

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



NRC PUBLIC DOCUMENT ROOM

In the Matter of )

PUGET SOUND POWER & LIGHT )  
COMPANY, et al., )

Docket Nos. 50-522  
50-523

(Skagit Nuclear Power Project )  
Units 1 and 2) )

June 19, 1979

APPLICANT PUGET SOUND POWER & LIGHT COMPANY'S  
RESPONSE TO INTERVENOR SCANP'S INTERROGATORIES AND  
REQUESTS FOR PRODUCTION TO PACIFIC POWER AND LIGHT COMPANY  
DATED MAY 30, 1979

INTERROGATORY NO. 1. With respect to the form 10-K  
filed by you for the year ended December 31, 1978, please  
describe all documents containing the information set forth  
on page 12 pertaining to the minimum capacity of facilities  
for storage of spent fuel at the Skagit site.

ANSWER: See the separately filed answer of Pacific Power  
& Light Company dated June 14, 1979.

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INTERROGATORY NO. 2. Has Puget retained an independent  
financial consultant to furnish assistance or advice in  
connection with financing Puget's construction program? If  
so, give the name, address and job title of each such  
consultant, and describe specifically all notes, correspon-  
dence, memoranda, studies, reports, or other documents which

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have been prepared by such consultant, or which have passed between Puget and such consultant. Also state whether Puget has asked such consultant to examine Puget's financial condition, and to express an opinion as to whether or not Puget can finance its construction program, in view of all pertinent factors? Also describe all documents which embody such an opinion.

ANSWER: No.

INTERROGATORY NO. 3. Do Puget or its consultants possess any information, not set forth or referred to in the PSAR, relating to actual or potential environmental affects of the Skaqit project, including specifically the following subjects:

- a) Aquatic impacts
- b) Meteorology
- c) Geology
- d) Evacuation plan
- e) Possibilities of and consequences of accidents during operation.

If so, please describe such information, give the title and date of all documents reflecting such information, and the name and address and job title of all persons with knowledge of such information.

ANSWER: No, except for the information previously furnished or presented in this proceeding or the state proceedings relating to the Skagit Project.

INTERROGATORY NO. 4. Has Puget Power now or at any time in the past employed or authorized any person to engage in any of the following activities?

a) Investigation of activities, funding, or background of the individual or organizational intervenors in this proceeding.

b) Clandestine observation of the activities of the intervenors in this proceeding.

c) Payment of funds to former representative Robert Perry in connection with his services to assist in dealing with environmental groups, or any other purpose?

If so, please give full particulars, and identify all documents which reflect or resulted from such activities.

ANSWER: No.

INTERROGATORY NO. 5. With respect to your form 10-K for the year ending December 31, 1978, please state:

a) What are the "uncertainties in predicting the rate of load growth" referred to on Page 2? Please quantify such

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uncertainties, if possible, and describe all documents which describe or quantify such uncertainties.

b) With respect to what period of time does the following statement, which appears on Page 2, apply?

"The Company has sufficient firm resources to be able to meet its firm load under minimum expected water conditions."

c) How much firm power did the company sell to other utilities during each of the last five years, and how much does it anticipate selling during each of the coming five years?

d) How much non-firm power has the company sold to other utilities during each of the preceding five years, and how much does it anticipate selling to other utilities during each of the coming five years?

e) Which are the "higher-cost thermal generating plants" referred to at the top of Page 3?

f) As to what period of time is the following statement valid and applicable:

"If average water conditions prevail for a given year, the Company would annually have approximately two billion KWH of non-firm power available to displace its own thermal generation and to sell to other utilities."

g) Please account for the difference in estimated construction cost in dollars per KW reflected in the table on page 7 of your 10-K, and that value for the Skagit units set forth in the 10-K forms of Pacific Power and Light and Portland General Electric.

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h) As to the \$88 million which you report spending to date on the Skaqit project, please break down such expenditures by category and year. Please do the same for the Pebble Springs project.

i) Please explain in detail the amount and nature of the "substantial additional costs, including cancellation charges" that the company would incur if the 1) Skaqit, and 2) Pebble Springs plants were cancelled effective June 1, 1979.

j) Please identify all documents which reflect the "joint ownership arrangements for the Pebble Springs and Skaqit projects" referred to at Note (e) on page 7.

k) Please identify the "ownership agreement" referred to on page 9.

l) In view of the discussion on pages 10 and 11, please state whether you have held any discussions with the Bonneville Power Administration, concerning the possibility of the purchase by the Bonneville Power Administration, under regional power legislation, of the output of the Skaqit Plants? If you have held such discussions, please state when, where and with whom such discussions were held, and identify all documents which reflect the fact of, or content of, such discussions.

m) Please explain in detail the proposed source of the funds to be spent for the Company's construction program for the years 1979 through 1989, showing, in

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view of your best available information and estimates, the source of such funds as between, among other sources, the following: cash on hand, bank lines of credit, commercial paper, corporate notes sold to the public, sale of preferred stock, sale of common stock, and sale of mortgage bonds. Also set forth the schedule of anticipated "rate relief", showing projected dates, and dollar amounts, through 1989, which you believe are required "to maintain necessary earnings coverages".

n) When does the company project that it may be in a position to issue additional shares of preferred stock?

o) What are the "possible additional sources of uranium concentrate for the Skaqit and Pebble Springs Project" which are being investigated at present? Also describe all documents which reflect the fact of or results of such investigations.

p) Please state the range of the "substantially higher prices" which are referred to on Page 13.

q) Please state the basis upon which the company is proceeding with planning for retention of spent fuel on site in connection with the Skaqit project, including the number of years of spent fuel which the site is being planned to accommodate, and the quantity of such material which the site is being planned to accommodate.

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r, Please describe all correspondence, memoranda, studies, reports, or other documents, not previously identified in responses to discovery, which pertain to the dispute between Puget and General Electric Company over renegotiating the terms of the uranium supply contract for the Skagit plants, and the dispute between Puget and the General Electric Company pertaining to the cost of the nuclear steam supply system for the Skagit plants.

s) Please list the 17 banks referred to on page 38, Note 7. Also describe all documents which reflect the fact of or terms of the "domestic credit line" referred to at that page. State when such credit line will or might terminate.

ANSWER:

a) The demographic, economic, social and governmental factors that were identified during the need for power hearing in this proceeding. They are described and variously quantified (to the extent possible) in the need for power record.

b) The operating year 1979-80.

c) Last five years: during the operating year 1976-77, 25,366 megawatt hours to the City of Pasadena and 522,155 megawatt hours to Utah Power and Light Company. Coming five years: none.

d) The amounts sold during the last five years (together with the amounts in answer (c) above), are set forth on page 40 ("other utilities") of the Company's annual report for 1978. For

the coming five years, no specific amounts can be anticipated because the amounts, if any, that can be sold are dependent upon a number of variable factors including the weather, water conditions, system loads, and the availability of resources.

e). Our oil-fired generation: Shuffleton, Crystal Mountain, Whidbey Island and Whitehorn.

f) The current operating year, except that the statement would no longer be valid because the Company's energy load is exceeding forecast.

g) With respect to PGE, see PGE's answer of June 18, 1979 to SCANP's Interrogatory No. 9 of May 30, 1979. As to Pacific Power, we don't know specifically but obviously differences in AFDC rates and the other factors noted by PGE could account for it.

h) Actual costs through 12/31/78 (SKAGIT-Puget Share)

Engineering	27
Turbine Generator	8
NSSS	26
Purchase Orders/Contracts	5
Owners Costs	11
AFDC	<u>11</u>
TOTAL	88M

Actual costs through 12/31/78 (PEBBLE SPRINGS-Puget Share)

Engineering	11
Turbine Generator	9
NSSS	14
Purchase Orders/Contracts	2
Owners Costs	6
AFDC	<u>7</u>
TOTAL	49M

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i) The most recent available information for Skagit is as of 5/1/79:

	<u>PUGET SHARE</u>
Expended (excl. fuel, AFDC)	83M
*Additional costs due to cancellation	<u>20M</u>
TOTAL	103M

\*NSSS (5.6M), TG (8.8M), P.O. and contracts (3.2M) and Bechtel/Owners (2.4M)

PGE indicated that as of 4/30/79 the total cancellation cost for Pebble Springs would be \$194M (\$174M expended, 20M cancellation). Puget's share of this would total approximately \$46M.

j) The agreement of January 23, 1976 previously received in evidence.

k) The definitive ownership agreement, which is being negotiated.

l) Applicants object to this interrogatory on the ground that the information sought falls outside of the permissible scope of discovery under 10 CFR 2.740(b) in that it does not relate to any matter in controversy in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. As is apparent from Applicants' Testimony on Financial Qualification, filed June 1, 1979, Applicants do not rely on the regional power legislation nor the possibility of the purchase by the BPA of the output of the Skagit units in support of their ability to finance the Skagit Project.

m) This information is set forth in Table 2 (Puget) attached to Applicants' Testimony on Financial Qualifications,

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filed herein on June 1, 1979. Following are the anticipated rate increases reflected in Table 2:

<u>Month &amp; Year</u>	<u>%</u>	<u>Month &amp; Year</u>	<u>%</u>
Jul 79	0.8%	May 85	19.0%
Apr 80	18.5%	Jan 87	12.5%
Nov 81	16.0%	Jan 88	5.0%
Jan 83	21.0%	Jan 89	14.0%
Jan 84	20.0%		

These percentages are based on an inflation rate of 7% per year. Due to the manner in which these increases are generated, dollar amounts attributable to them in a traditional sense are not available.

n) Our current plans call for an issue in 1980 and each year thereafter, as indicated on Table 2 (Puget).

o) The Company is currently keeping abreast of opportunities to purchase uranium concentrate by means of a monthly publication entitled "NUEXCO Monthly Report to the Nuclear Industry". Issue #130, May 31, 1979, includes the latest information available.

p) The price of uranium concentrate has ranged from \$40 to \$45 per pound during the period from mid-1976 to date, according to the NUEXCO report.

q) Applicants object to this interrogatory on the ground that the information sought falls outside the permissible scope of discovery under 10 CFR 2.740(b) in that it does not relate to any matter in controversy in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence.

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r) General Electric hardouts attached to Jacobsen memo dated June 11, 1979.

s) List of banks participating in Puget Sound Power & Light Company domestic credit line:

Seattle First National Bank  
Rainier National Bank  
The Bank of California N.A.  
Seattle Trust & Savings Bank  
Old National Bank of Washington  
Harris Trust and Savings Bank  
Manufacturers Hanover Trust Co.  
Chemical Bank  
First National City Bank

Pacific National Bank of Washington  
Peoples National Bank of Washington  
Canadian Imperial Bank of Commerce  
Puget Sound National Bank  
Continental Illinois National Bank  
and Trust Company of Chicago  
Marine Midland Bank  
Irving Trust Company  
Bank of America, N. T. & S. A.

To indicate participation in the credit line, the Company has letters from each of the 17 banks. The credit line expired on May 31, 1979 and was replaced by an additional one-year line for \$100 million with interest on borrowings at 104% of the prime rate and an availability fee of 4% of the prime rate times the credit line. The informally understood compensating balance requirements have been reduced to 2-1/2% of the total line of credit based on monthly bank statement balances.

REQUEST FOR PRODUCTION NO. 1. Please produce for inspection and copying all documents and other items identified in your answers to the foregoing interrogatories.

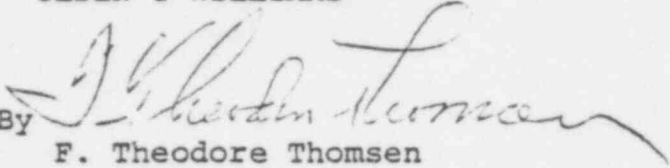
RESPONSE: The requested materials are available for inspection in the offices of attorneys for Applicants.

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DATED: June 19, 1979

Respectfully submitted,

PERKINS, COIE, STONE,  
OLSEN & WILLIAMS

By   
F. Theodore Thomsen

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STATE OF WASHINGTON) )  
COUNTY OF KING ) ss.

JAMES E. MECCA, being duly sworn, on oath deposes and says: That he is Manager - Nuclear Licensing and Safety of PUGET SOUND POWER & LIGHT COMPANY: that he has read the foregoing Puget Sound Power & Light Company's Response to Intervenor SCANP's Interrogatories and Requests for Production to Pacific Power and (sic) Light Company dated May 30, 1979, and is informed and believes that the answers stated therein are true.

James E. Mecca  
James E. Mecca

SUBSCRIBED AND SWORN to before me this 19<sup>th</sup> day of June, 1979.

Angus S. Little  
Notary Public in and for the State  
of Washington, residing at Seattle

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