional cost to WNP-4/5.

A final consideration is whether or not to request a further extension of the latest completion date on the pending WNP-4 construction permit or on the WNP-5 construction permit. The pending WNP-4 amendment application requests a latest completion date of June 1, 1987. It has been concluded that the NRC should be allowed to process the pending application as submitted. After the construction delay period, the need for another extension of the latest completion date will be re-evaluated. Similarly, no action is considered necessary at this time to extend the latest completion date for WNP-5. This matter will be addressed at a later date.

3.2.3 Required Action

A list of specific required actions is given in Section 9.2.

4.0 ENGINEERING CONSIDERATIONS

Engineering guidance on activities to be conducted for the preservation of the assets in WNP-4/5 is provided in this section. Final determinations are to be made by the Program Directors in consultation with the Technical Director. Engineering planning and considerations for entering an extended construction delay range from complete preservation and completion of all necessary functions to simply walking off and leaving the work as is. The degree of preservation work is primarily a function of economics at the time of implementation. As a minimum, safety, code or quality requirements will in themselves demand a certain level of preservation activity. Using economics as a basis, four classes of equipment/materials/structures can be defined:

- o that which will be preserved at all costs
- o that which will receive minimal attention and is assumed at a risk to be suitable for service later
- o that which can be sold or used elsewhere
- o that which is simply left as is.

The equipment/structure/materials that are encompassed by each of these classes can only be determined by an item by item evaluation by technically knowledgeable persons, with final decisions made by the Directors responsible for managing the extended construction delay within a defined funding level.

4.1 EQUIPMENT TO BE PRESERVED AT ALL COSTS

For that equipment/material/structures required to be preserved, the following considerations must be evaluated:

- o Preservation and storage should be in accordance with manufacturer's recommendations, applicable design requirements and/or ANSI N45.2.2.

- Complete surveillance and record keeping functions must be maintained throughout the mothballing period. The condition of the equipment must periodically be verified and all protective measures maintained intact.

- All records including drawings, purchasing/manufacturing documents, code data reports or partial code data reports, qualification documentation, construction deficiency reports and any other applicable documents must be completed to the extent possible and must be properly filed with the responsible party.

- Construction drawing revisions, completed engineering directives and an accurate status record of work completed must be identified and filed with the responsible party.

- Concrete coating systems that are partially installed should be considered for completion.

- Unit 5 exposed rebar and structural steel which must be preserved should be sandblasted and coated with two coats of zinc-rich paint. Loose rebar should be stored in laydown area under cover. Unit 4 exposed rebar and structural steel should be left as is with sandblasting prior to usage, if required. If more economic than sandblasting and coating, concrete encasement should be completed.

4.2 MINIMUM ATTENTION WITH RISK

For equipment/material/structures determined to require minimum attention, the following considerations must be evaluated:

- Preservation and storage should be in accordance with manufacturer's recommendations, applicable design requirements, and/or ANSI N45.2.2. However, these requirements may be modified based on the degree of exposure for a particular piece of equipment.

- o Minimal surveillance should be established to assure protective measures remain adequate, i.e., heaters operable, covers intact, etc.

- o All records, including drawings, purchasing/manufacturing documents, code data reports or partial code data reports, qualification documentation and any other applicable documents must be completed to the extent possible and filed with the responsible party.

- o Construction drawings, revisions and completed engineering directives should be identified and filed with the responsible party when practical.

4.3 ALTERNATE USAGE

When cost effective, an attempt should be made to sell, trade or use the excess material/equipment in accordance with appropriate business practices. Engineering should identify those items which may be disposed of.

4.4 LEFT AS IS

Those items identified as more costly to maintain for the mothballing period than to replace should receive no attention. Those items that cannot be used elsewhere and have a specified shelf-life of insufficient length to warrant preservation, should receive no attention. Alternatively, items in this category might be sold as scrap.

4.5 ECONOMIC CONSIDERATION

Preservation of certain specialty, nonsafety-related items should be given close consideration. Examples of high-dollar specialty items are the turbine and generator.

4.6 REQUIRED ACTION

The Program Directors, in consultation with the Technical Director, shall define all equipment/structures/materials to be preserved given the economic considerations discussed in this plan. These items are to be identified by October 23 so that specific commercial direction may be given to appropriate construction contractors and equipment vendors.

Nonconformances relating to hardware, structures, and documentation should be dispositioned and verified. (If nonconformances can be closed out at the contractors expense, they should be closed out.) At a minimum, unresolved nonconformances should be recorded and their status noted for future action.

5.0 QUALITY CONSIDERATIONS

Planning for the WNP-4/5 extended construction delay must address Quality Assurance program considerations that are necessary to preserve licenses and permits and to protect plant equipment and facilities so as not to preclude a resumption of construction after the delay.

5.1 REGULATORY REQUIREMENTS

The regulatory requirements that must be met to preserve the assets in Projects 4 and 5 are given in the following subsections.

5.1.1 Quality Assurance Program

The Design and Construction Quality Assurance Program must be continued and modified as necessary to cover the extended construction delay.

5.1.2 Preservation and Storage Requirements

As discussed in Section 4, Engineering Considerations, equipment received and in storage should be maintained in accordance with manufacturer's recommendations and/or applicable design requirements and standards, or approved alternatives.

Implementation of the preventive maintenance program shall be verified by Quality Assurance through site surveillances.

5.1.3 Procedures/Instructions

Surveillance procedures shall be required to verify that the quality of materials, components and structures (including partially completed structures) will be adequately preserved during the period of suspended construction.

5.1.4 Records

Documentation for work performed, including maintenance and qualification records, must be reviewed, accepted, maintained, and stored in a permanent record storage facility to which the Supply System has assured access.

The status of construction tests and inspections performed prior to suspension of work must also be documented, reviewed and stored in a permanent records facility accessible by the Owner.

5.1.5 American Society of Mechanical Engineers (ASME)

Contractors who have performed but not completed ASME Code work should prepare a partial data report and have it signed by their Authorized Nuclear Inspector. The report should describe exactly what work has been performed. Also, all quality assurance documentation should be turned over for review and acceptance prior to contractor demobilization.

Preservation and storage requirements should be established and implemented for ASME material being stored. Also, materials/items being stored should be well identified with identification tags that will withstand the environmental conditions where placed.

5.2 REQUIRED ACTION

The WNP-4/5 Program Directors are responsible for developing the specific implementation plan to meet these requirements. These plans are to be defined, documented and a copy provided to Corporate Quality Assurance by October 30, 1981, in order to meet the commitment to brief the NRC on November 18, 1981.

6.0 DOCUMENTATION AND RECORDS

This section describes the requirements for records and documents needed to preserve the assets of WNP-4/5. Records/documentation are a necessary part of the total construction effort. Insurance of proper documentation must be accomplished at minimum cost.

6.1 PRESENT STATUS OF DOCUMENTATION--WNP-4

The status of records for WNP-4 is as follows:

- Engineering/Design records are in UE & C custody.
- QA Class I construction records are in Bechtel and contractor custody.
- ASME Division 2 construction records are in UE & C and contractor custody.
- Quality Class II and G construction records are in contractor custody.
- QA Class I equipment vendor records are in Bechtel and prepurchased equipment contractor custody.
- Class II and G equipment vendor records are in Bechtel or prepurchased equipment contractor custody.
- Supply System contractors records are in Supply System custody (fuel racks, security system, spare parts, simulator, etc.).
- Supply System-generated records are in Supply System custody.

6.2 PRESENT STATUS OF DOCUMENTATION--WNP-5

The status of the records for WNP-5 is as follows:

- o Engineering/Design records are in Ebasco custody.
- o QA Class I construction records are in Ebasco and contractor custody.
- o Class II and G construction records are in contractor custody.
- o QA Class I equipment vendor records are in Ebasco and prepurchased equipment contractor custody.
- o Class II and G equipment vendor records are in contractor custody.
- o Supply System contractors' records are in Supply System custody (fuel racks, security system, simulator, spare parts, etc.).
- o Supply System-generated records are in Supply System custody.

6.3 RECORDS REQUIREMENTS

In order to preserve the assets of the projects, all records must be retained as described in the following subsections.

6.3.1 Architect/Engineer and Construction Manager

The AE and/or CM shall retain all quality records currently in his custody, and should obtain custody of those quality records in the custody of the contractors. The guiding philosophy shall be that the AE or CM have custody of the records rather than the contractor.

6.3.2 Supply System

The Supply System should retain all quality records currently in our custody for those contracts administered within the Supply System (e.g., fuel racks, security system, etc.). In addition, the Supply System should obtain custody of those quality records that pertain solely to WNP-4/5 for contracts administered by the Supply System.

6.3.3 Contractors

As discussed above, most contractors should present their records to the AE or CM as determined by the Program Director. However, for selected contractors (for example, the NSSS contractor) where the contractor has not yet turned over quality records to the AE/CM or the Supply System, the Program Director may elect to leave those records in the custody of the contractor. In this case, the contractor shall provide a list of those records required to support his work and shall describe how and where the records will be stored. The Supply System will verify the adequacy of those records by audit/surveillance.

6.3.4 All Other Records

All other records not currently in the possession of the AE/CM/Supply System that can be obtained at no additional cost should be obtained. Other records should be obtained only for components that are not accessible due to construction (e.g., embeded piping, underground piping or electrical work, etc.). In this case, marked-up drawings and records are adequate.

6.4 RECORDS GENERATED DURING CONSTRUCTION DELAY

Records generated during the extended construction delay should be retained as follows:

- Preventive maintenance records shall be retained by the organization responsible for the maintenance.

- Records for equipment received during the construction delay should be retained by the CM organization.

6.5 REQUIRED ACTION

A list of specific actions required is given in Section 9.2

7.0 COMMERCIAL ACTIONS

7.1 GENERAL

The guidance and requirements specified in this section are necessary to ensure proper overall planning, support budget formulation and cash flow forecasting and control. The total effort will require some time to complete. However, it is emphasized that the 4/5 Program Directors and the Director of Business Programs are to implement immediately those contractual actions that reduce the continuing commitment of funds to a minimum. Attention should be given to the largest dollar impacts.

7.2 SPECIFIC ACTIONS

7.2.1 Prepurchase

The Projects are to suspend all WNP-4/5 work on all contracts except for those contracts where the Project is reasonably certain that such suspension will result in greater near-term costs than continuance of work.

The WNP-4/5 Program Directors and Director of Business Programs shall review all contracts and develop their initial plan for resolving each contract by October 28, 1981. A copy of this plan will be provided to the task force. Data shall reflect the following:

- Priority listing of contracts based on estimate of potential costs. Immediate evaluations are to be conducted on large dollar-value exposure contracts.

- Intended Action--

  a. Suspension of WNP-4/5 work
  b. Termination of WNP-4/5 work
  c. Partial suspension of WNP-4/5 work
  d. Continue work to completion

- Consideration of disposing of equipment, material on hand or raw materials in vendors' shops. Such disposal must recognize existing bond covenants; additional guidance on this will be provided.

- Minimization of impact on WNP-1/3 as a result of the WNP-4/5 actions.

- Consideration of engineering quality and documentation requirements.

- Estimated cost/cash flows for WNP-4/5 by specific contract for October, November and December 1981.

- Estimate of cost/cash impact on WNP-1/3 as a result of the WNP-4/5 actions recommended. Cost/cash impact to be followed by contract for October, November and December 1981.

The Program Directors and Director of Business Programs shall prepare individual contract negotiation plans as required to support their commercial action plan. Based on these negotiation plans, the projected cost/cash flow should be reviewed and adjusted. An overall negotiation schedule should also be prepared, based on the priorities established above, by November 13, 1981. Negotiations should begin in accordance with this schedule. Upon completion of individual negotiations, the cost/cash flow projects should be adjusted, if necessary, and the task force should be advised of any changes. Necessary contractual documents should be executed in accordance with established commercial procedures.

7.2.2 Construction

The action plans for construction are the same as for prepurchase, recognizing that some of the actions have already taken place.

7.2.3 Headquarters Contracting Activities

Service and prepurchase contracts that support, or are funded by WNP-4/5, and are managed by Headquarters will be given the same scrutiny and reports provided thereon as in the case of prepurchase contracts. This will be accomplished by the Director of Business Programs who will coordinate actions with the others for whom the contracting services are being provided.

7.3 NUCLEAR FUEL

The nuclear fuel contracts are under the technical control of the Technical Director. The following actions are to be taken.

7.3.1 NSSS/Fuel

Initial core fuel is to be handled in the same manner as the NSSS portion of the contract.

7.3.2 Gardinier

The contract with Gardinier is to be terminated. Termination costs are to be appropriately allocated between WNP-1, 4 and 5.

7.3.3 Western Nuclear

Current plans are to purchase contractual commitments of uranium under the contract and immediately resell at the then-current market price.

7.3.4 Department of Energy

Separative work is currently scheduled to be delivered to the Supply System for WNP-5 in September 1982. The Supply System's initiatives to sell these services to other utilities are to be continued.

7.3.5 Kerr-McGee UF_4 Conversion Contract

This contract involves conversion of UF_4 supplied by Gardinier to UF_6. Termination of the Gardinier contract eliminates the need for this contract and it is therefore to be terminated.

7.3.6 Kerr-McGee U_3O_8 Conversion Contract

No cash flow is expected to be incurred by WNP-4/5 over the 2-year period. Therefore, no action is to be taken.

7.3.7 Reporting Responsibilities

The Technical Director will continue close coordination of actions with the Managing Director and will advise the task force of any changes to plans and will provide reports as required.

7.4 ASSUMPTIONS

- For purposes of negotiations, the period of construction delay will end on July 1, 1983.

- Courses of action (i.e., termination, suspension, partial suspension and continuance of the work) taken on specific contracts will be based on goals provided in Deputy Managing Director's memo of October 2, 1981.

- For purposes of cost/cash flows for construction contracts, the cost-sharing formulas provided to the Projects during the week ending October 2, 1981, will be utilized.

7.5 REQUIRED ACTION

Specific required actions are given in Section 9.2.

8.0 PROGRAMMATIC ACTIONS

The Supply System is committed to becoming an efficient organization designed to build three nuclear plants as opposed to five. This will require a number of programmatic actions including streamlining organizations and improving the overall manual-to-nonmanual ratios on the projects. Several management initiatives have been implemented in recent weeks. The Program Directors are also to continue to pursue similar actions with respect to architect engineers, the construction managers and the construction contractors. These types of management initiatives must be implemented to minimize the impact of the extended construction delay on Projects 1 and 3. In the same sense, all nongenerating facilities and other activities conducted by the Supply System not directly supporting the construction of Projects 1 and 3 should be evaluated for deferral, suspension, or elimination. Examples of such activities would be further work on improvement of roads and interchanges, office space, temporary construction facilities, temporary construction utilities, etc. The appropriate Directors are to provide a brief listing of their intended further programmatic actions and timetables to the task force by October 30.

9.0 REQUIRED ACTIONS

9.1 ACTIONS TAKEN TO DATE

The following actions have already been initiated and will be continued as necessary to implement the construction delay:

- Initiated reductions in nonmanual workforce.
- Provided initial guidance on commercial actions. Subsequent direction was given on October 7, 1981.
- Developed necessary mid-year budget guidance to facilitate revision of FY82 budget.
- Initiated necessary early planning activities for the extended construction delay.
- Initiated actions to reduce construction activities to an absolute minimum.
- Issued temporary suspension notices to vendors of prepurchased equipment; detailed commercial guidance is to be developed.
- Initated a review of all service agreements to evaluate possible reallocation of shared costs or immediate suspension of the contract if reallocation cannot be accomplished and there are no adverse impacts on quality, licensing or preservation of assets.

9.2 PLANNED ACTIONS

A consolidated list of actions is contained in Table 3. The due dates and responsible individual(s) are also indicated.

TABLE 3.

WNP-4/5 MOTHBALL REQUIRED ACTIONS & REPORTING

FINANCE REQUIREMENTS

Report Item	Responsibility	Required Date
Issue general guidance	Task Force	10/14/81
WNP-4/5 cash flow thru Dec. 31, 1981	Program Directors WNP-1/4, 3/5, Hqtrs.	10/31/81
Estimates at completion & cash flows complete (WNP-1, 2 and 3) WNP-4/5 cash flow thru 6/30/83	Program Directors WNP-1/4, 3/5, Hqtrs.	12/14/81
Board action of estimates at completion and cash flow (all 5 projects)	Participants/Board	1/22/82

COMMERICAL REQUIREMENTS

Develop recommended actions by contract	Program Directors WNP-1/4, 3/5, Hqtrs.	10/28/81
Develop estimated cost/cash flows by contract thru Dec., 1981	Program Directors WNP-1/4, 3/5, Hqtrs.	10/30/81
Develop estimated cost/cash Impact on WNP-1/3 with Breakdown by contract	Program Directors WNP-1/4, 3/5, Hqtrs.	11/16/81
Based on contractual action selected, issue additional direction to the contractors	Program Directors WNP-1/4, 3/5, Hqtrs.	11/9/81
Prepare overall negotiations schedule	Program Directors WNP-1/4, 3/5, Hqtrs.	11/13/81

(Continued) COMMERCIAL REQUIREMENTS

Report Item	Responsibility	Required Date
Complete all negotiation plans	Program Directors WNP-1/4, 3/5, Hqtrs.	1/31/82
Prepare & execute contract modifications	Program Directors WNP-1/4, 3/5, Hqtrs	As required to maintain integrity of the financial baseline
	LICENSING REQUIREMENTS	
Informal notification of NRC managementent	Licensing	Complete
Notification letter to EFSEC	Licensing	Complete
Notification letter to NRR & NRC, Region V	Licensing	Complete
Assessment of need for modification to EFSEC permits	Licensing	10/30/81
Briefing of NRC, Region V, on plans for WNP-4/5 Construction deferral	Quality Assurance	11/18/81
Briefing of EFSEC on WNP-4/5 construction deferral	Licensing	11/15/81
Submittal of WNP-1/4 OL application	Licensing	12/81
Submittal of WNP-3/5 OL application	Licensing	4/82

(Continued)

ENGINEERING REQUIREMENTS

Report Item	Responsibility	Required Date
Define all equipment/structures/ materials to be preserved	Program Directors WNP-1/4, 3/5, Hqtrs.	12/14/81

QUALITY ASSURANCE REQUIREMENTS

Develop specific actions with an implementation plan to meet the referenced requirements	Program Directors WNP-1/4, 3/5, Hqtrs.	10/30/81

DOCUMENTATION AND RECORDS REQUIREMENTS

Identify all records-related actions which may have commercial impact	Program Directors WNP-1/4, 3/5, Hqtrs.	As needed for negotiations
Identify location & status of all relevant records	Program Directors WNP-1/4, 3/5, Hqtrs.	As needed for negotiations

PROGRAMMATIC REQUIREMENTS

Evaluate & identify all non-generating facilities & other activities to be deferred, suspended or eleminated.	Program Directors WNP-1/4, 3/5, Hqtrs.	10/30/81

10.0 MANAGEMENT OF THE EXTENDED CONSTRUCTION DELAY

The principles for management of the construction delay are presented in Section 1.5 and will be based primarily on implementation by line management with assistance and support by the task force.

10.1 LINE MANAGEMENT RESPONSIBILITIES

Management of the extended construction delay is the direct responsibility of the line managers of the Supply System. Each Director will be responsible for accomplishing those activities within his area of responsibility on the defined schedule and within budget. The integrity of the overall financial baseline defined in Section 2.0 must be maintained and is the collective responsibility of every director.

10.2 TASK FORCE RESPONSIBILITIES

The task force is to provide assistance to line management in developing and implementing actions and is to provide a consolidated performance evaluation. The task force will report to the Deputy Managing Director on all matters related to the extended construction delay. The functions of the task force will be as follows:

- o develop and publish a consolidated Monthly Performance Report
- o analyze impact of external influences on the ability to perform against the defined baseline
- o identify any requirements or additional initiatives for executing the delay that may have been overlooked
- o assist the Managing Director/Deputy in review of program actions against the plan

- o assist line management where and when necessary in the implementation of the extended construction delay

- o review the experience of other nuclear utilities in extended delays on their plants

- o review Supply System performance on accomplishing required tasks

- o review total expenditures versus baseline and funds availability to identify possible variance trends or overruns

- o identify and analyze potential areas for further savings

- o update this plan as necessary.

10.3 REPORTING GUIDELINES

10.3.1 Rolling Cash Flow Reports

The Supply System is using a 12-week rolling cash flow forecast and variance reporting system to monitor cash flow during the construction delay. The 12-week rolling cash flow report will replace the current 8-week rolling cash flow report beginning November 2, 1981. The following information is to be provided weekly through June 30, 1983:

- o updated 12-week forecast

- o explanations and reasons for variance of actuals

- o explanations and reasons of forecast revisions for the common periods for both past forecast and the approved budget baseline; these variance and

revision explanations will address, at the minimum, whether the reason for the variances or revisions were due to a bad estimate, incorrect timing (if the variance is due to incorrect timing, a revised estimate of when the payment will occur and why should be included), or an omission.

This information is to be submitted each Monday by 4:00 p.m. beginning November 2, 1981, to J. J. Read, Manager, Project Budgets. Project Budgets will consolidate all data, provide summary analysis and report results by the following day. A sample of an 8-week forecast is given in Table 4 and a sample of a construction fund cash summary report is shown in Table 5.

10.3.3 Responsibilities

Required forecast inputs and related responsibilities are as follows:

Item	Input Responsibility
Construction Contracts	DR Cseh/RN Williams
Equipment Contraces	DR Cseh/RN Williams
Architect-Engineer	DR Cseh/RN Williams
Construction Management	DR Cseh/RN Williams
Owners A&G	SW Stave
Owners Construction Cost	MJ Simmons
Nuclear Fuel	WG Jolly
Reinvestment Income	KJ Kreamer

TABLE 4.

WASHINGTON PUBLIC POWER SUPPLY SYSTEM
8-WEEK ROLLING CASH FLOW FORECAST
NUCLEAR PROJECTS NOS. 4 AND 5

10-14-81

($ in Thousands)

	SEPTEMBER			OCTOBER					NOVEMBER			
	* WE 9/13	*WE 9/20	*WE 9/27	*WE 10/4	WE 10/11	WE 10/18	WE 10/25	WE 11/1	WE 11/8	WE 11/15	WE 11/22	WE 11/29
Beginning Balance	$60,841	$51,044	$43,480	$29,364	$25,035	$18,713	$18,517	$10,002	$ 1,661	$(2,465)	$ (4,770)	$(13,559)
Receipts												
Fuel Transfer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Transfer	167	122	477	78	55	5,426	37	18	1,957	-	-	-
Private Owner	894	288	671	209	342	422	457	849	367	178	425	330
Total Receipts	$ 1,061	$ 410	$ 1,148	$ 287	$ 397	$ 5,848	$ 494	$ 867	$ 2,324	$ 178	$ 425	$ 330
Disbursements**												
WNP-4												
Construction	$ 842	$ 3,522	$ 2,207	$ 1,377	$ 923	$ 966	$ 500	$ 500	$ 600	$ 500	$ 1,000	$ 1,000
Equipment	421	154	2,124	265	371	853	225	210	300	200	200	200
AE/CM	1,108	-	2,470	-	960	-	2,713	-	880	-	2,660	-
Owners A&G & Constr.	1,000	83	1,010	-	1,040	-	1,000	-	1,000	-	1,100	-
Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-	-
Financing	25	-	-	-	-	-	-	-	-	-	-	-
Total WNP-4	$ 3,396	$ 3,759	$ 7,811	$ 1,642	$ 3,294	$ 1,819	$ 4,438	$ 710	$ 2,780	$ 700	$ 4,960	$ 1,200
WNP-5												
Construction	$ 3,806	$ 3,740	$ 4,184	$ 365	$ 964	$ 3,049	$ 2,469	$ 1,439	$ 1,880	$ 1,460	$ 682	$ 1,800
Equipment	2,588	420	1,407	239	1,212	1,099	1,266	1,706	913	98	472	1,100
AE/CM	222	54	473	2,361	225	60	36	5,066	75	225	2,300	400
Owners A&G & Constr.	818	-	1,389	9	800	-	800	287	800	-	800	-
Nuclear Fuel	3	1	-	-	224	17	-	-	2	-	-	-
Financing	25	-	-	-	-	-	-	-	-	-	-	-
Total WNP-5	$ 7,462	$ 4,215	$ 7,453	$ 2,974	$ 3,425	$ 4,225	$ 4,571	$ 8,498	$ 3,670	$ 1,783	$ 4,254	$ 3,300
Total Disbursements	$10,858	$ 7,974	$15,264	$ 4,616	$ 6,719	$ 6,044	$ 9,009	$ 9,208	$ 6,450	$ 2,483	$ 9,214	$ 4,500
Ending Balance	$51,044	$43,480	$29,364	$25,035	$18,713	$18,517	$10,002	$ 1,661	$(2,465)	$(4,770)	$(13,559)	$(17,729)

*Actuals
**Based on existing cost sharing guidelines and methods.

TABL .

WASHINGTON PUBLIC POWER SUPPLY SYSTEM
CONSTRUCTION FUND CASH SUMMARY
NUCLEAR PROJECTS NOS. 4 AND 5
WEEK ENDING 10/4/81

10-14-81

($ in Thousands)

	ACTUAL	FORECAST	VARIANCE	VARIANCE EXPLANATION
Beginning Balance	$29,364	$29,364	$ -	
Receipts				
Interest Income	$ 78	$ 75	$ 3	
Private Owner	209	295	(86)	
Total Receipts	$ 287	$ 370	$ (83)	
Disbursements				
WNP-4				
Construction	$ 1,377	$ 1,377	$ -	
Equipment	265	267	(2)	
AE/CM	-	-	-	
Owners A&G & Constr.	-	-	-	
Nuclear Fuel	-	-	-	
Financing	-	-	-	
Total WNP-4	$ 1,642	$ 1,644	$ (2)	
WNP-5				
Construction	$ 365	$ 348	$ 17	
Equipment	239	239	-	
AE/CM	2,361	2,361	-	
Owners A&G & Constr.	9	-	9	
Nuclear Fuel	-	-	-	
Financing	-	-	-	
Total WNP-5	$ 2,974	$ 2,948	$ 26	
Total Disbursements	$ 4,616	$ 4,592	$ 24	
Ending Balance	$25,035	$25,142	$(107)	

APPENDIX A

BOARD OF DIRECTORS'

RESOLUTION NO. 1187

AND

RESOLUTION NO. 1198

APPENDIX A

BOARD OF DIRECTORS

RESOLUTION NO. 1187

A RESOLUTION DIRECTING THE MANAGING DIRECTOR TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNORS' PANEL AND THE PARTICIPANTS' COMMITTEE AND FURTHER DIRECTING IMPLEMENTATION OF THE STEPS TO PRESERVE THE ASSETS OF WASINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECTS 4 AND 5

The Managing Director reports that on September 18, 1981 the panel created by the Governors of the states of Washington and Oregon to study the economic consequences to the region of the alternatives available for Nuclear Projects Nos. 4 and 5 (the Projects) recommended that the Projects should not be terminated at this time but should by kept in a preservation mode for two to two and one-half years to allow Bonneville and the Regional Council to determine whether the Projects are needed in the region. The panel further recommended that: (i) the public and private utilities, including the Participants, together with the direct service industrial customer (DSI's), should equitably share in the regional effo to preserve the Projects, which was estimated to require direct costs of approximately $150 million to $180 million and (ii) the Participants should agree to pay 100% of the interest during construction on the Projects, and

The Managing Director further reports that on September 24, 1981 the Participants' Committee adopted a resolution concurring in the recommendations of the Governors' Panel and recommending that the Supply System immediately implement the steps required to preserve the assets of the Projects until June 30, 1983 at the least cost possible, and prepare and propose for approval by the Board of Directors and the Participants' Committee an amended Construction Budget for Fiscal Years 1982 and 1983 reflecting the same; NOW, THEREFORE,

IT IS RESOLVED that the Managing Director shall immediately implement the steps required to preserve the assets of the Projects until June 30, 1983

at the least cost possible, and prepare and propose for approval by the Board of Directors and Participants' Committee an amended Construction Budget for Fiscal Years 1982 and 1983 reflecting the same.

ADOPTED by the Board of Directors of Washington Public Power Supply System this 25th day of September, 1981.

President

ATTEST:

Secretary

APPROVED AS TO FORM
AND LEGALITY:

Counsel

BOARD OF DIRECTORS

RESOLUTION NO. 1198

A RESOLUTION DELEGATING CERTAIN RESPONSIBILITY AND AUTHORITY TO THE MANAGING DIRECTOR WITH RESPECT TO AN EXTENDED CONSTRUCTION DELAY OF WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECTS NOS. 4 AND 5

The Supply System, the Participants in Nuclear Projects Nos. 4 and 5, the co-owner of Nuclear Project No. 5, certain investor-owned utilities and certain industrial customers of Bonneville Power Administration have agreed upon the basic elements of a plan for an extended construction delay for Nuclear Projects Nos. 4 and 5; and

It is necessary and desirable that the extended construction delay be implemented in a timely and efficient manner; and

The Board of Directors is authorized by statute to delegate to the Managing Director such authority as the Board shall determine; NOW, THEREFORE,

IT IS RESOLVED:

1. The Managing Director is authorized and directed to implement an extended construction delay of Nuclear Projects Nos. 4 and 5 until June 30, 1983 for the purpose of preserving the Projects as a potential regional energy resource at the least possible cost.

(a) The authority to exercise all contractual rights of the Supply System pursuant to contracts with construction contractors, suppliers, architects and construction managers, including without limitation the authority to execute changes deleting work and to terminate contracts within provisions, and

(b) The authority to negotiate and execute changes in any and all such contracts.

2. The Managing Director is authorized and directed to develop, together with other interested parties and groups, including the Participants in Projects Nos. 1, 3, 4 and 5, the co-owners of Projects Nos. 3 and 5, Bonneville Power Administration, the Participants' Committee, the Participants' Review Board, the Owners' Committee and the industrial customers of Bonneville Power Administration, an efficient administrative procedure to obtain such concurrence as may be necessary or advisable in actions which he proposes to take for the purpose of implementing the extended construction delay of Nuclear Projects Nos. 4 and 5.

3. This authorization and delegation of authority will be subject to contractual arrangements to be entered into pursuant to the Memorandum of Understanding dated October 14, 1981 providing for oversight by the participants, direct service industries and investor-owned utilities.

4. Policy direction in the implementation of this resolution shall be transferred to the Executive Board upon its formation in accordance with Chapter 3, Laws of 1981 (First Extraordinary Session).

5. The Managing Director is authorized to redelegate his authority to his subordinates to the extent that he deems advisable.

ADOPTED by the Board of Directors of Washington Public Power Supply System this 23rd day of October, 1981.

President

ATTEST:

Secretary

APPROVED AS TO FORM
AND LEGALITY:

Counsel

APPENDIX B

WNP-4 AND 5
FY-1982 AND 1983 BASELINE BUDGET
AND CASH FLOW PREPARATION CRITERIA
PHASE I AND II

OCTOBER 8, 1981

WNP-4 AND 5
FY-1982 AND 1983 BASELINE BUDGET
AND CASH FLOW PREPARATION CRITERIA
PHASE I AND II

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	C. Owner Construction Cost	2
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ATTACHMENT 1 - Definitions
ATTACHMENT 2 - Responsibilities
ATTACHMENT 3 - Format
ATTACHMENT 4 - Schedule

October 8, 1981
Project Budgets

WNP-4 AND 5
FY-1982 AND 1983 BASELINE BUDGET AND CASH FLOW
PREPARATION CRITERIA - PHASE I AND II

I. INTRODUCTION

This is the corporate criteria for preparation, review and approval of the FY-1982 and 1983 baseline budget for WNP-4 and 5. The baseline budget for each of the two nuclear power plant mothballing cost will be prepared in two phases. Phase I will cover the time frame from July 1, 1981 through December 31, 1981. Phase II will cover from January 1, 1982 through June 30, 1983.

This document is the instruction for both Phase I and Phase II and includes general guidelines for the following major segments of the budget:

- Prepurchased Equipment Contracts
- Construction Contracts
- Architect-Engineer Services
- Construction Management Services
- Administrative and General Costs
- Owner Construction Cost
- Nuclear Fuel Contracts
- Reinvestment Income

II. OBJECTIVE

An accurate assessment of the projects' forecasted cost during the period of July 1, 1981 through June 30, 1983. These projected costs will be the baseline budget against which cost will be tracked and monitored in accordance with the "Tracking Plan for Monitoring Mothballing Cost Against Budget Baseline". It will also be the basis for cash planning to assure funding availability by the participating parties.

III. DEFINITIONS

Selected terms used in this instruction are defined in Attachment 1 of this instruction.

IV. BUDGET SCHEDULE

The milestone activities associated with the WNP-4 and 5 FY-1982 and 1983 baseline budget and cash flow preparation, review and approval are shown on Attachment 4. All dates indicated on Attachment 4 must be strictly adhered to.

V. DIVISION OF RESPONSIBILITY

Responsibilities for major baseline budgeting preparation and coordination functions are defined on Attachment 2.

VI. SCOPE OF BUDGET

Phase I cash (July 1981 through December 1981) shall be submitted in the Attachment 3 format and as a minimum the following is required:

A. Prepurchase equipment contracts and construction contracts will be identified by contract number, contract description and contractor's name. Cost for each contract as a minimum requirement shall be identified by the following (selected terms defined in Attachment 1):

(1) Baseline Scope (Included in 1982 Budget Baseline)

(a) Work Invoiced
(b) Work Not Invoiced
(c) Existing (Old) Claims

(2) Mothballing Scope (Excluded from 1982 Budget Baseline and a Result of Mothballing)

(a) Maintenance
(b) Demobilization
(c) Suspension
(d) Termination

B. Budgeted Architect-Engineer, Construction Management, Administrative and General costs will follow the guidelines as outlined in Amendment No. 1 to "Policy Statement on Equitable Cost Sharing for Twin-Unit WPPSS Projects" dated September 28, 1981.

C. Owner Construction cost will be identified by contract number or item (i.e., spare parts would be the cost of all spare part contracts and purchase orders), contract description and contractor. Cost for each category shall be identified (as a minimum) in the same detail as Section A above.

D. Nuclear Fuel cost will be identified by contract number, contract description and contractor's name. Cost for each contract will be identified (as a minimum) by the following:

(1) Baseline Scope (Included in 1982 Baseline Budget)
(2) Mothballing Scope (Excluded from 1982 Baseline Budget and a Result of Mothballing)

E. Qualifications and Assumptions - All major qualifications or assumptions that apply to the baseline budget are to be documented. A sufficient level of detail is necessary to provide a good basis for future changes to the budget.

Phase II cash (January 1982 through June 1983) shall be submitted (as a minimum) in the same detail and in a format similar to Attachment 3 for the 18-month period.

VII. SPECIAL CONSIDERATIONS

A. Cost sharing will be based on Amendment No. 1 to the "Policy Statement on Equitable Cost Sharing for Twin-Unit Projects" dated September 28, 1981.

B. Contingency shall not be considered or provided for in the preparation of the WNP-4 and 5 FY-1982 and 1983 baseline budget and cash flow.

C. Sales tax shall be considered, calculated and included in all cost for prepurchased equipment contracts, construction contracts, owner construction cost and nuclear fuel contracts. The tax rates are 5.2% for WNP-4 and 5.3% for WNP-5.

D. Escalation shall be considered, calculated and included in all cost for prepurchased equipment contracts, construction contracts, owner construction cost and nuclear fuel contracts. The escalation rates shall be calculated in accordance with the "1982 Project Construction Budget Preparation Criteria - Phase I", Section VII, Subsection E.

E. The WNP-4 and 5 FY-1982 and 1983 baseline budget and cash flow shall be summarized by major budget segments (i.e., prepurchased equipment contracts, construction contracts, etc.) by month from July 1, 1981 through December 31, 1981 and January 1, 1982 through June 30, 1983 for Phase II.

F. Cost flow detail must be developed initially by individual contracts on an incremental cost basis rather than a cash basis. Cost flow details for each contract shall be then converted to a "cash" basis and reported on Attachment 3. Actual cash from July 1, 1981 through September 27, 1981 may be a bottom lined per month for each contract scope (baseline scope and mothball scope) and doesn't require the detail breakdown as identified in Section VI of this instruction. The base date for cash flow projections shall be September 27, 1981.

DEFINITIONS

A. BASELINE SCOPE (FY-1982 BASELINE BUDGET)

1. Work Invoiced

Includes all cost for work completed and invoiced including but not limited to direct manual labor cost, support or distributable manual labor cost, labor special cost, nonmanual labor cost, material cost, construction, equipment usage cost, overhead cost, escalation, sales taxes, etc. for any work, services, equipment or material (that is included in the FY-1982 baseline budget scope) that has been invoiced for payment by the Supply System.

2. Work Not Invoiced

Includes all cost for work completed or future work, as defined above in "work invoiced", for services, equipment or material (that is included in the FY-1982 baseline budget scope) that has been or will be performed in the future and that has not been invoiced for payment by the Supply System (i.e., final demobilization of completed contracts).

3. Old Claims

The projected cost settlement of all contractor identified claims and potential claims which have not yet been submitted by contractors (but are included in the FY-1982 baseline budget scope) exclusive of any claims relating to the construction slowdown and/or the subsequent mothballing.

B. MOTHBALLING SCOPE (NOT INCLUDED IN FY-1982 BASELINE BUDGET)

1. Maintenance

Includes all cost for work associated with securing the in-place commodities, placing material and equipment into storage, monitoring and securing the facilities, maintenance and preservation of materials, equipment, facilities, documentation and warranties (that are exclusive of the FY-1982 baseline budget) solely related to the construction slowdown and/or the subsequent mothballing.

2. Demobilization

Includes all cost for work operations associated with moving off the job site upon notification of termination or suspension including dismantling and removal from site of construction equipment, facilities, personnel, and restoration of the site as required. Demobilization is defined here as the "Interrupt Demobilization" and not the "Bid Demobilization" (that is included in the FY-1982 baseline budget). Remobilization is to be considered after June 30, 1983.

3. Suspension of Contract

The projected cost settlement of all contractor identified claims and potential claims resulting from the suspension of work associated with the mothballing (if any). Cost shall include as a minimum all considerations (if any) for nonrecoverable overhead cost, extended overhead cost and other potential claimed cost (not included in the FY-1982 baseline budget) solely as a result of the construction slowdown and/or the subsequent mothballing.

4. Termination of Contract

Includes all projected cost settlements as defined above in "suspension" for contractor identified claims and potential claims resulting from the "termination of contract" associated with the mothballing (if any). Termination cost shall also include as a minimum all consideration (if any) for cancellation charges and/or restocking charges for existing orders and other potential claim cost (not included in the FY-1982 baseline budget) which are solely as a result of the construction slowdown and/or the subsequent mothballing.

ATTACHMENT

(P) = Primary Responsibility
(I) = Input

WNP-4 AND 5
FY-1982 AND 1983 BASELINE
BUDGET PREPARATION RESPONSIBILITIES(1)

Major Budget Segment	WNP-4	WNP-5
Prepurchased Equipment Contracts	(P) UE&C (I) SS Business Staff/Bechtel	Ebasco SS Business Staff
Construction Contracts	(P) Bechtel (I) SS Business Staff (I) Contractors	Ebasco SS Business Staff Contractors
Architect-Engineer Services	(P) SS Business Staff(2)	SS Business Staff(2)
Construction Manager Services	(P) SS Business Staff(2)	SS Business Staff(2)
Supply System Construction Costs	(P) See Note 3 below.	See Note 3 below.
Owner's A&G Costs	(P) SS Dept. Managers(2)	SS Dept. Managers(2)
Nuclear Fuel	(P) SS Fuel Supply Manager	SS Fuel Supply Manager
Reinvestment Income	(P) SS Treasurer	SS Treasurer

Notes: (1) This table is only provided to identify budget preparation responsibilities. Its purpose is not to define approval responsibilities.
(2) In strict accordance with Amendment No. 1 to "Policy Statement on Equitable Cost Sharing for Twin-Unit WPPSS Projects".
(3) Responsibilities the same as provided in the "1982 Project Construction Budget Preparation Criteria - Phase II".

ATTACHMENT 3

WNP-___
PHASE I
MOTHBALLING BASELINE BUDGET
AND CASH FLOW FORECAST

Date: _____
Revision: _____

Sheet ___ of ___

Contract No. _____ Contractor: _____

Contract Description: _____

FY-1982

Activities	*JUL	*AUG	*SEP	OCT	NOV	DEC	TOTAL
Baseline Scope							
.Work Invoiced							
.Work Not Invoiced							
.Old Claims							
.							
.							
.							
Total Baseline							
Mothballing Scope							
.Maintenance							
.Demobilization							
.Suspension							
.Termination							
.							
.							
Total Mothballing							
TOTAL SCOPE							

*Actuals

Assumptions: _____

_____

_____

_____

Budget Approval Sign-offs

Contract Budget Accountability _____ Date _____

Program Director _____ Date _____

ATTACHMENT 4

WNP-4 AND 5
FY-1982 AND 1983 BASELINE BUDGET AND CASH FLOW
MILESTONE ACTIVITIES SCHEDULE

Activities	Milestone Dates
Issue Draft Corporate Criteria	10/7/81
Issue Final Corporate Criteria	10/14/81
Phase I Budget Submitted to Headquarters	10/31/81
Phase I Budget Review by Managing Director	11/2/81
Phase II Budget Reviewed by Managing Director	12/14/81

TABLE 4.

WASHINGTON PUBLIC POWER SUPPLY SYSTEM
8-WEEK ROLLING CASH FLOW FORECAST
NUCLEAR PROJECTS NOS. 4 AND 5

10-14-81

($ In Thousands)

	SEPTEMBER			OCTOBER					NOVEMBER			
	*WE 9/13	*WE 9/20	*WE 9/27	*WE 10/4	WE 10/11	WE 10/18	WE 10/25	WE 11/1	WE 11/8	WE 11/15	WE 11/22	WE 11/29
Beginning Balance	$60,841	$51,044	$43,480	$29,364	$25,035	$18,713	$18,517	$10,002	$ 1,661	$(2,465)	$ (4,770)	$(13,559)
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Equipment	471	154	2,124	265	371	853	225	210	300	200	200	200
AE/CM	1,108	-	2,470	-	960	-	2,713	-	880	-	2,660	-
Owners A&G & Constr.	1,000	83	1,010	-	1,040	-	1,000	-	1,000	-	1,100	-
Nuclear Fuel	-	-	-	-	-	-	-	-	-	-	-	-
Financing	25	-	-	-	-	-	-	-	-	-	-	-
Total WNP-4	$ 3,395	$ 3,759	$ 7,811	$ 1,642	$ 3,294	$ 1,819	$ 4,438	$ 710	$ 2,780	$ 700	$ 4,960	$ 1,200
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Equipment	2,588	420	1,407	239	1,212	1,099	1,266	1,706	913	98	472	1,100
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Nuclear Fuel	3	1	-	-	224	17	-	-	2	-	-	-
Financing	25	-	-	-	-	-	-	-	-	-	-	-
Total WNP-5	$ 7,462	$ 4,215	$ 7,453	$ 2,974	$ 3,425	$ 4,225	$ 4,571	$ 8,498	$ 3,670	$ 1,783	$ 4,254	$ 3,300
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*Actuals
**Based on existing cost sharing guidelines and methods.

FINAL DRAFT-WORKING DOCUMENT