



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 ) December 5, 1979  
Units 1 and 2) )  
\_\_\_\_\_ )

APPLICANTS' REPLY  
TO  
SCANP PROPOSED FINDINGS ON FINANCIAL QUALIFICATIONS

This is Applicants' reply to the proposed findings on financial qualifications filed by SCANP on November 9, 1979 (SCANP Proposed Findings).

1. SCANP argues that the construction of Skagit will be delayed and that this will cause the cost of Skagit to exceed Applicants' estimate. SCANP Proposed Findings Nos. 3-5, pp. 2-3. Except for the possible effect of the current suspension of licensing, the points urged by SCANP were answered in Applicants' proposed findings on financial qualifications filed October 8, 1979 (Applicants Proposed Findings).

2. As to the possible effect of the suspension, obviously the construction of Skagit will be delayed. However, neither the extent of the delay nor the cost impact of the delay, if any, can be predicted at this time. The

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speculations offered by SCANP on these matters provide no basis for any finding by the Board.

3. The remainder of the findings proposed by SCANP challenge the validity of Applicants' financial projections. SCANP Proposed Findings Nos. 6-11, pp. 4-10. The principal points urged by SCANP were answered in Applicants' Proposed Findings and in the findings proposed by the NRC Staff. However, one point warrants further comment.

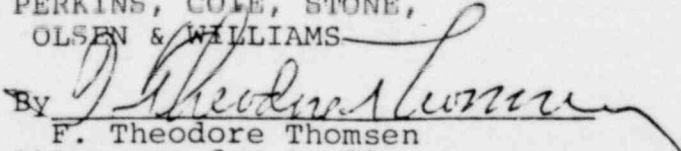
4. Throughout its proposed findings, SCANP has taken a short term view, virtually ignoring the fact that the construction of Skagit, and the raising of funds for its construction, will extend over a period of years. For example, in the case of projected inflation rates, interest rates, ratios of market-to-book-value, and return-to-equity rates, SCANP has focused primarily on the present situation or most recent rates in criticizing Applicants' projections. This is an unsound approach, when the purpose is to judge the reasonableness of projections extending 10 or 12 years into the future, as here. Tr. 14, 660-61; 14,674-75; 14,678-79; 14,922-24; 14,954-55; 14,984-86, 15,005.

DATED: December 5, 1979

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NUCLEAR REGULATORY COMMISSION

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PUGET SOUND POWER & LIGHT COMPANY,	)	DOCKET NOS.
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(Skagit Nuclear Power Project,	)	50-523
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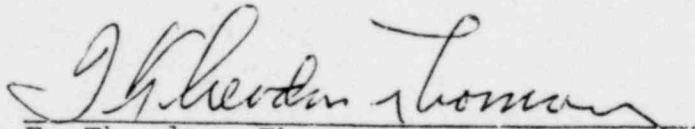
CERTIFICATE OF SERVICE

I hereby certify that the following:

APPLICANTS' REPLY  
TO  
SCANP PROPOSED FINDINGS 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 December 5, 1979 with proper postage affixed for first class mail.

DATED: December 5, 1979



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