



Washington Public Power Supply System
A JOINT OPERATING AGENCY

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FINANCING ASSURED
FOR TWO WPPSS
NUCLEAR POWER PROJECTS

Contracts for financial participation in two nuclear power plants amounting to 133 per cent of the total needed have been received, the Washington Public Power Supply System's Board of Directors was told today at a meeting in Richland.

H. R. Kosmata, WPPSS Planning Manager, told the board 88 of 93 option holders had signed contracts. He called it "encouraging," and said financial backing of \$2.5 billion is "virtually assured" for the two projects.

Since the projects are oversubscribed, individual shares will be scaled down proportionately to make an even 100 per cent. The utilities participating will receive power generated by the two projects in the same proportion as their financial commitments.

The two projects are WNP-4, a 1.24-million kilowatt, \$1.095 billion generating station at Hanford in Southeastern Washington where preliminary construction has started and WNP-5, a 1.24-million kilowatt, \$1.271 billion generating station planned for Grays Harbor County, near Satsop. They are expected to be in commercial operation in March 1982 and April 1984, respectively.

Project planning began more than two years ago, with preliminary financing arranged by a series of short-term notes and a \$100-million bond issue backed by 93 public utilities which took options to participate.

The Supply System Board also approved the execution of short term sales agree-

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ments with Pacific Northwest aluminum companies and other large industrial users which guarantee purchase of all power in excess of the needs of the public utilities through 1988, with reducing obligations through 1992.

The power will be purchased at full cost, thus relieving the public utility customer of cost risk in the early years of project operation, Kosmata said.

A companion agreement, also approved by the Board, will permit the 88 participants to pool their shares of the projects to insure all public utility customers are served before any possible surplus power is sold.

Kosmata advised the Board that the industrial companies have delivered a letter of intent to execute the short term sales agreements and the Supply System will now move to complete them.

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