UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
PUGET SOUND POWER & LIGHT	)	Docket Nos. 50-522
COMPANY, et al.	)	50-523
	)	
(Skagit Nuclear Power Project,	)	June 1, 1979
Units 1 and 2)	)	

APPLICANTS' TESTIMONY ON FINANCIAL QUALIFICATIONS

This testimony has been prepared jointly by the following, whose statements of qualifications are attached:

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Puget Sound Power & Light Company

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Also attached are the following tables:

55

Table No.	Subject
1.	Project cost estimate.
2.	Sources of funds with underlying assumptions.
3.	New construction.
4.	Historical financial capability and financial statistics.

BACKGROUND

The Skagit Nuclear Power Project, Units 1 and 2, will consist of two nuclear-fueled electrical generating units, each with a net electrical output of approximately 1,288 megawatts. The facility will be operated by Puget Sound Power & Light Company (Puget), the sponsor of the facility, and it will be jointly owned by Puget and three other investor-owned utilities, Portland General Electric Company (PGE), Pacific Power & Light Company (Pacific), and The Washington Water Power Company (WWP). Their ownership shares will be as follows:

Puget	40%
PGE	30%
Pacific	20%
WWP	10%

Unit 1 is currently scheduled to commence commercial operation in the fall of 1986 and Unit 2 in the fall of 1988. This schedule assumes issuance of the LWA or construction permits by September 1979.

401 153

The most recent cost estimate for the facility and related fuel cycle costs (the first cores) is set forth in Table 1 attached, which also includes a schedule reconciling this estimate with the estimate set forth in Section 20.2 of the SER (Supp. No. 1).

Puget, PGE, Pacific and WWP (the Applicants) are regulated public utilities engaged in the production and sale of an essential commodity, electric energy. They have the obligation to provide prudently for the existing and anticipated electric loads in their service territories; at the same time, they must rely upon the state and federal regulatory agencies for approval of rate levels necessary to satisfy the financial requirements of this service obligation.

The principles underlying this regulatory system are well established and include the rule that "[a] public utility is entitled to such rates as will permit it to earn a return . . . . reasonably sufficient to assure confidence in the financial soundness of the utility, and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties." Bluefield Water Works & Improvement Co. v. Public Service Commission of W. Va., 262 U.S. 679, 692-93 (1923); see also, FPC v. Hope Natural Gas, 320 U.S. 591 (1944).

The operation of this regulatory system to provide to Applicants the rate relief needed to allow financing of necessary generation, transmission and distribution facilities has been demonstrated; Applicants have successfully operated and performed their responsibilities within this regulatory environment for decades. The more detailed individual company reviews of rate relief and financing in recent years (below) demonstrate that each company has successfully undertaken major financings and has received rate relief critical to such financings. In the process, each company has (1) successfully met normal restrictions on external financing, which are generally applicable to all and which are standard in the industry, and (2) maintained required capitalization ratios. These restrictions and requirements include tests, imposed by investors, which must be met before the company may issue debt and preferred stock securities. Because these tests provide margins of earnings coverage in excess of interest or dividend requirements, investors are protected and historically have been more receptive to the securities of Applicants than they would have been otherwise. These coverage tests have existed in general form for decades and are the accepted norm in the utility industry.

Whenever Applicants have anticipated that their ability to issue future series of debt or preferred securities would be limited because of these investor-imposed restrictions, they

401 155

have requested, and have been granted, revenues sufficient to meet or exceed all financing tests. Similarly, they anticipate a continuing ability to obtain rate relief adequate to enable the financing of new projects while continuing to meet, without violating, any applicable financial restrictions. Further, while short-term borrowing arrangements have reasonably short lives, Applicants have historically been successful in renewing, expanding and supplementing them as required.

With specific regard to future financial ability to obtain required construction funds, Applicants have prepared a forecast of sources of funds for planned and estimated construction requirements covering the 1979-1990 period (Tables 2 and 3 attached). These forecasts must be regarded as point estimates of probable financial scenarios. They are not demonstrations of what the future will be but, more properly, a view of what the companies might reasonably expect. These projections portray the financing of construction expenditures -- including those for the Skagit facility -- as a reasonable undertaking within the companies' financial parameters and constraints. Under forecast assumptions, all required financial tests will be met, as is shown in the individual company discussions which follow.

401 156

PUGET SOUND POWER & LIGHT COMPANY

Table 4 attached summarizes the historical ability of Puget to fund construction requirements of significance during the most recent 6 years. During this period, Puget financed approximately $606 million of electric plant construction requirements and during the same period accomplished approximately $432 million of external long-term financing. Puget also was allowed over $51 million in increased annual electric revenues during this 6-year period, based upon certain annual test periods. During this period, Puget increased its year-end average equity-capitalization ratio to about 49 percent.

More detailed financial statistics for the past 3 years are also given in Table 4.

As to the issuance of first mortgage bonds, the earnings coverage provisions of the mortgage covering Puget's bonds require that for the issuance of additional bonds, earnings before income taxes must equal at least two times pro forma annual interest charges on all outstanding bonds, including the bonds in the prospective bond issue. Also, Puget's mortgage indenture provides that bonds issued thereunder may only be authorized to the extent of 60 percent of the value of property additions provided as security. Inasmuch as Puget's target long-term debt ratio of capitalization is about 49 percent, this fundable property restriction is not unduly restrictive.

Puget's Restated Articles of Incorporation, as amended, provide that before the Company can issue additional preferred stock, gross income available for the payment of interest must at least equal one-and-one-half times the sum of (1) the annual interest charges on all debt, and (2) the annual dividend requirements on all outstanding and to-be-issued shares of preferred stock.

The Restated Articles of Incorporation further require that Puget cannot issue or assume any unsecured indebtedness with a term of over one year if the total of such unsecured indebtedness exceeds 15 percent of (1) the total principal amount of secured indebtedness outstanding, and (2) the capital and surplus of Puget.

In addition, as an alternative to issuing more debt or preferred stock, Puget can sell new common stock. Since January 1, 1973, Puget has sold over $130 million of common stock, with an increase in outstanding shares from 8,750,688 at the end of 1972 to 18,709,105 at the end of 1978. (The 1972 number of 8,750,688 was adjusted from 4,375,344 to account for a stock split of two for one, June 1977.)

As a final alternative, if Puget, because of temporarily declining earnings or adverse market conditions, chooses not to issue any of the above permanent securities, Puget has short-term borrowing arrangements which can provide up to $101

million in domestic lines of credit and $50 million under Euro-dollar banking facilities. These lines can be used as backup for commercial paper issuance.

Puget's recent 1979-1990 financial forecast (Table 2) projects increases in electric rates over the 12-year period; these rate increases provide the foundation for financing of future construction requirements with a target capitalization of about 49 percent long-term debt and 51 percent equity.

The projection indicates construction expenditures totaling over $6.8 billion for the period 1979-1990 (including $1.1 billion of Puget's share of Skagit Units 1 and 2), ranging between $180 million and $943 million annually, can be financed employing approximately $5.9 billion of externally supplied capital.

Under Puget's forecast assumptions, all required financial tests would be met as is illustrated in the following table:

	1979-90 Projected Range	Requirement
Mortgage Indenture:		
Interest Coverage	2.1 - 2.9X	2.0X or more
Long-Term Debt Capitalization	49.2% - 50.2%	60% or less
Articles of Incorporation:		
Preferred Dividend Coverage	3.7 - 5.7	2.5X or more
Preferred Capital Coverage	2.8 - 2.9	1.0X or more
Interest and Preferred Dividend Coverage	1.5 - 1.8	1.5X or more
Unsecured Long-Term Debt	Less than 1% - 4.1%	15% or less

PORTLAND GENERAL ELECTRIC COMPANY

Table 4 attached summarizes the historical ability of PGE to fund significant construction requirements during the past 6 years. During this period, PGE financed $1086 million of electric plant construction requirements and during the same period accomplished $1034 million of external long-term financing. PGE also was allowed over $180 million in increased annual electric revenues during this 6-year period. During this period, PGE maintained an average equity-capitalization ratio of nearly 47 percent.

401 160

More detailed financial statistics for the past 3 years are also given in Table 4.

As to the issuance of first mortgage bonds, the earnings coverage provisions of the mortgage covering PGE's bonds require that for the issuance of additional bonds, earnings before income taxes must equal at least two times pro forma annual interest charges on all outstanding bonds, including the bonds in the prospective bond issue. Also, PGE's mortgage indenture provides that bonds issued thereunder may only be authorized to the extent of 60 percent of the value of property additions provided as security. Inasmuch as PGE's target long-term debt ratio of capitalization is 50 percent, this fundable property restriction is not unduly restrictive.

PGE's Articles of Incorporation, as amended, provide that before the Company can issue additional preferred stock, gross income available for the payment of interest must at least equal one-and-one-half times the sum of the annual interest charges and the annual dividend requirements on all outstanding and to-be-issued shares of preferred stock.

In addition, as an alternative to issuing more debt or preferred stock, PGE can sell new common stock. Since January 1, 1973, PGE has sold over $274 million of common stock with an increase from 10,500,000 shares outstanding in 1972 to 25,995,935 shares outstanding as of 1978.

Despite this increase of 148 percent in outstanding shares, PGE has been able to market new shares of common stock at a price near or in excess of book value.

As a final alternative, PGE has short-term borrowing arrangements which can provide up to $150 million in short-term capital and has a construction financing agreement which can provide up to $125 million for the financing of the Boardman Coal Plant.

PGE's 1979-1990 financial forecast (Table 2) projects an increase in electric rates over the 12-year period; these rate increases provide the foundation for financing of future construction requirements with a target capitalization of 50 percent long-term debt and 50 percent equity.

The projection indicates construction expenditures totaling over $4 billion (including $878 million of PGE's share of Skagit Units 1 and 2), and ranging between $214 million and $532 million annually, can be financed by employing approximately $2.5 billion of externally supplied capital. Under PGE's forecast assumptions, all required financial tests will be met, as is illustrated in the following table:

	1979-1990 Projected Range	Requirement
Mortgage Indenture:		
Interest Coverage	2.2 - 4.1X	2.0X or more
Long-Term Debt Capitalization	48.1% - 57.1%	60% or less
Articles of Incorporation:		
Interest and Preferred Dividend Coverage	1.3 - 2.2X*	1.5X or more

*PGE does not plan to issue preferred stock in 1979 because interest and preferred dividend coverage for that period is forecast for 1.2 - 1.4. After 1979, the preferred coverage is forecast above the required 1.5.

PACIFIC POWER & LIGHT COMPANY

Table 4 attached summarizes the historical ability of Pacific to fund construction requirements of significance during the most recent 6 years. During this period, Pacific financed nearly $1.3 billion of electric plant construction requirements and during the same period accomplished over $1.0 billion of external long-term financing. Pacific also was allowed $133 million in increased annual electric revenues during this 6-year period. During this period, Pacific maintained an equity-capitalization ratio of over 42 percent or greater.

More detailed financial statistics for the past 3 years are also given in Table 4.

401 163

As to the issuance for first mortgage bonds, the earnings coverage provisions of the mortgage covering Pacific's bonds require that for the issuance of additional bonds, available earnings before income taxes must equal at least two times pro forma annual interest charges on such outstanding and to-be-issued bonds. Also, Pacific's mortgage indenture provides that bonds issued thereunder may only be authorized to the extent of 60 percent of the value of property additions provided as security. Inasmuch as Pacific's target long-term debt ratio of capitalization is 54 percent, this fundable property restriction is not unduly restrictive.

Pacific's Restated Articles of Incorporation, as amended, provide that before the Company can issue additional preferred stock, gross income available for the payment of interest must at least equal one-and-one-half times the sum of the annual interest charges and the annual dividend requirements on all outstanding and to-be-issued shares of preferred stock. Also, before additional shares of preferred stock can be issued, net income available for the payment of dividends must be at least equal to twice the annual dividend requirements of all outstanding and to-be-issued shares of preferred stock.

The Restated Articles of Incorporation further state that Pacific's total unsecured indebtedness cannot exceed 30 percent of (1) the total principal amount of secured indebtedness outstanding, and (2) the capital and surplus of Pacific.

401 164

In addition, as an alternative to issuing more debt or preferred stock, Pacific can sell new common stock. Since January 1, 1973, Pacific has sold over $363 million of common stock, with an increase in outstanding shares from 18,918,781 at the end of 1972 to 37,407,993 at the end of 1978.

Despite this increase in excess of 97 percent in outstanding shares, Pacific usually has been able to market new shares of common at a price near or in excess of book value.

As a final alternative, if Pacific, because of temporarily declining earnings or adverse market conditions, chooses not to issue any of the above permanent securities, Pacific has short-term borrowing arrangements which can provide up to $229 million in short-term capital.

These short-term facilities are also diverse, with Pacific having the capacity to borrow $75 million under a European banking facility.

Pacific's 1979-1989 financial forecast (Table 2) projects an increase in electric rates over the 11-year period; these rate increases provide the foundation for financing of future construction requirements with a target capitalization of 54 percent long-term debt and 46 percent equity.

The projection indicates construction expenditures (excluding AFDC) totaling over $6.9 billion (including $586 million for Pacific's share of Skagit Units 1 and 2), and ranging between $269 million and $1,193 million annually, can be

401 165

financed employing approximately $7.4 billion of externally supplied capital.

Under Pacific's forecast assumptions, all required financial tests would be met as is illustrated in the following table:

	1979-89 Projected Range	Requirement
Mortgage Indenture:		
Interest Coverage	2.1 - 2.5X	2.0X or more
Long-Term Debt Capitalization	53.0% - 56.8%	60% or less
Articles of Incorporation:		
Preferred Dividend Coverage	5.7 - 7.2X	2.0X or more
Interest and Preferred Dividend Coverage	1.7 - 1.9X	1.5X or more
Unsecured Debt as a Percent of Capitalization	Less than 5%	30% or less

THE WASHINGTON WATER POWER COMPANY

Table 4, page 4, summarizes the historical ability of Water Power to fund its electric construction expenditures for the past six years, 1973-1978, inclusive. During this period, Water Power financed $218 million of such expenditures and accomplished $153 million of long-term external financing. Water Power was allowed $20 million of additional annual electric revenues by its various regulatory commissions during the period. Water Power increased its total equity capitalization

ratio from 34 percent in 1974 to 45 percent in 1978 in recognition of increased business risk as Water Power moved from being a 100 percent hydro-resource electric utility in 1975 to a utility with increasing amounts of thermal generation.

Additional financial statistics for the past three years are shown on Table 4, Item 2h.

As to the issuance of Water Power First Mortgage Bonds, interest coverage provisions of its mortgage require that defined annual earnings before income taxes must equal at least two times pro forma mortgage bond annual interest requirements for its outstanding and to-be-issued mortgage bonds. Water Power's mortgage also requires that bonds issued thereunder are limited to 60 percent of bondable property (cost or fair value, whichever is less) as security for the bonds. Inasmuch as Water Power's debt capitalization ratio target is 50 percent, this bondable property requirement is not unduly restrictive.

Water Power's Restated Articles of Incorporation, as amended, provide that before the Company can issue additional Preferred Stock without a vote by holders of all outstanding preferred shares, net income available for the payment of dividends for a period of 12 consecutive months within the past 15 months immediately preceding a new preferred issue must be at least equal to 1-1/2 times the preferred dividend requirement, including the new issue.

In addition, as an alternative to issuing additional debt or Preferred Stock, Water Power may sell new Common Stock. Since January 1, 1973, Water Power has sold over $53 million of Common Stock with outstanding shares increasing from 6.5 million shares at the end of 1972 to 9.0 million shares at the end of 1978.

Despite this significant increase of 38 percent in outstanding shares in six years, Water Power was able to successfully market new common through public sales. There were four such sales of common during this period at per share prices to the public of approximately book value at the time of issue.

Water Power has $110 million principal amount of revolving bank credit lines consisting of a $50 million six-year line that matures on December 31, 1984 and a $60 million line that matures on February 1, 1980. These bank arrangments are usually available to meet construction expenditures until the borrowings reach an amount that justifies a public sale of long-term securities to repay such borrowings. However, such arrangements also provide financial flexibility during times of adverse money markets or through any significant decline in corporate earnings.

Water Power's 1979-1988 financial forecast (Table 2) projects an increase in electric rates over the 10-year period; these assumed rate increases would provide adequate earnings to

4/01 168

maintain a financially viable company during this major construction period. During this forecast period, Water Power believes its target capitalization of 50 percent long-term debt and 50 per cent equity is a financially prudent goal.

The forecast for the 10-year period indicates construction expenditures (excluding AFDC) aggregating $1.8 billion, including $280 million for Water Power's share of Skagit Units 1 and 2. Annual construction expenditures are expected to range from $65 million to $300 million. Of the $1.8 billion construction program, external financing requirements are estimated at $1.6 billion with the balance from internally-generated cash.

Under Water Power's forecast assumptions, all required financial tests would be met as shown in the following table:

	1979-88 Projected Range	Requirement
Mortgage Test: Interest Coverage (pretax)	2.9 - 3.6X (1)	2.0X mortgage bond interest
Debenture Test: Interest Coverage (pretax)	2.3 - 3.0X (2)	2.0X all interest
Long-Term Debt Capitalization	[illegible]9% - 54%	Cannot exceed 70%
Articles of Incorporation: Preferred Dividend Coverage	[illegible]9 - 3.2X (3)	1.5X preferred dividend
Interest and Preferred Dividend Coverage	2.0 - 2.1X (4)	None
Unsecured Debt as a Percent of Capitalization	2.9 - 8.0%	None

401 169

(1) This calculation is expected to produce a slightly greater coverage than shown by the NRC formula as calculated on Table 4, Item 2h.

(2) This calculation for total interest is slightly different than the NRC formula shown on Table 4, Item 2h.

(3) Water Power presently plans to issue $30 million of Preferred Stock sometime in the latter half of 1979 and the range shown so reflects this expectation.

(4) Water Power has no minimum requirement for coverage of combined interest and preferred dividends (fixed charges).

CONCLUSION

It is our opinion that Applicants do have reasonable assurance of obtaining the funds necessary to cover the estimated construction costs and related fuel cycle costs of the proposed Skagit Nuclear Power Project, Units 1 and 2.

SKAGIT UNITS 1 & 2
PROJECT COST ESTIMATE

	MILLIONS $
PLANT	2092.2
TRANSMISSION	19.3
FUEL	155.3
ESCALATION	819.8
TOTAL	3086.6

NOTES:

1. LWA September, 1979
2. Commercial Operation September, 1986 and September, 1988
3. Base estimate in January, 1979 dollars
4. Escalation at 7% compounded through completion
5. Excludes AFDC

TABLE 1-2
6-1-79

SER SUMMARY RECONCILIATION

THE CURRENT (6-1-79) PROJECT COST ESTIMATE UPDATE REFLECTS AN INCREASE OF $514 MILLION FROM THE PREVIOUS ESTIMATE UPDATE SUBMITTED TO THE NRC STAFF ON MAY 4, 1978 (PLN-186) WHICH IS SET FORTH IN SECTION 20.2 OF THE SER (SUPP. NO. 1)

THE INCREASE IS DISTRIBUTED AS FOLLOWS:

($ MILLIONS)

	SER SUPP. NO. 1	CURRENT ESTIMATE	CHANGE
PLANT	1831.2	2092.2	261.0
TRANSMISSION	21.7	19.3	(2.4)
FUEL	108.4	155.3	46.9
ESCALATION	611.3	819.8	208.5
TOTAL	2572.6	3086.6	514.0

	COMM. OPER.	COMM. OPER.	
SCHEDULE	3/85 & 3/87	9/86 & 9/88	18 MOS.
DOLLAR BASE	JAN. '78 $	JAN. '79 $	12 MOS.

DETAILED RECONCILIATION

		MILLIONS	
I.	PLANT COSTS		
	A. RESTATE BASE ESTIMATE IN JAN. 1979 DOLLARS	112.2	
	B. ADDITIONAL COSTS FOR 18 MONTH SCHEDULE DELAY	55.3	
	C. ADDITIONAL SCOPE	16.6	
	D. ADDITIONAL CONTINGENCY	53.2	
	E. INCREASE IN PROPERTY TAX	23.7	
	TOTAL CHANGE		261.0
II.	TRANSMISSION		
	A. RESTATE BASE ESTIMATE IN JAN. 1979 DOLLARS	1.5	
	B. RE-EVALUATION OF SCOPE	(3.9)	
	TOTAL CHANGE		(2.4)
III.	FUEL-FIRST CORE		
	A. RESTATE BASE ESTIMATE IN JAN. 1979 DOLLARS	7.0	
	B. RE-EVALUATION OF FUEL ENRICHMENT COST CRITERIA	39.9	
	TOTAL CHANGE		46.9
IV.	ESCALATION		
	A. ESCALATION ON BASE COSTS FOR ADDITIONAL 6 MONTHS	101.2	
	B. ESCALATION ON NEW SCOPE	107.3	
	TOTAL CHANGE		208.5
	TOTAL PROJECT INCREASE		$514.0M

401 173

TABLE 2-1
PUGET
6/1/79

ATTACHMENT FOR ITEM NO. 2.a.

Applicant: Puget Sound Power & Light Company Nuclear Plant: Skagit Units 1 & 2

PRO FORMA SOURCES OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES AND CAPITAL STRUCTURE
DURING PERIOD OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANT
(Millions of Dollars)

	Construction Years of Subject Nuclear Power Plant											
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
EXTERNAL FINANCING												
Common Stock	$ 51.9	$ 74.4	$103.3	$147.7	$160.4	$173.9	$161.9	$148.1	$127.8	$104.7	$ 82.6	$137.3
Preferred Stock	50.0	37.5	51.0	68.0	78.5	37.0	93.0	86.5	80.5	80.0	80.5	99.0
Long Term Debt	50.0	45.0	90.0	155.0	250.0	320.0	380.0	315.0	300.0	325.0	255.0	360.0
Notes payable (short term)	(13.0)	46.8	17.0	20.5	35.6	31.1	25.1	39.5	18.6	30.5	22.7	34.7
Contributions from Parent-Net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Construction Trust	33.7	41.3	63.2	59.0	31.8	23.0	-0-	-0-	-0-	-0-	-0-	-0-
Other Funds (Pollution Control)	-0-	11.4	18.2	20.0	13.4	4.5	-0-	-0-	-0-	-0-	-0-	-0-
Total External Funds	$172.6	$256.4	$343.2	$420.2	$569.2	$639.5	$660.0	$569.1	$526.9	$540.2	$480.8	$631.0
INTERNALLY GENERATED CASH												
Net Income (Adjusted)	$ 35.8	$ 61.3	$ 82.4	$121.2	$152.4	$157.9	$212.6	$261.1	$300.3	$352.9	$420.1	$476.0
Less:												
Preferred dividends	(12.5)	(13.0)	(16.4)	(21.0)	(27.2)	(34.2)	(42.1)	(50.3)	(57.9)	(64.8)	(71.8)	(78.9)
Common Dividends	(31.1)	(38.1)	(45.6)	(59.9)	(76.2)	(95.0)	(114.8)	(135.2)	(155.1)	(172.7)	(190.1)	(210.2)
Retained Earnings	$ (7.8)	$ 10.2	$ 20.4	$ 40.3	$ 49.0	$ 28.7	$ 55.7	$ 75.1	$ 87.3	$115.4	$158.2	$186.9
Deferred taxes	4.3	2.9	3.9	6.3	7.3	9.1	9.0	18.4	26.9	35.7	40.8	42.8
Invest. tax cred.-deferred	.9	6.5	6.3	5.7	15.6	23.1	33.8	18.4	46.8	45.5	79.4	50.9
Depreciation and amort.	29.6	34.6	39.3	44.7	54.0	66.7	78.4	95.0	133.4	154.2	191.2	208.3
Change in working capital	.6	(.1)	-0-	-0-	.8	-0-	-0-	-0-	.8	-0-	-0-	-0-
Less: AFDC	(18.8)	(28.8)	(46.0)	(71.4)	(95.4)	(116.7)	(147.3)	(169.0)	(142.8)	(154.1)	(131.4)	(162.4)
Total Internal Funds	[illegible]	[illegible]	23.0	25.6	31.1	[illegible]	[illegible]	37.0	152.4	196.7	338.2	326.5
TOTAL FUNDS	$181.4	$281.7	$367.1	$495.8	$601.0	$650.4	$689.6	$627.0	$679.1	$736.9	$819.0	$957.5
CONSTRUCTION EXPENDITURES *												
Nuclear power plants**	$ 49.3	$100.9	$139.8	$238.8	$327.7	$404.0	$396.4	$369.7	$368.0	$362.2	$394.5	$478.3
Other	130.8	178.8	224.8	254.0	234.1	214.9	253.0	246.9	298.7	331.9	410.7	465.1
Total const. exp's.	$180.1	$279.7	$364.6	$492.8	$561.8	$618.9	$649.4	$616.6	$666.7	$694.1	$805.2	$943.4
Subject nuclear plant	$ 31.6	$ 71.5	$ 85.0	$150.8	$191.5	$203.8	$176.4	$106.7	$ 69.7	$ 72.1	$ -0-	$ -0-
OTHER CAPITAL REQUIREMENTS												
Redemption of Maturing Bonds	-0-	-0-	-0-	-0-	$ 35.7	$ 25.0	$ 30.0	-0-	-0-	$ 30.0	-0-	-0-
Acquisition of Bonds for Sinking Funds	$ .6	$ 1.3	$ 1.8	$ 2.3	$ 2.8	$ 5.8	$ 9.5	$ 9.7	$ 9.9	$ 10.1	$ 11.1	$ 11.4
Miscellaneous Requirements Preferred Sinking Funds	.7	.7	.7	.7	.7	.7	.7	.7	2.7	2.7	2.7	2.7
TOTAL CAPITAL REQUIREMENTS	$181.4	$281.7	$367.1	$495.8	$601.0	$650.4	$689.6	$627.0	$679.1	$736.9	$819.0	$957.5
CAPITAL STRUCTURE ($ & %)												
Long-term debt	$ 558 50%	$ 663 50%	$ 840 49%	$1,086 49%	$1,362 49%	$1,676 49%	$2,016 49%	$2,322 49%	$2,612 49%	$2,897 49%	$3,181 49%	$3,529 49%
Preferred stock	144 13%	180 13%	230 14%	297 14%	374 14%	460 14%	552 14%	637 14%	714 14%	792 14%	869 14%	965 14%
Common Equity	408 37%	501 37%	632 37%	817 37%	1,032 37%	1,269 37%	1,521 37%	1,757 37%	1,974 37%	2,186 37%	2,395 37%	2,660 37%
TOTAL	$1,110 100%	$1,344 100%	$1,702 100%	$2,200 100%	$2,768 100%	$3,405 100%	$4,089 100%	$4,716 100%	$5,300 100%	$5,875 100%	$6,445 100%	$7,154 100%

* Exclusive of AFDC (Allowance for Funds used During Construction)
** See footnote on exhibit listing generating units, transmission, distribution, and general plant planned and estimated for construction.

This source of funds statement is based upon and qualified by the assumptions described on the attached pages and has been prepared and furnished at the request of the Nuclear Regulator Commission. It is not to be used in connection with the sale or purchase of the Company's securities.

401 174

POOR ORIGINAL

4

Puget Sound Power & Light Company

ASSUMPTIONS FOR SOURCE OF FUNDS
FOR SYSTEM WIDE CONSTRUCTION 1979-1990
SKAGIT NUCLEAR PLANT UNITS 1 AND 2

1) Maintain rates sufficient to provide approximately a 12.5% return on average common equity and maintain the Company's ability to finance.

2) Compound Growth Rates:

   a) KWH sales 5.32%
   b) Revenues. 16.83%
   c) Expenses. 14.49%
   d) Net interest charges. . . .20.26%
   e) Net income. 21.20%
   f) Price per KWH 11.70%

3) The following table gives the inflation rates used in projecting future operating and maintenance expenses and construction expenditures for all production projects with the exception of those noted below.

Year	Labor	Material	O&M
1979	.000	.000	.000
1980	.090	.067	.079
1981	.091	.065	.078
1982	.084	.061	.072
1983	.081	.060	.070
1984	.079	.058	.068
1985	.077	.055	.066
1986	.077	.055	.066
1987	.078	.056	.067
1988	.078	.057	.067
1989	.079	.056	.068
1990	.079	.058	.068

Construction expenditures for Skagit #1 and #2, Colstrip #3 and #4, and Pebble Springs #1 and #2 are inflated at a 7% rate compounded annually, while WPPSS #3 is inflated with 6% material and 8% labor rates compounded annually.

4) Preferred dividend rate on new issues is 9.0%.

5) Interest rates used in forecast:

Notes payable (short-term):

Banks Loans	9.00% prime rate Approximate 10.73%-10.56% effective rate at 75% utilization
Commercial paper	11.85% to 7.0%
Long-term debt	10.25% to 9.0%

6) Target Capital Structure:

	1979-90
Notes payable (short term)	5.1%
Long-term debt	46.8%
Preferred stock	12.8%
Common stock	35.3%

7) Market/book:

Market Value - The dividend is set to be approximately equal to 8.5% of book value. The market price is calculated from the dividend by dividing .08 into it, yielding a market/book of approximately 1.

The market price shown below is

	1979	1980	1981	1982
Market/book	17.30/18.44	19.10/18.59	20.50/19.60	21.12/20.69
Ratio	.938	1.027	1.046	1.021
	1983	1984	1985	1986
	22.14/21.99	23.36/22.83	24.56/23.92	26.01/25.32
	1.007	1.023	1.027	1.027
	1987	1988	1989	1990
	27.25/26.40	28.35/27.47	29.57/28.71	30.90/30.00
	1.032	1.032	1.030	1.030

8) Common dividend payout ratio for the 12 years averages .677.

9) Target dilution rate for additional common stock is set in the 15% range in any given year. Average dilution rate for the 12 years is 12.12%.

10) In line with the 1975 Tax Reduction Act (Sec. 402 of P.L. 94-12) the following investment tax credit assumptions are incorporated in the projections.

   a) Investment tax credit rate is 10%.

   b) Progress payments on constructed property is treated as creditable investment in the year made for Colstrip 3 and 4, Skagit Units 1 and 2, Pebble Springs Units 1 and 2, and 1990 through 2000 projected nuclear plants.*

   c) Use of investment tax credit to offset the tax liability is 70% in 1979-80, 80% in 1981, and 90% thereafter.

   * 1990-2000 plants are not now planned, however, the Company's long-range forecast indicates the need for additional base load generation in the 1990-2000 period. For the purpose of this study it has been assumed that typical nuclear generation units will be constructed to meet the projected need even though the type, size, and location of such units has not been determined.

11) AFDC (Allowance for Funds Used During Construction) Rates:

T&D--transmission, distribution, and general plant.

Production--generation plant & related station and transmission facilities.

Year	T & D	Production
1979	.1002	.090
1980	.099	.090
1981	.098	.090
1982	.099	.090
1983	.101	.090
1984	.102	.090
1985	.101	.090
1986	.101	.090
1987	.102	.090
1988	.103	.090
1989	.103	.090
1990	.104	.090

12) Nuclear fuel will be purchased and initial fuel core loads are included in construction expenditure estimates of nuclear plants.

401 177

7

13) Power Supply:

a. System resources are based on an average of the 40 water years included in the 1978 west group forecast.

b. Purchased hydro power costs debt service requirements are as prescribed in the project owners official statement.

c. Secondary (non-firm) sales are made either within or outside the Northwest Power Pool and are based on relative levels of surplus. Revenues derived from sales are primarily based on established BPA rates or other agreements as applicable.

d. Wheeling charges are based on:

1) Required capacity to move purchased power to Puget's system.

2) BPA established rates.

e. Purchased power expense includes an accrual starting on January 1, 1979, for Rock Island debt service based on an estimated total annual debt service of $19,291,365. The amount accrued from January 1 to July 1, 1979 is amortized over the life of the contract.

14) Indenture and SEC fixed charge coverages:

	1979	1980	1981	1982	1983	1984	1985	1986	1987
Indenture	2.21	2.48	2.45	2.37	2.40	2.30	2.30	2.22	2.50
SEC	2.29	2.36	2.29	2.27	2.44	2.46	2.58	2.43	2.52

	1988	1989	1990
Indenture	2.50	2.80	2.59
SEC	2.53	2.65	2.48

15) Financing for the 1980 and 1981 combustion turbines will be accomplished thru an operating lease.

Expenditures incurred during construction of Colstrip #3 and #4 are financed with a construction trust. At the end of the construction period the plants will be leased by Puget.

401 1788

TABLE 2-6
PGE
6/1/79

ATTACHMENT FOR ITEM NO. 2.a.

Applicant: Portland General Electric Company, Nuclear Plant: Skagit Units 1 and 2

PRO FORMA SOURCES OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES AND CAPITAL STRUCTURE
DURING PERIOD OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANT
(Thousands of Dollars)

	Construction Years of Subject Nuclear Power Plant											
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
External Financing												
Common stock	$ 131,293	$ 126,137	$ 71,677	$ 73,066	$ 134,341	$ 136,106	$ 138,035	$ 80,166	$ 21,892	$ 23,330	$ 24,830	$ 26,457
Preferred stock	0	0	55,000	0	0	0	0	0	0	0	0	0
Long-term debt	117,500	191,207	26,171	291,528	217,319	381,071	371,042	247,366	(6,526)	(2,281)	(1,034)	(1,051)
Notes payable	6,090	(70,270)	1,510	15,910	33,740	(25,200)	(8,410)	(38,550)	(7,870)	(40,850)	(153,990)	(80,685)
Total External Funds	$ 254,883	$ 247,074	$ 154,356	$ 380,504	$ 385,400	$ 491,977	$ 500,667	$ 288,982	$ 7,496	$ (19,803)	$(130,194)	$ (55,279)
Internally Generated Cash												
Net Income	$ 65,927	$ 101,738	$ 117,230	$ 131,913	$ 150,769	$ 173,269	$ 196,888	$ 221,780	$ 237,683	$ 250,018	$ 263,563	$ 276,752
Less:												
preferred dividends	(13,901)	(13,556)	(13,669)	(18,366)	(18,021)	(17,676)	(17,331)	(17,115)	(17,072)	(17,072)	(17,072)	(17,072)
common dividends	(48,862)	(59,839)	(71,912)	(81,859)	(90,394)	(104,225)	(118,960)	(135,375)	(146,580)	(154,566)	(163,080)	(172,416)
	$ 3,164	$ 28,343	$ 31,649	$ 31,688	$ 42,354	$ 51,368	$ 60,597	$ 69,290	$ 74,031	$ 78,380	$ 83,411	$ 87,264
Retained earnings	$ 3,164	$ 28,343	$ 31,649	$ 31,688	$ 42,354	$ 51,368	$ 60,597	$ 69,290	$ 74,031	$ 78,380	$ 83,411	$ 87,264
Deferred taxes	30,640	46,209	30,271	38,673	51,852	63,583	69,462	120,436	88,419	115,009	78,796	62,370
Invest. tax cred.-deferred	(138)	5,998	19,087	14,100	13,739	3,589	5,291	28,485	60,687	30,371	34,337	(9,259)
Depreciation and amort.	45,863	55,756	65,895	70,578	84,328	101,590	126,520	140,206	200,555	232,997	301,715	322,591
Change in working capital	3,192	(9,622)	(1,732)	129	1,320	(1,576)	(1,821)	(6,364)	11,546	23,959	33,320	4,742
Less: AFDC	(65,741)	(70,830)	(53,842)	(95,733)	(127,449)	(169,473)	(196,116)	(220,338)	(128,275)	(125,990)	(13,110)	(12,290)
Total Internal Funds	$ 16,980	$ 55,854	$ 91,327	$ 59,435	$ 66,144	$ 49,081	$ 63,933	$ 131,715	$ 306,963	$ 354,726	$ 518,469	$ 454,718
TOTAL FUNDS	$ 271,863	$ 302,928	$ 245,685	$ 439,939	$ 451,544	$ 541,058	$564,600	$ 420,697	$ 314,459	$ 334,925	$ 388,275	$ 399,439
Construction Expenditures*												
Nuclear power plants	$ 60,942	$ 88,365	$ 160,349	$ 267,573	$ 316,498	$ 386,655	$ 391,515	$ 265,932	$ 155,501	$ 70,101	$ 25,049	$ 15,595
Other	204,492	168,134	78,907	125,937	127,583	144,999	134,234	144,276	146,193	208,231	188,470	269,324
Total Const. Exp's.	$ 265,434	$ 256,499	$ 239,256	$ 393,510	$ 444,081	$ 531,654	$ 525,749	$ 410,208	$ 301,694	$ 278,332	$ 213,519	$ 284,919
Other Capital Requirements												
Redemption of maturing bonds	$ 0	$ 40,000	$ 0	$ 40,000	$ 0	$ 0	$ 27,000	$ 0	$ 0	$ 40,950	$ 153,990	$ 88,485
Acquisition of bonds for sinking funds	6,429	6,429	6,429	6,429	7,463	9,404	11,851	10,489	12,765	15,643	20,766	26,035
TOTAL CAP. REQUIREMENTS	$ 271,863	$ 302,928	$ 245,685	$ 439,939	$ 451,544	$ 541,058	$ 564,600	$ 420,697	$ 314,459	$ 334,925	$ 388,275	$ 399,439
Capital Structure ($ Millions & %)												
Long-term debt	$ 884	$ 1,031	$ 1,054	$ 1,302	$ 1,515	$ 1,890	$ 2,225	$ 2,463	$ 2,444	$ 2,385	$ 2,209	$ 2,094
Preferred stock	151	149	201	198	195	191	188	187	187	187	187	187
Common equity	611	762	861	964	1,137	1,321	1,516	1,662	1,756	1,856	1,962	2,073
TOTAL	$ 1,646	$ 1,942	$ 2,116	$ 2,464	$ 2,847	$ 3,402	$ 3,929	$ 4,312	$ 4,387	$ 4,428	$ 4,358	$ 4,354
Long-term debt	53.7%	53.1%	49.8%	52.8%	53.3%	55.6%	56.6%	57.1%	55.7%	53.9%	50.7%	48.1%
Preferred stock	9.2	7.7	9.5	8.0	6.8	5.6	4.8	4.3	4.3	4.2	4.3	4.3
Common equity	37.1	39.2	40.7	39.2	39.9	38.8	38.6	38.6	40.0	41.9	45.0	47.6
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subject Nuclear Plants												
Skagit No. 1	$ 24,137	$ 54,842	$ 55,024	$ 75,196	$ 90,210	$ 54,223	$ 45,773	$ 15,996	$ -	$ -	$ -	$ -
Skagit No. 2	0	1,471	9,150	39,268	55,664	102,260	91,215	61,746	4,404	13,038	-	-
Pebble Springs No. 1	5,814	5,724	56,914	84,931	84,651	91,027	75,940	59,532	3,247	-	-	-
Pebble Springs No. 2	302	87	5,367	40,593	59,590	118,891	161,601	104,864	74,005	37,434	3,658	-

( ) Denotes red

* Direct construction cost and capitalized taxes of plant and initial fuel load. Excludes AFDC and associated tax items.

KW/Bpfc76.2819

POOR ORIGINAL

179

9

INPUT ASSUMPTIONS FOR SOURCES OF
FUNDS STATEMENT FOR
SKAGIT NUCLEAR PLANT

Item	Numerical Value
Rate of return on average common stock equity	12.84%
Preferred stock dividend rate(1)	10.00%
Long-term debt interest rate(1)	10.5% (1979) to 8.6% (1990)
Short-term debt interest rate	12.1% (1979) to 8.1% (1990)
Market/book ratio with respect to the projected common stock offerings(2)	0.909/1.0 on 12/31/78 1.091/1.0 on 12/31/86
Common stock dividend pay-out ratio	93.4% (1979) to 67.3% (1990)
Growth rates(3):	
a) kWh sales	4.08%
b) Revenues(4)	14.34%
c) Expenses	13.41%
d) Interest charges	9.50%
e) Net income	13.93%

Resultant SEC and indenture coverages
over the period of construction(5):

Year	Indenture	SEC
1979	2.2	2.0
1980	2.9	2.6
1981	3.2	2.8
1982	2.7	2.7
1983	2.7	2.6
1984	2.6	2.4
1985	2.8	2.4
1986	3.4	2.7
1987	3.6	2.8
1988	4.0	3.1
1989	4.0	3.4
1990	4.1	3.4

POOR ORIGINAL

401 188 10

(1) Applies to new issues.

(2) The market/book ratio is not an independent input; it is the product of other forecasts and therefore varies over the range shown.

(3) Each element of revenue and expense is individually analyzed and forecasted so that no single growth rate is used in their development. The values given summarize the results of all of the detailed analysis for the period December 31, 1979 to December 31, 1990 on an annually compounded rate of growth basis.

(4) Includes forecasted rate of increase in average sales price of 9.9%. Remaining growth rate is attributed to increased unit sales.

(5) Indenture - December 31, covering earnings divided by December 31 annualized interest requirements of the Company's first mortgage bonds.

SEC - December 31, covering earnings divided by December 31 annualized fixed charges. Fixed charges include interest on all long-term debt, interest on short-term debt, interest factor in the long-term combustion turbine leases, one-third annual rentals under long-term leases and amortization of debt discount and expense.

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401 181

11

POOR ORIGINAL

TABLE 2-9
PACIFIC
6/1/79

PACIFIC POWER & LIGHT COMPANY

Applicant: Pacific Power & Light Company
Subject Nuclear Plants: Pebble Springs Units 1 and 2; Skagit Units 1 and 2
Pro Forma Sources of Funds for System-wide Construction Expenditures and Capital Structure
During Construction Period of Subject Nuclear Plants
(Millions of Dollars)

	Construction Years of Subject Nuclear Power Plants											
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
EXTERNAL FINANCING												
Common Stock	55	103	84	90	122	242	172	236	167	253	300	
Preferred Stock	50	-	50	50	62	87	75	100	100	150	180	
Long Term Debt	120	200	200	285	375	441	500	504	470	610	700	
Notes Payable	64	(42)	40	14	50	41	57	(51)	56	34	39	
Contribution from parent-net	-	(7)	-	-	-	-	-	-	-	-	-	
Other Funds	-	-	-	-	-	-	-	-	-	-	-	
Total External Funds	289	254	374	439	609	811	804	789	793	1 047	1 219	
INTERNALLY GENERATED CASH												
Net Income	106	128	171	198	201	276	352	438	408	507	544	
Less:												
Preferred Dividends	19	19	19	24	29	35	43	50	59	68	75	
Common Dividends	73	80	93	104	117	147	169	194	216	242	260	
Retained Earnings	14	29	59	70	55	94	140	194	133	197	209	
Earnings Retained in Subsidiaries	(21)	(35)	(54)	(62)	(69)	(84)	(108)	(127)	(142)	(159)	(175)	
Deferred Taxes	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	-	-	
Investment Tax Credit - Deferred	2	7	4	1	(2)	(3)	(2)	1	1	-	1	
Depreciation and Amortization	60	69	73	80	84	91	105	116	153	163	192	
Change in Working Capital	(29)	2	(10)	(12)	(16)	(25)	(17)	(24)	38	26	14	
Less: AFDC	41	37	56	72	103	142	174	219	196	258	267	
Total Internal Funds	(15)	35	16	(4)	(52)	(70)	(57)	(60)	(14)	(31)	(26)	
TOTAL FUNDS	274	289	390	443	557	741	747	729	779	1 016	1 193	
CONSTRUCTION EXPENDITURES [1]												
Nuclear Power Plants [2]	65	97	157	239	306	448	569	560	666	897	1 023	
Other	204	183	227	178	181	246	168	155	113	84	170	
Total Construction Expenditures	269	280	384	417	487	694	737	715	779	981	1 193	
OTHER CAPITAL REQUIREMENTS												
Redemption of Maturing Bonds	5	9	6	26	70	47	10	14	-	35	-	
Acquisition of Bonds for Sinking Funds	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Requirements	-	-	-	-	-	-	-	-	-	-	-	
Total Other Capital Requirements	5	9	6	26	70	47	10	14	-	35	-	
TOTAL CAPITAL REQUIREMENTS	274	289	390	443	557	741	747	729	779	1 016	1 193	
CAPITAL STRUCTURE (Consol. %)												
Long Term Debt	53.6	56.8	56.1	55.6	55.8	54.7	54.8	53.8	53.5	53.0	53.7	
Preferred Stock	11.4	8.2	8.8	9.1	9.4	9.6	9.5	9.6	9.9	10.3	10.8	
Common Equity	35.0	35.0	35.1	35.3	34.8	35.7	35.7	36.6	36.6	36.7	35.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
SUBJECT NUCLEAR PLANTS [1,2]												
Pebble Springs No. 1	6	4	36	54	54	58	49	39	10	-	-	
Pebble Springs No. 2	-	-	3	25	37	75	102	67	48	25	15	
Skagit No. 1	17	37	38	51	61	37	32	20	-	-	-	
Skagit No. 2	-	1	6	26	37	68	61	42	38	14	-	
Total	23	42	83	156	189	238	244	168	96	39	15	

[1] Includes direct construction cost and capitalized taxes (excludes AFUDC)

[2] Includes initial fuel load

40

82

12

ATTACHMENT FOR ITEM NO. ____

Applicant: Pacific Power & Light Company
Subject Nuclear Plants: Pebble Springs Units 1 and 2: Skagit Units 1 and 2

PREPARATION ASSUMPTIONS FOR
SOURCES OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES
DURING CONSTRUCTION PERIOD OF SUBJECT NUCLEAR PLANTS

a. Overall untility rates of return of approximately 9.7% with an implicitly assumed utility return on average common equity of approximately 14.3%.

b. Average preferred stock dividend rate for new issues of 9.4%

c. Average long-term debt interest rate for new issues of 9.4% and a short-term debt interest rate of 8.0%.

d. Target market/book ratio whereby Pacific Power projects sales of additional shares of common stock at a ratio of not less than 1.0.

e. Common stock dividend payout ratios ranging between 52% and 85%.

f. Target capital structure composed of 54% long-term debt, 10% perferred stock and 36% common equity.

g. Resultant interest coverages for SEC test purposes range between 2.0 and 2.3, while for mortgage bond indenture purposes the coverage range is between 2.0 and 2.3.

h. Growth rates as follows:

Kwh Sales	5.60%	
Revenues (utility	13.24%	(inclusive of projected rate relief)
Expenses (utility)	13.07%	
Interest Charges	15.97%	
Net Income	18.97%	

May 10, 1979

POOR ORIGINAL

TABLE 2-11
WATER POWER
6/1/79

Attachment for Item No. 2.e
The Washington Water Power Company-Skagit Units 1 & 2
Pro Forma Sources of Funds for System-Wide Construction Expenditures and Capital Structure
During Period of Construction of Subject Nuclear Power Plant
(Millions of Dollars)

	Construction Years of Subject Nuclear Power Plant									
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
EXTERNAL FINANCING:										
Common stock	$ 3	$ 33	$ 37	$ 44	$ 53	$ 58	$ 58	$ 68	$ 75	$ 78
Preferred stock	30	25		25		30	25	25	25	25
Long-term debt:										
Notes payable	31	5	7	(3)	3	(1)	5	10	24	(16)
Mortgage bonds		60	80	90	60	40	95	150	190	120
Other funds (describe)										
Total External Funds	64	123	124	156	116	127	183	253	314	207
INTERNALLY GENERATED CASH:										
Net income	28	32	44	52	62	70	85	101	123	137
Less:										
Preferred dividends	3	6	7	9	10	12	14	16	18	21
Common dividends	19	22	26	29	35	41	48	55	64	74
Retained earnings	6	4	11	14	17	17	23	30	41	42
Deferred taxes										
Investment tax credit-deferred	4	6	9	9	8	9	13	18	18	12
Depreciation and amortization	12	13	15	16	19	23	25	27	28	35
Change in working capital	(9)	(11)	2	(1)	7	(2)	4	3	4	8
Less: AFDC	5	8	14	20	23	19	28	43	51	54
Total Internal Funds	8	4	23	18	28	32	37	35	40	43
TOTAL FUNDS	$ 72	$ 127	$147	$ 174	$144	$ 159	$220	$288	$ 354	$ 250
CONSTRUCTION EXPENDITURES:										
Nuclear power plants	$ 21	$ 21	$ 34	$ 47	$ 53	$ 52	$ 49	$ 27	$ 17	$ 6
Other	44	99	102	93	85	106	170	260	283	221
Total Construction Expenditures	$ 65	120	136	140	138	158	219	287	300	227
Subject Nuclear Plant	$ 13	$ 11	$ 23	$ 32	$ 50	$ 51	$ 48	$ 27	$ 17	$ 6
OTHER CAPITAL REQUIREMENTS:										
Redemption of maturing bonds	$	$	$	$ 20	$	$	$	$	$ 50	$ 15
Acquisition of bonds for sinking funds	1	1	1	6	1	1	1	1	1	1
Miscellaneous requirements (detail)	6	6	10	8	5				3	7
Total Capital Requirements	$ 7	$ 7	$ 11	$ 34	$ 6	$ 1	$ 1	$ 1	$ 54	$ 23
CAPITAL STRUCTURE (%)										
Long-term debt	54%	53%	54%	53%	53%	49%	49%	50%	51%	49%
Preferred stock	9	11	9	11	9	11	11	11	10	10
Common equity	37	36	37	36	38	40	40	39	39	41
Total	[illegible]	100%	100%	100%	100%	100%	100%	100%	100%	100%

401 184

14

FINANCE DEPT.
REM:hj
5-22-79

TABLE 2-12
WATER POWER
6/1/79

THE WASHINGTON WATER POWER COMPANY

2.a:

(a) Return on Common Equity: 12.75-13.25% Earned on Average Equity

(b) Preferred Stock Dividend Rate: 9.5% - 1979
9.0% - 1980
8.75% - 1981-1988

(c) Long-Term Debt Interest Rate: 9.25% - 1979
8.75% - 1980
8.50% - 1981-1988

Short-Term Interest Rate: 10.75% - 1979
7.75% - 1980
7.25% - 1981-1988

(d) Market/Book Ratio: Average 105%

(e) Common Stock Dividend Payout Ratio: 65-70%

Assumes payout ratio to continue at historic average payout levels throughout the period.

(f) Target Capital Structure: 50% Total Debt
10% Preferred
40% Common

(g) Interest Coverages: (Times)

1979	2.3x
1980	2.5
1981	2.5
1982	2.6
1983	2.8
1984	3.0
1985	3.0
1986	2.8
1987	2.9
1988	2.9

(h) Annual Growth Rates: (General Business)

1. Kwhr Sales Average 4%
2. Price Per Kwhr Average 12%

Electric revenues included in the Forecast are a result of general business kilowatthour sale trends and include elements of rate relief which are programmed throughout the Forecast as needed.

401 185

15

POOR ORIGINAL

ATTACHMENT FOR ITEM NO. 2.g.

Puget Sound Power & Light Company

LIST OF GENERATING UNITS, TRANSMISSION, DISTRIBUTION AND GENERAL PLANT
PLANNED AND ESTIMATED FOR CONSTRUCTION DURING SKAGIT UNITS 1 AND 2 CONSTRUCTION PERIOD ***
(IN THOUSANDS OF DOLLARS)

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Completion Date	Percent Puget Power Ownership	Total Project Capacity (MW)
Nuclear															
WPPSS #3	$ 13,216	$ 10,314	$ 11,102	$ 7,647	$ 6,175	$ 2,969							12-84	5	1,240
Skagit #1	33,619	71,420	72,784	98,577	117,540	68,589	$ 56,897	$ 27,241		$ 3,611**	$ 2,838**	$ 2,508**	9-86	40	1,288
Pebble Springs #1	2,329	6,778	27,958	34,947	41,301	44,054	42,437	31,053	$ 7,201				4-87	21.18	1,260
Skagit #2		1,961	12,200	52,253	73,842	135,166	119,528	79,504	69,239	22,133			9-88	40	1,288
Pebble Springs #2	141	24	2,656	20,217	29,610	58,985	53,818	50,995	35,015	27,138	16,123		4-89	23.5	1,260
1990 Projected Plant*		7,570	6,594	13,393	32,600	38,675	42,383	55,591	59,198	40,598	57,475	42,068	12-90	20	1,200
1991 Projected Plant*		2,839	5,039	6,996	14,197	34,491	40,802	44,714	58,711	62,572	42,872	60,883	12-91	20	1,200
1993 Projected Plant*			1,511	3,208	5,667	7,846	15,849	38,393	45,457	49,910	65,548	69,909	7-93	20	1,200
1994 Projected Plant*				1,603	3,400	5,996	8,280	16,722	40,544	48,048	52,705	69,354	8-94	20	1,200
1995 Projected Plant*					3,399	7,192	12,651	17,474	35,321	85,541	101,477	111,524	8-95	40	1,200
1997 Projected Plant*							3,794	8,005	14,094	19,511	39,431	95,768	8-97	40	1,200
1999 Projected Plant*									3,172	6,703	11,799	16,353	7-99	30	1,200
2000 Projected Plant*											7,079	12,483	7-2000	30	1,200
Coal															
Colstrip 1 & 2	6,85[illegible]												Completed	50	700
Colstrip 3	3,461	42,508	45,670	40,114	19,359								7-83	25	700
Colstrip 4	4,093	7,545	20,843	18,524	22,087	27,043							5-84	25	700
Oil															
1980 Combustion Turbine	2,386	36											10-80	100	179
1981 Combustion Turbine		586	36										10-81	100	179
Sub-Total Generation	$ 66,100	$ 151,58[illegible]	$ 206,393	$ 297,[illegible]79	$ 369,177	$ 431,006	$ 396,439	$ 369,692	$ 367,952	$ 365,765	$ 397,347	$ 480,850			
AFDC	16,801	26,551	42,587	65,915	90,337	113,480	143,526	164,755	138,316	148,996	125,668	155,409			
Deferred Taxes	2,348	2,015	1,628	1,286	1,008	1,792	2,411	11,651	23,473	32,480	40,422	43,815			
Total	$ 85,249	$ 180,147	$ 250,608	$ 364,680	$ 460,522	$ 546,278	$ 542,376	$ 546,098	$ 529,741	$ 547,241	$ 563,437	$ 680,074			
Generation	$ 66,100	$ 151,581	$ 206,393	$ 297,479	$ 369,177	$ 431,006	$ 396,439	$ 369,692	$ 367,952	$ 365,765	$ 397,347	$ 480,850			
Nuclear Fuel (Reloads)				9,932	4,540	1,795	38,062	10,219	47,786	48,846	95,654	102,007			
Major Transmission	321	2,658	15,412	20,317	7,347	2,147	5,278	3,014	2,779	525					
T & D	86,813	99,429	116,424	137,147	150,215	167,492	191,404	213,546	225,679	253,833	284,215	329,292			
General Plant	26,863	25,994	26,363	27,955	30,507	16,458	18,173	20,177	22,457	25,123	27,949	31,230			
Total Construction Expenditures	$ 180,097	$ 279,662	$ 364,592	$ 492,830	$ 561,786	$ 618,898	$ 649,356	$ 616,648	$ 666,653	$ 694,092	$ 805,165	$ 943,379			

*** Plant line items include direct construction cost and capitalized taxes of plant and initial fuel load. (Excludes AFDC and associated tax items shown below).
** Decommissioning costs of first core load.
* These plants are not now planned, however, the Company's long-range forecast indicates the need for additional base load generation in the 1990-2000 period. For the purpose of this study it has been assumed that 1,200 mw generation units will be constructed to meet the projected need even though the type, size, and location of such units has not been determined.

TABLE 3-1
PUGET
6/1/79

401 189/6

Applicant: Portland General Electric Company
Subject Nuclear Plant: Skagit Units 1 and 2; Pebble Springs Units 1 and 2

GENERATION CONSTRUCTION ESTIMATES: 1979 - 1990
(Thousands of Dollars)

	Net Portland General Electric Company Expenditures(1)												Estimated Completion Date	Percent PGE Ownership(2)	Total Project Capacity (Mw)(3)
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990			
Utility Plant Construction															
Generation Plants:															
Nuclear															
WPPSS No. 3	$ 26,442	$ 20,647	$ 22,242	$ 14,816	$ 13,294	$ 6,032	$ -	$ -	$ -	$ -	$ -	$ -	12/84	10.0%	1,240
Skagit No. 1	24,137	54,842	55,024	75,196	90,210	54,223	45,773	15,996	-	-	-	-	9/86	30.0	1,28[illegible]
Pebble Springs No. 1	5,814	5,724	56,914	84,931	84,651	91,027	75,940	59,532	3,247	-	-	-	3/87	42.4	1,260
Skagit No. 2	0	1,471	9,150	39,268	55,664	102,260	91,215	61,746	54,404	13,038	-	-	9/88	30.0	1,288
Pebble Springs No. 2	302	87	5,367	40,593	59,590	118,891	161,601	104,864	74,005	37,434	3,658	-	4/89	47.1	1,260
Coal															
Boardman	127,580	38,144	-	-	-	-	-	-	-	-	-	-	8/80	80.0	530
Colstrip Nos. 3 and 4	6,917	42,789	33,486	32,750	10,528	-	-	-	-	-	-	-	7/83	20.0	1,400
Miscellaneous	16,859	36,746	32,749	42,163	64,369	90,017	78,371	93,242	136,202	155,281	204,815	194,202			
Subtotal	$208,051	$200,450	$214,932	$329,717	$378,306	$462,450	$452,900	$335,380	$267,858	$205,753	$208,473	$194,202			
AFDC and Associated Tax Items	47,211	54,954	42,728	74,647	97,672	129,059	149,468	167,064	97,243	95,989	10,536	10,863			
Total-Generation Plant	$255,262	$255,404	$257,660	$404,364	$475,978	$591,509	$602,368	$502,444	$365,101	$301,742	$219,009	$205,065			

(1) Plant line items include direct construction cost and capitalized taxes related to plant and initial fuel load. (Excludes AFDC and associated tax items shown separately below.)
(2) Reflects Pebble Springs ownership assuming no further purchase by public agencies.
(3) Total Project Capacity is the maximum output of total project.

POOR ORIGINAL

TABLE 3-2
PGE
6/1/79

KW/Bpfc7b.2817

401 187

POOR ORIGINAL

PACIFIC POWER & LIGHT COMPANY

Generation Construction Estimates
Years 1979 Through 1989
(Thousands of Dollars)

Utility Plant Construction Generation Plant:	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	Estimated Completion Date	Percent Pacific Ownership	Total Project Capacity MW[2]
			Net Pacific Power & Light Company Expenditures[1]											
Nuclear														
WPPSS No. 3	26 778	20 397	22 428	15 506	14 285	7 807	2 224	804	-	-	-	12-84	10.0%	1240
Skagit No. 1	16 548	37 066	37 534	50 911	61 051	37 376	32 160	20 163	-	-	-	9-86	20.0%	1288
WPPSS No. 5	15 027	21 030	22 661	27 021	18 597	13 838	23 622	2 708	-	-	-	6-86	10.0%	1240
Pebble Springs No. 1	6 362	3 988	35 957	53 750	53 894	58 144	48 992	39 148	9 962	-	-	3-87	26.5%	1260
Skagit No. 2	15	1 005	6 154	26 252	37 330	68 417	61 357	42 090	37 569	13 986	-	9-88	20.0%	1288
Pebble Springs No. 2	231	92	3 406	25 431	37 494	74 729	101 791	66 990	48 031	25 414	15 336	4-89	29.4%	1260
Future Plant 1990	-	13 338	15 249	21 724	42 932	103 517	129 400	151 716	199 720	308 156	250 829	12-90	60.0%	1200
Future Plant 1991	-	-	13 758	17 982	24 656	48 481	116 564	148 261	174 432	228 789	347 842	12-91	60.0%	1200
Future Plant 1993	-	-	-	-	15 779	20 188	27 732	54 509	131 014	166 640	196 053	7-93	60.0%	1200
Future Plant 1994	-	-	-	-	-	15 609	20 353	28 361	57 817	138 922	176 691	8-94	60.0%	1200
Future Plant 1995	-	-	-	-	-	-	4 416	5 670	7 789	15 310	36 802	8-95	15.0%	1200
Coal														
Jim Bridger No. 4	45 222	10 954	-	-	-	-	-	-	-	-	-	1-80	66.7%	500
Colstrip No. 3	1 489	15 265	16 504	14 552	874	-	-	-	-	-	-	7-81	10.0%	700
Colstrip No. 4	1 844	5 262	10 885	9 967	16 636	11,225	-	-	-	-	-	7-84	10.0%	700
Other[3]	2 274	8 476	14 079	40 730	30 924	56 681	62 240	56 440	49 953	61 707	20 536			
Subtotal	115 790	136 873	198 615	303 826	354 452	516 012	630 851	616 860	716 287	958 924	1 044 089			
AFDC	32 827	27 239	43 465	69 051	99 474	136 773	171 609	216 472	207 725	253 363	267 017			
Total Generation Plant	148 617	164 112	242 080	372 877	453 926	652 785	802 460	833 332	924 012	1 212 287	1 311 106			

[1] Plant line items include direct construction cost, initial fuel load and capitalized taxes; aggregate AFDC is shown in total for all construction plant expenditures

[2] Total project capacity represents the maximum output of the entire plant.

[3] Includes betterment projects for plants already in-service and related nuclear fuel.

Note: Plants scheduled after Pebble Springs No. 2 are projected on a coordinated basis with the other applicants in this proceeding; however, while these plants may be viewed as components of a plausible planning scenario, their inclusion herein cannot be taken as definitive planning commitments.

May 9, 1979

April 27, 1979

18

TABLE 3-3
PACIFIC
6/1/79

401 188

POOR ORIGINAL

THE WASHINGTON WATER POWER COMPANY
Construction Expenditures

(Thousands of Dollars)

	Type	In Service	%	MW	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Skagit No. 1 & 2	Nuclear	86 - 88	10	128	$ 8,041	$ 11,290	$ 23,289	$ 39,147	$ 50,006	$ 51,046	$ 48,321	$ 26,587	$ 17,426	$ 5,565
WPPSS No. 3	Nuclear	84	5	62	13,554	10,057	10,634	8,054	2,871	1,238	383	-	-	-
Subtotal					21,595	21,347	33,923	47,201	52,877	52,284	48,704	26,587	17,426	5,565
Colstrip No. 3 and 4	Coal	83 - 84	15	210	4,579	27,498	35,240	36,296	27,447	16,995	-	-	-	-
Creston No. 1, 2 and 3	Coal	88	N.A.	N.A.					10,653	39,800	122,505	203,811	212,456	148.932
Other Production	Misc.		N.A.	N.A.	2,340	26,274	13,042	5,854	1,514	1,862	2,075	1,180	1,674	1,793
Transmission					7,471	19,452	25,650	23,621	16,309	15,185	12,974	19,995	32,476	32,006
All Other Construction					29,241	25,636	27,886	27,207	29,216	31,911	32,907	35,526	36,283	38,217
Total Construction Expenditures					$65,226	$120,202	$135,741	$140,179	$138,016	$158,037	$219,165	$287,099	$300,315	$226,513

Finance Dept.
REM:hj
5-22-79

TABLE 3-4
WATER POWER
6/1/79

19

PUGET SOUND POWER & LIGHT COMPANY
HISTORICAL FINANCIAL CAPABILITY

	Millions of Dollars						
	1973	1974	1975	1976	1977	1978	Total
Electric Construction Expenditures	$ 59	$ 94	$106	$ 99	$107	$141	$606
External Financing							
First Mortgage Bonds	0	60	30	40	0	65	195
PC Bonds	20	0	0	0	7	0	27
Preferred	15	0	15	22	28	0	80
Common	0	13	18	26	35	38	130
Total	35	73	63	88	70	103	432
Annual Electric Revenue[1/] Increase Awards	0	23	0	28	0	0	51
Year-End Equity Ratio (percent)	44	41	42	45	30	49	

[1/] A 1979 award amounts to an increase of $32.6 million based on a 1977 test year.

401 190

PORTLAND GENERAL ELECTRIC COMPANY
HISTORICAL FINANCIAL CAPABII 'TY

	Millions of Dollars						
	1973	1974	1975	1976	1977	1978	Total
Electric Construction Expenditures	$148	$128	$176	$168	$197	$269	$1086
External Long-Term Financing	92	87	183	213	248	211	1034
Annual Electric Revenue Increase	26	13	37	37	33	34	180
Year-End Equity Ratio (percent)	45	49	47	48	46	46	

401 191

TABLE 4-3
PACIFIC
6/1/79

PACIFIC POWER & LIGHT COMPANY
HISTORICAL FINANCIAL CAPABILITY

	Millions of Dollars						
	1973	1974	1975	1976	1977	1978	Total
Electric Construction Expenditures	$166	$238	$248	$219	$219	$229	$1319
External Long-Term Financing	55	188	228	212	219	113	1015
Annual Electric Revenue Increase Awards	0	32	22	30	42	7	133
Year-End Equity Ratio (percent)	43	42	47	45	45	47	

401 192

THE WASHINGTON WATER POWER COMPANY

Historical Financial Capability

	Millions of Dollars						
	1973	1974	1975	1976	1977	1978	Total
Electric Construction Expenditures (1)	$22	$23	$28	$41	$47	$57	$218
External Financing:							
First Mortgage Bonds	20		25	30			75
PC Bonds							
Preferred Stock						25	25
Common Stock (2)	5	1	8	16	—	23	53
Total	25	1	33	46		48	153
Annual Electric Revenue:							
Increase Awards		4	3	2	11		20 (3)
Year-end Equity Ratio (percent)	35	34	36	38	39	45	

(1) Includes AFUDC.

(2) Common Stock includes amounts from sales to public and employees.

(3) Includes rate relief granted by the Washington, Idaho and FERC Jurisdictions.

TABLE 4-4
WATER POWER
6/1/79

Finance Dept.
REM:db
5-29-79

401 193

23

TABLE 4-5
PUGET
6/1/79

ATTACHMENT FOR ITEM NO. 2h
FINANCIAL STATISTICS

	12 months ended 2/28/79	12/31/78	12/31/77	12/31/76
	(dollars in millions)			
Earnings available to common equity	$ 37.4	$ 36.4	$ 26.7	$ 24.9
Average common equity	$319.7	$312.1	$257.3	$226.9
Rate of return on average common equity	11.68%	11.66%	10.36%	11.21%
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense - Including AFDC	2.60	2.62	2.43	2.49
Excluding AFDC	2.27	2.30	2.19	2.[illegible]3
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense - Including AFDC	2.88	2.89	2.61	2.72
Excluding AFDC	2.51	2.54	2.35	2.44
Bond ratings (end of period)				
Standard and Poor's	BBB	BBB	BBB	BBB
Moody's	Baa	Baa	Baa	Baa
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) ÷ total interest charges + amortizaton of debt discount and expense + preferred dividends. Including AFDC	1.83	1.83	1.69	1.71
Excluding AFDC	1.56	1.57	1.50	1.51
AFUDC	$ 12.1	$11.2	$ 7.7	$ 7.4
Net income after preferred dividends	$ 37.4	$36.4	$ 26.7	$ 24.9**
%	32.6%	30.95%	28.7%	29.75%
Market price of common	$ 16.375	$16.750	$ 17.000	$15.438*
Book value of common	$ 18.62	$18.63	$ 18.363	$17.985*
Market-book ratio (end of period)	.88	.90	.93	.86
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust. - deferred.	$ 57.1	$5[illegible].2	$ 53.4	$ 55.7**
Common dividends	$ 26.0	$24.4	$ 18.6	$ 15.2
Ratio	2.2	2.3	2.9	3.7**
Short-term debt				
Bank loans	$-0-	$ 1.0	$-0-	$ 18.0
Commercial paper	$ 4.5	$31.3	$ 26.0	$ 6.9

401 194

POOR ORIGINAL

	12 months ended							
	2/28/1979		12/31/1978		12/31/1977		12/31/1976	
	(dollars in millions)							
Capitalization (Amount & Percent)								
Long-term debt	$471.3	48.7%	$471.6	51.5%	$405.7	50.5%	$400.6	55.1%
Preferred stock	146.0	15.1	96.5	10.5	99.0	12.3	84.4	11.6
Common equity	350.1	36.2	348.6	38.0	298.8	37.2	242.2	33.3
	$967.4	100.0%	$916.7	100.0%	$803.5	100.00%	$727.2	100.0%

* Adjusted for comparative purposes to reflect the effect of a 2-for-1 common stock split in June, 1977.

** After a net ex ordinary income of $6,530,000 from the cumulative effect of a change in .ccounting policy.

POOR ORIGINAL

401 195

TABLE 4-7
PGE
6/1/79

ATTACHMENT FOR ITEM NO. 2.h.
FINANCIAL STATISTICS

	12 months' ended 1978	1977	1976
	(dollars in millions)		
Earnings available to common equity	$ 42.5	$ 23.3	$ 40.2
Average common equity	$459.6	$401.3	$332.4
Rate of return on average common equity	9.24%	5.81%	12.09
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense	1.98	1.80	2.24
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense	2.33	2.01	2.59
Bond ratings (end of period)			
Standard and Poor's	BBB-	BBB-	BBB-
Moody's	Baa	Baa	Baa
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends.	1.64	1.44	1.79
AFUDC	$ 28.6	$ 17.5	$ 15.4
Net income after preferred dividends	$ 42.5	$ 23.3	$ 40.2
%	67.3%	75.1%	38.3%
Market price of common	$16.75	$ 19.375	$ 20.37
Book value of common	$18.42	$ 18.45	$ 18.94
Market-book ratio (end of period)*	90.9%	105.0%	107.6%
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust.-deferred.	$ 59.3	$ 53.1	$ 57.7
Common dividends	$ 42.5	$ 36.4	$ 30.0
Ratio	139.5%	145.9%	192.3%
Short-term debt			
Bank loans	$ 71.0	$ 45.0	$ 10.0
Commercial paper	-0-	-0-	$ 19.8
Capitalization (Amount & Percent)			
Long-term debt	$735,119 53.8%	$656.7 53.7%	$540.8 52.4%
Preferred stock	$151,500 11.1%	$154.5 12.6%	$130.5 12.6%
Common equity	$478,759 35.1%	$410.3 33.7%	$361.1 35.0%

* If subsidiary company, use parent's data.

4012696

POOR ORIGINAL

ATTACHMENT FOR ITEM NO. 6.3

PACIFIC POWER & LIGHT COMPANY
FINANCIAL STATISTICS

TABLE 4-8
PACIFIC
6/1/79

	12 Months Ended December 31		
	1978	1977	1976
	(Dollars in Millions)		
Earnings available to common equity	88.6	74.6	74.5
Average common equity	738.4	664.3	595.4
Rate of return on average common equity	12.00%	11.23%	12.52%
Times total interest earned before FIT: Gross income (incl. AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense	2.60	2.28	2.36
Times long-term interest earned before FIT: Gross income (incl. AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense	2.63	2.33	2.49
Bond ratings (end of period)			
Standard and Poor's	BBB+	BBB+	BBB+
Moody-s	Baa	Baa	Baa
Times interest and preferred dividends earned after FIT: Gross income (incl. AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends	1.87	1.83	1.92
AFUDC	27.3	15.0	19.5
Net income after preferred dividends	88.6	74.6	74.5
AFDUC as a % of earnings available to common	30.8	20.1	26.2
Market price of common	19.75	21.25	24.125
Book value of common	20.80	20.24	19.73
Market-book ratio (end of period)	.95	1.05	1.22
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust.-deferred	144.6	116.9	102.8
Common dividends	66.8	60.9	52.4
Ratio	2.16	1.92	1.96
Short-term debt			
Bank loans	6.0	None	None
Commercial paper	13.5	None	None

Capitalization	1978 $	1978 %	1977 $	1977 %	1976 $	1976 %
Long-term debt	1126.5	52.8	1,282.3	59.2	1,073.5	57.7
Preferred stock	227.2	10.7	187.2	8.6	157.2	8.4
Common Equity	778.2	36.5	698.7	32.2	629.9	33.9

401 2797

THE WASHINGTON WATER POWER COMPANY
Attachment for Item No. 2.h
Financial Statistics

		12 Months Ended			
		3/31/79	1978	1977	1976
		(Dollars in Millions)			
Earnings available to common equity	$	27	26	19	22
Average common equity	$	205	198	179	164
Rate of return on average common equity	%	13.2	13.1	10.6	13.4
Times total interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT + total interest charges + amortization of debt discount and expense	X	2.99	2.99	2.05	2.73
	X	2.76	2.78	1.89	2.63
Times long-term interest earned before FIT: Gross income (both including and excluding AFDC) + current and deferred FIT + long-term interest charges + amortization of debt discount and expense	X	3.20	3.20	2.11	2.86
	X	2.96	2.98	1.94	2.75
Bond ratings (end of period)					
Standard and Poor's		A	A	A	A
Moody's		A	A	A	A
Times interest and preferred dividends earned after FIT: Gross income (both including and excluding AFDC) + total interest charges + amortization of debt discount and expense + preferred dividends	X	2.24	2.20		Not Applicable No Preferred Stock Outstanding
	X	2.04	2.02		
AFDC	$	4	4	3	2
Net income after preferred dividends	$	27	26	19	22
%	%	15.8	14.8	15.6	7.6
Market price of common (end of period)	$	22.78	21.75	22.00	25.375
Book value of common (end of period)	$	24.56	23.88	22.92	22.17
Market-book ratio (end of period)		.93	.91	.97	1.14
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust. - deferred	$	38	37	29	31
Common dividends	$	17	16	14	12
Ratio		.45	.43	.48	.39
Short-term debt					
Bank loans	$	22	15	28	-0-
Commercial paper	$	-0-	-0-	-0-	-0-

Capitalization (Amount & Percent)	3/31/79		1978		1977		1976	
Long-term debt	301	55.0%	295	55.2%	281	60.8%	289	62.1%
Preferred stock	25	4.6%	25	4.6%		-0-		-0-
Common equity	221	40.4%	214	40.2%	181	39.2%	176	37.9%

TABLE 4-9
WATER POWER
6/1/79

POOR ORIGINAL

401 198

28

Attachment 1
6/1/79

Statement of Qualifications

RUSSEL E. OLSON

Puget Sound Power & Light Company

NAME: Russel E. Olson

PRESENT POSITION: Treasurer - responsible for cash management, financial reporting, financial planning, the raising of short-term capital requirements, including the negotiation for and administration of bank credit lines and, together with the Vice President-Finance, raising the long-term capital requirements of the Company.

EDUCATION: University of Washington - BA in Accounting (1959); University of Washington - Executive Development Program (1968); Irving Trust - Public Utility Financial Seminar (1975); Pacific Lutheran University - graduate work in finance (1974-).

PROFESSIONAL AFFILIATIONS: Financial Executives Institute, Northwest Electric Light & Power Association.

EXPERIENCE: Puget Sound Power & Light Company - various positions in Accounting Department (1959-1961); Coopers & Lybrand - Auditor (1961-1962); Puget Sound Power & Light Company - Special Accountant, Taxes (1962-1965); Puget Western, Inc. (a land development subsidiary) - Special Accountant (1965-1968); Assistant Vice President (1968-1969); Puget Sound Power & Light Company - Budget Supervisor (1969-1970); Financial Planning Supervisor (1970-1972); Manager, Financial Planning (1972-1974); Assistant Treasurer (1974-1977); Treasurer (1977-).

401 199

Attachment 2
6/1/79

Statement of Qualifications

MICHAEL E. COBERLY

Portland General Electric Company

I graduated with high honors from Augustana College in Rock Island, Illinois, in 1968 with a Bachelor of Arts degree in Business Administration. My undergraduate degree included a heavy emphasis on accounting and economics. In December 1976, I completed my MBA at the University of Iowa. My graduate education emphasized economic development. I am currently pursuing certification as a chartered financial analyst.

I have been associated with the utility industry for 11 years. In 1968, I joined Iowa Illinois Gas and Electric Company. During the nine years that I worked for the Company, I held four position. I was budget accountant for a year and was responsible for preparation of data used in preparing the operating budget, construction budget, and 20-year forecast. I prepared data for analysis of budget variances. For three years, I worked as an electronic data processing auditor designing audit procedures and conducting audits to assure proper control of data processing systems. For two years, I worked as budgeting and forecasting supervisor. In this position, I was responsible for the Company's budgeting and forecasting activities, including the preparation and analysis of construction and operating budgets, financial projections, and long-range forecasts. During the last three years that I was with Iowa Illinois Gas and Electric Company, I was system development supervisor responsible for the development and maintenance of major accounting computer systems.

In May of 1977, I joined Portland General Electric Company as senior financial analyst. It was my responsibility to integrate financial plans, regulatory strategies, and construction programs with projections of load and expense to produce corporate financial plans and alternatives. I was responsible for financial analysis of specific projects and planning alternatives. On December 1 of 1978, I became the branch manager of revenue requirements. It is my primary function to perform economic and financial analyses, engineering economic studies, and to provide instruction in the area of engineering economics. It is also part of my responsibility to identify and analyze economic concerns facing the Company in the near- to midterm.

I am a member in good standing of the Financial Management Association and the Portland Society of Financial Analysts.

401 200

30

Attachment 3
6/1/79

Statement of Qualifications

LARRY S. PACK

Pacific Power & Light Company

PRESENT POSITION: Senior Cost Analyst - responsible for analytical activities involving economic and financial problems including but not limited to cost control, review significant contract activity, and negotiate and consummate lease transactions.

EDUCATION: University of Washington - BA in Business (Quantitative Methods) - 1972
University of Utah - MBA (Finance) - 1974
Certified Public Accountant - State of Washington - 1976 to Present

EXPERIENCE: Prior to joining Pacific Power & Light in August, 1978, I worked for the Boeing Commercial Airplane Company for approximately five years in various financial areas. My last position at Boeing was Supervisor of Financial Planning and Budget Reporting and was primarily responsible for business analysis and financial forecasting.

401 201 31

Attachment 4
6/1/79

Statement of Qualifications

JAMES M. COOMBS

The Washington Water Power Company

PRESENT RESPONSIBILITIES:

a. Chief Financial Officer. Direct financial planning and determine financing recommendations that will provide all necessary funds for WWP and its five subsidiaries. Provide administrative supervision to the Financial Supervisor on finance, budget and forecast matters.
b. Chief Accounting Officer. Provide general supervision to the Treasurer on accounting matters including records, reports and interpretations for WWP and its five subsidiaries.
c. Provide general supervision to the Controller in rate, regulatory, and audit matters.
d. Serve as a corporate liaison officer for Board Audit Committee with independent accountants.

EDUCATION:

a. Formal accounting education through International Accountants Society.
b. Executive courses or seminars at University of Idaho, Harvard Business School, Irving Trust Financial Seminars, and EEI Hershey Graduate Management Course.

PROFESSIONAL AFFILIATIONS:

a. American Gas Association
    (1) Budgeting Sub-Committee - 1966
b. Edison Electric Institute
    (1) Accounting Division
        (a) Chairman - 1976-77
        (b) Vice Chairman - 1975-76
        (c) Member Executive Committee since 1970
    (2) Finance Division
        (a) Member Executive Committee
c. National Association of Accountants
    (1) Member 1969-1971
d. Pacific Coast Gas Association
    (1) 1974 Administrative Executive Committee Chairman
    (2) 1973 Administrative Executive Committee Vice Chairman
    (3) 1972 Administrative Services General Chairman
    (4) 1971 Administrative Services Vice Chairman
    (5) 1970 Spring Conference Sponsor - Parallel Accounting Sessions
    (6) Member Administrative Services Executive Committee since 1969

401 202 32

e. Northwest Electric Light & Power Association
    (1) 1962 Accounting Session - General Accounting Chairman
    (2) Member since 1953

EXPERIENCE:

a. Employed by The Washington Water Power Company since July 1937 (includes 4 years' military service during World War II)
b. Positions held with the Company
    (1) Vice President - Finance - 1 year
    (2) Vice President - Finance & Treasurer - 3 years
    (3) Treasurer - 5 years
    (4) Assistant Treasurer - 8 years
    (5) Special Accounting Supervisor - 7 years
    (6) Statistics and Research Accountant - 2 years
    (7) Various Clerical Positions and Military Service Leave - 16 years

401 203

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of PUGET SOUND POWER & LIGHT COMPANY, et al. (Skagit Nuclear Power Project, Units 1 and 2)	DOCKET NOS. 50-522 50-523

CERTIFICATE OF SERVICE

I hereby certify that the following:

APPLICANTS' TESTIMONY ON FINANCIAL QUALIFICATIONS

in the above-captioned proceeding have been served upon the persons shown on the attached list by depositing copies thereof in the United States mail on June 1, 1979 with proper postage affixed for first class mail.

DATED: June 1, 1979

F. Theodore Thomsen

F. Theodore Thomsen
Counsel for Puget Sound Power & Light Company
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401 204

Date: June 1, 1979

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5/16/79