



News Release

Washington Public Power Supply System
A JOINT OPERATING AGENCY

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IMMEDIATE RELEASE
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COST ESTIMATES REVISED
ON FIVE NUCLEAR POWER PLANTS

Revised estimates in the costs of construction of five nuclear power plants were announced today by the Washington Public Power Supply System.

Three of the projects are under construction on the Energy Research and Development Administration's Hanford Reservation in Southeastern Washington and two are planned for construction in Grays Harbor County near Satsop.

The cost increases were attributed to delays, rising costs of labor and materials, including fuels, labor disputes and other factors. A strike by Plumbers and Steamfitters Local 598, Pasco, virtually has halted construction of the Supply System's WNP 2 project at Hanford since June 2.

In addition a District of Columbia Court of Appeals ruling on Nuclear Regulatory Commission licensing procedures has delayed the start of construction of WNP 3 and 5 projects in Grays Harbor County at least until January while work had been expected to start this month.

The new estimated cost of WNP 2 is \$998.7 million, an increase of \$204.7 million over the previous estimate of \$794 million. Commercial operation now is scheduled for June 1980 instead of January 1980.

The new estimated cost of WNP 1, at Hanford, is \$1.229 billion, an increase of \$82 million over the previous estimate of \$1.147 billion. Commercial operation now is scheduled for September 1981 instead of March 1981.

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The new estimated cost of WNP 4, a twin of WNP 1 at Hanford, is \$1.368 billion, a \$273 million increase over the previous estimate of \$1.095 billion. Commercial operation is scheduled for March 1983 instead of March 1982.

The new estimated cost of WNP 3 in Grays Harbor County is \$1.398 billion, a \$154 million increase over the previous estimate of \$1.244 billion. Of this, the Supply System's cost for its 70-per-cent ownership share will be \$1.06 billion, an increase of \$108 million over the previous estimate of \$952 million. Commercial operation is now scheduled for May 1983 instead of October 1982.

The new estimated cost of WNP 5, a twin of WNP 3, is \$1.541 billion, a \$270 million increase over the previous estimate of \$1.271 billion. Of this, the Supply System's cost will be \$1.387 billion for its 90-per-cent ownership share, an increase of \$243 million over the previous estimate of \$1.144 billion. Commercial operation now is scheduled to begin in November 1984 instead of April 1984.

The new estimates bring the total for the five projects to \$984.7 million more than the previous estimate. Significant factors in the increased costs are the rising cost of construction, which accounts for \$217 million of the total, delays which account for \$113 million, increased owners' direct costs of \$103 million, increased fuel cycle costs of \$115.8 million and allowances for contingencies, \$240 million.

Budget reviews for all projects are expected to be completed prior to October 1, with final budgets for all projects to be adopted by the Board of Directors by January 1977.

Supply System officials noted that despite the projected increases, nuclear power remains the source of cheapest electrical power now available. Estimates are that the increased cost for projects WNP 4 and WNP 5 will add about 3 mills to the cost of power, raising it to about 28 mills per kilowatt hour, compared with

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25 mills per kilowatt hour under the earlier cost estimates. Both costs are based on a 65 per cent plant factor.

Power from a Northwest coal-fired plant expected to go into operation in 1980 is expected to cost about 50 mills per kilowatt hour.

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