

Project No. 2114

## ORDER EXTENDING TIMES FOR COMMENCEMENT AND COMPLETION OF CONSTRUCTION

(Issued June 1, 1956)

Request was filed on May 25, 1956 by Public Utility District No. 2 of Grant County, Washington, licensee for major Project No. 2114, for an extension of the times specified in Article 28 of the license for the commencement and completion of construction of parts of the project works. Among other requests, the licensee asks that the July 1, 1956 date specified for commencing construction be extended to July 1, 1958, the full period permitted under the Federal Power Act.

The licensee advises, among other things, that: it has proceeded diligently since issuance of the license on November 4, 1955 to complete all steps necessary to finance the Priest Rapids part of the project works and commence construction of those works on or before July 1, 1956 as now required by the license; has spent many months in negotiating Power Sales Contracts for power marketing agencies of neighboring States and utilities in the State of Washington, both public and private, desiring to purchase a portion of the generating output; and that the power purchasers and the licensee have finally arrived at an agreement as to the allocation of project capacity and as to the terms of a uniform Power Sales Contract which each of the power purchasers has executed and deposited in escrow with the understanding that no contract is to be released from escrow unless the purchaser is satisfied with the arrangements for financing the construction of the project works constituting the Priest Rapids part of the project.

It is apparent from the licensee's request that the plans for the financing cannot be wholly consummated and the construction contract let in time to commence construction by July 1, 1956. In addition, the licensee advises that in order to give it flexibility in its negotiations with respect to the sale of its bonds, it desires the full two year extension for the commencement although it anticipates that construction will begin in the near future.

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The Commission finds:

Under the circumstances, it will not be incompatible with the public interest to grant extensions as hereinafter provided.

The Commission orders:

Article 28 of the license for Project No. 2114 is modified to read as follows:

Article 28. The licensee shall commence construction of the project works constituting the Priest Rapids development as a part of Project No. 2114 on or before July 1, 1958 and shall thereafter with due diligence prosecute such construction and shall complete the work on said development on or before September 12, 1963; and shall commence the construction of such additional project works at such time or times as the Commission may determine to be in the public interest and shall thereafter with due diligence prosecute such construction and shall complete construction of such additional project works within such period or periods of time as the Commission may hereafter determine to be in the public interest.

By the Commission.

Leon M. Fuquay,  
Secretary.