

the highest degree of efficiency in the management and control of any thermal power project under construction or in operation. The administrative auditor shall assist the firm or firms in the performance of its duties. The administrative auditor and the firm or firms shall consult regularly with the executive board and furnish any information or data to the executive board which the administrative auditor, firm, or executive board deems helpful in accomplishing the purpose above stated. The administrative auditor shall perform such other duties as the executive board shall prescribe to accomplish the purposes of this section.

In addition to the powers and duties conferred by chapter 44.28 RCW, the legislative budget committee shall evaluate such management audits as to adequacy and effectiveness of procedure and shall consult with and make reports and recommendations to the executive board. The operating agency shall reimburse the legislative budget committee for all costs of furnishing such services.

The operating agency shall file a copy of each firm's reports, and the legislative budget committee shall file a copy of each of its reports or recommendations in a timely manner, prepared in accordance with this section, with the respective chairmen of the senate and house energy and utilities committees. Upon the concurrent request of the chairmen of the senate or house energy and utilities committees, the operating agency shall report to the committees on a quarterly basis.

NEW SECTION. Sec. 5. There is added to chapter 43.52 RCW a new section to read as follows:

Upon the concurrent request of the chairmen of the committees on energy and utilities of the senate and house of representatives, the executive board shall report to the committees on a semi-annual basis. The purpose will be to furnish reports on project schedules, budgets, progress, and other matters deemed relevant by the committees.

Passed the Senate April 28, 1981.

Passed the House April 28, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 4

[ENGROSSED SUBSTITUTE SENATE BILL NO. 3972] JOINT OPERATING AGENCIES—NUCLEAR PROJECT STUDY— APPROPRIATION

AN ACT Relating to joint operating agencies; creating new sections: making an appropriation; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. The legislature believes that the new authority granted in the 1981 amendment of RCW 43.52.250 and 43.52.3411 requires a prudent review of the status of those nuclear projects which are in the early stages of construction and financing on the effective date of this act. Therefore, the study prescribed in section 2 of this act is authorized, to examine project financing, estimate the amount necessary to finance, assess the need for financing the projects, as compared to cost-effective alternatives, and determine the electric rate impacts of the projects to be financed. The legislature directs that an independent study shall be made of the feasibility of completion and operation of the Washington Public Power Supply System (WPPSS) Nuclear Projects Nos. 4 and 5, which are the least advanced in construction of the five WPPSS projects.

NEW SECTION. Sec. 2. The study shall include, but not be limited to the following:

(1) Determine the need for WPPSS Nuclear Projects Nos. 4 and 5; estimate the average firm and interruptible electric energy demand over a ten-year period to include fiscal year 1988 in the Pacific Northwest region, as defined by Public Law 96-501; identify and quantify all resources that are expected to be available to meet such electric energy demand over a ten-year period to include fiscal year 1988 with and without WPPSS Nuclear Projects Nos. 4 and 5. Resources shall include conservation measures not yet implemented but which will be implemented by 1988. The study shall indicate the band of uncertainty associated with the estimates;

(2) Assess financing support of construction of WPPSS Nuclear Projects Nos. 4 and 5; evaluate whether money can be made available as needed to support plant construction; evaluate financing factors, including interest and inflation rates between now and expected completion of the plants, national monetary policy during this interval, and market reaction to WPPSS financing arrangements;

(3) The ultimate cost and schedule of WPPSS Nuclear Projects Nos. 4 and 5; estimate the expected completion dates, assuming financing will be available; estimate the total construction cost for completion (a) with no delays, (b) with a two-year deferral, and (c) with a ten-year deferral; include replacement power costs in deferral cases; identify the sum of all plant construction costs for WPPSS Nuclear Projects Nos. 4 and 5 as of March 31, 1982;

(4) The cost of power from WPPSS Nuclear Projects Nos. 4 and 5; estimate the cost of power to be produced by each plant throughout the predicted period of plant operation for each of the cases in subsection (3) of this section;

(5) The expected power rates; estimate average electric power rates in a representative group of participating utilities for the period specified in subsection (1) of this section in both actual and 1979 dollars, selected for variety in utility size and extent of participation in WPPSS Nuclear Projects

Nos. 4 and 5; perform this evaluation for each of the cases in subsection (3) of this section and identify the impact of outside power purchases occasioned by the deferrals;

(6) The outside market for WPPSS Nuclear Projects Nos. 4 and 5 power; evaluate the availability of out-of-region markets for any surplus energy; estimate the probable sales rates;

(7) The cost-effectiveness of alternatives to WPPSS Nuclear Projects Nos. 4 and 5; compare with WPPSS Nuclear Projects Nos. 4 and 5 the cost-effectiveness of reliable available alternatives, considering all life-cycle costs, timing of availability and options for disposition of uncompleted plants including consideration of appropriate cancellation and close-out charges and salvage value; and

(8) Analysis of the cost impact of a temporary power supply deficit as compared to a temporary power supply surplus.

NEW SECTION. Sec. 3. The legislature intends that the study described in section 2 of this act shall be managed and conducted by an independent research unit, recognized both for expertise in the evaluation of electric energy supply and demand in the Pacific Northwest, particularly the process of electric generation by nuclear fission, and for objectivity in past research. The joint Washington energy research center of the University of Washington and Washington State University shall conduct this study through its affiliate office of applied energy studies of Washington State University. A study director shall be appointed by Washington State University. The study director shall contract with nationally recognized expert and disinterested consultants as needed for expeditious completion of the study. WPPSS shall cooperate fully in providing necessary information and documents as required by the study director. The legislative budget committee shall monitor the fiscal administration of the study described in section 2 of this act and may require adherence to such fiscal practices as are appropriate to the needs of the state and the intent of this section and section 2 of this act.

NEW SECTION. Sec. 4. The study director shall consult with representatives who may be designated by WPPSS, the Pacific Northwest Utilities Conference Committee, the investor-owned utility which is part-owner of WPPSS Nuclear Project No. 5, and the direct service industries served by the Bonneville power administration during the development of the study analyses. These representatives shall provide liaison, information and other resources, and may arrange support services, as requested by the study director, to assist in the timely completion of the study. The study director shall not be limited, however, in his contact with these organizations to the representatives designated in this section: PROVIDED, That the study director shall give prior notice to the designated representative of any contact with the organization.

NEW SECTION. Sec. 5. The study required by section 2 of this act shall be conducted under the supervision of a steering committee. The steering committee shall be limited to no more than nine individuals, one of whom may be appointed by the WPPSS executive committee, one of whom may be appointed by the publicly-owned utilities participating in the projects, one of whom may be appointed by the investor-owned utility which is part-owner of WPPSS Nuclear Project No. 5, and the rest of whom shall be appointed jointly by the chairmen of the senate and house energy and utilities committees, and all of whom shall be experts in one or more fields related to energy, electric utilities, public works construction, business, or municipal finance.

Members of the committee shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 as now or hereafter amended.

The supervisory functions of the steering committee shall be exercised and are limited as follows:

(1) Approve selection of consultants submitted by the study director by no later than July 10, 1981, or, for any consultant selected after July 10, 1981, within two weeks of the study director's notification of the selection to the steering committee. If the selection is not approved by the appropriate deadline, the legislative subcommittee created under section 6 of this act shall approve the selection;

(2) Receive and review a study plan to be prepared by the study director no later than June 15, 1981;

(3) Meet regularly with the study director, to receive progress reports;

(4) Suggest actions to preserve the study schedule established in the study plan and provide technical advice as appropriate in the development of the study analysis;

(5) Review and comment upon drafts of the study elements, as they are completed; and

(6) Evaluate study conduct and report to the 1982 regular session of the forty-seventh legislature regarding the professional quality of study analyses. The committee may include in its report an explanation of the differences and agreements between the assumptions and findings used and stated in the study report as compared to those assumptions and findings used and stated by the electric utility industry in the Pacific Northwest in planning power supply.

NEW SECTION. Sec. 6. (1) There is created to fulfill the purposes of this act a special legislative subcommittee of eight members to be appointed by the president of the senate and the speaker of the house of representatives from the members of the energy and utilities committees or their successors. The subcommittee shall include from each house:

(a) The chairman of the energy and utilities committee or the chairman's designee, and one other member of the majority caucus; and

(b) Two members of the minority caucus.

(2) The special legislative subcommittee shall:

- (a) Review the progress of the study under section 2 of this act;
- (b) Serve as a clearinghouse for any concerns expressed by the study director or by the steering committee created under section 5 of this act; and
- (c) Advise the study director.

NEW SECTION. Sec. 7. The study required by section 2 of this act is needed as expeditiously as possible and shall be completed by March 15, 1982. The study director shall report periodically upon the concurrent request of the chairmen of the subcommittee created under section 6 of this act regarding study progress and preliminary findings and shall provide a draft report to the legislature by January 31, 1982.

A full report of the findings and recommendations in the study shall be submitted by the office of applied energy studies of the Washington energy research center to the governor, the speaker of the house of representatives, the president of the senate, the chairmen of the energy and utilities committees of the senate and house of representatives, the managing director and the president of the board of directors of the Washington Public Power Supply System, and the governing body of each participant in the projects.

NEW SECTION. Sec. 8. There is hereby appropriated to Washington State University the sum of one million five hundred thousand dollars or so much thereof as is necessary for the 1981-1983 biennium from the state general fund to be used for the sole purpose of paying the costs of conducting the study under section 2 of this act.

NEW SECTION. Sec. 9. The Washington Public Power Supply System shall reimburse the state general fund in the amount of one million five hundred thousand dollars or so much thereof as is paid from the state general fund to Washington State University for the sole purpose of conducting the study which is the subject of section 2 of this act and such reimbursement shall be made to the state general fund upon completion of the study, but in no event later than June 30, 1982. The moneys reimbursed shall be considered part of the costs of construction of WPPSS Nuclear Projects Nos. 4 and 5.

Under no circumstances may any investor-owned utility which is part-owner of WPPSS Nuclear Projects Nos. 4 and 5 be required to pay more than a share of the cost of the study to be determined based on proportionate ownership of the projects.

NEW SECTION. Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 11. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state

government and its existing public institutions, and shall take effect immediately.

Passed the Senate April 28, 1981.

Passed the House April 28, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 5

[Reengrossed Substitute Senate Bill No. 3206]

LIQUOR CONTROL

AN ACT Relating to intoxicating liquor; amending section 3, chapter 62, Laws of 1933 ex. sess. as last amended by section 3, chapter 140, Laws of 1980 and RCW 66.04.010; amending section 71, chapter 62, Laws of 1933 ex. sess. as last amended by section 3, chapter 6, Laws of 1961 ex. sess. and RCW 66.08.024; amending section 68, chapter 62, Laws of 1933 ex. sess. and RCW 66.08.080; amending section 56, chapter 62, Laws of 1933 ex. sess. and RCW 66.08.130; amending section 77, chapter 62, Laws of 1933 ex. sess. as last amended by section 166, chapter 151, Laws of 1979 and RCW 66.08.180; amending section 7, chapter 62, Laws of 1933 ex. sess. as last amended by section 217, chapter 158, Laws of 1979 and RCW 66.16.040; amending section 4, chapter 67, Laws of 1949 as last amended by section 4, chapter 173, Laws of 1975 1st ex. sess. and RCW 66.20.190; amending section 27, chapter 62, Laws of 1933 ex. sess. as last amended by section 33, chapter ... (SHB 101), Laws of 1981 and RCW 66.24.010; amending section 23-U added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 as last amended by section 11, chapter 209, Laws of 1973 1st ex. sess. and RCW 66.24.025; amending section 24-A added to chapter 62, Laws of 1933 ex. sess. by section 3, chapter 158, Laws of 1935 as last amended by section 2, chapter 204, Laws of 1973 1st ex. sess. and RCW 66.24.210; amending section 23-B added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 and RCW 66.24.240; amending section 23-E added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 and RCW 66.24.250; amending section 23-G added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 and RCW 66.24.260; amending section 24, chapter 62, Laws of 1933 ex. sess. as amended by section 30, chapter 173, Laws of 1965 ex. sess. and RCW 66.24.290; amending section 2, chapter 263, Laws of 1957 as amended by section 1, chapter 112, Laws of 1969 ex. sess. and RCW 66.24.410; amending section 23-T added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 as amended by section 6, chapter 5, Laws of 1949 and RCW 66.24.450; amending section 1, chapter 55, Laws of 1967 as last amended by section 5, chapter 9, Laws of 1977 ex. sess. and RCW 66.24.490; amending section 52, chapter 62, Laws of 1933 ex. sess. as amended by section 7, chapter 174, Laws of 1935 and RCW 66.28.090; amending section 34, chapter 62, Laws of 1933 ex. sess. and RCW 66.44.100; amending section 93, chapter 62, Laws of 1933 ex. sess. as amended by section 16, chapter 174, Laws of 1935 and RCW 66.44.180; amending section 3, chapter 49, Laws of 1965 and RCW 66.44.292; amending section 36-A added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 245, Laws of 1943 and RCW 66.44.310; amending section 82.08.150, chapter 15, Laws of 1961 as last amended by section 1, chapter 204, Laws of 1973 1st ex. sess. and RCW 82.08.150; amending section 82.08.160, chapter 15, Laws of 1961 as amended by section 12, chapter 21, Laws of 1969 ex. sess. and RCW 82.08.160; amending section 23-D added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 and RCW 66.24.140; amending section 23-A added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 and RCW 66.24.150; amending section 1, chapter 13, Laws of 1970 ex. sess. and RCW 66.24.160; amending section 23-C added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 as amended by section 1, chapter 172, Laws of 1939 and RCW 66.24.170; amending section 23-K added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 as amended by section 2, chapter 21, Laws of 1969 ex. sess. and RCW 66.24.200; amending section 9, chapter 21, Laws of