

NEWS FROM

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

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WPPSS PRESENTS PRELIMINARY UPDATED CONSTRUCTION BUDGETS

Preliminary updated budgets for five nuclear power projects were presented for review today to the Washington Public Power Supply System's Board of Director at a meeting in Richland.

Three of the projects are being built on the Federal Hanford Reservation near Richland and two on a site in Grays Harbor County, near Satsop.

The new estimated total cost for all five projects is \$7.771 billion, an increase of \$797 million, or 11.4 percent over the previous year's estimated cost. Of this, the Supply System's ownership share is 7.141 billion, an increase of \$763 million, or 12 percent, over the previous year's estimated total.

The Supply System owns 100 percent of Projects 1, 2 and 4; 70 percent of Project No. 3 and 90 percent of Project No. 5. Four investor-owned utilities have purchased a total of 30 percent of Project No. 3 and one investor-owned utility has purchased a 10 percent share of Project No. 5. Costs of these two projects are shared between the Supply System and the investor-owned utilities. The \$7.141 billion relates to the financing requirements for the Supply System to construct its portion of the plants.

Increases listed in various categories of cost were: plant construction \$490 million; nuclear fuel, \$171 million; interest during construction and financing, \$136 million.

The revised total project costs, locations, increases over the previous year's estimates and anticipated commercial operation dates are as follows:

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Project No. 2, Hanford, \$1.077 billion, an increase of \$112 million, September 1980.

Project No. 1, Hanford, \$1.369 billion, an increase of \$162 million, December, 1982.

Project No. 4, Hanford, \$1.870 billion, an increase of \$282 million, June 1984.

Project No. 3, Satsop, \$1.423 billion, an increase of \$53 million, September 1983. The Supply System's 70 percent ownership share is \$996 million, an increase of \$37 million.

Project No. 5, Satsop, \$2.032 billion, an increase of \$188 million, March 1985. The Supply System's 90 percent ownership share totals \$1.829 billion, an increase of \$170 million.

Cost increases were attributed primarily to delays in the projects' completion dates. The effect of a six-month pipefitters strike settled in late 1976, delays in obtaining construction releases from regulatory agencies, and extended construction periods to be more in line with industry averages for constructing complex generating projects, were the contributing delay factors.

In addition, revisions of plant design and addition of equipment to meet new Nuclear Regulatory Commission regulations, increases in the cost of labor, material and services, nuclear fuel and related interest and financing expenses contributed to the increases.

Subject to the approval the Board of Directors, Bonneville Power Administration, the Participants Review Board and the Participants Committee, the new budgets go into effect on January 1, 1978.

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