Washington Public Power Supply System
A JOINT OPERATING AGENCY

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July 10, 1974
G03-74-29

Mr. Edson G. Case
Acting Directorate of Reactor Licensing
USAEC
Washington D.C. 20545

Subject: WPPSS NUCLEAR PROJECTS NO. 3 AND 5
PRELIMINARY SAFETY ANALYSIS REPORT
PROJECT STN-501

References: 1) Letter, A. Giambusso to J. J. Stein, Project Number STN-501, April 15, 1974.

2) Letter, GC3-74-357, J. J. Stein to J. F. O'Leary, Same Subject. June 4. 1974.

Dear Mr. Case:

Washington Public Power Supply System (WPPSS) submits herewith, the following documents in support of our application for construction permits for WPPSS Nuclear Projects Numbers 3 and 5.

Ten (10) copies of Licensing Applications
Fifteen (15) copies of Preliminary Safety Analysis Report

The application as tendered is for a two unit project to be located near Satsop in Grays Harbor County, Washington.

The second unit (WPPSS Nuclear Project No. 5) has been added to the application as a result of action taken by the Northwest Public Power Council and the WPPSS Board of Directors since the WNP-3 application was initially submitted for staff review on March 4, 1974. Each unit will utilize a Combustion Engineering "System 80" Nuclear Steam Supply System. The two units are identical with no shared Class I facilities or systems. Shared facilities will include the off-site power sources, intake and discharge lines, water and sanitary waste treatment facilities and certain parts of the plant fire protection system.

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The Preliminary Safety Analysis Report has been revised to incorporate the addition of WNP-5 and to respond to questions raised during the WNP-3 completeness review. All items listed in Mr. Giambusso's letter of April 15, 1974 (reference 1) as being required for docketing, have been responded to and included in the PSAR except as noted in our letter of June 4, 1974 to Mr. O'Leary (reference 2). Responses have also been provided to as many of the requests for additional information (not required for docketing) as possible at this point. To assist the reviewers, a list of the completeness review questions and the location of the responses is included following Chapter 17 of the PSAR.

As noted in our letter of June 4, 1974 to Mr. O'Leary, the Environmental Report is scheduled to be submitted on August 15, 1974. It is our understanding from discussions with members of the staff that additional copies of the anti-trust information are not required at this time.

Additional copies of the PSAR and application will be provided upon notification by the staff of the satisfactory completion of the completeness review.

Very truly yours,

J. J. STEIN
Managing Director

JJS:GCS:ct

Enclosure

cc: Mr. J. B. Knotts, Conner, Hadlock & Knotts
Mr. G. C. Sorensen, Washington Public Power Supply System
Mr. P. J. Hannaway, Ebasco Services, Incorporated

APPLICANT PROPOSED FINDINGS (ORIGINAL SUBMITTAL)

the Board has made both findings of fact relating to the radiological health and safety issues specified in the Notice of Hearing, and appropriate conclusions of law, as set out below, along with our order ruling on the matter of issuance of construction permits for WNP-3 and WNP-5.

In making the following findings and conclusions, the Board reviewed and considered the entire record of the proceeding and all of the proposed findings of fact and conclusions of law submitted by the parties. All such proposed findings of fact and conclusions of law which are not incorporated directly or inferentially in this Initial Decision are hereby rejected as being unsupported in law or in fact, or as being unnecessary to the rendering of this Initial Decision.

II. FINDINGS OF FACT - GENERAL HEALTH AND SAFETY MATTERS

A. FINANCIAL QUALIFICATIONS

1. Washington Public Power Supply System is a municipal corporation and joint operating agency of the State of Washington, organized in January 1957 pursuant to the laws of the State of Washington. WPPSS is composed of 19 operating public utility districts and the cities of Richland, Seattle, and Tacoma, Washington, each of which operates an electrical distribution system within the State of Washington. WPPSS

is empowered to acquire, construct and operate facilities for the generation and transmission of electric power and energy, but does not engage in the distribution of electric energy at retail. (Applicant's Exhibits 1 and 54; Staff Exhibit 16; Perko, Tr. following p. 598.)

2. WPPSS does not have rates and is not subject to the jurisdiction of any regulatory agency having control over rates. Rather, WPPSS is reimbursed for the cost of each project, including debt service, by the purchasers of the capability of that project. In this regard, the entire electrical capability of WPPSS' 70% ownership share of WNP-3 has been purchased by 103 publicly and cooperatively owned utilities ("Participants"),[3/] all of whom are statutory preference customers of the Bonneville Power Administration ("BPA"). The remaining 30% ownership share of WNP-3 has been purchased by four investor-owned utilities ("Companies") in the following undivided portions: Pacific Power and Light Company (10%), Portland General Electric Company (10%), The Washington Water Power Company (5%), and Puget Sound

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3/ The respective portions purchased by each Participant are set forth in the formal Application (Applicant's Exhibit 1). A portion of WPPSS' 70% share of the WNP-3 output will be sold to 15 industrial customers of the Bonneville Power Administration from the date of commercial operation through June 30, 1984, pursuant to a "Power Sale Agreement".

Power and Light Company (5%). (Applicant's Exhibits 1 and 54; Staff Exhibit 16; Perko, Tr. following p. 598.)

3. WPPSS estimates its total cost for WNP-3 to be $970 million. This estimate includes total nuclear production plant costs ($910,536,000), transmission and general plant costs ($14,989,000), and nuclear fuel inventory cost for the first core ($44,475,000). (Perko, Tr. following p. 598.)

4. The Participants have executed "Net Billing Agreements"[4/] with WPPSS and BPA which provide that the Participants' portion of WPPSS' 70% share of the capability of WNP-3 will be sold to the Participants, which in turn will assign the capability to BPA. The Net Billing Agreements provide that BPA will then credit the payments made to WPPSS by each Participant for its proportionate share of the WNP-3 annual costs (including debt service) against billings made by BPA to the Participant for power and services. All Participants are obligated by the Net Billing Agreements to pay their proportionate shares to WPPSS whether or not WNP-3 is complete, operable or operating, and notwithstanding the suspension, interruption, interference with, reduction, or curtailment of WNP-3. Further, BPA will

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4/ A form of Net Billing Agreement is set forth in Exhibit A to WPPSS' formal Application (Applicant's Exhibit 1).

credit all payments made to WPPSS by the Participants irrespective of energy actually received by BPA. Thus, there is assurance that the Participants will possess the necessary funds to bear their share of costs for WNP-3 irrespective of operation of that project. In the event of a default by a Participant, the remaining Participants are obligated to automatic step-ups in their billings (by as much as 25%) to satisfy the total obligations of the Participants. Thus, there are three levels of security for repayment of bonds and notes issued by WPPSS to finance its 70% share of WNP-3. The first level of security is the revenues to be derived from operation of WNP-3. The second level of security is the Net Billing Agreements pursuant to which the source of funds for payment of project costs is not dependent on actual project revenues. The third level of security is the obligation of the United States Government (through BPA) to provide power and credits to the Participants irrespective of operation of WNP-3. (Applicant's Exhibits 1 and 54; Staff Exhibit 16, Perko, Tr. following p. 598.)

5. Permanent financing of WPPSS' 70% ownership share of WNP-3 is effected by issuance of long-term debt securities of the revenue bond variety. State of Washington law (R.C.W. §43.52.3411) provides that WPPSS may issue revenue bonds payable from the revenues of the utility properties operated by it. WPPSS' Board of Directors has adopted a project plan

and system resolution for WNP-3, as well as plan and system resolutions for issuance of revenue bonds for WNP-3. These resolutions serve as the indentures to the buyers of the securities in which certain covenants are made to such buyers. The bonds or notes of WPPSS are negotiable instruments and legal securities for deposits of public monies, are legal investments for trustees and other fiduciaries, and for savings and loan associations, banks, and insurance companies. (Perko, Tr. following p. 598.)

6. WPPSS has a record of successful financing of generation projects. WPPSS began construction in 1962 and is now operating the Packwood Lake Hydroelectric Project (27,000 kw). Construction costs of this project were financed by the sale of revenue bonds in the amount of $13,700,000. All costs, including debt service, have been paid on a current basis and, excess construction funds have been applied to retire $519,000 par value of bonds ahead of schedule. In addition, $415,000 bonds have been retired according to the original retirement schedule. The project output is sold to 12 public utility districts. Operating revenues for fiscal year 1976 totaled $782,259. (Perko, Tr. following p. 598.)

7. WPPSS also successfully financed and constructed, and is now operating, the Hanford Generating Project (860,000 kw), which utilizes by-product steam produced in

the dual purpose N-Reactor of the United States Energy Research and Development Administration ("ERDA") on the Hanford Reservation. Construction costs were financed by the sale of revenue bonds in 1963 in the total amount of $122,000,000. All costs, including debt service, have been paid on a current basis and, in addition, excess construction funds have been applied to retire $34,825,000 par value of bonds ahead of schedule. In addition, $28,265,000 bonds have been retired according to the original debt retirement schedule. The project output is sold to 76 power purchasers, including public utility districts, municipalities, rural electric cooperatives and investor-owned utilities in the Northwest region. Operating revenues for fiscal year 1976 totaled $29,690,579. (Perko, Tr. following p. 598.)

8. WPPSS is currently constructing its Nuclear Project No. 1 ("WNP-1") (1250 mw) located on ERDA's Hanford Reservation near Richland, Washington. WNP-1 is being financed pursuant to Net Billing Agreements similar to those executed for WNP-3. In September of 1975, WPPSS issued the first long-term revenue bonds to finance this project, and a total of $535,000,000 in long-term debts has been issued to date. These securities were rated Aaa by Moody's Investor Service,

Inc. and AAA by Standard and Poor's Corporation.[5/] Commercial operation is scheduled for January 1982. (Perko, Tr. following p. 598.)

9. WPPSS is also currently constructing WPPSS Nuclear Project No. 2 ("WNP-2") (formerly Hanford No. 2) (1100 mw) which is also located on the Hanford Reservation. WNP-2 is being financed in the same manner as WNP-1 and WNP-3, with the entire capability being sold to public and cooperatively owned utilities under similar Net Billing Agreements. In July of 1973, WPPSS issued the first long-term revenue bonds to finance WNP-2, and a total of $800,000,000 in long-term debts has been issued to date. These securities were rated Aaa by Moody's Investor Service, Inc. and AAA by Standard and Poor's Corporation. Commercial operation is scheduled for September 1980. (Perko, Tr. following p. 598.)[6/]

10. WPPSS has also begun work on WPPSS Nuclear Project No. 4 ("WNP-4"), a duplicate of WNP-1, located on the Hanford Reservation. WNP-4 is being financed with WNP-5 as one system, and the project financing approach

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5/ The Atomic Safety and Licensing Board in Washington Public Power Supply System (WPPSS Nuclear Projects Nos. 1 and 4) 2 NRC 922, 927 (December 22, 1975), concluded that WPPSS possessed or had reasonable assurance of obtaining the funds necessary to cover estimated construction costs of WNP-1 and related fuel cycle costs.

6/ The Atomic Safety and Licensing Board in Washington Public Power Supply System (WPPSS Nuclear Project No. 2) 6 AEC 197 (March 15, 1973), concluded that the record was adequate to support findings subsequently made by the then Director of Regulation that WPPSS was financially qualified to construct WNP-2.

will not be altered, although there are some differences in the underlying contractual arrangements. These arrangements, and the financing history of WNP-4 and WNP-5, are discussed herein, infra, at paragraphs 13-17.

11. WPPSS has also issued $250 million of long-term revenue bonds for WNP-3. These long-term securities were rated Aaa by Moody's Investor Service, Inc. and AAA by Standard and Poor's Corporation. These and all subsequent issues are earmarked as being for WNP-3 and proceeds of the sale of securities may be expended for that project only. Correspondingly, revenues associated with contracts for the sale and purchase of the output of WNP-3 may be applied only to WNP-3 costs, including debt service. To continue financing WNP-3, in addition to the $250 million revenue bonds already sold, WPPSS will issue approximately $720 million dollars of its tax exempt revenue bonds in series from time to time during the period of construction. Each series of bonds issued will be on a parity with other bonds issued. (Perko, Tr. following p. 598.) Based upon the foregoing, the Board finds that WPPSS is financially qualified in terms of 10 C.F.R. §50.33(f) and Appendix C to 10 C.F.R. Part 50 to design and construct WNP-3 in that WPPSS possesses or has reasonable assurance of obtaining the funds necessary to finance its share (70%) of those activities and related fuel cycle costs.

12. The Companies have executed "Ownership Agreements"[7/] with WPPSS which provide that each of the Companies will pay its respective portion of the costs of acquiring, constructing, and operating WNP-3, as well as of WNP-3 annual operating costs. The Companies also are obligated by the Ownership Agreements to make payments whether or not WNP-3 is complete, operable or operating, and notwithstanding interruption or curtailment of output of WNP-3. The respective shares of the 30% aggregate which the four investor-owned electric utility Companies have agreed to purchase are set forth in paragraph 2, _supra_. The Companies are financing their respective shares individually in the same manner as the balance of their respective construction programs, _viz._, short-term borrowing, sale of equity securities, proceeds from first mortgage bonds, internally generated funds (including retained earnings, depreciation and deferred taxes), leases or other executory arrangements and other secured and unsecured transactions or construction financing.[8/] The Board finds that each of the four investor-owned Companies which have purchased an aggregate of 30% ownership interest in WNP-3 is financially qualified

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7/ A form of Ownership's Agreement is set forth in Exhibit A to WPPSS' formal Application (Applicant's Exhibit 1).

8/ Current annual reports for the Companies are set forth in PSAR Amendment 39 (Applicant's Exhibit 54).

in terms of 10 C.F.R. §50.33(f) and Appendix C to 10 C.F.R. Part 50 in that each possesses or has reasonable assurance of obtaining the funds necessary to finance its respective share of design and construction costs for WNP-3, including related fuel cycle costs. (Applicant's Exhibits 1 and 54; Staff Exhibit 16; Perko, Tr. following p. 598.)

13. With respect to WNP-5, WPPSS owns a 90% undivided interest as a tenant in common with Pacific Power and Light Company, which owns the remaining 10% undivided interest. WPPSS has executed "Participants' Agreements"[9/] with 88 public and cooperative utilities ("Participants"), which will purchase the entire capability of WPPSS' ownership share (90%) of WNP-5, and the entire capability (100%) of WNP-4, which is wholly owned by WPPSS. The ownership shares of WPPSS in WNP-4 (100%) and WNP-5 (90%) will be financed in the same manner as WNP-1, WNP-2 and WNP-3, viz., through the issuance of revenue bonds. All projects heretofore undertaken by WPPSS, except WNP-4 and WNP-5, have been financed as separate systems. As noted, WPPSS' ownership interests in WNP-4 and WNP-5 will be financed together as one system, and the project financing approach used for WNP-1, WNP-2 and WNP-3 and discussed in

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9/ A form of Participants' Agreements and the respective portions purchased by each Participant are set forth in PSAR Amendment 39 (Applicant's Exhibit 54).

detail herein, supra, paragraphs 4 - 9, will not be altered. (Applicant's Exhibit 54; Perko, Tr. following p. 598.)

14. WPPSS estimates its total cost of WNP-5 to be $1,718,661,000. This estimate includes total nuclear production plant costs ($1,539,207,000), transmission and general plant costs ($19,271,000), and nuclear fuel inventory for the first core and reload fuel ($160,183,000). (Perko, Tr. following p. 598.)

15. Under the Participants' Agreements, WPPSS receives a promise from the Participants that each will pay a portion of the costs of acquiring, constructing and operating the project (WNP-4 and WNP-5). Each Participants' portion of such costs includes the amount required each year to pay the interest and a portion of the principal on the bonds outstanding, plus the Participants' share of the annual operating costs. The first level of security for repayment of bonds is the revenues to be derived from operation of the project. The second level of security is that the Participants are obligated to make payments whether or not the project is completed, operable or operating, and notwithstanding interruption or curtailment of output. Thus, the source of funds for the payment of project costs is not dependent on actual project revenues, but is insured on a broad base through the obligation of the public and cooperative entities. Assurance

that such obligations can be met is provided in that the Participants covenant to increase rates to the level necessary to meet their obligations to WPPSS set forth in the Participants' Agreements. These rates are not subject to review or approval by any State agency. In the case of default by a Participant, each other Participant in its class (i.e., cooperative or public agencies) promises to step-up their respective obligations by as much as 25%. (Applicant's Exhibit 54; Perko, Tr. following p. 598.)

16. To finance WNP-4 and WNP-5, revenue notes in the amount of $15,000,000 were sold in August of 1974 for the preliminary planning and progress payments. These notes matured and were retired on June 15, 1976. In addition, short-term revenue bonds in the amount of $100 million were sold in July of 1975, and long-term revenue bonds in the amount of $145 million were sold in February of 1977. Most recently, on May 24, 1977, long-term bonds in the amount of $90 million were sold by WPPSS. These bonds were rated A-1 by Moody's and A+ by Standard and Poors. (Tr. 606-07.) To continue financing WNP-4 and its ownership's share of WNP-5, in addition to the $335 million revenue bonds already sold, WPPSS will issue approximately $3.1 billion of its tax-exempt revenue bonds in series from time to time during the period of

construction (Perko, Tr. following p. 598). Based upon the foregoing, the Board finds that WPPSS is financially qualified in terms of 10 C.F.R. §50.33(f) and Appendix C to 10 C.F.R. Part 50 to design and construct WNP-5 in that WPPSS possesses or has reasonable assurance of obtaining the funds necessary to finance its share (90%) of those activities and related fuel cycle costs.[10/]

17. Pacific Power and Light Company ("PP&L") has executed an "Ownership Agreement" with WPPSS to purchase 10% of WNP-5.[11/] PP&L will finance its ownership share of WNP-5 in the same manner as the balance of its respective construction programs, viz., short-term borrowing, sale of equity securities, proceeds from first mortgage bonds, internally generated funds (including retained earnings, depreciation, and deferred taxes), leases or other executory arrangements and other secured and unsecured transactions or construction financing.[12/] The Board finds that PP&L is

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10/ As noted, WNP-4 and WPPSS' share of WNP-5 will be financed as one system. We note that the Atomic Safety and Licensing Board in Washington Public Power Supply System (WPPSS Nuclear Project No. 4) in its Memorandum and Order dated September 7, 1976, stated that it could at that time "make a favorable conclusion of law on the financial qualifications issue for WNP-4." However, the Board in WNP-4 deferred issuance of the decision on financial qualifications to await resolution of certain unrelated outstanding matters.

11/ A copy of the Ownership Agreement between PP&L and WPPSS is set forth in Exhibit H to WPPSS' formal Application, as amended by PSAR Amendment 39 (Applicant's Exhibit 54).

financially qualified in terms of 10 C.F.R. §50.33(f) and Appendix C to 10 C.F.R. Part 50 in that it possesses or has reasonable assurance of obtaining the funds necessary to finance its share (10%) of design and construction costs for WNP-5, including related fuel cycle costs. (Applicant's Exhibits 1 and 54; Staff Exhibit 16; Perko, Tr. following p. 598.)

B. DESCRIPTION AND SAFETY EVALUATION OF THE FACILITIES

18. The facilities are to be located on a 2450-acre site in southeastern Grays Harbor County, Washington, one mile southeast of the confluence of the Satsop and Chehalis Rivers, and approximately 26 miles west-southwest of Olympia, Washington. The exclusion area is approximately circular in shape with a minimum boundary distance of 4,300 feet (1,310 meters) measured approximately from the center of either reactor building. The Applicant currently owns all portions of the exclusion area required for plant construction activities. Further, the Applicant has obtained by easement the authority to determine all activities within the exclusion area, including exclusion or removal of personnel and property, with the exception of two parcels. Negotiations are ongoing between the Applicant and the owners of those parcels for easements similar to those obtained by the Applicant from other landowners in the exclusion area. In the event that these negotiations are not successful,

Safety Evaluation Report

NUREG-0023
Suppl. No. 1

U. S. Nuclear Regulatory Commission

related to construction of

Washington Public Power Supply System Nuclear Projects No. 3 and No. 5

Office of Nuclear Reactor Regulation

Docket Nos. STN 50-508
STN 50-509

June 1976

Washington Public Power Supply System, et al.

Supplement No. 1

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NUREG-0023
Supplement No. 1
June 1976

SUPPLEMENT NO. 1

TO THE

SAFETY EVALUATION REPORT

BY THE

OFFICE OF NUCLEAR REACTOR REGULATION

U.S. NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECTS NO. 3 AND NO. 5

DOCKET NOS. STN 50-508 AND STN 50-509

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1.0 INTRODUCTION AND GENERAL DISCUSSION

1.1 Introduction

The Nuclear Regulatory Commission's (Commission) Safety Evaluation Report in the matter of the application by the Washington Public Power Supply System, Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company (hereinafter referred to as the applicants) for Project No. 3 (WNP-3) and the Washington Public Power Supply System and Pacific Power & Light Company for Project No. 5 (WNP-5) to construct and operate the proposed facilities was issued on February 13, 1976.

The purpose of this supplement is to update the Safety Evaluation Report by providing (1) our evaluation of additional information submitted by the applicants since the Safety Evaluation Report was issued, (2) our evaluation of the matters where we had not completed our review of information submitted by the applicants when the Safety Evaluation Report was issued and (3) our responses to the comments made by the Advisory Committee on Reactor Safeguards in its report dated April 16, 1976.

Except for the appendices, each of the following sections of this supplement is numbered the same as the sections of the Safety Evaluation Report that is being updated, and the discussions are supplementary to and not in lieu of the discussion in the Safety Evaluation Report.

Appendix A to this supplement is a continuation of the chronology of the staff's principal actions related to processing of the WNP-3 and WNP-5 application. Appendix B is the Report of the Advisory Committee on Reactor Safeguards on WNP-3 and WNP-5. Appendix C is a listing of errata to the Safety Evaluation Report.

1.9 Outstanding Issues

In Section 1.9 of the Safety Evaluation Report, we listed a number of outstanding issues. All of the outstanding issues have been resolved.

2.0

2.1 Geography and Demography

?..2 Exclusion Area Control

The exclusion area is approxim
of 4,300 feet (1,310 meters) m
building. The applicants have
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3.0 DESIGN CRITERIA FOR STRUCTURES, SYSTEMS AND COMPONENTS

3.6 Protection Against Dynamic Effects Associated with the Postulated Rupture of Piping

3.6.2 Protection Against Dynamic Effects Associated with the Postulated Rupture of High Energy Piping Outside Containment

In the Safety Evaluation Report, we stated that we had reviewed the applicants' commitments regarding the design of the high and moderate energy piping systems and associated components and structures. We found them to be in accordance with the guidance set forth in the Commission's letter of July 12, 1974, "Protection Against Postulated Events and Accidents Outside Containment."

We further stated that the applicants had submitted a Topical Report, ETR-1002, "Design Considerations for the Protection from the Effects of Pipe Rupture," to define in more detail criteria which will be used in providing protection from these postulated events. The Topical Report also summarizes the analytical methods to be employed to assess the consequences of the postulated failure. We stated that we would require that the criteria described in this topical report be consistent with the staff technical positions.

In Amendment 33 to the Preliminary Safety Analysis Report (PSAR), the applicants deleted reference to the Topical Report. As stated in the Safety Evaluation Report, we continue to find that the applicants' commitments, as stated in the PSAR regarding the design of the high and moderate energy piping systems and associated components and structures, are in accordance with our design criteria and are acceptable. We consider this item resolved.

3.9 Mechanical Systems and Components

3.9.2 ASME Code Class 2 and 3 Components

3.9.2.1 Design and Installation Criteria, Pressure Relieving Devices

We reported in the Safety Evaluation Report that the applicants had referenced two recently developed computer codes, LOADFACT and PIPESTRESS 2010, for use in analyzing the effects of dynamic loadings associated with the sudden operation of pressure relieving devices. We stated that we would require the applicants to establish the validity of these codes for this type of analysis in accordance with our technical positions.

In Amendment 30 to the PSAR, the applicants submitted program validation information for PIPESTRESS 2010. Also in Amemdment 30, the applicants stated that applicable validation information for LOADFACT could be obtained from reviewing the elastic solution validation results for a code entitled Plast 2267, as contained in Topical Report ETR-1002.

We have reviewed this information and find that the validations, as submitted, comply with our technical positions as described in Standard Review Plan 3.9.1. Therefore, we consider this issue to be resolved.

6.0 ENGINEERED SAFETY FEATURES

6.2 Containment Systems

6.2.8 Containment Air Purification and Cleanup Systems

In the Safety Evaluation Report, we described the applicants' proposed spray additive system and stated that, because of the unproven design of this system, we would require integral pre-operational testing of the spray and spray additive system to demonstrate adequate performance of the design. These pre-operational tests must be of sufficient detail to permit the evaluation of the capability of the system to inject sodium hydroxide into the containment spray flow at an adequate rate to produce an hydrogen ion concentration (pH) value of 8.5 in the containment sump at the end of injection, while maintaining the spray solution within the pH values of 9.0 and 11.0. The performance of the system within these limits must be demonstrated with a single active failure in the spray or spray additive system, or any support system. In Amendment 30 to the PSAR, the applicants described a series of pre-operational tests which include integrated testing of the spray and spray additive system with a single active failure either in the spray or spray additive system. The spray additive tank will be filled with water in lieu of sodium hydroxide. The results of these integrated tests will be correlated with separate sodium hydroxide flow measurements. We find this pre-operational testing commitment acceptable at the construction permit stage of review, and we consider this issue to be resolved.

9.0 AUXILIARY SYSTEMS

9.5 Other Auxiliary Systems

9.5.1 Fire Protection System

In Amendments 30 and 31 to the PSAR, the applicants documented the following information to resolve our concerns regarding the fire protection system:

(1) Portable Halon 1301 fire extinguishers will be used as the fire extinguishing agent in the control room cabinets and computer room cabinets.

(2) The fire extinguishing system in the dry cooling tower electrical rooms will use ionization fire detectors, alarms, and automatic Halon 1301 flooding.

(3) The Halon 1301 inventory of each Halon 1301 fire extinguisher will be checked quarterly by weighing the Halon container.

(4) Pre-action sprinklers with heat and ionization detectors and alarm plus manual fire hoses will be provided in the electrical penetration areas.

(5) An automatic hydrogen analyzer and alarm will be provided in the battery rooms to monitor hydrogen gas buildup from operation of the batteries. Portable Halon 1301 extinguishers will be located directly outside the battery rooms. Hose stations and portable Halon 1301 extinguishers will be provided in the vicinity of the emergency switchgear rooms.

(6) The diesel fuel oil storage tanks have been moved from the previous location directly under the electrical rooms between the dry cooling towers to the opposite ends of the dry cooling towers. The electrical rooms for the dry cooling towers remain in the original area between the two dry cooling towers. The electrical rooms and each diesel fuel oil storage tank will be enclosed in barriers with a minimum fire rating of three hours. The diesel fuel oil storage tank areas will be provided with automatic foam system with alarms.

(7) In Section 9.3 3 of the PSAR, the applicants stated that the safety related equipment rooms with automatic sprinkler systems such as the cable vault areas will be provided with floor drains.

Based on our review of the above fire protection system modifications, we conclude that the design criteria and bases meet the requirements of Criterion 3 of the General

Design Criteria regarding design of structures and systems and provision of fire detection and fighting systems of appropriate capacity and capability to minimize the probability and effect of fires and are acceptable. We, therefore, consider this issue resolved. However, as a result of investigations presently being conducted by the staff on fire protection systems, additional requirements may be imposed before plant operation to further improve the capability of the fire protection system to prevent unacceptable damage that may result from a fire.

11.0 RADIOACTIVE WASTE MANAGEMENT

11.6 Evaluation Findings

On April 30, 1975, the Commission adopted Appendix I to 10 CFR Part 50, "Numerical Guides for Design Objectives and Limiting Conditions for Operation to Meet the Criterion 'As Low As Reasonably Achievable for Radioactive Material in Light-Water-Cooled Nuclear Power Reactor Effluents'." To effectively implement the requirements of Appendix I, we have reassessed the parameters and mathematical models used in calculating releases of radioactive materials in liquid and gaseous effluents in order to comply with the Commission's guidance. This guidance directed that current operating data, applicable to proposed radwaste treatment and effluent control systems for a facility, be considered in the assessment of the input parameters. The input parameters, models and their bases are given in Regulatory Guide 1.BB, "Calculation of Releases of Radioactive Materials in Liquid and Gaseous Effluents from Pressurized Water Reactors (PWRs)," September 9, 1975.

By letter from Daniel R. Muller to J. J. Stein, dated September 12, 1975, we requested the applicants to submit additional information concerning the means proposed to be employed to keep levels of radioactive materials in effluents from WNP-3 and WNP-5 to unrestricted areas "as low as reasonably achievable" in accordance with Appendix I guidelines. In a letter dated October 17, 1975, the applicants chose to perform the cost-benefit analysis required by Section II.D of Appendix I to 10 CFR Part 50.

We have performed an independent evaluation of the applicants' proposed methods to meet the requirements of Appendix I as documented in Supplement 6 to the Environmental Report. Our evaluation consisted of: (1) a review of the information provided by the applicants in response to the letter of September 12, 1975; (2) a review of the applicants' proposed radwaste treatment and effluent control systems as described in the PSAR as amended through Amendment 27 and in the Environmental Report as amended through Amendment 5; (3) the calculation of new source terms based on models and parameters as given in Regulatory Guide 1.BB; and (4) the calculation of the cost-benefit of potential radwaste treatment augments, using doses based on the source terms calculated in (3) above and guidance as given in Regulatory Guide 1.110, "Cost-Benefit Analysis for Radwaste Systems for Light-Water Cooled Nuclear Power Reactors" (March 1976).

The individual and population doses were calculated using the guidance in Regulatory Guide 1.109, "Calculation of Annual Average Doses to Man from Routine Releases of Reactor Effluents for the Purpose of Evaluating Compliance with 10 CFR Part 50, Appendix I" (March 1976). Meteorologic and hydrologic factors in the dose calculations were determined using the guidance in Regulatory Guide 1.111, "Methods for

Estimating Atmospheric Transport and Dispersion of Gaseous Effluents from Routine Releases from Light-Water-Cooled Reactors" (March 1976), and in Regulatory Guide 1.EE, "Analytical Models for Estimating Radiofsotope Concentration in Different Water Bodies" (September 1975).

We have determined the quantities of radioactive materials that will be released in the liquid and gaseous effluent streams during normal operation including anticipated operational occurrences. The principal radionuclides expected to be released in liquid and gaseous effluents are given in Tables 11.1 and 11.2 to this supplement. In making these determinations, we have considered waste flows, radionuclide activities, and equipment decontamination factors, which are consistent with those expected over the 40 year operating life of the plant, considering normal operation including anticipated operational occurrences. A list of the parameters used in these determinations is given in Table 11.3.

In our evaluation, we have determined that for each reactor on the WNP-3 and WNP-5 site that (1) the release of all radioactive materials above background in liquid effluents will not result in an annual dose or dose commitment to any individual in an unrestricted area from all pathways of exposure in excess of 3 milliroentgens equivalent man (millirems) to the total body and 10 millirems to any organ, (2) the release of all radioactive materials above background in gaseous effluents will not result in an estimated annual air dose at any location near ground level which could be occupied by individuals in unrestricted areas in excess of 10 milliradiation absorbed doses (millirads) for gamma radiation or 20 millirads for beta radiation, and (3) the release of all radioactive iodine and radioactive material in particulate form above background will not result in an annual dose or dose commitment to any individual in an unrestricted area from all pathways of exposure in excess of 15 millirems to any organ.

For the cost-benefit analyses, we considered the potential effectiveness of augmenting the proposed liquid and gaseous radwaste treatment systems using items of reasonably demonstrated technology. We further considered whether additional augmentation would effectively reduce the cumulative population dose reasonably expected within a 50 mile radius of the reactors.

We evaluated the potential radwaste system augments based on a study of the design of the applicants' systems, on the dose information provided in Tables 11.4 and 11.5 of this supplement, on the basis of an interim value of $1,000 per man-roentgens equivalent man (man-rem) to the total body and $1,000 per man-rem to the thyroid for reductions in dose by the application of augments, and on the cost of potential radwaste system augments as presented in Regulatory Guide 1.110.

The doses from gaseous releases to the population within a 50 mile radius of each reactor, when multiplied by $1,000 per man-rem to the total body or $1,000 per man-rem to the thyroid, resulted in a cost-assessment value of $7,000 for the man-rem dose to the total body and $8,000 for the man-rem dose to the thyroid. Similarly, the doses from liquid releases resulted in cost-assessment values of $610 for the man-rem doses to the total body and $1,100 for the man-rem doses to the thyroid.

TABLE 11.1

CALCULATED RELEASES OF RADIOACTIVE MATERIALS IN GASEOUS EFFLUENTS FROM

WNP-3 and WNP-5

(Curies per year per unit)

Nuclide	Waste Gas Processing System	Reactor Bldg	Auxiliary Bldg	Turbine Bldg	Condenser Air Removal Vent	Total
Krypton-83m	a	a	a	a	a	a
Krypton-85m	a	1	2	a	1	4
Krypton-85	260	1	a	a	a	260
Krypton-87	a	a	1	a	a	1
Krypton-88	a	2	4	a	2	8
Krypton-89	a	a	a	a	a	a
Xenon-131m	a	3	a	a	a	3
Xenon-133m	a	7	a	a	a	7
Xenon-133	a	570	33	a	21	620
Xenon-135m	a	a	a	a	a	a
Xenon-135	a	6	4	a	3	13
Xenon-137	a	a	a	a	a	a
Xenon-138	a	a	1	a	a	1
Iodine-131	a	2.1(-3)	4.3(-3)	2.4(-4)	2.7(-3)	9.3(-3)
Iodine-133	a	8.3(-4)	6.2(-3)	3.4(-4)	3.9(-3)	1.1(-2)
Cobalt-60	7(-5)[b]	4.7(-5)	2.7(-4)	a	a	3.9(-4)
Cobalt-58	1.5(-4)	1(-4)	6(-4)	a	a	8.5(-4)
Iron-59	1.5(-5)	1(-5)	6(-5)	a	a	8.5(-5)
Manganese-54	4.5(-5)	3(-5)	1.8(-4)	a	a	2.5(-4)
Cesium-137	7.5(-5)	5.3(-5)	3(-4)	a	a	4.3(-4)
Cesium-134	4.5(-5)	3(-5)	1.8(-4)	a	a	2.5(-4)
Strontium-90	6(-7)	4.2(-7)	2.4(-6)	a	a	3.4(-6)
Strontium-89	3.3(-6)	2.4(-6)	1.3(-5)	a	a	1.9(-5)
Carbon-14	7.2	8(-1)	a	a	a	8
Hydrogen-3	a	380	380	a	a	760
Argon-41	a	25	a	a	a	25

[a]negligible compared to overall source term, e.g., less than 1.0 curies per year noble gases, less than 1 (-4) curies per year iodine.

[b]exponential notation: 7(-5) = 7×10^{-5}.

TABLE 11.2

CALCULATED RELEASES OF RADIOACTIVE MATERIALS IN LIQUID EFFLUENTS FROM WNP-3 AND WNP-5

Nuclide	Curies per year per unit	Nuclide	Curies per year per unit
Chromium-51	8(-5)[a]	Tellurium-131m	4(-5)
Manganese-54	1(-3)	Tellurium-131	2(-5)
Iron-55	1(-4)	Iodine-131	5.9(-2)
Iron-59	5(-5)	Tellurium-132	4.4(-4)
Cobalt-58	4.9(-3)	Iodine-132	2.5(-3)
Cobalt-60	8.8(-3)	Iodine-133	3.7(-3)
Bromine-83	8(-5)	Iodine-134	3(-5)
Rubidium-86	2(-5)	Cesium-134	2.7(-2)
Strontium-89	2(-5)	Iodine-135	1.1(-2)
Molybdenum-99	1.6(-3)	Cesium-136	2.8(-3)
Technetium-99m	1.6(-3)	Cesium-137	3.4(-2)
Tellurium-127m	1(-5)	Barium-137	9.7(-3)
Tellurium-127	2(-5)	Neptunium-239	2(-5)
Tellurium-129m	6(-5)	All Others Except Hydrogen-3	6(-5)
Tellurium-129	4(-4)	Total	2.1(-1)
Iodine-130	1.7(-4)		
		Hydrogen-3	7.6(+2)

[a] exponential notation: $8(-5) = 8 \times 10^{-5}$

TABLE 11.3

PRINCIPAL PARAMETERS AND CONDITIONS USED IN CALCULATING RELEASES OF RADIOACTIVE MATERIAL IN LIQUID AND GASEOUS EFFLUENTS FROM WNP-3 AND WNP-5

Reactor Power Level	3800 thermal megawatts
Plant Capacity Factor	0.80
Failed Fuel	0.12 percent (a)
Primary System	
Mass of Coolant	5.4×10^5 pounds
Letdown Rate	84 gallons per minute
Shim Bleed Rate	1.1 gallons per minute
Leakage to Secondary System	100 pounds per day
Leakage to Containment Building	(b)
Leakage to Auxiliary Buildings	160 pounds per day
Frequency of Degassing for Cold Shutdowns	2 per year
Secondary System	
Steam Flow Rate	1.7×10^7 pounds per hour
Mass of Steam/Steam Generator	1.6×10^4 pounds
Mass of Liquid/Steam Generator	1.6×10^5 pounds
Secondary Coolant Mass	2.8×10^6 pounds
Rate of Steam Leakage to Turbine Building	1.7×10^3 pounds per hour
Fraction of Feedwater Processed Through Condensate Demineralizers	0.6
Steam Generator Blowdown Rate	1.7×10^5 pounds per hour
Containment Building Volume	3.4×10^6 cubic feet
Annual Frequency of Containment Purges (shutdown)	4
Annual Frequency of Containment Purges (at power)	20
Iodine Partition Factors (gas/liquid)	
Leakage to Auxiliary Building	0.0075
Steam Generator	0.01
Leakage to Turbine Building	1.0
Main Condenser/Air Ejector (volatile species)	0.15

[a] This value is constant and corresponds to 0.12 percent of the operating power fission product source term as given in Regulatory Guide 1.BB, September 9, 1975.

[b] One percent per day of the primary coolant noble gas inventory and 0.001 percent per day of the primary coolant iodine inventory.

TABLE 11.3 (Continued)

Decontamination Factors (DF) for liquid wastes

	Boron Recovery System (BRS)	Floor Drain Wastes Inorganic Chemical Wastes, Regenerant Solutions	Laundry and Hot Shower Drains
Iodine	1×10^4	1×10^4	1
Cesium, Rubidium	2×10^4	1×10^5	1
Others	1×10^5	1×10^5	1

	All Nuclides Except Iodine	Iodine
Radwaste Evaporator DF	10^4	10^3
BRS Evaporator DF	10^3	10^2

	Anions	Cesium and Rubidium	Other Nuclides
Boron Recycle Feed Demineralizer, DF	10	2	10
Primary Coolant Letdown Demineralizer, DF	10	2	10
Evaporator Condensate Polishing Demineralizer, DF	10	10	10
Mixed Bed Condensate Demineralizer, DF	10	2	10
Turbine Air Removal System and Containment Building Internal Recirculation System Charcoal Filter, DF (Iodine Removal)			10
Fuel Handling Building and Auxiliary Building Ventilation System Charcoal Filter, DF (Iodine Removal)			10

TABLE 11.4

COMPARISON OF CALCULATED DOSES FROM
WNP-3 AND WNP-5 OPERATION
WITH SECTIONS II.A, II.B AND II.C
OF APPENDIX I TO 10 CFR PART 50

(Doses to Maximum Individual per Reactor Unit)

Criterion	Appendix I Dose Design Objective	Calculated Doses
Liquid Effluents		
Dose to total body from all pathways	3 mrem/yr[a]	2.1 mrem/yr
Dose to any organ from all pathways	10 mrem/yr	2.6 mrem/yr
Noble Gas Effluents		
Gamma dose in air	10 mrad/yr[b]	2.6 mrad/yr
Beta dose in air	20 mrad/yr	4.7 mrad/yr
Dose to total body of an individual	5 mrem/yr	0.9 mrem/yr
Dose to skin of an individual	15 mrem/yr	2.1 mrem/yr
Radioiodines and Particulates[c]		
Dose to any organ from all pathways	15 mrem/yr	3.0 mrem/yr

[a]millirems per year

[b]millirads per year

[c]Carbon-14 and tritium have been added to this category.

TABLE 11.5

CALCULATED POPULATION DOSES FOR COST-BENEFIT ANALYSIS, SECTION II.D OF APPENDIX I TO 10 CFR PART 50*

Pathway	Total Body man-roentgen equivalent man	Thyroid man-roentgen equivalent man
Liquid	0.61	1.1
Gaseous	6.8	8.0

*Based on the population reasonably expected to be within a 50 mile radius of the reactor.

Potential radwaste system augments were selected from the list given in Regulatory Guide 1.110. We considered 10 augments to the gaseous radwaste system and 10 augments to the liquid radwaste system. The total annual cost (TAC) for the gaseous radwaste system augments ranged from $8,000 to $660,000 per year. The TAC for the liquid radwaste system augments ranged from $11,000 to $200,000 per year. The principal parameters used in determining the TAC are given in Table 11.6.

For the 20 augments evaluated, we found that the TAC for each augment exceeded the $1,000 per man-rem to the total body or $1,000 per man-rem to the thyroid cost-benefit ratio. We concluded, therefore, that there were no cost-effective augments to reduce the cumulative population dose at a favorable cost-benefit ratio.

Based on our evaluation, we conclude that the liquid and gaseous radwaste treatment systems as described in the PSAR without augments are capable of reducing releases of radioactive materials in liquid and gaseous effluents to "as low as reasonably achievable" levels in conformance with 10 CFR Part 50.34a and meet the requirements of Appendix I to 10 CFR Part 50 and are acceptable. We, therefore, consider the issue to be resolved.

TABLE 11.6

PRINCIPAL PARAMETERS USED IN THE COST-BENEFIT ANALYSIS

Labor Cost Correction Factor, Federal Power Commission Region 7[a]	1.3
Indirect Cost Factor[a]	1.62
Cost of Money[b]	7 percent
Capital Recovery Factor[a]	0.0806

[a]From Regulatory Guide 1.110.

[b]From Applicants' Environmental Report Supplement 6.

15.0 ACCIDENT ANALYSES

15.5 Postulated Accidents

15.5.6 Radiological Consequences of Accidents

The whole body dose model used by us to calculate the radiological consequences of the design basis accident has been revised since we reported the whole body doses in the Safety Evaluation Report. The revised whole body dose model considers explicit dose conversion factors for each isotope of interest, and this model was used to calculate the doses reported in Table 15.1 to this supplement. In addition, the thyroid dose from containment purging to control hydrogen accumulation following a design basis loss-of-coolant accident has been reduced to reflect the additional dose reduction credit obtained by use of the containment spray additive system. The revised doses in this supplement do not affect our conclusion stated in the Safety Evaluation Report that the doses calculated for the design basis accidents are well within the applicable guideline exposures of Regulatory Guide 1.4, "Assumptions Used for Evaluating the Potential Radiologcial Consequences of a Loss-of-Coolant Accident for Pressurized Water Reactors," and thus a small fraction of the 10 CFR Part 100 guideline values.

TABLE 15.1

RADIOLOGICAL CONSEQUENCES OF DESIGN BASIS ACCIDENTS

Accident	Exclusion Area[a] 2-Hour Dose roentgen equivalent man		Low Population Zone[b] 30-Day Dose, roentgen equivalent man	
	Thyroid	Whole Body	Thyroid	Whole Body
Loss-of-Coolant	74	15	25	4
Hydrogen Purge	--	--	2	< 1
Fuel Handling	3	1	--	-

[a] Exclusion area boundary distance = 1,310 meters

[b] Low population zone distance = 4,830 meters (3 miles)

18.0 REVIEW BY THE ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

The Advisory Committee on Reactor Safeguards (the Committee) completed its review of the application for construction permits for the Washington Public Power Supply System Units No. 3 and No. 5 at its 192nd meeting held April 8-10, 1976. The application was also considered during the 191st meeting of the Committee held March 4-6, 1976. A copy of the Committee's report, dated April 16, 1976, which contains comments and recommendations, is attached as Appendix B to this supplement. The actions we have taken or plan to take in response to these comments and recommendations are described in the following paragraphs.

(1) The Committee stated that if studies, conducted with the best available techniques, establish that significant further emergency core cooling system improvements can be achieved, consideration should be given to incorporating such improvements into WNP-3 and WNP-5.

Studies are being conducted by several reactor vendors and the staff to better define the current safety margins associated with emergency core cooling systems. More specifically, we are holding generic discussions with Combustion Engineering regarding the concept of combined hot and cold side emergency core cooling system injection. Current efforts by the staff are aimed at determining if hot leg (upper head) injection would bring about significant improvement in the reflood period after a loss-of-coolant accident. Experiments to determine the effectiveness of alternate emergency core cooling injection modes such as these are planned to be performed at the semiscale test facility in Idaho. In addition, we are developing advanced computer models for emergency core cooling systems performance evaluation. We will consider the results of these studies in evaluating any future modifications to the WNP-3 and WMP-5 emergency core cooling system.

(2) The Committee stated that a generic question has arisen concerning loads on the vessel support structure for certain postulated loss-of-coolant accidents in pressurized water reactors, and that this matter should be resolved for WNP-3 and WNP-5 in a manner satisfactory to the staff.

In a letter dated November 26, 1975, we requested the applicants to verify that the final design procedures would account for transient asymmetric pressure loads on the reactor vessel supports. In a letter from N. O. Strand to B. C. Rusche, dated December 31, 1975, the applicants stated that it is their intent that the final design of the reactor vessel support system will take into account these asymmetric loads in combination with the appropriate loss-of-coolant accident and seismic loads. The applicants further stated that the results of these analyses and the final design parameters for the supports will be incorporated in the Final Safety Analysis Report. We consider this to be an acceptable commitment, and, that accordingly, the design of the reactor vessel supports is acceptable for the construction permit stage of review.

(3) The Committee expressed the view that the applicants and the staff should continue to review the WNP-3 and WNP-5 design for features that could reduce the possibility and consequences of sabotage.

As we stated in the Safety Evaluation Report, we have concluded that the applicants' arrangements for protection of the plant against acts of industrial sabotage are acceptable for the construction permit stage of review. We have undertaken a study, on a generic basis, of design features of nuclear power plants to reduce the possibility and consequences of sabotage. We will apply the results of this study, as appropriate, to the WNP-3 and WNP-5 design.

(4) The Committee wishes to be informed of the specific application of the Browns Ferry Nuclear Plant fire special review group's recommendations as they apply to WNP-3 and WNP-5. These recommendations describe the development of additional information for fire prevention, fire fighting, quality assurance, and improvement of Commission policies, procedures and criteria.

We are proceeding with a program to conduct a comprehensive review and evaluation of nuclear power plants based on the staff's newly developed guidelines for fire protection system. The guidelines considered experience gained from the Browns Ferry Nuclear Plant fire, recommendations from the special review group, Nuclear Energy Liability-Property Insurance Association, and other qualified fire protection consulting agencies. The fire protection systems for WNP-3 and WNP-5 will be upgraded if the results of our evaluation so dictate. We will inform the Committee of the results of our review.

(5) The Committee expressed its continuing concern regarding generic problems related to large water reactors, recommending that such problems be dealt with appropriately by the applicants and the Nuclear Regulatory Commission staff.

These generic problems are discussed in a report by the Committee dated April 16, 1976. These problems are being worked on by the various reactor vendors, other industrial organizations and the staff, and will be the subject of our continuing attention.

(6) The following additional comment was appended to the letter:

> "The recurrence interval of an earthquake of the order of the safe shutdown earthquake (SSE) may be about 1,000 years for this site. For such a recurrence interval the probability of not achieving safe shutdown, given the SSE, must be very small if the staff goal of less than 10^{-7} per

year, of a serious accident from any single cause, is to be achieved. Since seismic design adequacy is not subject to direct experimental confirmation, we believe that other measures, including independent design review, low-amplitude shaking measurements of the completed structure, as-built construction validation, and detection of possible inservice degradation, should be evaluated and the necessary steps taken to provide the high degree of detailed specific assurance required with regard to seismic capability of all safety-related features."

We have in the past identified as a desirable safety objective for a large population of reactors that the probability of an accident with consequences that would significantly exceed the 10 CFR Part 100 guidelines from one accident source should be 10^{-7} per reactor-year or less. This objective was primarily set for application in postulated accidents where we have been able to quantify or bound the probabilities (e.g., in the anticipated transients without scram case and in considering aircraft crashes), but was not intended for use in seismic design.

In the case of seismic design, we believe that a quantitive definition of various probabilistic parameters is still beyond the reach of the current state-of-the-art. Therefore, the use of a deterministic and conservative approach to ensure seismic design adequacy of safety related structures and systems is more appropriate.

The seismic design criteria of WNP-3 and WNP-5 were reviewed and accepted on the basis of deterministic considerations. We concluded that the WNP-3 and WNP-5 seismic design will comply with applicable staff positions as set forth in Section 3.7 of the Standard Review Plan.

With regard to seismic capability of equipment, all essential mechanical and electrical equipment, including supports, in the WNP-3 and WNP-5 facilites will be seismically qualified by experiment and/or analysis as indicated in the Safety Evaluation Report. This seismic qualification is in accordance with the requirements of Appendix C in the Safety Evaluation Report, and is consistent with our positions set forth in Sections 3.9.2, 3.9.3 and 3.10 of the Standard Review Plan and IEEE Standard 344-1975, "IEEE Recommended Practices for Seismic Qualification of Class IE Equipment for Nuclear Power Generating Stations." In addition, we are conducting a seismic audit program to assess the implementation of approved qualification methods and procedures for all essential mechanical and electrical equipment. This audit is being accomplished through visits to architect engineering companies, reactor vendors, and to typical plant sites to evaluate the test or analytical method employed for each item of equipment taking into account the actual configuration and mounting location of the item.

The measures noted are, nevertheless, considered significant and should be implemented if we are to further improve the reliability and conservatism of seismic design for safety related structures and systems. We are currently studying the advisability of implementing the above recommended measures, specifically, the implementation of an independent design review of plants.

We believe that the acceleration for seismic design which was accepted for the WNP-3 and WNP-5 site is near an upper bound value based on the geology and seismicity of the Puget Sound Region. Though the probability of this event being exceeded has not been determined, we believe that it is extremely low.

With respect to the comment on the probability of not achieving safe shutdown given an SSE of about 1000 years recurrence period, the design criteria used in the seismic design of the plant are such that the probability of not achieving safe shutdown is indeed very small but cannot be realistically quantified at this time.

We are of the opinion that there is not further need to implement other measures such as independent design review, low amplitude shaking of completed structures and detection of possible inservice degradation, insofar as licensing of WNP-3 and WNP-5 is concerned.

7. The following additional comment was appended to the letter:

> "With increasing frequency, questions have arisen concerning the appropriate degree of conservatism to be included in the seismic design criteria for nuclear power plants. The needs of public safety would be best served if the design practices currently in vogue were altered to permit inelastic response so as to enhance the energy absorption characteristics of nuclear structures under severe seismic loadings. For the more severe seismic conditions inelastic design principles should be applied to foundations, concrete containments, floors, and support structures in order to assure a high degree of damping and thus minimize the forces transmitted to critical safety features and to the primary coolant circuitry. This would eliminate the need for many of the complex supplemental structural features of questionable reliability which are now used to meet extreme seismic design conditions. This design approach would allow nuclear structures to satisfy even the most pessimistic loading requirements of the most extreme seismic prophet. If it is not used there is doubtful value, and possibly some loss in public safety margin, from the use of ultraconservative seismic design requirements because the reliability of the structural restraints cannot be assessed from relevant structrual experience or post-construction vibrational testing."

We considered the concerns expressed in the above statement on the appropriate degree of conservatism to be included in the seismic design criteria for nuclear power plants, and how best would the needs of public safety be served if inelastic design principles instead of the elastic design approaches currently used were applied in the design and analysis of structures for the severe seismic conditions. We recognize some of the anomalies of elastic design. However, the current elastic design approach to seismic design has been established after extensive research and development. Research efforts in recent years have demonstrated that earthquake effects, including lack of damage as well as damage, usually cannot be totally reconciled with elastic unit stresses and current design procedures. Various inelastic design methods have been proposed by several investigators, and certain empirical relationships and approximations are employed in order to reduce the complex problem of inelasticity and energy to more general application. However, there is a lack of more rigorous approach and the absence of complete scientific justification for the inelastic methodology. For instance, if the response spectrum approach which is rigorously applicable to structures only in the elastic range is used, inelastic response spectra have to be established. Since nonlinear systems have no true vibrational modes, such inelastic response spectra are generally obtained by modifying the elastic response spectra, which is, at best, an approximation and requires experience and judgment. There are other questions such as the damping values and ductility ratios to be used. Basically, the state-of-the-art of the non-linear design approach has not yet reached the point for more general and immediate application.

Realizing the limitations of the elastic approach, we have allowed the use of ultimate strength design for concrete structures and plastic design for steel structures in the design of member sections. We are presently considering the use of the inelastic approach for reevaluation of already built nuclear plants. In addition, the inelastic approach is being considered for non-Category I structures, systems and components. Furthermore, we are considering the engagement of experienced consultants to investigate and establish nonlinear design approaches.

(8) The following additional comment was appended to the letter:

> "The site for WPPSS Nuclear Projects No. 3 and No. 5 lies in a seismically active region that has been subject to large earthquakes in historic time and includes active major faults. While we do not disagree with the proposed seismic design basis, we believe it would be desirable to have the geologic and seismic aspects of such sites, and perhaps most sites, also reviewed by the U. S. Geological Survey to provide the benefit of an additional independent evaluation."

The comment does not question the adequacy of the seismic design basis selected for the site. Rather it relates to the policy presently followed by the staff in determining the need for obtaining the advice of the U. S. Geological Survey in the review of nuclear plant sites. As indicated in our Standard Review Plan, Section 2.5.1, a decision is made during the acceptance review as to the extent consultants such as the U. S. Geological Survey should be involved in the review. This decision is based on considerations which include the complexity of the geology of the site and surrounding region, the proximity of the site to previously reviewed sites, and familiarity of the staff with the region. The bases for our decision to not involve the U. S. Geological Survey in the review of the WNP-3 and WNP-5 site are addressed in a memorandum from Edson G. Case to Raymond R. Fraley dated March 30, 1976, which is included in this report as Appendix D.

We are reviewing our policy regarding the involvement of the U. S. Geological Survey in case reviews.

20.0 FINANCIAL QUALIFICATIONS

20.1 Introduction

In the Safety Evaluation Report, we stated that we would report the results of our evaluation of the applicants' financial qualifications in a supplement to the Safety Evaluation Report. The applicants have provided additional financial information in Amendment 32 to the PSAR and a letter from D. L. Renberger to B. C. Rusche, dated April 20, 1976, indicating ownership of WNP-5. Our evaluation is presented below.

The Commission's regulations related to the financial data and information required to establish financial qualifications for applicants for facility construction permits appear in Paragraph 50.33(f) and Appendix C to 10 CFR Part 50. In accordance with these regulations, the applicants, Washington Public Power Supply System, Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company, submitted financial information with their application, as well as providing additional financial information in response to a request by us. Washington Public Power Supply System and the four investor-owned utilities are the applicants for WNP-3. Washington Public Power Supply System and Pacific Power & Light Company are the applicants for WNP-5. Their respective percentages of undivided ownership interest in each unit are listed below.

	Ownership Interest (In percent)	
	WNP 3	WNP 5
Washington Public Power Supply System	70	90
Pacific Power & Light Company	10	10
Portland General Electric Company	10	--
Puget Sound Power & Light Company	5	--
The Washington Water Power Company	5	--
	100	100

The following analysis summarizes our review of the application and the additional information and addresses the qualifications of each applicant to finance its undivided interest in the costs of designing and constructing the unit(s) in which it is a participant.

20.2 Construction Cost Estimates

The applicants have submitted construction cost estimates for the facility as follows:

WNP-3 and WNP-5	(dollars in millions)
Nuclear production plant costs........................	$2,380.1
Transmission, distribution and general plant costs....	35.7
Nuclear fuel inventory cost for first core............	134.8
Total	$2,550.6

The applicants' estimated cost for the nuclear production plant has been compared with costs estimated by the CONCEPT computer costing model. The Oak Ridge National Laboratory (ORNL) which does the CONCEPT computer work for the staff states that "estimates produced by the CONCEPT code are not intended as substitutes for detailed engineering cost estimates, but were prepared as a rough check on the applicants' estimate." The CONCEPT costing model projected the cost of the nuclear production plant to be $1,942.0 million. Discussions with the Oak Ridge National Laboratory and the applicants indicate that extraordinary structural requirements for the units (which are not assumed by the CONCEPT model) account for a significant portion of the difference between the two estimates. In addition, the units will have a smaller proportion of common use facilites than is assumed by the CONCEPT model. We have concluded that it is reasonable to use the applicants' estimate for purposes of this analysis because it represents the more detailed engineering cost study for this specific project.

20.3 Participants and Financing Plans

20.3.1 Washington Public Power Supply System

Washington Public Power Supply System is a municipal corporation and a joint operating agency of the State of Washington. It is composed of eighteen operating public utility districts of the State of Washington and the cities of Richland, Seattle and Tacoma, Washington. Washington Public Power Supply System has statutory authority to acquire, construct and operate plants and facilities for the generation and transmission of electric power. It has completed two electric generating projects: the 27.5 megawatt Packwood Hydroelectric Project and the 860 megawatt Hanford Steam Electric Project. In addition to WNP-3 and WNP-5, Washington Public Power Supply System has under construction or in advance planning, three additional nuclear units, namely WNP-1, WNP-2, and WNP-4. Washington Public Power Supply System does not engage in the distribution of power to retail customers, but is reimbursed for the cost of each project, including debt service, by the participants therein. Also, it is not under the jurisdiction of any regulatory agency having control over its rates and services of the existing and proposed projects.

The respective financial obligations between Washington Public Power Supply System and the above-named investor-owned companies are covered in the Ownership Agreement. Such agreement provides that each party shall be responsible for providing its ownership share of the costs of construction and operation, and will be entitled to its ownership share of the units' electrical capability. Under the Ownership Agreement, the investor-owned utilities have designated Washington Public Power Supply System to act as their agent to construct, operate and maintain the project.

Washington Public Power Supply System will finance its 70 percent ownership in WNP-3 and its 90 percent ownership in WNP-5 through the issuance of its revenue notes and its long-term revenue bonds. These securities are issued from time to time as construction funds are required. Washington Public Power Supply System engages in "project financing" and thus each of its security issues is related to a specific construction project. Its recent revenue bond offerings have been rated Aaa, the highest rating by Moody's and by Standard and Poor's. Washington Public Power Supply System issued $150 million of revenue bonds in December 1975 to finance construction of WNP-3 and an additional $100 million in April 1976. It issued $100 million of revenue bonds in July 1975 in partial support of preliminary work on WNP-5. An additional revenue bond issuance is planned during 1976 in support of WNP-5.

As noted above, Washington Public Power Supply System is not a retail distributor of electric power. Its 70 percent share in the capacity of WNP-3 and its 90 percent share in the capacity of WNP-5 will be sold to approximately 100 consumer-owned utilities in the Pacific Northwest. The Net Billing Agreements provide the contractual arrangements whereby the participants are obligated to make payments to Washington Public Power Supply System for their pro-rata shares of project costs whether or not the project is completed, operable or operating, and notwithstanding interruption or curtailment of output. Thus, the satisfaction of project costs is not solely dependent on actual project revenues, but is insured on a broad base through other revenue-producing assets of the participants. Each participant has covenanted that it will establish, maintain and collect rates or charges for power, energy and other services furnished through its electric utility properties which shall be adequate to provide revenues sufficient to make the required payments to Washington Public Power Supply System. The aforementioned contractual arrangements and the underlying revenue-producing capability provide the security for the servicing of Washington Public Power Supply System revenue bonds and notes.

20.3.2 Pacific Power & Light Company

Pacific Power & Light Company is an investor-owned electric utility operating in six states in the West and the Pacific Northwest. It serves approximately 540,000 residential, commercial, and industrial customers as well as selling power at wholesale to consumer-owned utilities. Pacific Power & Light Company's operating revenues increased from $254.2 million for the 12 months ended February 28, 1975, to $309.4 million for the 12 months ended February 29, 1976, and net income increased from $56.1 million to $72.7 million over the same period. Invested capital on December 31, 1975 amounted to $1, [illegible]2.6 million and consisted of 53.5 percent long-term debt, 10.2 percent preferred stock and 36.3 percent common equity. The company's first mortgage bonds are rated "Baa" by Moody's and "A-" by Standard and Poor's.

Pacific Power & Light company plans to finance its ten percent portion of the WNP-3 and WNP-5 design and construction costs as part of its overall construction program. The funds will be provided from a combination of internally-generated sources (including retained earnings, depreciation and deferred taxes) and from the issuance of securities including long-term debt, preferred stock and common stock. Interim funding requirements will be met with short-term borrowing. In response to our request, the company has submitted a source of funds statement (or financing plan) with underlying assumptions for its system-wide construction expenditures for the period 1976 through 1982, the estimated earliest year for completion of WNP-5. The financing plan and assumptions are shown in Tables 20.1 and 20.2, respectively.

Pacific Power & Light Company is subject to regulatory jurisdiction by state commissions in Oregon, Idaho, Washington, California, Montana and Wyoming. Since December 31, 1974, Pacific Power & Light Company has been granted seven rate increases in five of the jurisdictions totalling $55.9 million on an annualized basis. The allowed rates of return on common equity ranged from 11.25 percent to 13.5 percent. The company has four rate increases pending which request an average 15.0 percent return on common equity and a total annual revenue increase of $35.0 million.

20.3.3 Portland General Electric Company

Portland General Electric Company is an investor-owned electric utility operating in northwest Oregon. It serves approximately 390,000 residential and industrial customers as well as selling power at wholesale to other utilities. Portland General Electric Company's operating revenues increased from $146.8 million for the 12 months ended January 31, 1975, to $184.8 million for the 12 months ended January 31, 1976, and net income increased from $30.3 million to $51.2 million over the same period. Invested capital on December 31, 1975 amounted to $837.4 million and consisted of 53.1 percent long-term debt, 13.0 percent preferred stock and 33.9 percent common equity. The company's first mortgage bonds are rated "Baa" by Moody's and "BBB" by Standard and Poor's.

Portland General Electric Company plans to finance its ten percent portion of the WNP-3 design and construction costs as part of its overall construction program. The funds will be provided from a combination of internally-generated sources (including retained earnings, depreciation and deferred taxes) and from the issuance of securities including long-term debt, preferred stock and common stock. Interim funding requirements will be met with short-term borrowing. In response to our request, the company has submitted a sources of funds statement (or financing plan) with underlying assumptions for its system-wide construction expenditures for the period 1976 through 1981, the estimated earliest year for completion of WNP-3. The financing plan and assumptions are shown in Tables 20.3 and 20.4, respectively.

Portland General Electric Company is subject to the regulatory jurisdiction of the Public Utility Commission of Oregon. The company's most recent retail rate action, effective September 26, 1975, was a 24.7 percent increase amounting to $39.6 million on an annual basis. A 13.3 percent rate of return on common equity was allowed in the case. Portland General Electric Company has requested a further 20 percent increase amounting to $42.2 million on an annual basis. A 13.3 percent rate of return on common equity has been requested.

TABLE 20.1
APPLICANT PACIFIC POWER & LIGHT COMPANY NUCLEAR PLANT WNP-3 AND WNP-5
SOURCE OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES DURING PERIOD
OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANTS
(millions of dollars)

Security issues and other funds	Construction Years of Subject Nuclear Power Plants						
	1976	1977	1978	1979	1980	1981	1982
Common Stock	$ -	$ 120	$ 140	$ 80	$ 70	$ 100	$ 140
Preferred stock	40	-	50	40	20	30	40
Long-term debt	95	140	200	180	160	155	207
Notes payable	(17)	17	(7)	-	(18)	-	-
Contributions from parent-net	-	-	-	-	-	-	-
Other funds	119	8	-	-	-	-	-
Total	237	285	383	300	232	285	387
Internal funds							
Net income	82	97	123	145	162	174	188
Less:							
Preferred dividends	13	16	19	23	26	29	32
Common dividends	51	57	68	80	89	95	110
Retained earnings	18	24	36	42	47	50	52
Deferred taxes	3	2	2	2	3	3	3
Invest. tax cred. (deferred)	2	9	1	3	10	12	15
Depreciation & amort.	40	46	48	52	62	70	85
Less: AFDC	23	22	43	55	53	65	80
Total	40	59	44	44	69	70	75
TOTAL FUNDS	$ 277	$ 344	$ 427	$ 344	$ 301	$ 355	$ 462
Construction Expenditures*							
Nuclear power plants	$ 54	$ 166	$ 171	$ 178	$ 185	$ 175	$ 190
Other	223	156	265	188	126	183	293
Total const. Exp's.	$ 277	$ 322	$ 436	$ 366	$ 311	$ 358	$ 483
Subject nuclear plant	$ 11	$ 18	$ 31	$ 26	$ 18	$ 12	$ 3

*Exclusive of AFDC (allowance for funds used during construction)

TABLE 20.2

PACIFIC POWER & LIGHT COMPANY

INPUT ASSUMPTIONS FOR SOURCES OF FUNDS STATEMENTS FOR WNP-3 AND WNP-5

(1) Capitalization goals of 52 percent Debt, 10 percent Preferred Stock and 38 percent Common Equity;

(2) Rates of 9-1/2 percent on long-term debt and preferred stock;

(3) Short-term interest rates at 8-1/2 percent.

(4) Over-all rate of return up to 9.83 percent;

(5) Price/earnings ratio of 10;

(6) Dividend payout ratio of approximately 65 percent, and

(7) Coverages sufficient to maintain current bond ratings.

(8) Preferred Stock Coverage requirement and its method of calculation as contained in the "Restated Articles of Incorporation," Article III (17) (c) (Attached).

For the period 1976-1983, the coverage of total interest and preferred dividends combined would be:

1976	1.85X	1980	1.90X
1977	1.86X	1981	1.94X
1978	1.93X	1982	1.93X
1979	1.91X	1983	1.87X

TABLE 20.3

APPLICANT PORTLAND GENERAL ELECTRIC COMPANY NUCLEAR PLANT WNP-3

SOURCE OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES DURING PERIOD OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANT

(millions of dollars)

	Construction Year of Subject Nuclear Power Plant					
Security issues and other funds	1976	1977	1978	1979	1980	1981
Common stock	$ 54	$ 79	$ 104	$ 60	$ 60	$ -
Preferred stock	25	38	38	(2)	(2)	(2)
Long-term debt	106	86	124	187	146	200
Notes payable	(40)	(4)	1	48	27	(38)
Contributions from parent-net	-	-	-	-	-	-
Other funds	9	5	14	16	(15)	25
Total	154	204	281	309	216	185
Internal funds						
Net Income	53	54	89	101	115	127
Less:						
Preferred dividends	11	13	17	20	20	20
Common dividends	27	33	41	47	52	57
Retained earnings	15	8	31	34	43	50
Deferred taxes	6	9	13	18	19	17
Invest. tax cred. (deferred)	3	8	19	3	21	6
Depreciation & amort.	26	37	40	42	46	59
Less: AFDC	(15)	(22)	(36)	(57)	(56)	(51)
Total	35	40	67	40	73	81
TOTAL FUNDS	$ 189	$ 244	$ 348	$ 349	$ 289	$266
Construction Expenditures*						
Nuclear power plants	$ 44	$ 60	$ 112	$ 172	$ 155	$177
Other	145	184	236	177	134	89
Total Const. Exp's.	$ 189	$ 244	$ 348	$ 349	$ 289	$266
Subject nuclear plant	$ 10	$ 17	$ 28	$ 21	$ 12	$ 3

*Exclusive of AFDC (allowance for funds used during construction)

TABLE 20.4
PORTLAND GENERAL ELECTRIC COMPANY
INPUT ASSUMPTIONS FOR SOURCES OF FUNDS STATEMENT FOR WNP-3

Item	Numerical Value
Rate of return on average common stock equity	13.5 percent
Preferred stock dividend rate[(a)]	10.0 percent
Growth rates[(b)]	
a. kilowatt hour sales	7.44 percent
b. revenues	16.48 percent
c. expenses	13.03 percent
d. interest charges	19.38 percent
e. net income	14.54 percent
Market/book ratio with respect to project common stock offerings	1.00/1.00 on 2/29/76[(d)] 1.21/1.00 on 12/31/85
Common stock dividend payout ratio	6.27 percent (1976) to 44.1 percent (1985)[(e)]
Target capital structure	55 percent debt 10 percent preferred stock 35 percent common stock
Resultant Security Exchange Commission and indenture coverages over the period of construction[(f)]	1976-2.330 1981-2.352 1977-2.250 1982-2.356 1978-2.677 1983-2.247 1979-2.467 1984-2.337 1980-2.399 1985-2.199
Long-term debt interest rate	10 percent
Short-term debt interest rate	8 percent (general) 8.5 percent (nuclear fuel)

(a) Applies to new issues.

(b) 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 analyses for the period December 31, 1975 to December 31, 1985 on an annually compounded rate of growth basis.

(c) Includes forecasted rate of increase in average sales price of 9.60 percent. Remaining growth rate is caused by increased unit sales.

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

(e) Varies over the range shown due to assumed 6 cents per year annual dividend increment.

(f) December 31 covering earnings divided by December 31 annualized fixed charges.

20.3.4 Puget Sound Power & Light Company

Puget Sound Power & Light Company is an investor-owned electric utility operating in northern and central Washington State. It serves approximately 410,000 residential, commercial and industrial customers. Puget Sound Power & Light Company's operating revenues increased from $149.7 million for the 12 months ended March 31, 1975, to $169.6 million for the 12 months ended March 31, 1976, and net income increased from $19.6 million to $24.7 million over the same period. Invested capital on December 31, 1975 amounted to $622.9 million and consisted of 57.6 percent long-term debt, 10.7 percent preferred stock and 31.5 percent common equity. The company's first mortgage bonds are rated "Baa" by Moody's and "BBB" by Standard and Poor's.

Puget Sound Power & Light Company plans to finance its five percent portion of the WNP-3 design and construction costs as part of its overall construction program. The funds will be provided from a combination of internally-generated sources (including retained earnings, depreciation and deferred taxes) and from the issuance of securities including long-term, preferred stock and common stock. Interim funding requirements will be met with short-term borrowing. In response to our request, the company has submitted a sources of funds statement (or financing plan) with underlying assumptions for its system-wide construction expenditures for the period 1976 through 1981, the estimated earliest year for completion of WNP-3. The financing plan and assumptions are shown in Tables 20.5 and 20.6, respectively.

Puget Sound Power & Light Company is subject to regulatory jurisdiction by the Washington Utilities and Transportation Commission. Its most recent rate increase amounted to $22.9 million or 19.9 percent on an annual basis and was effective November 1, 1974. The company has filed an additional $36.5 million rate increase request which would allow a 13.0 percent rate of return on common equity.

20.3.5 The Washington Water Power Company

The Washington Water Power Company is an investor-owned electric and gas utility operating in the states of Washington and Idaho. It serves approximately 190,000 residential, commercial, and industrial customers as well as selling power at wholesate to consumer-owned utilities. The Washington Water Power Company's operating revenues increased from $117.4 million for the 12 months ended March 31, 1975 to $142.5 million for the 12 months ended March 31, 1976, and net income increased from $14.6 million to $19.1 million over the same period. Invested capital on December 31, 1975 amounted to $409.7 million and consisted of 63.2 percent long-term debt and 36.8 percent common equity. The company's first mortgage bonds are rated "A" by Moody's and Standard and Poor's.

The Washington Water Power Company plans to finance its five percent portion of the WNP-3 design and construction costs as part of its overall construction program. The funds will be provided from a combination of internally-generated sources (including

TABLE 20.5

APPLICANT PUGET SOUND POWER & LIGHT COMPANY NUCLEAR PLANT WNP-3
SOURCE OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES DURING PERIOD
OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANT
(Millions of dollars)

Security issues and other funds	Construction Years of Subject Nuclear Power Plant 1976	1977	1978	1979	1980	1981
Common stock	$ 24.7	$ 28.7	$ 25.9	$ 47.9	$ 71.4	$ 87.2
Preferred stock	22.0	25.0	35.0	45.0	40.0	0.0
Long-term debt	40.0	40.0	105.0	155.0	115.0	140.0
Notes Payable (short term)	(10.9)	12.0	18.5	15.4	12.7	12.1
Contribution from parent-net	-	-	-	-	-	-
Other funds (pollution control)	2.3	-	-	-	-	-
Total	78.1	105.7	184.4	263.3	239.1	239.3
Internal funds						
Net income (adjusted)	30.0	46.8	52.1	76.2	99.1	112.2
Less:						
Preferred dividends	(6.8)	(8.8)	(10.6)	(13.9)	(17.8)	(19.3)
Common dividends	(15.3)	(18.0)	(23.6)	(29.8)	(37.7)	(44.6)
Retained earnings	7.9	20.0	18.2	32.5	43.6	48.3
Deferred taxes	1.7	1.8	1.4	1.0	2.0	3.8
Investment tax credit (deferred)	7.3	6.0	6.4	10.3	8.5	8.3
Depreciation and amortization	19.0	21.1	22.6	24.6	28.7	35.2
Less: AFDC	(6.5)	(12.3)	(24.5)	(44.4)	(59.0)	(68.6)
Total	29.4	36.6	24.1	24.0	23.8	27.0
TOTAL FUNDS	$107.5	$ 142.3	$208.5	$287.3	$262.9	$266.3
Construction expenditures*						
Nuclear power plants	$ 34.3	$ 67.5	$ 87.6	$156.2	$150.5	$170.0
Other	73.2	74.8	120.9	131.1	112.4	93.3
Total Const. Expenditures	$107.5	$ 142.3	$208.5	$287.3	$262.9	$266.3
Subject nuclear plant	5.8	8.3	13.7	10.4	7.3	3.1

*Exclusive of AFDC (allowance for funds used during 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 Regulatory Commission. It is not to be used in connection with the sale or purchase of the Company's securities.

TABLE 20.6
PUGET SOUND POWER & LIGHT COMPANY
INPUT ASSUMPTIONS FOR SOURCES OF FUNDS STATEMENTS
FOR WNP-3

(1) Generally maintain a minimum of either a 13 percent return on average common equity or first mortgage bond indenture coverage of 2.2 times interest.

(2) Preferred dividend rate on new issue of 10 percent.

(3) Growth rate in kilowatt hour sales to consumers 6 percent.

(4) Inflation factor of 7 percent compounded each year through 1982 for construction expenditures and certain operating and maintenance expense, 5 percent inflation factor compounded each year to forecast operation and maintenance of major generation plant.

(5) Interest rates used in forecast:

Notes payable (short term):	
Bank loans	10 percent
Commercial paper	6 percent
Long term debt	10.25 percent

(6) Target capital structure:

	1976-1980	1981-1982
Notes payable (short term)	5 percent	5 percent
Long term debt	50 percent	50 percent
Preferred stock	13 percent	10 percent
Common stock	32 percent	35 percent

(7) Common stock price/earnings ratio of 7 times earnings.

(8) Common dividend payout ratio averages 52 percent.

(9) Maximum dilution of common stock does not exceed 15 percent in any given year.

(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. Invest tax credit rate - 1976 at 10 percent; 1977 to 1982 at 4 percent.

b. Investment tax credit taken on progress payments on Colstrip 3 and 4, Skagit Units 1 and 2, and Pebble Springs Units 1 and 2. Applicable transition percentages for phasing in qualified progress payment are 1976, 40 percent; 1977, 60 percent, 1978, 80 percent and 100 percent after 1978.

c. Limitation on use of investment tax credit as a percent of tax liability is 100 percent for 1976 and is scaled down 10 percent each year until it reaches the 50 percent level in 1981.

(11) AFDC rate adjusted periodically to reflect composite cost of capital. AFDC accruing from construction of major production plant is normalized in 1977 and subsequent years.

TABLE 20.6 (Continued)

(12) Schedule of Major Plant Construction

Plant	Puget Power Ownership Share	Project Completion Date
Colstrip #2 - coal	50 percent	August 1976
Colstrip #3 - coal	25 percent	July 1980
Colstrip #4 - coal	25 percent	July 1981
WNP #3 - nuclear	5 percent	March 1982
Skagit #1 - nuclear	40 percent	July 1983
Pebble Springs #1 - nuclear	20 percent	July 1985
Skagit #2 - nuclear	40 percent	July 1986
Pebble Springs #2 - nuclear	20 percent	July 1988

(13) Power Supply:

(a) System resources are based on an average of the 30 water years included in the 1975 west group forecast.

(b) Purchased hydro power costs debt service requirements are as precribed 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 Bonneville (BPA)* rates or other agreements as applicable.

(d) Wheeling charges are based on:

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

(ii) BPA established rates

(14) Other Information

(a) Security Exchange Commission Fixed charge coverage:

1976 = 1.95, 1977 = 2.68, 1978 = 2.30, 1979 = 2.39, 1980 = 2.36, 1981 = 2.37, 1982 = 2.39.

(b) Growth rate of revenue from sales of electricity 17 percent, expenses 15 percent, interest cost 21 percent, and net income 26 percent.

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*Bonneville Power Administration

retained earnings and depreciation) and from the issuance of securities including long-term debt, preferred stock and common stock. Interim funding requirements will be met with short-term borrowing. In response to our request, the company has submitted a sources of funds statement (or financing plan) with underlying assumptions for its system-wide construction expenditures for the period 1976 through 1981, the estimated earliest year for completion of WNP-3. The financing plan and assumptions are shown in Tables 20.7 and 20.8 respectively.

The Washington Water Power Company is subject to regulatory jurisdiction by the Washington Utilities and Transportation Commission and the Idaho Public Utilities Commission. In August 1975, the Washington Commission authorized electric and gas increases totalling $3.6 million on an annual basis and allowed a 12.75 percent return on common equity. Also in August 1975, the Idaho Commision authorized electric and gas increases totalling $1.2 million on an annual basis and allowed a 12.75 percent return on common equtiy. The company had no rate requests pending as indicated in Amendment 32 to the PSAR.

20.4 Conclusions

Based on the preceding analysis including our evaluation of the reasonableness of the financing plans and underlying assumptions, we have concluded that Washington Public Power Supply System, Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company, and The Washington Water Power Company are financially qualified to design and construct WNP-3 and WNP-5 in proportion to their respective undivided ownership interests as indicated in Section 20.1 of this supplement. Our conclusion is based on the determination that the applicants have reasonable assurance of obtaining the funds necessary to complete the design and construction activities including related fuel cycle costs. It is also based on the basic assumptions of rational regulatory environment and viable capital markets due to the lengthy future period involved and the expected heavy dependence on external financing.

TABLE 20.7
APPLICANT THE WASHINGTON WATER POWER COMPANY NUCLEAR PLANT WNP-3
SOURCE OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES DURING PERIOD
OF CONSTRUCTION OF SUBJECT NUCLEAR POWER PLANT
(Millions of dollars)

Security issues and other funds	Construction Year of Subject Nuclear Power Plant[1] 1976	1977	1978	1979	1980	1981
Common stock	$ 12.0	$ -0-	$ 23.0	$ 24.0	$ 15.0	$ 15.0
Preferred stock	-0-	15.0	15.0	-0-	20.0	-0-
Long-term debt	30.0	30.0	62.1	40.0	60.0	30.0
Notes payable	(7.0)	9.0	(9.0)	29.0	(29.0)	-0-
Contribution from parent-net	-0-	-0-	-0-	-0-	-0-	-0-
Other funds	(4.4)	4.6	(4.8)	2.8	3.9	(.8)
Total	30.6	58.6	86.3	95.8	69.9	44.2
Internal funds						
Net income	18.0	20.4	24.0	26.7	34.0	38.1
Less:						
Preferred dividends	-0-	-0-	1.4	2.7	2.7	4.5
Common dividends	11.4	13.2	15.6	17.6	22.3	24.7
Retained earnings	6.6	7.2	7.0	6.4	9.0	8.9
Deferred taxes	-0-	-0-	-0-	-0-	-0-	-0-
Invest. tax red. (deferred)	1.9	1.4	2.4	3.4	1.9	1.6
Depreciation & amort.	9.6	10.5	11.3	12.2	14.3	17.2
Less: AFDC	1.8	.6	.3	.4	.4	.5
Total	16.3	19.7	20.4	21.6	24.8	27.2
TOTAL FUNDS	$ 46.9	$ 78.3	$106.7	$117.4	$ 94.7	$ 71.4
Construction Expenditures[2]						
Nuclear power plants	$ 9.8	$20.5	$ 34.1	$ 37.2	$ 35.7	$ 31.6
Other	37.1	57.8	72.6	80.2	59.0	39.8
Total const. Exp's.	$ 46.9	$78.3	$ 106.7	$117.4	$ 94.7	$ 71.4
Subject nuclear plant	$ 5.7	$ 8.2	$ 13.6	$ 10.3	$ 7.2	$ 1.8
Interest coverage	2.1	2.2	2.2	2.2	2.4	2.4

(1) First five years (1976-1980) based on five year financial model data. Last two years projected manually on a consistent basis.

(2) Exclusive of AFDC (allowance for funds used during construction)

TABLE 20.8
THE WASHINGTON WATER POWER COMPANY
INPUT ASSUMPTIONS FOR SOURCES OF
FUNDS STATEMENT FOR
WNP-3

(1) Rate of return on Average Common Equity - 14.5-15.0 percent.

(2) Preferred Stock Dividend Rate - 9 percent.

(3) Growth Rates: Sales of general business kilowatt hours are estimated to increase about 5 percent per year during the forecast period. As you know, kilowatt hour sales to other utilities are subject to resource availability and market conditions and therefore are not trendable.

Electric and gas revenues included within the forecast are a result of the general business kilowatt hour/therm sale trends and include elements of rate relief which were programmed through-out the forecast as needed. The basis of rate relief was the debt/equity ratios and composite debt cost prevailing at that point in time and the return on common equity as previously mentioned.

Operating expenses subject to inflation were escalated at 10 percent in 1976, decreasing to 7 percent in 1977 and finally to 6 percent for the balance of the forecast. Items such as power and gas purchased are generally regulated by contract and are not subject to escalation.

(4) Common stock price/earnings ratio or market/book ratio with respect to the projected common stock offerings: This forecast assumes that market and book values of common stock are approximately equal, but on an increasing annual rate of about 5 percent. No price/earnings ratio was used for projected common offerings.

(5) Common stock dividend payout ratio: a target of 65 percent was assumed.

(6) Target capital structure: a target goal of 60 percent debt, 30 percent common equity and 10 percent preferred has been assumed.

(7) Interest coverage requirements: Our most restrictive indenture requirement states that annual interest requirements must be at least twice any 12 consecutive months pre-tax gross earnings. Considering the rate relief programmed in the forecast, our results have allowed us to exceed the two times interest coverage test under the indenture. We have not made a Security Exchange Commission coverage test.

(8) An interest rate of 9 percent was assumed on all projected mortgage bond issues. For short term bank loans, a rate of 7-1/2 percent was utilized.

21.0 CONCLUSIONS

In Section 21.0 of the Safety Evaluation Report, we stated we would be able to make certain conclusions upon favorable resolution of the outstanding matters set forth in Section 1.9 of the Safety Evaluation Report. We have discussed these matters in this supplement and indicated a favorable resolution of each matter. We are able to make the conclusions listed in Section 21.0 of the Safety Evaluation Report. Furthermore there are no other issues outstanding.

Accordingly, we affirm the conclusions listed in Section 21.0 of the Safety Evaluation Report.

APPENDIX A

CONTINUATION OF THE CHRONOLOGY OF THE RADIOLOGICAL SAFETY REVIEW OF WASHINGTON PUBLIC POWER SUPPLY SYSTEM PROJECTS NO. 3 AND NO. 5

February 13, 1976	Issuance of the Safety Evaluation Report.
February 24, 1976	Advisory Committee on Reactor Safeguards meeting.
February 27, 1976	Submittal of Amendment No. 31.
March 1, 1976	Notice of availability of the Safety Evaluation Report published in Federal Register.
March 2, 1976	Submittal of Amendment No. 32
March 4, 1976	Advisory Committee on Reactor Safeguards full committee meeting.
April 1, 1976	Submittal of Amendment No. 33.
April 16, 1976	Letter from the Advisory Committee on Reactor Safeguards
April 20, 1976	Letter from applicants providing information regarding ownership of WNP-5.
April 29, 1976	Submittal of Washington Public Power Supply System Deeds and Agreements.
June 1, 1976	Letter from applicants providing information on status of control of exclusion area.

APPENDIX B

REPORT OF THE ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, DATED APRIL 16, 1976

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

April 16, 1976

Honorable Marcus A. Rowden
Acting Chairman
U. S. Nuclear Regulatory Commission
Washington, DC 20555

SUBJECT: REPORT ON WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECTS NO. 3 AND NO. 5

Dear Mr. Rowden:

During its 192nd meeting, April 8-10, 1976, the Advisory Committee on Reactor Safeguards completed a review of the application of the Washington Public Power Supply System (WPPSS) for permission to construct the WPPSS Nuclear Project No. 3 and WPPSS Nuclear Project No. 5 (WNP-3 and WNP-5). The site was visited on August 4, 1975, and Subcommittee meetings were held that same day in Elma, Washington, and on February 24, 1976, in Richland, Washington. The project was also considered during the 191st meeting of the Committee in Washington, D. C., March 4-6, 1976. During its review, the Committee had the benefit of discussions with representatives of WPPSS and its consultants, Combustion Engineering, Inc., Ebasco Services, Inc., and the Nuclear Regulatory Commission (NRC) Staff. The Committee also had the benefit of the documents listed.

The WNP-3 and WNP-5 site is located in Grays Harbor County, Washington, approximately thirteen miles east of Aberdeen-Hoquiam-Cosmopolis, Washington, the nearest population center (1970 population 28,549). The minimum exclusion distance is 1310 meters and the low population zone (LPZ) radius is three miles. The total 1970 resident population within the LPZ was 260.

The WNP-3 and WNP-5 application is submitted in accordance with the Commission's standardization policy as described in Appendix O to Part 50, "Licensing of Production and Utilization Facilities," and Section 2.110 of Part 2, "Rules of Practice," of Title 10 of the Code of Federal Regulations. For this application the reference system is the Combustion Engineering Standardized Nuclear Steam Supply System known as its Standard Reference System-80. This design has been reviewed by the ACRS and discussed in its report of September 17, 1975, "Combustion Engineering Standard Safety Analysis Report - CESSAR-80."

The ultimate heat sink for each reactor will consist of a system of dry cooling towers and components that reject excess heat to the atmosphere. Because of its design the ultimate heat sink does not require a makeup water supply.

The Applicant described his investigations of the geologic and seismic characteristics of the site and the surrounding region. While the geology of the surrounding area is complex, and there is definite tectonic activity, there are no known geologic or seismic problems that cannot be solved by design. The proposed safe shutdown earthquake is 0.32g horizontal acceleration at the foundations. The operating basis earthquake is 0.16g.

Each WNP reactor will employ a containment system including a free standing steel vessel surrounded by a reinforced concrete shield building. The inner steel vessel is designed for an internal pressure of 44 psig. The annulus, between the two structures, is maintained at subatmospheric pressure to permit the collection of leakage from the steel vessel, in the unlikely event of a LOCA, and permit its processing before release to the environment.

The Committee recommended in its report of September 10, 1973, on acceptance criteria for ECCS, that significantly improved ECCS capability should be provided for reactors for which construction permit requests were filed after January 7, 1972. The WNP-3 and WNP-5 design is in this category. These projects will use the 16 X 16 fuel assemblies similar to those to be used in Arkansas Nuclear One Unit 2 and St. Lucie Plant Unit 2. Although calculated peak clad temperatures, in the event of a postulated LOCA, may be less for 16 X 16 than for the 14 X 14 array, the Committee believes that the Applicant should continue studies that are responsive to the Committee's September 10, 1973, report. If studies, conducted with the best available techniques, establish that significant further ECCS improvements can be achieved, consideration should be given to incorporating them into WNP-3 and WNP-5.

A generic question has arisen concerning loads on the vessel support structure for certain postulated loss-of-coolant accidents in pressurized water reactors. This matter should be resolved for WNP-3 and WNP-5 in a manner satisfactory to the NRC Staff.

The Committee believes that the Applicant and the NRC Staff should continue to review the WNP-3 and WNP-5 design for features that could reduce the possibility and consequences of sabotage.

April 16, 1976

Following the Browns Ferry fire the NRC Executive Director for Operations set up a special review group to determine what could be learned from this incident. This group has made recommendations that apply to future reactors, to reactors that are already operating, and to the NRC regulatory process. The review group points out that its recommendations are not specific to any single plant and that its recommendations are based on knowledge at the time of this investigation. The ACRS wishes to be kept informed of the specific application of the review group's recommendations, as they apply to WNP-3 and WNP-5, for the development of additional information on fire prevention, fire fighting, quality assurance, and the improvement of NRC policies, procedures, and criteria.

Other generic problems relating to large water reactors are discussed in the Committee's report dated April 16, 1976. These problems should be dealt with appropriately by the NRC Staff and the Applicant.

The Advisory Committee on Reactor Safeguards believes that the items mentioned above can be resolved during construction and that, if due consideration is given to the foregoing and to items mentioned in its CESSAR-80 report of September 17, 1975, the Washington Public Power Supply System Nuclear Projects No. 3 and No. 5 can be constructed with reasonable assurance that they can be operated without undue risk to the health and safety of the public.

Additional comments by Members Max W. Carbon, David Okrent, Milton S. Plesset, Stephen Lawroski, and Myer Bender are presented below.

Sincerely yours,

Dade W. Moeller

Dade W. Moeller
Chairman

Additional Comments by Members Max W. Carbon, David Okrent, Milton S. Plesset, and Stephen Lawroski

The site for WPPSS Nuclear Projects No. 3 and No. 5 lies in a seismically active region that has been subject to large earthquakes in historic time and includes active major faults. While we do not disagree with the proposed seismic design basis, we believe it would be desirable to have the geologic and siesmic aspects of such sites, and perhaps most sites, also reviewed by the U. S. Geological Survey to provide the benefit of an additional independent evaluation.

Additional Comments by Members David Okrent and Milton S. Plesset

The recurrence interval of an earthquake of the order of the safe shutdown earthquake may be about 1,000 years for this site. For such a recurrence interval the probability of not achieving safe shutdown, given the SSE, must be very small if the NRC Staff goal of less than 10^{-7} per year, of a serious accident from any single cause, is to be achieved. Since seismic design adequacy is not subject to direct experimental confirmation, we believe that other measures, including independent design review, low-amplitude shaking measurements of the completed structure, as-built construction validation, and detection of possible inservice degradation, should be evaluated and the necessary steps taken to provide the high degree of detailed specific assurance required with regard to seismic capability of all safety-related features.

Additional Comments by Member Myer Bender

With increasing frequency, questions have arisen concerning the appropriate degree of conservatism to be included in the seismic design criteria for nuclear power plants. The needs of public safety would be best served if the design practices currently in vogue were altered to permit inelastic response so as to enhance the energy absorption characteristics of nuclear structures under severe seismic loadings. For the more severe seismic conditions inelastic design principles should be applied to foundations, concrete containments, floors, and support structures in order to assure a high degree of damping and thus minimize the forces transmitted to critical safety features and to the primary coolant circuitry. This would eliminate the need for many of the complex supplemental structural features of questionable reliability which are now used to meet extreme seismic design conditions. This design approach would allow nuclear structures to satisfy even the most pessimistic loading requirements of the most extreme seismic prophet. If it is not used there is doubtful value, and possibly some loss in public safety margin, from the use of ultraconservative seismic design requirements because the reliability of the structural restraints cannot be assessed from relevant structural experience or post-construction vibrational testing.

References:

1. Washington Public Power Supply Systems (WPPSS) Nuclear Projects No. 3 and No. 5 Preliminary Safety Analysis Report (PSAR) Volumes 1-18
2. Amendments 1-30 to the PSAR

APPENDIX C

ERRATA TO THE SAFETY EVALUATION REPORT
FOR THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM PROJECTS NO. 3 AND NO. 5
DATED FEBRUARY, 1976

Page	Line	
1-1	1	In the Safety Evaluation Report we inadvertently did not mention all owners of these projects. (See paragraph 1.1 of this supplement.)
1-1	35	Add . . . . . "report."
1-7	31	Change "50.37!f1" to "50.33(f)"
2-8	35	Change "reverse" to "severe"
3-3	9	Change "trnasfor" to "transform"
3-3	32	Change "tornado" to "Tornado"
3-11	14	Change "provides" to "provide"
3-11	26	Change "((ACI)" to "(ACI)"
7-7	5	Change "384" to "383"
13-1	23	Change "American National Institute" to "American National Standards Institute"
13-1	24	Change "N18.1971" to "N18.7-1971"
14-1	11	Change "for Nuclear Power Plants" to "for Water-Cooled Power Reactors"
CESSAR 15-11	Table 15-4	Add:

"(9) 1.2 peaking factor"

"(10) 0.45 percent of the fuel reaches at least incipient melting after rod ejection accident."

"(11) 100 percent of noble gases and 50 percent of iodine in fuel reaching incipient centerline melting temperature are released to the primary coolant."

APPENDIX D

LETTER FROM THE STAFF TO THE ADVISORY COMMITTEE ON REACTOR SAFEGUARDS STAFF REGARDING WPPSS 3 (WNP-3) AND 5 (WNP-5) SEISMOLOGY AND GEOLOGY REVIEW

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

MAR 3 1976

Docket Nos: STN 50-508
STN 50-509

Mr. Raymond R. Fraley
Executive Secretary
Advisory Committee on Reactor Safeguards
Washington, D. C. 20555

Dear Mr. Fraley:

In response to your recent request, there are transmitted herewith for the use of the Committee 18 copies of a memorandum dated March 26, 1976, from the Director, Division of Site Safety and Environmental Analysis to the Deputy Director, Office of Nuclear Reactor Regulation concerning the WPPSS 3 and 5 seismology and geology review carried out by the NRR staff.

If you need any further information on this matter, please let me know.

Sincerely,

Original Signed By
E. G. Case

Edson G. Case, Deputy Director
Office of Nuclear Reactor
Regulation

Enclosures:
As stated

The seismological review was conducted independently by Carl Stepp. Dr. Stepp, prior to joining the NRC, spent two years working on seismic risk mapping in the Puget Sound region. He, therefore, was already familiar with the literature of the region and was aware of the known relationships between earthquakes and geologic structure in the region of the site.

The WPPSS 3 and 5 site is located on the southwest extent of the Puget Sound lowlands. Although the utility proposed a division of tectonic provinces which would have placed the site within the Wallapa Hills tectonic subprovince, in our review we considered the site to be related to the larger Puget Sound region. The maximum historic earthquake in the Puget Sound region produced an intensity VIII. This earthquake, if assumed at the site, would result in an 0.25g acceleration. However, the maximum historic earthquake was not controlling in determining the acceleration for seismic design for WPPSS 3 and 5 because of the presence of "capable" faults near the proposed site. The applicant did an extensive and thorough analysis of the relationship between earthquakes and geologic structures in the region. Most of the major earthquake producing structures are not apparent at the surface. They do produce very large gravity anomalies, however, permiting their extent to be easily mapped. The safe shutdown earthquake at the site was based on an assessment of the maximum earthquake that can reasonably be expected to occur on the nearest capable fault to the site - 21 miles away. The assessment of the maximum earthquake on that structure was based on a conservative estimate of the percentage of the total structure that could break in a single earthquake and a conservative interpretation of the empirical relationship between length of fault rupture and earthquake magnitude. Finally, the acceleration at the site was computed on the basis of curves that envelop the world-wide data set, and this value was incorporated into the design as the high frequency anchor (33Hz) for Regulatory Guide 1.60 response spectra to be applied at the foundation level of structures. We accepted the applicant's proposed acceleration for seismic design of .32g because we found his analysis to be conservative.

During the ACRS meeting on March 4, Dr. Stepp was asked for an estimate of the probability that the acceleration for seismic design (0.32g) for the WPPSS 3 and 5 plant would be exceeded. He replied that no computation of that probability had been attempted. However, he added that computations indicate the probability of an intensity VIII being exceeded at Aberdeen, about 12 miles from the WPPSS 3 and 5 site, is of the order of 10^{-3} per year. Dr. Stepp finally stated that it is his view that the .32g is near an upper bound value of acceleration for seismic design for the WPPSS 3 and 5 site.

While the probability of this acceleration at the WPPSS site being exceeded has not been computed, Dr. Stepp would expect it to be orders of magnitude lower than the probability of an intensity 8 at Aberdeen being exceeded. It is Dr. Stepp's judgment that the probability that the .32g acceleration will be exceeded at the WPPSS site is extremely low (i.e. less than 10^{-5} per year). This difference in probability is primarily attributable to the facts that the WPPSS 3 and 5 facilities are founded on bedrock with the 0.32g seismic input applied at the foundation level, whereas Aberdeen is sited on valley alluvium which is observed to result in higher intensities for a given magnitude earthquake.

HR Denton

Harold R. Denton, Director
Division of Site Safety and
Environmental Analysis

$29,000,000
WASHINGTON PUBLIC POWER SUPPLY SYSTEM

A Municipal Corporation and a Joint Operating Agency of the State of Washington

4⅜% Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A

Dated: October 1, 1973 **Due: June 15, 1976**

Principal and semi-annual interest (December 15 and June 15, first coupon due December 15, 1973) payable at Chemical Bank, New York, New York, or Peoples National Bank of Washington, Seattle, Washington. The Notes will be in coupon form in the denomination of $25,000.

Interest exempt, in the opinion of Bond Counsel, from federal income taxation under existing laws and regulations and a specific ruling issued by the Internal Revenue Service with respect to the Notes.

The Notes are being issued to finance a portion of the Supply System's Ownership Share of the cost of acquiring and constructing Washington Public Power Supply System Nuclear Project No. 3, to pay at maturity the principal of and interest on $2,000,000 of notes of the Supply System previously issued for such purpose and to pay interest on the Notes to maturity. The Project will be constructed and operated by the Supply System pursuant to an agreement between the Supply System and four investor owned utilities (the "Companies"). The Project will be 70% owned by the Supply System and 30% by the Companies. The Supply System's Ownership Share of Project capability, less a portion of the Project's output which will be sold to certain industrial companies during the period July 1, 1981 through June 30, 1984, has been sold by the Supply System to certain statutory preference customers (the "Participants") of the Bonneville Power Administration under agreements called Net Billing Agreements. The Participants will pay to the Supply System an amount equal to the Supply System's costs, including debt service, associated with its Ownership Share of the Project, less amounts payable by the industrial companies. Each Participant has assigned its share of the Supply System's Ownership Share of Project capability to Bonneville which will credit the payments made to the Supply System by each such Participant against billings made by Bonneville to each such Participant for power and certain services. The Net Billing Agreements provide that each Participant is obligated to pay the Supply System whether or not the Project is completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of Project output.

The Notes, together with the interest thereon, will be payable from any moneys of the Supply System that may be lawfully applied thereto, including revenues derived from the Supply System's Ownership Share of the Project and the proceeds of revenue bonds or refunding notes of the Supply System. Interest on the Notes will be capitalized to maturity. The Notes are not subject to redemption prior to maturity.

PRICED TO YIELD 4.25% TO MATURITY

(accrued interest to be added)

The Notes are to be issued subject to the approval of legality by Wood Dawson Love & Sabatine, New York, New York, Bond Counsel to the Supply System, and Houghton Cluck Coughlin & Riley, Seattle, Washington, Special Counsel to the Supply System. It is expected that the Notes in definitive form will be ready for delivery in New York, New York, on or about October 24, 1973.

October 10, 1973

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Principal Office—Richland, Washington

Board of Directors

A. J. Benedetti*
Kirby Billingsley
Gerald C. Fenton
Ed Fischer*
Alvin E. Fletcher
John Goldsbury
D. E. Hughes*
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* Executive Committee Member.

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Supervisor of Engineering	O. E. Trapp
Treasurer and Controller	James T. Bobo
Counsel	Richard Q. Quigley
Auditor	C. W. Godfrey

Special Counsel

Houghton Cluck Coughlin & Riley

Bond Counsel

Wood Dawson Love & Sabatine

Consulting Engineer

R. W. Beck and Associates

Architect-Engineer

Ebasco Services, Inc.

Financial Consultant

Blyth Eastman Dillon & Co. Incorporated

This Official Statement, which includes the cover page and exhibits, does not constitute an offer to sell the Notes in any state to any person to whom it is unlawful to make such offer in such state. No dealer, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering of the Notes, and if given or made, such information or representation must not be relied upon.

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OFFICIAL STATEMENT

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

(A Municipal Corporation and a Joint Operating Agency of the State of Washington)

\$29,000,000 4⅜% Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A

October 10, 1973

The purpose of this Official Statement is to set forth information concerning Washington Public Power Supply System (the "Supply System"), its Washington Public Power Supply System Nuclear Project No. 3 (the "Project") and its \$29,000,000 Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A (the "Notes"), in connection with the sale by the Supply System of the Notes and for the information of all who may become holders of such Notes. The Notes are to be issued pursuant to the Revised Code of Washington, Chapter 43.52, as amended (the "Act") and Resolution No. 673 (the "Resolution") adopted October 10, 1973 by the Supply System.

PURPOSE OF THE NOTES

The purpose of the Notes is to pay a portion of the Supply System's Ownership Share of certain preliminary costs of the Project, including paying at maturity the principal of and interest on \$2,000,000 principal amount of notes previously issued by the Supply System for such purpose and paying interest on the Notes to maturity. The estimated application of the proceeds from the sale of the Notes to pay such costs is set forth herein under "The Project—Initial Financing Program".

The Supply System has entered into an agreement (the "Ownership Agreement") with Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company (the "Companies") which provides for the acquisition, construction, operation and ownership, as tenants in common, of the Project. The Ownership Agreement provides that the Project will be owned by the Supply System (70%), Pacific Power & Light Company (10%), Portland General Electric Company (10%), Puget Sound Power & Light Company (5%), and The Washington Water Power Company (5%). The Supply System's share of the Project is herein referred to as the "Supply System's Ownership Share".

Under the Ownership Agreement each party will be responsible for providing its ownership share of the costs of construction and operation and will be entitled to its ownership share of the Project's capability. The parties to the Agreement have designated the Supply System to act as their agent to construct, operate and maintain the Project.

THE SUPPLY SYSTEM

The Supply System, a municipal corporation and a joint operating agency of the State of Washington, was organized in January, 1957, pursuant to the Act. Its membership is made up of 18 operating public utility districts and the Cities of Richland, Seattle and Tacoma, all located in the State of Washington. The Supply System has the authority, among other things, to acquire, construct and operate plants, works and facilities for the generation and transmission of electric power and energy. The Supply System has the power of eminent domain, but it is specifically precluded from the condemnation of any plants, works or facilities owned and operated by any city, public utility district or privately-owned electric utility.

The Supply System has its principal office in Richland, Washington. The management and control of the Supply System is vested in a Board of Directors composed of representatives of each of the members. Regular meetings of the Board are held quarterly.

The Executive Committee of the Board administers the business of the Supply System between regular meetings of the Board. The Executive Committee holds regular meetings twice each month and special meetings as often as the business of the Supply System may require.

Members of the Supply System and their respective representatives on the Board of Directors are as follows:

Public Utility District No. 1 of Benton County	John Goldsbury
Public Utility District No. 1 of Chelan County	Kirby Billingsley
Public Utility District No. 1 of Clallam County	Alvin E. Fletcher
Public Utility District No. 1 of Clark County	Ed Fischer*
Public Utility District No. 1 of Cowlitz County	D. E. Hughes*
Public Utility District No. 1 of Douglas County	Howard Prey
Public Utility District No. 1 of Ferry County	Thomas F. Kroupa
Public Utility District No. 1 of Franklin County	Glenn C. Walkley*
Public Utility District No. 2 of Grant County	John L. Toevs
Public Utility District No. 1 of Grays Harbor County	James E. Tannahill
Public Utility District No. 1 of Kittitas County	Harold W. Jenkins
Public Utility District No. 1 of Klickitat County	Gerald C. Fenton
Public Utility District No. 1 of Lewis County	Arnold J. James
Public Utility District No. 3 of Mason County	Edwin W. Taylor
Public Utility District No. 2 of Pacific County	E. Victor Rhodes*
City of Richland	Joseph Shipman
City of Seattle	Gordon Vickery*
Public Utility District No. 1 of Skamania County	Rolf E. Jemtegaard
Public Utility District No. 1 of Snohomish County	W. G. Hulbert, Jr.*
City of Tacoma	A. J. Benedetti*
Public Utility District No. 1 of Wahkiakum County	Francis Longo

* Executive Committee Member

The Supply System presently employs 180 persons, including a highly qualified technical staff whose combined experience in the nuclear field totals over 600 man years and whose training includes disciplines in electrical, mechanical, civil and nuclear engineering. Through the operation of the Hanford Project described below the Supply System staff has accumulated substantial experience in the operation of a large steam electric generating facility.

The Supply System owns and operates the Packwood Lake Hydroelectric Project with a name plate rating of approximately 27,500 kilowatts. In 1962 and 1965, the Supply System sold $10,500,000 and $3,200,000 Packwood Lake Hydroelectric Project Revenue Bonds, of which $13,181,000 were outstanding as of September 7, 1973.

The Supply System also owns and operates an 860,000 kilowatt electric generating plant and associated facilities (the "Hanford Project") located on the Hanford Reservation of the United States Atomic Energy Commission (the "AEC"). The Hanford Project is currently the second largest producer of electricity generated from nuclear energy in the United States. Steam is provided for the Hanford Project from the New Production Reactor owned and operated by the AEC. In 1963, the Supply System issued $122,000,000 Hanford Project Electric Revenue Bonds, of which $61,330,000 were outstanding as of September 7, 1973. The AEC presently plans to end operation of the New Production Reactor in 1977. The Supply System is planning to build a new nuclear steam supply system and additional generating facilities which will incorporate the existing generating facilities of the Hanford Project, such facilities to be known as the Washington Public Power Supply System Nuclear Project No. 1. This project will have a 1,220,000 kilowatt net generating capacity. The Supply System has issued $25,000,000 principal amount of revenue notes to finance preliminary work on this project, which is presently scheduled to begin commercial operation in September, 1980.

The Supply System has begun construction of a 1,100,000 kilowatt nuclear electric generating plant, known as the Washington Public Power Supply System Nuclear Project No. 2. In July, 1973, the Supply System issued $150,000,000 principal amount of revenue bonds in order to pay a portion of the costs of acquiring and constructing this project. This project is under construction on the Hanford Reservation of the AEC and is presently scheduled to begin commercial operation in September, 1977.

By 1982, it is expected that the Supply System will operate electric generating facilities with a capability of approximately 3,540,000 kilowatts. Recently the Public Power Council, consisting of more than 100 statutory preference customers of the Bonneville Power Administration ("Bonneville"), requested the Supply System to investigate the financing and construction of an additional 1,200,000 kilowatt nuclear project for operation in 1984.

All projects heretofore undertaken by the Supply System have been financed as separate systems. The obligations issued with respect to each project are payable solely from the revenues of that project. The Supply System's Ownership Share of the Project will be similarly financed as a separate system.

On the basis of the estimated cost and interest during construction for the Supply System's Nuclear Projects Nos. 1, 2 and 3, it is estimated that the Supply System will require total long-term financing prior to 1980 of approximately $1,600,000,000. The first long-term financing for Project No. 1 is projected for early in 1975 while the second long-term financing for Project No. 2 is projected for the fall of 1974. Additional financing for the Supply System's fourth nuclear project, if undertaken, will be required before 1980.

The schedule of financing for the Project contemplates, in addition to the sale of the Notes, the sale of bonds in one or more issues totaling approximately $529,000,000 as described in more detail under the caption "The Project—Permanent Financing Program". The first such sale is presently contemplated for the summer of 1975.

SECURITY FOR THE NOTES

The Notes, together with the interest thereon, shall be payable from any moneys of the Supply System that may be lawfully applied to the payment thereof, including (i) revenues derived from the Supply System's Ownership Share of the Project, including all payments to be made to the Supply System pursuant to certain agreements (the "Net Billing Agreements") described below; and (ii) the proceeds of revenue bonds or refunding notes of the Supply System. Interest on the Notes will be capitalized to maturity.

The Supply System's Ownership Share of Project capability, less a portion of the Project output which will be sold to 15 industrial companies during the period July 1, 1981 through June 30, 1984 pursuant to a power sales agreement (the "Power Sales Agreement"), has been sold by the Supply System to 103 statutory preference customers (the "Participants") of Bonneville, and assigned by the Participants to Bonneville, pursuant to the Net Billing Agreements. Of the Participants, 27 are municipalities, 29 are districts and 47 are cooperatives. Exhibit I attached hereto lists each Participant and indicates its share of the Supply System's Ownership Share of Project capability.

The Participants will pay to the Supply System an aggregate amount equal to the Supply System's costs, including debt service associated with its Ownership Share of the Project, less any amounts payable pursuant to the Power Sales Agreement. Each Participant has assigned its share of the Supply System's Ownership Share of Project capability to Bonneville which will credit the payments made to the Supply System by such Participant against billings made by Bonneville to such Participant for power and certain services. The Net Billing Agreements provide that the Participants are obligated to pay the Supply System whether or not the Project is completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output and that such payments shall not be subject to reduction and shall not be conditioned upon the performance or non-performance by the Supply System or Bonneville or any other Participant under the Net Billing Agreements or any other agreement or instrument.

The Supply System covenants in the Resolution that it will terminate the Net Billing Agreements if for any reason it is unable to issue and sell revenue bonds or refunding notes to obtain funds to pay the principal of the Notes, together with any interest thereon, when due. The Supply System may terminate the Net Billing Agreements if it is determined that the Supply System is unable to construct, operate or proceed as owner of the Project due to licensing, financing or operating conditions or other causes which are beyond its control and for other reasons specified in the Net Billing Agreements. Upon giving the notice of termination of the Net Billing Agreements, the Supply System shall make monthly accounting statements to the Participants which shall show as the amounts due from the Participants in such month the maximum amount which can be stated therein for payment by the Participants without causing the amount due from any Participant to exceed the ability of Bonneville to allow net billing credits in such month to said Participant, taking into account all assignments which can be made pursuant to the Net Billing Agreements. The amounts paid by the Participants in the event of termination, or so much as is required therefor, will be deposited in the Washington Public Power Supply System Nuclear Project No. 3—Note Retirement Fund to be used to pay the principal of and interest on the Notes.

R. W. Beck and Associates (the "Consulting Engineer") estimates that under current Bonneville rates there will be in excess of $60,000,000 of net billing capability available to the Participants during the fiscal year ending June 30, 1976.

THE PROJECT

The Project will be constructed and operated by the Supply System pursuant to the Ownership Agreement as part of the Hydro Thermal Power Program designed to meet the anticipated needs for power in the Pacific Northwest. The Supply System and Bonneville have entered into an agreement (the "Project Agreement") with respect to Project construction, operation, maintenance and budgets.

Application will be made to the Thermal Power Plant Site Evaluation Council of the State of Washington for certification of a site in southeastern Grays Harbor County along the south bank of the Chehalis River near its confluence with the Satsop River. The site is approximately three miles south of the community of Satsop, Washington, and approximately 66 miles southwest of Seattle. Site investigation work is presently being carried out. Prior to the certification by such Council public hearings will be held at which it is expected that some opposition to the Project will be posed.

The Project will consist of a pressurized water nuclear electric generating plant having a nominal capacity of 1,200,000 kilowatts, together with associated facilities required to deliver the Project output to Bonneville's high voltage transmission system in the vicinity of the Project site. A more complete description of the Project is contained in the report of the Consulting Engineer attached as Exhibit II to this Official Statement.

The Supply System has entered into contracts for the delivery of certain items of equipment and material for the Project that require extensive lead time, including the nuclear steam supply system from Combustion Engineering, Inc., the turbine-generator from Westinghouse Electric Co. and reload nuclear fuel from Exxon Nuclear Company. Specifications are presently being prepared for the uranium supply for the initial nuclear core.

The Supply System has employed Ebasco Services, Inc. as architect-engineer for the Project (the "Architect-Engineer"), R. W. Beck and Associates as Consulting Engineer, and The S. M. Stoller Corporation as nuclear fuel consultant.

Under its current schedule, the Supply System anticipates (i) receipt of the AEC construction permit in the summer of 1975; (ii) fuel loading in the spring of 1981 and (iii) commercial operation in September 1981. The Supply System has considered environmental factors relative to the Project together with the technical and economic matters referred to herein; it has taken the steps required to date to conform with the Washington State Environmental Policy Act of 1971 and will continue to meet the requirements of that Act.

Initial Financing Program

The proceeds from the Notes are estimated to provide the necessary funds to pay for the Supply System's share of the cost of the work that will be accomplished prior to June, 1976.

Estimated Disposition of Note Proceeds

Engineering and Construction Management	\$12,957,000
Escalation and Contingencies	7,140,000
Nuclear Fuel	2,772,000
Supply System's Direct Costs(1)	5,166,000
Financing Expenses	232,000
Capitalized Interest(2)	3,489,000
Gross Costs	\$31,756,000
Less: Investment Earnings	2,756,000
Principal Amount of Note Issue	\$29,000,000

(1) Includes payment of the principal of and interest to maturity on \$2,000,000 of revenue notes issued in May, 1973.

(2) Assuming an interest rate of 4⅜%.

Permanent Financing Program

The current Supply System program anticipates that permanent financing for its Ownership Share of the Project will be initiated after the construction permit is received from the AEC through the issuance of long-term bonds to be retired from revenues derived from the sale of the Supply System's Ownership Share of the Project capability. These bonds are proposed to be issued to provide funds to retire the Notes and to pay the balance of the Supply System's share of the costs associated with the construction of the Project and placing it into operation. The Supply System proposes to issue the bonds in several series.

The Architect-Engineer and the Supply System have estimated that the cost of construction of the Project will be \$581,366,000, including engineering and construction management, escalation and contingencies to a 1981 operating date, initial nuclear fuel core, sales tax and owner's costs, but exclusive of financing expenses and interest during construction. The Supply System's share of these costs is estimated to be \$406,957,000.

The Supply System's current program anticipates that funds necessary to provide one-half year's interest in a reserve account in the bond fund, working capital and an initial reserve and contingency fund associated with its Ownership Share of the Project will be obtained under the Net Billing Agreements in advance of the expected date of commercial operation.

Based on the foregoing and assuming permanent financing through the sale of four issues of bonds of approximately equal size at a 6% interest rate, the estimated total amount of bonds to be issued to finance the Supply System's Ownership Share of the Project is shown in the following table:

Estimated Permanent Financing Required for the Supply System's Ownership Share of the Project

	Total Project Costs	Supply System's Ownership Share of Project Costs
Structures and Improvements	$ 95,000,000	$ 66,500,000
Reactor Plant Equipment	140,000,000	98,000,000
Turbine Generator Unit	110,000,000	77,000,000
Accessory Electrical Equipment	35,000,000	24,500,000
Miscellaneous Power Plant Equipment	3,000,000	2,100,000
Station Equipment	4,000,000	2,800,000
Subtotal(1)(2)	$387,000,000	$270,900,000
Contingencies(2)	53,400,000	37,380,000
Nuclear Fuel(3)	34,331,000	24,032,000
Sales Tax(4)	21,635,000	15,145,000
Engineering and Construction Management(2)	45,000,000	31,500,000
Owner's Direct Costs(3)	40,000,000	28,000,000
Subtotal	$581,366,000	$406,957,000
Bond Discount and Other Financing Expenses(5)		9,990,000
Capitalized Interest During Construction(6)		152,255,000
Gross Requirement		$569,202,000
Less: Estimated Income From Temporary Investments(7)		40,202,000
Net Requirement		$529,000,000

(1)—Includes escalation to projected date of commercial operation, September 1, 1981.

(2)—Estimated by the Architect-Engineer.

(3)—Estimated by the Supply System.

(4)—Includes sales tax on nuclear fuel.

(5)—Includes estimated cost of issuing the Notes.

(6)—Includes interest on the Notes at 4⅜% to June 15, 1976 and interest on bonds at 6% to September 1, 1982.

(7)—Includes income from temporary investment of the proceeds from the Notes.

In addition to the foregoing amounts to be obtained through issuance of bonds, present planning anticipates that the Participants will, between January 1, 1981 and September 1, 1981, pay under the Net Billing Agreements the following amounts:

Reserve Account in the Bond Fund	$15,900,000
Working Capital(1)	10,100,000
Reserve and Contingency Fund	2,100,000
Total	$28,100,000

(1) Includes $8,000,000 to be provided from advanced net billing to permit leveling annual fuel costs in the event of a critical period of power supply.

BONNEVILLE POWER ADMINISTRATION

Bonneville, a bureau of the U. S. Department of the Interior, was established by the Bonneville Project Act of August 20, 1937, to build transmission facilities and to market power from federal hydroelectric projects in the Pacific Northwest. Such projects now number 27 with an installed capacity of 10,485,900 kilowatts. These projects and authorized new projects and additions at existing projects will have, when completed, an installed capacity of approximately 21,335,900 kilowatts. Bonneville's transmission facilities include over 12,000 miles of 115 kV to 500 kV ac and 800 kV dc transmission lines. These transmission facilities together with the hydroelectric projects mentioned above comprise the Federal Columbia River Power System.

Bonneville Revenue by Major Classification of Customers[1]

Fiscal Year Ended June 30	Preference Customers	Other Electric Utilities	Industrial	Transmission Service and Other	Total
1968......	$49,134,719	$12,515,810	$39,498,338	$16,739,045	$117,887,912
1969......	55,752,314	16,967,117	46,204,161	18,353,608	137,277,200
1970......	58,419,581	20,319,033	50,063,203	13,878,209	147,680,026
1971......	64,078,043	25,120,610	45,418,745[2]	21,060,576	155,677,974
1972......	69,452,035	37,918,589	45,733,067[2]	22,990,720	176,094,411

(1) From Bonneville Summary Financial Data.

(2) The decline in industrial revenues was primarily due to shutdown of aluminum potlines in the area and to curtailment by Bonneville of interruptible power to certain of its industrial customers.

The major part of the 500 kV and 230 kV backbone transmission system in the Pacific Northwest is owned by Bonneville as a result of its role in constructing transmission facilities as part of the Federal Columbia River Power System. Bonneville transmits over the Federal Columbia River Power System the major portion of the power from 11 nonfederal projects to various private and public utilities in the Pacific Northwest. This system represents approximately 80% of the bulk power transmission capacity for the Pacific Northwest.

The Federal Columbia River Power System has interconnections with other regions in the United States and Canada. Three high voltage transmission line interconnections (two 500 kV ac, one 800 kV dc) of the Pacific Northwest-Pacific Southwest Intertie have been completed and are now in operation. One existing 500 kV ac and one future 500 kV ac line will interconnect the Federal Columbia River Power System with British Columbia, Canada, and several 230 kV ac lines interconnect the eastern portion of the system with utilities in the Mountain States and adjacent Canadian provinces. These interconnections provide, in addition to mutual support in the event of a breakdown or emergency, the means to carry capacity and energy which is surplus to the Pacific Northwest needs to these areas, and conversely to carry surplus capacity and energy from these areas into the Pacific Northwest.

Additional Power Supply

In addition to the federal hydroelectric projects, Bonneville has acquired additional power supply and hydro storage to enable it to continue to meet its customers' requirements. Under agreements executed in 1963 by Bonneville, 76 utility customers of Bonneville and the Supply System, Bonneville exchanges firm power from its system for the output of the Hanford Project of the Supply System. In 1964 Bonneville, acting jointly with the U. S. Army Corps of Engineers as the United States Entity, pursuant to the Treaty Between the United States and Canada Relating to the Cooperative Development of Water Resources of the Columbia River Basin, and pursuant to certain agreements executed in connection with such Treaty, obtained certain rights to 15,500,000 acre-feet of hydro storage on the Columbia River in Canada.

Under the Hydro Thermal Power Program, Bonneville will obtain through the Net Billing Agreements the Supply System's Ownership Share of the Project capability upon its completion and through similar agreements the capability of the Supply System's Nuclear Project No. 1 and Nuclear Project No. 2 and the City of Eugene, Oregon's 30% share of the Trojan Nuclear Project.

Bonneville Contracts

Bonneville and each of the Participants have entered into one or more contracts requiring payments to Bonneville for the purchase or exchange of power, the operation and maintenance of facilities or the transmission of power over the Federal Columbia River Power System.

Bonneville markets power to 149 customers, including 105 statutory preference customers in the Pacific Northwest (public bodies and cooperatives which have preference and priority upon power from the Federal Columbia River Power System pursuant to the Bonneville Project Act, as amended) under the terms of various power sales contracts. Each of the Participants is a preference customer and is a party to at least one such power sales contract. These contracts generally provide for the sale and delivery of firm power to a Participant in the amount of its requirements for power over and above the generating resources, if any, that the Participant has available to serve its own loads. Bonneville's obligation to meet a preference customer's requirements is effective for the term of the contract unless Bonneville gives the Participant at least eight years' prior notice of insufficiency of supply.

These power sales contracts with preference customers are usually for a term of twenty years and contain provisions for a rate review once each five years, the next rate review date being December 20, 1974. In the past Bonneville has normally replaced these power sales contracts on or prior to their expiration with new power sales contacts.

THE HYDRO THERMAL POWER PROGRAM AND POWER SUPPLY IN THE PACIFIC NORTHWEST

The Hydro Thermal Power Program was conceived by the Joint Power Planning Council, consisting of 110 electric cooperatives, public utilities and private utilities in the Pacific Northwest and Bonneville, in order to plan the coordination of existing and future thermal and hydroelectric resources in the Pacific Northwest. The major part of the power supply in the region has been historically from hydroelectric resources, but the remaining hydro projects to be developed will be essentially for peaking power rather than for base load. Thermal power will provide an increasing portion of the base load resources in the future. The combination of hydro peaking and large scale thermal generating plants was found by the Council to be the soundest plan to achieve the aims of the Hydro Thermal Power Program. The principles of this Program and the federal government's participation through Bonneville, the Army Corps of Engineers and the Bureau of Reclamation have been endorsed by current and previous administrations and by the Congress.

The members of the Joint Power Planning Council have concluded that the Hydro Thermal Power Program will:

1. Best preserve the environment and natural beauties of the Pacific Northwest.
2. Make efficient and economic use of the Federal Columbia River Power System.
3. Obtain the economies of scale from large thermal generating plants.
4. Meld the large thermal generating plants with existing hydro generating units and the peaking generation units which will be installed at existing dams, to achieve the most economic and reliable power supply to meet the power requirements of the Pacific Northwest.

The present Hydro Thermal Power Program of thermal generating plants for installation through 1981 is tabulated below:

Plant Number	Principal Sponsor	Location	Type	Rated Capacity (MW)	Scheduled Date of Commercial Operation
1	Pacific Power & Light Company and The Washington Water Power Company (Centralia Project)	Centralia, Washington	Coal-fired	1,400	(1)
2	Portland General Electric Company (Trojan Project)	St. Helens, Oregon	Nuclear	1,130	July 1975
3	Pacific Power & Light Company (Jim Bridger Project)	Rock Springs, Wyoming	Coal-fired	500 500	Sept. 1975 Sept. 1976
4	Washington Public Power Supply System (Nuclear Project No. 2)	Hanford, Washington	Nuclear	1,100	Sept. 1977
5	Portland General Electric Company (Boardman Project)	Boardman, Oregon	Nuclear	1,200	Sept. 1980
6	Washington Public Power Supply System (Nuclear Project No. 1)	Hanford, Washington	Nuclear	1,220	Sept. 1980
7	Washington Public Power Supply System (Nuclear Project No. 3)	Satsop, Washington	Nuclear	1,200	Sept. 1981

(1) Currently in operation at reduced capacity.

The Centralia Project is owned by Pacific Power & Light Company, The Washington Water Power Company, Portland General Electric Company, Puget Sound Power & Light Company, the Cities of Seattle and Tacoma and the Public Utility Districts of Grays Harbor and Snohomish Counties. The Trojan Project is owned by the Portland General Electric Company, the City of Eugene, Oregon, and Pacific Power & Light Company. In accordance with present plans the Boardman Project will be a jointly owned project.

In addition to the foregoing major projects in the Pacific Northwest, The Montana Power Company and Puget Sound Power & Light Company are constructing a coal-fired steam electric generating plant at Colstrip, Montana. A portion of the output of this project will be used outside of the Pacific Northwest coordinated system and the balance of the output will be used by Puget Sound Power & Light Company to assist in meeting its needs within the Pacific Northwest. Under present plans, 350,000 kilowatts are to be available to Puget Sound Power & Light Company by 1976. Planning is proceeding on two additional 700,000 kilowatt blocks of power from additional units to be installed at the Colstrip site, presently scheduled for initial operation in September 1978 and September 1979. The Puget Sound Power & Light Company has also announced plans to construct a 1,100,000 kilowatt nuclear plant on the Skagit River near Sedro Woolley, Washington, to come on line in the early 1980's.

The Joint Power Planning Council is now considering further installations to meet the power requirements of the Pacific Northwest during the 1980's. Recently the Public Power Council requested the Supply System to investigate the financing and construction of an additional 1,200,000 kilowatt nuclear project for operation in 1984.

Power Requirements and Resources

Long-range planning of resources in the Pacific Northwest is based on annual forecasts of loads and resources for the area prepared by the Pacific Northwest Utilities Conference Committee. An analysis of the most recent forecast by that committee, dated April 9, 1973, is shown in the following table:

Firm Loads and Resources

Northwest Power Pool, West Group(1)

Year Ending June 30	Estimated Requirements	Estimated Resources(2)	Additional Resources Required(3)	The Project	Balance of Resources Required(3)
		Peak Capability–Kilowatts (000)			
1974	21,939	22,519	(580)	—	(580)
1975	23,979	22,840	1,139	—	1,139
1976	24,783	24,433	350	—	350
1977	25,859	27,473	(1,614)	—	(1,614)
1978	27,343	28,009	(666)	—	(666)
1979	28,479	30,210	(1,731)	—	(1,731)
1980	29,754	32,317	(2,563)	—	(2,563)
1981	31,263	34,293	(3,030)	—	(3,030)
1982	32,669	35,522	(2,853)	306(4)	(3,159)
1983	34,564	36,567	(2,003)	994(4)	(2,997)
1984	36,373	36,813	(440)	994(4)	(1,434)
		Energy Capability–Average Kilowatts (000)			
1974	13,877	14,309	(432)	—	(432)(5)
1975	14,696	14,453	243	—	243 (5)
1976	14,999	15,470	(471)	—	(471)
1977	15,669	16,184	(515)	—	(515)
1978	16,489	16,719	(230)	—	(230)
1979	17,239	17,485	(246)	—	(246)
1980	18,064	18,298	(234)	—	(234)
1981	19,021	19,782	(761)	—	(761)
1982	19,926	20,276	(350)	615	(965)
1983	20,871	20,511	360	878	(518)
1984	21,934	20,609	1,325	1,012	312

(1) Area served by the utility members of the Joint Power Planning Council other than The Montana Power Company.

(2) Not including the Project.

(3) Parenthesis denotes surplus.

(4) After deducting 15% for reserves and 3% for realization factor (under the Pacific Northwest Utility Conference Committee Planning Guidelines).

(5) Current estimates by Bonneville based upon reservoir levels on September 1, 1973 and a 20½ month critical period now indicate a 900,000 kilowatt average energy deficit in the years ending June 30, 1974 and June 30, 1975.

THE NET BILLING AGREEMENTS

The Supply System, Bonneville and each Participant have entered into a Net Billing Agreement. These Agreements provide for the sale by the Supply System to the Participants and the assignment to Bonneville by the Participants of the Supply System's Ownership Share of the capability of the Project, less the output sold pursuant to the Power Sales Agreement. The Participants will pay the Supply System all of the Supply System's costs associated with its Ownership Share of the Project, less amounts payable from other sources, including amounts payable under the Power Sales Agreement. In consideration of such assignment Bonneville will offset or credit the amounts paid by the Participants to the Supply System against amounts owed Bonneville by the Participants for power purchased and certain services under Bonneville Contracts. This system of offsets or credits is termed "net billing". An abbreviated summary of certain provisions of the Net Billing Agreements follows; however, reference should be made to full text of the form of Agreements attached hereto as Exhibit IV.

The capitalization of any word or words which is not conventionally capitalized (e.g. Project, Participants) indicates that such words are defined in the Net Billing Agreements (Exhibit IV). (The same practice is followed in the summaries of the Ownership Agreement, Project Agreement and Resolution which follow.)

Term of the Agreement

Each Agreement became effective upon execution and delivery. Net billing will begin on January 1, 1981, or the Date of Commercial Operation, whichever is earlier, or at some earlier date if the Net Billing Agreements are terminated prior to such dates, as hereinafter described under the caption "Termination".

Although the Net Billing Agreements may be terminated prior to the maturity of any notes or bonds, the obligation of each of the Participants thereunder to pay its proportionate share of debt service on any notes or bonds shall continue until the notes or bonds have been retired, and Bonneville will continue to be obligated to offset or credit these payments against the bills rendered pursuant to the Participant's Bonneville Contracts.

Ownership and Operation

The Supply System will perform its duties, exercise its rights under the Ownership Agreement and use its best efforts to construct, operate and maintain the Project and finance its interest therein, in accordance with Prudent Utility Practice.

Sale, Purchase and Assignment

The Supply System sells and each Participant purchases its Participant's Share and in turn assigns its Participant's Share to Bonneville.

In each Contract Year, the Participant's Share is the percentage of the Supply System's Ownership Share of Project Capability specified for such year in Exhibit A to the Net Billing Agreements. During the period from July 1, 1981 through June 30, 1984, the amount of power made available to each Participant from the Supply System's Ownership Share of Project Capability is reduced by sales of output under the Power Sales Agreement. The purchase price to be paid by each Participant in each Contract Year will be the amount specified in the Billing Statement rendered to the Participant by the Supply System. The amount of the Billing Statement is determined by multiplying the Annual Budget or any amended Annual Budget, less any other funds, including amounts payable under the Power Sales Agreement, specified in the Annual Budget as being payable from sources other than payments under the Net Billing Agreements, by the Participant's Share. The Annual Budget shall provide for all of the Supply System's costs with respect to the Project in the Contract Year, including debt service. The Participant is obligated to pay the Supply System whether or not the Project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output, and such payments shall not be subject to reduction and shall not be conditioned upon the performance or nonperformance by the Supply System or any other Project Owner or Bonneville or any other Participant under the Net Billing Agreements or any other agreement or instrument.

The Participant assigns and Bonneville accepts the assignment of the Participant's Share. In consideration of such assignment, Bonneville will offset or credit the amounts paid by the Participant to the Supply System under the Net Billing Agreement against amounts owed Bonneville for power purchased and certain services rendered under the Participant's Bonneville Contracts.

Bonneville is obligated to make the offsets and credits specified in the Net Billing Agreements whether or not the Project is completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output. Such offsets and credits shall not be subject to reduction and shall not be conditioned upon the performance or nonperformance by the Supply System or any other Project Owner or any Participant under the Net Billing Agreements or any other agreement or instrument.

Payment

Each Participant is obligated to pay the Supply System on a monthly basis its Participant's Share of the Supply System's annual costs associated with its Ownership Share of the Project as specified in its Billing Statement. Each month's payments will be based on the amount of net billing credit received from Bonneville by the Participant during the preceding month on its Bonneville billings. If the credits received from Bonneville are less than the Participant's Share of costs for a Contract Year, the Participant is nevertheless obligated to pay its share of such costs.

Bonneville may enter into net billing agreements with any or all of the Participants in connection with the construction and operation of other thermal generating plants, and has entered into such agreements with all of the Participants in connection with one or more of the Supply System's Nuclear Projects No. 1 and No. 2 and the Trojan Project. Pursuant to the Net Billing Agreements, Bonneville will offset the amounts it owes under the Net Billing Agreement and all other net billing agreements which it may have in effect with each Participant against the sum of the amounts that such Participant may owe Bonneville for power and certain services in the proportion that the amount specified in the current Billing Statement bears to the sum of the amounts to be paid by Bonneville under all such agreements for that Contract Year. Each Net Billing Agreement provides that Bonneville and the Participant shall not enter into any agreements providing for payments to the Participant which Bonneville estimates will cause the aggregate of its billings to the Participant to be less than 115 percent of the Bonneville net billing obligations to the Participant under all agreements providing for net billing.

Two or more Participants may agree to a reallocation of their Participant's Shares so long as, among other requirements, the aggregate of the increases is equal to the aggregate of the decreases and the reallocation does not cause Bonneville's estimate of the payments to be made by a Participant to the Supply System to exceed 86.95% of Bonneville's estimate of its billings to the Participant.

If Bonneville is unable to net bill the amounts to be paid to the Supply System because the dollar obligations due Bonneville from a Participant are, or are expected to be, insufficient to offset Bonneville's dollar obligations to such Participant, Bonneville will use its best efforts to arrange for a voluntary assignment of such amounts which cannot be net billed and the Participant shall make any such assignment so arranged. The other Participants will have the first right to accept such assignment, pro rata among those exercising such right, before such an assignment is made to a customer who is not one of the Participants. If Bonneville is unable to arrange for such an assignment, the Participant will make such assignment to the other Participants, who are obligated to accept it, pro rata, provided that the sum of such assignments to a Participant shall not, without its consent, exceed either 25% of its Participant's Share or its estimated net billing capability.

If all or a portion of the Participant's Share is assigned as described above, the Participant will remain liable to pay the purchase price for its Share in accordance with its Agreement as if such assignment had not been made. Such liability of the Participant will be discharged only to the extent that the assignee of all or a portion of the Participant's Share pays to the Supply System the purchase price for the portion of the Participant's Share so assigned.

If assignments cannot be made in amounts sufficient to bring into balance the respective dollar obligations of Bonneville and the Participant and an accumulated balance in favor of the Participant from a previous Contract Year is expected by Bonneville to be carried for an additional year, such balance and any subsequent monthly net balances that cannot be net billed will be paid in cash to the Participant by Bonneville, subject to the availability of appropriations for such purpose.

If Bonneville is unable to satisfy its obligation to an affected Participant by net billing, assignment or cash payment and determines that this will continue for a significant period, the affected Participant may direct that all or a portion of the energy associated with its Participant's Share be delivered by the Supply System for the Participant's account at a specified point of delivery either for the expected period of such inability or the remainder of the term of the Net Billing Agreement, whichever is specified by the Participant when it elects to have such power and energy delivered to it. The amount of such delivery will be limited to the amount of the Participant's Share for which payment by Bonneville cannot be made. The Participant's obligation to assign its Participant's Share to Bonneville and Bonneville's obligation to make payments to the Participant will then be appropriately modified.

Termination

The Net Billing Agreements will terminate if the Supply System is unable to participate in ownership, construction, or operation of the Project due to licensing, financing, construction or operating conditions which are beyond its control, or if the Supply System is in default under the Ownership Agreement and has been requested by Bonneville to give notice of termination, or if the owners of the Project invoke the procedure to end the Project set forth in the Ownership Agreement. The Supply System shall give notice of termination of the Net Billing Agreements effective on the date of such notice. The Supply System shall then terminate its activities relating to construction and operation of the Project and shall undertake the salvage, discontinuance, decommissioning and disposition or sale of its ownership interest in the Project, all in accordance with the Ownership Agreement. After such termination, the Supply System will make monthly accounting statements to Bonneville and each Participant of all costs associated with such termination. The monthly accounting statements will credit against such costs all amounts received by the Supply System from the disposition of the Supply System's Ownership Share of the Project assets. Such monthly accounting statements will continue at least until all Bonds have been paid or funds are set aside for their payment. If the monthly accounting statements show that such costs exceed such credits, the Participant will pay its portion of such excess costs to the Supply System. The payments will be made at times and in amounts sufficient to discharge on a current basis the Participant's Share of the amount which the Supply System is required to pay into the various funds provided in the Bond Resolution for debt service and all other purposes.

Event of Default

The Participant's Share purchased by the Participant from the Supply System and assigned to Bonneville under each Net Billing Agreement will be automatically increased for the remaining term of the Agreement pro rata with that of other nondefaulting Participants if, and to the extent that, one or more of the Participants is unable, fails, or refuses for any reason to perform its obligations under its Net Billing Agreement; provided however, that the sum of such increases for each Participant, without its consent, may not exceed an accumulated maximum of 25% of its Participant's Share nor shall any such increase cause the estimate of the payments to be made by the Participant to the Supply System to exceed the estimate of Bonneville's billings to the Participant for power and certain services during the period of such increase.

Participant's Rate Covenant

No Participant will be required to make payments to the Supply System under its Net Billing Agreement except from revenues derived from the ownership and operation of its electric utility properties and from payments by Bonneville under such Agreement. The Participant covenants that it will establish, maintain and collect rates or charges for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties which shall be adequate to provide revenues sufficient to enable the Participant to make the payments to the Supply System pursuant to its Net Billing Agreement and to pay all other charges and obligations payable from or constituting a charge and lien upon such revenues.

Applicability of Other Instruments

The Net Billing Agreements are made subject to the terms and provisions of the Ownership Agreement, the Bond Resolution and all licenses, permits and regulatory approvals necessary for the ownership, construction and operation of the Project.

Exhibits

The Exhibits described below are a part of the Net Billing Agreements and are attached to the form of Net Billing Agreement appended to this Official Statement as Exhibit IV.

Exhibit A—A list of the Participants and their respective Participant's Shares.

Exhibit B—Project Characteristics.

Exhibit C—Contractual provision required by Statute or Executive Order. Under the provisions of Executive Order 11246 of September 24, 1965 and the Rules and Regulations and relevant Orders of the Secretary of Labor thereunder, the Supply System has been granted a limited exemption from the cancellation, termination, and suspension provisions contained in Section 3(f) of Exhibit C to the Net Billing Agreements in the event of non-compliance with the Equal Opportunity clause contained in said Agreements by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

THE PROJECT AGREEMENT

The Supply System and Bonneville have entered into the Project Agreement. That Agreement, among other things, contains provisions with respect to the financing, construction, operation and maintenance of the Project, and the making of any replacements, repairs or capital additions thereto, and budgeting under the Net Billing Agreements. An abbreviated summary of some of the provisions of the Project Agreement follows; however, reference should be made to the full text of the Agreement attached hereto as Exhibit V.

Term

The Agreement became effective upon its execution and delivery and will terminate when the Net Billing Agreements terminate.

Design, Construction, Operation and Maintenance of the Project

The Supply System agrees among other things (i) to perform its duties and exercise its rights under the Ownership Agreement and the Project Agreement in accordance with Prudent Utility Practice; and (ii) to keep Bonneville informed of all significant matters with respect to construction or operation of the Project, where practicable in time for Bonneville to comment thereon before decisions are made, and (iii) to confer with Bonneville during the development of the Supply System's proposals for such matters when practical to do so.

Bonneville will use its best efforts to construct, operate and maintain necessary facilities to interconnect the Project with the Federal Columbia River Power System so as to be ready to receive Project generation on or before the initial test and operation of the Project.

Financing

The Supply System shall use its best efforts to issue and sell Bonds to finance its share of the Project costs and the completion thereof, as such costs are defined in the Bond Resolution, and to finance its share of the cost of any capital additions, renewals, repairs, replacements or modifications to the Project; provided, however, that such Bonds may then be legally issued and sold.

Prior to its adoption, the Bond Resolution shall be subject to the approval of Bonneville.

Representation by Bonneville on the Committee Established Pursuant to the Ownership Agreement

The Supply System will appoint a member designated by Bonneville to the Committee established pursuant to the Ownership Agreement, who shall have the right to vote the lesser of 50% of the Supply System's Ownership Share or the sum of the Participant's Shares assigned to Bonneville under the Net Billing Agreements at the beginning of the Contract Year.

The Supply System will not proceed with the following elective items under the Ownership Agreement without the concurrence of Bonneville's representative on the Committee: (i) notice to repair the Project if the cost of repair is in excess of 20% of the depreciated value of the Project, (ii) renewals and replacements not necessary to assure design capability and additions not required by governmental agencies, (iii) construction of the Project if any other party to the Ownership Agreement does not participate, for the reasons set forth in the Ownership Agreement.

Budgets

Bonneville has reviewed the Supply System's Construction Budget. Promptly after the approval of any revised construction budget pursuant to the Ownership Agreement, the Supply System shall submit to Bonneville a revised Construction Budget. The budget shall include the Supply System's share of construction costs pursuant to the Ownership Agreement and all of the Supply System's other costs related to construction and financing of the Project. The updated Construction Budget for the succeeding calendar year and revised Construction Budgets for the current calendar year shall become effective unless disapproved by Bonneville within 30 days, and 7 days, respectively.

Prior to the Date of Commercial Operation and each succeeding Contract Year, the Supply System shall submit an Annual Budget showing the Supply System's Ownership Share of operating costs under the operating budget adopted pursuant to the Ownership Agreement, its cost of fuel and all its other costs related to its Ownership Share of the Project. The Annual Budget shall be revised during the Contract Year if necessary. The Annual Budget and any revised Annual Budget shall become effective unless disapproved by Bonneville within 30 days and 7 days, respectively.

Bonds for Replacements, Repairs and Capital Additions

If in any Contract Year the amounts in the Annual Budget for renewals, repairs, replacements and betterments and for capital additions necessary to achieve design capability or required by governmental agencies ("Amounts for Extraordinary Costs"), whether or not such amounts are costs of operation or costs of construction, exceed the amount of reserves, if any, maintained for such purpose pursuant to the Bond Resolution plus the proceeds of insurance, if any, available by reason of loss or damage to the Project, by the lesser of:

(1) $3,000,000 or

(2) an amount by which the amount of Bonneville's estimate of the total of the net billing credits available in such Contract Year to the Participants and the amounts of such reserves and insurance proceeds, if any, exceeds the Annual Budget for such Contract Year, exclusive of Amounts for Extraordinary Costs;

the Supply System will, in good faith, use its best efforts to issue and sell Bonds to pay such excess.

Applicability of Other Instruments

The Project Agreement is made subject to the terms and provisions of the Bond Resolution and all licenses, permits and regulatory approvals necessary for the ownership, construction and operation of the Project.

Exhibits

The Exhibits described below are an integral part of the Project Agreement. Exhibits A and B are attached to the copy of the Project Agreement appended to this Official Statement as Exhibit V. Exhibit C, the Ownership Agreement, is attached hereto as Exhibit III.

Exhibit A—Project Characteristics.

Exhibit B—Contractual provisions required by Statute or Executive Order. Under the provisions of Executive Order 11246 of September 24, 1965 and the Rules and Regulations and relevant Orders of the Secretary of Labor thereunder, the Supply System has been granted a limited exemption from the cancellation, termination, and suspension provisions contained in Section 3(f) of Exhibit B to the Project Agreement in the event of non-compliance with the Equal Opportunity clause contained in said Agreement by the Director, Office of Federal Contract Compliance, U. S. Department of Labor.

Exhibit C—The Ownership Agreement.

THE OWNERSHIP AGREEMENT

The following is a summary of certain provisions of the Ownership Agreement and does not purport to be complete. Reference should be made to the full text of the Ownership Agreement attached hereto as Exhibit III.

Ownership of the Project. The Project shall be owned by the Parties as tenants in common. The Supply System has an undivided interest of 70% and Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company have undivided interests of 10%, 10%, 5% and 5% respectively. A Party's Ownership Share may be adjusted upon the occurrence of certain events, as described below.

Each Party promptly and with due diligence shall take all necessary actions and seek all regulatory approvals, licenses and permits to carry out its obligations under the Ownership Agreement.

The Parties waive the right to partition of the Project.

The duties, obligations and liabilities of the Parties are several and not joint or collective, and none of the Parties shall be jointly or severally liable for the acts, omissions, or obligations of any of the other Parties.

The Supply System shall construct, operate and maintain the Project and shall have possession and control of the Project for all the Parties.

Committee. There shall be a Committee composed of seven members, three to be appointed by Supply System (one of whom will be designated by Bonneville pursuant to the Project Agreement), and one member to be appointed by each other Party. Each Committee member shall have the right to vote that part of the Ownership Share of the Party appointing him as designated in the notice of appointment, and the member appointed by Bonneville shall have the right to vote the portion of the Supply System's Ownership Share provided in the Project Agreement. The total voting rights of the members of the Committee appointed by each Party shall be equal to such Party's Ownership Share.

The Supply System shall keep all members of the Committee informed of all significant matters with respect to planning, construction, operation or maintenance of the Project, and when practicable, in time for members to comment thereon before decisions are made, and shall confer with the Committee, or separately with members thereof, during the development of the Supply System's proposals regarding such matters when practicable to do so. Upon request of any Committee member, the Supply System shall furnish or make available to all members of the Committee, with reasonable promptness and at reasonable times, any and all other information relating to the planning, construction, operation or maintenance of the Project.

The Supply System shall submit each of the matters listed below to the Committee for approval, which approval must be by a vote of Committee members having combined Ownership Share voting rights of more than 80%:

Determination of the Minimum Capability of the Project

Any proposal made by Committee members, appointed by Parties other than Supply System, having Ownership Share voting rights of 20% or more, or by the Committee member designated by Bonneville

Construction budgets and budgets of Annual Costs and changes therein

Any increase in the working fund in the Construction Trust Account or the Operating Trust Account described below

Award of any contract or approval of any change order, in either case in excess of $500,000

Fuel Plan, changes therein and determinations relating thereto

Scheduled outages

Insurance coverage, including limits and choice of insurers

Estimate of cost of repair or damage to the Project if in excess of $1,000,000, and estimate of the value of the Project without repair

Sales of salvage materials in excess of such minimum amount as is established by the Committee.

If any of the above matters cannot be resolved by the required vote of the Committee, procedures have been established to resolve the issue in accordance with Prudent Utility Practice.

"Prudent Utility Practice" means any of the practices, methods and acts, which, in the exercise of reasonable judgment in the light of the facts (including practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice is not limited to the optimum practice, method or act, but rather a spectrum of possible practices, methods or acts. In evaluating whether any matter conforms to Prudent Utility Practice there shall be taken into account (i) the fact that Supply System is a municipal corporation and operating agency under the laws of the State of Washington; and (ii) the objective to integrate the Project Capability with the generating resources of the Federal Columbia River Power System and the generating resources of other systems operated by the Parties to achieve optimum utilization of the resources of such systems.

Supply System shall submit the following additional matters to the Committee and shall proceed on such matters only upon unanimous approval of the Committee:

(i) Selection of the site of the Project

(ii) Selection of the type of nuclear steam supply system

(iii) Selection of the method of heat disposition

(iv) Award of contracts for nuclear steam supply system and turbine-generators

(v) Selection of an architect engineer

(vi) Extension of insurance to any additional unit or generating project

(vii) Capital additions to the Project after the Date of Commercial Operation which are not necessary to assure design capability, or are not required by governmental agencies.

If the Committee is unable to reach unanimous agreement within sixty days after submission by Supply System of any of the matters (i) through (v) listed above, then unless the Committee unanimously agrees otherwise, Supply System shall notify the Parties in writing and they shall then terminate the Project, or one or more of the Parties may elect to proceed with the Project upon reimbursing the non-electing Parties for their Costs of Construction and Fuel. Upon such reimbursement, the interest of the non-electing Parties in the Project shall vest in the electing Parties. Each of the Parties has agreed to the Supply System's determination of the matters listed in (i), (ii), (iv) and (v) above.

Construction, Licensing, Operation and Maintenance

The Supply System shall (a) take whatever action is necessary or appropriate to seek and obtain all licenses, permits and other rights and regulatory approvals necessary for the construction, operation and maintenance of the Project; (b) prosecute construction of the Project in accordance with Prudent Utility Practice, AEC licensing requirements, any applicable Federal or State laws and regulations thereunder, and plans and specifications for the Project prepared or recommended by the Project architect-engineer, and so as to schedule the Date of Commercial Operation as near as may be to September 1, 1981; (c) operate and maintain the Project in accordance with Prudent Utility Practice, giving due consideration to the recommendations of the Committee and the manufacturer's warranty requirements and in such a manner as to meet the requirements of the AEC and other government agencies having jurisdiction, to safeguard the health and safety of persons and safety of property, and, as necessary in the normal course of business, to assure the continued operation and maintenance of the Project.

Construction and Operating Payments

Construction Budgets and budgets of Annual Costs, except Fuel costs, and revisions thereof shall be submitted to the Committee for approval at the times specified in the Ownership Agreement.

Costs of Construction and Annual Costs, including Fuel costs, shall be paid from the Construction Trust Account and Operating Trust Account, respectively, which the Supply System is required to establish and maintain as separate accounts in a bank located in Washington meeting all requirements imposed upon depositories for any of the Parties. All moneys received by the Supply System under the Ownership Agreement shall be deposited in the appropriate Trust Account. Payments by the Parties shall be made at the times specified in the Ownership Agreement.

The Supply System shall keep up-to-date books and records of all financial transactions and other arrangements in carrying out the terms of the Ownership Agreement. All accounts shall be so kept as to permit conversion to the system of accounts prescribed for electric utilities by the Federal Power Commission. The Supply System shall cause all books and records to be audited by independent certified public accountants of national reputation acceptable to all the Parties at approximately annual intervals and when such accounts are closed. Copies of such audits shall be supplied to each Party. Each Party shall have the right to examine and copy all plans, specifications, bids and contracts relating to the Project.

Fuel and Scheduling

The Supply System shall arrange for Fuel in amounts so that each Party may utilize its Ownership Share of the Project in a manner which such Party estimates is best suited to its individual system needs. Each year the Supply System will prepare and submit to the Committee for approval a ten-year fuel management plan, which shall be revised as reasonably required to reflect changes in condition. Each Party shall furnish to the Supply System forecasts of its generation requirements from the Project to be used in preparing each Fuel Plan.

At the time of each fueling, the Supply System shall submit to the Committee for approval its determination of the next fueling date (the "Forecast Refueling Date"), the kilowatt-hours of net energy available to each Party to such Date (the "Energy Entitlement") and the cost per kilowatt-hour of its

Energy Entitlement. Each Party's Energy Entitlement shall equal as nearly as practicable such Party's forecasted generation requirements.

Generally each Party shall be entitled to receive, as scheduled by it, its Ownership Share of the Project Capability, and each Party shall schedule energy from the Project in such a manner that its Energy Entitlement is adequate to maintain such Party's Ownership Share of Minimum Capability until the next Forecast Refueling Date.

Each Party shall order at least its Ownership Share of the Fuel necessary to insure operation at Minimum Capability to the Forecast Refueling Date.

Any Party may (i) order less than its Ownership Share of the Fuel necessary to insure operation at Minimum Capability to the Forecast Refueling Date, (ii) require that such Date be advanced or delayed, (iii) use the Energy Entitlement of other Parties, or (iv) require that the Project not be operated, upon arranging for equivalent alternate capacity and energy for the other Parties, but any such action shall not adversely affect the availability of capacity and energy to which any other Party is entitled from the Project or any other Party's costs for such capacity and energy.

The Supply System shall schedule Project outages, other than fueling outages, and submit them to the Committee for approval as far in advance as practicable, but may shut down the Project to meet governmental requirements or to avoid hazard to the Project or any person or property.

Insurance

Supply System shall procure at the earliest practicable time and thereafter maintain in force for the benefit of the Parties such insurance coverage for the construction, operation, maintenance and repair of the Project as the Committee may determine, but not less than shall be required under the contract to be executed with the Project Architect Engineer, and not less than will satisfy the requirements of the AEC, and conform to Prudent Utility Practice.

Liabilities; Waiver of Subrogation

Each of the Parties releases each of the other Parties from any claim for loss or damage,including consequential loss or damage, arising out of the construction, operation, maintenance, reconstruction, and repair of the Project due to negligence, including gross negligence, but not any claim for loss or damage resulting from breach of any contract relating to the Project, including the Ownership Agreement, or for willful or wanton misconduct. Any loss or expense to the Parties or any Party, other than damages to any Party resulting from loss of use and occupancy of the Project or any part thereof, resulting from the Project and based upon injury to or death of persons or damage to or loss of Project property and property of other parties, to the extent not covered by collectible insurance, shall be charged to Costs of Construction or Annual Costs, whichever may be appropriate.

Each Party shall cause its insurers to waive any rights of subrogation against each of the other Parties, its agents and employees, for losses, costs, damages or expenses arising out of the construction, operation, maintenance, reconstruction or repair of the Project.

Uncontrollable Forces

No Party shall be considered to be in default in the performance of any of the obligations under the Ownership Agreement other than the obligation to pay its Ownership Share of costs and expenses, if failure of performance shall be due to uncontrollable forces, defined in the Ownership Agreement as any cause beyond the control of the Party affected and which, by the exercise of reasonable diligence, the Party is unable to overcome. Any Party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

Damage to the Project

If the Project suffers damage resulting from causes other than ordinary wear, tear or deterioration to the extent that Supply System's estimate of the cost of repair is less than 20% of the then depreciated value of the Project, and if the Parties do not unanimously agree that the Project shall be ended (see the caption "End of Project" below), Supply System shall promptly submit a revised Construction Budget or budget of Annual Costs, as appropriate, and shall proceed to repair the Project, and each Party shall pay its Ownership Share of the cost of such repair.

If the Project suffers damage to the extent that Supply System's estimate of the cost of repair exceeds 20% of the then depreciated value of the Project, computed according to the Ownership Agreement, Supply System shall determine the estimated fair market value of the Project if it is then terminated without repair. Thereafter, each Party which gives notice in writing to each of the other Parties of its desire that the Project be repaired, shall pay a part of the total cost of repair in the proportion that its Ownership Share bears to the total of the Ownership Shares of all Parties giving such notice. If any Party has given such notice, the Ownership Share of each Party which has not given notice shall be reduced at the end of each month to an Ownership Share determined by multiplying such Party's Ownership Share prior to such loss by a fraction the numerator of which is the estimated fair market value of the Project if it is terminated without repair, and the denominator of which is said fair market value plus the actual expenditures for repair. The amount of such reduction shall be proportionately added to the Ownership Share of each Party giving such notice.

If the Project suffers damage to the extent that Supply System's estimated cost of repair exceeds 20% of the then depreciated value of the Project and no Party gives the notice referred to above, the Project shall be ended.

Default

Upon failure of a Party to make any payment when due, or to perform any obligation herein, any other Party may make written demand upon said Party, and if said failure is not cured within 10 days from the date of such demand, it shall constitute a default at the expiration of such period. Any nondefaulting Party may take any action, in law or equity, including an action for specific performance, to enforce the Ownership Agreement and to recover for any loss, damage or payment advances incurred by reason of such default.

Assignment

This agreement shall be binding upon and shall inure to the benefit of successors and assigns of the Parties; provided, however, that no transfer or assignment of other than all of a Party's interest in the Project to a single entity shall operate to give the assignee or transferee the status or rights of a Party under the Ownership Agreement, and no transfer or assignment hereunder shall operate to increase the number of members on the Committee. Transfer or assignment shall not relieve a Party of any obligation under the Ownership Agreement except to the extent agreed to in writing by the other Parties.

End of Project

When the Project can no longer be made capable of producing electricity consistent with Prudent Utility Practice or the requirements of governmental agencies having jurisdiction or is no longer licensed by the AEC, or when the Project is ended as a result of damage thereto as described above, Supply System shall sell for removal all saleable parts of the Project, exclusive of Fuel, to the highest bidders. After deducting all costs of ending the Project, Supply System shall close the appropriate Trust Account and, if there are net proceeds, distribute to each Party its Ownership Share of such proceeds. Supply System shall liquidate the Fuel, and after making all required payments and receiving all due receipts, shall disburse the proceeds to the owners as their interests appear. In the event the costs of ending the Project exceed available funds, each Party shall pay its Ownership Share of such excess as incurred.

If one or more of the Parties is rendered incapable of proceeding with its obligations under the Ownership Agreement by reason of (i) inability to finance or (ii) failure to obtain necessary legal authorizations, including regulatory approvals, which condition is beyond the ability of such Party to remedy by reasonable means within a reasonable time, one or more of the other Parties may elect to proceed with the Project without the disabled Party. The Parties so electing shall promptly reimburse each non-electing Party for its Costs of Construction and costs of Fuel, if any, incurred under the Ownership Agreement. Upon such reimbursement, the non-electing Parties' interest in the Project shall forthwith vest in the electing Parties in such proportion as the electing Parties may agree.

THE RESOLUTION

The following is a summary of certain provisions of the Resolution authorizing the issuance of the Notes and does not purport to be complete. Reference should be made to the Resolution for full and complete information about the Notes. Copies of the Resolution are available on request either at the office of the Supply System in Richland, Washington, or Blyth Eastman Dillon & Co. Incorporated, Seattle, Washington, or New York, New York.

Use of the Proceeds

The Resolution authorizes the issuance of the Notes for the purpose of paying a part of the cost to the Supply System of constructing and acquiring its ownership interest in the Project and placing it into operation, including the cost of acquiring land and rights in land, acquiring nuclear fuel, preliminary work and expenses incurred in connection with the Project, engineering and other professional services, making site and other studies and surveys for the Project, obtaining necessary permits, licenses and approvals, preparing detailed plans and specifications for the construction of the Project, paying the principal of and interest on the outstanding $2,000,000 note issue which was issued for the Project, the expenses of issuing and selling the Notes and the fees and charges of the trustee and depositaries appointed pursuant to the Resolution and the paying agents for the Notes and the $2,000,000 note issue and paying interest on the Notes from their date to the date of maturity thereof.

Description of the Notes

The Notes are to be issued in the form of coupon notes in a single denomination of $25,000 or any multiple thereof, (as may be requested by the purchaser or purchasers), numbered from 1 upwards, and dated October 1, 1973. They will bear interest at such rate as is determined by the Board at the time of sale thereof, payable on December 15, 1973 and semi-annually on each December 15 and June 15 thereafter, and shall mature without option of prior redemption on June 15, 1976.

Sources from Which Notes Payable

The Notes, together with the interest thereon, will be payable from any monies of the Supply System that may be lawfully applied to the payment thereof, including revenues derived from the Supply System's ownership interest in the Project and the proceeds of the Supply System's revenue bonds or refunding notes.

Creation of Funds and Accounts

The Resolution authorizes the creation of two special funds of the Supply System: one, known as the "Nuclear Project No. 3—Preliminary Construction Fund" (the "Preliminary Construction Fund"), will be held in trust and administered by the Supply System, and the other, known as the "Nuclear Project No. 3—Note Interest Fund" (the "Note Interest Fund"), will be held in trust and administered by the Note Interest Fund Trustee (the "Note Interest Fund Trustee"). The Supply System will appoint one of the Paying Agents for the Notes as Note Interest Fund Trustee.

Disposition of the Proceeds of the Notes

From the proceeds of the sale of the Notes there shall be deposited:

1. With the paying agent for the $2,000,000 principal amount of notes heretofore issued by the Supply System, a sum sufficient to pay the principal of and interest on said notes.

2. With the Note Interest Fund Trustee for credit to the Note Interest Fund an amount equal to the interest to accrue on the Notes from the date thereof to June 15, 1976, which shall be used to pay interest on the Notes during such period.

3. With the Supply System for credit to the Preliminary Construction Fund the balance of such Note proceeds, which will be applied for the purposes noted above under the caption "Use of the Proceeds".

Monies in the Note Interest Fund will be used solely for the purpose of paying interest on the Notes. On or before the fourteenth (14th) day of each month in which an installment of interest falls due on the Notes, the Note Interest Fund Trustee will transfer from the Note Interest Fund to the Paying Agents an amount which, together with any monies theretofore received or held by the Paying Agents for the purpose, will be sufficient to pay the installment of interest then falling due on the Notes. If at any time monies in the Note Interest Fund and other available monies are inadequate for payment of interest, the Supply System will transfer from the Preliminary Construction Fund to the Note Interest Fund any additional amounts of money required.

All monies held or set aside by the Supply System in the Preliminary Construction Fund will, until invested or applied as provided in the Resolution, be deposited by the Supply System for the account of the Preliminary Construction Fund in such depositary or depositaries (hereinafter referred to as the "Construction Fund Depositary" or "Construction Fund Depositaries") as the Supply System may appoint. Each Construction Fund Depositary will be a state bank or trust company or national banking association located in the State of Washington and qualified under the laws of said State to receive deposits of public monies, having a capital stock and surplus in excess of $7,500,000. All monies so deposited shall be continuously secured for the benefit of the Supply System and the holders of the Notes to the extent permitted by applicable state or federal laws for the securing of deposits of public monies.

Investment of Monies Held in Funds

Monies held for the credit of the Preliminary Construction Fund and Note Interest Fund are to be invested in the following:

1. Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

2. General obligation bonds of any state of the United States of America rated by a nationally recognized bond rating agency in either of the two highest rating categories assigned by such rating agency;

3. Bonds, debentures, notes or participation certificates issued by the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Export-Import Bank of the United States, Federal Land Banks, the Federal National Mortgage Association or any other agency of the United States of America or any corporation wholly owned by the United States;

4. Public Housing Bonds or Project Notes issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions to be paid by the United States of America or any agency thereof; or

5. Bank time deposits evidenced by certificates of deposit issued by any bank, trust company, or national banking association located in the State of Washington which is a member of the Federal Reserve System, is a qualified public depositary under the laws of the State of Washington and has capital stock and surplus of at least $7,500,000. Such time deposits will mature not later than the time when the funds invested are required for the purpose intended and will be secured at all times in the manner provided by the laws of the State of Washington, provided, that the funds

invested in bank time deposits issued by any one bank, trust company or national banking association will not exceed at any one time 50% of the total of the capital stock and surplus of such bank, trust company or national banking association.

All interest earned by reason of investment of monies in either fund shall accrue to the Preliminary Construction Fund. In the event monies that are invested are needed in the Preliminary Construction Fund or Note Interest Fund to meet obligations for which funds are not otherwise available, then the Supply System shall sell or present for redemption any part of the investments to the extent required to provide the necessary funds.

Particular Covenants of the System

The Supply System covenants and agrees with the purchasers and holders of the Notes as follows:

A. The Supply System will pay the principal of and interest on each and every Note issued by the Supply System pursuant to the Resolution on the dates and at the places provided for in the Notes from any monies of the Supply System that may be lawfully applied to the payment thereof, including revenues derived from the Supply System's ownership interest in the Project and the proceeds of revenue bonds or refunding notes of the Supply System.

B. So long as any of the Notes are outstanding and unpaid, the Supply System will not, (i) voluntarily consent to or permit any rescission of, nor will it consent to any amendment to, nor otherwise take any action under or in connection with any of the Net Billing Agreements which will reduce the payments provided for therein or which will release any party thereto from its obligations thereunder, or which will in any manner impair or adversely affect the rights of the Supply System or of the holders of the Notes, and the Supply System will perform all of its obligations under the Net Billing Agreements and take such action and proceedings as shall be necessary to protect and safeguard the security for the payment of the Notes afforded by the provisions of the Net Billing Agreements; or (ii) voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or modification of, nor otherwise take any action under or in connection with the Ownership Agreement or the Project Agreement which will in any manner impair or adversely affect the rights of the Supply System or of the holders from time to time of the Notes. The Supply System will perform all of its obligations under the Ownership Agreement and the Project Agreement and will take such actions and proceedings as shall be necessary to protect and safeguard the security for the payment of the Notes afforded by the provisions of such Agreements.

C. The Supply System will proceed as promptly as is reasonably possible and practicable to obtain all necessary permits, licenses and approvals, to prepare detailed plans and specifications for the construction of the Project and to do other necessary preliminary work so that the construction of the Project can be commenced and financing of the Supply System's ownership interest therein provided for through the sale of revenue bonds of the Supply System.

D. As soon as it is reasonably practicable the Supply System will issue and sell its revenue bonds for the purpose of providing funds to pay the cost of construction and acquisition of the Supply System's ownership interest in the Project, which cost shall include, among other things, the payment of the principal and interest not paid from the principal of the Notes authorized pursuant to the Resolution. If for any reason the Supply System is unable to issue and sell bonds or refunding notes to obtain funds to pay the principal of the Notes when due, or is unable to proceed with the financing of the Project for any reason, the Supply System will terminate the Net Billing Agreements as provided in sub-paragraph (a) of Section 10 of each of the Net Billing Agreements and will invoke the provisions of such Section. Thereafter the Supply System shall in each month make monthly accounting statements under the Net Billing Agreements which shall show as the amounts due from the Participants in such month the maximum amount which can be stated therein for payment by the Participants in such month without causing the amount due from any Participant to exceed the ability of Bonneville to allow net billing credits to said Participant in such month in the manner provided in the Net Billing Agreements, taking into account all assignments which can be made pursuant to the Net Billing Agreements, and shall deposit into a special fund which is created in the Resolution so much of the amount so collected as is required to provide for the payment of the principal of and interest on the Notes and any additional notes hereafter issued to pay the Supply System's share of the costs of acquiring and constructing the Project.

E. The Supply System reserves the right to issue additional notes to pay a part of the Supply System's share of the cost of acquiring and constructing the Project payable on a parity with the Notes from the proceeds of revenue bonds or notes or any other monies available therefor, including revenues to be received pursuant to the provisions of the Resolution summarized in the preceding paragraph.

Severability

If any one or more provisions of the Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then the affected provisions shall be deemed separable from, and shall in no way affect the validity of, any of the other provisions of the Resolution or the Notes issued thereunder.

REGISTRATION OF THE NOTES BY STATE AUDITOR

The Notes will be registered by the State Auditor of the State of Washington, and a certificate of such registration signed by the State Auditor or a Deputy State Auditor will be endorsed upon each Note in accordance with the provisions of Section 54.24.070 of the Revised Code of Washington, made applicable to the Supply System by the Revised Code of Washington, Section 43.52.3411. Such section provides, in part, that any revenue obligations after having been so registered and bearing such certificate, shall be held in every action, suit, or proceeding in which their validity is or may be brought into question prima facie valid and binding obligations in accordance with their terms.

TRUSTEE

The Supply System has appointed Peoples National Bank of Washington to serve as the Note Interest Fund Trustee.

NEGOTIABLE INSTRUMENTS

The Notes and interest coupons attached thereto are negotiable instruments in accordance with the provisions of Section 54.24.120 of the Revised Code of Washington.

LITIGATION

There is no litigation pending, nor to the knowledge of the Supply System, any threatened, questioning the corporate existence of the Supply System, or the title of the officers of the Supply System to their respective offices, or the validity of the Notes, or the power and authority of the Supply System to issue the Notes, or the validity of the Net Billing Agreements, the Project Agreement, the Ownership Agreement, or any other proceeding taken or contract entered into by the Supply System, which is in any way related to the Project, or the power and authority of the Supply System to fix, charge and collect rates for the sale of power, energy and capability from the Supply System's ownership interest in the Project as provided in the Resolution.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the Net Billing Agreements, the Ownership Agreement, the Project Agreement and the authorization and issuance of the Notes are subject to the approval of Messrs. Wood Dawson Love & Sabatine, Bond Counsel to the Supply System, and Messrs. Houghton Cluck Coughlin & Riley, Special Counsel to the Supply System. Copies of the opinions they propose to render are appended hereto as Exhibits VI and VII.

TAX EXEMPTION

In the opinion of the above named Counsel, the interest on the Notes will be exempt from Federal income taxation under existing laws and regulations and a specific ruling issued by the Internal Revenue Service with respect to the Notes.

MISCELLANEOUS

The references, excerpts, and summaries contained herein of the Net Billing Agreements, the Project Agreement, the Ownership Agreement, and the Resolution do not purport to be complete statements of the provisions of such documents and reference should be made to such documents for a full and complete statement of all matters relating to the Notes, the rights and obligations of the holders thereof and said agreements.

The authorizations, agreements and covenants of the Supply System are set forth in the Resolution, and neither this Official Statement nor any advertisement of the Notes is to be construed as a contract with the holders of the Notes. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact.

All of the information relative to the Pacific Northwest, Bonneville, Joint Power Planning Council and Pacific Northwest Utilities Conference Committee has been taken from sources deemed to be reliable but is not guaranteed as to completeness or accuracy.

The delivery of this Official Statement has been duly authorized by the Supply System.

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

By E. VICTOR RHODES
Secretary

Dated October 10, 1973

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EXHIBIT I

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3

Columns (1) and (2) in the following table show the number of customers and the gross revenues of each Participant and Company for fiscal 1972.

Column (3) shows the decimal fraction of the Supply System's Ownership Share of Project Capability that has been purchased by each Participant and assigned to Bonneville and the ownership shares of each Company.

Column (4) shows the amount of the billings for power and certain services, after deducting any amounts previously committed under other net billing or exchange agreements, that Bonneville estimates each Participant will be obligated to pay in the fiscal year ending June 30, 1983.

Based upon an estimated average annual cost to the Supply System, Column (5) shows the estimated annual Project costs as they are allocated to each Participant for fiscal year 1982-1983 to be offset or credited against the anticipated billings to the Participant shown in Column (4).

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3

PARTICIPANTS	(1) Fiscal 1972 Statistics Customers	(2) Fiscal 1972 Statistics Revenues	(3) Decimal Fraction of Supply System's Ownership Share 1982-1983(A)	(4) Estimated Anticipated Bonneville Billings 1982-1983(D)	(5) Estimated Participant's Share of Project Annual Cost 1982-1983(E)
City of Albion, Idaho	146	$ 23,974	0.00006	$ 4,500	$ 2,500
City of Bandon, Oregon	1,558	374,134	0.00132	124,900	54,100
Public Utility District No. 1 of Benton County, Washington	15,301	4,740,481	0.04160	2,466,200	1,704,300
Benton Rural Electric Association	4,894	1,213,861	0.00783	400,500	320,800
Big Bend Electric Cooperative, Inc.	4,297	1,789,678	0.00528	351,500	216,300
Blachly-Lane Cooperative Electric Association	1,786	726,056	0.00415	296,200	170,000
City of Blaine, Washington	1,127	245,318	0.00116	71,800	47,500
City of Bonners Ferry, Idaho	1,602	339,683	0.00108	67,600	44,200
City of Burley, Idaho	3,908	826,893	0.00198	148,800	81,100
City of Canby, Oregon	1,887	405,929	0.00164	153,100	67,200
City of Cascade Locks, Oregon	578	175,057	0.00049	50,700	20,100
Central Electric Cooperative, Inc.	4,685	1,234,504	0.01183	608,600	484,700
City of Centralia, Washington	6,258	1,156,453	0.00275	190,600	112,700
Central Lincoln Peoples' Utility District	17,268	6,184,656	0.03236	2,607,500	1,325,700
Public Utility District No. 1 of Chelan County, Washington	18,808	5,537,414	0.00606	257,500	248,300
City of Cheney, Washington	2,568	667,506	0.00479	278,700	196,200
Public Utility District No. 1 of Clallam County, Washington	9,579	2,739,106	0.01006	630,500	412,100
Public Utility District No. 1 of Clark County, Washington	53,865	14,216,846	0.15228	7,123,600	6,238,600
Clatskanie People's Utility District	2,432	1,833,515	0.00763	806,800	312,600
Clearwater Power Company	5,343	1,370,112	0.00703	371,500	288,000
Columbia Basin Electric Cooperative, Inc.	3,002	1,015,601	0.00382	236,600	156,500
Columbia Power Cooperative Association, Inc.	1,286	459,649	0.00101	68,800	41,400
Columbia Rural Electric Association, Inc.	1,838	775,135	0.01323	650,100	542,000
Consolidated Irrigation District No. 19, Washington	1	8,626	0.00007	3,700	2,900
Consumers Power, Inc.	8,914	2,780,145	0.01655	1,221,400	678,000
Coos-Curry Electric Cooperative, Inc.	7,809	2,569,924	0.00880	543,700	360,500
Town of Coulee Dam, Washington	546	171,988	0.00052	36,300	21,300
Public Utility District No. 1 of Cowlitz County, Washington	28,619	9,446,009	0.02370	1,968,900	970,900
City of Declo, Idaho	100	19,540	0.00017	10,200	7,000
Public Utility District No. 1 of Douglas County, Washington	7,290	2,054,707	0.00085	38,500	34,800
Douglas Electric Cooperative, Inc.	5,019	1,151,293	0.00617	463,900	252,800
City of Drain, Oregon	556	178,700	0.00085	73,600	34,800
East End Mutual Electric Co., Ltd.	293	58,697	0.00032	17,100	13,100
City of Ellensburg, Washington	4,928	1,118,022	0.00712	430,600	291,700

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3 -- (continued)

PARTICIPANTS	(1) Fiscal 1972 Statistics: Customers	(2) Fiscal 1972 Statistics: Revenues	(3) Decimal Fraction of Supply System's Ownership Share 1982-1983(A)	(4) Estimated: Anticipated Bonneville Billings 1982-1983(D)	(5) Estimated: Participant's Share of Project Annual Cost 1982-1983(E)
Fall River Rural Electric Cooperative, Inc.	4,102	$ 922,296	0.00250	$ 142,100	$ 102,400
Farmers Electric Co., Ltd.	183	18,079	0.00021	12,900	8,600
Public Utility District No. 1 of Ferry County, Washington	1,502	476,510	0.00116	70,400	47,500
Flathead Electric Cooperative, Inc.	3,939	788,284	0.00355	186,200	145,400
City of Forest Grove, Oregon	4,045	938,707	0.00000(B)	375,600	0
Public Utility District No. 1 of Franklin County, Washington	9,990	2,928,955	0.01251	796,000	512,500
Public Utility District No. 2 of Grant County, Washington	19,500	6,935,552	0.00589	250,200	241,300
Public Utility District No. 1 of Grays Harbor County, Washington	28,007	6,355,467	0.02040	1,791,500	835,700
Harney Electric Cooperative, Inc.	1,527	875,562	0.00263	169,700	107,700
City of Heyburn, Idaho	686	391,556	0.00173	122,600	70,900
Hood River Electric Cooperative, Oregon	2,132	639,192	0.00436	293,000	178,600
Idaho County Light & Power Cooperative Association, Inc.	1,543	346,106	0.00111	63,200	45,500
City of Idaho Falls, Idaho	12,967	3,208,038	0.00797	568,000	326,500
Inland Power & Light Company	11,575	2,814,575	0.02029	1,000,900	831,200
Public Utility District No. 1 of Kittitas County, Washington	1,162	300,98?	0.00205	118,600	84,000
Public Utility District No. 1 of Klickitat County, Washington	5,881	1,704,287	0.00565	355,500	231,500
Kootenai Electric Cooperative, Inc.	4,360	944,530	0.00515	260,100	211,000
Lane County Electric Cooperative, Inc.	7,320	1,902,374	0.01114	743,200	456,400
Public Utility District No. 1 of Lewis County, Washington	15,166	3,501,978	0.01249	788,100	511,700
Lincoln Electric Cooperative, Inc. (Montana)	1,655	536,898	0.00225	120,100	92,200
Lincoln Electric Cooperative, Inc. (Washington)	1,486	595,268	0.00119	84,900	48,800
Lost River Electric Cooperative, Inc.	1,288	307,481	0.00120	69,100	49,200
Lower Valley Power & Light, Inc.	6,122	1,634,136	0.00671	360,800	274,900
Public Utility District No. 1 of Mason County, Washington	2,356	409,976	0.00171	102,500	70,100
Public Utility District No. 3 of Mason County, Washington	11,826	2,776,718	0.01419	815,000	581,300
Town of McCleary, Washington	626	215,454	0.00075	54,400	30,700
City of McMinnville, Oregon	5,185	1,559,912	0.00102	498,400	41,800
Midstate Electric Cooperative, Inc.	3,625	988,747	0.00590	410,500	241,700
City of Milton-Freewater, Oregon	2,916	625,527	0.00000(C)	339,700	0
City of Minidoka, Idaho	50	8,979	0.00001	1,300	400
Missoula Electric Cooperative, Inc.	3,437	775,496	0.00412	206,700	168,800
City of Monmouth, Oregon	1,812	$ 395,850	0.00352	$ 325,600	$ 144,200

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3 – (continued)

PARTICIPANTS	(1) Fiscal 1972 Statistics Customers	(2) Fiscal 1972 Statistics Revenues	(3) Decimal Fraction of Supply System's Ownership Share 1982-1983(A)	(4) Estimated Anticipated Bonneville Billings 1982-1983(D)	(5) Estimated Participant's Share of Project Annual Cost 1982-1983(E)
Nespelem Valley Electric Cooperative, Inc.	989	274,951	0.00146	76,800	59,800
Northern Lights, Inc.	5,503	1,219,293	0.00547	278,900	224,100
Northern Wasco County People's Utility District	2,458	515,977	0.00142	197,300	58,200
Public Utility District No. 1 of Okanogan County, Washington	11,437	2,852,454	0.00299	200,400	122,500
Okanogan County Electric Cooperative, Inc.	982	194,031	0.00092	55,300	37,700
Orcas Power & Light Company	3,208	932,971	0.00728	379,700	298,200
Public Utility District No. 2 of Pacific County, Washington	10,832	1,928,811	0.00941	578,900	385,500
Public Utility District No. 1 of Pend Oreille County, Washington	2,771	865,990	0.00064	27,800	26,200
City of Port Angeles, Washington	6,836	1,970,504	0.00754	549,500	308,900
Prairie Power Cooperative, Inc.	310	78,217	0.00026	13,500	10,700
Raft River Rural Electric Cooperative, Inc.	1,645	1,015,079	0.00533	300,700	218,400
Ravalli County Electric Cooperative, Inc.	2,027	547,786	0.00455	226,700	186,400
City of Richland, Washington	9,061	2,551,518	0.01479	938,100	605,900
Riverside Electric Company, Ltd.	205	37,847	0.00025	13,100	10,200
City of Rupert, Idaho	1,972	471,793	0.00121	85,700	49,600
Rural Electric Company	1,764	472,445	0.00443	218,300	181,500
Salem Electric	6,745	1,313,349	0.01025	752,000	419,900
Salmon River Electric Cooperative, Inc.	1,223	309,683	0.00104	59,300	42,600
City of Seattle, Washington	255,651	60,443,753	0.09930	5,011,100	4,068,100
Public Utility District No. 1 of Skamania County, Washington	2,561	774,612	0.00291	185,100	119,200
Public Utility District No. 1 of Snohomish County, Washington	103,736	24,320,282	0.19767	10,726,500	8,098,100
South Side Electric Lines, Inc.	374	125,736	0.00085	43,700	34,800
City of Springfield, Oregon	5,735	1,377,068	0.00145	203,200	59,400
Town of Sumas, Washington	321	75,851	0.00019	13,400	7,800
Surprise Valley Electrification Corporation	2,652	764,747	0.00163	96,200	66,800
City of Tacoma, Washington	62,844	30,587,028	0.02309	1,873,100	946,000
Tanner Electric	658	152,145	0.00109	58,000	44,700
Tillamook People's Utility District	10,921	2,811,835	0.00746	708,600	305,600
Umatilla Electric Cooperative Association	4,472	1,466,520	0.01487	1,226,800	609,200
Unity Light & Power Company	1,083	241,686	0.00278	139,800	113,900
Vera Irrigation District No. 15	3,196	603,229	0.00378	239,700	154,900
Vigilante Electric Cooperative, Inc.	2,929	726,325	0.00136	82,600	55,700
Public Utility District No. 1 of Wahkiakum County, Washington	1,941	383,874	0.00203	125,500	83,200
Wasco Electric Cooperative, Inc.	2,273	719,014	0.00271	191,400	111,000

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3 — (continued)

PARTICIPANTS

	(1) Fiscal 1972 Statistics — Customers	(2) Fiscal 1972 Statistics — Revenues	(3) Decimal Fraction of Supply System's Ownership Share 1982-1983(A)	(4) Estimated — Anticipated Bonneville Billings 1982-1983(D)	(5) Estimated — Participant's Share of Project Annual Cost 1982-1983(E)
Wells Rural Electric Company	1,370	$ 681,336	0.00270	$ 122,300	$ 110,600
West Oregon Electric Cooperative, Inc.	2,544	628,305	0.00238	175,300	97,500
Public Utility District No. 1 of Whatcom County, Washington ...	1	285,388	0.00459	231,200	188,000
TOTAL PARTICIPANTS (103)	961,318	$359,154,118	1.00000	$72,248,300	$40,968,000

COMPANIES

	(1) Fiscal 1972 Statistics — Customers	(2) Fiscal 1972 Statistics — Revenues	(3) Ownership Share of Project Capability 1982 - 1983
Pacific Power & Light Company	507,746	$197,950,424	.10000
Portland General Electric Company	365,415	112,442,578	.10000
Puget Sound Power & Light Company	379,726	108,146,204	.05000
The Washington Water Power Company	178,037	55,618,482	.05000
TOTAL COMPANIES (4)	1,430,924	$474,157,688	.30000

(A) Participants' Shares are not the same in all years. See Exhibit A to the Net Billing Agreements.

(B) Has .00000 Participant's Share until July 1, 1986, and .00091 Participant's Share thereafter.

(C) Has .00000 Participant's Share until July 1, 1986 and .00002 Participant's Share thereafter.

(D) Based upon current Bonneville rate schedules plus 40%, less estimated amounts of the Participants' net billing capability committed to the purchase of a portion of the capability of the City of Eugene, Oregon's 30% share of the Trojan Nuclear Project, the 20% share of the Centralia Project now proposed for net billing by the City of Tacoma, Washington, and the Public Utility Districts of Grays Harbor and Snohomish Counties, Washington, and the Supply System's Nuclear Projects No. 1 and No. 2. The annual cost estimates for the individual projects upon which the estimated Participants' commitments are based, vary from year to year and certain elements of those costs estimates have been structured to accommodate the operation of the net billing program as a whole, including all net billed projects and services. In addition, an assignment agreement between Bonneville and certain participants in the Supply System's Nuclear Project No. 1 permits Bonneville to reassign those participants' shares of that project in the years 1981 through 1987. The cost estimates for Project No. 2 assume that $36,500,000 of costs applicable to the years 1981 to 1987 would be net billed in the years 1977 through 1980, thereby increasing the amounts available for Project No. 3 net billing during the period 1981 to 1987.

(E) Estimated average annual cost to Participants based upon level average annual debt service over a 35 year period beginning September 1, 1982 and assuming 1982-1983 cost levels after deducting projected revenues of $11,250,000 under the Power Sales Agreement for the year 1982-1983. The annual costs for the Project may be structured by deferring principal payments or by some other means to reduce costs in the early years of the Project's operation. Such reduction would increase costs in later years. Revenues under the Power Sales Agreement are anticipated in the following amounts:

1981-82............	$11,250,000
1982-83............	11,250,000
1983-84............	5,625,000

EXHIBIT II

R. W. BECK AND ASSOCIATES

ANALYTICAL AND CONSULTING ENGINEERS

PLANNING
DESIGN
RATES
ANALYSES
EVALUATIONS
MANAGEMENT

200 TOWER BUILDING
SEATTLE, WASHINGTON 98101
TELEPHONE 206-622-5000

SEATTLE, WASHINGTON
DENVER, COLORADO
PHOENIX, ARIZONA
ORLANDO, FLORIDA
COLUMBUS, NEBRASKA
BOSTON, MASSACHUSETTS

FILE NO. SS-1117-NF1-TA

Board of Directors
Washington Public Power Supply System
Post Office Box 968
Richland, Washington 99352

October 10, 1973

Gentlemen:

Subject: Summary Engineering Report
Washington Public Power Supply System
Nuclear Project No. 3

Presented herewith is a summary of our analyses, investigations and studies with respect to the proposal by the Washington Public Power Supply System (the "Supply System") to issue $29,000,000 of its Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A (the "Notes") which will mature on June 15, 1976 for the purpose of paying the Supply System's share of certain initial costs of acquiring, constructing and placing into operation a nuclear-fueled electric generating plant of approximately 1,200,000 kilowatts and related facilities to be located in the vicinity of Satsop, Washington, and known as Washington Public Power Supply System Nuclear Project No. 3 (the "Project"). The Supply System's present financing program provides that the Notes will be retired from proceeds of long-term bonds issued to provide permanent financing for the Supply System's Ownership Share of the Project.

The Supply System has entered into an agreement (the "Ownership Agreement") with Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company (the "Companies") which provides for the acquisition, construction, operation, and ownership, as tenants in common, of the Project. Under the Ownership Agreement each party will be responsible for providing its Ownership Share of the costs of construction and operation and will be entitled to its Ownership Share of the Project's capability. The parties to the Ownership Agreement have designated the Supply System to act as their agent to construct, operate and maintain the Project. Under the Ownership Agreement the parties will have Ownership Shares as follows:

Party	Percentage Ownership Share
Supply System	70%
Pacific Power & Light Company	10%
Portland General Electric Company	10%
Puget Sound Power & Light Company	5%
The Washington Water Power Company	5%

The costs to be financed from the proceeds of the Notes include the Supply System's Ownership Share of the cost of preliminary work and expenses incurred in connection with the Project such as (a) engineering and other professional services; (b) obtaining the necessary permits, licenses and approvals required for construction of the Project; and (c) preparing detailed plans, specifications and reports for the Project; together with the cost of issuing the Notes and interest on the Notes to maturity (collectively referred to herein as "Initial Work"). A portion of the proceeds of the Notes will be used to retire $2,000,000 of revenue notes previously issued for such purposes.

The Initial Work will include that necessary to obtain a certification of the site for the Project by the Washington State Thermal Power Plant Site Evaluation Council, to obtain a construction permit from the United States Atomic Energy Commission (the "AEC") and, in general, to accomplish any other work to be undertaken prior to the issuance of long-term bonds to provide permanent financing for the Supply System's Ownership Share of the Project.

The Supply System

The Supply System is a municipal corporation and a joint operating agency organized under the laws of the State of Washington and has 21 members consisting of 18 public utility districts and three municipalities all located within the State of Washington. The Supply System owns and operates the Packwood Lake Hydroelectric Project with a 27,500 kilowatt capacity, located in Lewis County, Washington, and the steam-electric generating plant with a capacity of approximately 860,000 kilowatts located in Benton County, Washington, known as the Hanford Project. Steam is provided to the Hanford Project from a nuclear reactor that is owned and operated by the AEC on its Hanford Reservation near Richland, Washington.

The Supply System presently plans to continue operation of the Hanford Project until the fall of 1977, when the operation of the AEC's reactor that supplies steam to the Hanford Project is scheduled to be terminated. The Hanford Project generating facilities will then be incorporated into the proposed Washington Public Power Supply System Nuclear Project No. 1, which will include in addition to the Hanford Project generating facilities, a nuclear steam supply system and topping turbine-generator equipment. Total generating capacity of Project No. 1 is estimated to be approximately 1,220,000 kilowatts. Project No. 1 is presently scheduled for commercial operation in September, 1980.

The Supply System has begun construction of a 1,100,000 kilowatt nuclear power generating station on the Hanford Reservation of the AEC, known as Washington Public Power Supply System Nuclear Project No. 2, presently scheduled for commercial operation in September, 1977.

The Supply System issued $13,700,000 of Packwood Lake Hydroelectric Project Revenue Bonds, Series of 1962 and 1965, to finance the construction of the Packwood Lake Hydroelectric Project and $122,000,000 of Hanford Project Electric Revenue Bonds, Series of 1963, to finance construction of the Hanford Project. The Supply System has also issued $150,000,000 of Nuclear Project No. 2 Revenue Bonds, Series 1973, to finance part of the cost of the construction of Nuclear Project No. 2. In addition, the Supply System has issued $25,000,000 of revenue notes to finance certain initial costs for Nuclear Project No. 1.

Each of the foregoing projects is a separate utility system and the revenues of each are pledged to the respective systems.

Proposal

The Project will consist of a nuclear steam supply system, turbine-generating unit, associated auxiliary equipment and facilities, and transformation and transmission equipment. The Supply System has entered into contracts for certain items for the Project that required long delivery times and is proceeding with the engineering and investigations necessary to obtain certification of the site by the Washington State Thermal Power Plant Site Evaluation Council and a construction permit from the AEC. The Project is scheduled for commercial operation in September, 1981.

The Supply System proposes to finance its Ownership Share of the costs of the Initial Work through issuance of the Notes. The Notes will be retired from proceeds of long-term bonds expected to be issued to finance the Supply System's Ownership Share of the costs of construction for the Project, or from any other funds available to the Supply System. The Supply System expects to issue the long-term bonds in several series, beginning shortly after receiving a construction permit for the Project from the AEC.

The Supply System's Ownership Share of the Project will be owned and operated as a separate system from other Supply System projects, and the revenues from the Supply System's Ownership Share of the Project will be pledged to said system.

Description of the Project

The Project will be located about three miles south of the community of Satsop in Grays Harbor County, Washington, approximately 16 miles east from the City of Aberdeen, and 66 miles southwest from the City of Seattle.

The nuclear steam supply system, to be supplied by Combustion Engineering, Inc., is rated at approximately 3,817 megawatts thermal and includes reactor control systems, steam generators, and other auxiliary systems. The waste heat from the turbine condenser will be dissipated in a closed cycle condenser cooling system that will utilize evaporative cooling towers. The turbine-generator unit to be supplied by Westinghouse Electric Co. will be rated at 1,460,500 kilovolt amperes at 0.95 power factor. The Project is expected to have a net electrical output of approximately 1,200,000 kilowatts. The Project's output will be delivered into the Federal Columbia River Power System transmission grid in the vicinity of the Project.

Permits and Licenses

Prior to construction of the Project, the Supply System must obtain certification of the site from the Washington State Thermal Power Plant Site Evaluation Council and a construction permit from the AEC.

Construction Program

The Supply System has employed the firm of Ebasco Services, Inc. ("Ebasco") as Architect-Engineer to design and supervise the construction of the Project.

The construction schedule for the Project prepared by Ebasco calls for continued work on the design of the major components and structures of the Project until receipt of the AEC construction permit which is expected by the summer of 1975. The major Project construction work is scheduled to begin in the fall of 1975 after the receipt of the construction permit. The initial fuel loading is currently scheduled for the spring of 1981 and commercial operation for September, 1981.

The Supply System has entered into contracts for the supply of major equipment and material for the Project totaling approximately $125,862,567. No payments are anticipated under these contracts until after July 1, 1976. These contracts are for the delivery of the turbine-generator unit, the nuclear steam supply system, including the fabrication of the initial nuclear fuel core, and for the reload nuclear fuel. The following table shows those major equipment and material contracts that have been awarded for the Project as of August 20, 1973.

Contractor	Item	Contract Award Date	Contract Amount
Combustion Engineering, Inc.	Nuclear Steam Supply System	7/19/73	$54,271,000(1)
Westinghouse Electric Co.	Turbine-Generator	8/20/73	$39,138,236
Exxon Nuclear Company	Reload Nuclear Fuel	7/25/73	$32,453,331

(1) Includes $8,251,000 for fabrication of the fuel for the initial core.

Initial Financing Program

The proceeds from the Notes are estimated to provide the necessary funds to pay for the Supply System's Ownership Share of the Initial Work, that will be accomplished prior to June, 1976.

The estimated disposition of the proceeds of the Notes, based on an interest rate of 4⅜%, is given in the following table:

Engineering and Construction Management	$12,957,000
Escalation and Contingencies	7,140,000
Nuclear Fuel	2,772,000
Supply System's Direct Cost(1)	5,166,000
Financing Expenses	232,000
Capitalized Interest	3,489,000
Gross Costs	$31,756,000
Less: Investment Earnings	2,756,000
Principal Amount of Note Issue	$29,000,000

(1) Includes funds for the retirement of $2,000,000 of revenue notes used for preliminary work on the Project.

The Supply System covenants in the resolution adopted in connection with sale of the Notes that it will terminate the Net Billing Agreements as provided in such Agreements if the Supply System determines it is unable to construct, operate or proceed as owner of the Project due to licensing, financing or operating conditions or other causes which are beyond its control. In the event that the Supply System terminates the Net Billing Agreements such Agreements will provide the mechanism by which the Supply System's obligations will be discharged. We estimate that under current Bonneville rates there will be in excess of $60,000,000 of net billing capability available to the Participants during the fiscal year ending June 30, 1976.

Permanent Financing Program

The current Supply System program anticipates that permanent financing for its Ownership Share of the costs of construction for the Project will be initiated after the construction permit is received from the AEC through the issuance of long-term bonds to be retired from revenues derived from the sale of the Supply System's Ownership Share of the Project capability. These bonds are proposed to be issued to provide funds to retire the Notes and to pay the balance of the Supply System's Ownership Share of the costs associated with the construction of the Project and placing it into operation. The Supply System expects to issue the long-term bonds in several series.

The construction costs for the entire Project have been estimated by Ebasco and the Supply System to be $581,366,000, including engineering and construction management, escalation and contingencies to a 1981 operating date, initial nuclear fuel core, sales tax and owner's costs, but exclusive of financing expenses and interest during construction. The Supply System's Ownership Share of these costs is estimated to be $406,957,000.

The Supply System's current program anticipates that funds necessary to provide one-half year's interest in a reserve account in the bond fund, working capital and an initial reserve and contingency fund associated with its Ownership Share of the Project will be obtained under the Net Billing Agreements in advance of the expected date of commercial operation.

Based on the foregoing and further assuming permanent financing through the sale of four issues of bonds of approximately equal size a. a 6% interest rate, the estimated total amount of bonds to be issued to finance the Supply System's Ownership Share of the Project is shown in the following table:

Estimated Permanent Financing Required for the Supply System's Ownership Share of the Project

	Total Project Costs	Supply System's Ownership Share of Project Costs
Structures and Improvements	$ 95,000,000	$ 66,500,000
Reactor Plant Equipment	140,000,000	98,000,000
Turbine Generator Unit	110,000,000	77,000,000
Accessory Electrical Equipment	35,000,000	24,500,000
Miscellaneous Power Plant Equipment	3,000,000	2,100,000
Station Equipment	4,000,000	2,800,000
Subtotal(1)(2)	$387,000,000	$270,900,000
Contingencies(2)	53,400,000	37,380,000
Nuclear Fuel(3)	34,331,000	24,032,000
Sales Tax(4)	21,635,000	15,145,000
Engineering and Construction Management(2)	45,000,000	31,500,000
Owner's Direct Costs(3)	40,000,000	28,000,000
Subtotal	$581,366,000	$406,957,000
Bond Discount and Other Financing Expenses(5)		9,990,000
Capitalized Interest During Construction(6)		152,255,000
Gross Requirement		$569,202,000
Less: Estimated Income From Temporary Investments(7)		40,202,000
Net Requirement		$529,000,000

(1)—Includes escalation to projected date of commercial operation, September 1, 1981.
(2)—Estimated by Ebasco.
(3)—Estimated by the Supply System.
(4)—Includes sales tax on nuclear fuel.
(5)—Includes estimated cost of issuing the Notes.
(6)—Includes interest on Notes at 4⅜% to June 15, 1976 and interest on bonds at 6% to September 1, 1982.
(7)—Includes income from temporary investment of the proceeds from the Notes.

In addition to the foregoing amounts to be obtained through issuance of bonds, present planning anticipates that the Participants will, between January 1, 1981 and September 1, 1981, pay under the Net Billing Agreements the following amounts:

Reserve Account in the Bond Fund	$15,900,000
Working Capital(1)	10,100,000
Reserve and Contingency Fund	2,100,000
Total	$28,100,000

(1) Includes $8,000,000 to be provided from advanced net billing to permit leveling annual fuel costs in the event of a critical period of power supply.

Project Output

The Project is estimated by Ebasco to have a nominal net peaking capability of approximately 1,200,000 kilowatts. Operating at an 85% annual plant factor, it would be capable of producing about 9,000,000,000 kilowatt-hours annually with the Supply System's share being 6,300,000,000 kilowatt-hours. During a critical period of power supply in the Pacific Northwest, caused by water shortage, it is expected the Project would be operated to produce nearly its full energy capability. During other periods, however, there will be times when surplus water will be available to generate power at existing hydroelectric projects thereby permitting a reduction in the total amount of energy produced by the thermal-electric projects to be constructed under the Hydro Thermal Power Program, including the Project. Studies prepared by Bonneville indicate that the average output required from the Project will be in the order of 750,000 to 850,000 average kilowatts. Annual generation would, therefore, average between 6,500,000,000 and 7,500,000,000 kilowatt-hours.

Annual Costs

Preliminary estimates of the annual costs of the Project, exclusive of interest and amortization of the capital investment, have been prepared based on 1973 cost levels escalated to 1982-1983 cost levels. The estimated costs to the Supply System for its Ownership Share of the Project's output on the basis of estimated 1982-1983 cost levels, assuming total annual generation of 6,500,000,000 kilowatt-hours are as follows:

	Total Project	Supply System Ownership Share
Annual Costs:		
Operation and Maintenance(1)	$ 5,464,000	$ 3,825,000
Administrative and General(1)	1,461,000	1,023,000
Insurance	2,000,000	1,400,000
Fuel	13,000,000	9,100,000
Subtotal	$21,925,000	$15,348,000
Taxes		910,000
Interest and Amortization(2)		36,485,000
Payments to Reserve and Contingency Fund (10% of Annual Debt Service)		3,649,000
Subtotal		$56,392,000
Less:		
Surplus of Prior Year's Payment to Reserve and Contingency Fund(3)		2,809,000
Interest Earnings on Reserve Funds(4)		1,365,000
Net Annual Cost		$52,218,000
Net Annual Cost per kilowatt-hour		11.5 mills(5)

(1) Labor and materials escalated at 4% per year to 1982.

(2) Based on level debt service and a 35-year amortization.

(3) Computed as follows:

Payment to Reserve for Contingency Fund (10% of annual debt service)	$3,649,000
Less: Amount Required for Renewals, Replacements and Additions	840,000
Net Surplus	$2,809,000

(4) Computed at 5.25% interest earnings.

(5) Net annual cost per kilowatt-hour to the Supply System is estimated to average 8.93 mills assuming total annual generation of 9,000,000,000 kilowatt-hours during critical periods.

Sale of Power

Each of the owners of the Project will control its Ownership Share of Project capability and will pay the costs associated with its Ownership Share. Except as noted below the Supply System's Ownership Share of Project capability has been sold to 103 statutory preference customers of Bonneville (the "Participants"), which have executed Net Billing Agreements with the Supply System and Bonneville that provide for such sale. (Summary statistical information on the Participants and the Companies is given in Table 1 at the end of this report.)

The Supply System, Bonneville, and 15 industrial companies that purchase electrical power from Bonneville have entered into a Power Sales Agreement under which such companies will purchase a portion of the energy from the Supply System's Ownership Share during the period from July 1, 1981 to June 30, 1984. The payments made to the Supply System for such sale of power to the industrial companies will serve to reduce the Participants' and Bonneville's payments under the Net Billing Agreements. It is anticipated that the energy sold to and the payments made by the industrial customers will be as shown in the following table:

Contract Year	Energy Sales (Thousands of kWh)	Amount Paid
1981-82	1,500,000	$11,250,000
1982-83	1,500,000	$11,250,000
1983-84	750,000	$ 5,625,000

Agreements

The Net Billing Agreements provide that the Participants pay the Supply System the annual costs the Supply System incurs for its Ownership Share of the Project less amounts payable under the Power Sales Agreement. The Participants, in turn, assign their interest in the Project capability to Bonneville. Bonneville pays the Participants in the form of credits on their power bills from Bonneville, amounts equal to the Participants' payments to the Supply System.

The Supply System and Bonneville have entered into a Project Agreement, which, among other things, provides standards for the design, construction and operation of the Project.

Summaries of the Ownership Agreement, the Net Billing Agreements and the Project Agreement are included in the Official Statement to which this Summary Report is attached. Reference is made to such summaries and to the full text of the Agreements which are appended to the Official Statement as Exhibits.

Conclusions

Based on our studies and analyses of the Supply System's proposal to construct the Project, we are of the opinion that:

1. The output of the Project is required to meet the load growth of the utility systems of the Pacific Northwest under the Hydro Thermal Power Program and can be absorbed at an early date by the Participants, the Companies and the industrial companies that are parties to the Power Sales Agreement.
2. The Supply System's program for financing its share of the Initial Work is sound and provides a sound basis for proceeding with the Project prior to permanent financing.
3. The Ownership Agreement, the Net Billing Agreements, the Power Sales Agreement and the Project Agreement provide a sound foundation for proceeding with the Project.
4. The estimated costs of the Project are reasonable and comparable to costs expected from similar projects to be developed within the same time frame.

Respectfully submitted,

R. W. BECK AND ASSOCIATES

Table 1

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3

Summary of Participants and Companies Financial and Statistical Data

	1971		1972	
	Participants	Companies	Participants	Companies
Statistics				
CUSTOMERS:				
Residential	800,548	1,214,675	835,398	1,262,037
Total	917,145	1,378,697	961,318	1,430,924
ENERGY SALES: kWh (000)	27,639,931	37,654,504	30,823,055	44,021,777
ENERGY PURCHASES: kWh (000)				
Bonneville (Hanford Project Exchange)	2,341,231	1,569,971	5,953,230	2,600,720
Bonneville	17,537,556	8,697,626	16,682,943	8,689,838
Other	1,280,268	18,047,104	1,241,055	20,690,824
Total Energy Purchases kWh (000)	21,159,055	28,314,701	23,877,228	31,981,382
ENERGY GENERATED: kWh (000)	8,809,551	14,767,352	9,380,417	16,178,204
Total Energy Requirements kWh (000)	29,968,606	43,082,053	33,257,645	48,159,586
PEAK DEMANDS: kW	6,469,166	6,053,100	7,165,289	9,018,283
Operations				
INCOME:				
Total Operating Revenues	$ 234,424,723	$ 423,276,392	$ 259,154,118	$ 474,157,688
Other Income (Non-Operating)	5,950,794	15,034,818	6,276,342	17,465,171
Total Income	$ 240,375,517	$ 438,311,210	$ 265,430,460	$ 491,622,859
OPERATING EXPENSES:				
Purchased Power				
Bonneville (Hanford Project Exchange)	$ 7,473,570	$ 3,219,330	$ 17,558,138	$ 5,535,128
Bonneville	51,829,198	18,371,713	50,733,178	21,871,730
Other	5,239,645	54,035,003	4,933,972	56,468,284
Total Purchased Power Expense	$ 64,542,413	$ 75,626,046	$ 73,225,288	$ 83,875,142
Generating Expense	6,011,286	13,342,527	5,946,656	19,731,012
Total Power Supply Expense	$ 70,553,699	$ 88,968,573	$ 79,171,944	$ 103,606,154
Other Expense (Including Depreciation and Taxes)	117,441,078	220,491,074	131,572,445	272,351,367
Total Operating Expenses	$ 187,994,777	$ 309,459,647	$ 210,744,389	$ 375,957,521
Condensed Balance Sheet				
ASSETS:				
Net Utility Plant	$1,087,589,545	$2,168,575,513	$1,154,595,218	$2,388,011,624
Other Property and Investments	59,367,890	36,466,005	99,035,720	33,604,402
Current Assets	115,229,862	91,836,966	134,437,921	108,362,176
Deferred Debits	19,399,279	24,235,818	25,767,546	29,535,728
Total Assets	$1,281,586,576	$2,321,114,302	$1,413,836,405	$2,559,513,930
LIABILITIES:				
Long-Term Debt	$ 637,625,280	$1,275,115,250	$ 723,469,313	$1,339,431,023
Current Liabilities	49,527,798	150,330,026	53,573,953	163,531,190
Deferred Credits	4,921,100	8,139,201	10,566,136	66,798,522
Reserves	8,018,740	46,097,723	7,928,872	5,164,942
Contributions in Aid of Construction	21,638,721	21,173,459	26,582,283	23,901,393
Retained Earnings	559,854,937	820,258,643	591,715,848	960,686,860
Total Liabilities	$1,281,586,576	$2,321,114,302	$1,413,836,405	$2,559,513,930

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EXHIBIT III

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3

AGREEMENT

executed by

PACIFIC POWER & LIGHT COMPANY

PORTLAND GENERAL ELECTRIC COMPANY

PUGET SOUND POWER & LIGHT COMPANY

THE WASHINGTON WATER POWER COMPANY

and

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

(Ownership Agreement)

INDEX TO SECTIONS

THIS IS AN AGREEMENT among WASHINGTON PUBLIC POWER SUPPLY SYSTEM, a municipal corporation of Washington, herein called Supply System; PACIFIC POWER & LIGHT COMPANY, a Maine corporation, herein called Pacific; PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, herein called Portland; PUGET SOUND POWER & LIGHT COMPANY, a Washington corporation, herein called Puget; and THE WASHINGTON WATER POWER COMPANY, a Washington corporation, herein called Water Power; each individually called Party, and collectively called the Parties.

RECITALS

In order to achieve the economies of scale, the Parties enter into this agreement, pursuant to RCW 54.44 as amended, for the undivided ownership of a nuclear plant for the generation of electricity of approximately 1,100 megawatts net electric capacity and related facilities and property, all comprising the Project, hereinafter defined, and for the planning, financing, acquisition, construction, operation and maintenance thereof.

Supply System intends to acquire a site in the State of Washington for such Project, to be known as the Washington Public Power Supply System Nuclear Project No. 3 and Supply System, in connection therewith, intends to enter into certain contracts relating to said Project, and to file applications for the required licenses and permits to construct, operate and maintain the Project.

Supply System is organized under the laws of the State of Washington (RCW 43.52) and authorized by law to construct, acquire, operate and maintain works, plants and facilities for the generation and/or transmission of electric power and energy. Pacific, Portland, Puget, and Water Power are investor-owned electric utility corporations subject to regulation by either the State of Washington or the State of Oregon, or by both.

All as hereinafter provided: Each Party shall own a percentage of the Project, hereinafter defined, and shall furnish money or the value of property equal to such percentage for the acquisition and construction of the Project and shall own and control a like percentage of the electrical output thereof. Each Party shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition, construction and operation of the Project, or any additions or betterments thereto, a uniform method being provided for determining and allocating operation and maintenance expense of the Project.

NOW, THEREFORE, the Parties mutually agree as follows:

1. *Definitions.* The singular of any term in this Agreement shall encompass the plural, and the plural the singular, unless the context otherwise indicates.

(a) "AEC" means the United States Atomic Energy Commission and such successor agencies as shall have responsibility for licensing or regulating nuclear power generating plants.

(b) "Annual Costs" means all Project costs except Fuel costs included in any budget or revised budget of Annual Costs which has been approved, or Projects costs incurred under Section 8(b), allocable to (1) Operation and Maintenance Expense Accounts as such accounts are described in the Uniform System of Accounts, (2) elective capital additions made pursuant to Section 18, and (3) beginning on the Date of Commercial Operation, repairs, renewals and replacements necessary to assure design capability, and modifications, betterments and additions required by governmental agencies. Credits relating to such costs shall be applied to Annual Costs when received.

(c) "Bonneville" means the Bonneville Power Administration, a bureau of the Department of the Interior of the United States of America acting by and through the Bonneville Power Administrator, or such successor entity as shall be assigned the responsibilities of the Bonneville Power Administrator under Contract No. 14-03-39100.

(d) "Committee" means the Committee established pursuant to Section 3 hereof.

(e) "Contract Year" means the period commencing on the Date of Commercial Operation, and ending at 12 p.m. on the following June 30, and thereafter means the 12-month period commencing each year at 12 p.m. on June 30, except that the last Contract Year shall end on the date of termination of this agreement.

(f) "Costs of Construction" means all costs allocable to the planning, acquisition and construction of the Project and of making it ready for operation (excluding the cost of Fuel and interest during construction), after giving appropriate consideration to credits relating to costs of construction, sales of salvage materials and interest received on monies deposited in the Construction Trust Account referred to in Section 6 hereof. Without limiting the generality of the foregoing such costs shall include:

(1) Preliminary investigation and development costs, engineering, contractors' fees, labor, materials, equipment and supplies, operator and other personnel training, testing, legal costs and all other costs properly allocable to construction.

(2) All costs of insurance obtained pursuant to Section 13(a) hereof and applicable to the period of construction.

(3) All costs relating to injury and damage claims arising out of the construction of the Project less proceeds of insurance maintained in accordance with Section 13(a) hereof.

(4) All Federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the construction of the Project, except any tax or payment in lieu of taxes assessed or charged directly against any individual Party unless such tax or payment was assessed or charged to the individual Party on behalf of the Project.

(5) The cost of all services performed by or at the request of Supply System which are directly applicable to Project construction.

(6) An appropriate allocation of administrative and general costs of Supply System applicable to Project construction to the extent such costs are not chargeable pursuant to the foregoing subsection (5).

(g) "Date of Commercial Operation" means the date fixed by Supply System as the point in time when the Project is ready to be operated and its output scheduled on a commercial basis.

(h) "Fuel" means nuclear fuel and rights relating thereto.

(i) "Matter" means any subject, or any aspect thereof, arising out of or relating to the interpretation or performance of this Agreement, including any proposal that may be made by any Committee member.

(j) "Minimum Capability" means the capability of the Project determined by Supply System but not less than the minimum generation permitted by the manufacturer's recommendations or by the terms of the AEC operating license, whichever is higher.

(k) "Ownership Share" of a Party means the percentage specified in Section 2 or as may be adjusted pursuant to Sections 16(b) and 22(b).

(l) "Plant Real Property" means the real property to be acquired by the Parties as the site for the Project. A description of the Plant Real Property will be attached as Exhibit A when determined pursuant to Section 3(j)(i).

(m) "Project" means the nuclear generating plant and related property as described in attached Exhibit B. Exhibit B may be revised from time to time by mutual agreement of the Parties.

(n) "Project Capability" at any time means the actual net electrical generating capability of the Project at such time.

(o) "Prudent Utility Practice" at a particular time means any of the practices, methods and acts, which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs reasonably designed to promote public enjoyment, understanding, and acceptance of the Project. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any Matter conforms to Prudent Utility Practice, Supply System, the Committee and an special board established pursuant to Section 4 hereof shall take into account:

(i) The fact that Supply System is a municipal corporation and operating agency under the laws of the State of Washington, with prescribed statutory duties and responsibilities; and (ii) the objective to integrate the Project Capability with the generating resources of the Federal Columbia River Power System and the generating resources of other systems operated by the Parties to achieve optimum utilization of the resources of such systems.

(p) "Uniform System of Accounts" means the Federal Power Commission Uniform System of Accounts prescribed for public utilities and licensees in effect on January 1, 1970 as amended to date of this Agreement.

2. *Ownership and Waiver of Partition* (a) The Project shall be owned by the Parties as tenants in common, with each Party's respective undivided interest being in the following percentage (Ownership Share), except as modified pursuant to Sections 16(b) and 22:

Party	Percentage Ownership Share
SUPPLY SYSTEM	70%
PACIFIC	10%
PORTLAND	10%
PUGET	5%
WATER POWER	5%

(b) Each Party promptly and with all due diligence shall take all necessary actions and seek all regulatory approvals, licenses and permits necessary to carry out its obligations under this agreement.

(c) So long as the Project or any part thereof as originally constructed, reconstructed or added to is used or useful for the generation of electric power and energy, or to the end of the period permitted by applicable law, whichever first occurs, the Parties waive the right to partition whether by partition in kind or sale and division of the proceeds thereof and agree that during said time they will not resort to any action at law or in equity to partition and further that for said time they waive the benefit of all laws that may now or hereafter authorize such partition of the properties comprising the Project.

(d) The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective, and none of the Parties shall be jointly or severally liable for the acts, omissions, or obligations of any of the other Parties. No provision of this agreement shall be construed to create an association, joint venture, partnership, or impose a partnership duty, obligation or liability, on or with regard to any one or more of the Parties. No Party shall have a right or power to bind any other Party without its or their express written consent, except as expressly provided in this agreement.

(e) Each Party and its designees shall have the right to go upon and into the Project at any time subject to the rules and regulations of public authorities having jurisdiction thereof and to the necessity of efficient and safe construction and operation of the Project, but Supply System shall have possession and control of the Project for all the Parties.

(f) In order to provide unified management of the Project, the other Parties authorize and designate Supply System, and Supply System agrees to act, as their agent, to construct, operate and maintain the Project under the terms of this agreement. The Parties agree that such agency relationship shall not be changed without unanimous written consent of all Parties.

(g) In the construction and operation of the Project, each Party shall act without compensation other than reimbursement of costs and expenses as provided herein.

3. *Committee* (a) The Parties hereby establish a Committee to facilitate effective cooperation, interchange of information and efficient management of the Project, on a prompt and orderly basis. The Committee shall be composed of seven members, three to be appointed by Supply System (one of whom will be designated by Bonneville pursuant to Contract No. 14-03-39100), and one member to be appointed by each other Party.

(b) Upon execution of this agreement each of the Parties shall notify all other Parties of the Committee member it appoints, and, thereafter, of any change in its appointment. Any Party by written notice to the other Parties may appoint an alternate or alternates to serve on the Committee in the absence of the regular Committee member which it has appointed, or to act on specified occasions or with respect to specified matters.

(c) The Committee shall meet regularly, but not less often than once in each calendar quarter, as may be agreed upon, and at such other times as requested by any Committee member upon three days' written notice. Supply System shall prepare written minutes of all meetings and distribute them to each Committee member within a reasonable time after each meeting.

(d) Each Committee member shall have the right to vote that part of the Ownership Share of the Party appointing him as designated in the notice of appointment. The total voting rights of the members of the Committee appointed by each Party shall be equal to such Party's Ownership Share.

(e) Any action which may be taken at a meeting of the Committee may be taken without a meeting by individual action taken in writing by all members of the Committee.

(f) Supply System shall keep all members of the Committee informed of all significant Matters with respect to planning, construction, operation or maintenance of the Project (including, without limitation, plans, specifications, engineering studies, environmental reports, budgets, Fuel Plans, estimates and schedules), and when practicable, in time for members to comment thereon before decisions are made, and shall confer with the Committee, or separately with members thereof, during the development of any of Supply System's proposals regarding such Matters when practicable to do so. Upon request of any Committee member, Supply System shall furnish or make available to all members of the Committee, with reasonable promptness and at reasonable times, any and all other information relating to the planning, construction, operation or maintenance of the Project.

(g) Supply System shall submit each of the Matters listed below to the Committee for approval, which approval must be by a vote of Committee members having combined Ownership Share voting rights of more than eighty percent:

Determination of Minimum Capability (Section 1(j))

Any proposal made by Committee members, appointed by Parties other than Supply System, having Ownership Share voting rights of 20 percent or more, or by the Committee member designated by Bonneville pursuant to Section 3(a) (Section 4(e))

Construction budgets and changes therein (Section 5)

Any increase in the working fund in the Construction Trust Account (Section 6(b))

Award of any contract or approval of any change order, in either case in excess of $500,000 (Section 7(e))

Budgets of Annual Costs (Section 8(a)) and revisions thereof (Section 8(b))

Any increase in the working fund in the Operating Trust Account (Section 9(b))

Fuel Plan, changes therein and determinations relating thereto as provided in Section 10

Scheduled outages as provided in Section 11(c)

Insurance coverage, including limits and choice of insurers (Section 13)

Estimate of cost of repair or damage to the Project (Section 16(a)) if in excess of $1,000,000, and estimate of the value of the Project without repair (Section 16(b))

Sales of salvage materials in excess of such minimum amount as is established by the Committee.

(h) All proposals of Supply System relating to any Matters regarding the planning, construction, operation or maintenance of the Project submitted to the Committee under any provisions of this agreement shall include itemized cost estimates and other detail sufficient to support a comprehensive review, including, but not limited to, a copy of all supporting reports, analyses, recommendations or other documents pertaining thereto.

(i) If any Matter submitted to the Committee under subsection (g) above is not approved by the vote within 30 days after the original submittal to the Committee, or within such longer time as the Committee may decide upon unanimously, then each member of the Committee who declines to vote approval shall specify in a written statement his reasons for declining approval, and shall also state therein what alternative is acceptable to him. Such statement shall be submitted to the other Committee members within 10 days after expiration of the later of (i) such 30-day period, or (ii) such longer period as the Committee may decide upon unanimously. Each member who has not submitted such written statement within the time provided in the preceding sentence shall be deemed to have approved the Matter as submitted by Supply System.

Immediately after receipt of the written statement pursuant to the preceding paragraph from Committee members having 20 percent or more Ownership Share voting rights, Supply System may refer the disputed Matter to a special board for a decision pursuant to section 4 of this agreement. If Supply System elects not to do so and does not submit an alternative proposal, or if pursuant to section 8(b) Supply System continues to operate the Project without an approved budget of Annual Costs, members of the Committee having 20 percent or more of said voting rights may refer such matter to the special board for decision pursuant to section 4.

(j) Supply System shall submit the following additional Matters to the Committee and shall proceed on such Matters only upon unanimous approval of the Committee:

(i) Selection of the site of the Project

(ii) Selection of the type of nuclear steam supply system

(iii) Selection of the method of heat disposition

(iv) Award of contracts for nuclear steam supply system and turbine generators

(v) Selection of an architect engineer

(vi) Extension of insurance to any additional unit or generating project

(vii) Elective capital additions to the Project

If the Committee is unable to reach unanimous agreement within sixty days after submission by Supply System of any of the Matters (i) through (v) listed in this subsection, then unless the Committee unanimously agrees otherwise, Supply System shall notify the Parties in writing and they shall then terminate the Project in accordance with Section 22(a) or proceed pursuant to Section 22(b).

4. *Proceedings of Special Board.* (a) Supply System may refer any Matter which fails to receive the required vote of more than eighty percent under Section 3 hereof to a board of three members for decision by serving notice on all members of the Committee. Such notice shall specify in reasonable detail the Matter to be submitted to the board. Within 10 days after giving such notice, Supply System shall serve on all Committee members written notice naming a member of the board and stating Supply System's position on the Matter to be submitted to the board. Supply System shall obtain the concurrence of Bonneville with respect to the Board member appointed by it except as to any Matter on which the Committee member designated by Bonneville shall have declined to vote approval. Within 10 days after the serving of said notice of submission the Committee members who shall have declined to vote approval of the Matter submitted to the Committee shall appoint the second member of the board, each such Committee member exercising his voting rights for that purpose. If such Committee members are unable to agree upon the selection of the second board member by vote of the majority of the Ownership Share voting rights held by all of them, then any such Committee member after three days notice to each of the other Committee members may apply to the Chief Judge of the United States District Court for the judicial district of Washington in which the project is located, for appointment by him of such board member. Promptly after the second board member is appointed, either by said vote of such Committee members or by said judge, such Committee members shall serve upon all other Committee members written notice which shall name the board member so appointed and state their position or positions on the matter submitted to the board. Within ten days after their appointment, the two board members above mentioned shall appoint the third member by an instrument in writing signed by each of them. A copy of this instrument together with a notice of the time and place of hearing shall be served upon all Parties to this agreement and upon Bonneville at least seven days prior to the date of hearing.

(b) If the two board members fail to agree upon the appointment of the third within the time specified above, any Committee member, after three days' notice to the board members and to each of the other Committee members, may apply to the Chief Judge of the United States District Court for the judicial district of Washington in which the Project is located, for appointment by him of the third board member. Such judge shall be requested to appoint an individual of national reputation having demonstrated expertise in the field of the Matter submitted to the board.

(c) If any board member so appointed fails, or is unable, to act or to serve until a decision of the board is rendered, his successor shall be appointed by the same Committee members, the other board members, or by said Judge, as the case may be, who made the original appointment.

(d) Unless otherwise stipulated in writing by the parties to the proceeding, the board shall commence a hearing within ten days after the appointment of its third member, shall conduct the proceeding expeditiously and render its decision within thirty days after the close of such hearing. The board may receive any evidence that in their opinion will enable them to arrive at a fair and correct decision. The board shall decide whether the Matter proposed by Supply System is in accordance with Prudent Utility Practice. If the board decides in the affirmative, Supply System shall proceed as proposed by it; if in the negative, Supply System shall not so proceed. The decision of the majority of the board shall be final and conclusive.

(e) Committee members appointed by Parties, other than Supply System, having combined Ownership Share voting rights of 20 percent or more (Percentage Votes herein shall refer to Ownership Shares) or the Committee member designated by Bonneville pursuant to Section 3(a) may submit any proposal to the Committee which conforms with Prudent Utility Practice and the requirements imposed on Supply System under subparagraph 3(h) by serving a copy of it on all other

Committee members. Within 15 days after receipt of such proposal, Supply System may submit one or more written alternative proposals. Such an alternative proposal may be that the Project continue to be constructed, operated and maintained, as the case may be, as previously planned; failure of Supply System to submit a written proposal to the Committee or to the board shall be treated for all purposes of this section 4(e) as if Supply System had submitted a written alternative proposal to such effect. The Committee shall meet with reasonable promptness and vote on such proposals. If Committee members by a vote of more than 80 percent approve any of Supply System's proposals, the proposal of the other Committee members shall be dismissed and Supply System shall implement its approved proposal. If the Committee does not approve any of Supply System's proposals, as they may be amended, the Committee shall vote on the proposal or proposals of the Committee members, and if the Committee approves any proposal by a vote of more than 80 percent, Supply System shall proceed with the approved proposals. If the Committee does not approve any of the proposals submitted, it may require submission of further proposals, or dismiss all proposals by a vote of more than 80 percent.

If the Committee does not require further proposals or dismisses all proposals by a vote of more than 80 percent, any Committee member appointed by Supply System or the Committee members submitting any such proposal having 20 percent or more of the Committee votes may submit its proposal to the board for review within 15 days after the Committee vote. Such board shall then consider Supply System's proposal and determine if its proposal is in accordance with Prudent Utility Practice. If the board so determines Supply System shall proceed accordingly and the proposal of the other Committee members shall be dismissed. If the board determines Supply System's proposal is not in accordance with Prudent Utility Practice it shall then consider the proposal of such other Committee members and determine if such proposal is in accordance with Prudent Utility Practice. If the board determines such proposal is in accordance with Prudent Utility Practice, Supply System shall proceed with the proposal. If the board determines that none of the proposals conform with Prudent Utility Practice, it shall dismiss all proposals and dissolve.

If, pursuant to section 3(i) or this section 4(e), Committee members initiate board review of a Matter, they shall serve on all other Committee members written notice naming a member of the board and stating their position on the Matter to be submitted. Thereafter the procedure shall be followed insofar as applicable, as set forth in subsections (a) through (d) and subsection (f) of this section 4. The Committee may adopt rules designed to implement the intent of this section.

(f) The board members shall determine the costs of the proceeding hereunder, including reasonable compensation for the board members and the reasonable costs incurred by each Party in connection with the proceeding, all of which costs shall be Costs of Construction or Annual Costs, as appropriate.

5. *Construction Budget.* An initial budget setting forth the preliminary estimate of amounts expected to be expended for Costs of Construction in each quarter hereafter to the completion of construction has been submitted by Supply System to each of the other Parties together with an estimated cash flow schedule for each of said quarters; said initial budget and schedule are hereby approved. By October 1 of each year until completion of construction, Supply System shall submit to the Committee for approval an updated budget and cash flow schedule, supported by detail adequate for the purpose of comprehensive review, describing the items of Costs of Construction and of the amounts expected to be expended therefor in each month during the next twenty-four months and in each quarter thereafter until completion of construction. Construction budget and cash flow schedules shall be changed by Supply System from time to time as necessary to reflect substantial changes in construction schedules, plans, specifications or costs, and when so changed shall be submitted to the Committee for approval.

6. *Construction Payments.* (a) Supply System shall establish a separate trust account (Construction Trust Account) in a bank located in the State of Washington and having qualifications

meeting all requirements imposed upon depositories for any of the Parties. Moneys for Costs of Construction of the Project shall be deposited therein and, except as provided in section 19, Supply System shall withdraw and apply funds therefrom only as necessary to pay Costs of Construction.

(b) Upon execution of this agreement each Party shall pay into the Construction Trust Account its Ownership Share of a working fund of $100,000; if Supply System proposes any larger amount it shall submit its proposal to the Committee for approval. Thereafter each Party shall continue to maintain its Ownership Share of such Fund in the amount stated, or in such larger amount as may be approved by the Committee.

(c) Except as otherwise agreed to by the Parties, Supply System will at least seven days prior to the date set for a meeting of its Board of Directors or Executive Committee give each of the other Parties a schedule of the Costs of Construction and reimbursement of the working fund expected to be paid on the Monday following such meeting if held on Friday, or on the next business day if such meeting is held on any other day, and each Party shall deposit its Ownership Share of such amounts in the Construction Trust Account on the day of such payment, whether or not such amounts are specified in the budget.

(d) Upon completion of the Project, acceptance thereof by Supply System and settlement of all the obligations relating to construction, Supply System shall close the Construction Trust Account and distribute to each Party its Ownership Share of any balance remaining.

7. *Construction, Licensing, Operation and Maintenance.* (a) Supply System shall take whatever action is necessary or appropriate to seek and obtain all licenses, permits and other rights and regulatory approvals necessary for the construction, operation and maintenance of the Project, on behalf of itself and the other Parties.

(b) Supply System shall prosecute construction of the Project in accordance with Prudent Utility Practice, AEC licensing requirements, any applicable Federal or State laws and regulations thereunder, and plans and specifications for the Project prepared or recommended by the Project architect-engineer and so as to schedule the Date of Commercial Operation as near as may be on September 1, 1981.

(c) Supply System shall operate and maintain the Project in accordance with Prudent Utility Practice, giving due consideration to the recommendations of the Committee and the manufacturer's warranty requirements.

(d) Supply System shall operate and maintain the Project in such a manner as to meet the requirements of the AEC and other government agencies having jurisdiction in any given Matter, to safeguard the health and safety of persons and safety of property, and, as necessary in the normal course of business, to assure the continued operation and maintenance of the Project.

(e) Supply System shall award contracts for the construction, operation and maintenance of the Project in a manner designed to result in the least over-all cost consistent with standards of high quality. Contracts may be lump sum or unit price, and may also contain incentive and liquidated damages clauses. Supply System shall advertise for bids and award contracts or reject all bids after appropriate evaluation and review in accordance with applicable laws of the State of Washington; *provided, however,* that prior to making commitments thereon Supply System shall submit to the Committee for approval each proposed contract award or change order, in either case, for any amount in excess of $500,000.

8. *Annual Costs—Budgets.* (a) At least four months prior to the expected Date of Commercial Operation, Supply System shall submit to the Committee for approval a budget of the Annual Costs, except Fuel costs, but including administrative and general expenses relating to operation and Fuel, for each month from the expected Date of Commercial Operation to the end of the next succeeding Contract Year. Thereafter, by March 1 of each year, Supply System shall submit to the Committee for approval a similar budget for the next two succeeding Contract Years, which budget shall take into account the

cumulative difference between payments into and expenditures from the Operating Trust Account established pursuant to Section 9 hereof up to the preceding March 1 and provide for restoration, as necessary, of the working fund. Each budget of Annual Costs shall be supported by detail adequate for the purpose of comprehensive review and shall show, among other things, staffing allocations and Supply System services.

(b) The effective budget of Annual Costs shall be changed as necessary to reflect changed circumstances, and when such changed circumstances become known, and prior to expenditure of any funds not contemplated in the effective budget of Annual Costs (except as otherwise provided hereafter in this subsection), Supply System shall submit promptly a revised budget to the Committee for approval. Unbudgeted expenditures made by Supply System in an emergency or to protect the safety of persons or property shall be Annual Costs as incurred. Other expenditures necessary in the normal course of business for the continued safe operation and maintenance of the Project, which are made by Supply System prior to the Committee's approval of a budget of Annual Costs, or a revision thereof shall be Annual Costs as incurred.

9. *Operating Trust Account.* (a) Prior to the date of the first payment required on account of Fuel, Supply System shall establish an Operating Trust Account in a bank located in the State of Washington and having qualifications meeting all requirements imposed upon a depository for any of the Parties. Each Party shall deposit therein its payments on account of Fuel, determined pursuant to Section 10 hereof, not less than 24 hours prior to the time payments are to be made by Supply System for Fuel.

(b) Prior to the Date of Commercial Operation each Party shall deposit in such Account its Ownership Share of a working fund in the amount of $100,000.00. If Supply System proposes any larger amount it shall submit its proposal to the Committee for approval. All moneys received by Supply System under terms of this Agreement, except Costs of Construction and receipts related to Construction, shall be deposited in such Account.

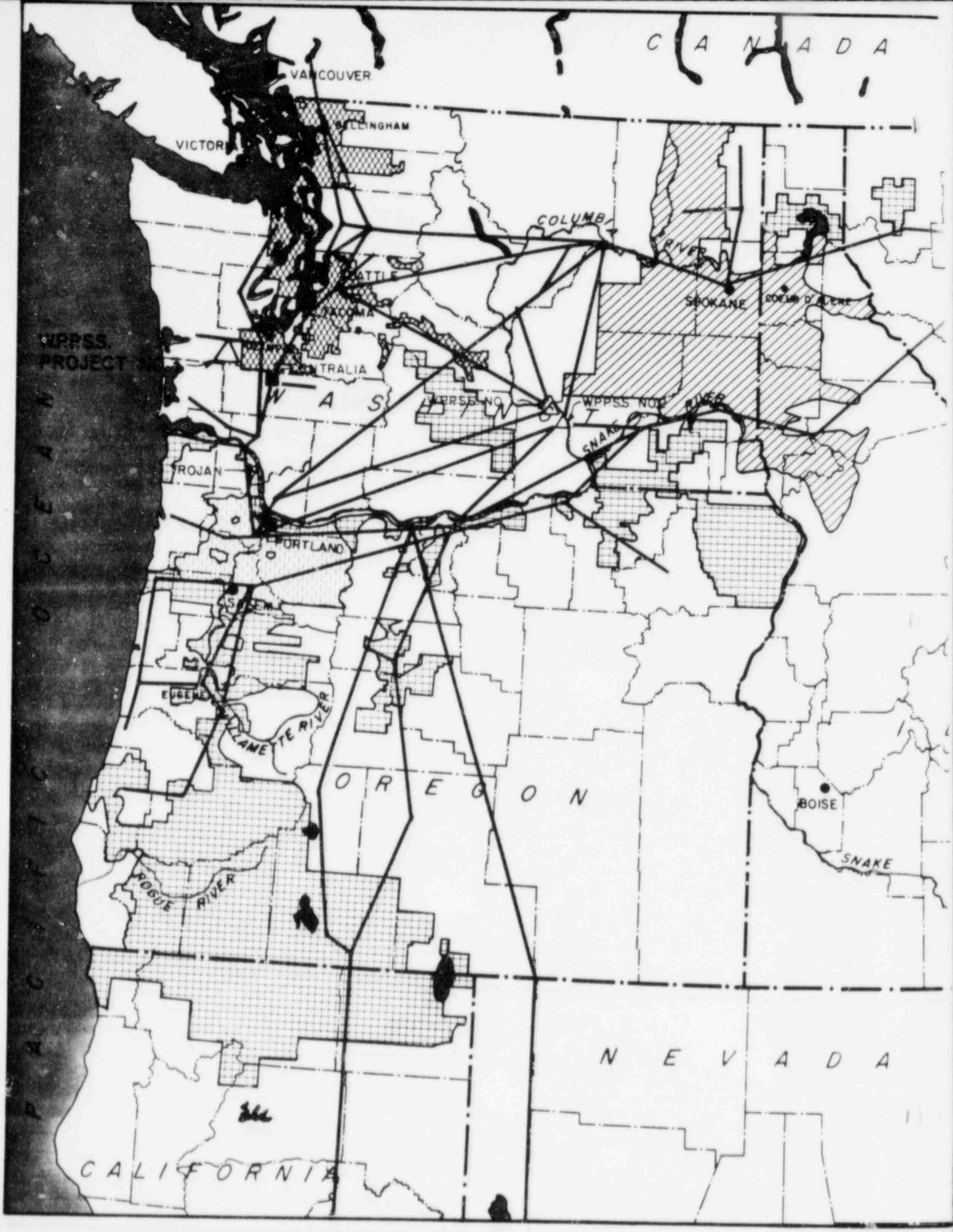
(c) No later than Thursday of each week, each Party shall deposit in the Operating Trust Account such Party's Ownership Share of the portion of Annual Costs to be paid by Supply System in the succeeding week; *provided, however,* that if such portion of the Annual Costs increases during a week, each Party at the request of Supply System shall immediately deposit in the Operating Trust Account such Party's Ownership Share of any such increase for that week.

10. *Fuel.* (a) Supply System shall arrange for Fuel in amounts so that each Party may utilize its Ownership Share of the Project in a manner which such Party estimates will be best suited to its individual system needs.

(b) Not later than 90 days in advance of the first commitment for Fuel and annually thereafter by each July 1 until the Date of Commercial Operation, Supply System shall prepare and submit to the Committee for approval a ten-year Fuel management plan (Fuel Plan). Each year thereafter, the Fuel Plan shall be submitted with each budget of Annual Costs beginning with the first such budget.

Supply System shall consult with the Committee, and shall prepare the Fuel Plan consistent with section 10(a). The first Fuel Plan shall describe the proposed Fuel contract arrangements; each succeeding Fuel Plan shall describe in detail each contemplated action and payment and the dates thereof, as well as core usage and design burnup, and estimated fueling dates. It shall include a cash flow analysis of forecasted expenditures and credits for each Party for each major component of the Fuel cycle by years, for the entire period, and cash flow by months, for the first five years of the period.

Each Party shall furnish to Supply System, as requested, forecasts of its generation requirements from the Project. Supply System shall use such forecasts in preparing each Fuel Plan. Supply System shall amend the Fuel Plan as reasonably required to reflect changes in conditions unforeseen at the time the

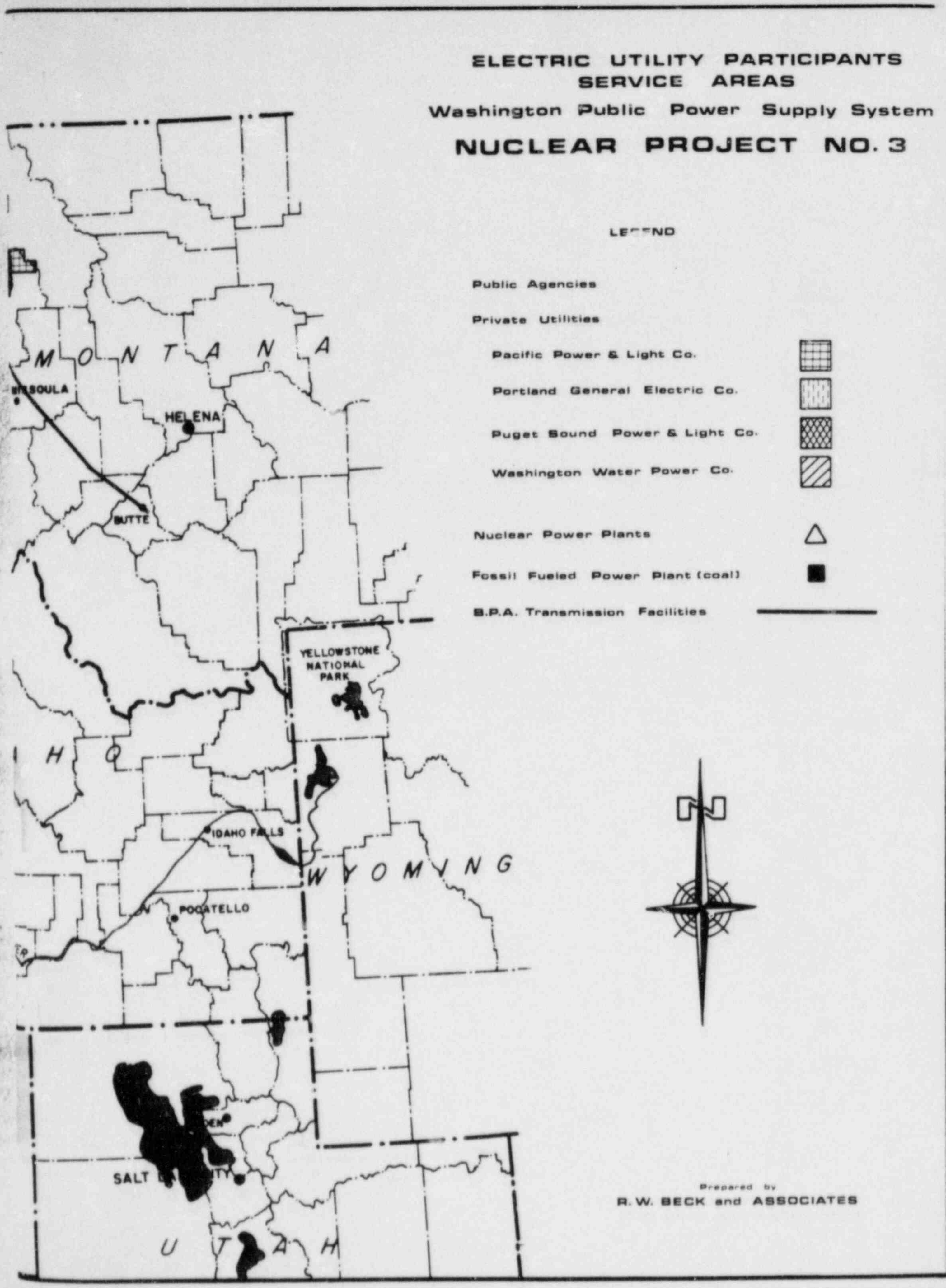


CANADA
VANCOUVER
BELLINGHAM
VICTORIA
COLUMBIA
RIVER
SEATTLE
TACOMA
SPOKANE
COEUR D'ALENE
WPPSS PROJECT NO.
CENTRALIA
WASHINGTON
WPPSS NO.
WPPSS NOS.
SNAKE RIVER
TROJAN
PORTLAND
SALEM
EUGENE
WILLAMETTE RIVER
OREGON
BOISE
SNAKE
ROGUE RIVER
PACIFIC OCEAN
NEVADA
CALIFORNIA

ELECTRIC UTILITY PARTICIPANTS SERVICE AREAS

Washington Public Power Supply System

NUCLEAR PROJECT NO. 3



Fuel Plan was prepared, and shall submit such amended Fuel Plan to the Committee for approval. Supply System shall secure Fuel and refuel the Project in a manner which implements the Fuel Plan to the extent reasonably practicable.

(c) At the time of each fueling, Supply System shall submit to the Committee for approval its determination of (i) the next fueling date (Forecast Refueling Date), (ii) the kilowatt-hours of net energy available to each Party to the Forecast Refueling Date (Energy Entitlement), and (iii) the cost per kilowatt-hour of its Energy Entitlement. Each Party's Energy Entitlement shall equal as nearly as practicable such Party's forecasted generation requirements. Supply System shall periodically review such determinations with the Committee, revise such determinations as necessary and submit them to the Committee for approval.

(d) Each Party shall order at least its Ownership Share of the Fuel necessary to insure operation at Minimum Capability to the Forecast Refueling Date; *provided, however,* that a Party may order less than such Ownership Share, to the extent that such Party has arranged, pursuant to section 11(d), for the delivery of alternative capacity and energy to the Parties requesting operation.

(e) Each Party shall pay or cause to be paid into the Operating Trust Account its share of the amounts for Fuel as and when determined by Supply System and appropriate to the Fuel Plan.

Each Party shall have the right to make whatever arrangements it may desire, whether by lease, security transaction, or otherwise, for the discharge of its Fuel payment obligation so long as such arrangements do not impair the rights of any other Party. Supply System shall disburse each payment relating to Fuel, when due, from the Operating Trust Account.

(f) Each Party shall receive appropriate net Fuel recovery credits, as determined by Supply System.

(g) Any Party may require that the Forecast Refueling Date be advanced or delayed and/or may use the Energy Entitlement of the other Parties if such Party (1) makes arrangement for delivery of alternative capacity and energy at the Project point of delivery equivalent to the amount of capacity and energy which would have been available to such other Parties from their Ownership Shares of Project Capability if the Forecast Refueling Date had not been advanced or delayed or such Energy Entitlement had not been used by the requiring Party, or (2) makes other arrangements acceptable to the affected Parties, including, but not limited to, payments for Fuel used or making a portion of such Party's Ownership Share of Project Capability available for use by such other Parties; *provided, however,* that neither the advancing or delaying of the Forecast Refueling Date nor the use of another Party's Energy Entitlement shall (i) adversely affect the availability of capacity and energy to which any other Party otherwise would have been entitled from the Project, or (ii) adversely affect any other Party's costs for such capacity and energy.

(h) After reprocessing of a Fuel batch removed from the core, Supply System shall make a detailed final accounting of all costs, payments and energy allocable to each Party. Such final accounting shall stipulate any credits or deficits due any Party, including any provisional settlements made. Supply System shall submit such data to the Committee for approval, after which the Parties will settle accounts within 30 days or as otherwise agreed.

11. *Scheduling.* (a) Within the constraints of section 10 and this section 11 each Party shall be entitled to receive, as scheduled by it, all or any part of its Ownership Share of the Project Capability. Supply System's dispatcher promptly shall notify each Party of any significant change in Project Capability.

(b) By 4:00 p.m. on each regular working day, each Party shall submit its hourly schedule for the following day to Supply System's dispatcher except that each Party shall submit its hourly schedule for a holiday, Saturday, Sunday, and for the first following regular working day by 4:00 p.m. on the regular working day immediately preceding. Each party submitting such hourly schedules may make changes therein at any time; *provided, however,* that if the total requested changes in the level of operation of the generating plant requires a rate of change in excess of that prescribed either by the manufacturer's warranty or in the AEC operating license, each Party whose scheduled rate of change is in excess of its Ownership Share of the prescribed limit shall be limited proportionately so that the total rate of change does not exceed the prescribed rate of change.

(c) Supply System shall schedule generating plant outages other than fueling outages and submit same to the Committee for approval as to the time and duration thereof as far in advance as practicable. Notwithstanding the foregoing, Supply System may shut the generating plant down to meet requirements of AEC or other governmental agency having jurisdiction or to avoid hazard to the Project or to any person or property.

(d) Except as otherwise provided herein, each Party shall schedule energy from the Project in such a manner that its Energy Entitlement is adequate to maintain such Party's Ownership Share of Minimum Capability until the next Forecast Refueling Date; *provided, however,* that a party may require that the Project not be operated during any period by arranging for delivery of alternative capacity and energy at the Project point of delivery to the Parties requesting operation equivalent to the amount of capacity and energy which would have been available to such Parties from their Ownership Shares of Project Capability during such period, and such requesting Parties shall pay the supplying Party a percentage of the amount of incremental savings which the requesting Parties realize from the displacement of energy from the Project, which percentage and amount of savings shall be as agreed by the Parties involved; *provided further,* that requiring non-operation of the Project will not (i) adversely affect the availability of capacity and energy to which any other Party otherwise would have been entitled from the Project, or (ii) adversely affect any other Party's costs for such capacity and energy.

If fulfilling the schedules submitted by the Parties would require operation of the Project at an operating level below the Minimum Capability, Supply System's dispatcher shall immediately notify all Parties. Unless otherwise agreed by the Parties as provided in the preceding paragraph, the Parties whose schedules are greater than their Ownership Share of such Minimum Capability shall take such schedules, and the other Parties shall schedule and take (proportional to their Ownership Share) the remainder of such Minimum Capability.

(e) When testing of plant facilities requires generation, each Party shall make provision for acceptance of its Ownership Share of such generation. Supply System will notify Parties of test schedules as far in advance as practicable.

(f) During any hour in which the Project does not generate its station use and losses, Supply System's dispatcher shall notify the Parties and each Party shall arrange for delivery of its Ownership Share of such energy to the Project.

12. *Accounting.* Supply System shall keep up-to-date books and records showing all financial transactions and other arrangements in carrying out the terms of this agreement. Such books and records shall contain information supporting the allocation of Supply System's indirect costs associated with the Project. Such books and records shall be retained by Supply System for ten years and shall be made available for inspection and audit by the Parties at any reasonable time.

Any contract with any consultant or contractor of Supply System providing for reimbursement of costs or expenses of any kind shall require the keeping and maintenance of books, records, documents, and other evidence pertaining to the costs and expenses incurred or claimed under such contract to the extent and in such detail as will properly reflect all costs related to this agreement and shall require such books, records, documents and evidence to be made available to the Parties at all reasonable times for review and audit for a period of three years after final settlement of the applicable contracts. Each of the Parties shall have the right to examine and copy all plans, specifications, bids and contracts relating to the Project.

(b) All accounts shall be kept so as to permit conversion to the system of accounts prescribed for electric utilities by the Federal Power Commission, and the allocation of costs by Supply System between Costs of Construction and Annual Costs pursuant to this agreement shall be binding on the Parties for purposes of this agreement, but the manner in which accounts are kept pursuant to this agreement is not intended to be determinative of the manner in which they are treated in the books of account of the Parties.

(c) Supply System shall by the 15th of each month supply to each Party a complete, itemized account of all deposits in and withdrawals from the trust accounts during the previous month, together with an itemization of the basis for reimbursement made to Supply System from such account during such month. Supply System shall cause all books and records to be audited by independent Certified Public Accountants of national reputation acceptable to all the Parties at approximately annual intervals and at such time as such accounts are closed. Copies of such audits shall be supplied to each Party.

13. *Insurance.* (a) Supply System shall procure at the earliest practicable time and thereafter maintain in force for the benefit of the Parties as named insured and with losses payable to the Parties as their respective interests shall appear, such insurance coverage for the construction, operation, maintenance and repair of the Project as the Committee may determine pursuant to Section 3(g), but not less than shall be required under the contract to be executed with the Project Architect Engineer, and not less than will satisfy the requirements of the Atomic Energy Act of 1954 (as amended), (including all AEC regulations in effect from time to time thereunder), and conform to Prudent Utility Practice.

(b) Any Party may request additional insurance to the extent available, and Supply System shall purchase such requested insurance at the expense of such Party. The Proceeds from such requested insurance shall be disbursed as directed by such Party.

14. *Liabilities; Waiver of Subrogation.* (a) Each of the Parties releases each of the other Parties, its agents and employees from any claim for loss or damage, including consequential loss or damage, arising out of the construction, operation, maintenance, reconstruction, and repair of the Project due to negligence, including gross negligence, but not any claim for loss or damage resulting from breach of any contract relating to the Project, including this Agreement, or for willful or wanton misconduct.

(b) Any loss, cost, liability, damage and expense to the Parties or any Party, other than damages to any Party resulting from loss of use and occupancy of the Project or any part thereof, resulting from the construction, operation, maintenance, reconstruction or repair of the Project and based upon injury to or death of persons or damage to or loss of Project property and property of other parties, to the extent not covered by collectible insurance, shall be charged to Cost of Construction or Annual Costs, whichever may be appropriate.

(c) Each Party shall cause its insurers to waive any rights of subrogation against each of the other Parties, its agents and employees, for losses, costs, damages or expenses arising out of the construction, operation, maintenance, reconstruction or repair of the Project.

15. *Uncontrollable Forces.* No Party shall be considered to be in default in the performance of any of the obligations hereunder, other than obligations of any Party to pay its Ownership Share of costs and expenses, if failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party affected and which, by the exercise of reasonable diligence, the Party is unable to overcome, and shall include but not be limited to an act of God, fire, flood, explosion, strike, sabotage, an act of the public enemy, civil or military authority, including court orders, injunctions, and orders of government agencies with proper jurisdiction prohibiting acts necessary to performance hereunder or permitting any such act only subject to unreasonable conditions, insurrection or riot, an act of the elements, failure of equipment, or inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers. Nothing contained herein

shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

16. *Damage to the Project.* (a) If the Project suffers damage resulting from causes other than ordinary wear, tear or deterioration to the extent that Supply System's estimate of the cost of repair is less than 20% of the then depreciated value of the Project, and if the Parties do not unanimously agree that the Project shall be ended pursuant to Section 22, Supply System shall promptly submit a revised construction budget or budget of Annual Costs, as appropriate, and shall proceed to repair the Project, and each Party shall pay as budgeted, into the appropriate Trust Account, its Ownership Share of the cost of such repair.

(b) If the Project suffers damage to the extent that Supply System's estimate of the cost of repair exceeds 20% of the then depreciated value of the Project, Supply System shall determine the estimated fair market value of the Project if it is then terminated without repair. Thereafter, each Party which, within a reasonable time to be determined by the Committee, gives notice in writing to each of the other Parties of its desire that the Project be repaired, shall pay into the appropriate Trust Account, as budgeted in a revised budget, that part of the total cost of repair in the proportion that its Ownership Share bears to the total of the Ownership Shares of all Parties giving such notice. If any Party has given such notice, the Ownership Share of each Party which has not given notice shall be reduced at the end of each month thereafter to the extent determined by the following formula:

$$S_r = S_o\left[\frac{V}{V + C}\right]$$

where

V = Estimated fair market value of the Project if it is terminated without repair

C = Actual expenditures for Repair

S_o = Ownership Share prior to loss

S_r = Reduced Ownership Share

At the same time, the amount of such reduction shall be added to the Ownership Share of each Party giving such notice in the proportion that its Ownership Share bears to the total of the Ownership Shares of all Parties giving such notice.

(c) If the Project suffers damage to the extent that Supply System's estimated cost of repair exceeds 20% of the then depreciated value of the Project and no Party gives the notice provided in Section 16(b), the Project shall be ended pursuant to Section 22.

(d) For the purposes of this section 16, the depreciated value of the Project at any time shall be based on the original cost of the Project, plus additions and less retirements, depreciated on a straight-line basis using a composite life of 35 years.

(e) Supply System shall submit each of the estimates referred to in this section hereinabove to the Committee for its approval pursuant to Section 3(g).

17. *Default.* (a) Upon failure of a Party to make any payment when due, or to perform any obligation herein, any other Party may make written demand upon said Party, and if said failure is not cured within 10 days from the date of such demand it shall constitute a default at the expiration of such period.

(b) If a Party in good faith disputes the legal validity of said written demand, it shall make such payment or perform such obligation within said 10 day period under written protest directed to each of the other Parties. Such protest shall be in writing and shall specify the reasons upon which the protest is based. Payments not made by the defaulting Party pursuant to said written demand may be advanced by the other Parties and, if so advanced, shall bear interest until paid, at the highest lawful rate. Upon resolution of such dispute, then any payments advanced or made between the Parties, as in this section provided, shall be adjusted appropriately.

(c) In addition to the rights granted in this Section 17, any nondefaulting Party may take any action, in law or equity, including an action for specific performance, to enforce this Agreement and to recover for any loss, damage or payment advances, including attorneys' fees in all trial and appellate courts and collection costs incurred by reason of such default.

18. *Elective Capital Additions.* Renewals and replacements not necessary to assure design capability, and betterments and additions not required by governmental agencies, shall be made after the Date of Commercial Operation only upon unanimous approval of the Committee.

19. *Investment.* Supply System shall use its best efforts to invest funds in the Construction Trust Account or in the Operating Trust Account in legally issued obligations of the United States or the State of Washington, or in other obligations in which Supply System is authorized to invest. The net proceeds from such investments shall be deposited in the Account from which it came and credited to the Parties in their respective Ownership Shares.

20. *Assignments.* This agreement shall be binding upon and shall inure to the benefit of successors and assigns of the Parties; *provided, however,* that no transfer or assignment of other than all of a Party's interest in the Project and under this agreement to a single entity shall operate to give the assignee or transferee the status or rights of a Party hereunder and no transfer or assignment hereunder shall operate to increase the number of members on the Committee. Except as provided in Section 16 of this agreement, the undivided interest (or a portion thereof) of any Party in the Project, the property, real or personal, related thereto, and under this agreement may be transferred and assigned as set out below but not otherwise, provided that so long as Supply System retains its Ownership Share in the Project, no interest, except as a security interest, in the Project shall be sold or assigned pursuant to subsections (b) through (f) to an entity not authorized by RCW 54.44, as amended, to participate and enter into agreements with an operating agency for the undivided ownership of common facilities:

(a) To any mortgagee, trustee, or secured Party, as security for bonds or other indebtedness of such Party, present or future; such mortgagee, trustee or secured Party may realize upon such security in foreclosure or other suitable proceedings, and succeed to all right, title and interests of such Party;

(b) To any corporation or other entity acquiring all or substantially all the property of the Party making the transfer;

(c) To any corporation or entity into which or with which the Party making the transfer may be merged or consolidated;

(d) To any corporation or entity, the stock or ownership of which is wholly owned by the Party making the transfer;

(e) To any corporation or entity in a single transaction constituting a sale and lease back to the transferor or assignor;

(f) To any other person, provided that the Party shall first offer to transfer or assign such interest to the other Parties in proportion to their respective Ownership Shares in the amount of and on terms and conditions not less advantageous than those which it is willing to accept for a transfer or assignment to such other person. Such offer shall remain open for a reasonable period but not less than three months and, if the offer of the selling Party's interest is not accepted by the other Parties proportionately, the entire offer may be accepted by one of the other Parties or in different proportions among the other Parties as such Parties may mutually agree.

(g) Transfer or assignment shall not relieve a Party of any obligation hereunder except to the extent agreed to in writing by all the other Parties. Any interest or assignment permitted by subsections (b) through (f) of this section 20 is expressly conditioned upon the transferee or assignee assuming the obligations of the transferring or assigning Party under this agreement.

21. *Training.* Supply System shall carry out a familiarization and training program to maintain adequate staffing in connection with the construction, operation and maintenance of the Project and the expenses thereof shall be part of the Costs of Construction or Annual Costs as appropriate. Each Party shall be entitled to have employees present at the Project for purposes of training, subject to reasonable rules to be established by Supply System. Any increase in the Costs of Construction or Annual Costs resulting from such training shall be borne by the Parties employing such trainees.

22. *End of Project.* (a) When the Project can no longer be made capable of producing electricity consistent with Prudent Utility Practice or the requirements of governmental agencies having jurisdiction or is no longer licensed by the AEC, or when the Project is ended pursuant to Section 16, Supply System shall sell for removal all salable parts of the Project exclusive of Fuel to the highest bidders. After deducting all costs of ending the Project, including, without limiting the generality of the foregoing, the cost of decommissioning, razing all structures and disposing of the debris and meeting all applicable requirements of law, Supply System shall close the appropriate Trust Account and, if there are net proceeds, distribute to each Party its Ownership Share of such proceeds. Supply System shall liquidate the Fuel, and after making all required payments and receiving all due receipts, shall disburse the proceeds to the Owners as their interests appear. In the event such costs of ending the Project exceed available funds, each Party shall pay its Ownership Share of such excess as incurred.

(b) (i) If the Parties are unable to reach agreement to any of the items (i) through (v) described in Section 3(j), one or more of the Parties may, within ninety (90) days after the date of the notice to the Parties provided for in Section 3(j), elect to proceed with the Project.

(ii) If one or more of the Parties is rendered incapable of proceeding with its obligations hereunder by reason of one or more of the conditions listed below, which condition is beyond the ability of such party to remedy by reasonable means within a reasonable time, one or more of the other Parties may, within ninety (90) days after notice by a Party of the occurrence of the condition, elect to proceed with the project without the disabled Party; *provided, however,* that if such disabled Party is proceeding with all due diligence to remove such disability, the election shall not be made until 90 days after final order or other final disposition of the matter; *provided further,* that if delay would cause substantial additional costs to be incurred if the election were so postponed, the electing Parties may proceed as necessary to avoid or minimize delay, preserving the rights of the disabled Party until final order or other final disposition. The conditions are:

1. Inability to finance.
2. Failure to obtain necessary legal authorizations, including regulatory approvals.

(iii) Upon the election for any of the reasons set forth in (i) and (ii) above, the Parties so electing shall promptly reimburse each non-electing Party for its Costs of Construction and costs of Fuel, if any, incurred hereunder; *provided, however,* that such reimbursement shall not occur with regard to a disabled Party until final order or other final disposition in the Matter confirming the disability. Upon such reimbursement, the non-electing Parties' interest in the Project and in this Agreement, and any related rights or interest acquired by them hereunder, shall forthwith vest in the electing Parties in such proportion as the electing Parties may agree.

23. *Notices.* Any notice, demand or request provided for in this Agreement served, given or made in connection therewith shall be deemed properly served, given or made if given in person or sent by registered or certified mail, postage prepaid, addressed to the person and at the address designated in writing by the respective Party or by Bonneville, as the case may be. Any Party and Bonneville may at any time, and from time to time, change its designation of the person to whom notice shall be given by giving notice to all other Parties as herein above provided.

24. *Provisions Relating to Delivery.* Deliveries of electric power and energy to the Parties and to Bonneville shall be made at the point of delivery and at the approximate voltage described below. Such electric power and energy shall be in the form of three-phase current, alternating at a frequency of approximately 60 hertz. Amounts so delivered at such point during each month shall be determined from measurements made by the meters, adjusted for losses as agreed upon by the Parties, installed to record such deliveries at the place and in the circuits hereinafter specified:

PROJECT POINT OF DELIVERY:

Location: the point where the 230 kv or higher voltage facilities of the Project and those of Bonneville or of a Party are connected;

Voltage: 230 kv or higher;

Metering: in the circuits over which such electric power and energy will flow;

Adjustment: for losses between the point of metering and the point of delivery.

25. *Additional Generating Units and Facilities.* (a) Each Party shall have the right to install and operate on the Plant Real Property such facilities as are reasonably required to enable it to deliver to its own system its Ownership Share of the Project Capability; *provided, however,* that the facilities of such Party shall be so installed and operated as not to burden or interfere with those of any other Party, or the Project, or the construction on the Plant Real Property of generating units in addition to the first unit. In the event of construction on the Plant Real Property of generating units in addition to the first unit, the Party who installs such facilities, if necessary to avoid interference with such new generating units, shall relocate such facilities at its own expense. If a Party proposes to install or operate facilities which would require the relocation of previously installed facilities of any other Party, or of the Project, but would otherwise meet the requirements of this subsection, the Party desiring to install or operate such facilities shall have the right to call for such relocation if it bears all costs resulting therefrom.

(b) Supply System, either individually or jointly with other entities, shall have the right to construct and operate on Plant Real Property (subject to the provisions of subsection (c), below, giving each of the other Parties a right to participate therein) additional nuclear generating units and necessary appurtenances thereto. If Supply System individually or jointly with any other entity decides to construct and operate an additional generating unit or units and appurtenances which would require the relocation of previously installed facilities of the Project, it shall have the right to call for or accomplish such relocation, as the case may be, if it bears all costs resulting therefrom. In connection with any such additional units, Supply System individually or jointly with other entities shall have the right to use any facilities installed as part of the Project and to modify such facilities for use in connection with the installation or operation of such additional generating units and appurtenances; *provided, however,* that such use of Project facilities shall not burden or unreasonably interfere with the Project, that the cost of any modification shall be borne by Supply System, and that Supply System shall pay to the Parties a reasonable monthly facilities charge based on the portion of the Project facilities devoted to the use of the additional units as compared to the portion devoted to the generating unit of the Project, which charge shall take into account such costs as capital and other carrying charges, depreciation, operation and maintenance expense, taxes, insurance and return on investment.

(c) To the extent Supply System individually or jointly with any other entity decides to construct and operate additional nuclear generating units on the Plant Real Property, each of the other Parties shall have the right to participate in the ownership of such units to the extent it elects but not to exceed its Ownership Share of the total ownership of each unit under terms and conditions substantially similar to this Agreement, taking into account intervening changes in construction, ownership and operating costs and conditions. Such right shall be exercised with respect to each individual additional generating unit at the time that Supply System makes a firm decision to construct said additional unit and may not be cumulated for application against later generating units.

(d) All of the rights of the Parties described in subsection (c) above shall be subject to the following limitations:

(1) If a Party elects to participate pursuant to subsection (c) above, it will so advise Supply System in writing within ninety (90) days of the receipt by it of written notice from Supply System that it has made a firm decision. Prior to sending such notice, Supply System shall make available to each of the Parties any relevant information it has concerning the proposed additional generating unit;

(2) Such rights are not assignable by a Party to any other entity without the consent of Supply System except to a corporation whose stock or other ownership is wholly owned by the Party or except to a successor corporation to a Party resulting from a corporate reorganization in which there is no substantial change in beneficial ownership;

(3) No assignment shall be made except to a corporation authorized by RCW 54.44 as amended to participate and enter into agreements with an operating agency for the undivided ownership of common facilities.

(4) Supply System, unless otherwise mutually agreed, shall be the Operator of any generating plants constructed under the terms of this section.

26. *Personal Covenants; Rule Against Restrictions on Alienation.* (a) Except for the Parties' mutual waiver of the right to partition set forth in Section 2(c), all of the covenants and conditions herein shall be personal to the respective Parties and not covenants running with the land and shall be binding upon any Party which acquires any right, title or interest of any Party in or to the Project or under this Agreement, by assignment or in any other way.

(b) If the duration of any term or condition of this Agreement shall be subject to the rule against restrictions on alienation or to a similar or related rule, then the effectiveness of such term or condition shall not extend beyond (i) the maximum period of time permitted under such rule or (ii) the specific applicable period of time expressed in this Agreement, whichever is shorter. For purposes of applying the rule against restrictions on alienation, or any similar or related rule, the measuring lives in being shall be those of the officers and members of the board of directors of Supply System listed by name on pages 6-7, Exhibit B entitled "Directory of Officials" of the "Report of Examination" of Supply System made by the State of Washington, Office of the State Auditor, Division of Municipal Corporations, for the year ended December 21, 1972 (Examination No. 39548), together with all such listed persons' children who are living on the date of execution of this Agreement. As used in this paragraph, the word "children" shall have its generally accepted meaning of descendants of the first degree.

27. *Construction of Agreement.* This Agreement shall be construed in accordance with the law of the State of Washington.

28. *Additional Documents.* Each Party, upon request by the other Parties, shall make, execute and deliver any and all documents reasonably required to implement the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed this 17th day of September, 1973.

(SEAL) WASHINGTON PUBLIC POWER SUPPLY SYSTEM

ATTEST:

ED FISCHER
Secretary

By J. J. STEIN
Managing Director

(SEAL) PACIFIC POWER & LIGHT COMPANY

L. BENNETT
Secretary

By GEORGE L. BEARD
Senior Vice President

(SEAL) PORTLAND GENERAL ELECTRIC COMPANY

H. H. PHILLIPS
Secretary

By ROBERT H. SHORT
Senior Vice President

(SEAL) PUGET SOUND POWER & LIGHT COMPANY

W. E. WATSON
Secretary

By D. H. KNIGHT
Vice President

(SEAL) THE WASHINGTON WATER POWER COMPANY

J. P. BUCKLEY
Secretary

By H. W. HARDING
Vice President

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3

The Washington Public Power Supply System's Nuclear Project No. 3 is expected to have a net electrical plant capability of approximately 1,200 MW.

It will be located on a site in the State of Washington acceptable to the Project Owners and Bonneville, such site to be described more particularly in Exhibit A.

The plant and associated facilities will include the site referred to, a nuclear steam supply system, fuel and reactor coolant system with all related containment structures, safety features, instrumentation, control and auxiliary systems; turbine-generator, condensers and circulating water cooling systems, facilities and piping; electrical and mechanical systems and other related equipment and facilities; electrical facilities required to deliver the output of the Project to the point of delivery described in Section 24; and other structures, shops, warehouses, construction facilities, offices, equipment or facilities required in the construction, maintenance and operation of the Project.

EXHIBIT B

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EXHIBIT IV

FORM OF NET BILLING AGREEMENT

CONTRACT NO. 14-03–
11-27-72

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3

AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR

acting by and through the

BONNEVILLE POWER ADMINISTRATOR

and

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

and

(THE PARTICIPANT)

(Net Billing Agreement)

INDEX TO SECTIONS

This AGREEMENT, executed September 25, 1973, by the UNITED STATES OF AMERICA (Government), Department of the Interior acting by and through the BONNEVILLE POWER ADMINISTRATOR (Administrator), and WASHINGTON PUBLIC POWER SUPPLY SYSTEM (Supply System), a municipal corporation of the State of Washington, and , a corporation of the State of (Participant)

WITNESSETH:

WHEREAS in order to achieve the economies of size for the benefit of Supply System's members, the Participants and the other Project Owners, the Project Owners have entered into an agreement simultaneously with this agreement providing that the Project Owners will finance and own the Project and that Supply System will design, construct, operate and maintain the Project on behalf of the Project Owners; and

WHEREAS Supply System and the Companies have entered into short-term Power Sales Agreements simultaneously with this agreement providing for purchase by the Companies of output from Supply System's Ownership Share of the Project; and

WHEREAS the Participant proposes to purchase the Participant's Share from Supply System for assignment to the Administrator hereunder and the Administrator proposes to acquire such Participant's Share; and

WHEREAS Supply System and the Participant have each determined that the sale by Supply System to the Participant of the Participant's Share and assignment thereof to the Administrator as herein provided will be beneficial to it by reducing the cost of and increasing the amounts of firm power and energy which will be available to serve its members or customers in the future; and

WHEREAS the Administrator has determined that the acquisition of the Participant's Share as herein provided will assist in attaining the objectives of the Bonneville Project Act and other statutes which pertain to the disposition of electric power and energy from Government projects in the Pacific Northwest by enabling the Government to make optimum use of the Federal Columbia River Power System, and that the integration of capability of the Project acquired hereunder with the generating resources of the Federal Columbia River Power System as provided herein will enable the Administrator to make available additional firm power and energy to meet the needs of his customers; and

WHEREAS the construction of the Project is a part of the Hydro Thermal Power Program for the Pacific Northwest and this agreement is one of a series of agreements implementing such programs; and

WHEREAS the Administrator will pool electric power and energy acquired hereunder with other electric power and energy available to the Administrator from the Federal Columbia River Power System so that any costs or losses associated with acquiring such electric power and energy will be borne by the Administrator's ratepayers through rate adjustments if necessary; and

WHEREAS the Administrator and the Participant are parties to agreements which require payments by the Participant to the Administrator which may be used to offset payments by the Administrator to the Participant hereunder under a net billing procedure; and

WHEREAS Supply System and the Administrator propose to enter into the Project Agreement simultaneously with this agreement which will provide among other things for relationships between Supply System and the Administrator with respect to Project construction, operation, maintenance and budgets; and

WHEREAS Supply System and the Administrator propose to enter into agreements with the other Participants containing terms and conditions substantially identical to those specified herein; and

WHEREAS Supply System is organized under the laws of the State of Washington (Rev. Code of Washington, Ch. 43.52) and is authorized by law jointly to construct, own, acquire and operate works, plants, and facilities for the generation and/or transmission of electric power and energy and to enter into contracts for such purposes and with the Administrator and public and private organizations for the disposition and distribution of electric power and energy produced thereby; and

WHEREAS the Administrator is authorized pursuant to law to dispose of electric power and energy generated at various federal hydroelectric projects in the Pacific Northwest and to enter into related agreements;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. *Definition and Explanation of Terms.*

(a) "Annual Budget" means the budget adopted by Supply System not less than 45 days prior to the beginning of each Contract Year which itemizes the projected costs of Supply System's Ownership Share of the Project applicable to such Contract Year, or, in the case of an amended Annual Budget, applicable to the remainder of such Contract Year. The Annual Budget, as amended from time to time, shall make provision for all such Supply System's costs, including accruals and amortizations, resulting from the ownership, operation (including cost of fuel), and maintenance of the Project and repairs, renewals, replacements, and additions to the Project, including, but not limited to, the amounts which Supply System is required under the Bond Resolution to pay in each Contract Year into the various funds provided for in the Bond Resolution for debt service and all other purposes and shall include the source of funds proposed to be used; *provided, however,* that the Annual Budget for any portion of a Contract Year prior to the Date of Commercial Operation or September 1, 1981, whichever occurs first, shall include only such amounts as may be agreed upon by Supply System and the Administrator.

All taxes imposed and required by law to be paid with respect to Supply System's Ownership Share, and which are due and payable in a Contract Year, shall be included in the Annual budget for that Contract Year as a Project cost. To the extent Supply System is permitted by law to negotiate for payments in lieu of taxes or other negotiated payments to state or local taxing entities, the Annual Budget shall also include the amounts of such negotiated payments; *provided, however,* that Supply System shall not agree to such negotiated payment if in any Contract Year the sum of such negotiated payments and taxes imposed by law would exceed the total amount of ad valorem taxes that Supply System would have paid in that year to such taxing entities if Supply System's Ownership Share of the Project or portion thereof within the boundaries of each such taxing entity, were subject to ad valorem taxes and its valuation for tax purposes were added to the valuation of the property subject to ad valorem taxes by such taxing entity, but with its millage rate reduced so that the amount of ad valorem taxes raised would be unchanged.

(b) "Billing Statement" means the written statement prepared by Supply System that shows the amount to be paid to Supply System by the Participant for the Participant's Share for a Contract Year or, in the case of an amended Billing Statement, for the remainder of such Contract Year. Such amount shall be determined as to the Participant by multiplying the amount of the Annual Budget or the amended Annual Budget, as the case may be, less any other funds (including but not limited to amounts payable under the Power Sales Agreements) which shall be specified in the Annual Budget as being payable from sources other than the payments to be made under the Net Billing Agreements, by the Participant's Share. At the end of each Contract Year any amount over or under billed during such year will be reflected in the Billing Statement for the following Contract Year.

(c) "Bonds" means any bond, bonds or other evidences of indebtedness issued in connection with the Project pursuant to the Bond Resolution (1) to finance or refinance Supply System's Ownership Share of the costs associated with planning, designing, financing, acquiring and constructing the Project pursuant to the Bond Resolution and (2) for any other purpose authorized thereby.

(d) "Bond Resolution" means the resolution or resolutions adopted or supplemented by Supply System, as the same may be amended or supplemented, to authorize the Bonds.

(e) "Companies" means the electric utilities or other entities, other than Supply System, that execute and are party to a Power Sales Agreement.

(f) "Contract Year" (1) means the period commencing on the Date of Commercial Operation, or on January 1, 1981, whichever occurs first, and ending at 12 p.m. on the following June 30, and (2) thereafter means the 12 month period commencing each year at 12 p.m. on June 30, except that the last Contract Year shall end on the date of termination of this agreement.

(g) "Date of Commercial Operation" means the date fixed pursuant to section 1(g) of the Project Agreement.

(h) "Net Billing Agreements" means this agreement and all other agreements for the Project similar to this agreement entered into by Supply System, the Administrator and each of the Participants (Contracts No. 14-03-39101 through 14-03-39203, inclusive).

(i) "Ownership Agreement" means the Agreement for construction, ownership, and operation of the Project, as the same may be amended, and as executed by the Project Owners.

(j) "Participants" means those entities which are specified in Exhibit A or which become assignees of all or part of any Participant's Share pursuant to sections 7(b) or 15.

(k) "Participant's Share" means the decimal fraction share of Supply System's Ownership Share of Project Capability, reduced by short-term sales of output from Supply System's Ownership Share of the Project under the Power Sales Agreements, purchased by the Participant hereunder as specified in Exhibit A, plus, during any period in which a decimal fraction is assigned to the Participant pursuant to sections 7(f) or 12 hereof or pursuant to section 7(b) in the other Net Billing Agreements the decimal fraction share or shares so assigned, and minus any reductions under section 12 hereof or under the assignment by the Participant under section 7(b) hereof during any period in which such reductions or assignments are in effect; *provided, however,* that such short-term sales from the Supply System's Ownership Share shall not exceed a total of 1,000 megawatt-years and shall not extend beyond June 30, 1984.

(l) "Power Sales Agreements" means the agreements for the short-term sale and purchase of output from Supply System's Ownership Share of the Project entered into simultaneously with this agreement by Supply System and each of the Companies.

(m) "Project" means the nuclear generating plant and related property as described in Exhibit B. Exhibit B may be revised from time to time by mutual agreement of Supply System and the Administrator, after consultation with the Participant, but in any event shall conform to the description of the Project in the Bond Resolution which authorizes the issuance of Bonds in an amount sufficient to pay the costs of acquiring and constructing Supply System's Ownership Share of the Project.

(n) "Project Agreement" means the agreement for the financing, construction and operation of Supply System's Ownership Share as the same may be amended, executed by Supply System and the Administrator (Contract No. 14-03-39100).

(o) "Project Capability" means the actual electrical generating capability, if any, of the Project at any particular time (including times when the Project is not operable or operating or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part), less Project station use and losses.

(p) "Project Consultant" means an individual or firm, of national reputation having demonstrated expertise in the field of the matter or item referred to it, appointed among other things, for the resolution of a difference regarding a matter or item referred by Supply System. A different Project Consultant may be appointed for each matter or item referred.

(q) "Project Owners" means Supply System and the electric utilities that execute and are party to the Ownership Agreement.

(r) "Prudent Utility Practice" at a particular time means any of the practices, methods and acts, which in the exercise of reasonable judgment in light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall apply not only to functional parts of the Project but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any matter conforms to Prudent Utility Practice, the parties and any Project Consultant shall take into account (1) the fact that Supply System is a municipal corporation and operating agency under the laws of the State of Washington with the statutory duties and responsibilities thereof and (2) the objective to integrate the entire Project Capability with the generating resources of the Federal Columbia River Power System, the Project Owners (except Supply System) and the Companies, to achieve optimum utilization of the resources of such systems taken as a whole, and to achieve efficient and economical operation of such systems. Any practice, method or act which pursuant to the Ownership Agreement is determined to be Prudent Utility Practice shall be deemed to be Prudent Utility Practice hereunder.

(s) "Supply System's Ownership Share" means 0.70 or such other decimal fraction as may be determined under the Ownership Agreement.

2. *Exhibits.* Exhibits A through C are by this reference incorporated herein and made a part of this agreement. Supply System and the Participant shall each be the "Contractor" as that term is used in Exhibit C.

3. *Term of Agreement.* This agreement shall be effective upon execution and delivery and, except as provided in section 10(c) and except as to accrued obligations and liabilities, shall terminate on the date of written notice by Supply System pursuant to section 10(a).

4. *Financing, Design, Construction, Operating and Maintenance of the Project.* Supply System shall perform its duties and exercise its rights under the Ownership Agreement in accordance with Prudent Utility Practice, and shall, in good faith and in accordance with Prudent Utility Practice, use its best efforts to construct, operate and maintain the Project and to finance its interest therein.

5. *Sale, Purchase and Assignment of Participant's Share.*

(a) *Sale of Participant's Share.* Supply System hereby sells, and the Participant hereby purchases, the Participant's Share. The purchase price to be paid for each Contract Year by the Participant to Supply System for the Participant's Share shall be the amount specified in the Billing Statement. The Participant shall make the payment to be made to Supply System under sections 5, 6 and 10, whether or not the Project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output, and such payments shall not be subject to any reduction whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance by Supply System or any other Project Owner or the Administrator or any other Participant under this or any other agreement or instrument.

(b) *Assignment of Participant's Share to the Administrator.* The Participant hereby assigns, and the Administrator hereby accepts the assignment of, the Participant's Share. In consideration of such assignment, the Administrator shall provide to the Participant the payments, offsets and credits specified in sections 7 and 10 in the manner provided therein, whether or not the Project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project output. Such payments, offsets or credits to be made by the Administrator under this agreement shall not be reduced by offset or otherwise, except as specifically provided in section 7, and shall not be conditioned upon the performance or nonperformance by Supply System, or any other Project Owner, the Participant or any Participant under this or any other agreement or instrument.

6. *Payment by the Participant.*

(a) Not less than 45 days prior to each Contract Year, or whenever the Annual Budget for such Contract Year is amended, Supply System shall prepare and deliver to the Participant and the Administrator a Billing Statement showing the amount to be paid by the Participant for such Contract Year.

Whenever during a Contract Year the Participant's Share changes from that used in preparing the Billing Statement for that Contract Year, an amended Billing Statement shall be prepared for the remainder of that Contract Year reflecting such change and shall be submitted to the Participant and the Administrator.

(b) The Participant shall pay to Supply System each Contract Year the amount specified in the Billing Statement submitted under subsection (a) above. Such payments shall be made as specified below.

The Participant shall pay to Supply System each month in a Contract Year the amount by which the net billing credits and cash payments theretofore received from the Administrator by the Participant for that Contract Year under section 7 exceed the sum of the Participant's previous payments to Supply System for that Contract Year until the amount of the Billing Statement has been paid; *provided, however,* that in any event the Participant shall pay by the end of the last month in that Contract Year the amount by which the amount in the Billing Statement exceeds the total of the monthly amounts previously paid to Supply System by the Participant in such Contract Year.

Each such payment shall be made on or before the thirtieth day after (1) the date on each of the Administrator's bills to the Participant which reflects a credit to the Participant for such Contract Year pursuant to section 7(a) or (2) the date that payment is received from the Administrator pursuant to section 7(c). Amounts due and not paid by the Participant on or before the close of business of such thirtieth day shall bear an additional charge of two percent of the unpaid amount. Thereafter, a further charge of one-half percent of the initial amount remaining unpaid shall be added on the last day of each succeeding 30 day period until the amount due is paid in full. Remittances received by mail will be accepted without assessment of the delayed payment charges referred to above provided the postmark indicates the payment was mailed on or before the thirtieth day after the date of the bill. If the thirtieth day after the date of the bill is a Sunday or other nonbusiness day of the Participant, the next following business day shall be the last day on which payment may be mailed without addition of the delayed payment charge.

(c) In the event that Supply System bears any cost under section 8(e) of the Project Agreement the Participant will pay to Supply System an amount equal to the amount of such cost multiplied by the Participant's Share, in addition to the payments specified in section 6(b) hereof. Payments under this section 6(c) hereof shall be made within 30 days from the date of mailing of the statement stating the amount of the payments.

7. *Payment by the Administrator.*

(a) For each Contract Year, the Administrator shall pay to the Participant an amount equal to that set forth in the Billing Statement for that Contract Year. The Administrator's payments shall be effected by means of credits against the Administrator's monthly billings to the Participant under the Participant's Bonneville Contracts, as follows:

(1) *For Contract Years in which this is the only agreement requiring the Administrator to make payments to the Participant:* In the month preceding each such Contract Year the Administrator shall allow a billing credit in the form of an offset to the Participant in the full amount of the Administrator's billings in that month under the Participant's Bonneville Contracts. A billing credit computed in the same manner shall be allowed in each of the succeeding months (except the last) in that Contract Year until the full amount owed by the Administrator for that Contract Year has been offset against the Administrator's billings to the Participant.

(2) *For Contract Years in which there are two or more agreements requiring the Administrator to make payments to the Participant:* In the month preceding each such Contract Year and in each of the succeeding months (except the last) in that Contract Year the Participant's billing credits under this agreement shall be offset in the manner specified in (1) above against the payments due from the Administrator under all agreements of the Participant requiring the Administrator to make payments to the Participant, in the proportion that the amount specified in the Billing Statement bears to the sum of the amounts to be paid by the Administrator under all such agreements for that Contract Year.

The total offsets allowed to the Participant hereunder for a Contract Year shall not exceed the sum of (1) the amount specified in the Billing Statement for that year and (2) any amount paid by the Participant for a prior Contract Year which remains unpaid by the Administrator to the Participant under this agreement.

"Participant's Bonneville Contracts" as used in this section means all contracts or agreements between the Participant and the Administrator which require payments by the Participant to the Administrator for sale and exchange of electric power and energy, operation and maintenance of facilities, use of transmission facilities, and emergency and standby power.

(b) If for any Contract Year, the Administrator determines that the dollar obligations due the Administrator from the Participant, referred to in subsection (a) above, are or are expected to be insufficient to offset the Administrator's dollar obligations to such Participant under subsection (a) above, and, in the opinion of the Administrator and the Participant, are expected to remain insufficient for a significant period, the Administrator shall use his best efforts to arrange for assignment of all or a portion of the Participant's Share and the associated benefits and obligations (subject to the prior assignment of the Participant's Share to the Administrator hereunder) to another customer or customers of the Administrator for all or a portion of the remaining term of this agreement to the extent required to eliminate the insufficiency, and the Participant shall make the assignment so arranged. The other Participants shall have first right to accept such assignment, pro rata among those exercising such right, before an assignment is made to a customer who is not one of the Participants. If the Administrator is unable to arrange for such assignment, the Participant shall make such assignment to the other Participants pro rata pursuant to the counterparts of subsection (f) of this section in the other Net Billing Agreements.

(c) If (1) assignments under subsection (b) above cannot be made in amounts sufficient to bring into balance the respective dollar obligations of the Administrator and (2) an accumulated balance in favor of the Participant from a previous Contract Year is expected by the Administrator to be carried for an additional Contract Year, such balance and any subsequent monthly net balances that cannot be net billed shall be paid in cash to the Participant by the Administrator, subject to the availability of appropriations for such purposes.

(d) The Administrator and the Participant shall not enter into any agreements providing for payments to the Participant which the Administrator estimates will cause the aggregate of his billings to the Participant to be less than 115 percent of the Administrator's net billing obligations to the Participant under all agreements providing for net billing.

(e) If all or a portion of the Participant's Share is assigned under this section, the Participant shall nevertheless remain liable to Supply System to pay the purchase price for the Participant's Share in accordance with section 5(a) as if such assignment had not been made, and such liability of the Participant shall be discharged only to the extent that the assignee of the portion of the Participant's Share so assigned shall pay to Supply System the purchase price for the portion of the Participant's Share so assigned in accordance with the provisions of this agreement. Supply System may commence such suits, actions or proceedings, at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of the Participant with respect to such liability.

(f) If assignments pursuant to section 7(b) of the other Net Billing Agreements cannot be made in amounts sufficient to balance dollar obligations of the Administrator and any other Participant, the Participant shall accept on a pro rata basis with other Participants assignment of a portion of such other Participant's Share, to the extent required to eliminate such insufficiency; *provided, however,* that the sum of such assignments to the Participant under this subsection shall not without the consent of the Participant exceed an accumulated maximum of 25 percent of the Participant's Share specified in Exhibit A, nor shall any such assignment under this subsection cause the estimate of the payments to be made by the Participant to Supply System under this agreement to exceed the estimate of the Administrator's billings to the Participant for each Contract Year during the period of such assignment, both such estimates to be made by the Administrator.

(g) The estimates by the Administrator under this agreement of billing credits and of payments to be made by the Participant and the Administrator giving rise to such billing credits shall be conclusive.

8. *Scheduling.* Prior to 4 p.m. on each work day beginning on the day preceding the Date of Commercial Operation (work day meaning a day which the Administrator and Supply System observe as a regular work day) the Administrator shall notify Supply System of the amounts of energy from the Participant's Share he will require for each hour of the following day or days; *provided, however,* that the Administrator may during any hour request delivery of other amounts of such energy. Supply System's dispatcher, within the capability of the Participant's Share and in accordance with Prudent Utility Practice, shall schedule for delivery to the Administrator at the point of delivery specified in section 11 for each hour in the term hereof the amounts of energy so requested by the Administrator.

9. *Participant's Right to Use Project Capability.*

(a) If the Administrator is unable to satisfy his obligation to the Participant by net billing, assignment or cash payment under section 7, and determines, in consultation with the Participant, that this inability will continue for a significant period, the Participant may direct that all or a portion of the energy associated with the Participant's Share be delivered by Supply System for the Participant's account at the point of delivery specified in section 11, for either the expected period of such inability or the remainder of the term hereof, whichever is specified by the Participant when it elects to have such energy delivered to it. The amount of such delivery shall be limited to the amount of the Participant's Share for which payment cannot be made, at the time the Participant elects to have such delivery made to it, by net billing with the Participant or assignees or by direct payment by the Administrator hereunder. The Participant's obligations to assign its Participant's Share to the Administrator and the Administrator's obligations to acquire such share and make payments to the Participant under this agreement shall then be appropriately modified. The Administrator's prior obligations to the Participant not previously liquidated pursuant to the terms of section 7 shall be preserved until satisfied.

(b) If the Participant elects to withdraw all or a portion of its Participant's Share as provided in this section, the Administrator will transmit such share to any point(s) of delivery on the Federal Columbia River Power System designated by the Participant where the Administrator determines such share can be made available, will supply station service and losses related to such share during shutdown of the Project and will provide forced-outage reserves for such share, under the same terms and conditions as provided in contracts for similar service then being offered to other utilities in the Pacific Northwest owning interests in large thermal projects.

(c) Upon withdrawal of any portion of the Participant's Share under this section, the Participant shall schedule such portion in the same manner as provided for the Administrator in section 8, and the Administrator's rights under section 8 shall be correspondingly reduced.

Whenever the Participant schedules any portion of its Participant's Share, the Participant and the Administrator shall (1) schedule at least their respective proportionate shares of the minimum capability of the Project, as determined by Supply System, unless all Participants with similar obligations to schedule and the Project Owners and the Administrator agree to a shutdown of the Project; *provided, however,* that the Administrator may, at his election, and in accordance with section 11(d) of the Ownership Agreement, require shutdown of the Project if he supplies through exchange arrangements the power and energy the Participant otherwise would schedule from the Project during such period of shutdown, and (2) supply to Supply System all necessary forecasts of their generation requirements from the Project for ensuing periods as necessary to enable Supply System to prepare the fuel management plan pursuant to section 10 of the Ownership Agreement.

10. *Termination Settlements.*

(a) If Supply System is unable to participate in ownership, construction, or operation of the Project due to licensing, financing, construction or operating conditions which are beyond its control, or if Supply System is in default as defined in the Ownership Agreement and has been requested by the Administrator to give notice of termination, or if the Project Owners invoke the End of the Project procedure in section 22 of the Ownership Agreement, Supply System shall give notice of termination of this agreement effective on the date of such notice. Supply System shall terminate its activities related to construction and operation of the Project, and shall undertake the salvage, discontinuance, decommissioning and disposition or sale of Supply System ownership interest in the Project, all in accordance with the Ownership Agreement. Thereafter Supply System shall provide monthly accounting statements to the Administrator and the Participant of all costs associated therewith. Such monthly accounting statements shall continue until all Bonds have been paid or funds set aside for the payment or retirement thereof in accordance with the Bond Resolution or the final disposition of the Project whichever is later, at which time a final accounting statement shall be prepared by Supply System at the earliest reasonable time. Such costs of salvage, discontinuance, decommissioning and disposition or sale shall include, but shall not be limited to, all of Supply System's accrued costs and liabilities resulting from Supply System's ownership, construction, operation (including cost of fuel) and maintenance of and renewals and replacements to the Project, all other Supply System costs resulting from its ownership of the Project and the salvage, discontinuance, decommissioning and disposition thereof, and all amounts which Supply System is required under the Bond Resolution to pay in each year into the various funds provided in the Bond Resolution for debt service and all other purposes until the date that all of the Bonds have been paid or funds set aside for the payment or retirement thereof in accordance with the Bond Resolution.

The monthly accounting statements shall credit against such costs all amounts received by Supply System from the disposition of Supply System's Ownership Share of Project assets. The final accounting statement shall credit the fair market value of any assets related to the Project than retained by Supply System. If the monthly or final accounting statements show that such costs exceed such credits, the Participant shall pay Supply System at times reasonably agreed upon the sum determined by multiplying the amounts shown to be due in such statements by the Participant's Share. In any case such payments shall be made at times and in amounts sufficient to cover on a current basis the Participant's Share of the amount which Supply System is required under the Bond Resolution to pay in each year into the various funds provided in the Bond Resolution for debt service and all other purposes. If the final accounting statement shows that such credits exceed such costs, Supply System shall pay at times reasonably agreed upon an amount determined by multiplying such excess by the Participant's Share, such amount to be divided between the Administrator and the Participant as their interests may appear. Such excess credits shall bear interest from the date of such final accounting statement to the date of payment, at the average of the annual interest rates for each month during such time for three-to-five year issues, United States Government securities (taxable), Money Market Rates, as published by the Board of Governors of the Federal Reserve System in the "Federal Reserve Bulletin" or equivalent publication or the maximum rate lawfully payable by Supply System, whichever is less.

(b) To the extent of the Participant's Share then assigned to the Administrator, the Administrator shall pay the Participant the amounts, if any, paid by the Participant to Supply System pursuant to this section. Such amounts shall be paid in the manner specified in Section 7 and at such times as the parties agree upon.

(c) The provisions of this section and the provisions of sections 5(a) and 5(b) describing the circumstances under which payments are to be made in this section and the provisions of section 13 shall remain in effect notwithstanding termination of this agreement pursuant to section 3.

11. *Provisions Relating to Delivery*. Deliveries of electric power and energy to the Administrator shall be made at the point of delivery and at the approximate voltage described in the exhibit specified below. Such electric power and energy shall be in the form of three-phase current, alternating at a frequency of approximately 60 hertz. Amounts so delivered at such point during each month shall be determined from measurements made by Project meters, adjusted for losses, if any, as agreed upon by the parties hereto, installed to record such deliveries at the place and in the circuit agreed upon by Supply System and the Administrator. Such point of delivery shall be described in a suitable exhibit to this agreement when the location, voltage, and metering details of the point of delivery are so agreed.

12. *Obligations in the Event of Default*. The Participant's Share purchased by the Participant from Supply System and assigned by the Participant to the Administrator under this agreement shall be automatically increased for the remaining term of this agreement pro rata with that of other nondefaulting Participants if, and to the extent that, one or more of the Participants is unable, or fails or refuses for any reason, to perform its obligations under its Net Billing Agreement, and the Participant's Share of the defaulting Participant shall be reduced correspondingly; *provided, however,* that the sum of such increases for the Participant pursuant to this subsection shall not, without consent of the Participant, exceed an accumulated maximum of 25 percent of the Participant's Share specified in Exhibit A, nor shall any such increase under this subsection cause the estimate of the payments to be made by the Participant to Supply System under this agreement to exceed the estimate of the Administrator's billings to the Participant during the period of such increase, which estimates shall be made by the Administrator and shall be conclusive.

If the Participant shall fail or refuse to pay any amounts due to Supply System hereunder, the fact that the other Participants have assumed the obligation to make such payments shall not relieve the Participant of its liability for such payments, and the Participants assuming such obligation, either individually or as a member of a group, shall have a right of recovery from the Participant. Supply System or any Participant as their interests may appear, jointly or severally, may commence such suits, actions or proceedings, at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of this agreement against the Participant under this subsection.

13. *Sources of Participant's Payments*. The Participant shall not be required to make the payments to Supply System under this agreement except from the revenues derived by the Participant from the ownership and operation of its electric utility properties and from payments by the Administrator under this agreement.

The Participant covenants and agrees that it will establish, maintain and collect rates or charges for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties which shall be adequate to provide revenues sufficient to enable the Participant to make the payments to be made by it to Supply System under this agreement and to pay all other charges and obligations payable from or constituting a charge and lien upon such revenues.

14. *Modification and Uniformity of Agreement.*

(a) This agreement shall not be binding upon any of the parties hereto if it is not binding upon all of the parties hereto, but this agreement shall not be subject to termination by any party under any circumstances, whether based upon the default of any other party under this agreement, or any other instrument, or otherwise, except as specifically provided in this agreement.

(b) This agreement shall not be amended, modified, or otherwise changed by agreement of the parties in any manner that will impair or adversely affect the security afforded by the provisions of this agreement for the payment of the principal, interest, and premium, if any, on the Bonds as they respectively become payable so long as any of the Bonds are outstanding and unpaid or funds are not set aside for the payment or retirement thereof in accordance with the Bond Resolution.

(c) If any Net Billing Agreement is amended or replaced so that it contains terms and conditions different from those contained in this agreement, the Administrator shall notify the Participant and upon timely request by the Participant shall amend this agreement to include similar terms and conditions.

15. *Assignment of Agreement.* This agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this agreement; *provided, however,* that except as provided in sections 7, 9 and 12 hereof, neither this agreement nor any interest therein shall be transferred or assigned by any one of the parties hereto except with the mutual consent in writing of the other two parties hereto, to any other entity except the United States or an agency thereof. Such consent will not be unreasonably withheld. No assignment or transfer of this agreement shall relieve the parties of any obligation hereunder.

16. *Approval by Rural Electrification Administrator.* If the Participant is a party to an agreement or other instrument pursuant to which approval of this agreement by the Administrator of the Rural Electrification Administration is required as listed in Exhibit A, this agreement shall not be binding upon any of the parties until it shall have been approved by him or his delegate.

17. *Participants' Review Board.*

(a) *Composition; election.* Not more than 30 days after the execution of this agreement, and thereafter not less than 60 days prior to the commencement of each Contract Year and at such other times prior to June 30, 1981, as the Participants' Review Board may determine, the Participants shall elect a Participants' Review Board consisting of nine members. Supply System shall give each Participant not less than 15 days' written notice stating the time and place at which a meeting of representatives of the Participants shall be held for the purpose of holding such election. Each Participant shall designate the person and an alternate (to serve in the absence or disability of such person), to cast its vote(s) for Board members by written notice filed with Supply System. The vote cast in behalf of each Participant shall be proportional to its Participant's Share. Any vacancy on the Board shall be filled by vote of the remaining Board members pending the next Board election.

(b) *Board meetings; voting; and rules.* Meetings of the Participants' Review Board shall be held at least quarterly during the construction of the Project and at least semiannually thereafter. Timely written notice of the time and place of such meeting shall be given to the parties. Each member of the Board shall be entitled to one vote, to be cast in person and not by proxy. A majority of the Board shall constitute a quorum, and the majority of those present shall be necessary and sufficient for the adoption of any motion or resolution except as otherwise provided in subsection (e) below. All meetings of the Board shall be open to attendance by any person authorized by any of the Participants. Except as herein provided, the calling and holding of meetings of the Board, and all of its other proceedings, shall be governed by rules adopted from time to time by two-thirds of the entire membership of the Board which rules may provide that the Board shall have the right to appoint persons of technical, legal, auditing or other special qualifications to committees to carry out reviews and investigations.

(c) Except in the event of an emergency requiring immediate action, copies of all proposed Construction and Annual Budgets and fuel management plans, including amendments thereto, and plans for refinancing the Project shall be submitted by Supply System to the Participants' Review Board within a reasonable time, prior to the time such proposed budgets and plans are to be adopted by Supply System. Such copies shall be submitted to the Participant upon its request.

(d) Except in the event of an emergency requiring immediate action, all bids, bid evaluations and proposed contract awards for amounts in excess of $500,000 shall be submitted to the Participants' Review Board at least seven days prior to award.

(e) Supply System will consider the recommendations of the Participants' Review Board, giving due regard to utilizing the Project consistent with Prudent Utility Practice and the Supply System's statutory duties. Written recommendations may be made to Supply System whenever such recommendation is approved by the majority of the members of the Participants' Review Board. Such written recommendations shall be forwarded to Supply System within a reasonable time along with supporting data, which time shall not exceed the comparable time, if any, prescribed in the Project Agreement. Supply System shall take action on such recommendations within a reasonable time for adoption, modification or rejection. Supply System, upon taking action, shall notify the Participants' Review Board promptly of such action, and if it modifies or rejects a recommendation, shall give the reason therefor.

(f) If Supply System modifies or rejects a written recommendation of the Participants' Review Board concerning a matter submitted for review under subsections (c) or (d) above, the Participants' Review Board may refer the matter to the Project Consultant in the manner described in section 8 of the Project Agreement for his written decision and his decision shall be binding upon the parties. Pending any decision by the Project Consultant under this subsection, Supply System shall proceed in accordance with the Project Agreement. Nothing in this subsection shall affect the procedure for the settlement of any dispute between the Administrator and the Supply System under this agreement or the Project Agreement.

(g) Except as specifically provided in section 8(e) of the Project Agreement Supply System shall not proceed with any item as proposed by it and not concurred in by the Administrator without approval of the Participants' Review Board.

(h) Supply System shall not, without the consent of the Administrator and the Participants' Review Board, cause the insurance on the Project to be extended to any additional units or generating projects or to lapse to permit the extension of such coverage.

18. *Applicability of Other Instruments.* It is recognized by the parties hereto that Supply System in the ownership, construction and operation of the Project must comply with the requirements of the Bond Resolution and all licenses, permits, and regulatory approvals necessary for such ownership, construction and operation, and it is, therefore, agreed that this agreement is made, and referrals to the Project Consultant hereunder shall be, subject to the terms and provisions of the Ownership Agreement, the Bond Resolution and all such licenses, permits, and regulatory approvals.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in several counterparts.

UNITED STATES OF AMERICA
Department of the Interior

(SEAL)

By DONALD PAUL HODEL
Bonneville Power Administrator

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

(SEAL)

By J. J. STEIN
Managing Director

ATTEST:

By ED FISCHER
Chairman, Executive Board

PARTICIPANT

....

By ....

Title ....

(SEAL)

ATTEST:

By ....

Title ....

EXHIBIT A
(WPPSS No. 3)

TABLE OF PARTICIPANTS AND PARTICIPANT'S SHARE

Participant	Reference
City of Albion, Idaho	Albion
City of Bandon, Oregon	Bandon
Public Utility District No. 1 of Benton County, Washington	Benton PUD
*Benton Rural Electric Association	Benton REA
*Big Bend Electric Cooperative, Inc.	Big Bend
*Blachly-Lane County Cooperative Electric Association	Blachly-Lane
The City of Blaine, Washington	Blaine
The City of Bonners Ferry, Idaho	Bonners Ferry
City of Burley, Idaho	Burley
The City of Canby, Oregon	Canby
City of Cascade Locks, Oregon	Cascade Locks
*Central Electric Cooperative, Inc.	Central Elec.
The City of Centralia, Washington	Centralia
The Central Lincoln Peoples' Utility District	Central Linc.
Public Utility District No. 1 of Chelan County, Washington	Chelan
The City of Cheney, Washington	Cheney
Public Utility District No. 1 of Clallam County, Washington	Clallam
Public Utility District No. 1 of Clark County, Washington	Clark
Clatskanie Peoples' Utility District	Clatskanie
*Clearwater Power Company	Clearwater
*Columbia Basin Electric Cooperative, Inc.	Columbia Basin
*Columbia Power Cooperative Association, Inc.	Columbia Power
*Columbia Rural Electric Association, Inc.	Columbia Rural
Consolidated Irrigation District No. 19	Cons. Irrig.
*Consumers Power, Inc.	Consumers
*Coos-Curry Electric Cooperative, Inc.	Coos-Curry
City of Coulee Dam, Washington	Coulee Dam
Public Utility District No. 1 of Cowlitz County, Washington	Cowlitz
The City of Declo, Idaho	Declo
Public Utility District No. 1 of Douglas County, Washington	Douglas PUD
*Douglas Electric Cooperative, Inc.	Douglas Elec.
The City of Drain, Oregon	Drain
East End Mutual Electric Co., Ltd.	East End
The City of Ellensburg, Washington	Ellensburg
*Fall River Rural Electric Cooperative, Inc.	Fall River
Farmers Electric Co., Ltd.	Farmers
*Public Utility District No. 1 of Ferry County, Washington	Ferry
*Flathead Electric Cooperative, Inc.	Flathead
The City of Forest Grove, Oregon	Forest Grove
Public Utility District No. 1 of Franklin County, Washington	Franklin

* Approval of Agreement by Rural Electrification Administration required.

TABLE OF PARTICIPANTS AND PARTICIPANT'S SHARE—(Continued)

Participant	Reference
Public Utility District No. 2 of Grant County, Washington	Grant
Public Utility District No. 1 of Grays Harbor County, Washington	Grays Harbor
*Harney Electric Cooperative, Inc.	Harney
City of Heyburn, Idaho	Heyburn
Hood River Electric Cooperative of Hood River County, Oregon	Hood River
*Idaho County Light & Power Cooperative Association, Inc.	Idaho Co.
City of Idaho Falls, Idaho	Idaho Falls
*Inland Power & Light Company	Inland
*Public Utility District No. 1 of Kittitas County, Washington	Kittitas
*Public Utility District No. 1 of Klickitat County, Washington	Klickitat
*Kootenai Electric Cooperative, Inc.	Kootenai
*Lane County Electric Cooperative, Inc.	Lane
Public Utility District No. 1 of Lewis County, Washington	Lewis
*Lincoln Electric Cooperative, Inc. (Montana)	Lincoln (M)
*Lincoln Electric Cooperative, Inc. (Washington)	Lincoln (W)
*Lost River Electric Cooperative, Inc.	Lost River
*Lower Valley Power & Light, Inc.	Lower Valley
*Public Utility District No. 1 of Mason County, Washington	Mason 1
Public Utility District No. 3 of Mason County, Washington	Mason 3
Town of McCleary, Washington	McCleary
City of McMinnville, Oregon	McMinnville
*Midstate Electric Cooperative, Inc.	Midstate
City of Milton-Freewater, Oregon	Milton-F.
City of Minidoka, Idaho	Minidoka
*Missoula Electric Cooperative, Inc.	Missoula
City of Monmouth, Oregon	Monmouth
*Nespelem Valley Electric Cooperative, Inc.	Nespelem
*Northern Lights, Inc.	Northern Lts.
Northern Wasco County People's Utility District	Northern Wasco
*Okanogan County Electric Cooperative, Inc.	Okanogan Elec.
Public Utility District No. 1 of Okanogan County, Washington	Okanogan PUD
*Orcas Power and Light Company	Orcas
Public Utility District No. 2 of Pacific County, Washington	Pacific
Public Utility District No. 1 of Pend Oreille County, Washington	Pend Oreille
City of Port Angeles, Washington	Port Angeles
*Prairie Power Cooperative, Inc.	Prairie
*Raft River Rural Electric Cooperative, Inc.	Raft River
*Ravalli County Electric Cooperative, Inc.	Ravalli
City of Richland, Washington	Richland
Riverside Electric Company, Ltd.	Riverside
City of Rupert, Idaho	Rupert
Rural Electric Company	Rural
Salem Electric	Salem
*Salmon River Electric Cooperative, Inc.	Salmon
City of Seattle, Washington	Seattle

* Approval of Agreement by Rural Electrification Administration required.

TABLE OF PARTICIPANTS AND PARTICIPANT'S SHARE—(Continued)

Participant	Reference
Public Utility District No. 1 of Skamania County, Washington	Skamania
Public Utility District No. 1 of Snohomish County, Washington	Snohomish
South Side Electric Lines, Inc.	South Side
The City of Springfield, Oregon	Springfield
The Town of Sumas, Washington	Sumas
*Surprise Valley Electrification Corporation	Surprise V.
City of Tacoma, Washington	Tacoma
*Tanner Electric	Tanner
*Tillamook Peoples' Utility District	Tillamook
*Umatilla Electric Cooperative Association	Umatilla
Unity Light and Power Company	Unity
Vera Irrigation District No. 15	Vera
*Vigilante Electric Cooperative, Inc.	Vigilante
Public Utility District No. 1 of Wahkiakum County, Washington	Wahkiakum
*Wasco Electric Cooperative, Inc.	Wasco
*Wells Rural Electric Company	Wells
*West Oregon Electric Cooperative, Inc.	West Oregon
Public Utility District No. 1 of Whatcom County, Washington	Whatcom

*Approval of Agreement by Rural Electrification Administration required.

Upon prior written notice to Supply System, the Administrator and all of the other Participants, this Exhibit A may be amended from time to time upon mutual agreement of two or more Participants so as to provide revised Participants' Shares for such Participants so long as the aggregate of the increases in Participants' Shares is equal to the aggregate of the decreases in Participants' Shares; *provided, however*, that the sum of any such decreases for any Participant pursuant to this paragraph shall not exceed an accumulated maximum of 25 percent of the Participant's Share specified in this Exhibit on the date of execution of this agreement nor shall any such increase under this paragraph cause the estimate of the payments to be made by a Participant to Supply System under this agreement to exceed 86.95 percent of the estimate of the Administrator's billings to such Participant during the period of such increase, which estimates shall be made by the Administrator and shall be conclusive; *provided, further*, that any such increase or decrease shall not affect or impair the tax exempt status of the Bonds. The Administrator shall then prepare a revised Exhibit A which shall be substituted for this Exhibit A and become a part of this agreement.

PARTICIPANT'S SHARE

Participant	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87 (1)
Albion	0.00004	0.00004	0.00006	0.00006	0.00005	0.00004	0.00003
Bandon	0.00094	0.00094	0.00132	0.00140	0.00143	0.00147	0.00144
Benton PUD	0.03604	0.03604	0.04160	0.04308	0.04174	0.04158	0.04295
Benton REA	0.00673	0.00748	0.00783	0.00741	0.00699	0.00673	0.00645
Big Bend	0.00074	0.00074	0.00528	0.00507	0.00484	0.00332	0.00374
Blachly-Lane	0.00388	0.00388	0.00415	0.00436	0.00452	0.00470	0.00491
Blaine	0.00092	0.00092	0.00116	0.00107	0.00103	0.00102	0.00101
Bonners Ferry	0.00084	0.00084	0.00108	0.00109	0.00105	0.00104	0.00099
Burley	0.00081	0.00081	0.00198	0.00198	0.00188	0.00121	0.00155
Canby	0.00139	0.00139	0.00164	0.00193	0.00211	0.00231	0.00256
Cascade Locks	0.00042	0.00042	0.00049	0.00054	0.00058	0.00061	0.00064
Central Elec.	0.01009	0.01243	0.01183	0.01157	0.01079	0.01010	0.00966
Centralia	0.00148	0.00148	0.00275	0.00284	0.00278	0.00246	0.00258
Central Linc.	0.02763	0.02763	0.03236	0.03432	0.03476	0.03569	0.03607
Chelan	0.00747	0.00478	0.00606	0.00562	0.00496	0.00451	0.00433
Cheney	0.00431	0.00431	0.00479	0.00481	0.00460	0.00451	0.00442
Clallam	0.00738	0.00738	0.01006	0.01040	0.01020	0.01025	0.01001
Clark	0.13903	0.13764	0.15228	0.14715	0.14467	0.14576	0.13633
Clatskanie	0.00492	0.00492	0.00763	0.00731	0.00670	0.00628	0.00530
Clearwater	0.00584	0.00604	0.00703	0.00667	0.00631	0.00609	0.00573
Columbia Basin	0.00217	0.00217	0.00382	0.00377	0.00368	0.00366	0.00338
Columbia Power	0.00078	0.00078	0.00101	0.00098	0.00096	0.00095	0.00088
Columbia Rural	0.01058	0.01330	0.01323	0.01301	0.01272	0.01271	0.01298
Cons. Irrig.	0.00008	0.00008	0.00007	0.00006	0.00005	0.00005	0.00005
Consumers	0.01538	0.01751	0.01655	0.01794	0.01923	0.02049	0.02242
Coos-Curry	0.00481	0.00481	0.00880	0.00869	0.00852	0.00844	0.00781
Coulee Dam	0.00032	0.00032	0.00052	0.00052	0.00049	0.00040	0.00041
Cowlitz	0.03296	0.04227	0.02370	0.01984	0.03146	0.02896	0.03461
Declo	0.00013	0.00013	0.00017	0.00019	0.00020	0.00021	0.00023
Douglas PUD	0.00123	0.00097	0.00085	0.00070	0.00057	0.00057	0.00049
Douglas Elec.	0.00574	0.00638	0.00617	0.00634	0.00654	0.00673	0.00692
Drain	0.00051	0.00051	0.00085	0.00089	0.00088	0.00082	0.00083
East End	0.00028	0.00028	0.00032	0.00029	0.00027	0.00026	0.00023
Ellensburg	0.00584	0.00584	0.00712	0.00723	0.00699	0.00693	0.00675
Fall River	0.00095	0.00099	0.00250	0.00288	0.00321	0.00359	0.00393
Farmers	0.00014	0.00014	0.00021	0.00019	0.00016	0.00011	0.00011
Ferry	0.00100	0.00100	0.00116	0.00112	0.00104	0.00099	0.00091
Flathead	0.00291	0.00327	0.00355	0.00327	0.00300	0.00282	0.00257
Forest Grove	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00091
Franklin	0.00898	0.00898	0.01251	0.01270	0.01225	0.01212	0.01151
Grant	0.00725	0.00464	0.00589	0.00545	0.00482	0.00438	0.00420
Grays Harbor	0.03090	0.03090	0.02040	0.02209	0.02251	0.02333	0.02386
Harney	0.00055	0.00055	0.00263	0.00261	0.00256	0.00210	0.00221
Heyburn	0.00090	0.00090	0.00173	0.00174	0.00166	0.00131	0.00145
Hood River	0.00340	0.00340	0.00436	0.00448	0.00457	0.00469	0.00469
Idaho Co.	0.00067	0.00067	0.00111	0.00109	0.00106	0.00105	0.00098
Idaho Falls	0.00363	0.00363	0.00797	0.00836	0.00831	0.00722	0.00787
Inland	0.01735	0.02076	0.02029	0.01946	0.01857	0.01811	0.01798
Kittitas	0.00180	0.00180	0.00205	0.00210	0.00205	0.00205	0.00206
Klickitat	0.00442	0.00442	0.00565	0.00534	0.00503	0.00486	0.00448

1 Participant's Shares will remain the same as 1986-87 for remaining Contract Years in the term hereof.

PARTICIPANT'S SHARE–(Continued)

Participant	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87 (1)
Kootenai	0.00436	0.00502	0.00515	0.00492	0.00468	0.00454	0.00443
Lane	0.00832	0.00832	0.01114	0.01125	0.01133	0.01150	0.01123
Lewis	0.00944	0.00944	0.01249	0.01253	0.01197	0.01173	0.01103
Lincoln (M)	0.00187	0.00192	0.00225	0.00214	0.00202	0.00194	0.00182
Lincoln (W)	0.00143	0.00143	0.00119	0.00116	0.00113	0.00112	0.00117
Lost River	0.00069	0.00069	0.00120	0.00121	0.00121	0.00122	0.00118
Lower Valley	0.00540	0.00542	0.00671	0.00642	0.00611	0.00594	0.00557
Mason 1	0.00144	0.00144	0.00171	0.00173	0.00167	0.00165	0.00161
Mason 3	0.01326	0.01326	0.01419	0.01411	0.01336	0.01299	0.01265
McCleary	0.00036	0.00036	0.00075	0.00074	0.00070	0.00050	0.00059
McMinnville	0.00000	0.00394	0.00102	0.00276	0.00469	0.00343	0.00547
Midstate	0.00475	0.00524	0.00590	0.00620	0.00648	0.00678	0.00704
Milton F.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00002
Minidoka	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001
Missoula	0.00346	0.00411	0.00412	0.00392	0.00372	0.00360	0.00352
Monmouth	0.00292	0.00292	0.00352	0.00423	0.00473	0.00525	0.00588
Nespelem	0.00120	0.00129	0.00146	0.00140	0.00133	0.00129	0.00123
Northern Lts.	0.00446	0.00512	0.00547	0.00530	0.00509	0.00499	0.00489
Northern Wasco	0.00147	0.00147	0.00142	0.00165	0.00182	0.00197	0.00213
Okanogan Elec.	0.00033	0.00033	0.00092	0.00086	0.00085	0.00081	0.00079
Okanogan PUD	0.00253	0.00253	0.00299	0.00272	0.00266	0.00066	0.00143
Orcas	0.00537	0.00604	0.00728	0.00728	0.00722	0.00730	0.00733
Pacific	0.00746	0.00746	0.00941	0.00952	0.00916	0.00905	0.00870
Pend Oreille	0.00078	0.00051	0.00064	0.00060	0.00053	0.00049	0.00047
Port Angeles	0.00366	0.00366	0.00754	0.00746	0.00702	0.00481	0.00576
Prairie	0.00024	0.00029	0.00026	0.00023	0.00020	0.00018	0.00016
Raft River	0.00341	0.00341	0.00533	0.00522	0.00507	0.00501	0.00468
Ravalli	0.00377	0.00455	0.00455	0.00438	0.00420	0.00412	0.00409
Richland	0.01006	0.01006	0.01479	0.01559	0.01556	0.01589	0.01576
Riverside	0.00025	0.00027	0.00025	0.00022	0.00019	0.00017	0.00015
Rupert	0.00062	0.00062	0.00121	0.00123	0.00119	0.00098	0.00106
Rural	0.00355	0.00442	0.00443	0.00436	0.00427	0.00426	0.00435
Salem	0.00988	0.00988	0.01025	0.01119	0.01200	0.01280	0.01385
Salmon	0.00063	0.00063	0.00104	0.00104	0.00102	0.00102	0.00097
Seattle	0.12094	0.11740	0.09930	0.08236	0.08079	0.07475	0.07206
Skamania	0.00207	0.00207	0.00291	0.00298	0.00290	0.00289	0.00278
Snohomish	0.22212	0.24072	0.19767	0.20948	0.19085	0.19308	0.19334
South Side	0.00074	0.00081	0.00085	0.00080	0.00074	0.00071	0.00067
Springfield	0.00040	0.00040	0.00145	0.00180	0.00202	0.00224	0.00238
Sumas	0.00010	0.00010	0.00019	0.00019	0.00019	0.00019	0.00018
Surprise V.	0.00097	0.00097	0.00163	0.00148	0.00135	0.00108	0.00102
Tacoma	0.06858	0.03044	0.02309	0.02792	0.04456	0.05865	0.05803
Tanner	0.00078	0.00084	0.00109	0.00108	0.00106	0.00106	0.00104
Tillamook	0.00464	0.00464	0.00746	0.00804	0.00827	0.00857	0.00833
Umatilla	0.01473	0.01467	0.01487	0.01651	0.01794	0.01910	0.02107
Unity	0.00239	0.00275	0.00278	0.00264	0.00250	0.00242	0.00235
Vera	0.00259	0.00259	0.00378	0.00398	0.00397	0.00405	0.00401
Vigilante	0.00066	0.00066	0.00136	0.00126	0.00115	0.00090	0.00088
Wahkiakum	0.00156	0.00156	0.00203	0.00208	0.00203	0.00203	0.00198
Wasco	0.00225	0.00225	0.00271	0.00265	0.00260	0.00258	0.00244
Wells	0.00262	0.00245	0.00270	0.00248	0.00228	0.00214	0.00214
West Oregon	0.00229	0.00229	0.00238	0.00241	0.00246	0.00250	0.00252
Whatcom	0.00563	0.00482	0.00459	0.00427	0.00380	0.00347	0.00335

[1] Participant's Shares will remain the same as 1986-87 for remaining Contract Years in the term hereof.

EXHIBIT B

PROJECT CHARACTERISTICS

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3

The Washington Public Power Supply System's Nuclear Project No. 3 is expected to have a net electrical plant capability of approximately 1,100 MW.

It will be located on a site in the State of Washington acceptable to the Project Owners and the Administrator.

The plant and associated facilities will include a nuclear steam supply system, fuel and reactor coolant system with all related containment structures, safety features, instrumentation, control and auxiliary systems; turbine-generator, condensers and circulating water cooling systems, facilities and piping; electrical and mechanical systems and other related equipment and facilities; electrical facilities required to deliver the output of the Project to the BPA transmission system a a oint to be determined by the Supply System and the Administrator; and other structures, shops, warehouses, construction facilities, offices, equipment or facilities required in the construction, maintenance and operation of the Project.

A complete description of the Project will be prepared after bids have been received and evaluated and awards have been made for major plant components.

EXHIBIT C

PROVISIONS REQUIRED BY STATUTE OR EXECUTIVE ORDER

1. *Contract Work Hours and Safety Standards.*

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (Public Law 87-581, 76 Stat. 357-360, as amended) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Contract Work Hours and Safety Standards Act.

(a) No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work, to work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) In the event of any violation of the provisions of subsection (a), the Contractor and any subcontractor responsible for such violation shall be liable to any affected employee for his unpaid wages. In addition, such Contractor or subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the provisions of subsection (a), in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of forty hours in a workweek without payment of the required overtime wages.

(c) The Administrator may withhold, or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor, the full amount of wages required by this contract and such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for liquidated damages as provided in subsection (b).

(d) No contractor or subcontractor contracting for any part of the contract work shall require any laborer or mechanic employed in the performance of the contract to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health or safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation based on proceedings pursuant to section 553 of title 5, United States Code, provided that such proceedings include a hearing of the nature authorized by said section.

(e) The Contractor shall require the foregoing subsections (a), (b), (c), (d) and this subsection (e) to be inserted in all subcontracts.

(f) The Contractor shall keep and maintain for a period of three (3) years from the completion of this contract the information required by 29 CFR § 516.2(a). Such material shall be made available for inspection by authorized representatives of the Government, upon their request, at reasonable times during the normal work day.

2. *Convict Labor.*

The Contractor shall not employ any person undergoing sentence of imprisonment at hard labor.

3. *Equal Opportunity.*

Unless exempted pursuant to the provisions of Executive Order 11246 of September 24, 1965 and the rules, regulations and relevant orders of the Secretary of Labor thereunder, during the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Contractor agrees to post in conspicious places, available to employees and applicants for employment, notices to be provided by the Administrator setting forth the provisions of this equal opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Administrator, advising the labor union or worker's representative of the Contractor's commitments under this equal opportunity clause and shall post copies of the notice in conspicious places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Administrator and the Secretary of Labor for purposes of investigations to ascertain compliance with such rules, regulations and orders.

(f) In the event of the Contractor's noncompliance with the equal opportunity clause of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Administrator may direct as a means of enforcing such provisions including sanctions for noncompliance; *provided, however,* that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Administrator, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. *Interest of Member of Congress.*

No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to such contract if made with a corporation for its general benefit.

EXHIBIT V

CONTRACT NO. 14-03-39100
1-26-73

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3

AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR

acting by and through the

BONNEVILLE POWER ADMINISTRATOR

and

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

(Project Agreement)

INDEX TO SECTIONS

This AGREEMENT, executed September 25, 1973, by the UNITED STATES OF AMERICA (Government), Department of the Interior, acting by and through the BONNEVILLE POWER ADMINISTRATOR (Administrator), and WASHINGTON PUBLIC POWER SYSTEM (Supply System), a municipal corporation of the State of Washington,

WITNESSETH:

WHEREAS in order to achieve the economies of size for the benefit of Supply System's members, the Participants and the other Project Owners, the Project Owners have entered into an agreement simultaneously with this agreement providing that the Project Owners will finance and own the Project and that Supply System will design, construct, operate and maintain the Project on behalf of the Project Owners; and

WHEREAS the Administrator has determined that acquisition of up to 70 percent of Project Capability will assist in attaining the objectives of the Bonneville Project Act, and other statutes which pertain to the disposition of electric power and energy from Government projects in the Pacific Northwest by enabling the Government to make optimum use of the Federal Columbia River Power System, and that the integration of capability of the Project with the generating resources of the Federal Columbia River Power System as provided herein will enable the Administrator to make available additional firm power and energy to meet the needs of his customers; and

WHEREAS the construction of the Project is a part of the Hydro-Thermal Power Program for the Pacific Northwest and this agreement is one of a series of agreements implementing such program; and

WHEREAS Supply System plans to acquire a site for the Project in the State of Washington, acceptable to the Project Owners and the Administrator, and plans, in connection therewith, to enter into certain contracts for the financing, planning, engineering, construction and operation of said plant; and

WHEREAS Supply System and the Companies have entered into short-term Power Sales Agreements simultaneously with this agreement providing for purchase by the Companies of output from the Supply System's Ownership Share of the Project; and

WHEREAS Supply System, the Administrator and the Participants are parties to Net Billing Agreements under which Supply System sells Project Capability to the Participants and under which the Administrator will acquire such Project Capability; and

WHEREAS Supply System is organized under the laws of the State of Washington (Rev. Code of Washington, Ch. 43.52) and is authorized by law to jointly construct, own, acquire and operate works, plants, and facilities for the generation and/or transmission of electric power and energy and to enter into contracts for such purposes and with the Administrator and public and private organizations for the disposition and distribution of electric power and energy produced thereby; and

WHEREAS the Administrator is authorized pursuant to law to dispose of electric power and energy generated at various federal hydroelectric projects in the Pacific Northwest and to enter into related agreements;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. *Definition and Explanation of Terms.*

(a) "Annual Budget" means the budget adopted by Supply System not less than 45 days prior to the beginning of each Contract Year which itemizes the projected costs of Supply System's Ownership applicable to the remainder of such Contract Year. The Annual Budget, as amended from time to time, Share of the Project applicable to such Contract Year, or, in the case of an amended Annual Budget, shall make provision for all such Supply System's costs, including accruals and amortizations, resulting from the ownership, operation (including cost of fuel), and maintenance of the Project and repairs, renewals, replacements, and additions to the Project, including, but not limited to, the amounts which Supply System is required under the Bond Resolution to pay in each Contract Year into the various funds provided for in the Bond Resolution for debt service and all other purposes and shall include the source of funds proposed to be used; *provided, however,* that the Annual Budget for any portion of a Contract Year prior to the Date of Commercial Operation or September 1, 1981, whichever occurs first, shall include only such amounts as may be agreed upon by Supply System and the Administrator.

(b) "Bonds" means any bond, bonds, or other evidences of indebtedness issued in connection with the Project pursuant to the Bond Resolution (1) to finance or refinance Supply System's Ownership Share of costs associated with planning, designing, financing, acquiring and constructing the Project pursuant to the Bond Resolution and (2) for any other purpose authorized thereby.

(c) "Bond Resolution" means the resolution or resolutions adopted or supplemented by Supply System, as the same may be amended or supplemented, to authorize the Bonds.

(d) "Companies" means the electric utilities, other than Supply System, that execute and are party to a Power Sales Agreement.

(e) "Construction Budget" means the budget adopted by Supply System which sets forth an estimated schedule of construction expenditures and itemizes all costs related to ownership, design, planning, construction and financing of Supply System's Ownership Share of the Project, as well as any revision or updating thereof during the course of construction.

(f) "Contract Year" (1) means the period commencing on the Date of Commercial Operation, or on January 1, 1981, whichever occurs first, and ending at 12 p.m. on the following June 30, and (2) thereafter means the 12 month period commencing each year at 12 p.m. on June 30, except that the last Contract Year shall end on the date of termination of this agreement.

(g) "Date of Commercial Operation" means the date determined pursuant to Section 1 of the Ownership Agreement.

(h) "Net Billing Agreements" means the agreements for the Project entered into by Supply System, the Administrator and each of the Participants (Contracts No. 14-03-39101 through 14-03-39203, inclusive).

(i) "Ownership Agreement" means the Agreement for construction, ownership, and operation of the Project, attached hereto as Exhibit C, as the same may be amended, as executed by the Project Owners. Any amendment thereto which may affect rights, duties, or costs of the Administrator under the Net Billing Agreements shall require approval by him prior to execution by Supply System.

(j) "Participants" means those entities which are specified in Exhibit A of the Net Billing Agreements, or which become assignees of all or part of any Participant's Share pursuant to such agreements.

(k) "Power Sales Agreements" means the agreements for the short-term sale and purchase of output from Supply System's Ownership Share of the Project, entered into simultaneously with this agreement by Supply System and each of the Companies.

(l) "Project" means the nuclear generating plant and related properties as described in Exhibit A. Exhibit A may be revised from time to time by mutual agreement of the parties, but in any event shall conform to the description of the Project in the Bond Resolution which authorizes the issuance of Bonds in an amount sufficient to pay the costs of acquiring and constructing Supply System's Ownership Share of the Project.

(m) "Project Capability" means the actual electrical generating capability, if any, of the Project at any particular time (including times when the Project is not operable or operating or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part), less Project station use and losses.

(n) "Project Consultant" means an individual or firm, of national reputation having demonstrated expertise in the field of the matter or item referred to it, appointed among other things, for the resolution of a difference regarding a matter or item referred by Supply System. A different Project Consultant may be appointed for each matter or item referred.

(o) "Project Owners" means Supply System and the electric utilities that execute and are party to the Ownership Agreement.

(p) "Prudent Utility Practice" at a particular time means any of the practices, methods and acts, which in the exercise of reasonable judgment in light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall apply not only to functional parts of the Project but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any matter conforms to Prudent Utility Practice the parties and any Project Consultant shall take into account (1) the fact that Supply System is a municipal corporation and operating agency under the laws of the State of Washington with the statutory duties and responsibilities thereof and (2) the objective to integrate the entire Project Capability with the generating resources of the Federal Columbia River Power System, the Project Owners (except Supply System) and the Companies, to achieve optimum utilization of the resources of such systems taken as a whole, and to achieve efficient and economical operation of such systems. Any practice, method or act which pursuant to the Ownership Agreement is determined to be Prudent Utility Practice shall be deemed to be Prudent Utility Practice hereunder.

(q) "Supply System's Ownership Share" means 0.70 or such other decimal fraction as may be determined under the Ownership Agreement.

2. *Exhibits.* Exhibits A through C are by this reference incorporated herein and made a part of this agreement. Supply System shall be the Contractor as that term is used in Exhibit B.

3. *Term of Agreement.* This agreement shall be effective upon execution and delivery and shall terminate when the Net Billing Agreements terminate.

4. *Representation of the Administrator.* Supply System shall appoint a member designated by the Administrator to the Committee established pursuant to the Ownership Agreement. During the period the Administrator is assigned any Participant's Share or portion thereof under the Net Billing Agreements, Supply System, in accordance with section 3 of the Ownership Agreement, shall specify that the Administrator's representative on the Committee shall have the right to vote the lesser of 50 percent of Supply System's Ownership Share, or the sum of the Participants' Shares assigned to the Administrator under the Net Billing Agreements at the beginning of the Contract Year. All Supply System costs and expenditures related to the Project made at the written request of the Administrator, which are not Costs of Construction or Annual Costs pursuant to the Ownership Agreement, shall be billed separately for payment by the Administrator under section 7 of the Net Billing Agreements..

5. *Design, Construction, Operation, and Maintenance of the Project.*

(a) Supply System shall perform its duties and exercise its rights under the Ownership Agreement and under this agreement in accordance with Prudent Utility Practice.

(b) Supply System shall keep the Administrator informed of all significant matters with respect to construction or operation of the Project (including without limitation, plans, specifications, engineering studies, environmental reports, budgets, fuel plans, estimates and schedules) where practicable in time for the Administrator to comment thereon before decisions are made, and shall confer with him during the development of Supply System's proposals for such matters when practical to do so. Upon request by the Administrator, Supply System shall furnish or make available to him with reasonable promptness, and at reasonable times, any and all other information relating to the planning, construction, operation or maintenance of the Project.

(c) Subject to provisions of section 2(e) of the Ownership Agreement, the Administrator may, at his option and at Government expense, maintain a representative at the Project site during the construction of the Project. Such representative shall have no authority regarding administration or inspection of the Project construction.

(d) The Administrator shall use his best efforts to construct, operate and maintain necessary facilities to interconnect the Project with the Federal Columbia River Power System so as to be ready to receive Project generation on or before the initial test and operation of the Project, presently scheduled for April 1, 1981.

(e) The Administrator shall have the right to purchase upon reasonable terms and conditions energy produced during any test operation of the generating unit of the Project, upon reasonable notice to Supply System of his intention to do so, given prior to the commencement of such test operation. If the Administrator does not exercise such right, he shall accept delivery into the Federal Columbia River Power System and, upon reasonable terms and conditions, shall deliver any such energy not purchased by him to Supply System or its assignee at mutually agreed points.

(f) During any hour in which the Project does not generate electric power and energy for station use and for losses to the high-voltage terminals of the Project substation, the Administrator shall furnish his pro rata share of such electric power and energy, based on the sum of decimal fraction shares then assigned to him under the Net Billing Agreements, to the Supply System at the point of delivery specified in the Net Billing Agreements; *provided, however,* that deliveries of such electric power and energy may be interrupted or reduced in the case of system emergencies, or in order to make repairs, replacements or necessary additions to or perform maintenance on that portion of the Federal Columbia River Power System necessary to provide such electric power and energy.

6. *Financing of the Project.*

(a) Supply System shall, in good faith and with due diligence, use its best efforts to issue and sell Bonds to finance Supply System's Ownership Share of the costs of the Project and the completion thereof, as such costs are defined in the Bond Resolution and, subject to the provisions of section 7(b), to finance Supply System's Ownership Share of costs of any capital additions, renewals, repairs, replacements or modifications to the Project which Supply System is required to pay pursuant to the Ownership Agreement; *provided, however,* that in each such case such Bonds may then be legally issued and sold.

Supply System may, after submitting its financing proposal to the Administrator, or shall, whenever requested by the Administrator, adopt proceedings to authorize the issuance and sale of additional Bonds to refund outstanding Bonds prior to maturity in accordance with the Bond Resolution; *provided, however,* that if in the judgment of Supply System or the Administrator no substantial benefits or economies will be achieved by such refunding, the matter shall be referred to the Project Consultant as provided in section 8.

(b) Notwithstanding any other provisions of this agreement, the Bond Resolution shall be subject to approval of the Administrator.

7. *Budget and Accounting Procedures.*

(a) *Construction Budget.* The Administrator has heretofore reviewed Supply System's Construction Budget in connection with the Project. Promptly after approval of an updated or revised construction budget pursuant to the Ownership Agreement, Supply System shall submit to the Administrator its revised Construction Budget. Such budget shall include Supply System's share of construction costs pursuant to the Ownership Agreement and shall separately itemize all Supply System's other costs related to construction and financing of Supply System's Ownership Share of the Project. Updated Construction Budgets for the succeeding calendar year and revised Construction Budgets for the current calendar year shall become effective unless disapproved by the Administrator within thirty days, and seven days, respectively, after submittal. Any item disapproved shall be referred to the Project Consultant as provided in section 8.

A monthly Construction Budget report shall be prepared by Supply System and filed with the Administrator showing by major plant accounts or contracts, the cumulative amounts committed and the cumulative expenditures to date of each such report.

(b) *Annual Budget.* At least 90 days prior to the expected Date of Commercial Operation, Supply System shall submit to the Administrator a proposed Annual Budget for the period from the expected Date of Commercial Operation to the next succeeding July 1, and if the Date of Commercial Operation occurs subsequent to April 1 in a calendar year, a similar Annual Budget for the next succeeding Contract Year. Thereafter, on or before April 1 of each year Supply System shall submit to the Administrator a similar Annual Budget for the next succeeding Contract Year, which budget shall take into account the cumulative difference between total moneys received and expenditures for the prior Contract Year and provide for adjustment, as necessary, of the appropriate working cash fund.

The Annual Budget shall include Supply System's Ownership Share of operating costs according to the operating budget adopted pursuant to the Ownership Agreement, and Supply System's share of anticipated fuel and other costs pursuant to the Ownership Agreement and shall separately itemize all of Supply System's other costs related to the Supply System's Ownership Share of the Project. All taxes imposed and required by law to be paid with respect to Supply System's Ownership Share, and which are due and payable in a Contract Year, shall be included in the Annual Budget for that Contract Year as a Project cost. To the extent Supply System is permitted by law to negotiate for payments in lieu of taxes or other negotiated payments to state or local taxing entities, the Annual Budget shall also include the amounts of such negotiated payments; *provided, however,* that Supply System shall not agree to such negotiated payment if in any Contract Year the sum of such negotiated payments and taxes imposed by law would exceed the total amount of ad valorem taxes that Supply System would have paid in that year to such taxing entities if Supply System's Ownership Share of the Project or portion thereof, within the boundaries of each such taxing entity, were subject to ad valorem taxes and its valuation for tax purposes were added to the valuation of the property subject to ad valorem taxes by such taxing entity, but with its millage rate reduced so that the amount of ad valorem taxes raised would be unchanged.

If in any Contract Year the amounts in the Annual Budget for renewals, repairs, replacements, and betterments, and for capital additions necessary to achieve design capability or required by governmental agencies (Amounts for Extraordinary Costs), whether or not such amounts are Costs of Operation or Costs of Construction as defined in the Ownership Agreement, exceed the amount of reserves, if any, maintained for such purpose pursuant to the Bond Resolution plus the proceeds of insurance, if any, available by reason of loss or damage to the Project, by the lesser of:

(1) an amount of $3,000,000 or

(2) an amount by which the amount of the Administrator's estimate of the total of the Administrator's net billing credits available in such Contract Year to Participants pursuant to section 7(a) of the Net Billing Agreements and the amounts of such reserves and insurance, if any, exceeds the Annual Budget for such Contract Year exclusive of Amounts for Extraordinary Costs.

Supply System shall, in good faith, use its best efforts to issue and sell Bonds to pay such excess in accordance with section 6(a).

Notwithstanding any other provision of this agreement, Supply System's Ownership Share of costs incurred by Supply System in an emergency or to protect the safety of the Project or the public, and unbudgeted expenditures necessary in the normal course of business for the continued safe operation and maintenance of the Project prior to approval of the Annual Budget or revised Annual Budget, shall be added to the Annual Budget as incurred. Promptly after any such occurrence, and prior to expenditures of any other funds not contemplated in the effective Annual Budget, Supply System shall submit a revised Annual Budget to the Administrator.

The Annual Budget and revised Annual Budget shall become effective unless disapproved by the Administrator within thirty days, and seven days, respectively, after submittal. Any item disapproved shall be referred to the Project Consultant as provided in section 8.

(c) *Accounting.* Supply System shall keep up-to-date books and records showing all financial transactions and other arrangements made in carrying out the terms of this agreement. Such books and records shall contain information supporting the allocation of Supply System's indirect costs associated with the Project. Such books and records shall be retained by Supply System for three years and shall be made available for inspection and audit by the Administrator at any reasonable time.

All accounts shall be kept so as to permit conversion to the applicable system of accounts prescribed for electric utilities by the Federal Power Commission.

Any contract with any consultant or contractor of Supply System providing for reimbursement of costs or expenses of any kind shall require the keeping and maintenance of books, records, documents, and other evidence pertaining to the costs and expenses incurred or claimed under such contract to the extent and in such detail as will properly reflect all costs related to this agreement and shall require such books, records, documents and evidence to be made available to the Administrator at all reasonable times for review and audit for a period of three years after final settlement of the applicable contracts.

(d) All moneys received on account of Supply System's Ownership Share of the Project which are surplus to a current year's operating and capital expenses and Bond Resolution requirements shall be invested by Supply System in accordance with the Bond Resolution until such surplus moneys can be appropriately applied in a future Contract Year.

8. *Administrator's Approval and Project Consultant.*

(a) All proposals of Supply System, including but not limited to, budgets, plans, actions, activities .. matters submitted to the Administrator under any provisions of this agreement shall include itemized cost estimates and other detail sufficient to support a comprehensive review, including but not limited to, a copy of all supporting reports, analyses, recommendations, or other documents pertaining thereto. If the Administrator does not disapprove the proposal within the time specified, or if no time is specified, within seven days after receipt, the proposal shall be deemed approved. Any proposal disapproved shall be segregated so that the exact items of difference are identified and shall become effective immediately as to items not disapproved.

(b) Disapproval by the Administrator shall be given in writing and, except as provided in section 6(b), shall be based solely on whether the proposal or item is consistent with Prudent Utility Practice. Such disapproval shall describe in what particular the proposal or item is not consistent with Prudent Utility Practice and shall at the same time recommend what would meet that standard.

When any proposal or item is so disapproved by the Administrator, Supply System shall adopt the suggestion of the Administrator or within seven days after receipt of such disapproval, shall appoint a Project Consultant acceptable to the Administrator to review the proposal or item in the manner described in this section. If the parties shall not agree upon the selection of the Project Consultant, Supply System shall promptly request the Chief Judge of the United States District Court for the judicial district of Washington in which the Project is located to appoint the Project Consultant.

(c) The Project Consultant shall consider all written arguments and factual materials which have been submitted to it by either party within the ten days following its appointment, and as promptly as possible after the expiration of such period, make a written determination as to whether the proposal or item disapproved by the Administrator referred to it by Supply System would or would not have been consistent with Prudent Utility Practice. If the Project Consultant determines that the proposal or item referred to it was not consistent with Prudent Utility Practice it shall, at the same time, recommend what would, under the same circumstances, have met such test.

Proposals or items found by the Project Consultant to be consistent with Prudent Utility Practice shall become immediately effective. Proposals or items found by the Project Consultant to be inconsistent with Prudent Utility Practice shall be modified to conform to the recommendation of the Project Consultant or as the parties otherwise agree and shall become effective as and when modified.

(d) All costs incurred by Supply System for or by reason of employing a Project Consultant under this agreement and the Net Billing Agreements and all reasonable costs of Supply System related to presentations to the special board which may be convened pursuant to the Ownership Agreement, shall be a cost of the Project.

(e) If any proposal or item referred to the Project Consultant has not been resolved and will affect the continuous operation of the Project, Supply System shall continue to operate the Project. Supply System may proceed with the item (1) as proposed by it, or (2) as proposed by the Administrator, or (3) as modified by mutual agreement by Supply System and the Administrator prior to the time such item affects operation of the Project; *provided, however,* that if Supply System proceeds with a disapproved item reviewable under this agreement and if the determination made by the Project Consultant is that the item is not consistent with Prudent Utility Practice, Supply System shall bear any net increase in the cost of construction or operation of the Project resulting from such item without charge to Supply System's Ownership Share of the Project in the Annual Budget to the extent such item was inconsistent with what the Project Consultant determined would under such circumstances have met such test. Notwithstanding other provisions of this section 8(e), whenever a proposal has been referred to the Project Consultant, Supply System shall operate in accordance with Supply System's proposals until such proposal has been resolved by the Project Consultant, whenever Supply System determines that the Administrator's proposals would create an immediate danger to the safe operation of the Project.

(f) The Administrator's approval or failure to disapprove any plan, proposal or item pursuant to the terms of this agreement shall not render the Government, its officers, agents, or employees, liable or responsible for any injury, loss, damage, or accident resulting from ownership, design, construction, operation, or maintenance of the Project.

(g) Supply System shall not proceed with the following elective items under the Ownership Agreement without the concurrence of the Administrator's representative on the Committee; (1) notice to repair damage to the Project, pursuant to section 16(b), (2) a capital addition to the Project pursuant to section 18, and (3) construction of the Project pursuant to section 22(b). The Administrator shall evidence his approval of any such items in writing and Supply System's share of costs associated with any item so approved shall become Project costs related to Supply System's Ownership Share.

(h) Items subject to review by the Committee under the Ownership Agreement shall not be reviewable hereunder.

(i) The word "item" as used in this section means the item described including the cost specified therefore.

9. *Insurance.* Supply System shall keep the Administrator informed of the insurance carried pursuant to the Ownership Agreement and shall purchase additional insurance requested by the Administrator, at the Administrator's expense, to the extent insurance may be available. The proceeds from such requested insurance shall be disbursed as directed by the Administrator.

10. *Permits.* Subject to any regulations of the Atomic Energy Commission pertaining to the Project, if by the terms of this Agreement any equipment or facility of either party is, or is to be, located on the property of the other, a permit to install, test, maintain, inspect, replace, and repair during the term of this agreement and to remove at the expiration of said term such equipment and facility, together with the right of ingress to and egress from the location thereof at all reasonable times in such term, is hereby granted to the other party.

11. *Ownership of Facilities.*

(a) Ownership of any and all equipment, and all salvable facilities, installed by the Administrator or the Project Owners on the property of the other, shall be and remain in the installing party.

(b) Each party shall identify all movable equipment and to the extent agreed upon by the parties, all other salvable facilities which are installed by such party on the property of the other by permanently affixing thereto suitable tags, stencils, stamps, or other markers plainly stating the name of the owner of the equipment and facilities so identified.

12. *Inspection of Project Facilities.* The Administrator may, but shall not be obligated to, inspect the Project at any reasonable time, but such inspection, or failure to inspect, shall not render the Government, its officers, agents, or employees, liable or responsible for any injury, loss, damage, or accident resulting from defects in the Project.

13. *Assignment of Agreement.* This agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this agreement; *provided, however,* that neither this agreement, nor any interest therein shall be transferred or assigned by (a) Supply System to any entity other than the United States or an agency thereof, without written consent of the Administrator, or (b) the Administrator to any party other than the United States, or an agency thereof, without written consent of Supply System.

14. *Applicability of Other Instruments.* It is recognized by the parties hereto that Supply System in the ownership, construction and operation of the Project must comply with the requirements of the Ownership Agreement, the Bond Resolution and all licenses, permits and regulatory approvals necessary for such ownership, construction and operation, and it is, therefore, agreed that this agreement is made, and referrals to the Project Consultant hereunder shall be, subject to the terms and provisions of the Bond Resolution and all such licenses, permits, and regulatory approvals.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in several counterparts.

UNITED STATES OF AMERICA
Department of the Interior

[SEAL]

By DONALD PAUL HODEL
Bonneville Power Administrator

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

[SEAL]

By J. J. STEIN
Managing Director

ATTEST:

By ED FISCHER
Chairman, Executive Board

EXHIBIT A

PROJECT CHARACTERISTICS

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

Nuclear Project No. 3

The Washington Public Power Supply System's Nuclear Project No. 3 is expected to have a net electrical plant capability of approximately 1,100 MW.

It will be located on a site in the State of Washington acceptable to the Project Owners and the Administrator.

The plant and associated facilities will include a nuclear steam supply system, fuel and reactor coolant system with all related containment structures, safety features, instrumentation, control and auxiliary systems; turbine-generator, condensers and circulating water cooling systems, facilities and piping; electrical and mechanical systems and other related equipment and facilities; electrical facilities required to deliver the output of the Project to the BPA transmission system at a point to be determined by the Supply System and the Administrator; and other structures, shops, warehouses, construction facilities, offices, equipment or facilities required in the construction, maintenance and operation of the Project.

A complete description of the Project will be prepared after bids have been received and evaluated and awards have been made for major plant components.

EXHIBIT B

PROVISIONS REQUIRED BY STATUTE OR EXECUTIVE ORDER

1. *Contract Work Hours and Safety Standards.*

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (Public Law 87-581, 76 Stat. 357-360, as amended) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Contract Work Hours and Safety Standards Act.

(a) No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work, to work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) In the event of any violation of the provisions of subsection (a), the Contractor and any subcontractor responsible for such violation shall be liable to any affected employee for his unpaid wages. In addition, such Contractor or subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the provisions of subsection (a), in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of forty hours in a workweek without payment of the required overtime wages.

(c) The Administrator may withhold, or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor, the full amount of wages required by this contract and such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for liquidated damages as provided in subsection (b).

(d) No Contractor or subcontractor contracting for any part of the contract work shall require any laborer or mechanic employed in the performance of the contract to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health or safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation based on proceedings pursuant to section 553 of title 5, United States Code, provided that such proceedings include a hearing of the nature authorized by said section.

(e) The Contractor shall require the foregoing subsections (a), (b), (c), (d) and this subsection (e) to be inserted in all subcontracts.

(f) The Contractor shall keep and maintain for a period of three (3) years from the completion of this contract the information required by 29 CFR § 516.2(a). Such material shall be made available for inspection by authorized representatives of the Government, upon their request, at reasonable times during the normal work day.

2. *Convict Labor.* The Contractor shall not employ any person undergoing sentence of imprisonment at hard labor.

3. *Equal Opportunity.* Unless exempted pursuant to the provisions of Executive Order 11246 of September 24, 1965 and the rules, regulations and relevant orders of the Secretary of Labor thereunder, during the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Administrator setting forth the provisions of this equal opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Administrator, advising the labor union or worker's representative of the Contractor's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Administrator and the Secretary of Labor for purposes of investigations to ascertain compliance with such rules, regulations and orders.

(f) In the event of the Contractor's noncompliance with the equal opportunity clause of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Administrator may direct as a means of enforcing such provisions including sanctions for noncompliance; *provided, however,* that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Administrator, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. *Interest of Member of Congress.* No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to such contract if made with a corporation for its general benefit.

EXHIBIT VI

WOOD DAWSON LOVE & SABATINE
ATTORNEYS AND COUNSELLORS AT LAW

TELEPHONE 212 422-0450
CABLE ADDRESS: WOODDAW

DAVID M. WOOD (1892-1960)
JOHN B. DAWSON
LEROY LOVE
LEO E. SABATINE
BRENDAN O'BRIEN

EDWARD J. McCORMICK
SAMUEL I. HELLMAN
STEVEN I. TURNER

48 WALL STREET
NEW YORK, N. Y. 10005

Board of Directors
Washington Public Power Supply System
301 Fifth Avenue
Richland, Washington

Dear Sirs:

WASHINGTON PUBLIC POWER SUPPLY SYSTEM
NUCLEAR PROJECT NO. 3 REVENUE NOTES, SERIES 1973A, $29,000,000

At your request we have examined into the validity of an issue of $29,000,000 Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A, of Washington Public Power Supply System (the "System"), a municipal corporation and joint operating agency of the State of Washington. Said notes are issuable in coupon form, are dated October 1, 1973, mature without option of prior redemption on June 15, 1976, are of the denomination of $25,000 each, numbered 1 to 1160, inclusive, and bear interest at the rate of 4⅜ per centum per annum, payable semi-annually June 15 and December 15 commencing December 15, 1973. Said notes recite that they are issued under and pursuant to Resolution No. 673, adopted by the Board of Directors of the System on the 10th day of October, 1973 (the "Note Resolution"), and under the authority of and in full compliance with the Constitution and statutes of the State of Washington, including Titles 43 and 54 of the Revised Code of Washington, and proceedings of the Board of Directors of the System duly adopted, for the purpose of paying a part of the cost to the System of construction, and acquisition of an undivided ownership interest in, the Project (as such Project is defined in the Note Resolution).

We have examined the Constitution and statutes of the State of Washington, and certified copies of proceedings of the Board of Directors of the System authorizing the issuance of said notes, including the Note Resolution, and other proofs relating to the issuance of said notes, also an executed note of said issue.

In our opinion the Note Resolution has been duly adopted, the provisions thereof are valid and binding upon the System and said notes have been duly authorized and issued in accordance with the Constitution and statutes of the State of Washington, and constitute valid and legally binding obligations of the System, payable from any moneys of the System that may be lawfully applied to the payment thereof, including revenues derived from the System's ownership interest in the Project, and the proceeds of revenue bonds or refunding notes of the System.

It is also our opinion that the interest on said notes is exempt from taxation by the United States of America under existing laws and regulations and a specific ruling issued by the Internal Revenue Service with respect to said notes.

Very truly yours,

WOOD DAWSON LOVE & SABATINE

WOOD DAWSON LOVE & SABATINE
ATTORNEYS AND COUNSELLORS AT LAW

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NEW YORK, N. Y. 10005

Board of Directors
Washington Public Power Supply System
301 Fifth Avenue
Richland, Washington

Dear Sirs:

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3 REVENUE NOTES, SERIES 1973A, $29,000,000

Under date of , 1973, we rendered an opinion approving the validity of the above notes (the "Notes") issued pursuant to a resolution adopted by the Board of Directors of the Washington Public Power Supply System (the "System") on October 10, 1973 (the "Note Resolution").

We have examined into the validity of of the Net Billing Agreements referred to on page 14 of the Official Statement of the System, dated October 10, 1973, relating to the Notes, among the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, the System, and certain of the Participants referred to in Exhibit I of said Official Statement, which agreements provide for the purchase and assignment of an aggregate of not less than % of the System's Ownership Share of the Project Capability (as defined in the Net Billing Agreements and reduced in the period July 1, 1981 through June 30, 1984 by certain short-term sales of output) of the Project (as defined in the Note Resolution) in any Contract Year (as defined in the Net Billing Agreements). With respect to the authorization, execution and delivery of said Net Billing Agreements, we have examined certified copies of proceedings of the System and of the Participants which are parties thereto, authorizing the execution and delivery of said Net Billing Agreements, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said Net Billing Agreements by each of the parties thereto as we deemed relevant. In our opinion, each of said Net Billing Agreements has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement, enforceable in accordance with its terms.

We have also examined into the validity of the Ownership Agreement referred to on page 20 of said Official Statement, among the System and Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company. With respect to the authorization, execution and delivery of said Ownership Agreement, we have examined certified copies of proceedings of the System and of the Companies which are parties thereto, authorizing the execution and delivery of said Ownership Agreement, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said Ownership Agreement by each of the parties thereto as we deemed relevant. In our opinion, said Ownership Agreement has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement, enforceable in accordance with its terms.

We have also examined into the validity of the Project Agreement (Contract No. 14-03-39100) between the United States of America, Department of the Interior, acting by and through the Bonneville

Power Administrator, and the System, referred to on page 18 of said Official Statement. With respect to the authorization, execution and delivery of said agreement, we have examined certified copies of proceedings of the Board of Directors of the System authorizing the execution and delivery of said agreement, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said agreement by each of the parties thereto as we deemed relevant. In our opinion, said agreement has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement enforceable in accordance with its terms.

In rendering this opinion, we have relied upon the opinion of counsel for each of the Participants and aforesaid Companies that the Net Billing Agreement or Ownership Agreement to which such Participant or Company is a party has been duly executed and delivered by said Participant or Company and is not in conflict with, or in violation of, and will not be a breach of, or constitute a default under, the terms and conditions of any other agreement or commitment by which such Participant or Company is bound.

Very truly yours,

WOOD DAWSON LOVE & SABATINE

EXHIBIT VII

LAW OFFICES OF

HOUGHTON CLUCK COUGHLIN & RILEY

900 HOGE BUILDING

SEATTLE, WASHINGTON 98104

TELEPHONE
(206) 623-6501

ROLLA V. HOUGHTON (1970)
JACK R. CLUCK
PAUL COUGHLIN
JOHN W. RILEY
EMIL P. SCHUBAT
DAVID SKELLENGER
BERT L. METZGER, JR.
JOEL HAGGARD
WILLIAM N. MATHIAS, III
JOHN B. CATHEY

IN REPLY REFER TO
OUR FILE NO.

Board of Directors
Washington Public Power Supply System
301 Fifth Avenue
Richland, Washington

Dear Sirs:

WASHINGTON PUBLIC POWER SUPPLY SYSTEM
NUCLEAR PROJECT NO. 3 REVENUE NOTES, SERIES 1973A, $29,000,000

At your request we have examined into the validity of an issue of $29,000,000 Washington Public Power Supply System Nuclear Project No. 3 Revenue Notes, Series 1973A, of Washington Public Power Supply System (the "System"), a municipal corporation and joint operating agency of the State of Washington. Said notes are issuable in coupon form, are dated October 1, 1973, mature without option of prior redemption on June 15, 1976, are of the denomination of $25,000 each, numbered 1 to 1160, inclusive, and bear interest at the rate of 4⅜ per centum per annum, payable semi-annually June 15 and December 15 commencing December 15, 1973. Said notes recite that they are issued under and pursuant to Resolution No. 673, adopted by the Board of Directors of the System on the 10th day of October, 1973 (the "Note Resolution"), and under the authority of and in full compliance with the Constitution and statutes of the State of Washingon, including Titles 43 and 54 of the Revised Code of Washington, and proceedings of the Board of Directors of the System duly adopted, for the purpose of paying a part of the cost to the System of construction, and acquisition of an undivided ownership interest in, the Project (as such Project is defined in the Note Resolution).

We have examined the Constitution and statutes of the State of Washington, and certified copies of proceedings of the Board of Directors of the System authorizing the issuance of said notes, including the Note Resolution, and other proofs relating to the issuance of said notes, also an executed note of said issue.

In our opinion the Note Resolution has been duly adopted, the provisions thereof are valid and binding upon the System and said notes have been duly authorized and issued in accordance with the Constitution and statutes of the State of Washington, and constitute valid and legally binding obligations of the System, payable from any moneys of the System that may be lawfully applied to the payment thereof, including revenues derived from the System's ownership interest in the Project, and the proceeds of revenue bonds or refunding notes of the System.

It is also our opinion that the interest on said notes is exempt from taxation by the United States of America under existing laws and regulations and a specific ruling issued by the Internal Revenue Service with respect to said notes.

Very truly yours,

HOUGHTON CLUCK COUGHLIN & RILEY

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OUR FILE NO.

Board of Directors
Washington Public Power Supply System
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Richland, Washington

Dear Sirs:

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

NUCLEAR PROJECT NO. 3 REVENUE NOTES, SERIES 1973A, $29,000,000

Under date of 1973, we rendered an opinion approving the validity of the above notes (the "Notes") issued pursuant to a resolution adopted by the Board of Directors of the Washington Public Power Supply System (the "System") on October 10, 1973 (the "Note Resolution").

We have examined into the validity of of the Net Billing Agreements referred to on page 14 of the Official Statement of the System, dated October 10, 1973, relating to the Notes, among the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, the System, and certain of the Participants referred to in Exhibit I of said Official Statement which agreements provide for the purchase and assignment of an aggregate of not less than % of the System's Ownership Share of the Project Capability (as defined in the Net Billing Agreements and reduced in the period July 1, 1981 through June 30, 1984 by certain short-term sales of output) of the Project (as defined in the Note Resolution) in any Contract Year (as defined in the Net Billing Agreements). With respect to the authorization, execution and delivery of said Net Billing Agreements, we have examined certified copies of proceedings of the System and of the Participants which are parties thereto, authorizing the execution and delivery of said Net Billing Agreements, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said Net Billing Agreements by each of the Parties thereto as we deemed relevant. In our opinion, each of said Net Billing Agreements has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement, enforceable in accordance with its terms.

We have also examined into the validity of the Ownership Agreement referred to on page 20 of said Official Statement, among the System and Pacific Power & Light Company, Portland General Electric Company, Puget Sound Power & Light Company and The Washington Water Power Company. With respect to the authorization, execution and delivery of said Ownership Agreement, we have examined certified copies of procedings of the System and of the Companies which are parties thereto, authorizing the execution and delivery of said Ownership Agreement, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said Ownership Agreement by each of the parties thereto as we deemed relevant. In our opinion, said Ownership Agreement has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement, enforceable in accordance with its terms.

We have also examined into the validity of the Project Agreement (Contract No. 14-03-39100), between the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, and the System, referred to on page 18 of said Official Statement. With respect to the authorization, execution and delivery of said agreement, we have examined certified copies of proceedings of the Board of Directors of the System authorizing the execution and delivery of said agreement, and such other documents, proceedings and matters relating to the authorization, execution and delivery of said agreement by each of the parties thereto as we deemed relevant. In our opinion, said agreement has been duly authorized, executed and delivered by each of the parties thereto and constitutes a valid and binding agreement enforceable in accordance with its terms.

In rendering this opinion, we have relied upon the opinion of counsel for each of the Participants and aforesaid Companies that the Net Billing Agreement or Ownership Agreement to which such Participant or Company is a party has been duly executed and delivered by said Participant or Company and is not in conflict with, or in violation of, and will not be a breach of, or constitute a default under, the terms and conditions of any other agreement or commitment by which such Participant or Company is bound.

Very truly yours,

HOUGHTON CLUCK COUGHLIN & RILEY

THE MONTANA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

The following consolidated statement of income, insofar as it relates to the five years ended December 31, 1973, has been examined by Price Waterhouse & Co., independent accountants, whose report thereon appears elsewhere in this Prospectus. In the opinion of the Company, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results of operations for the unaudited twelve months ended September 30, 1974, have been made. The statement should be read in conjunction with the other consolidated financial statements and notes thereto included elsewhere in this Prospectus.

	12 Months Ended September 30, 1974 (Unaudited)	Year Ended December 31, 1973	1972	1971	1970	1969
		Thousands of Dollars				
Operating Revenues:						
Electric	$ 72,779	$ 69,887	$ 62,452	$ 57,714	$ 56,539	$ 52,882
Natural gas	41,266	37,426	32,494	29,842	29,517	27,509
Water	740	735	701	671	619	604
	114,785	108,048	95,647	88,227	86,675	80,995
Operating Expenses and Taxes:						
Operation	46,942	39,320	32,268	27,349	25,054	21,486
Maintenance (Note 1)	5,025	4,796	4,120	3,306	3,408	3,522
Depreciation and depletion (Note 1)	8,039	7,612	7,162	6,927	6,959	6,645
Income taxes (Note 1)						
U. S.	8,944	12,155	7,552	13,171	13,828	14,518
Canadian	(14)	(3)	1	13	5	89
Provisions for deferred taxes on income (Note 1):						
Accelerated depreciation and amortization	1,592	1,245	1,098	928	938	869
Kerr Project charges	(516)	(516)	4,949	—	—	—
Investment tax credit—net	893	600	344	196	(126)	77
Other taxes	13,294	12,695	11,072	11,103	10,758	9,352
	84,199	77,904	68,566	62,993	60,824	56,558
Operating Income	30,586	30,144	27,081	25,234	25,851	24,437
Other Income and Deductions:						
Nonoperating income—net	1,913	1,275	1,019	1,256	646	394
Allowance for funds used during construction (Note 1)	3,099	1,193	506	212	93	398
Total	5,012	2,468	1,525	1,468	739	792
Income Before Interest Charges	35,598	32,612	28,606	26,702	26,590	25,229
Interest Charges:						
Interest on long-term debt	11,144	9,094	6,730	6,171	4,794	4,389
Other interest	1,668	699	595	572	2,151	2,471
Total Interest Charges	12,812	9,793	7,325	6,743	6,945	6,860
Net Income	22,786	22,819	21,281	19,959	19,645	18,369
Dividends Applicable to Preferred Stock	1,209	1,209	1,209	1,209	1,209	1,209
Net Income Available for Common Stock	$ 21,577	$ 21,610	$ 20,072	$ 18,750	$ 18,436	$ 17,160
Average Number of Common Shares Outstanding (thousands of Shares)	7,526	7,509	7,512	7,515	7,512	7,499
Net Income Per Share of Common Stock	$ 2.87	$ 2.88	$ 2.67	$ 2.49	$ 2.45	$ 2.29
Dividends Declared on Common Stock, Per Share	$ 1.80	$ 1.80	$ 1.695	$ 1.68	$ 1.68	$ 1.65
Ratio of Earnings to Fixed Charges (Note B)	3.29	4.59	5.48	5.95	5.60	5.73

( ) Denotes red figure.

The numerical note references refer to the Notes to Consolidated Financial Statements appearing elsewhere in this Prospectus.

NOTES TO CONSOLIDATED STATEMENT OF INCOME

NOTE A — The Consolidated Statement of Income for the twelve months ended September 30, 1974, and the five years ended December 31, 1973, is presented on the bases of accounts prescribed by the Public Service Commission of Montana and the Federal Power Commission, between which there are no differences, as explained in Note 1 to the Consolidated Financial Statements.

NOTE B — For the purpose of computing this ratio, earnings have been calculated by adding to net income (i) provisions for current and deferred taxes on income, and (ii) fixed charges. Fixed charges include interest and related amortization on long-term debt and interest on short-term borrowings. Fixed charges also include one-third of all rentals, excluding delay rentals subsequent to 1970, and rentals on joint-use property for the 12 months ended September 30, 1974.

The unaudited pro forma ratio of earnings to fixed charges for the twelve months ended September 30, 1974, is 2.62 after giving effect to the annual requirements on outstanding debt at September 30, 1974, issuance of the New Bonds at an assumed interest rate of 9½% and application of the estimated proceeds from the proposed sales of the New Bonds and Additional Shares to the payment of short-term borrowings (excluding those of Western Energy Company) to be outstanding at the time of such sale. Interest in the amount of $2,799,000 was excluded from the fixed charges for the pro forma ratio as it related to the 8¼% first mortgage bonds refunded April 1, 1974, and to short-term borrowings during the twelve months ended September 30, 1974, to be paid from proceeds of the New Bonds. Without giving effect to the proposed sale of the Additional Shares, the pro forma ratio of earnings to fixed charges would be 2.33. For this latter computation interest in the net amount of $445,000 was excluded from the fixed charges for the pro forma ratio after giving effect to the additional interest on short-term borrowings due to the unavailability of the proceeds from the sale of Additional Shares. A difference of ⅛ of 1% from the assumed interest rate will change these ratios approximately .01.

The annual interest requirement on the New Bonds will amount to $2,625,000.

For the twelve months ended October 31, 1974, operating revenues were $115,758,000 and net income, before deducting preferred stock dividend requirements, was $22,900,000. Net income after deducting such dividend requirements was $21,691,000, or $2.88 per share of common stock. These amounts are unaudited but, in the opinion of the Company, include all adjustments, consisting only of normal recurring accruals, necessary to a fair presentation thereof. The unaudited pro forma ratio of earnings to fixed charges for the twelve months ended October 31, 1974, computed on a basis equivalent to that used in Note B, is 2.57, and without giving effect to the proposed sale of the Additional Shares, is 2.26.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED STATEMENT OF INCOME

Twelve Months Ended September 30, 1974: Operating revenues for the twelve months ended September 30, 1974, compared with the twelve months ended December 31, 1973, increased $6,737,000, principally due to increased electric sales to other utilities, $2,232,000; increased natural gas rates to offset the increased cost of purchased Canadian natural gas, approximately $3,933,000 (See Business—Regulation); and system growth, but were adversely affected by weather conditions and the effect of energy conservation by customers.

Compared with the twelve months ended December 31, 1973, the increase in operating expenses for the twelve months ended September 30, 1974, of $7,622,000 is attributable principally to increased costs of thermal generation and purchased power, $1,274,000; gas exploration and development, $773,000; and purchased natural gas and royalties, $4,378,000 (See Business—Regulation).

Income tax expense decreased principally due to changes in operating revenues, expenses and interest charges resulting in a lower taxable income. Allowance for funds used during construction, which is a nontaxable component of other income, and interest charges increased as a result of the Company's construction program, and higher rates on borrowed money.

Year 1973: The increase in operating revenues of $12,401,000 for the year 1973 is attributable principally to increased electric and natural gas rates granted in October, 1972, approximately $9,600,000; increased natural gas rates granted in July, 1973, to offset the increased cost of purchased Canadian natural gas, approximately $1,387,000, and system growth.

The increase in operating expense for the year 1973 of $7,052,000 is attributable principally to increased costs of thermal generation and purchased power, $2,397,000; gas exploration and development, $927,000; and purchased natural gas, $2,111,000.

The increase in allowance for funds used during construction, which is a nontaxable component of other income, and interest charges results principally from the Company's construction program, and higher rates on borrowed money.

Year 1972: The increases in operating revenues of $7,420,000 and net income of $1,322,000 are attributable principally to increased electric and natural gas rates granted October, 1972, approximately $1,800,000, colder than normal weather during the first calendar quarter of 1972, system growth and resumption of normal operations by a major industrial customer following a strike in the copper industry between July 1, 1971 and September 22, 1971, which adversely affected revenues and net income in that year.

The decrease in Federal income taxes of $5,619,000 and the increase in the provision for deferred taxes on income of $4,949,000 result from the payment of back rentals for the use of Indian lands at the Kerr hydroelectric project, as more fully described in Note 1 to the Consolidated Financial Statements.

ELECTRIC OPERATING STATISTICS

	12 Months Ended September 30, 1974	Year Ended December 31, 1973	1972	1971	1970	1969
Electric Energy Generated and Purchased (M Kwh):						
Steam	966,286	1,136,072	818,618	654,133	869,498	640,926
Hydro and Internal Combustion	3,654,726	3,158,617	3,693,970	3,764,302	3,534,395	3,470,685
Total Generated, Net Station Output	4,621,012	4,294,689	4,512,588	4,418,435	4,403,893	4,111,611
Purchased and Net Interchange	1,117,917	946,929	904,056	638,574	804,110	907,494
Total Generated and Purchased	5,738,929	5,241,618	5,416,644	5,057,009	5,208,003	5,019,105
Company Use, Distribution and Transmission Losses and Unaccounted for	577,505	531,538	525,958	486,724	526,848	461,903
Total Energy Sales to Public	5,161,424	4,710,080	4,890,686	4,570,285	4,681,155	4,557,202
Electric Sales (M Kwh):						
Residential	1,034,545	1,016,702	984,849	912,860	850,321	820,690
Commercial and Small Industrial	1,489,164	1,478,654	1,370,096	1,247,263	1,117,190	1,042,388
Industrial—Large Customers	1,565,814	1,553,482	1,741,381	1,727,698	1,932,239	1,919,103
Public Street and Highway Lighting	46,570	45,253	43,804	43,180	42,692	42,687
Other Sales to Public Authorities	87,015	90,094	86,426	89,146	93,092	95,229
Sales to Other Electric Utilities	906,608	474,345	583,537	470,196	573,279	580,371
Sales to Railroads and Railways (a)	31,708	51,570	80,593	79,942	72,342	56,734
Total Energy Sales to Public	5,161,424	4,710,080	4,890,686	4,570,285	4,681,155	4,557,202
Interdepartmental	12,959	12,615	12,739	9,517	8,329	7,630
Total Energy Sales	5,174,383	4,722,695	4,903,425	4,579,802	4,689,484	4,564,832
Number of Customers (Average for Period):						
Residential	164,391	160,758	156,157	151,334	147,325	144,816
Commercial and Small Industrial	26,179	25,567	24,960	24,406	23,900	23,683
Industrial—Large Customers	17	17	18	18	18	17
Public Street and Highway Lighting	826	801	762	738	699	662
Other Sales to Public Authorities	109	108	109	110	110	112
Sales to Other Electric Utilities	54	53	53	50	50	50
Sales to Railroads and Railways	1	1	1	1	1	1
Interdepartmental	257	254	254	251	249	247
Total Number of Customers	191,834	187,559	182,314	176,908	172,352	169,588
Operating Revenues (Thousands of Dollars):						
Residential	$ 25,437	$ 24,922	$ 22,173	$ 20,421	$ 19,254	$ 18,147
Commercial and Small Industrial	28,205	27,807	24,000	21,818	20,232	18,763
Industrial—Large Customers (Analysis Below)	10,443	10,707	10,315	10,123	11,097	10,706
Public Street and Highway Lighting	1,583	1,557	1,439	1,390	1,333	1,257
Other Sales to Public Authorities	604	608	596	647	677	681
Sales to Other Electric Utilities	4,519	2,287	1,849	1,503	2,177	1,948
Sales to Railroads and Railways	170	276	432	429	388	314
Total	70,961	68,164	60,804	56,331	55,158	51,816
Other Operating Revenues	1,818	1,723	1,648	1,383	1,381	1,066
Total Operating Revenues (Excluding Interdepartmental)	72,779	69,887	62,452	57,714	56,539	52,882
Interdepartmental	219	216	189	157	141	130
Total Electric Operating Revenues	$ 72,998	$ 70,103	$ 62,641	$ 57,871	$ 56,680	$ 53,012
Analysis of Industrial—Large Customers Electric Revenues (Thousands of Dollars):						
Mining and Smelting (b)	$ 5,930	$ 6,411	$ 4,929	$ 4,112	$ 4,891	$ 4,432
Electrolytic Zinc Reduction (c)	—	—	1,435	2,221	2,881	3,147
Cement Plants	723	689	615	595	572	573
Lumber and Paper	1,770	1,727	1,509	1,476	1,339	1,237
Oil Industry	2,020	1,880	1,827	1,719	1,414	1,317
Total	$ 10,443	$ 10,707	$ 10,315	$ 10,123	$ 11,097	$ 10,706
Average Annual Residential Use (Kwh)	6,293	6,324	6,307	6,032	5,772	5,667
Average Annual Residential Revenue per Kwh	2.46¢	2.45¢	2.25¢	2.24¢	2.26¢	2.21¢

(a) Sales to railroads and railways were discontinued in July, 1974, as a result of the conversion from electric to diesel locomotion by the Chicago, Milwaukee, St. Paul & Pacific Railroad Company.

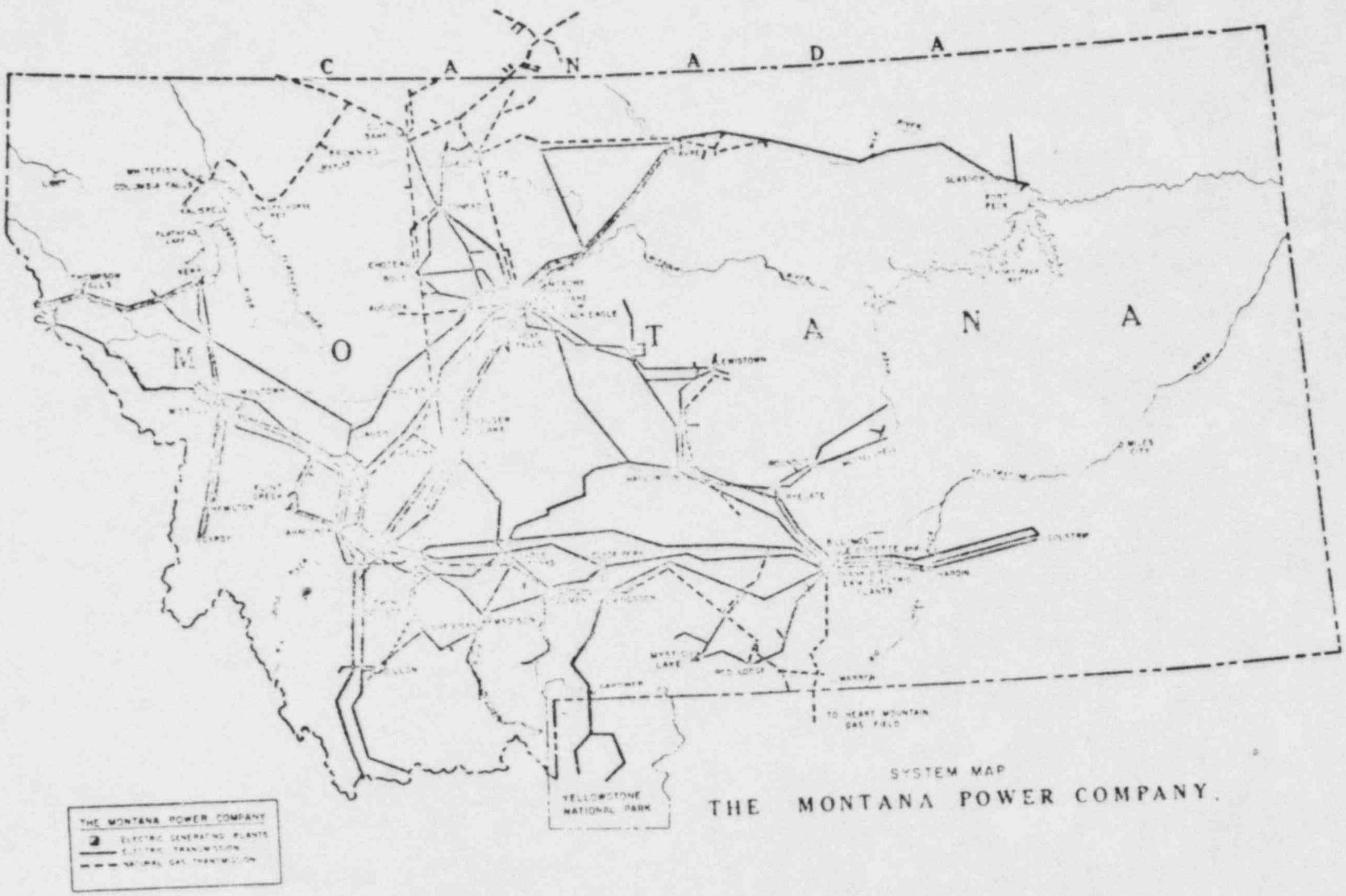
(b) During 1973, a nonrecurring sale of $819,000 was made to The Anaconda Aluminum Company, a customer of Bonneville Power Administration, due to adverse water conditions in the Pacific Northwest.

(c) In August 1972, The Anaconda Company discontinued its zinc operations at Great Falls, Montana.

NATURAL GAS OPERATING STATISTICS

	12 Months Ended September 30, 1974	Year Ended December 31, 1973	1972	1971	1970	1969
NATURAL GAS OPERATIONS:						
System Input (Millions of Cubic Feet):						
Gas Produced	19,761	19,983	18,394	20,165	22,529	22,618
Gas Purchased	37,862	39,237	40,589	37,314	34,957	32,539
Gas from Storage	6,408	5,682	6,594	5,889	6,132	6,198
*Total	64,031	64,902	65,577	63,368	63,618	61,355
Sales (Millions of Cubic Feet):						
Residential	13,960	14,326	14,638	13,854	13,342	13,429
Commercial	8,192	8,203	8,235	7,753	7,476	7,502
Industrial	26,167	26,485	27,211	26,039	27,393	25,464
Government and Municipal	1,614	1,667	1,663	1,618	1,573	1,650
Sales to Other Gas Utilities	6,830	6,911	7,583	7,299	7,305	7,248
Total Gas Sold to Public	56,763	57,592	59,330	56,563	57,089	55,293
Interdepartmental	32	128	35	231	855	29
Subtotal Sales	56,795	57,720	59,365	56,794	57,944	55,322
Gas to Storage	8,799	9,846	8,700	8,661	6,975	8,709
*Total Sales and Storage	65,594	67,566	68,065	65,455	64,919	64,031
Number of Customers (Average for Period):						
Residential	85,673	83,911	81,273	78,400	75,719	73,572
Commercial	10,328	9,868	9,440	9,155	8,985	8,849
Industrial	568	561	562	589	616	611
Government and Municipal	15	15	15	15	15	16
Other Gas Utilities	6	6	6	6	6	6
Interdepartmental	19	19	18	18	19	18
Total	96,609	94,380	91,314	88,183	85,360	83,072
Operating Revenues (Thousands of Dollars):						
Residential	$14,373	$14,665	$12,995	$11,551	$11,428	$10,740
Commercial	6,880	6,264	5,375	4,870	4,711	4,419
Industrial	14,755	11,643	9,670	8,930	9,280	8,535
Government and Municipal	895	803	673	630	612	578
Sales to Other Utilities	4,203	3,940	3,666	3,372	3,371	3,136
Total Gas Service Revenues	41,106	37,315	32,379	29,713	29,402	27,408
Other Gas Operating Revenues	159	111	115	129	115	101
Total Operating Revenues (Excluding Interdepartmental)	41,265	37,426	32,494	29,842	29,517	27,509
Interdepartmental	24	46	17	71	246	14
Total Gas Revenues	$41,289	$37,472	$32,511	$29,913	$29,763	$27,523
Average Annual Residential Use (Mcf)	163	171	180	177	176	183
Average Annual Residential Revenue Per Mcf	$1.03	$1.02	$0.89	$0.86	$0.86	$0.80

* The volume of natural gas purchased and produced is stated at a fixed basis, while the volume of natural gas sold is stated at varying pressure bases. The different standards of measurement result in figures making it appear that more gas was sold and stored than was purchased and produced, even though there is a small loss between points of input and sale.



SYSTEM MAP
THE MONTANA POWER COMPANY.

BUSINESS

General: The Company's service area comprises 96,000 square miles or approximately 65% of the land area of the State of Montana. The estimated 1974 population of the Company's service area is 587,000 or 82.4% of the total population of the State.

The Company provides electric service in 184 communities and the rural areas surrounding them and in Yellowstone National Park; natural gas service in 90 communities at retail and 6 at wholesale, and water service in 2 communities. The Company also sells firm power at wholesale, supplying the partial requirements of 9 rural electric co-operatives and the total requirements of 3 rural electric co-operatives. The Company sells gas at wholesale to distributing companies at Great Falls, Cut Bank and Shelby, Montana; to a pipeline company in northern Montana, and to Canadian distribution systems serving the communities of Coutts and Milk River, Alberta.

The sources of (1) operating revenues, and (2) operating income before income taxes, attributable to each line of business accounting for 10% or more of the consolidated operating revenues and operating income during the 12 months ended September 30, 1974 and the years 1969 through 1973, were as follows:

	12 Months Ended September 30, 1974	Year Ended December 31, 1973	1972	1971	1970	1969
Electric Operations:						
Operating Revenues	63%	65%	65%	65%	65%	65%
Operating Income Before Income Taxes	80%	76%	76%	76%	75%	73%
Natural Gas Operations:						
Operating Revenues	36%	35%	34%	34%	34%	34%
Operating Income Before Income Taxes	19%	24%	23%	23%	24%	26%

The economy of Montana is diversified. Agriculture and livestock account for approximately one-half the annual value of production. Other major factors in the economy include nonferrous metal mining, smelting and refining; coal mining; forest products; petroleum refining, and tourism. For the 12 months ended September 30, 1974, industrial customers accounted for 29% of the Company's total operating revenues, including 10.4% accounted for by the operations of The Anaconda Company.

Regulation: The Company's public utility business in the State of Montana is subject to the jurisdiction of the Public Service Commission of Montana ("PSC") as to rates, services, issuance of securities and accounting. The Federal Power Commission ("FPC") has jurisdiction pursuant to the Federal Power Act over the Company as a licensee of hydroelectric developments (See "Electric Properties") and as a public utility engaged in the transmission and sale of electric power in interstate commerce. The FPC has no jurisdiction over the Company's natural gas or water sales or over the sale of electric power at retail. The importation of natural gas from Canada requires approval by the Alberta Energy Resources Conservation Board, the National Energy Board of Canada and the FPC. The PSC, on January 6, 1975, will be reconstituted, the present three-member commission, elected statewide, being replaced by a five-member commission, with each member elected from one of five districts in the State of Montana.

The Company's experience has been that the cost of purchased Montana gas has increased from 13.75¢ per Mcf in 1972 to 40¢ per Mcf at the present time and that the cost of purchased Canadian gas, which constitutes more than 80% of the Company's gas supply, has increased from approximately 24¢ per Mcf in 1972, to approximately 64¢ per Mcf at the present time.

The Company's basic electric and gas rate schedules were adjusted in October, 1972. In July, 1973, the PSC authorized a procedure for adjusting gas rates to interruptible industrial contract customers on a monthly basis and to other non-residential customers on a quarterly basis, to offset the increased cost of purchased Canadian gas.

In April, 1974, the Company applied to the PSC for further authorization to adjust its rates to flow through to all customers the increased cost of purchased gas and the increased royalty expense of produced gas, both in Canada and Montana, which increased cost was projected at that time by the Company to be at least $12,000,000 on an annual basis commencing July 1, 1974. On August 30, 1974, the PSC, by majority vote, granted the Company's application and authorized a continuing rate adjustment procedure whereby the rates of interruptible industrial contract customers are increased or decreased on a monthly basis beginning with gas deliveries in July, 1974, and the rates of all other customers are increased or decreased on a quarterly basis effective with meter readings on and after October 1, 1974, to flow through its actual increases or decreases in purchased gas costs and royalty expenses. This adjustment procedure superseded that authorized by the July, 1973, order. For the three months ended September 30, 1974, the Company collected approximately $1,800,000 from its interruptible industrial contract customers and for the month of October, 1974, approximately $1,020,000 from all customers by these rate adjustments.

Separate legal actions by the Montana Consumer Counsel, a state agency, and the dissenting member of the PSC, challenging the validity of the PSC order, have been filed in a State District Court. The Company has intervened as a defendant in both cases in support of the PSC decision. Temporary restraining orders preventing the Company from placing the new rates in effect were dissolved at a hearing on October 11, 1974, by the presiding judge, who allowed the rates to become effective immediately, subject to refund by the Company if directed to do so by final court order. Further trial proceedings are being conducted by the presiding judge. The Company cannot predict the outcome of this litigation, but anticipates prompt disposition of these cases. If the Commission's order should not be sustained, it would materially affect the Company's revenues and earnings.

The Canadian Government has ordered that the price of natural gas imported from Canada, currently costing the Company about 64¢ per Mcf, [illegible] increased to $1 per million Btu (approximately $1 per Mcf), effective January 1, 1975. (See "Business—Natural Gas".) Unless the PSC order should be invalidated, the Company expects to flow through this increased gas expense to its customers by PSC approval of increased rate schedules pursuant to the rate adjustment procedure established by the August 30, 1974 order. Failure to recover this gas expense, estimated at $15,000,000 on an annual basis, would have a material adverse effect on the Company's earnings.

The Company's electric revenues for the 12 months ended September 30, 1974, averaged 2.46¢ per kwh for residential service, 2.22¢ per kwh for commercial service and 0.86¢ per kwh for industrial service.

For the 12 months ended September 30, 1974, the Company's average revenue from the sale of natural gas was $1.03 per Mcf for residential service, 84¢ per Mcf for commercial service and 56¢ per Mcf for industrial service.

Electric Properties: The Company's fully integrated and interconnected electric system extends through the western two-thirds of Montana. Reliability of service is enhanced by the location of hydroelectric generation on four separate watersheds with different precipitation characteristics, augmented by thermal generation.

The maximum demand on the Company's electric system for the 12 months ended September 30, 1974, was 897,000 kw on January 10, 1974. Total capability of the Company's electric system on that date was 1,025,000 kw, including 769,000 kw provided by the Company's generating facilities and 256,000 kw from firm power purchases, exchange arrangements and wheeling payments in power. The Company's generating capability is provided principally by 13 hydroelectric projects with total capability of 520,000 kw and two thermal generating plants with total capability of 246,000 kw. The hydroelectric projects are licensed by the FPC. The license for the Mystic Lake project (11,500 kw) expired in 1969. Since then, it has been renewed annually pending action on the Company's application for renewal. The license for the Thompson Falls project (40,000 kw) expires in 1975, and the Company has applied for renewal under the Federal Power Act. The license for the Kerr project (180,000 kw) expires in 1980. All other licenses expire subsequent to 1988. (See Note 6 to the Consolidated Financial Statements.)

Through construction of additional generating facilities, replacement and exchange agreements and firm power purchases, the Company expects to have sufficient capability to meet the projected demands of its customers and maintain reserves of at least 15% of firm demand. (See "Future Generation.") Western Energy has adequate supplies of low-sulfur coal to supply the Company's projected thermal generation requirements. (See "Coal Properties.")

During the 12 months ended September 30, 1974, the sources of the Company's generation were: hydro 79.1%, coal 18.7%, gas 1.5%, and oil 0.7%. The Company's coal costs have been as follows:

	12 Months Ended September 30, 1974	1973	1972	1971	1970	1969
Average cost per million btu's	23.3¢	19.6¢	18.3¢	17.4¢	17.2¢	18.2¢
Average cost per ton (delivered)	$4.07	$3.38	$3.16	$3.01	$2.97	$3.16

The Company participates with Pacific Power & Light Company, Portland General Electric Company and The Washington Water Power Company in the ownership of Pacific Northwest Power Company, which, with the Washington Public Power Supply System, has applied for an FPC license to build and operate a hydroelectric project on the Middle Snake River between Idaho and Oregon. An FPC administrative law judge has issued a decision and order granting the applicants a license to construct the 2,700,000-kw Pleasant Valley-Mountain Sheep Project on or after September 11, 1975, unless legislation has been enacted prior to that time, classifying the Middle Snake River as a wild or scenic river or declaring a moratorium on dam construction in that stretch of the river. The matter is pending before the FPC on exceptions to the original decision and the outcome is not presently determinable. Legislation to preclude any project on this portion of the Snake River is pending in Congress.

Future Generation: The Company and Puget Sound Power & Light Company ("Puget") are jointly constructing two 330,000-kw mine-mouth generating units at Colstrip, in southeastern Montana. Applications are pending before the Montana Board of Natural Resources for licenses required to construct transmission lines necessary to the operation of these units. The Company and Puget will have equal ownership of and call upon the output of these units. The Company will operate the units, and Western Energy will supply their total coal requirements. The Company and Puget, together with The Washington Water Power Company, Portland General Electric Company and Pacific Power & Light Company, propose to construct two additional 700,000-kw generating units at the Colstrip site, with associated transmission facilities. It is anticipated that Western Energy will also supply the total coal requirements of these units. Western Energy has dedicated to all four units reserves which it believes to be sufficient for their operation during their useful lives. These companies have applications pending before appropriate

State and Federal agencies for permits to construct and operate the units and associated facilities. Information with respect to the new generation is set forth in the following table:

	Fuel	Estimated Date of Operation	Net Capability MW	Company Share Percent	Company Share Estimated Cost	Company Share Cost per KW
Colstrip No. 1*	Coal	July, 1975	330	50%	$111,000,000	$336
Colstrip No. 2*	Coal	July, 1976	330	50%		
Colstrip No. 3**	Coal	1978	700	30%	$156,162,000	$372
Colstrip No. 4**	Coal	1979	700	30%		

* Under construction.

** Planned.

Regional Interconnections: The Company's electric system forms an integral part of the Northwest Power Pool consisting of the major electric suppliers in the United States Pacific Northwest and British Columbia, Canada. The Company also is a party to the Pacific Northwest Coordination Agreement integrating electric and hydraulic operations of the 16 parties associated with generating facilities in the Pacific Northwest; is a member of the Western Systems Coordinating Council organized by 38 electric systems in the 13 western states and British Columbia to assure reliability of operations and service to their customers, and is a party to the Intercompany Pool Agreement for the coordination of load and resource planning, allocation of energy and transmission operations among seven utilities in Washington, Oregon, Idaho, Montana, Wyoming and Utah. The Company participates in an interconnection agreement with The Washington Water Power Company, Idaho Power Company, Utah Power & Light Company and Pacific Power & Light Company, providing for the sharing of transmission capacity of certain lines on their respective interconnected systems and emergency standby power for each company. The Company and the United States Bureau of Reclamation have agreements which provide for the use of excess capacity of certain lines on each party's system for the transmission of power east of the Continental Divide in Montana and for the firm use of the Company's transmission lines to deliver Government power from the Canyon Ferry hydroelectric project to the Government's northern Montana transmission system and from Great Falls to Cut Bank, Montana. The Company also has agreements for the mutual use of excess capacity of certain lines of the Company and Bonneville Power Administration for the transmission of power west of the Continental Divide.

Natural Gas: More than 80% of the Company's gas supply comes from Canada and is subject to export permits granted by the Provincial and Federal governments in Canada and import permits granted by the FPC. As of December 31, 1973, the Company's total gas reserves were 962,000,000 Mcf. Of this amount, 144,000,000 Mcf, located in Montana, were owned by the Company; 254,000,000 Mcf, located in Alberta, Canada, were owned by Canadian-Montana Gas; 46,000,000 Mcf, located in Montana, were owned by others and dedicated to the Company, and 518,000,000 Mcf, located in Alberta, were owned by others and dedicated to Canadian-Montana Pipe Line. Gas requirements for the 12 months ended September 30, 1974, totaled 56,800,000 Mcf, of which the Company and Canadian-Montana Gas produced 34% and purchased the balance.

Annual purchases from Alberta & Southern Gas Company, Ltd., are authorized at 29,200,000 Mcf under National Energy Board of Canada ("NEB") licenses which have expiration dates from 1985 to 1993.

Canadian-Montana Pipe Line has applied to NEB for authority to export an additional 20,000 Mcf daily, to be purchased from Alberta & Southern Gas Company. The Company cannot predict the outcome of this application. An Alberta permit for the export, and an FPC authorization for the import, of this gas have been obtained.

Canadian-Montana Pipe Line is exporting to the Company a maximum of 99,460 Mcf per day and 19,892,000 Mcf annually of gas purchased from Canadian-Montana Gas in southeastern Alberta at Aden, Alberta, pursuant to authorizations from the NEB and the Alberta Energy Resources Conservation Board ("ERCB") which will expire May 14, 1975. Import authorization for this gas, issued by the FPC, will expire on May 10, 1975. The Company in January, 1974, applied to the FPC for a new authorization to continue the importation of gas at Aden for a period ending December 31, 1992. Hearings have been completed and a decision by the FPC is expected within a reasonably brief period. In 1972, Canadian-Montana Pipe Line applied to the ERCB for a permit to continue the exportation of gas at Aden for a period ending December 31, 1992. In March, 1973, the ERCB recommended a new permit be issued as applied for, but the Lieutenant Governor in Council to date has not acted on this recommendation. On May 14, 19[illegible], the ERCB, with the approval of the Lieutenant Governor in Council, issued a temporary permit authorizing a continuation of the Aden export for one year ending May 14, 1975. Canadian-Montana Pipe Line, in November, 1973, applied to the NEB for a new license authorizing the continuation of the exportation of gas at Aden for a period ending December 31, 19[illegible]. This application has not been set for hearing. The NEB, in May, 1974, with the approval of the Governor in Council, issued a temporary license authorizing a continuation of the Aden export until May 14, 1975.

The Company anticipates its cost of gas purchased from Canadian sources will increase materially in the future. The Canadian Government has amended natural gas export licenses, raising the Company's border price for natural gas imported from Canada to $1 per million Btu (approximately $1 per Mcf), effective January 1, 1975. The Company currently pays approximately 64¢ per Mcf for the gas it imports from Canada. Unless the PSC rate adjustment order of August 30, 1974, should be invalidated, the Company expects to flow through this increased gas expense to its customers by PSC approval of increased rate schedules pursuant to procedures established by such order. (See "Business—Regulation".)

The NEB began hearings in Calgary, Alberta, November 13, 1974, to determine Canadian gas requirements, supply and deliverability and amounts available for export, if any. The NEB has indicated that it will take no action on export applications pending before it until these hearings have been completed and a report issued. The Company cannot predict the outcome of the proceedings before the NEB, the ERCB or the FPC. If any of these applications should ultimately be denied, the Company's ability to meet the needs of some of its customers would be impaired.

Approximately 96% of the Company's natural gas customers are served from the Company's main integrated transmission system. The remainder are served from a separate system. Gas storage facilities are located in depleted production areas in four regions of Montana. These facilities enable the Company during the summer months to take and store gas in excess of system load requirements and to distribute such gas during winter periods of peak demand.

Coal Properties: Western Energy has coal mining leases covering approximately 610 million recoverable tons of low sulphur (averaging 0.7% by weight) coal reserves at Colstrip in southeastern Montana where Western Energy conducts surface mining operations. Approximately 490 million tons of these reserves are committed to present contracts, including those for the Company's existing coal-fired plant and Colstrip units Nos. 1 and 2, and those anticipated for Colstrip units Nos. 3 and 4. In addition, Western Energy has pending Federal mining lease applications covering lands at Colstrip estimated to contain approximately 150 million recoverable tons of low sulphur (averaging 0.7% by weight) coal reserves. Western Energy cannot state the extent to which or when it will obtain mining leases pursuant to the applications. Western Energy also has coal mining leases covering lands in eastern Montana which it has established contain approximately 250 million tons of low sulphur (averaging less than 1% by weight), surface-mineable coal in place. The extent to which this tonnage will be determined to be recoverable commercially-mineable coal depends upon additional exploration, study and analysis and upon future demand for coal. The Company believes that Western Energy has sufficient coal under mining leases to more than satisfy the Company's long-range generating requirements. In addition, Northwestern Resources Co., a wholly-owned subsidiary of Western Energy, holds undeveloped coal rights in Wyoming and Texas which are in various stages of exploration, study and analysis.

At Colstrip, Western Energy mines coal and, after crushing, sells it without further preparation, principally for use by electric utilities, including the Company, in steam-electric generating plants. Western Energy presently estimates that, during 1974, it will mine and sell 3,400,000 tons. Western Energy further estimates that its production during 1975 will be more than 5,000,000 tons as deliveries under long-term contracts are initiated. Production in 1977 and thereafter now is estimated at approximately 13,000,000 tons per year. New mining machinery, including two 60-cubic-yard draglines and unit-train loadout facilities, is being installed at Colstrip to accommodate this increased production. The employees engaged in mining operations at Colstrip are represented by the Operating Engineers Union, pursuant to a contract extending to March of 1975. Western Energy anticipates that this contract will be renewed for a period of more than one year at increased wage levels.

Western Energy's mining operations are subject to, and in substantial compliance with, existing State and Federal environmental and health and safety laws and regulations. Western Energy obtains annual permits to conduct mining operations as required by Montana law. Legislation to regulate surface mining is being considered by a joint Senate-House conference committee of the Congress. The Senate has passed a bill which, in addition to regulating surface mining, contains a provision which would withdraw from surface mining all coal owned by the Federal Government unless the Federal Government also owns the related land surface. The House of Representatives has passed a bill which also regulates surface mining and this legislation provides that, before mining can be undertaken, the written consent of the surface owner must be obtained. The Joint Conference Committee has indicated that neither of these provisions is acceptable to a majority of the committee. The Company cannot predict what, if any, law will result; however, if the Senate provision is incorporated in the law and is applicable to the operations of Western Energy at Colstrip, it would have an adverse effect upon operations at that location since almost 30% of the Colstrip reserves presently under lease would be subject to withdrawal and the cost of mining the remainder would be materially increased, and if the House provision, allowing the surface owner to exercise control over the mining of coal underneath his land is accepted and such provision is applicable to Western Energy, it, too, would have a similar adverse effect upon long-term operations at that location since most of the reserves subject to withdrawal would be subject to such control. Future development of Western Energy's other reserves in eastern Montana and those of Northwestern Resources Co. in Wyoming and Texas would not be affected by the withdrawal provisions of the Senate bill since none of such coal reserves are covered by Federal leases. (See also "Business—Environment.")

The Company's investment in Western Energy is less than 10% of the consolidated net assets of the Company and its subsidiaries. Likewise, the sales and income of Western Energy are less than 10%

of the consolidated sales and income of the Company and its subsidiaries. While increased future production will require additional investment by Western Energy (See "Use of Proceeds and Construction Program"), the Company does not anticipate that its investment in Western Energy will exceed 10% of the consolidated net assets of the Company and its subsidiaries in the foreseeable future.

Environment: The Company is subject to environmental regulations by Federal and State authorities, including regulations under the Federal Clean Air Act and the Federal Water Pollution Control Act Amendments of 1972. The Company does not believe that material expenditures will be required under current interpretations of applicable environmental laws and regulations for additional pollution control equipment for existing facilities. All of the Company's current construction projects have been designed to comply with current interpretations of the environmental laws and regulations applicable to them and the cost of pollution control facilities, which is substantial, is included in the construction budgets for these projects. (See "Use of Proceeds and Construction Program.")

Air quality standards adopted by the State of Montana have been disapproved by the Environmental Protection Agency (EPA) to the extent that they lack procedures or regulations for preventing significant deterioration of air quality in portions of the State where air quality is now better than the national standards promulgated by the EPA. Neither the Clean Air Act nor current regulations of the EPA contain any definition of "significant deterioration" or any standards by which it may be determined to have occurred. The EPA has proposed new regulations with respect to this matter. The Company cannot predict the impact of these regulations or other future pollution control regulations on the Colstrip generating complex or on its existing facilities.

Legal and administrative proceedings have been instituted involving the Colstrip generating complex and the operations of Western Energy. In June, 1973, the Sierra Club and others instituted a suit in the United States District Court for the District of Columbia against the Secretary of the Interior and other Federal officials asking that coal development in a four-state area, including Montana, be suspended pending a comprehensive study and environmental impact report. The Company has intervened in the case. In February, 1974, the Court entered a summary judgment in favor of the defendants, and an appeal has been taken by plaintiffs to the Court of Appeals for the District of Columbia. The Court of Appeals has remanded the case to the District Court for a further evidentiary hearing which was held on November 6, 1974. In July, 1973, Buffalo Rapids Irrigation District and others instituted a proceeding before the FPC contending that FPC licenses are required for the Colstrip generating units. A motion to dismiss has been filed by the Company and the other respondents and the matter is still pending. A lawsuit is pending in the United States Supreme Court involving similar issues, and the Company and some of its associates in the Colstrip units have petitioned the Court to file a brief as amicus curiae. None of these proceedings has reached the point where the Company can predict its outcome or effect upon the Company.

Energy Conservation: Various measures are under consideration by governmental bodies to reduce energy demand. Although the extent cannot be determined, the Company believes that the energy conservation movement has had a retarding effect upon the use of energy by some of its customers. (See "Electric Operating Statistics" and "Natural Gas Operating Statistics.") While the Company expects to have sufficient capability to meet the present and projected electric demands of its customers and maintain an adequate reserve, it cannot predict the impact upon its operations of future governmental actions. (See "Business—Electric Properties" and "Coal Properties.")

DESCRIPTION OF NEW BONDS

General: The New Bonds will be issued under the Company's Mortgage and Deed of Trust, dated as of October 1, 1945, to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York) and Arthur E. Burke (R. Amundsen, successor), as Trustees, as supplemented by seven supplemental indentures, herein referred to as the "Mortgage". The Company maintains normal banking and borrowing relationships with Morgan Guaranty Trust Company of New York which is the trustee for its principal retirement plan. The statements herein concerning the New Bonds and the Mortgage are merely an outline and do not purport to be complete. They make use of terms defined in the Mortgage and are qualified in their entirety by express reference to the cited Sections and Articles. The New Bonds are not subject to a sinking or improvement fund or other provisions for amortization prior to maturity.

Interest and Payment: The New Bonds will be due December 1, 1981 and will bear interest at the rate shown on the cover page payable June 1 and December 1.

The New Bonds will be issued as fully registered bonds in denominations of $1,000 and multiples thereof and will be transferable and exchangeable without charge (except for stamp taxes, if any, and other governmental charges) at the office of Morgan Guaranty Trust Company of New York in New York City.

Security: The New Bonds, together with all other Bonds now or hereafter issued under the Mortgage, will be secured by the Mortgage, which constitutes, in the opinion of the General Counsel of the Company, a first mortgage lien on all of the materially important physical properties of the Company (except as stated below), subject to excepted encumbrances. There are excepted from the lien all cash and securities; certain merchandise, equipment, apparatus, materials or supplies; aircraft, automobiles, and other vehicles; receivables, contracts, leases and operating agreements; timber, minerals, mineral rights and royalties, and all gas and oil production property. The lien of the Mortgage does not extend to the Company's subsidiaries or their stock or to the Company's electric or gas supply contracts.

The Mortgage contains provisions for subjecting after-acquired property (subject to pre-existing liens) to the lien thereof, subject to limitations in the case of consolidation, merger or sale of substantially all of the Company's assets. (See Mortgage, Sec. 87.)

The Mortgage provides that the Trustees shall have a lien upon the mortgaged property prior to the Bonds for the payment of their reasonable compensation and expenses and for indemnity against certain liabilities. (See Mortgage, Sec. 96.)

Replacement Fund; No Sinking Fund: The New Bonds, as such, are not entitled to the benefit of a replacement fund. However, so long as any 1975, 1984 or 1989 Series Bonds are outstanding, in addition to actual expenditures for maintenance and repairs, the Company is required to expend or deposit each year, for replacement and improvements in respect of the mortgaged electric, gas, steam and/or water utility property and automotive equipment, $1,300,000 plus 2% of net additions to the depreciable utility property of such character, made after July 31, 1945, and prior to the beginning of the year. Such requirement may be met by depositing cash or by certifying gross property additions or expenditures for automotive equipment or by taking credit for Bonds and qualified lien bonds retired. Most of the net property additions certified to meet this requirement may become unfunded when 1975, 1984 and 1989

Series Bonds are no longer outstanding. Any excess in such credits may be applied against future requirements. Such cash may be withdrawn against gross property additions or on waiver of the right to issue Bonds, or be applied to the retirement of Bonds. The Mortgage may be amended without any approval by holders of the New Bonds so as to exclude natural gas transmission property from the base under this requirement or so as to substitute for the foregoing provision a requirement that there shall be expended 12½% of adjusted gross operating revenues from the mortgaged and pledged property (other than natural gas transmission revenues, as allocated or determined by the Company) for maintenance and replacements in respect of the mortgaged property and automotive equipment (other than natural gas transmission property). Revenues from oil and natural gas production properties are not included in such adjusted gross operating revenues. (See Mortgage, Sec. 39, First Supplemental, Sec. 4 and Second Supplemental, Sec. 4.)

There is no sinking fund for the New Bonds.

Special Provisions for Retirement of Bonds. If, during any 12-month period, property is disposed of by the order of or to any governmental authority, resulting in the receipt of $5,000,000 or more as proceeds therefor, the Company (subject to certain conditions and deductions) must apply such proceeds to the retirement of Bonds. The New Bonds are redeemable at the special redemption price equal to 100% of their principal amount for this purpose. Such $5,000,000 figure may be increased to an amount not in excess of $15,000,000 by amendment to the Mortgage without any approval by the holders of the New Bonds. The Mortgage may also be amended, without any approval by holders of the New Bonds, to eliminate the foregoing special provisions for retirement of Bonds. (See Mortgage, Secs. 64 and 87, First Supplemental, Sec. 11 and Fourth Supplemental, Sec. 8.)

Issuance of Additional Bonds: The maximum principal amount of Bonds which may be issued under the Mortgage is not limited. Bonds of any series may be issued from time to time on the basis of (1) 60% of property additions after adjustments to offset retirements; (2) retirement of Bonds or qualified lien bonds; and (3) deposit of cash.

The Mortgage may be amended without any approval by holders of the New Bonds, so that $25,000,000 of Bonds may be issued without compliance with (1), (2) or (3) above, but only upon the showing of net earnings referred to in the next sentence. With certain exceptions in the case of (2) above, the issuance of Bonds is subject to adjusted net earnings before income taxes for 12 out of the preceding 15 months being at least twice the annual interest requirements on all Bonds at the time outstanding plus the additional issue and all indebtedness of prior rank. Such adjusted net earnings are computed after expenses for maintenance and provision for retirement and depreciation of property, provided that, in lieu of the actual provision for retirement and depreciation of certain mortgaged utility property and automotive equipment, there shall be used an amount equal to the currently existing replacement fund requirements for such period, but the Mortgage may be amended, without any approval by holders of the New Bonds, to use only such actual provision.

Property additions generally include electric, gas, steam or water property acquired after July 31, 1945, but may not include property used principally for the transmission of natural gas (except for the purpose of credit under the 1984 and 1989 Sinking or Improvement Funds or except for the purpose of credits against certain retirements or releases) or gas and oil production property. It is anticipated that the New Bonds will be issued against unfunded net property additions and that, following the issuance of the New Bonds, the Company will have remaining unfunded net property additions as of September 30, 1974 of approximately $4,570,000. (See also Replacement Fund above.)

The Mortgage restricts the issuance of Bonds against property additions subject to prior liens. The amount of the obligations secured by prior liens on mortgaged property may be increased, provided that, if any property subject to such lien shall have been made the basis of a credit under the Mortgage by the Company, all the additional obligations are deposited. (See Mortgage, Secs. 4 to 7, 20 to 32, and 46 and Fourth Supplemental, Secs. 2, 3 and 7.)

Release and Substitution of Property: Property may be released upon the basis of (1) deposit of cash or, to a limited extent, purchase money mortgages, (2) property additions, after adjustments in certain cases to offset retirements and after making adjustments for qualified lien bonds outstanding against property additions, and (3) waiver of the right to issue Bonds, without applying any earnings test. There is no requirement to offset retirements of natural gas transmission property except to the extent that such property has been used as a credit under the Mortgage. Cash may be withdrawn upon the basis stated in (2) and (3) above. When property released or cash withdrawn consists or represents proceeds of property which was *not* funded property, property additions made the basis of the release or withdrawal may in certain cases remain or become available as a credit under the Mortgage, and the waiver of the right to issue Bonds made the basis of the release or withdrawal may in certain cases cease to be effective as such a waiver. The Mortgage contains special provisions with respect to qualified lien bonds pledged and disposition of moneys received on pledged prior lien bonds. No prior notice to Bondholders is required in connection with releases, but subsequent reports are required in certain cases. (See Mortgage, Secs. 5, 31, 32, 37, 46, 57 to 63, 100 and 118.)

Dividend Limitations: Cash dividends on common stock are restricted by the amount, if any, by which (a) replacment fund requirements, if any, from October 1, 1945, exceed (b) provisions for depreciation from that date plus the excess of current earned surplus over earned surplus at September 30, 1945, less certain deductions. (See Mortgage, Sec. 39, and Note 3 to Financial Statements.)

Modification: The rights of the Bondholders may be modified with the consent of 70% of the Bonds, and, if less than all series of Bonds are affected, the consent also of 70% of the Bonds of each series affected. The Company has reserved the right to amend the Mortgage without any approval by holders of the New Bonds so as to substitute for the foregoing provision a provision to the effect that the rights of the Bondholders may be modified with the consent of 66⅔% of the Bonds, and, if less than all series of Bonds are affected, the consent also of 66⅔% of the Bonds of each series affected. In general, no modification of the terms of payment of principal or interest and no modification of the Company's obligations under Section 64 or affecting the lien or reducing the percentage required for modification is effective against any Bondholder without his consent. (See Mortgage, Article XIX and Fourth Supplemental, Sec. 9.)

Defaults and Notice Thereof: Defaults are defined as being: default in payment of principal; default for 60 days in payment of interest or of installments of funds for retirement of Bonds; certain defaults with respect to Qualified Lien Bonds; certain events in bankruptcy, insolvency or reorganization; or default for 90 days after notice in other covenants. The Trustees may withhold notice of defaults (except in payment of principal, interest or fund for retirement of Bonds) if they think it in the interests of the Bondholders. (See Mortgage, Secs. 65 and 66.)

The holders of 25% of the Bonds may declare the principal and interest due on default, but a majority may annul such declaration if such default has been cured. No holder of Bonds may enforce the lien of the Mortgage without giving to the Trustees written notice of a default and unless 25% of the Bonds have requested the Trustees to act and offer them reasonable opportunity to act and the Trustees have failed to act. The Trustees are not required to risk their funds or otherwise incur personal liability if there is reasonable ground for believing that repayment is not reasonably assured. A majority of the Bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustees or exercising any trust or power conferred upon the Trustees. (See Mortgage, Secs. 67, 71, 80 and 95.)

Evidence of Compliance with Mortgage Provisions: An annual certificate is required to be filed as to the absence of default under any of the covenants in the Mortgage.

Redemption and Purchase of Bonds: The New Bonds will be redeemable in whole or in part on 30 days' notice (a) at the special redemption price equal to 100% of their principal amount for the replacement fund or with certain deposits and proceeds of property, and (b) at the general redemption prices set forth below for all other redemptions, in each case together with accrued interest to the date fixed for redemption; provided that no New Bonds shall be redeemable prior to December 1, 1979 for the replacement fund or at the general redemption prices with borrowed funds or in anticipation of funds to be borrowed having an interest cost (calculated in accordance with accepted financial practice) of less than 8.90% per annum.

If redeemed during 12-month period ending November 30,	General Redemption Price (%)
1975	108.75
1976	107.00
1977	105.25
1978	103.50
1979	101.75
1980	100.00
1981	100.00

If at the time the notice is given the redemption moneys are not on deposit with the Corporate Trustee, the redemption may be made subject to their receipt before the date fixed for redemption, and such notice shall be of no effect unless such moneys are so received. (See Mortgage, Article X, and Seventh Supplemental, Sec. 1.)

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of Bonds of any series. (See Mortgage, Sec. 55.)

LEGAL OPINIONS

The legality of the New Bonds will be passed on for the Company by William H. Coldiron, Esq., Vice President and General Counsel of the Company, 40 East Broadway, Butte, Montana, and by Messrs. Reid & Priest, 40 Wall Street, New York, New York, as Special Counsel to the Company. Messrs. Mudge Rose Guthrie & Alexander, 20 Broad Street, New York, New York, will render an opinion on the legality of the New Bonds for the Underwriters. The incorporation of the Company, its titles, franchises, permits and licenses, the lien and enforceability of the Mortgage and all other matters governed by Montana law, will be passed upon only by William H. Coldiron, Esq. As of September 30, 1974, William H. Coldiron, Esq., owned 2,400, and held options on 4,400, shares of the Company's common stock.

EXPERTS

The financial statements included in this Prospectus, except as they relate to the unaudited twelve month period ended September 30, 1974, have been so included in reliance on the report of Price Waterhouse & Co., independent accountants, and on their authority as experts in auditing and accounting.

The statements made as to matters of law and legal conclusions under "Business—Regulation", "Business—Coal Properties", "Business—Environment" and "Description of New Bonds—Security" have been reviewed by William H. Coldiron, Esq., Vice President and General Counsel of the Company, and are set forth herein upon the authority of such Counsel.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
The Montana Power Company

We have examined the consolidated balance sheets of The Montana Power Company and its subsidiaries as of December 31, 1973, the consolidated statement of changes in financial position and consolidated statements of earnings retained for use in the business for the five years ended December 31, 1973, together with the consolidated statement of income for the five years ended December 31, 1973 appearing elsewhere in this Prospectus. As explained in Note 1 to the financial statements, the Company maintains accounts to conform to the accounting requirements of both the Public Service Commission of Montana and the Federal Power Commission; financial statements based on the accounts prescribed by both Commissions are presented in this Prospectus. Our examinations, which were directed to both sets of financial statements, were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described more fully in Note 1, the differences between these two sets of financial statements arise from a decision of the Federal Power Commission which has resulted in the exclusion of some $21,600,000 of Company's costs from the property accounts with a corresponding reduction in stockholders' investment. The Public Service Commission of Montana recognizes such amounts as legitimate costs of utility property and permits the Company to earn a return thereon. Because the Public Service Commission of Montana has the major jurisdiction over the affairs of the Company, including rates and securities issues, the financial statements based on its accounting requirements, in our opinon, are the more useful to the Company's stockholders.

In our opinion, the aforementioned statements based on the accounts prescribed by the Public Service Commission of Montana present fairly the consolidated financial position of The Montana Power Company and its subsidiaries at December 31, 1973, the results of their operations and the changes in their financial position for the five years then ended, in conformity with generally accepted accounting principles consistently applied.

Also, in our opinion, the aforementioned statements based on the accounts prescribed by the Federal Power Commission present fairly the consolidated financial position of The Montana Power Company and its subsidiaries at December 31, 1973, the results of their operations and the changes in their financial position for the five years then ended, in conformity with the applicable accounting regulations and orders of the Federal Power Commission consistently applied.

PRICE WATERHOUSE & CO.

Portland, Oregon
February 6, 1974

THE MONTANA POWER COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	(Note 1) Based on accounts prescribed by			
	Public Service Commission of Montana		Federal Power Commission	
	September 30, 1974 (Unaudited)	December 31, 1973	September 30, 1974 (Unaudited)	December 31, 1973
	Thousands of Dollars			
PROPERTY AND PLANT IN SERVICE AND UNDER CONSTRUCTION (Includes $83,530,000 at September 30, 1974, and $37,184,000 at December 31, 1973, under construction)				
Utility properties:				
Electric	$363,076	$327,722	$341,262	$305,908
Natural gas	133,143	128,329	133,143	128,329
Water and common utility	17,634	17,272	17,634	17,272
Nonutility property	42,298	30,021	42,474	30,197
	556,151	503,344	534,513	481,706
Less—Accumulated depreciation and depletion	129,919	122,995	129,897	122,973
	426,232	380,349	404,616	358,733
MISCELLANEOUS INVESTMENTS (at cost)	2,712	2,476	2,712	2,476
CURRENT ASSETS:				
Cash (Note 4)	13,159	8,450	13,159	8,450
Accounts receivable, less allowance of $107,555 for doubtful accounts	13,352	12,704	13,352	12,704
Materials and supplies (principally at average cost)	7,479	3,981	7,479	3,981
Prepayments and other assets	2,469	1,627	2,469	1,627
Work in progress	12,629	1,243	12,629	1,243
	49,088	28,005	49,088	28,005
DEFERRED CHARGES:				
Preliminary survey and investigation charges	927	988	927	988
Unamortized debt expense	749	370	749	370
Extraordinary property loss (Note 1)	417	471	417	471
Headwater benefit charges (Note 1)	238	381	238	381
Kerr Project charges (Note 1)	6,987	7,655	6,987	7,655
Deferred taxes attributable to Kerr Project charges	(4,045)	(4,432)	(4,045)	(4,432)
	5,273	5,433	5,273	5,433
	$483,305	$416,263	$461,689	$394,647

( ) Denotes red figure.

THE MONTANA POWER COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES

	(Note 1) Based on accounts prescribed by			
	Public Service Commission of Montana		Federal Power Commission	
	September 30, 1974 (Unaudited)	December 31, 1973	September 30, 1974 (Unaudited)	December 31, 1973
	Thousands of Dollars			
CAPITALIZATION:				
Shareholders' investment:				
Capital stock (Note 2):				
Preferred	$ 21,983	$ 21,983	$ 21,983	$ 21,983
Common	114,043	113,400	114,043	113,400
Capital stock expense	(479)	(479)	(479)	(479)
Discount on capital stock	—	—	(500)	(500)
Capital surplus (no change during last five years)	16,205	16,205	—	—
Earnings retained for use in the business (Notes 1 and 3)	37,135	31,461	32,224	26,550
	188,887	182,570	167,271	160,954
Treasury stock—Common (at cost) (Note 2)	(271)	(271)	(271)	(271)
	188,616	182,299	167,000	160,683
Long-term debt (Note 3)	184,017	152,939	184,017	152,939
	372,633	335,238	351,017	313,622
CURRENT LIABILITIES:				
Notes payable to banks (Note 4)	58,500	30,500	58,500	30,500
Dividends payable	3,699	3,687	3,699	3,687
U. S. and Canadian income taxes	3,620	3,435	3,620	3,435
Other taxes	8,484	5,306	8,484	5,306
Accounts payable	5,273	4,283	5,273	4,283
Interest accrued	4,438	3,171	4,438	3,171
Customer deposits	539	576	539	576
Other current liabilities	2,714	2,222	2,714	2,222
	87,267	53,180	87,267	53,180
DEFERRED CREDITS:				
Customer advances for construction	2,225	2,115	2,225	2,115
Investment tax credit (Note 1)	4,692	4,090	4,692	4,090
	6,917	6,205	6,917	6,205
RESERVES FOR INJURIES, DAMAGES, EMPLOYEES PROVIDENT AND OTHER	1,055	939	1,055	939
CONTRIBUTIONS BY CUSTOMERS FOR CONSTRUCTION OF PROPERTY (Note 1)	—	7,077	—	7,077
ACCUMULATED INCOME TAX REDUCTIONS RESULTING FROM ACCELERATED DEPRECIATION AND AMORTIZATION (Note 1)	15,433	13,624	15,433	13,624
	$483,305	$416,263	$461,689	$394,647

(   ) Denotes red figure.

THE MONTANA POWER COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS RETAINED FOR USE IN THE BUSINESS

	12 Months Ended September 30, 1974 (Unaudited)	Year Ended December 31, 1973	1972	1971	1970	1969
			Thousands of Dollars			
Based on Accounts Prescribed by (Note 1):						
PUBLIC SERVICE COMMISSION OF MONTANA						
Balance at beginning of period	$29,114	$43,368	$36,028	$29,904	$24,090	$19,310
Add:						
Net Income from Consolidated Statement of Income	22,786	22,819	21,281	19,959	19,645	18,369
Deduct:						
Dividends (cash):						
Preferred Stock						
$6.00 Series	957	957	957	957	957	957
$4.20 Series	252	252	252	252	252	252
Common Stock						
$1.65 per share in 1969; $1.68 per share in 1970 and 1971; $1.695 per share in 1972; and $1.80 per share in 1973 and 12 months ended September 30, 1974	13,556	13,517	12,732	12,626	12,622	12,380
Total Dividends	14,765	14,726	13,941	13,835	13,831	13,589
Transfer to Common Stock (Note 2)..	—	20,000	—	—	—	—
Balance at end of period (Notes 1 and 3)	$37,135	$31,461	$43,368	$36,028	$29,904	$24,090
FEDERAL POWER COMMISSION						
Balance at beginning of period	$24,203	$38,457	$31,117	$24,993	$19,179	$14,399
Add:						
Net Income from Consolidated Statement of Income	22,786	22,819	21,281	19,959	19,645	18,369
Deduct:						
Total dividends (as above)	14,765	14,726	13,941	13,835	13,831	13,589
Transfer to Common Stock (Note 2)	—	20,000	—	—	—	—
Balance at end of period (Notes 1 and 3)	$32,224	$26,550	$38,457	$31,117	$24,993	$19,179

THE MONTANA POWER COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Based on accounts prescribed by the Public Service Commission of Montana and the Federal Power Commission—Note 1)

	12 Months Ended September 30, 1974 (Unaudited)	Year Ended December 31, 1973	1972	1971	1970	1969
		Thousands of Dollars				
SOURCE OF FUNDS						
Current operations:						
Net income	$ 22,786	$22,819	$21,281	$19,959	$19,645	$18,369
Items not requiring current outlays:						
Depreciation, depletion and amortization	10,924	10,779	9,476	8,670	7,969	7,513
Provisions for deferred taxes on income	3,547	1,656	6,828	1,234	812	946
Allowance for funds used during construction	(3,099)	(1,193)	(506)	(212)	(93)	(398)
Other—net	(586)	564	260	114	63	46
	33,572	34,625	37,339	29,765	28,396	26,476
Sale of common stock under stock option plan	699	107	50	25	90	935
Sale of long-term debt	60,160	24,906	—	25,000	30,000	—
Guaranty of pollution control revenue bonds less funds on deposit with trustee (Note 3)	2,287	1,827	—	—	—	—
Short-term borrowing	50,000	10,000	17,000	—	—	5,450
Changes in other assets and liabilities—net (Note A)	(19,660)	(467)	(1,967)	677	5,601	887
	$127,058	$70,998	$52,422	$55,467	$64,087	$33,748
APPLICATION OF FUNDS						
Gross additions to property and plant (Note B)	$ 84,788	$56,892	$28,317	$21,883	$14,615	$20,374
Allowance for funds used during construction	(3,099)	(1,193)	(506)	(212)	(93)	(398)
	81,689	55,699	27,811	21,671	14,522	19,976
Purchase of treasury stock	—	—	271	—	—	—
Retirement of long-term debt	30,601	573	375	611	23,934	183
Retirement of short-term borrowing	—	—	—	19,350	11,800	—
Dividends on common and preferred stock	14,765	14,726	13,941	13,835	13,831	13,589
Settlement of Kerr Project charges less $1,225,433 received from downstream beneficiaries	—	—	10,024	—	—	—
	$127,058	$70,998	$52,422	$55,467	$64,087	$33,748

( ) Denotes red figure.

Note A — The change in other assets and liabilities—net for the 12 months ended September 30, 1974 is due principally to increases in cash $9,209,000; materials and supplies $3,244,000; and work in progress $6,891,000.

Note B — Contributions in aid of construction for the five years ended December 31, 1973 have been reclassified as a reduction of gross additions to property and plant. See Note 1 to the Consolidated Financial Statements.

THE MONTANA POWER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Five Years Ended December 31, 1973 and the Unaudited Twelve Months Ended September 30, 1974

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company's accounting policies conform to generally accepted accounting principles as applied in the case of regulated public utilities and are in accordance with the accounting requirements and ratemaking practices of the regulatory authorities having jurisdiction.

Principles of Consolidation: The consolidated financial statements include the accounts of all wholly owned subsidiaries. The net assets of the subsidiaries as shown by their books at December 31, 1973, and September 30, 1974, exceeded the Company's cost of investment by $5,520,777 and $6,103,797 respectively, representing undistributed net income of the subsidiaries since acquisition which is included in consolidated earnings retained for use in the business. The current assets and liabilities of the subsidiaries operating in Canada are expressed in United States dollars at the period-end rate of exchange; other assets and liabilities are expressed at rates prevailing at the time of the transactions. Revenue and expense amounts for each month are translated at the average rate of exchange in effect during the month. The exchange adjustments from translation of Canadian currency are not material during the five years ended December 31, 1973, or in the aggregate and are included in other reserves.

Financial Statement Presentation: The Company maintains accounts to conform to the accounting requirements of both the Public Service Commission of Montana (PSC) and the Federal Power Commission (FPC) for purposes of complying with the Montana statutes which give the PSC broad regulatory jurisdiction over the affairs of the Company and for purposes of complying with federal laws which give the FPC jurisdiction over licensed projects and the transmission and sale of power in interstate commerce.

Financial statements are presented in this report based on the accounting requirements of both Commissions. Because of the extensive jurisdiction which the PSC has over the Company's affairs, including rates, services, securities issues and creation of liens, it is the opinion of the Company that the financial statements based on the requirements of Montana law and of the PSC represent the proper presentation of the financial position and the results of operations of the Company. (Approximately 95% of the Company's revenues are derived from intrastate services at rates fixed by the PSC.) However, the FPC has the right to prescribe books of accounts to be maintained for its purposes and in view of the 1964 decision of the U. S. Court of Appeals for the Fourth Circuit in the case of Appalachian Power Company v. the Federal Power Commission which held that, in that case, the FPC accounts were basic accounts and must be presented in reports to stockholders, financial statements based on the requirements of that Commission are also presented.

It will be noted that the differences between the two presentations relate primarily to Utility Properties, Capital Surplus, and Earnings Retained for Use in the Business. These differences exist because of divergent findings of the two Commissions, in their respective property reclassification orders in 1945, as to corporate cost and "original cost" of certain properties, and as to disposition of amounts

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

classified as Electric Plant Acquisition Adjustments. Since 1959, there has been no difference affecting the income statement.

Pursuant to an order from the PSC, accumulated income tax reductions resulting from accelerated depreciation and amortization on utility property are recorded as Earnings Retained for Use in the Business—Restricted, but in the accompanying balance sheets, these tax reductions have been reclassified.

Depreciation and Depletion: Provisions for depreciation and depletion are recorded at amounts substantially equivalent to calculations made on straight line and unit of production methods by application of various rates based on useful lives of properties determined from studies and computations made by competent engineers. During the five years ended December 31, 1973, and the twelve months ended September 30, 1974, the provisions for depreciation and depletion approximated 2% of the depreciable and depletable property at the beginning of the year.

Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property are charged to operating expenses. The cost of units of property retired or otherwise disposed of, adjusted for removal costs and salvage, is charged to the accumulated provisions for depreciation and depletion, and the cost of related replacements and renewals is added to utility plant. Gain or loss is recognized upon the sale or other disposition of land or utility plant constituting an operating unit or system.

Allowance for Funds Used During Construction: As provided by the applicable regulatory systems of accounts, the Company capitalizes into plant in service a fixed percent on the cost of utility construction projects that exceed minimum requirements both as to dollar expenditures and duration of the period of construction. An amount equal to the amount capitalized is shown on the Consolidated Statement of Income as "Allowance for Funds Used During Construction," an item of Other Income. The allowance was computed at the rate of 6½% for the years 1969 and 1970 and 7% for the years 1971, 1972, 1973, and the twelve months ended September 30, 1974, and equaled 2%, 1%, 1%, 2%, 5%, and 14% of Net Income for the five years ended December 31, 1973, and the twelve months ended September 30, 1974, respectively.

Assuming that funds used to finance construction during the five years ended December 31, 1973, and the twelve months ended September 30, 1974, were provided in the same proportion as the Company's average capitalization ratios and using the Company's average actual cost of debt, after provision for income taxes, during the period, the common equity component of the allowance for funds used during construction expressed as percentages of earnings for common stock was 1.5%, .3%, .8%, 1.7%, 3.7% and 9.3% for the years 1969 through 1973 and the twelve months ended September 30, 1974, respectively. The amount of the allowance varies from year to year with the Company's construction program.

Exploration and Development Costs: The Company and its subsidiaries account for exploration and development costs incurred on or related to hydrocarbon leases on the individual property unit basis.

THE MONTANA POWER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

This results in capitalization of costs related to the acquisition of leases and producing properties and the amortization of these costs over their productive lives. Nonproductive exploration and drilling costs are charged to expense currently.

Capitalization of Pollution Control Facilities: The Company, pursuant to an agreement dated June 1, 1973, has unconditionally guaranteed the payment of principal and interest on $20,000,000 County of Rosebud, Montana 5¾% Pollution Control Revenue Bonds due June 1, 2003. The Company is capitalizing the cost of purchasing, acquiring, constructing and installing the equipment being acquired with the proceeds of these bonds and will depreciate the equipment over its useful life. Interest payments on the debt are charged to expense currently. Unexpended proceeds of the bond issue on deposit with the Trustee are temporarily invested and the earnings are included in Other Income.

Contributions in Aid of Construction: Effective January 1, 1974, the FPC has ordered that contributions by customers for construction of property will be accounted for as a reduction in the original cost of the utility property rather than accumulating these contributions in a separate account and presenting this amount on the liability side of the balance sheet.

At December 31, 1973, the accumulated customer contributions amounted to $7,076,760. This amount has been transferred to the utility properties section of the balance sheet at September 30, 1974. To the extent these historical amounts may be associated with utility property and plant currently in service the original cost will be reduced; the remaining amounts will be transferred to the accumulated provisions for depreciation and depletion. This change affects the presentation of financial statements but will have no effect on the Company's earnings as this amount has consistently been excluded from plant investment for depreciation and ratemaking purposes.

Costs Deferred to Future Operating Periods: During 1970 management concluded that use of the Madison natural gas storage field be discontinued and the facilities abandoned. This extraordinary property loss after applicable taxes is being charged to income over a period of ten years commencing July 1, 1970 as authorized by the PSC.

On January 15, 1971, the FPC issued an order approving a settlement agreement determining payments due the United States for headwater benefits provided by its Canyon Ferry hydroelectric project for the period 1953 through 1970. The settlement exceeded amounts accrued by the Company through 1970 and the net additional expense after applicable taxes is being charged to income over a period of five years commencing January 1, 1971 as authorized by the FPC and the PSC.

In 1967, the FPC ordered an increase in the annual charges for the use of Indian lands at the Kerr Project from $238,375 to $950,000 annually effective May 20, 1959, plus interest. On July 31, 1972, the Company paid $11,249,914 additional annual charges for the period May 20, 1959 through December 31, 1971, including interest. During the years 1967-1972, the Company recorded an annual charge against income to recognize the increased annual rentals as determined by the FPC; therefore, after taxes and provision for amounts recoverable from downstream beneficiaries, the balance

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

to be accounted for was $3,755,000. The Company received authorization from the PSC and the FPC to amortize this amount to electric operating expense over a period of ten years commencing in August 1972. This results in a charge against income in 1972 of $157,000 and $376,000 in subsequent years until fully amortized. The restriction on the availability of retained earnings for dividend purposes imposed by the Board of Directors in 1968 was removed by resolution in July 1972.

Interest Charged to Nonutility Property: Interest on borrowed funds expended principally for the construction or acquisition of certain nonutility mining properties not in service is being capitalized in nonutility property. The amount of interest capitalized was $189,000 in 1973, the first year in which interest was incurred on funds borrowed for the construction or acquisition of such properties, and $1,343,000 in the twelve month period ended September 30, 1974.

Income Tax Expense: Income tax depreciation of property acquired after 1970 is based on IRS Class Life Asset Depreciation Regulations utilizing accelerated methods and depreciation of property acquired prior to 1971 is based on IRS Guideline Class Lives utilizing accelerated methods for electric utility property only. In accordance with the accounting requirements of regulatory authorities, the Company provides deferred income taxes on the difference between actual income tax depreciation and straight line depreciation using IRS Guideline Class Lives and also provides deferred income taxes on the difference between income tax depreciation and financial accounting depreciation for principal nonutility properties.

As more fully described above, during 1972 the Company deducted for income tax purposes the additional annual rentals and interest paid for use of Indian lands at the Kerr Hydroelectric Project for the period May 20, 1959 through December 31, 1971; and in 1973 began capitalizing interest on borrowed funds expended principally for the construction or acquisition of nonutility mining property not in service. The timing difference resulting from deferral of these costs to future operating periods for financial accounting purposes as well as other timing differences in principal nonutility operations have been normalized.

The remaining differences, some of which are permanent in nature, between depreciation and depletion used in determining taxable income and net income for financial accounting purposes are primarily due to differences between IRS Guideline Class Lives and financial accounting lives, and together with other differences between taxable income and financial accounting income, are accounted for as net current reductions in income tax provisions.

The reduction in current federal income tax resulting from the investment tax credit on utility properties is being taken into income based on the various lives of the assets giving rise to the credit. In 1974 the Company adopted the flow-through method of accounting for the investment tax credit on its principal nonutility properties. There has been no material effect on net income at September 30, 1974, however investment tax credits of approximately $500,000 may be realized prior to December 31, 1974 depending upon the in-service dates and eligibility of major property additions. The investment tax credit on such properties was insignificant in prior years.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

U. S. and Canadian income taxes charged to costs and expenses are as follows:

	12 Months Ended September 30, 1974 (Unaudited)	Year Ended December 31,				
		1973	1972	1971	1970	1969
	Thousands of Dollars					
Current	$ 8,837	$12,345	$ 7,888	$13,934	$13,975	$14,646
Deferred:						
Accelerated depreciation and amortization	2,250	1,349	1,201	928	938	869
Kerr Project charges	(449)	(449)	4,300	—	—	—
Interest charged to nonutility property	607	91	—	—	—	—
Investment tax credit—net	823	656	394	248	(126)	77
Miscellaneous items—net	384	76	285	58	—	—
	$12,452	$14,068	$14,068	$15,168	$14,787	$15,592

Actual income tax expense is reconciled to "expected" income tax expense, which is computed by applying the U. S. income tax rate of 52.8% in 1969, 49.2% in 1970 and 48% in 1971 through 1973 and the twelve months ended September 30, 1974 to income before tax, as follows:

	12 Months Ended September 30, 1974 (Unaudited)	Year Ended December 31,				
		1973	1972	1971	1970	1969
	Thousands of Dollars					
Actual income tax expense	$12,452	$14,068	$14,068	$15,168	$14,787	$15,592
Adjustments for tax effects of:						
Excess of utility income tax depreciation utilizing the straight line method and guideline class lives over financial accounting depreciation	1,534	1,638	2,024	1,965	1,881	2,049
Allowance for funds used during construction	1,488	573	243	102	46	210
Miscellaneous items—net	1,440	1,427	633	(375)	226	81
Computed "expected" income tax expense	$16,914	$17,706	$16,968	$16,860	$16,940	$17,932

The Company has made no provision for U. S. or Canadian income taxes on the cumulative undistributed earnings of Canadian subsidiaries, as these earnings are expected to remain invested for an indefinite period of time and, in addition, any remittance of these amounts would result in no material amounts of such taxes by operation of the relevant statutes currently in effect and by utilization of available tax credits and deductions. All other subsidiaries are included in the Company's consolidated U. S. income tax return.

NOTE 2—CAPITAL STOCK

Capital stock consists of the following:

Preferred (cumulative, no par value):

Authorized—3,000,000 shares

Issued and outstanding:

$6.00 series—159,589 shares	$ 15,958,900
$4.20 series— 60,000 shares	6,024,600
	$ 21,983,500

Common (no par value):

Authorized—22,000,000 shares

Issued and outstanding, including 9,900 shares held in treasury:

September 30, 1974	7,547,356 shares	$114,043,045
December 31, 1973	7,521,358 shares	$113,399,595

The preferred stock is redeemable at the option of the Company on thirty-day notice at $110 per share for the $6.00 series and $103 per share for the $4.20 series, plus accumulated dividends. The liquidation price of preferred shares is $100, plus accumulated dividends.

The Board of Directors authorized an increase in the stated value of common stock of $20,000,000 in March, 1973, by a transfer of that amount from Earnings Retained for Use in the Business. The only other changes in common stock for the five years and nine months ended September 30, 1974, were shares issued under the common stock option plan as shown below.

The Board of Directors, in accordance with the Company's common stock option plan, may authorize, before June 18, 1979, the grant of options to officers and other key employees to purchase 110,527 additional shares of the no par common stock of the Company. Options granted shall be at not less than the closing price on the New York Stock Exchange on the date the options are granted and become exercisable after two years, provided there are no unexpired prior option contracts. Options must be exercised in the order granted and expire five years from the date of grant.

All outstanding options are exercisable. On December 18, 1974, 128,648 shares at an average option price of $24.75 per share will expire if not exercised.

NOTE 2—CAPITAL STOCK—(Continued)

	Number of Shares	Option Price Average Per Share	Option Price Total	Fair Market Value Average Per Share	Fair Market Value Total (a)
Options outstanding:					
Granted in: 1969	128,648	$24.75	$3,184,038	$24.75	$3,184,038
1970	—	—	—	—	—
1971	—	—	—	—	—
1972	40,925	$28.00	1,145,900	$28.00	1,145,900
1973	—	—	—	—	—
9 Months Ended September 30, 1974	—	—	—	—	—
Total at September 30, 1974	169,573	$25.53	$4,329,938	$25.53	$4,329,938
					(b)
Options which became exercisable during:					
1969	13,842	$32.38	$ 448,125	$31.75	$ 439,484
1970	5,426	27.88	151,249	30.13	163,458
1971	3,310	29.57	97,879	31.74	105,048
1972	600	24.75	14,850	30.94	18,563
1973	75,513	24.75	1,868,947	30.47	2,300,822
9 Months Ended September 30, 1974	123,775	25.82	3,196,478	29.81	3,689,422
					(c)
Options exercised during:					
1969	40,509	$23.09	$ 935,444	$30.85	$1,249,760
1970	3,293	27.43	90,322	31.51	103,748
1971	962	25.72	24,747	32.09	30,866
1972	1,725	28.79	49,650	34.00	58,647
1973	4,256	25.12	106,899	32.80	139,579
9 Months Ended September 30, 1974	25,998	24.75	643,451	30.54	793,980

(a) At dates options were granted.

(b) At dates options became exercisable.

(c) At dates options were exercised.

Options are not reflected in balance sheet accounts until exercised, at which time the capital stock account is credited with the proceeds. No charges or credits to income are made with respect to options.

NOTE 3—LONG-TERM DEBT:

	September 30, 1974	December 31, 1973
Long-term debt consists of the following:		
First mortgage bonds:		
8¼% series, due 1974	$ —	$ 29,996,438
2⅞% series, due 1975	39,191,732	39,194,359
3⅛% series, due 1984	6,044,275	6,047,740
4½% series, due 1989	15,028,057	15,029,509
7½% series, due 2001	24,806,771	24,801,341
8⅝% series, due 2004	60,157,085	—
Sinking fund debentures:		
3¼%, due 1979	10,750,864	11,130,127
7½%, due 1998	24,912,813	24,910,124
Guaranty of County of Rosebud, Montana 5¾% Pollution Control Revenue Bonds, due 2003	19,866,222	19,862,929
Funds on deposit with Trustee	(16,741,071)	(18,033,376)
	$184,016,748	$152,939,191

The principal amount of long-term debt is shown adjusted for unamortized debt discount and premium, which amounted to a net discount of $320,433 and $160,181 at December 31, 1973 and September 30, 1974, respectively. These amounts are being amortized over the period the related bonds are outstanding.

The agreement securing the 3¼% debentures due 1979 provides that the Company must deliver to the trustee, for a retirement sinking fund, $540,000 cash or principal amount of debentures each year through 1978. At December 31, 1973 and September 30, 1974, the Company had acquired $595,000 and $970,000, respectively, principal amount of 3¼% debentures which qualify for future sinking fund requirements and which, accordingly, have been applied in the balance sheet as a reduction of this debt. The agreement securing the 7½% Sinking Fund Debentures due in 1998 provides that the Company must deliver to the trustee for a retirement sinking fund a minimum of $500,000 cash or principal amount of debentures each year from 1979 through 1997. Sinking fund requirements under the first mortgage bonds are being met through property additions. Other required principal payments on long-term debt for the years 1975 through 1979 are $39,188,000, 2⅞% first mortgage bonds, on October 1, 1975, and $9,000,000, 3¼% sinking fund debentures, on May 1, 1979, which are expected to be refunded with other long-term obligations.

The Company's Mortgage and Deed of Trust to Morgan Guaranty Trust Company of New York dated October 1, 1945, as supplemented, imposes a direct first mortgage lien on all physical properties owned or thereafter acquired, exclusive of subsidiary company assets and certain property and assets specifically excepted from said lien. At December 31, 1973 and September 30, 1974, the undepreciated

NOTE 3—LONG-TERM DEBT—(Continued)

book value of assets subject to the lien was $401,526,000 and $447,253,000, respectively. At December 31, 1973 and September 30, 1974 the obligations collateralized are First Mortgage Bonds in the principal amount of $115,188,000 and $145,188,000, respectively.

Long-term debt agreements impose no material restrictions on the availability of retained earnings at September 30, 1974 for dividends. Earnings retained for use in the business shown by the PSC financial statements exceed such retained earnings shown by the FPC financial statements by $4,910,608 which the FPC might contend are not available for payment of dividends (Note 1).

NOTE 4—SHORT-TERM BORROWING:

The Company is currently authorized by the PSC to issue unsecured promissory notes in aggregate principal amount not to exceed $75,000,000. At December 31, 1973 and September 30, 1974, informal borrowing arrangements with lending commercial banks provide for lines of credit aggregating $40,000,000 and $74,000,000, respectively, of which $9,500,000 and $15,500,000 was unused. Unsecured promissory notes are issued to lending commercial banks for six-month periods, bear interest at the lender's prime rate in effect from time to time and may ordinarily be prepaid without penalty.

The average interest rate on outstanding notes payable at December 31, 1973 and September 30, 1974 was 10% and 11.78%, respectively. The maximum amount of notes payable outstanding during 1973 was $30,500,000 and during the twelve months ended September 30, 1974 was $58,500,000. The approximate weighted average of notes payable outstanding for 1973 and the 12 months ended September 30, 1974 was $7,336,000 and $28,526,000, respectively, with an average annual interest rate of 9.3% and 11.0%, respectively.

Compensating balances were $4 million and $8 million, respectively, at December 31, 1973 and September 30, 1974 and are included in current assets in the Consolidated Balance Sheets. These balances, which include amounts normally maintained for working capital requirements, are subject to withdrawal but the Company currently anticipates its balances will approximate ten percent of the line of credit and ten percent of the borrowing thereunder on a moving average basis.

NOTE 5—RETIREMENT PLANS:

The Company maintains trusteed, noncontributory Retirement Plans covering employees who attain retirement age, normally age 65, and have completed one year of service. During the five years ended December 31, 1973, the market value of assets held by the trustees approximated the actuarially-computed prior service costs. Accordingly, costs of the Plans, funded and charged to expense for each year, relate principally to current services and were $395,565, $445,257, $506,448, $561,345 and $574,361 for the years 1969 through 1973, respectively.

For the twelve months ended September 30, 1974, costs of the Plans, funded and charged to expense, which were for current services, were $611,388, although at such date, the actuarially-computed prior service costs exceeded the market value of assets held by the trustees by approximately $8,000,000. The Pension Reform Act of 1974 requires the funding, over a period of time, of unfunded prior service costs and the amendment of the Plans in a manner which will increase current service costs. At this time, the Company does not believe that the cost of compliance with the Act will materially affect net income.

NOTE 6—CONTINGENCIES AND COMMITMENTS:

The Company's hydroelectric projects are operated under licenses issued by the FPC which expire at various times through 1998. When a license expires, it may be reissued to the Company, issued to a new licensee or the facility may be taken over by the United States. In either of the last two events the Company would be entitled to compensation equivalent to its net investment in the project, not to exceed fair value, plus severance damages. In determining net investment in the project, the licenses provide that there may be deducted the amount contained in an amortization reserve which shall be accumulated from a portion of the amount earned in excess of a specified reasonable rate of return after twenty years of operation under the license. The amount of these amortization reserves, if any, relating to the Company's hydroelectric projects cannot be ascertained with accuracy at this time because of various uncertainties regarding methods of calculation. However, management at this time believes that any such amortization reserves are not material in relation to the Company's investment in property and plant or to shareholders' equity.

Minimum annual rentals under noncancellable leases for the year 1973 and the twelve months ended September 30, 1974 were \$1,400,000 and \$1,290,000, respectively. These rentals consist of \$975,000 hydroelectric project rentals under terms of licenses issued by the FPC (Note 6), the largest of which is \$950,000 applicable to the Kerr hydroelectric project which license expires in 1980, and transmission line rentals amounting to \$425,000 for the year 1973 and \$315,000 for the 12 months ended September 30, 1974. Minimum transmission line rentals are based on negotiated percentages of physical plant costs and variable operating costs, and do not contain renewal options. One transmission line rental agreement, constituting \$213,000 minimum annual rentals, expired March 31, 1974. The remaining transmission line rental agreements continue to 2015. The minimum rental commitments under noncancellable leases for each of the five succeeding years, each of the next three five year periods, and the remainder based upon agreements in effect on December 31, 1973 are set forth below.

	Hydroelectric	Transmission Line	Total
1974	\$ 975,000	\$ 265,000	\$1,240,000
1975	975,000	212,000	1,187,000
1976	975,000	212,000	1,187,000
1977	975,000	212,000	1,187,000
1978	975,000	212,000	1,187,000
1979 through 1983	1,470,000	1,158,000	2,528,000
1984 through 1988	125,000	1,158,000	1,183,000
1989 through 1993	120,000	1,158,000	1,178,000
Remainder 1994 through 2015	120,000	3,033,000	3,153,000

In connection with their continuing construction program, the Company and its subsidiaries have entered into purchase commitments which amounted to approximately \$45,000,000 at December 31, 1973, and \$40,000,000 at September 30, 1974.

THE MONTANA POWER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Concluded)

NOTE 7—SUPPLEMENTARY INCOME STATEMENT INFORMATION:

	12 Months Ended September 30, 1974	Year Ended December 31, 1973	1972	1971	1970	1969
	Thousands of Dollars					
Charged to costs and expenses:						
Maintenance and repairs	$ 5,632	$ 5,420	$ 4,672	$ 3,630	$ 3,552	$ 3,632
Depreciation and depletion	9,769	9,624	8,841	8,392	7,928	7,513
Amortization of costs deferred to future operating periods (Note 1)	1,155	1,155	635	277	41	—
Taxes, other than income taxes:						
Ad valorem	9,444	8,995	8,457	8,013	7,788	6,985
Federal and state social security	655	600	451	370	358	362
State license	2,047	2,004	1,290	1,991	1,788	1,238
Provision for deferred state corporation license—Kerr Project	(68)	(68)	648	—	—	—
State electric gross proceeds	885	851	684	674	625	548
State gas distribution	256	260	266	253	258	248
Other	1,832	1,427	977	992	372	200
	$15,051	$14,069	$12,773	$12,293	$11,189	$ 9,581
Rents(a)	$ 3,551	$ 3,197	$ 2,990	$ 2,078	$ 1,876	$ 1,396
Royalties	$ 2,371	$ 1,576	$ 1,503	$ 1,286	$ 802	$ 624
(a) Includes delay rentals of	$ 1,870	$ 1,439	$ 1,270	$ 988	$ 914	$ 635

( ) Denotes red figure.

UNDERWRITING

The Underwriters named below have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company the respective principal amounts of New Bonds set forth opposite their names:

Name	Principal Amount
Kidder, Peabody & Co. Incorporated	$ 2,700,000
Smith, Barney & Co. Incorporated	2,700,000
Halsey, Stuart & Co. Inc.	2,700,000
Blyth Eastman Dillon & Co. Incorporated	850,000
The First Boston Corporation	850,000
Drexel Burnham & Co. Incorporated	850,000
Goldman, Sachs & Co.	850,000
Hornblower & Weeks-Hemphill, Noyes Incorporated	850,000
E. F. Hutton & Company Inc.	850,000
Lehman Brothers Incorporated	850,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	850,000
Paine, Webber, Jackson & Curtis Incorporated	850,000
Salomon Brothers	850,000
White, Weld & Co. Incorporated	850,000
Dean Witter & Co. Incorporated	850,000
Bear, Stearns & Co.	850,000
L. F. Rothschild & Co.	850,000
Shields Model Roland Securities Incorporated	700,000
D. A. Davidson & Co. Incorporated	700,000
ABD Securities Corporation	525,000
American Securities Corporation	525,000
Dominick & Dominick, Incorporated	525,000
Moseley, Hallgarten & Estabrook Inc.	525,000
R. W. Pressprich & Co. Incorporated	525,000
SoGen-Swiss International Corporation	525,000
Stuart Brothers	525,000
Thomson & McKinnon Auchincloss Kohlmeyer Inc.	525,000
UBS-DB Corporation	525,000
Wood, Struthers & Winthrop Inc.	525,000
Bateman Eichler, Hill Richards Incorporated	325,000
William Blair & Company	325,000
Boettcher and Company	325,000
Bosworth, Sullivan and Company, Inc.	325,000
Dain, Kalman & Quail, Incorporated	325,000

Name	Principal Amount
First of Michigan Corporation	$ 325,000
First Mid America Inc	325,000
Piper, Jaffray & Hopwood Incorporated	325,000
Cunningham, Schmertz & Co., Inc.	150,000
Foster & Marshall Inc.	150,000
The Illinois Company Incorporated	150,000
Kirkpatrick, Pettis, Smith, Polian Inc.	150,000
Rodman & Renshaw, Inc.	150,000
Total	$30,000,000

The several Underwriters, through their Representatives, have advised the Company that the several Underwriters propose to make a public offering of the New Bonds initially at the price to the public set forth on the cover page of this Prospectus. Any such offering and sale will be for delivery when, as and if issued and accepted by the Underwriters and subject to the right of the Underwriters to withdraw, cancel or modify the offering and to reject orders in whole or in part. On any such offering made through dealers, the Underwriters may allow a concession of not in excess of .450% of the principal amount of the New Bonds, of which not in excess of .250% of such principal amount may be reallowed to certain other dealers. After the initial public offering, the price to the public, the concession and the reallowance may be changed.

The Underwriters are committed to take and pay for all of the New Bonds if any are taken. Under certain conditions involving defaults by one or more Underwriters, the remaining Underwriters have the right, but are not obligated, to take up and pay for the New Bonds which the defaulting Underwriter or Underwriters failed to purchase or to substitute another underwriter or underwriters satisfactory to the Company. If the remaining Underwriters do not take up and pay for all the New Bonds agreed to be purchased by the defaulting Underwriter or Underwriters or substitute another underwriter or underwriters, the Company may substitute another underwriter or underwriters satisfactory to the Representatives.

The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

PROSPECTUS

$25,000,000

The Washington Water Power Company

First Mortgage Bonds, 9⅜% Series due 2005

Interest payable February 1 and August 1

Due February 1, 2005

The New Bonds are not refundable out of certain monies prior to February 1, 1985, except under certain circumstances. Otherwise, they are redeemable at any time at the option of the Company at declining redemption prices. The New Bonds will be issuable only in fully registered form and will be transferable without service charge. See "Description of New Bonds" herein.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Company(1)(3)
Per Bond	101.250%	.875%	100.375%
Total	$25,312,500	$218,750	$25,093,750

(1) Plus accrued interest from February 1, 1975 to the date of payment and delivery.

(2) The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

(3) Before deduction of expenses of the Company estimated at $115,000.

The New Bonds are offered by the several Underwriters when, as and if issued by the Company and accepted by the Underwriters and subject to their right to reject orders in whole or in part. It is expected that the New Bonds will be available for delivery at the office of Kidder, Peabody & Co. Incorporated, 10 Hanover Square, New York, New York 10005, on or about February 20, 1975.

Kidder, Peabody & Co.
Incorporated

White, Weld & Co.
Incorporated

Dean Witter & Co.
Incorporated

The date of this Prospectus is February 11, 1975

No dealer, salesman, or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer described herein; and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any Underwriter. This Prospectus does not constitute an offering by any Underwriter in any jurisdiction to any person to whom it is unlawful for such Underwriter to make such offer in such jurisdiction.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the affairs of the Company since the date hereof.

This Prospectus, with appropriate changes, will be used by separate groups of underwriters for the offering of \$25,000,000 principal amount of First Mortgage Bonds, 9⅜% Series due 2005 (the "New Bonds"), and for the offering of 400,000 shares of Common Stock, no par value (the "New Common Stock"). The sale of one issue is not contingent upon the sale of the other.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NEW BONDS, THE NEW COMMON STOCK AND OUTSTANDING COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED WITH RESPECT TO SUCH BONDS IN THE OVER-THE-COUNTER MARKET OR OTHERWISE, AND WITH RESPECT TO SUCH STOCK ON THE NEW YORK, PACIFIC OR SPOKANE STOCK EXCHANGES, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SUMMARY INFORMATION

The following material is qualified in its entirety by the detailed information and financial statements (including notes thereto) appearing elsewhere in this Prospectus.

THE OFFERING (see cover page, pages 2 and 4)

Company	The Washington Water Power Company
Security being Offered	$25,000,000 First Mortgage Bonds due 2005
Expected Offering Date	February 11, 1975
Additional Securities being Offered	400,000 shares of Common Stock
Use of Proceeds	To prepay bank loans and to finance construction

THE COMPANY (see pages 3, 4, 11 and 12)

Business	Principally electric and gas utility
Service Area	Eastern Washington and northern Idaho
Service Area Population	Approximately 550,000
Operating Revenue Sources for 12 months ended October 31, 1974	Electric 68%, Gas 30%, Other 2%
Source of Electric Generation for System Load	Hydro, with minor exceptions
Recent Rate Increases	Electric, November 1974; Gas, December 1974 (See "Business—Rates and Regulation")

FINANCIAL INFORMATION (see pages 5, 7 and 8)

	12 Months Ended December 31, 1973	12 Months Ended October 31, 1974	
Selected Income Statement Data:			
Operating Revenues	$ 92,999,000	$108,955,000	
Net Income	$ 13,646,000	$ 14,424,000	
Earnings per Average Share of Common Stock	$2.04	$2.12	
Dividends per Share of Common Stock	$1.44	$1.47	
Ratio of Earnings to Fixed Charges	2.29	2.46	2.26*
Supplemental Ratio of Earnings to Fixed Charges	2.14	2.29	2.13*

	October 31, 1974 Actual	October 31, 1974 As Adjusted**	
Capital Structure:			
Long-term Debt	$257,492,000	$260,492,000	64%
Common Equity	137,418,000	144,818,000	36
Total	$394,910,000	$405,310,000	100%

*Pro forma ratios for the twelve months ended October 31, 1974.
**Gives effect to the sale of the New Bonds and New Common Stock.

GENERAL PROBLEMS OF THE UTILITY INDUSTRY

The Washington Water Power Company (the "Company") has been experiencing some of the problems common to the electric and natural gas industries including increased costs resulting from inflation, the high cost of capital and the need to comply with environmental requirements. However, since, with minor exceptions, its power supply is obtained from hydroelectric resources, the Company's cost of power for system load has not been materially affected by increased fuel costs. Also, the state utility commissions have permitted the Company promptly to pass on to customers the increased cost of its natural gas supply. While its cost problems have not been as serious as the problems of many other companies in the utility business, the Company may require additional rate relief from regulatory commissions in the near future to maintain its growth in earnings which is essential to obtaining capital for expansion of its facilities. The Company is subject to curtailment with respect to its source of Canadian gas supply as are other gas distributing companies in the Pacific Northwest. (See "Business—Rates and Regulation" and "Power and Gas Supply—Gas Supply".)

THE COMPANY

The Company was incorporated in 1889 under the laws of the State of Washington and has its principal offices at East 1411 Mission Avenue, Spokane, Washington 99202. Its telephone number is 509-489-0500. The Company is primarily engaged in the generation, purchase, transmission, distribution and sale of electric energy and the purchase, distribution and sale of natural gas. To a minor extent, steam heating and water services are also provided.

USE OF PROCEEDS

The net proceeds from the sale of the New Bonds and New Common Stock, aggregating approximately $32,500,000, will be used to prepay $27,000,000 of unsecured promissory notes due December 1, 1975, expected to be outstanding at the time of closing under the Company's existing line of credit with certain Washington and Idaho commercial banks, with the remainder of such net proceeds to be used to carry forward the Company's construction program outlined below. The proceeds of the borrowings due December 1, 1975 were used to prepay $18,000,000 of notes due November 1, 1974, with the balance used for construction purposes. (See Note 2 to Financial Statements.)

CONSTRUCTION PROGRAM

The Company estimates its construction program for 1975 will be approximately $29,265,000 consisting of:

Colstrip Coal-fired Steam Electric Generating Project (Company's 15% ownership share of Units 3 and 4)	$ 3,283,000
Skagit Nuclear Project (Company's 5% ownership share of Units 1 and 2)	1,710,000
Washington Public Power Supply System Nuclear Unit No. 3 (Company's 5% ownership share)	867,000
Other Electric Generating Plant	2,364,000
Electric Transmission Plant	7,246,000
Electric Distribution Plant	8,233,000
Natural Gas Utility Plant	2,699,000
Other Utility Plant	1,063,000
Miscellaneous and General Plant	1,800,000
Total	$29,265,000

In addition to internally generated funds from retained earnings and depreciation and amortization, the Company in 1975 expects to issue unsecured promissory notes under its existing line of credit with the banks at various times and in various amounts not presently determinable, to finance the construction program outlined above. (See "Property" and "Power and Gas Supply".)

CAPITAL SECURITIES

	Amount Authorized	Outstanding: As of October 31, 1974	Outstanding: Adjusted for Financing
LONG-TERM DEBT:			
First Mortgage Bonds:	$500,000,000(1)		
3¾% Series due 1982		$ 20,370,000	$ 20,370,000
4⅞% Series due 1987		30,000,000	30,000,000
4⅛% Series due 1988		20,000,000	20,000,000
4⅜% Series due 1988		15,000,000	15,000,000
4¾% Series due 1989		15,000,000	15,000,000
4⅝% Series due 1994		30,000,000	30,000,000
4⅝% Series due 1995		10,000,000	10,000,000
6 % Series due 1996		20,000,000	20,000,000
9¼% Series due 2000		20,000,000	20,000,000
7⅞% Series due 2003		20,000,000	20,000,000
New Bonds		—	25,000,000
Sinking Fund Debentures(2):			
4¼% due 1978	$ 8,092,000	8,092,000	8,092,000
4½% due 1983	6,930,000	6,930,000	6,930,000
4¾% due 1990	5,100,000	5,100,000	5,100,000
8⅜% due 1991	15,000,000	15,000,000	15,000,000
Notes Payable—Banks:			
Due December 1, 1975(3)	$ 35,000,000	22,000,000	(4)
Total Long-Term Debt		$257,492,000	$260,492,000
COMMON STOCK, NO PAR VALUE	10,000,000 shs.	6,812,051 shs.	7,212,051 shs.(5)

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(1) Issuance limited by property, earnings, and other provisions of the Mortgage.

(2) Exclusive of $488,000 currently to be retired through sinking fund operations; the debenture agreements contain provisions which, under certain conditions, could restrict the issuance of unsecured long-term indebtedness.

(3) These notes bear interest at a rate equivalent to the prime commercial loan rate prevailing from time to time, which was 9¼% as of February 10, 1975.

(4) A portion of the net proceeds of the New Bonds and New Common Stock will be used to prepay outstanding notes due December 1, 1975 which are expected to be $27,000,000.

(5) Exclusive of any shares issuable under the Employees' Stock Purchase Plan referred to under "Management".

DIVIDENDS AND PRICE RANGE

The Company has paid dividends without interruption on outstanding shares of its Common Stock since 1899 and has increased the total dividend for each of the past twelve years. On December 13, 1974 the dividend was raised to its present rate of 38 cents per share (equivalent to an annualized rate of $1.52). Dividends paid and the high and low prices of the Company's Common Stock on the New York Stock Exchange for the periods indicated were as follows:

	Dividends Per Share	Price Range High	Price Range Low
1970	$1.32	$22	$17⅜
1971	1.36	24	20⅛
1972 1st Quarter	0.34	23½	21
2nd Quarter	0.35	22⅝	21¼
3rd Quarter	0.35	22¼	21
4th Quarter	0.35	23⅛	21⅛
1973 1st Quarter	0.36	22¾	20½
2nd Quarter	0.36	21½	20½
3rd Quarter	0.36	21⅜	18⅝
4th Quarter	0.36	20½	17¾
1974 1st Quarter	0.37	21	19
2nd Quarter	0.37	20⅝	17½
3rd Quarter	0.37	18	15¾
4th Quarter	0.38	17⅝	15¾
1975 1st Quarter (through February 10, 1975)	—	19¾	16½

The last reported sale price on the New York Stock Exchange on February 10, 1975, was $19.50 per share.

A quarterly dividend of 38 cents per share on the Common Stock was declared on February 10, 1975 payable March 13, 1975 to holders of record on February 27, 1975. This dividend will be paid on the New Common Stock.

It is the intention of the Board of Directors to continue to pay dividends quarterly on the Common Stock, but such dividends are dependent on future earnings, financial position of the Company and other factors.

STATEMENT OF INCOME

The following statement of income for the years 1969 to 1973, inclusive, has been examined by Haskins & Sells, independent certified public accountants, whose opinion with respect thereto appears elsewhere in this Prospectus. The statement for the twelve months ended October 31, 1974 has not been audited but in the opinion of the Company includes all adjustments, comprising only normal recurring accruals, necessary for a fair statement of the results of operations. This statement should be considered in conjunction with the other financial statements and related notes appearing elsewhere in this Prospectus.

	Years Ended December 31,					12 Months Ended 10-31-74 (Unaudited)
	1969	1970	1971	1972	1973	
	(Thousands of Dollars)					
Operating Revenues:						
Electric	$ 48,849	$ 50,665	$ 52,578	$ 55,618	$ 65,167	$ 74,745
Gas	18,939	20,161	23,033	25,808	26,424	32,399
Steam Heating	770	821	953	957	859	1,154
Water	434	446	423	471	549	657
Total operating revenues	68,992	72,093	76,987	82,854	92,999	108,955
Operating Revenue Deductions:						
Operating Expenses:						
Power purchased and net interchange	6,526	6,704	6,230	7,410	8,900	9,650
Gas purchased	9,878	10,550	12,180	14,944	15,280	20,691
Other production, transmission and distribution	4,174	4,448	4,871	5,0[illegible]4	9,012	10,838
Customers' accounting and sales promotion	2,869	3,084	3,368	3,585	3,252	3,512
Administrative and general	4,533	4,937	5,075	5,755	5,805	6,013
Maintenance and repairs	2,494	2,581	3,172	3,287	3,650	4,557
Total operating expenses	30,474	32,304	34,896	40,075	45,899	55,261
Depreciation(1)	5,199	5,566	6,320	6,445	7,779	8,287
Taxes—other than income	7,091	7,406	7,917	8,385	9,350	9,922
Federal income tax(2)	[illegible]	5,715	5,437	4,910	4,546	6,812
State income tax	196	197	201	205	185	532
Total operating revenue deductions	49,308	51,188	54,771	60,020	67,759	80,814
Net Operating Revenues	19,684	20,905	22,216	22,834	25,240	28,141
Other Income (Deductions):						
Equity in earnings (losses) of subsidiary companies(1)					576	(346)
Interest and dividend income	226	904	291	290	381	312
Allowance for funds used during construction(3)	403	921	1,471	2,049	466	652
Loss on disposition of property				(497)		
Amortization of utility plant acquisition adjustments	(210)	(205)	(439)	(146)		
Other—net	(261)	(463)	(142)	(151)	(265)	(131)
Total other income (deductions)	158	1,157	1,181	1,545	1,158	487
Income before Interest Charges	19,842	22,062	23,397	24,379	26,398	28,628
Interest Charges:						
Interest on long-term debt	9,751	11,300	11,634	12,075	13,125	14,531
Amortization of debt discount, premium and expense—net	57	62	75	74	71	72
Other interest	25	32	158	7	98	143
Total interest charges	9,833	11,394	11,[illegible]67	12,156	13,294	14,746
Income before the Following Item	10,009	10,668	11,530	12,223	13,104	13,882
Transfer from Accumulated Amount Invested in the Business Equivalent to Reductions in Federal Income Taxes Resulting from Accelerated Amortization(2)	542	542	542	542	542	542
Net Income Available for Dividends and Other Corporate Purposes	$ 10,551	$ 11,210	$ 12,072	$ 12,765	$ 13,646	$ 14,424
Earnings Per Share (Based on Weighted Average Shares Outstanding)	$1.76	$1.80	$1.88	$1.96	$2.04	$2.12
Shares Outstanding (Weighted Average)	5,986,963	6,228,653	6,423,408	6,499,117	6,678,810	6,791,054
Earnings Per Share (Based on Number of Shares Outstanding at End of Year)	$1.70	$1.80	$1.86	$1.96	$2.02	$2.12
Shares Outstanding (At End of Year)	6,224,195	6,232,503	6,487,004	6,504,810	6,769,535	6,812,051
Dividends Per Share	$1.28	$1.32	$1.36	$1.39	$1.44	$1.47
Ratio of Earnings to Fixed Charges(4)	2.67	2.45	2.44	2.42	2.29	2.46
Supplemental Ratio of Earnings to Fixed Charges(4)	2.41	2.26	2.27	2.25	2.14	2.29

(1) For the Company's practice in computing provision for depreciation and in accounting for earnings of subsidiary companies, see Note 1 to Financial Statements.

(2) Federal income taxes charged to operating expenses were computed in accordance with requirements of regulatory authorities having jurisdiction over the Company's rates. See Note 1 to Financial Statements. A reconciliation of Federal income taxes derived from statutory tax rates applied to income for accounting purposes and such taxes charged to operating expense is shown as follows:

	Years Ended December 31,					12 Months Ended 10-31-74
	1969	1970	1971	1972	1973	(Unaudited)
	(Thousands of Dollars)					
Tax expense derived from income for accounting purposes	$ 8,637	$ 8,055	$ 8,068	$ 8,222	$ 8,390	$ 9,984
(Reductions) and additions in taxes from:						
Additional tax depreciation	(1,956)	(1,825)	(1,518)	(1,803)	(2,394)	(2,315)
Other timing differences (principally the allowance for funds used during construction and taxes and expenses capitalized)	(243)	(307)	(813)	(2,033)	(689)	50
Investment credit	(90)	(208)	(300)	(546)	(882)	(756)
Investment tax credit adjustment	—	—	—	1,070	121	(151)
Federal income tax charged to operating expenses	$ 6,348	$ 5,715	$ 5,437	$ 4,910	$ 4,546	$ 6,812

(3) Credits to income for allowance for funds used during construction ("AFDC") are primarily the result of construction related to the Company's one-third ownership in an underground gas storage project at Chehalis which was placed in service in 1970 and the Company's 15% ownership in the Centralia steam-electric generating plant which was placed in service December 31, 1972.

In accordance with the accounting practice described in Note 1 to the Financial Statements, a composite rate of 6% was used to charge AFDC to construction work in progress for jobs started prior to January 1, 1973, and 7½% for jobs started subsequent to that date. Determination of the components of the composite rate attributable to each source of funds used for construction is impracticable; however, on the assumption that the funds used for this purpose were provided from sources in the same ratio as the Company's capitalization ratio of 65% debt and 35% common equity, with AFDC attributable to debt being based upon embedded interest costs (before income tax effect), the portion of funds provided by common equity would amount to 2%, 3%, 5%, 7%, 2% and 2%, respectively, of net income available for dividends and other corporate purposes for the years ended December 31, 1969 through 1973 and the twelve months ended October 31, 1974, respectively.

(4) "Earnings" consist of "Net Income Available for Dividends and Other Corporate Purposes" plus "fixed charges" (interest, related amortization and interest portion of total rentals) and income taxes. The pro forma ratio of earnings to fixed charges for the 12 months ended October 31, 1974, adjusted to give effect to the annual interest requirements on long-term debt expected to be outstanding upon sale of the New Bonds (11% rate assumed) would be 2.26. A change of ⅛ of 1% in the interest rate of the New Bonds would result in a change of approximately .004 in this ratio.

The Company has calculated supplemental ratios of earnings to fixed charges. In this supplemental calculation "earnings" are defined as above and "fixed charges", in addition to items referred to above, includes the Company's allocable portion of interest included in the costs of power purchased from Washington public utility districts under long-term contracts (see "Power and Gas Supply"). Such allocable portion of interest expense relates only to those power purchases not subject to withdrawal under the contracts. The pro forma supplemental ratio for the twelve months ended October 31, 1974 would be 2.13. A change of 1/8 of 1% in the interest rate of the New Bonds would result in a change of approximately .004 in this ratio.

The annual interest requirements on the New Bonds will amount to $2,343,750.

Operating revenues and net income available for dividends and other corporate purposes for the twelve months ended December 31, 1974 were $110,098,000 and $14,351,000, respectively. Earnings per share (based on weighted average shares outstanding) were $2.11.

Management's Discussion and Analysis of the Statement of Income

The improvement in revenues for the periods ending subsequent to December 31, 1972 is attributable to increased electric sales for resale, increased natural gas rates to offset the increased cost of purchased natural gas and system growth. (See "Business—Rates and Regulation".) Inflationary factors and increase in purchased natural gas cost resulted in operating expenses for the twelve months ended October 31, 1974 increasing at a more rapid rate than operating revenues. Increased operating expenses in 1973 resulted primarily from placing the Centralia Steam Plant in service. Interest charges in 1974 increased due to increased interest rates on and higher levels of bank borrowings.

ELECTRIC OPERATING STATISTICS

	Years ended December 31,					12 Months Ended
	1969	1970	1971	1972	1973	10-31-74
Net System Resources (Millions of Kwh):						
Hydro generation (From Company's Stations)	3,545	3,436	3,511	3,740	3,014	3,802
Thermal generation (From Company's Stations)	—	—	—	—	768	559
Purchased power	2,476	2,604	2,959	3,403	3,176	3,956
Net interchange (credit)	(37)	126	(89)	(118)	397	144
Power generated and received	5,984	6,166	6,381	7,025	7,355	8,461
Deliveries outside system	1,303	1,294	1,247	1,569	1,798	2,805
Net System Resources	4,681	4,872	5,134	5,456	5,557	5,656
Net System Requirements (Millions of Kwh):						
Energy Sales:						
Residential	1,589	1,666	1,814	1,965	2,056	2,131
Commercial	939	999	1,076	1,132	1,144	1,150
Industrial	1,391	1,377	1,423	1,476	1,515	1,524
Public street and highway lighting	33	34	31	32	32	32
Total General Business	3,952	4,076	4,344	4,605	4,747	4,837
Public utilities and railroads	1,486	1,512	1,451	1,797	2,056	3,032
Total Energy Sold to Public	5,438	5,588	5,795	6,402	6,803	7,869
Sales outside system	(1,254)	(1,284)	(1,203)	(1,530)	(1,798)	(2,788)
Energy losses	497	568	542	584	552	575
Net System Requirements	4,681	4,872	5,134	5,456	5,557	5,656
Number of Electric Customers (Average for Period):						
Residential	142,806	146,616	151,640	157,205	162,328	165,894
Commercial	18,935	19,078	19,111	19,250	19,555	19,900
Industrial	1,212	1,278	1,267	1,306	1,425	1,381
Public street and highway lighting	361	360	262	264	250	249
Total General Business	163,314	167,332	172,280	178,025	183,558	187,424
Public utilities and railroads	10	12	14	12	13	15
Total Electric Customers	163,324	167,344	172,294	178,037	183,571	187,439
Electric Operating Revenues ($000):						
Residential	$20,448	$20,892	$21,874	$23,452	$24,564	$25,518
Commercial	12,930	13,549	14,381	15,050	15,482	15,893
Industrial	8,626	8,630	8,877	9,191	9,702	10,138
Public street and highway lighting	842	877	867	885	929	956
Total General Business	42,846	43,948	46,002	48,578	50,677	52,505
Public utilities and railroads	4,978	5,522	5,437	5,810	13,197	20,766
Total from Energy Sales	47,824	49,470	51,439	54,388	63,874	73,271
Miscellaneous revenues	1,025	1,195	1,139	1,230	1,293	1,474
Total Electric Revenues	$48,849	$50,665	$52,578	$55,618	$65,167	$74,745
Net Operating Revenues Before Income Taxes ($000)	$21,715	$22,174	$22,914	$23,585	$25,459	$31,280
Electric Residential Service Averages:						
Annual Use per Customer (Kwh)	11,129	11,361	11,960	12,499	12,667	12,844
Revenue per Kwh (in cents)	1.29¢	1.25¢	1.21¢	1.19¢	1.19¢	1.20¢
Annual Revenue per Customer	$143.19	$142.49	$144.25	$149.18	$151.32	$153.82

GAS OPERATING STATISTICS

	Years ended December 31,					12 Months Ended
	1969	1970	1971	1972	1973	10-31-74
Number of Gas Customers (Average for Period):						
Residential	43,016	47,550	51,670	55,540	58,968	61,356
Commercial	5,285	5,596	5,714	6,250	6,827	7,273
Industrial—firm	221	232	238	265	279	280
Industrial—interruptible	26	24	22	20	20	18
Total Gas Customers	48,548	53,402	57,644	62,675	66,094	68,927
Therm Sales (Thousands of Therms):						
Residential	64,524	68,652	77,875	83,934	81,632	82,126
Commercial	41,620	44,145	57,242	57,989	58,366	60,406
Industrial—firm	102,564	105,883	108,170	110,076	108,087	111,418
Industrial—interruptible	77,152	81,930	78,812	85,143	81,538	74,774
Total Gas Sales	285,860	300,610	322,099	337,142	329,623	328,724
Gas Operating Revenues ($000):						
Residential	$ 7,863	$ 8,447	$ 9,758	$11,013	$11,016	$12,431
Commercial	3,794	3,991	4,915	5,459	5,711	6,902
Industrial—firm	4,382	4,536	4,938	5,468	5,745	7,913
Industrial—interruptible	2,899	3,106	3,176	3,646	3,762	4,919
Total from Therm Sales	18,938	20,080	22,787	25,586	26,234	32,165
Miscellaneous revenues	1	81	246	222	190	234
Total Gas Revenues	$18,939	$20,161	$23,033	$25,808	$26,424	$32,399
Net Operating Revenues Before Income Taxes ($000)	$ 4,459	$ 4,604	$ 4,888	$ 4,432	$ 4,600	$ 4,656
Gas Residential Service Averages:						
Annual Use per Customer (Therms)	1,500	1,444	1,507	1,511	1,384	1,339
Revenue per therm (in cents)	12.19¢	12.30¢	12.53¢	13.12¢	13.50¢	15.14¢
Annual Revenue per Customer	$182.79	$177.65	$188.85	$198.28	$186.82	$202.61

BUSINESS

General. The Company derives about 68% of its operating revenues from supplying electric service, 30% from supplying natural gas service, and the remaining 2% from supplying steam heat and water service.

Electric service is supplied to more than 190,000 customers in 93 communities in eastern Washington and northern Idaho. The Company has a service area of approximately 26,000 square miles with an estimated population of 550,000. The principal community in the area served is Spokane, Washington, with a metropolitan area population estimated at 290,000. The area served includes highly productive farm and timber lands, as well as the Coeur d'Alene mining district in Shoshone County, Idaho. The Company's historical peak load of 1,065,000 kw (supplied by Company generation and purchased power) occurred on January 9, 1974 between 6 and 7 P. M.

Natural gas service is supplied in Spokane and 32 other communities in eastern Washington and 24 communities in northern Idaho. Approximately 70,000 gas customers are served in these areas.

Water service is supplied in and around Clarkston, Washington and in areas immediately adjacent to Spokane, Washington including Clayton and Deer Lake as well as to three small systems in Kootenai County, Idaho. Steam heat service is supplied in the central portion of Spokane.

Rates and Regulation. The Company, as a public utility, is subject to regulation by the Washington Utilities and Transportation Commission ("WUTC"), the Idaho Public Utilities Commission ("IPUC") and the Montana Public Service Commission ("MPSC") with respect to rates, accounting, the issuance of securities and with respect to other matters pertaining to its electric, gas and water operations within their respective jurisdictions. WUTC does not have jurisdiction over the steam heating operations of the Company. The Company is both a "licensee" and a "public utility" as those terms are used in the Federal Power Act, and accordingly is subject to regulation as to certain matters by the Federal Power Commission ("FPC"). The Company is not a natural gas company under the Natural Gas Act.

The Company received FPC approval to increase its electric wholesale power rates in 1974. The new rates will generate approximately $355,000 additional revenue on an annual basis.

In November 1974 the Company increased electric rates as approved by WUTC and IPUC. These new rate schedules became effective with consumption on and after November 13, 1974 in Idaho, and with consumption on and after November 19, 1974 in Washington. These rates are expected to generate additional revenue of approximately $4,000,000 on an annual basis. In addition, WUTC ordered a 5% surcharge be added to commercial and industrial customers as a conservation measure. This surcharge will be in effect from November 19, 1974 until March 1, 1975, and is subject to possible refund if the surcharge does not result in conservation.

The Company received regulatory approval to adjust natural gas rates in Washington and Idaho in January, April and December 1974. The increased rates are intended to offset increases due to the increased cost of gas purchased from the Company's supplier, Northwest Pipeline Corporation.

The Company applied to and received approval from WUTC and IPUC for water rate increases which became effective November 12, 1973, and amounted to approximately $157,000 additional revenue on an annual basis. On January 27, 1975 the Company applied to WUTC for a water rate increase which would amount to approximately $197,000 additional revenue on an annual basis.

In March and December of 1974 the Company increased the rates for steam heating service. The March 1974 increase amounted to approximately $290,000 on an annual basis and the most recent increase, effective December 6, 1974, is intended to produce additional revenue of approximately $550,000 annually. These rate increases were primarily for wage and salary adjustments and increased costs of fuel.

For the twelve months ended October 31, 1974, average electric revenues per kilowatt-hour sold to residential, commercial and industrial customers were 1.20 cents, 1.38 cents and 6.65 mills, respectively. The Company's average residential revenue per kilowatt-hour is among the lowest of any investor-owned or government-owned utility in the nation, while the consumption of 12,814 kilowatt-hours per average residential customer during the same period ranks among the highest.

For the twelve months ended October 31, 1974, average gas revenue per therm was 10.73 cents under firm rates and 6.58 cents under interruptible rates available to a few large industrial or institutional customers. Average consumption per residential customer for this period was 1,339 therms.

Environmental Matters. The Company is subject to environmental regulation by federal, state and local authorities.

All of the Company's current construction projects, including its share of jointly owned generating plants have been designed to comply with all environmental laws presently applicable to them, and the costs of such compliance are included in the construction budgets for such projects. However, air quality standards adopted by the State of Montana have been disapproved by the Environmental Protection Agency. The Company cannot predict the effect on the Colstrip generating plant of future regulations adopted pursuant to the Clean Air Act. Delays resulting from opposition to construction of generating plants and major transmission lines have resulted in delay and may result in additional delay of the Colstrip Project in Montana. (See "Power and Gas Supply".)

Studies are being conducted by the Company in cooperation with the Washington State Department of Ecology to determine, subject to FPC approval, feasible methods of improving water quality in the Spokane River. The Idaho Department of Environmental Protection and Health and the Washington State Department of Ecology have adopted dissolved nitrogen standards for the waters of these states, but are making further studies of the effect on fish of dissolved nitrogen and possible remedies. It is not possible at this time to determine the effect, if any, of the foregoing on the operations of the Company's hydroelectric projects in these states or the measures, if any, that may be required to improve water quality of the rivers where these projects are located.

Other than the items set forth above, there are no known material expenditures which will be required of the Company for pollution control equipment under applicable environmental laws.

PROPERTY

General. The Company's electric properties are located in Washington, Idaho and Montana. The properties include hydroelectric generating plants with a present capability of 820,200 kw. The installed capacity (nameplate rating) totals 626,530 kw, of which 132,400 kw is in six plants located in Washington, 211,250 kw is in two plants located in Idaho, and 282,880 kw is in the Noxon Rapids plant located in western Montana. The Company also owns a 32,800 kw capability combustion turbine generating unit located at Othello, Washington, and has a 15% interest in the 1,400,000 kw Centralia (Washington) steam electric generating plant. The plant is jointly owned by the Company, three other investor-owned utilities and four public agencies.

As of December 31, 1973, the Company had 246 substations with a total installed capacity of 3,069,696 kva and 9,579 miles of electric transmission and distribution line. The transmission system consists of 536 miles of 230,000-volt line, 1,310 miles of 110,000-volt line, and 170 miles of 60,000-volt line. The Company has 7,563 miles of distribution lines.

The Company's natural gas properties consist of approximately 1,883 miles of gas distribution mains and a one-third ownership in an underground gas storage project near Chehalis, Washington. In 1974 the Company acquired Columbia Gas Company, a small natural gas distribution company, in a transaction recorded as a purchase. The acquisition resulted in an increase of $882,000 in net utility plant. The effect on operations during 1974 was not significant.

Steam heating properties owned by the Company include a central generating station and 48,400 feet of distribution mains.

Water properties owned by the Company include reservoirs, a filtration plant, 32 wells, and 239 miles of mains.

Additions and Retirements of Utility Property. For the 5-year period ended December 31, 1973, the Company made gross property additions to utility plant of approximately $115,283,000 and approximately $15,130,000 was retired from utility plant. Such gross additions amounted to approximately 26% of total utility plant at December 31, 1973.

Titles. In the opinion of its General Counsel the Company owns in fee all its principal plants and other important units of real property. Overflow rights for reservoirs as well as transmission and distribution lines are on property owned in fee, leased, or for which the Company has valid easements, licenses, permits or franchises. Some of the titles and rights of the Company are subject to minor defects and irregularities usually found in properties of like nature and magnitude which in the opinion of General Counsel for the Company do not impair the use of the property in the operation of the Company's business. The Company's steam heating distribution system occupies the streets and alleys of Spokane under the terms of a rental agreement of indefinite duration. Substantially all of the physical properties of the Company are subject to the lien of the Mortgage and Deed of Trust securing outstanding First Mortgage Bonds of the Company.

Properties Subject to Federal Licenses. Six of the Company's generating stations now in service are under major FPC licenses. The licenses are as follows:

Project	License Number	License Expires	Location	Nameplate Rating
Cabinet Gorge	2058	1-10-2001	Idaho	200,000 kw
Noxon Rapids(1)	2075	5-10-2005	Montana	282,880 kw
Spokane River(2)	2545	8- 1-2007	Washington	99,200 kw

(1) Application has been filed with the FPC requesting an order to permit the installation of the fifth generating unit at the Company's Noxon Rapids Hydroelectric Project located at Noxon, Montana. This additional unit, scheduled for completion in November 1977, will increase the Project's and the Company's net capability by 112,000 kw.

(2) Consists of 4 operating facilities: Long Lake, Nine Mile, Monroe Street and Upper Falls stations.

In addition to the above-mentioned projects, the Company operates two generating plants on the Spokane River (Little Falls and Post Falls, with nameplate ratings of 32,000 kw and 11,250 kw, respectively) under permits from the Federal government granted prior to enactment of the Federal Power Act. Questions have been raised as to certain Indian rights and as to the necessity of extending the Spokane River license to include these two plants. No determination has been made as to the necessity for licensing one or both of these plants. (See "Litigation".)

As a licensee under the Federal Power Act, the Company and its licensed projects are subject to the provisions of Part I of that Act, including provisions relating to payment for headwater benefits, condemnation of licensed projects upon payment of just compensation and take-over of such projects after the expiration of the license upon payment of the lesser of "net investment" or "fair value" of the project, in either case plus severance damages.

POWER AND GAS SUPPLY

Power Supply. The Company's hydroelectric generation, together with its portion of the output from the Centralia steam-electric project and long-term firm contracts for the purchase of power are, in the opinion of the Company, sufficient to supply the Company's estimated requirements, for both peak and energy, through the operating year 1977-1978 which ends June 30, 1978. To meet the expected increased requirements thereafter, the Company is developing additional sources of supply as discussed below.

The major portion of the Company's long-term contracts for the purchase of power are with Public Utility Districts ("PUDs") owning hydroelectric projects on the Columbia River and tributaries under which the Company purchases portions of the project output as set forth in the following tabulation.

Project Owner	Project	Approximate Purchase: % of Output	Approximate Purchase: Kilowatts	Expiration Date
PUD No. 1 of Chelan County	Chelan	100.0(a)	56,000	1995
PUD No. 1 of Chelan County	Rocky Reach	3.2(b)	41,000	2011
PUD No. 2 of Grant County	Priest Rapids	10.7(c)	96,000	2005
PUD No. 2 of Grant County	Wanapum	12.8(c)	117,000	2009
PUD No. 1 of Douglas County ...	Wells	5.6(d)	47,000	2018

(a) The Company purchases the project output and sells back to the PUD about 20% of the output to supply local service area requirements.

(b) Contract amount is reduced to 2.9% in July 1977 for the remainder of the contract.

(c) May be reduced in predetermined maximum amounts upon exercise of withdrawal by the PUD. The Company's minimum share of Priest Rapids is 6.1% and Wanapum is 8.2%. Notice of withdrawal has been received reducing the Company's share in each project by 0.4% in 1976; 1.6% in 1978 and 1.2% in 1979, so that as of September 1, 1979, the Company's share of Priest Rapids and Wanapum will be 7.3% and 9.6%, respectively.

(d) May be reduced by exercise of withdrawal by the PUD within certain limits, but not below 3.5%. Notice of withdrawal will reduce the Company's share by 0.1% in 1977 and 0.1% in 1979.

Under the power contracts with the PUDs, the Company pays a share of the expenses (including debt service charges) of the related projects, which share is based on the proportion of the project output to which the Company is entitled under the respective contracts.

The Company has several other significant long-term agreements for the purchase, sale, or exchange of power with other utilities or agencies consisting of:

(1) Agreement with Idaho Power Company for the exchange of summer capacity and energy on the Company's system and for winter capacity and energy on Idaho's system. This agreement continues indefinitely unless terminated by either party giving four years advance notice.

(2) Commencing in September 1966, the Company obtained firm power from the Bonneville Power Administration ("BPA") under a 30-year contract in exchange for the Company's 10% portion of the output of the Washington Public Power Supply System ("WPPSS") generation at the Hanford Atomic Works. The amount of power valued at BPA rate is equivalent to the Company's annual payments to WPPSS. On January 28, 1971, the Hanford reactor was shut down by Presidential order. Upon appeal, government representatives agreed to allow the Atomic Energy Commission ("AEC") to operate the reactor for power-only operation with the utilities' promise to pay AEC costs. In conjunction with this extension of the operation, the Company has agreed to pay 10% of the steam payment costs for 10% of the plant output which is in addition to that received for Hanford debt service payments. Three contracts have now been signed for extending Hanford operation through October 1977. An agreement for further extension of the nuclear power reactor operation is being negotiated.

Beginning in 1980 the Company will receive 80,000 kw power from BPA in exchange for the Company's share of WNP No. 1 nuclear project. WNP No. 1, a 1,250,000-kw plant, is being built by WPPSS to replace the loss of power when the Hanford reactor is finally shut down. BPA is required to deliver power to the Company under the exchange agreement, whether or not the project is completed and becomes operational.

(3) The Company receives 5% of Columbia Storage Power Exchange ("CSPE") power and pays 5% of CSPE's costs. The contract was made possible through ratification of a treaty between the United States and Canada by which Canada constructed three dams for 15,500,000 acre feet of storage on the upper Columbia River. The Company's share when recalled for its own use, commencing April 1976, will amount to 69,000 kw at 50% annual load factor. In conjunction with CSPE arrangements, the Company has purchased capacity from Bonneville which amounts to 54,000 kw commencing April 1977.

(4) Agreement with San Diego Gas & Electric Company for the exchange of surplus firm hydroelectric capacity and energy on the Company's system for surplus firm off-peak thermal energy on San Diego's system.

The Company, together with various other utilities and agencies in the Pacific Northwest, has entered into a long-term Coordination Agreement extending until 2003. This agreement provides for the coordinated operation of substantially all the power plants and reservoirs in the area. The Company is also a party to an Intercompany Pool Agreement with six other investor-owned utilities in Washington, Idaho, Montana, Utah and Oregon and an Interconnection Agreement with Idaho Power Company and Pacific Power & Light Company. Coordinated operation under these agreements has been responsible for firming up thousands of kilowatts of otherwise secondary power in the Northwest region.

Steam Electric Generation. The Company owns a 15% interest in the Centralia (Washington) 1,400,000 kw coal-fired steam electric generating station. Three other investor-owned utilities and four public agencies also have an ownership in this plant. The first 700,000 kw unit was placed in service in the fall of 1971 and the second unit in the summer of 1972. The plant has not been able to operate at full capacity and is presently certified for operation at 1,267,000 kw capacity. Studies are in progress to determine the modifications and costs necessary for operation at full rated capacity. The Company's share of the output is presently 190,000 kw and will be 210,000 kw when the plant is fully operational. The Company has assigned a portion of its share of the power to Central Valley Project (USBR) through 1981. Of its portion unassigned, the Company is using a small amount for its own load requirements and has made short-term arrangements for disposition of the remainder through 1977. Coal required to operate the plant is supplied from coal fields containing low sulphur coal owned jointly by Pacific Power & Light Company and Washington Irrigation & Development Company ("WIDCo"). WIDCo, a wholly owned subsidiary of the Company, is the manager of the mining operations. Current monthly contract requirements are 350,000 tons. At October 31, 1974, approximately 2,000,000 tons were stockpiled at the power plant.

The Company is participating in the planned development of two 700,000 kw coal-fired thermal units located at Colstrip, Montana. This project is jointly planned by Puget Sound Power & Light Company, The Montana Power Company, Portland General Electric Company and the Company. The Company's portion of these two units will be 15% and, if developed, will provide a future power source after 1979. An application for a permit to the Montana State Department of Natural Resources (the "Department") which must approve the project, is pending. A report released January 28, 1975 by the Department to the Board of Natural Resources and Conservation, which Board will make the administrative decision after formal hearings, recommended denial of the permit. Delays in the certification process have delayed the scheduled 1978 in-service date of the first unit. The Company is investigating other possible power sources to supply its load growth after July 1978. The effect on this project of proposed legislation, Federal and State, relating to strip mining cannot now be determined.

Nuclear Electric Generation. The Company has signed a letter of intent to own a 5% share in Puget Sound Power & Light Company's construction and operation of the Skagit Nuclear Project. The project will consist of two 1,290,000 kw units with the first unit scheduled for operation in 1982 and the second unit for 1984.

The Company is also engaged with other Northwest utilities in the development of a 1,250,000 kw nuclear project scheduled for service in September 1981. The project, designated WNP No. 3, will be sponsored by WPPSS and the Company will own 5% of the project and will be entitled to 5% of the power output.

Other Power Supply Activities. The Company is also a participant in Pacific Northwest Power Company, which is seeking a license from the FPC to build a hydro-electric project on the Snake River in Idaho. The future status of this development is subject to the U. S. Congress and final review by the FPC. For this reason, the power which the Company may have an opportunity to acquire is not presently determinable.

Gas Supply. The Company is dependent upon Northwest Pipeline Corporation ("Northwest"), successor to El Paso Natural Gas Company's northwest division, as its sole source of supply. It has contracts with Northwest for two types of firm gas service and one type of interruptible service. The firm gas is purchased on a combined system basis and includes both pipeline and storage gas service. Pipeline firm gas supplied to the Company's distribution system is purchased under a service agreement which extends to October 31, 1986, and from year to year thereafter. The present rate is approximately 9.22¢/th at 100% load factor and 9.61¢/th at 75% load factor. This contract provides for a maximum peak demand of up to 1,279,065 therms per day. Northwest's gas supply is primarily from Canadian sources and secondarily from the Rocky Mountains and the San Juan Basin. Approximately 70% of Northwest's gas supply is imported from Canada under both FPC and Canadian National Energy Board regulations. Gas imported from British Columbia constitutes a major portion of the gas imported from Canada. The Premier of British Columbia has recently announced his intention of seeking substantial increases in the price of gas from British Columbia. If such price increases materialize, they would result in increased costs to the Company of purchased gas. (See "Business — Rates and Regulation".)

The Company, Northwest and Washington Natural Gas Company each own a one-third undivided interest in an underground gas storage field located near Chehalis, Washington. This project, known as the Jackson Prairie Storage Project, became operational on November 1, 1970, and now has a peak day deliverability of 240,000 mcf per day and a total storage capacity of 21.3 billion cubic feet. Plans are under way to increase the deliverability of this Storage Project to 300,000 mcf per day. Additional annual increases in storage capacity are anticipated until the estimated 34 billion cubic feet of ultimate storage capacity is achieved.

A reduction in supply to Northwest from British Columbia has resulted in a peak day short-fall in supply during the current period. The Company has been advised that approximately one-half of such short-fall is due to mechanical problems expected to be of short-term duration and that the remainder of the short-fall is due to production problems expected to be of longer duration. Northwest has experienced a 30% peak day deficiency on their system during the 1974-75 winter due to the short-fall. However, because of the availability of one-third of the Jackson Prairie Storage Project capacity, the Company has met and expects to meet its firm load requirements, and the Canadian supply deficiency is resulting only in some additional curtailment of interruptible customers over that normally experienced by such customers.

Northwest has received FPC approval to construct and operate a centrally located liquefied natural gas plant in the Pacific Northwest. The plant, which is now under construction, is expected to be in service by November 1976, and will have an initial peak day deliverability of 150,000 mcf and a storage capacity of the equivalent of 1.2 billion cubic feet of natural gas of which the Company's share will be approximately 14%.

The increases in the Jackson Prairie Storage Project deliverability and capacity and the construction by Northwest of the liquefied natural gas plant together with the Company's gas supply contracts with Northwest will, in the opinion of the Company, provide the Company with an adequate gas supply to meet its anticipated firm requirements through the winter of 1978-79 if the shortage of supply in British Columbia is remedied, of which there can be no assurance. The Company is investigating additional resources to supplement future gas supply.

COMPETITION AND PUBLIC OWNERSHIP ACTIVITIES

The Company is not in direct competition with any investor-owned public utility in its service area. In some minor instances, however, the Company is in competition in fringe areas with certain rural electric cooperatives whose operations have not materially affected or threatened to affect the Company's business.

Since the adoption in 1930 of the District Power Act of the State of Washington, PUDs have had the power by statute to acquire electric utility properties within their respective districts by construction or by purchase or condemnation of existing facilities. However, an amendment to the Act requires the PUDs to obtain a favorable vote of the voters in the district before condemnation of properties in that district. PUDs presently exist in three counties within the territory being served by the Company, namely, Stevens, Lincoln and Ferry Counties, and in a small rural area in Spokane County. Existence of these districts has not materially affected the Company's business.

There is no statute permitting the formation or operation of PUDs in Idaho or Montana.

The Company's gas rates are competitive with coal and oil, the other principal fuels in the area. There is also some competition between gas and electricity. In areas where both services are furnished by the Company, it sells the respective services on the basis of customer preference.

DESCRIPTION OF NEW BONDS

General. The New Bonds are to be issued under the Company's Mortgage and Deed of Trust, dated as of June 1, 1939, as supplemented (the "Mortgage"), of which First National City Bank is Trustee. The statements herein concerning the New Bonds and the Mortgage are merely summaries and do not purport to be complete. They make use of terms defined in the Mortgage and are qualified in their entirety by express reference to the cited Sections and Articles of the Mortgage. Sections 125 to 150 of the Mortgage appear in the First Supplemental Indenture.

Interest and Payment. The New Bonds will mature February 1, 2005 and will bear interest from February 1, 1975 at the rate shown in their title, payable semi-annually on February 1 and August 1 of each year, commencing August 1, 1975. Principal and interest are payable at First National City Bank in New York, N. Y. The New Bonds will be issuable only in fully registered form in denominations of $1,000 and multiples thereof.

Redemption and Purchase of Bonds. The New Bonds will be redeemable, in whole or in part, on 30 days' notice (a) at the following special redemption prices with cash deposited for the current improvement fund or under the maintenance and replacement provisions or with the proceeds of certain property sold by the Company or released from the Mortgage, and (b) at the following general redemption prices for all other redemptions:

If redeemed during the twelve months period ending January 31,

Year	General Redemption Price (%)	Special Redemption Price (%)	Year	General Redemption Price (%)	Special Redemption Price (%)	Year	General Redemption Price (%)	Special Redemption Price (%)
1976	110.63	101.25	1986	106.97	101.12	1996	103.30	100.80
1977	110.26	101.25	1987	106.60	101.10	1997	102.94	100.75
1978	109.90	101.24	1988	106.23	101.08	1998	102.57	100.69
1979	109.53	101.23	1989	105.87	101.06	1999	102.20	100.63
1980	109.16	101.22	1990	105.50	101.03	2000	101.84	100.57
1981	108.80	101.20	1991	105.13	101.00	2001	101.47	100.49
1982	108.43	101.19	1992	104.77	100.97	2002	101.10	100.41
1983	108.07	101.18	1993	104.40	100.93	2003	100.74	100.32
1984	107.70	101.16	1994	104.04	100.89	2004	100.37	100.23
1985	107.33	101.14	1995	103.67	100.85	2005	100.00	100.00

in each case together with accrued interest to the date fixed for redemption; provided that no New Bonds shall be redeemable at the general redemption prices prior to February 1, 1985 with borrowed funds or in anticipation of funds to be borrowed having an interest cost (calculated in accordance with acceptable financial practice) of less than 9.375% per annum.

If at the time the notice is given the redemption moneys are not on deposit with the Trustee, the redemption may be made subject to the deposit of the redemption moneys with the Trustee on or before the date fixed for redemption and such notice shall be of no effect unless such moneys are so received.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase (including the purchase from the Company) of Bonds of any series.

(Mortgage, Secs. 38, 39 and 64 and Art. X; Sixteenth Supplemental, Sec. 1.)

Improvement Fund. The annual Improvement Fund payments for each outstanding series, which will include the New Bonds, are 1% of the greatest amount of Bonds of such series at any one time outstanding prior to the beginning of the year in which such payment is due less certain Bonds theretofore retired and certain Bonds the right to issue which shall have been waived. This requirement may be satisfied (a) in cash or principal amount of Bonds of such series or (b) by credit for the amount of Bonds that might otherwise be issued on the basis of either property additions or of Bonds or prior lien bonds theretofore retired. The requirement for any year may be anticipated, but if the date fixed for any resulting redemption shall be prior to the calendar year in which such improvement fund payment is due, redemption shall be at the general redemption price and subject to the limitation on such redemption set forth under "Redemption and Purchase of Bonds".

The Company has reserved the right to amend the Mortgage (without any consent or other action of any series of Bonds created subsequent to March 31, 1970, including the New Bonds) to eliminate the improvement fund payments with respect to Bonds created subsequent to that date, including the New Bonds.

(Mortgage, Sec. 39, Tenth Supplemental, Sec. 3; Fourteenth Supplemental, Sec. 5.)

Maintenance and Retirement of Property. Subject to the orders and regulations of any regulatory authority having jurisdiction, the Company is required for each calendar year to expend or accrue for maintenance or to appropriate for property retirement or for property amortization 13½% of the gross operating revenues of the Company, as defined. Excess amounts in any year may be credited against the five succeeding years' requirements. (Mortgage, Sec. 38.)

Special Provisions for Retirement of Bonds. If, during any 12 months period, property disposed of by order of or to any governmental authority results in the Company receiving $15,000,000 or more in cash, the Company must apply such proceeds (subject to certain conditions and deductions) to the retirement of Bonds. The New Bonds are redeemable at the Special Redemption Prices for this purpose. (Mortgage, Sec. 64; Tenth Supplemental, Sec. 4.)

Security. The New Bonds, together with all other Bonds now or hereafter issued under the Mortgage, will be secured by the Mortgage, which constitutes, in the opinion of General Counsel, a first mortgage lien on all of the present properties of the Company (except as stated below), subject to (a) leases of minor portions of the Company's property to others for uses which, in the opinion of General Counsel, do not interfere with the Company's business, (b) leases of certain property of the Company not used in its utility business, (c) excepted encumbrances, as defined in the Mortgage, and (d) encumbrances, defects and irregularities deemed immaterial by General Counsel in the operation of the Company's business. There are excepted from the lien all cash and securities; merchandise, equipment, materials or supplies held for sale or consumption in the Company's operations; receivables, contracts, leases and operating agreements; electric energy, and other material or products (including gas) generated, manufactured, produced or purchased by the Company, for sale, distribution or use in the ordinary course of its business.

The Mortgage contains provisions for subjecting after-acquired property (subject to pre-existing liens) to the lien thereof, subject to limitations in the case of consolidation, merger or sale of substantially all of the Company's assets. (Mortgage, Art. XV.)

The Mortgage provides that the Trustee shall have a lien upon the mortgaged property, prior to the Bonds, for the payment of its reasonable compensation and expenses and for indemnity. (Mortgage, Secs. 92 and 97.)

Dividend Covenant. So long as any New Bonds are outstanding, dividends or distributions on the Company's common stock, other than dividends payable solely in shares of its common stock, are limited to net income applicable to common stock since July 1, 1957, plus $6,000,000, and plus an amount equal to the proceeds from the sale of common stock subsequent to July 1, 1957. (Sixteenth Supplemental, Sec. 2.)

Issuance of Additional Bonds. $500,000,000 principal amount of Bonds is the present maximum amount which may be outstanding under the Mortgage. However, the Company has reserved the right to amend the Mortgage (without any consent or other action of any series of Bonds created subsequent to February 28, 1965, including the New Bonds) to remove this limitation.

Bonds of any series may be issued from time to time on the basis of: (1) 60% of cost or fair value of property additions (whichever is less) after adjustments to offset retirements; (2) retirement of Bonds or prior lien bonds; and (3) deposit of cash. With certain exceptions in the case of (2) above, the issuance of Bonds is subject to net earnings for 12 out of the preceding 15 months before income taxes being at least twice the annual interest requirements on all Bonds at the time outstanding, including the additional issue, and on all indebtedness of prior rank. Such net earnings are computed after provision for maintenance, retirement and depreciation of property equal to 13½% of gross operating revenues of the Company for such period. It is expected that the New Bonds will be issued against unfunded property additions and that after the issuance thereof the unfunded property additions remaining will be approximately $34,000,000.

Property additions generally include electric or gas property acquired after May 31, 1939, but may not include property used principally for the production or gathering of natural gas.

The Company has reserved the right to amend the Mortgage (without any consent or other action of any series of Bonds created subsequent to March 31, 1970, including the New Bonds) to include water property and steam heat property as property additions.

No Bonds may be issued on the basis of property additions subject to prior liens, unless the prior lien bonds secured thereby have been qualified by being deducted from the Bonds otherwise issuable and do not exceed 50% of such property additions, and unless the Bonds then to be outstanding which have been issued against property subject to continuing prior liens and certain other items would not exceed 15% of the Bonds outstanding.

The amount of prior liens on mortgaged property acquired after the date of delivery of the Mortgage may be increased subsequent to the acquisition of such property provided that, if any property subject to such prior lien shall have been made the basis of any application under the Mortgage, all the additional obligations are deposited with the Trustee or the trustee or other holder of a prior lien.

(Mortgage, Secs . to 8, 20 to 30 and 46; First Supplemental, Sec. 3; Fifth Supplemental, Sec. 2; Eleventh Supplemental, Secs. 4 and 5; Twelfth Supplemental, Sec. 1; Fourteenth Supplemental, Sec. 4.)

Release and Substitution of Property. Property may be released upon the basis of (1) deposit of cash or, to a limited amount, purchase money mortgages, (2) property additions and (3) waiver of the right to issue Bonds. Cash may be withdrawn upon the bases stated in (2) and (3) above. When property released is not funded property, property additions used to effect the release may again, in certain cases, become available as credits under the Mortgage, and the waiver of the right to issue Bonds to effect the release may, in certain cases, cease to be effective as such a waiver. Similar provisions are in effect as to cash proceeds of such property. The Mortgage contains special provisions with respect to prior lien bonds pledged, and disposition of moneys received on pledged bonds secured by prior lien. (Mortgage, Secs. 5, 31, 32, 46 to 50, 59, 60, 61, 118 and 134.)

Modification. In general, the Mortgage, the rights and obligations of the Company and the rights of the Bondholders may be modified only with the consent of 75% of the Bonds, and, if less than all series of Bonds are affected, the consent also of 75% of the Bonds of each series affected. The Company has reserved the right to amend the Mortgage (without any consent or other action of any series of Bonds created subsequent to March 31, 1970, including the New Bonds) so as to change 75% in the foregoing sentence to 66⅔%. However, no modification of the terms of payment of principal or interest, and no modification affecting the lien or reducing the percentage required for modification, is effective against any Bondholder without his consent. The Company has the right to make certain specific amendments and amendments necessary from time to time to qualify the Mortgage under the Trust Indenture Act of 1939 as in force on the date of such amendments without the consent of Bondholders. (Mortgage Art. XVIII, Secs. 120 and 149; First Supplemental, Sec. 10; Fourteenth Supplemental, Sec. 3.)

Defaults and Notice Thereof. Defaults are: default in payment of principal; default for 60 days in payment of interest; default in payment of interest or principal of qualified prior lien bonds continued beyond grace period; certain events in bankruptcy, insolvency or reorganization; and default in complying with other covenants for 90 days after notice. The Trustee may withhold notice of default (except in payment of principal, interest or funds for retirement of Bonds) if it thinks it is in the interests of the bondholders. (Mortgage, Secs. 44, 65 and 135.)

In case of default, holders of a majority of the Bonds may declare the principal and interest due and payable. No holder of Bonds may enforce the lien of the Mortgage unless such holder shall have given the Trustee written notice of a default and unless the holders of 25% of the Bonds have requested the Trustee in writing to act and have offered the Trustee adequate security and indemnity and a reasonable opportunity to act. Holders of a majority of the Bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, or may direct the Trustee to take certain action. (Mortgage, Secs. 65, 68, 69, 79, 92 and 138(d) and Art. XXV.)

Evidence of Compliance with Mortgage Provisions. Compliance with Mortgage provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain major matters the accountant or engineer must be independent. Various certificates and other papers are required to be filed annually and upon the happening of certain events, including an annual certificate with reference to compliance with the terms of the Mortgage and absence of Defaults.

DESCRIPTION OF COMMON STOCK

The following is a brief description of certain of the rights and privileges attaching to the Common Stock, without nominal or par value, of the Company. For a complete description, reference is made to the Company's Restated Articles of Incorporation and to the laws of the State of Washington. The following summary, which does not purport to be complete, is qualified in its entirety by such reference.*

Holders of Common Stock of the Company are entitled to receive such dividends as may be lawfully declared from time to time by the Board of Directors of the Company.

Each holder of Common Stock is entitled to one vote for each share held by him, and to vote cumulatively for the election of directors.

In the event of any liquidation of the Company, the holders of Common Stock would be entitled to share ratably in all assets of the Company available for distribution to stockholders.

No holder of Common Stock has any pre-emptive rights, except that if the Company offers shares of its Common Stock or any securities convertible into shares of its Common Stock for money, other than by means of a public offering, the new shares or convertible securities must first be offered pro rata to the holders of the then outstanding Common Stock of the Company upon terms not less favorable to them than the terms upon which the new shares or convertible securities are to be sold to persons other than such stockholders. Such limited pre-emptive rights are not applicable, however, to the granting of options to purchase, or offerings for sale of, shares of the Common Stock of the Company to officers and employees of the Company or majority-owned subsidiaries of the Company.

The presently outstanding shares of Common Stock of the Company are fully paid and non-assessable and, upon issuance and sale as herein described, the shares of New Common Stock will be fully paid and non-assessable.

The Common Stock of the Company is listed on the New York, Pacific and Spokane Stock Exchanges.

The Transfer Agents for the Common Stock are First National City Bank, 111 Wall Street, New York, N. Y. 10015 and Office of the Company, P. O. Box 3727, Spokane, Washington 99220. The Registrars are Registrar and Transfer Company, 34 Exchange Place, Jersey City, N. J. 07302 and The Old National Bank of Washington, West 428 Riverside Avenue, Spokane, Washington 99201.

*The Articles of Incorporation presently authorize the Company to issue 10,000,000 shares of Common Stock. It is contemplated that at the annual meeting of stockholders scheduled for May 9, 1975 the stockholders will be requested to amend the Articles to increase this authorization to 20,000,000 shares of Common Stock and to authorize 10,000,000 shares of a new class of Preferred Stock.

MANAGEMENT

The names of the directors and executive officers of the Company are as follows:

Name (Age at October 31, 1974)	Position
*K. M. Robinson (79)	Chairman of the Board and Chief Executive Officer
*W. J. Satre (56)	President and Director
J. P. Buckley (50)	Vice President and Secretary
H. W. Harding (52)	Vice President
D. M. Oliason (44)	Vice President
Wm. A. Lowry (59)	Vice President
D. L. Olson (49)	Assistant Vice President
R. T. McLendon (50)	Assistant Vice President
J. M. Coombs (56)	Treasurer
Rodney G. Aller (58)	Director
*A. L. Barnes (69)	Director
Duane B. Hagadone (42)	Director
*Roy J. Johnson (63)	Director
*James B. McMonigle (69)	Director
James A. Poore, Jr. (58)	Director
Eugene Thompson (52)	Director

*Member of Executive Committee.

All executive officers have been actively employed by the Company either as an officer or employee during the past five years.

Remuneration of directors and officers during 1973 was as follows:

Name of Individual or Identity of Group	Capacities in Which Remuneration Was Received	Aggregate Direct Remuneration	Estimated Annual Benefits Upon Retirement
K. M. Robinson	Chairman of the Board and Chief Executive Officer	$ 95,100	$ 47,216
W. J. Satre	President and Director	68,433	35,008
All Directors and Officers as a Group	Directors and Officers	497,427	209,106

As of October 31, 1974, directors and officers as a group owned 26,9[illegible]5 shares of Common Stock of the Company.

The Company has in effect an Employees' Stock Purchase Plan which provides for the granting to all regular full-time employees of the Company, during such limited offering periods as may be specified from time to time by the Board of Directors, of the right to purchase a limited number of shares of the Company's Common Stock, with the privilege of paying for such shares on an installment basis through payroll deductions. This plan qualifies as an "Employee Stock Purchase Plan" as that term is defined in the Internal Revenue Code of 1954, as amended. At October 31, 1974, there were 6,183 shares remaining to be issued under an offering made to employees on July 2, 1973, at a price of $19.95, which price was 95% of the market price of the stock on the day the offering was made. An additional offering of 30,000 shares is contemplated in the near future.

For a recent market price of Common Stock of the Company, see "Dividends and Price Range".

LITIGATION

The Secretary of the Interior and the Spokane and Coeur d'Alene Tribes of Indians have petitioned the FPC to require the licensing of the Company's Little Falls and Post Falls power plants, and to require payments to the Indians for the occupancy of lands claimed to be Indian Reservation or former Indian Reservation lands. This matter is also referred to under "Property—Properties Subject to Federal Licenses". Except for the above matter, there are no material pending legal proceedings nor any such proceeding known to be contemplated to which the Company or any of its subsidiaries is a party or of which any of their property is the subject, other than ordinary routine litigation incidental to the kind of business conducted by the Company and its subsidiaries.

LEGAL OPINIONS

The validity of the New Bonds and of the New Common Stock will be passed upon for the Company by Messrs. Paine, Lowe, Coffin, Herman & O'Kelly, Spokane, Washington, General Counsel for the Company, and Messrs. Reid & Priest, 40 Wall Street, New York, N. Y., and for the Underwriters by Messrs. Sullivan & Cromwell, 48 Wall Street, New York, N. Y. However, all matters pertaining to the organization of the Company, titles to property, franchises, licenses and permits and all matters of Washington, Idaho and Montana law will be passed upon only by Messrs. Paine, Lowe, Coffin, Herman & O'Kelly.

EXPERTS

The balance sheet as of December 31, 1973 and the related statement of income for the five years then ended, and the statements of retained earnings and changes in financial position for the three years then ended included in this Prospectus have been examined by Haskins & Sells, independent certified public accountants, as stated in their opinion appearing herein and have been so included in reliance upon such opinion given upon the authority of that firm as experts in accounting and auditing.

The statements made as to matters of law and legal conclusions under "Dividends and Price Range", "Business—Rates and Regulation", "Property", "Power and Gas Supply", "Competition and Public Ownership Activities", "Description of New Bonds", "Description of Common Stock", "Management" and "Litigation" have been reviewed by Messrs. Paine, Lowe, Coffin, Herman & O'Kelly. The statements made as to matters of law and legal conclusions under "Description of New Bonds" and "Description of Common Stock" have been reviewed by Messrs. Reid & Priest. All of the foregoing are set forth herein in reliance upon the opinions of said firms, respectively, and in reliance upon their authority as experts.

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Washington Water Power Company:

We have examined the balance sheet of The Washington Water Power Company as of December 31, 1973 and the related statements of income for the five years then ended and of retained earnings and changes in financial position for the three years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned financial statements present fairly the financial position of the Company at December 31, 1973 and the results of its operations and changes in its financial position for the stated periods then ended, in conformity with generally accepted accounting principles applied, except for the change, with which we concur, in method of accounting for investments in subsidiary companies as described in Note 1 to Financial Statements, on a consistent basis.

HASKINS & SELLS

Seattle, Washington
January 24, 1974

THE WASHINGTON WATER POWER COMPANY

BALANCE SHEET

ASSETS

	December 31, 1973	October 31, 1974 (Unaudited)
	(Thousands of Dollars)	
Utility Plant (Notes 1 and 2):		
Electric	$367,278	$374,590
Gas	59,746	62,091
Steam Heating	3,501	3,545
Water	8,815	9,033
Construction work in progress	6,994	19,173
Total	446,334	468,432
Accumulated depreciation and amortization	80,325	86,954
Utility plant—net	366,009	381,478
Investments:		
Subsidiary companies—at equity (Note 1)	14,802	15,943
Other—at cost	1,171	1,725
Total investments	15,973	17,668
Current Assets:		
Cash in banks and working funds	522	730
Temporary cash investments		1,600
Receivables:		
Customers—net	8,422	6,865
Other	1,790	1,528
Materials and supplies—average cost	2,682	4,049
Other	246	527
Total current assets	13,662	15,299
Deferred Debits:		
Unamortized debt discount and expense (being amortized over lives of related debt)	1,286	1,349
Preliminary survey and investigation charges	873	922
Other	1,000	905
Total deferred debits	3,159	3,176
Total	$398,803	$417,621

See accompanying Notes to Financial Statements.

THE WASHINGTON WATER POWER COMPANY

BALANCE SHEET

LIABILITIES

	December 31, 1973	October 31, 1974 (Unaudited)
	(Thousands of Dollars)	
LONG-TERM DEBT (Note 2):		
First mortgage bonds	$200,370	$200,370
Sinking fund debentures (portion maturing after one year)	35,342	35,122
Notes payable—banks	12,000	22,000
Total long-term debt	247,712	257,492
CAPITAL STOCK:		
Common, no par; authorized 10,000,000 shares; outstanding, 1973, 6,769,535; 1974, 6,812,051 (Note 3)	110,795	111,662
RETAINED EARNINGS	16,984	21,329
ACCUMULATED AMOUNT INVESTED IN THE BUSINESS EQUIVALENT TO REDUCTIONS IN FEDERAL INCOME TAXES RESULTING FROM ACCELERATED AMORTIZATION (RECORDED AS RETAINED EARNINGS—RESTRICTED FOR FUTURE FEDERAL INCOME TAXES IN ACCOUNTS MAINTAINED PURSUANT TO STATE REGULATORY REQUIREMENTS) (Note 1)	4,879	4,427
CURRENT LIABILITIES:		
Currently maturing long-term debt	586	488
Accounts payable	2,816	3,952
Taxes accrued	6,207	8,305
Interest accrued	2,564	3,449
Other (includes $405,000 due subsidiaries in 1974)	1,310	1,767
Total current liabilities	13,483	17,961
DEFERRED CREDITS:		
Investment tax credits (Note 1)	1,192	953
Other	540	625
Total deferred credits	1,732	1,578
CONTRIBUTIONS IN AID OF CONSTRUCTION	3,218	3,172
COMMITMENTS (Note 5)		
Total	$398,803	$417,621

See accompanying Notes to Financial Statements.

THE WASHINGTON WATER POWER COMPANY

STATEMENT OF RETAINED EARNINGS

	Years Ended December 31, 1971	1972	1973	12 Months Ended 10-31-74 (Unaudited)
	(Thousands of Dollars)			
Balance at beginning of period	$25,922	$29,258	$12,987	$16,888
Add net income available for dividends and other corporate purposes	12,072	12,765	13,646	14,424
Total	37,994	42,023	26,633	31,312
Deduct:				
Cash dividends on Common Stock (per share 1971, $1.36; 1972, $1.39; 1973, $1.44; 12 months ended October 31, 1974, $1.47)	8,736	9,036	9,649	9,983
Transfer to Common Stock account (Note 3)	—	20,000	—	—
Balance at close of period	$29,258	$12,987	$16,984	$21,329

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Years Ended December 31, 1971	1972	1973	12 Months Ended 10-31-74 (Unaudited)
	(Thousands of Dollars)			
Source of Funds:				
From operations:				
Net income available for dividends and other corporate purposes	$12,072	$12,765	$13,646	$14,424
Depreciation and amortization	7,054	6,886	8,046	8,572
Investment tax credits deferred—net	—	1,070	121	(151)
Loss on disposition of property	—	497	—	—
Allowance for funds used during construction	(1,471)	(2,049)	(466)	(652)
Undistributed (earnings) losses of subsidiary companies	—	—	(576)	346
Less non-cash income transfer	(542)	(542)	(542)	(542)
Total from operations	17,113	18,627	20,229	21,997
From other sources:				
Sale of mortgage bonds and debentures	15,000	—	20,000	—
Sale of Common Stock	5,672	356	5,411	253
Stock issued in Columbia Gas Merger				660
Bank borrowings	8,000	18,000	18,000	34,000
Proceeds from sale of Lewiston Hydro Project	—	2,700	—	—
Refund of prior year Federal income taxes—net	—	1,034	—	—
Net change in other items	261	205	(573)	(884)
Total funds available	$46,046	$40,922	$63,067	$56,026
Application of Funds:				
Repayment of bank borrowings	$14,000	$11,000	$21,000	$18,000
Construction expenditures (net of allowance for funds used during construction)	22,803	21,366	24,466	25,559
Net utility plant acquired in Columbia Gas Merger	—	—	—	882
Cash dividends	8,736	9,036	9,649	9,983
Redemption of debentures	629	950	607	770
Investment in subsidiary companies	1,257	1,217	4,611	3,103
Increase (decrease) in other working capital components	(1,379)	(2,647)	2,734	(2,271)
Total funds applied	$46,046	$40,922	$63,067	$56,026

See accompanying Notes to Financial Statements.

THE WASHINGTON WATER POWER COMPANY

NOTES TO FINANCIAL STATEMENTS

Information as of October 31, 1974 and for the Twelve Months Then Ended is Unaudited

1. Summary of Significant Accounting Policies:

System of Accounts

The accounting records of the Company are maintained in accordance with the uniform system of accounts prescribed by the Federal Power Commission ("FPC") and adopted by the appropriate state regulatory commissions.

Utility Plant

The cost of additions to utility plant constructed by the Company, including an allowance for funds used during construction and replacements of units of property and betterments, is capitalized. Maintenance and repairs of property and replacements determined to be less than units of property are charged to operating expenses. Costs of depreciable units of property retired plus costs of removal less salvage are charged to accumulated depreciation. Upon sale or disposition of property other than through normal retirement, the difference, if material, between the proceeds realized and the cost less the estimated portion of the reserve for depreciation applicable thereto is recorded in income accounts.

Allowance for Funds Used During Construction

In accordance with the uniform system of accounts prescribed by regulatory authorities, an allowance for funds used during construction ("AFDC") is included in construction work in progress and credited to income using a composite rate, applied to construction work in progress, which assumes that funds used for construction were provided by debt and common equity. This accounting practice results in the inclusion in construction work in progress of AFDC which will ultimately be included in rate base in establishing rates for utility charges.

Depreciation

Depreciation provisions are computed by a method of depreciation accounting utilizing unit rates for electric hydro production plants and composite rates for other properties. Such rates are designed to provide for retirements of properties at the expiration of their service lives. The rates include annuity and interest components, in which the interest component for electric hydro production plant is six per cent and for other property is zero per cent. Depreciation of transportation equipment is provided on the basis of miles or hours of operation.

The ratios of provisions for depreciation to average depreciable property were as follows: 1971, 1.82%; 1972, 1.78%; 1973, 1.89%.

Subsidiaries

In compliance with an order of the FPC effective January 1, 1973, the Company changed from the "Cost" to the "Equity" method of accounting for investments in subsidiary companies. As a result of such treatment the Company recognized subsidiary income of $576,000 ($.09 a share) in 1973. The effect on net income of prior years is not material and it has not been restated.

THE WASHINGTON WATER POWER COMPANY

NOTES TO FINANCIAL STATEMENTS—(Continued)

Retirement Plan

The Company has a Trusteed Retirement Plan covering its regular full-time employees. Pension costs are computed on the basis of accepted actuarial methods and include current service costs and amortization of prior service costs over 15 years. The costs of the plan are borne by the Company; total pension costs were: 1971, $1,038,000; 1972, $1,013,000; 1973, $856,000; and twelve months ended October 31, 1974, $936,000. The Company's policy is to fund pension cost accrued.

Income Taxes

Provisions for income taxes are based generally on income and expense as reported for financial statement purposes adjusted principally for the allowance for funds used during construction, taxes capitalized and the excess of tax depreciation (computed primarily on accelerated methods) over book depreciation. In accordance with requirements of regulatory authorities having jurisdiction over rates, the Company's tax provisions reflect the current tax reductions arising from such timing differences.

Investment tax credits are accounted for on the "flow-through" method whereby credits on new production facilities are amortized over a five-year period and credits on other plant placed in service are credited to Federal income tax expense currently. Such treatment is in accordance with directives of regulatory authorities and resulted in a reduction of Federal income tax expense of: 1971, $300,000; 1972, $546,000; 1973, $882,000; and twelve month period ended October 31, 1974, $756,000.

The Company and its subsidiaries file consolidated Federal income tax returns. Subsidiaries are charged or credited with the tax effects of their operations and investment credits.

During a 60-month period ended February 1958, provisions for Federal income taxes gave effect to accelerated amortization, for tax purposes only, of 65% of the depreciable cost of the Cabinet Gorge Hydroelectric Project. Accounting for the resultant reductions in Federal income taxes was as prescribed by an order of the Washington Utilities and Transportation Commission. The order provided that during the 60-month period the reduction in taxes was to be segregated from net income and accumulated in an account entitled Retained Earnings-Restricted, and that the amount so accumulated be transferred ($542,040 annually) to retained earnings of the following 25-year period, during which period and continuing throughout the life of the property, Federal income taxes are expected to be greater than they would have been if accelerated amortization had not been claimed.

2. Long-Term Debt:

Long-term debt consists of the following (in thousands of dollars):

	December 31, 1973	October 31, 1974
First mortgage bonds:		
3¾% Series due 1982	$ 20,370	$ 20,370
4⅞% Series due 1987	30,000	30,000
4⅛% Series due 1988	20,000	20,000
4⅜% Series due 1988	15,000	15,000
4¾% Series due 1989	15,000	15,000
4⅝% Series due 1994	30,000	30,000
4⅝% Series due 1995	10,000	10,000
6 % Series due 1996	20,000	20,000
9¼% Series due 2000	20,000	20,000
7⅞% Series due 2003	20,000	20,000
Total	200,370	200,370
Sinking fund debentures (portion maturing after one year):		
4¼% due 1978	8,092	8,092
4½% due 1983	7,000	6,930
4¾% due 1990	5,250	5,100
8⅜% due 1991	15,000	15,000
Total	35,342	35,122
Notes payable—banks:		
Due November 1, 1974	12,000	—
Due December 1, 1975	—	22,000
Total long-term debt	$247,712	$257,492

The notes due December 1, 1975 were issued under the terms and conditions of a Credit Agreement dated June 25, 1974 extending a line of credit under which the Company can borrow from several banks a maximum principal amount of $35,000,000 at any one time outstanding; $18,000,000 of the borrowings thereunder were used to prepay notes which were due November 1, 1974. Pursuant to the terms and conditions of the Agreement, these notes bear interest at the prime commercial loan rate of the Seattle-First National Bank prevailing from time to time during the life of the notes (11.25% at October 31, 1974). There are no compensating balance requirements. The average short-term bank borrowings outstanding during the year ended December 31, 1973 was $7,700,000 and the average interest rate was 7.17%. The average outstanding during the twelve months ended October 31, 1974 was $13,300,000 and the average interest rate was 10.94%.

The aggregate annual sinking fund requirements for the six years from December 31, 1973 under the bonds and debentures outstanding October 31, 1974 amount to: 1974, $2,491,700; 1975, $2,671,700; 1976 and 1977, $3,141,700 and 1978 and 1979, $2,803,700. Of these annual amounts $2,003,700 may be met by certification of property additions at the rate of 167% of requirements.

The maximum principal amount of Mortgage Bonds which may be issued under the Mortgage is limited to $500,000,000. However, the Company has reserved the right to amend the Mortgage, without any consent of the holders of the 1995 series or any subsequent series of bonds, to remove this limitation.

Substantially all of the utility plant is subject to the lien of the mortgage and deed of trust underlying outstanding First Mortgage Bonds.

None of the long-term debt is pledged, held by or for the account of the Company, or held in its sinking or other special funds.

3. Common Stock:

The Company publicly sold shares of its no par value Common Stock during the 3-year period as follows: 1971, 250,000 shares for $5,563,000 and 1973, 250,000 shares for $5,112,500. In addition, 32,988 shares were issued to acquire Columbia Gas Company which was merged into the Company in 1974.

The Company transferred $20,000,000 during 1972 from retained earnings to Common Stock account pursuant to authorization by the Board of Directors.

The Company has an Employees' Stock Purchase Plan which provides for the granting to all regular full-time employees of the Company, during such limited offering periods as may be specified from time to time by the Board of Directors, of the right to purchase a limited number of shares of the Company's Common Stock, with the privilege of paying for such shares on an installment basis through payroll deductions. The Company issued the following shares under the Plan: 3,621 in 1971, 17,806 in 1972, 14,725 in 1973, and 9,528 shares during the ten months ended October 31, 1974, at prices from $19.95 to $21.00. At October 31, 1974, there were 6,183 shares yet to be issued at $19.95 under an offering made to employees on July 2, 1973. On May 10, 1974, the Company's shareholders approved an amendment to the Plan providing that the maximum number of shares which may be issued as a result of all offerings after May 10, 1974 shall be 150,000 shares.

As shares are issued, proceeds are credited to the Common Stock account; no amounts are charged to income.

4. Supplemental Information:

	Years Ended December 31, 1971	1972	1973	12 Months Ended 10-31-74
	(Thousands of Dollars)			
Taxes, other than income taxes, are as follows:				
Ad valorem	$5,242	$5,306	$5,568	$ 5,764
Federal and state social security	513	664	826	918
State of Idaho kwh generation	15	23	26	64
State excise	1,533	1,771	1,935	2,019
Municipal occupation taxes and license fees	1,048	1,202	1,291	1,413
Miscellaneous	32	49	44	50
Total	$8,383	$9,015	$9,690	$10,228
Charged to:				
Operating revenue deductions—Taxes	$7,917	$8,385	$9,350	$ 9,922
Utility plant, clearing and other sundry accounts	466	630	340	306

Amounts of maintenance and repairs and depreciation, other than set out separately in the statement of income, are not material.

Amounts of rentals, advertising costs and research and development costs are not material.

5. Commitments:

The Company has substantial power supply commitments and contracts expiring at various dates through 2018. Reference is made to "Power and Gas Supply".

UNDERWRITERS

Subject to the terms and conditions contained in the Underwriting Agreement, a copy of which is filed as an exhibit to the Registration Statement, the Underwriters named below have severally agreed to purchase, and the Company has agreed to sell to them severally, the respective principal amounts of New Bonds set forth below.

Name	Principal Amount
Kidder, Peabody & Co. Incorporated	$ 2,500,000
White, Weld & Co. Incorporated	2,500,000
Dean Witter & Co. Incorporated	2,500,000
Drexel Burnham & Co. Incorporated	725,000
The First Boston Corporation	725,000
Goldman, Sachs & Co.	725,000
Hornblower & Weeks-Hemphill, Noyes Incorporated	725,000
E. F. Hutton & Company Inc.	725,000
Lehman Brothers Incorporated	725,000
Loeb, Rhoades & Co.	725,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	725,000
Paine, Webber, Jackson & Curtis Incorporated	725,000
Reynolds Securities Inc.	725,000
Salomon Brothers	725,000
Smith, Barney & Co. Incorporated	725,000
L. F. Rothschild & Co.	625,000
Shearson Hayden Stone Inc.	625,000
Shields Model Roland Securities Incorporated	625,000
Weeden & Co. Incorporated	625,000
Dominick & Dominick, Incorporated	500,000
Foster & Marshall Inc.	500,000
Harris, Upham & Co. Incorporated	500,000
Moseley, Hallgarten & Estabrook Inc.	500,000
Thomson & McKinnon Auchincloss Kohlmeyer Inc.	500,000
Spencer Trask & Co. Incorporated	500,000
Tucker, Anthony & R. L. Day	500,000
American Securities Corporation	300,000
Bacon, Whipple & Co.	300,000
Blunt Ellis & Simmons Incorporated	300,000
McDonald & Company	300,000
The Ohio Company	300,000
Piper, Jaffray & Hopwood Incorporated	300,000

Name	Principal Amount
Elkins, Stroud, Suplee & Co.	$ 200,000
Freeman Securities Company, Inc.	200,000
The Illinois Company Incorporated	200,000
Martin Nelson & Co., Inc.	200,000
Wagenseller & Durst, Inc.	200,000
Total	$25,000,000

Kidder, Peabody & Co. Incorporated, White, Weld & Co. Incorporated, and Dean Witter & Co. Incorporated, as Representatives of the several Underwriters, have advised the Company as follows:

The several Underwriters are offering the New Bonds to the public at the public offering price set forth on the cover page of this Prospectus, and to Dealers at a price which represents a concession of .475% of the principal amount under the public offering price. The Underwriters and such Dealers may reallow a concession of .25% to dealers who are members of the National Association of Securities Dealers, Inc. or certain foreign dealers who agree not to make sa' of the New Bonds in the United States or to nationals or residents thereof. After the initial public offering, the public offering price and the concessions may be changed.

No person has been authorized to give any information or to make any representations, other than those contained in the Prospectus in connection with the offer contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell the securities in any state to any one to whom it is unlawful to make such offer in such state.

TABLE OF CONTENTS

600,000 Shares

PUGET SOUND POWER & LIGHT COMPANY

% Preferred Stock

(Cumulative, $25 par value)

PROSPECTUS

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Dean Witter & Co.
Incorporated

Dated May 29, 1975

PRELIMINARY PROSPECTUS DATED APRIL 22, 1975

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PROSPECTUS

600,000 Shares

Puget Sound Power & Light Company

% Preferred Stock

(Cumulative, $25 Par Value)

Price $ Per Share to Yield %

Entitled to cumulative annual dividends of $ per share from date of original issuance.

The New Preferred Stock may not be redeemed through certain refunding operations as more fully set forth herein prior to June 1, 1980.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public (1)	Underwriting Commissions (2)	Proceeds to Company (3)
Per Share	$	$	$
Total	$	$	$

(1) Plus accrued dividends, if any, from date of original issuance.

(2) The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

(3) Before deducting expenses payable by the Company estimated at $88,000.

The New Preferred Stock is offered subject to prior sale, when, as and if delivered to and accepted by the Underwriters, and subject to approval of certain legal matters by their counsel and by counsel for the Company. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of New Preferred Stock will be made in New York, N. Y., on or about June 5, 1975.

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Dean Witter & Co.
Incorporated

The date of this Prospectus is May 29, 1975.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, files reports and other information with the Securities and Exchange Commission. Certain information as of April 11, 1975 with respect to the Company's directors, and certain other information for 1974 and prior years with respect to the remuneration paid by the Company to its directors and officers and with respect to interests of management and others in certain transactions with the Company, have been disclosed in proxy statements distributed to shareholders of the Company and filed by it with the Securities and Exchange Commission. Such reports, proxy statements and other information can be inspected at the office of the Commission at 1100 L Street, N.W., Washington, D.C. 20549, and copies of such material can be obtained from the Commission at prescribed rates. The Company's Common Stock, $10 par value, is listed on the New York Stock Exchange, where reports, proxy material and other information concerning the Company can also be inspected.

THE COMPANY

Puget Sound Power & Light Company (the "Company"), a Washington corporation, is an electric utility providing electric service exclusively within the State of Washington.

The Company's executive office is located in the Puget Power Building at 10608 N.E. 4th St., Bellevue, Washington 98009. The telephone number is 206 454-6363.

The electric utility industry in general is currently experiencing certain problems; however, the impact of these problems varies among companies and regions. Although a few of these problems affect the Company as described below, the Company's experience in relation thereto has been relatively favorable.

The Company, similar to many other electric utilities, is involved in a very substantial construction program (see "Use of Proceeds and Construction Program"). Its ability to sell additional securities to finance this construction will depend on general money market conditions and, in the case of senior securities, its ability to meet various earnings coverage requirements. The Company has been adversely affected by inflationary factors (see "Management's Discussion and Analysis of the Statements of Income"). In early 1974, the Washington Utilities and Transportation Commission granted interim rate relief and effective November 1, 1974 the Company received a general rate increase of approximately 20% in annual operating revenues based on a 1973 test period, which was about 98% of the original request by the Company (see "Business—Regulation and Rates"). Future earnings depend, in part, on future rate increases.

Over 96% of the Company's energy requirement for the year ended December 31, 1974 was supplied by hydro-electric generation. Accordingly the Company was not adversely affected by prices or shortages of fossil fuel (see "Business—Power Resources—Existing" and "Business—Fuel Supply").

The Company has not to date experienced significant delays in its construction program as a result of environmental regulation or licensing problems. The Company is unable to predict whether these factors will result in delays or additional costs in projects under construction or proposed (see "Business—Environment" and "Business—Power Resources—Under Construction or Planned"). For a description of hearings relating to the Company's application for a construction permit for two additional generating units at Colstrip, Montana, see "Business—Legal Proceedings."

SUMMARY

The following material is qualified in its entirety by the detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus.

THE OFFERING

Company	Puget Sound Power & Light Company
Security Offered	600,000 shares of % Preferred Stock, cumulative, $25 par value
Expected Offering Date	May 29, 1975
Dividend Payment Dates	February 15, May 15, August 15, November 15
Use of Proceeds	Repay bank loans incurred for construction purposes

THE COMPANY

Business	Production, transmission, distribution and sale of electric energy
Sources of Generation (Year ended December 31, 1974)	Hydro 96%, fossil fuel 4%
Available Peaking Capability—kilowatts	Approximately 2,500,000
Service Area	Approximately 3,200 square miles in the western portion of Washington State
Population	Approximately 1,000,000
Customers	Approximately 409,000

FINANCIAL INFORMATION

	Years Ended December 31 1973	1974
Operating Revenues (thousands)	$116,902	$142,393
Net Income (thousands)	$ 15,463	$ 21,385
Earnings per Common Share:		
Assuming no conversion of preference stock	$2.94	$4.03
Assuming full conversion	$2.89	$3.88
Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements:		
Actual	1.85	1.96
Pro Forma	—	1.92*

	As of December 31, 1974 (Thousands) Actual		As Adjusted*	
Long-Term Debt	$318,749	59.4%	$318,749	57.8%
Preferred Stock	37,122	6.9	52,122	9.4
Convertible Preference Stock	14,814	2.8	14,814	2.7
Common Equity	166,059	30.9	166,059	30.1
Total Capitalization	$536,744	100.0%	$551,744	100.0%

*Giving effect to the issuance of the New Preferred Stock.

USE OF PROCEEDS AND CONSTRUCTION PROGRAM

The net proceeds (approximately $) from the sale of the 600,000 shares of $25 value preferred stock being offered hereby (the "New Preferred Stock") will be applied toward repayment of outstanding bank loans incurred for construction purposes. These bank loans are expected to aggregate approximately $48,000,000 at the time of delivery of the New Preferred Stock.

Construction expenditures for 1974 amounted to approximately $94,400,000 and it is estimated that the Company's 1975 construction program will require the expenditure of approximately $90,700,000 (excluding allowance for funds used during construction) as follows: production plant additions and improvements, $61,700,000, including approximately $43,500,000 applicable to the Company's portion of the Colstrip generating plant in Rosebud County, Montana and approximately $16,000,000 applicable to the Company's portion of the Skagit Nuclear Project (see "Business—Power Resources—Under Construction or Planned"); transmission plant improvements and extensions, $7,700,000; distribution plant improvements, $10,200,000; new services and extensions, $9,200,000; and general plant improvements, $1,900,000.

The Company expects to finance the balance of its 1975 construction program with funds obtained from internal sources and from short-term borrowings. Such borrowings will be refunded through the sale of debt and equity securities which are expected to approximate $45,000,000 during the remainder of 1975. The Company's construction program for the years 1976 and 1977, subject to continuing review and adjustment, is estimated at $300,000,000 (excluding allowance for funds used during construction) of which approximately 75% is expected to be raised through the sale of securities. The amount, character and timing of future financing will be determined in the light of then existing conditions. See "Business—Power Resources—Under Construction or Planned."

Gross electric utility plant at December 31, 1974 amounted to $672,269,000. During the five years ended December 31, 1974 the Company made gross property additions (excluding allowance for funds used during construction) in the amount of $264,335,000.

CAPITALIZATION

The capitalization of the Company as of December 31, 1974 (see Balance Sheets), and as adjusted to reflect the issuance and sale of the New Preferred Stock, is as follows:

	December 31, 1974 Outstanding	December 31, 1974 Ratio	As Adjusted Outstanding	As Adjusted Ratio(a)
	(Thousands of Dollars)			
Long-Term Debt:				
First Mortgage Bonds	$303,147		$303,147	
Debentures	8,486		8,486	
Notes payable	525		525	
5.90% pollution control revenue bonds, series 1973, due 1998	20,000		20,000	
Less funds on deposit with trustee	(13,409)		(13,409)	
Total Long-Term Debt	318,749	59.4%	318,749	57.8%
Preferred Stock, $100 par value, 1,000,000 shares authorized, 371,222 shares outstanding	37,122		37,122	
New Preferred Stock, $25 par value, 3,000,000 shares authorized (b), 600,000 shares to be issued	—		15,000	
Total Preferred Stock	37,122	6.9	52,122	9.4
Preference Stock, $50 par value, 700,000 shares authorized, 296,290 convertible shares outstanding	14,814	2.8	14,814	2.7
Common Stock, $10 par value, 10,000,000 shares authorized (b), 4,997,852 shares outstanding	49,979		49,979	
Additional paid-in capital	34,689		34,689	
Earnings reinvested in the business	81,391		81,391	
Total Common Equity	166,059	30.9	166,059	30.1
Total Capitalization	$536,744	100.0%	$551,744	100.0%
Bank Loans and Commercial Paper	$ 46,200		(c)	

(a) Assuming full conversion of the Convertible Preference Stock into Common Stock of the Company, the adjusted capitalization ratios would be: Long-Term Debt 57.8%; Preferred Stock 9.4%; and Common Equity 32.8%.

(b) Subject to shareholder approval, which is expected on May 13, 1975.

(c) See "Use of Proceeds and Construction Program" with respect to repayment of bank loans. Bank loans and commercial paper are expected to aggregate approximately $48,000,000 and $18,000,000, respectively, at the time of delivery of the New Preferred Stock.

Reference is made to the Balance Sheets and Notes 4, 5, 6, 7 and 8 of the Notes to Financial Statements, appearing elsewhere in this Prospectus.

STATEMENTS OF INCOME

The following statements of income for the five years ended December 31, 1974 have bee.. examined by Coopers & Lybrand, independent certified public accountants, whose opinion thereon is included elsewhere in this Prospectus. The statements should be read in conjunction with the other financial statements and related notes appearing elsewhere herein.

	1970	1971	1972	1973	1974
	(Thousands of Dollars)				
OPERATING REVENUES (Note 1)	$ 86,682	$ 94,101	$108,146	$116,902	$142,[illegible]
OPERATING EXPENSES:					
Operation:					
Purchased and interchanged power—net	20,884	22,966	25,939	25,582	32,163
Other	17,025	17,723	19,651	23,148	26,024
Maintenance (Note 1)	3,794	4,585	5,622	6,140	6,401
Depreciation (Note 1)	8,585	10,467	11,204	12,331	13,850
Taxes other than Federal income taxes (Note 9)	10,889	10,851	13,257	14,861	17,042
Federal income taxes (Notes 1 and 10):					
Payable currently	626	1,309	2,462	2,958	7,335
Deferred investment tax credits—net	—	269	1,261	919	1,305
Deferred—other	(176)	114	203	266	([illegible])
Total operating expenses	61,627	68,284	79,599	86,205	103,483
OPERATING INCOME	25,055	25,817	28,547	30,697	38,910
OTHER INCOME—NET:					
Income from property sales—net	69	270	457	156	1
Allowance for funds used during construction (Note 1)	877	1,419	1,589	1,899	4,423
Miscellaneous—net	144	225	171	1,258	1,794
Total other income—net	1,090	1,914	2,217	3,313	6,218
INCOME BEFORE INTEREST CHARGES	26,145	27,731	30,764	34,010	45,128
INTEREST CHARGES:					
Interest on long-term debt	11,039	12,613	12,975	15,585	18[illegible]
Other interest	2,009	1,188	1,680	2,877	5,020
Amortization of debt expense, net of premium (Note 1)	52	67	65	85	121
Total interest charges	13,100	13,868	14,720	18,547	23,743
NET INCOME	13,045	13,863	16,044	15,463	21,385
LESS DIVIDEND ACCRUALS:					
Preferred stock	1,278	1,246	1,212	1,495	2,240
Convertible preference stock	1,088	1,087	1,084	1,074	1,074
Total dividend accruals	2,366	2,333	2,296	2,569	3,314
NET INCOME FOR COMMON STOCK	$ 10,679	$ 11,530	$ 13,748	$ 12,894	$ 18,071
Common shares—weighted average:					
Outstanding	3,953,799	4,112,676	4,367,055	4,379,882	4,483,216
Assuming full conversion of preference stock	4,408,344	4,566,752	4,815,979	4,828,806	4,932,140
Earnings per common share (Note 1):					
Assuming no conversion of preference stock	$2.70	$2.80	$3.15	$2.94	$4.03
Assuming full conversion	$2.67	$2.76	$3.08	$2.89	$3.88
Dividends per common share	$1.76	$1.82	$1.91	$1.98	$1.98
Ratio of earnings to combined fixed charges and preferred dividend requirements	1.84	1.93	2.14	1.85	1.96

Note references are to the Notes to Financial Statements included elsewhere in this Prospectus.

For the purpose of computing the ratio of earnings to combined fixed charges and preferred dividend requirements, "earnings" are defined as income before income taxes and fixed charges (adjusted for undistributed income or loss of unconsolidated subsidiaries); "fixed charges" consist of interest on debt, amortization of debt discount and expenses net of premium and such portion of rentals as are estimated to be representative of the interest factor in the particular case; and "preferred dividend requirements" consist of the requirements for dividends on the Company's preferred stock multiplied by the ratio that pre-tax income bears to net income.

The Company has calculated supplemental ratios of earnings to combined fixed charges and preferred dividend requirements pursuant to Accounting Series Release No. 122 issued August 10, 1971 by the Securities and Exchange Commission. In this supplemental calculation "earnings" and "preferred dividend requirements" are defined as above and "fixed charges," in addition to items referred to above, include the Company's allocable portion of interest included in the costs of power purchased from Washington public utility districts under long-term contracts (see "Business—Power Resources Existing"). Such allocable portion of interest relates only to those power purchases not subject to future reduction under the contracts. The supplemental ratios of earnings to combined fixed charges and preferred dividend requirements for the years 1970 through 1974 were 1.51, 1.58, 1.73, 1.59 and 1.71, respectively.

Assuming a dividend rate of 11% on the New Preferred Stock, the pro-forma ratio of earnings to combined fixed charges and preferred dividend requirements for the year 1974, after giving effect to the sale of the New Preferred Stock and repayment of notes payable to banks, would have been 1.92. The pro-forma supplemental ratio defined above for the year 1974, after giving effect to the sale of the New Preferred Stock at an assumed dividend rate of 11% and the repayment of notes payable to banks, would be 1.68. A difference of ¼ of 1% in the actual dividend rate from the assumed rate on the New Preferred Stock would change the pro-forma ratio of earnings to combined fixed charges and preferred dividend requirements by less than 0.01 in both of the above cases.

The annual dividend requirement on the New Preferred Stock will be $

Operating Revenues, Net Income, and Net Income for Common Stock for the 12 months ended March 31, 1975 were $149,660,000, $22,950,000, and $19,625,000, respectively. Earnings per common share (based on the average number of shares outstanding during the period) were $4.24. Assuming full conversion of the Preference Stock, earnings per common share were $4.08. These amounts are unaudited but in the opinion of the Company reflect all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of such amounts.

Management's Discussion and Analysis of the Statements of Income

An interim and general rate increase accounted for about $11.3 million of the increase in operating revenues for 1974. See "Business—Regulation and Rates." The general rate increase was in effect only during the last two months of 1974 and the full effect of such increase will be reflected in 1975 revenues. Sales to other utilities accounted for $11.1 million of increased 1974 operating revenues. Although the Company expects to sell power to other utilities in the future, the amount of such sales depends on the factors discussed under "Business—Sales to Other Utilities."

The increase in operating expenses for 1974 is due to increased power costs to cover increased power sales and for 1974 and 1973 is due to inflationary factors resulting in increased wage rates and material and supply costs. The increase in depreciation expense for 1974 and 1973 is due to increased depreciable electric plant and to an increase in depreciation rates in 1974. Taxes other than Federal income taxes increased in 1974 and 1973 due to increased revenues, property valuations and salaries and wages upon which the other taxes are based, together with increased tax rates. Federal income taxes were significantly higher in 1974 primarily due to the increase in taxable income.

The increases in other income for 1974 and 1973 were due to (1) increases in the allowance for funds used during construction which are attributable to higher levels of construction expenditures and (2) an increase in interest income from funds invested by the trustee of the 5.90% pollution control bonds.

The higher interest charges in 1974 and 1973 are due to the issuance of additional bonds in 1972, 1973 and 1974 and higher levels of short-term debt at interest rates in excess of prior average rates.

BUSINESS

General

The Company is an investor-owned public utility furnishing electric service in the western portion of Washington State. The territory served covers approximately 3,200 square miles, principally in the Puget Sound region of western Washington, and includes part of Kittitas County in the central portion of the State. On December 31, 1974 the estimated population of the Company's service area totaled over one million. On December 31, 1974 the Company had 408,856 customers, consisting of 368,017 residential, 38,938 commercial, 462 industrial and 1,439 other customers. During the year ended December 31, 1974 over 96% of the Company's energy requirement was supplied by hydro-electric generation. In the future an increasing percentage of the Company's energy requirements will be derived from projects using coal and nuclear fuel.

The basic economic activities in the Company's service area include manufacturing, lumbering, farming, shipping and those connected with various branches of national defense. Major industries include the manufacture of commercial aircraft and aerospace products (including The Boeing Company), ships, freight cars, trucks and logging equipment; oil refining; the manufacture of pulp, paper and other wood products, chemicals, light metals, steel and iron products and cement; and the processing of food products.

For the year ended December 31, 1974, the Company's revenues were derived 51.1% from residential service, 25.4% from commercial users, 10.6% from industrial users, and 12.9% from others, principally sales to other utilities. During this period, no single customer accounted for more than 2.2% of the Company's operating revenues.

For the year ended December 31, 1974 the average kilowatt-hour use per residential customer served by the Company was 13,856 kilowatt-hours, almost twice the national average, and the average rate for electricity sold to all home users was 1.44 cents per kilowatt-hour compared with the national average for investor owned utilities of 3.09 cents. At December 31, 1974 the available peaking capability of the Company was approximately 2,500,000 KW. The Company's historical peak load of 2,115,200 KW occurred December 7, 1972.

The Company has no significant competition in the territory now served by it from others distributing electricity, except from the Cities of Tacoma and Seattle which border on the Company's service area and whose municipal electric system operations extend to some areas outside of their city limits. Since 1930, public utility districts, which may be created by a public vote, have had th power by statute to condemn properties of privately owned public utilities under certain circumstances and subject to certain limitations. Prior to 1969, such power of eminent domain could be exercised pursuant to a resolution of the district commission without a public vote on such condemnation. In 1969 the Washington legislature qualified such power of eminent domain by requiring, except under certain circumstances, a public vote on proposals by a district to construct or acquire any electric facilities for the generation, transmission or distribution of electric power. The Company has no knowledge of any proceedings of this nature pending or threatened.

The Company has approximately 1,820 regular employees, of which approximately 1,350 are members of the International Brotherhood of Electrical Workers.

Sales to Other Utilities

The Company has begun to sell increased amounts of power to other utilities as a result of increased use by utilities in the Southwest portion of the United States of power to displace their own generation from high cost oil-fired sources.

Firm power is generally available for sale to other utilities (1) if the demand for power by the Company's retail customers is less than the Company's projections of such demand or (2) if the timing of new resources creates a temporary firm power surplus.

Nonfirm power is available for sale to other utilities during periods when stream flows for hydro-generating plants supplying the Company are above the minimum expected levels, based on the recorded conditions over a 30-year historical period. The Company has sufficient firm resources to be able to meet its firm load under minimum expected water conditions. During periods when stream flows are above the minimum expected levels, surplus power is produced at hydro-generating plants and such power is used to displace power from the Company's higher-cost thermal generating plants. This displaced thermal generation is then available for sale to other utilities. To the extent that the Company has surplus power from hydro-electric sources which is in excess of power required for displacement of the Company's thermal generation, such power is also available for sale to other utilities.

In 1974, revenue from such sales by the Company amounted to approximately $11.1 million of which $3.2 million (581 million kwh) was sales of firm power and $7.9 million (1,783 million kwh) of nonfirm power. The Company expects to continue to make sales of power to other utilities in the future and, on the basis of the average of 30 years' water conditions, it would annually have approximately 1,500 million kwh of nonfirm power available to displace its own thermal generation and to sell to other utilities if average water conditions prevail for a given year. Water conditions were above average in 1974 and below average in 1973. The amount of such sales in the future will depend primarily on the availability of power in excess of the Company's requirements. The Company's ability to market this power is dependent on the availability of transmission facilities and is affected by the amount of surplus power of other Northwest utilities and the Bonneville Power Administration which is available for sale to other utilities.

Regulation and Rates

The Company is subject to the regulatory authority of (1) the Washington Utilities and Transportation Commission ("WUTC") as to rates, accounting, the issuance of securities and certain other matters, (2) the Federal Power Commission ("FPC") in the transmission of electric energy in interstate commerce, in the sale of electric energy at wholesale for retail, in the licensing of hydro-electric projects and in certain other matters and (3) the Montana Public Service Commission as to accounting and certain other matters in connection with the Colstrip generating plant. Under Washington law the WUTC is required to act upon rate filings within eleven months of the date of filing.

Effective November 1, 1974 the WUTC granted a general rate increase which would produce an increase in annual revenues of approximately $22,877,000, or 20% in annual operating revenues on the basis of the Company's operations for the 12 months ended June 30, 1973. The amount granted was about 98% of the original request by the Company. The WUTC had granted the Company an interim rate increase representing approximately $12,000,000 of increased annual revenues, which went into effect on February 9, 1974 and continued until the general rate increase became effective.

The WUTC's order also required the Company to impose a 5% surcharge in addition to the general rate increase on all electric power delivered to commercial and industrial customers during the four month period November 1, 1974 through February 28, 1975, the winter peak demand period for electrical energy in the Pacific Northwest. The WUTC stated that the surcharge was designed to provide an economic incentive for businesses to eliminate energy waste in their commercial and industrial operations. The WUTC reserved the right to order refunds of the surcharge, in whole or in part, to such customers if experience with this surcharge indicates that the surcharge has "merely resulted in substantial increased revenue to the Company with no measurable reduction in demand for energy attributable to the surcharge." Revenue from the surcharge amounted to approximately $1,000,000 and has been deferred by the Company.

The Company's previous general rate increase became effective April 18, 1972 and represented an increase in electric rates of 11½%.

The WUTC has also granted a rate increase to be applied as a surcharge on rates to allow the Company to recover certain research and development expenses. The increase became effective on August 13, 1973 and as a result of an extension runs through December 31, 1975. Revenues from this surcharge amounted to approximately $750,000 in 1974 and are anticipated to approximate $980,000 in 1975.

Power Resources—Existing

Of the Company's present electric requirements approximately 80% is obtained through long-term contracts with several of the Washington public utility districts owning hydro-electric projects on the Columbia River at a cost in 1974 of about 3 mills per kwh. The balance is supplied by the Company's own generation, purchase and interchange, which are primarily from hydro-electric sources.

The purchase of power from these projects is generally on a "cost-of-service" basis under which the Company pays a proportionate part of the annual cost of each project in direct ratio to the amount of power allocated to it. These projects are financed through substantially level debt service payments and their annual costs should not vary substantially over the term of the contracts. Appropriate amounts of all-risk insurance are in effect.

The Company is currently entitled to purchase portions of the power output of the districts' projects as set forth in the following tabulation:

Project Owner	Project	Current Annual Amount Purchasable (Approximately) % of Output	Kilowatt Capacity	Contract Expiration Date
PUD No. 1 of Chelan County	Rock Island	87.1%	217,000	2012
PUD No. 1 of Chelan County	Rocky Reach	59.7%	768,000	2011
PUD No. 1 of Douglas County	Wells	50.3%	424,000	2018
PUD No. 2 of Grant County	Priest Rapids	14.5%	130,000	2005
PUD No. 2 of Grant County	Wanapum	16.9%	152,000	2009

The Company's share of the output of the existing Rock Island Project will be 87.1% through June 30, 1983, and will decrease gradually commencing July 1, 1983, to a minimum of 50% for the period from July 1, 1999 until expiration of the contract. (For the expansion of the Rock Island Project see "Power Resources—Under Construction or Planned".) The Company's share of the output of the Rocky Reach Project may be reduced over a period of years to 38.9% upon exercise of withdrawal rights by the District for use within its local service area and by Colockum Transmission Company (a subsidiary of Alcoa). The Company's share of the output of the Wells Project may be reduced over a period of years to 31.3% upon the exercise of withdrawal rights by the District for use within its local service area. The Company's shares of the output of the Priest Rapids and Wanapum Projects may be reduced over a period of years to 8% and 10.8%, respectively, upon exercise of withdrawal rights by the District.

Certain United States utilities are obtaining the benefits of over 1,000,000 KW of additional capacity as the result of the ratification of a Treaty between the United States and Canada by which Canada is providing approximately 15,500,000 acre-feet of storage on the upper Columbia River. The Company is obtaining a portion (estimated at 160,000 KW in 1975) of this power by virtue of its existing contracts to receive power from Columbia River plants. In addition the Company has contracted for 17.5% of both capacity and average energy (240,000 KW and 130,000 KW, respectively, in 1975) of Canada's share of the power resulting from such storage (Columbia Storage Power Exchange). These amounts decrease gradually until expiration of the contract in 2003. This power has been assigned to other utilities subject to future withdrawal by the Company. Notice has been given that the Company is withdrawing a portion of such power (84,247 KW of capacity and 45,147 KW of average energy) effective April, 1975.

The Company has also contracted to purchase from other utilities Columbia Storage Power Exchange power in the approximate amount of 300,000 KW of capacity and 161,000 KW of average energy. This power became available in April, 1975 and is subject to rights of withdrawal by the other utilities in future years. Certain of these utilities have withdrawn their power effective March 31, 1976. Therefore, the Company will have available commencing April 1, 1976, approximately 186,000 KW of capacity and 98,000 KW of average energy.

The Company owns a 7% interest in the 1,400,000 KW coal-fired steam-electric plant near Centralia, Washington, built jointly by a group of four investor-owned utilities and four public agencies. Unit No. 1 was declared to be commercially operable on July 11, 1973, and Unit No. 2 on September 1, 1973. The present rated capability of 1,274,000 KW is expected to be increased to approximately 1,400,000 KW (the design capability) when additional tests and possible modifications are completed.

The Company has leased a 67,500 KW combustion turbine which has been installed on a site near Ferndale, Washington. This unit became operational on December 13, 1974 for standby and peaking capability.

Other Company-owned plants have a generating capability of 426,950 KW.

The Company also has a contract to receive power from the Bonneville Power Administration through September, 1977 equivalent to approximately 14% of the annual output of Hanford Atomic Power Plant No. 1. Starting on July 1, 1980 the Company will be entitled to receive 80,000 KW of capacity and 68,000 KW of average energy from Washington Public Power Supply System ("WPPSS") Nuclear Project No. 1 until July 1, 1996.

The Company, the Bonneville Power Administration and various other utilities and agencies in the area have entered into a long-term Coordination Agreement extending until June 20, 2003. This agreement provides for the coordinated operation of substantially all of the power plants and reservo in the Pacific Northwest. Among other things, it materially increases the ability of the Company to carry load with its existing resources during periods of insufficient stream flows or forced outages of equipment.

Power Resources—Under Construction or Planned

Project and Location	Unit No.	Estimated Net Capability (Megawatts)	Energy Source (Fuel)	Date of Planned Operation	Estimated Construction Cost in 1975 Dollars: per KW	Total (a) (Millions)	Company's Share (%)
Colstrip Colstrip, Montana	1 2	330 330	Coal Coal	9-75 7-76	$336	$ 222	50%
	3 4	700 700	Coal Coal	1979 1980	328	459	25
Rock Island Rock Island, Washington	1 through 8	410	Hydro	1977 through 1978	400	164	(b)
Skagit Sedro Woolley, Washington	1 2	1,288 1,288	Nuclear Nuclear	1982 1985	542	1,395	50(c)
WPPSS No. 3 Satsop, Washington		1,240	Nuclear	1981	547	678	5

(a) Excluding allowance for funds used during construction and transmission facility costs.

(b) The Company will receive, under a power contract with Chelan County Public Utility District No. 1, the owner of the facility, 100% of the output through the year 2012, subject to reduction after July 1, 2000, as described below.

(c) Approximately.

Colstrip Project—The Company is jointly constructing with The Montana Power Comp. ("Montana Power") two coal-fired, mine-mouth thermal generating units at Colstrip, Montana ("Colstrip Project"), 100 miles east of Billings. The two units will each have a net capability of 330,000 KW and will burn coal controlled by Western Energy Company, a subsidiary of Montana Power. A related transmission line and other associated facilities may require approval of the Bureau of Land Management and other Federal agencies, and environmental impact statements may be required in conjunction with such approvals. See "Environment."

The Company has joined with four other utilities in determining the feasibility of constructing two additional 700,000 KW units at the Colstrip site. In June, 1973 the five utilities applied for a certificate for the two additional units under the Montana Utility Siting Act of 1973. This matter has been set for hearing as a contested case before the Montana Board of Natural Resources and Conservation following an unfavorable departmental report. See "Environment" and "Legal Proceedings." In the event that the additional units are constructed, the entire project output, less a portion of Montana Power's share, would be transmitted over two 500 KV transmission lines to be constructed from Colstrip to a point of interconnection with the main northwest transmission grid near Hot Springs, Montana. Costs of these transmission facilities are estimated to be approximately $188,000,000; the Company's portion of these costs has not been determined. Additional permits from Federal and state agencies, together with environmental impact statements, may be required for the two additional units, transmission lines and related facilities.

Rock Island Project—Construction commenced in 1974 on eight additional generating units at the Rock Island Project. The additional units will produce approximately 410,000 KW of capacity and 150,000 KW of average energy. The Company has signed a contract whereby the Company will purchase the entire output of the additional units on a "cost-of-service" basis until the year 2012, which may be reduced not in excess of 10% per year beginning July 1, 2000 to 50% upon the exercise rights of withdrawal by Chelan County PUD for use in its local service area.

Skagit Project—The Company has proposed the construction of a nuclear power project on a site near Sedro Woolley, Washington ("Skagit Project"), about 60 miles north of Seattle. The project is expected to consist of two nuclear generating units, each with an expected net plant capability of 1,288,000 KW. Bechtel Power Corporation has been retained to act as architect-engineer and construction manager for the project. Contracts have been entered into with General Electric Company for the nuclear steam supply systems and initial nuclear fuel for the project and Westinghouse Electric Corporation for the turbine-generating units. The proposed project will be a regional resource. Necessary contracts for joint ownership with other utilities are being negotiated.

The Company has applied to the State of Washington Thermal Power Plant Site Evaluation Council ("TPPSEC") for site certification, which must be obtained before construction may begin. TPPSEC has scheduled hearings on the Skagit Project commencing May 22, 1975. Several groups and individuals have intervened in opposition to the project. The final decision on site certification will be made by the Governor after receipt of TPPSEC's recommendation; the Governor's decision is subject to judicial review. The Company has applied to the Nuclear Regulatory Commission ("NRC") (formerly the Atomic Energy Commission) for a limited work authorization permitting preliminary site preparation and for construction permits for the Skagit Project. One organization opposing the project has been admitted in the NRC proceedings as an intervenor. A hearing on the limited work authorization is scheduled to commence July 15, 1975. Hearings on the construction permits are expected to be held in 1976. The Company will also eventually apply to the NRC for licenses to operate the project upon completion of construction.

WPPSS No. 3 Project—The Company has executed an ownership agreement to acquire a 5% undivided share of WPPSS Nuclear Project No. 3 near Satsop, Washington. This plant is expected to have a net electrical capability of approximately 1,240,000 KW and is currently scheduled to be in operation by September, 1982.

Fuel Supply

For the year ended December 31, 1974, over 96% of the Company's energy requirement was supplied by hydro-electric generation. For the 1974-75 operating year (July 1, 1974-June 30, 1975) less than 1% of the Company's energy requirements will be derived from projects burning oil and natural gas and less than 4% from projects burning coal, if average water conditions prevail for such year. The Company does not own or lease coal lands or reserves, but purchases the coal required for each of its coal-fired plants under long-term contracts. In the future an increasing percentage of the Company's energy requirements will be derived from projects using coal and nuclear fuel.

Coal Projects. The Company and Montana Power, as joint owners of Colstrip Units 1 and 2, will purchase the coal requirements for the units from Western Energy Company, a subsidiary of Montana Power, under the terms of a long-term coal supply agreement providing for a fixed cost per ton, with escalation provisions to cover actual mining cost increases. Under the terms of this agreement, Western Energy Company has agreed to supply 85 million tons of coal which is expected to be the requirements for Units 1 and 2 over the project's anticipated useful life. The coal supply agreement specifies a maximum sulfur content in delivered subbituminous coal of 1.5% and an average content of 0.7% There are no current or known future regulatory limitations on the sulfur content of such coal. See "Legal Proceedings" for discussion of air quality regulations limiting emissions. A long-term coal supply agreement for Colstrip Units 3 and 4 is under negotiation. It is anticipated that coal supply arrangements for Units 3 and 4 will be similar to those obtained for Units 1 and 2.

The Company and the other seven joint owners of the Centralia Project have entered into a long-term coal supply agreement with Washington Irrigation and Development Company ("WIDCO") and Pacific Power & Light Company ("Pacific"), who jointly own and lease certain coal lands in Lewis and Thurston Counties, Washington. WIDCO and Pacific have agreed to supply up to 125 million tons of subbituminous coal which is estimated to be the coal requirement of the Centralia Project over its anticipated useful life. The sulfur content of the coal is approximately 0.7% and there are no current or known future regulatory limitations on the sulfur content of such coal. The Centralia Project has made major additions to its electrostatic precipitators to limit emissions to meet local air quality standards at full plant output, and air quality standards have been met at a plant output of 1,274,000 KW. Additional plant modifications may be required to increase the plant capability above its current level. Coal costs are presently running at approximately $9.00 per ton (56¢/MBTU).

Nuclear Projects. Generally, the supply of fuel for nuclear generating units involves the acquisition of uranium concentrate, its conversion to uranium hexafluoride, enrichment, fabrication of the nuclear fuel assemblies and reprocessing of the spent fuel. The Company has contracted for sufficient uranium concentrate for the initial core loading and one reload for each of the two units planned at its Skagit Project. Although the Company has not entered into an agreement for conversion, it does not anticipate any difficulty in obtaining such an agreement. In June, 1974 the Company and the NRC entered into a contract to provide enrichment services by NRC for the Skagit Project for 30 years at prices subject to change by the NRC from time to time. The Company has also entered into an agreement providing for the fabrication of the fuel for initial core loading and first reload. The following table shows estimated uranium concentrate requirements and commitments.

	Thousands of Pounds of Uranium Concentrate			
	Unit 1		Unit 2	
Year Required	Required	Committed	Required	Committed
1980-1981	1,457	1,457	—	—
1982	699	699	1,457	1,457
1983	668	0	0	0
1984	553	0	0	0
1985	600	0	699	699
1986	600	0	668	0
1987	600	0	553	0
Annually thereafter	600	0	600	0

Additional contracts for uranium concentrate, conversion and fabrication will be required for operation of the plant after initial core loading and first reload; however, availability, prices and terms cannot now be predicted.

The Company, as a 5% owner of WPPSS Project No. 3, has with other owners contracted for sufficient uranium concentrate, enrichment and fabrication for fifteen years of operation of the project.

better than national standards. They utilize an area classification plan and initially designate all clean-air areas in the country as Class II, in which moderate air quality deterioration is permissible to provide for some industrial growth. Any area may be reclassified by a state, Federal land manager or independent Indian reservation after public hearings, but Federal lands may be reclassified only to Class I, which permits virtually no increases in pollutant concentrations. The Company believes that its existing generating units and the two generating units presently under construction at Colstrip, Montana operate or will operate in compliance with current interpretations of these regulations. The Company cannot now estimate the impact upon it of any future reclassification of one or more of the areas in which its generating units are then located, of future interpretations of these regulations, or the effect of the regulations upon the proposed additional units at Colstrip. The Company and other participants in the Colstrip Project are seeking judicial review of these regulations before the United State Court of Appeals for the Sixth Circuit.

The Company has anticipated financing its share of certain pollution control equipment at the Skagit Project and the WPPSS No. 3 Project through the issuance of pollution control revenue bonds. The Boards of County Commissioners of Skagit County and of Grays Harbor County have agreed to authorize the issuance of such bonds on terms and conditions to be negotiated. On May 22, 1974, an association and two individuals filed an action against Skagit County in the County Superior Court challenging the validity under the Washington Constitution of the Washington statute authorizing the issuance of such bonds and seeking to prevent the Company from financing certain types of equipment at the Skagit Project with such bonds. On October 17, 1974, the Washington Supreme Court, in *Port of Longview v. Taxpayers of the Port of Longview*, held the statute at issue to be unconstitutional. As a result it appears likely that unless the Washington legislature and voters adopt a constitutional amendment, the Company will be unable to finance pollution control equipment for the Skagit and WPPSS No. 3 Projects, and other projects located in Washington State, through sales of pollution control revenue bonds. This will result in increased financing costs.

In June 1973, the Company and four other utilities filed an application with the Montana Department of Natural Resources and Conservation ("Department") for a certificate of environmental compatibility and public need under the Montana Utility Siting Act of 1973 in order to construct two additional generating units at Colstrip, Montana. The Company would have a 25% ownership interest in the two units. In January, 1975 the Department advised the Montana Board of Natural Resources and Conservation ("Board") that the Department was not persuaded that the proposed additional units represent the "minimum adverse environmental impact" or that there is a "need" for the project in Montana, as those terms are used under the Siting Act. Final authority to issue the certificate or to deny the application rests with the Board, subject to judicial review. The Board has set the matter for hearing as a contested case, with hearings to commence April 21, 1975. Several groups and individuals have appeared in the proceedings in opposition to the project. In the event the Company is unable to obtain the necessary certificate, it may have to charge operations with cancellation charges and construction expenditures. Such cancellation charges were approximately $1,600,000 as of December 31, 1974 and are not expected to increase materially in 1975. Construction expenditures by the Company as of December 31, 1974 were approximately $2,400,000 and an additional $1,100,000 is expected to be expended prior to the anticipated date of decision by the Board. Should charges to operations become necessary, the Company will request the approval of the Washington Utilities and Transportation Commission to amortize the charges over a period of years.

Environment

The Company is subject to environmental and other regulation by Federal authorities including the Environmental Protection Agency ("EPA") and state and local authorities. The Company does not believe that material expenditures will be required under applicable environmental laws for additional pollution control equipment for existing facilities of the Company. All of the Company's current construction projects have been designed to comply with environmental laws and regulations currently applicable to them, and the cost of pollution control facilities is included in the construction budgets for those projects.

To date the Company has expended or become contractually committed for approximately $18 million for the equipment required to bring existing facilities and those under construction into compliance with environmental controls and regulations. The future cost to the Company related to environmental controls for particulates and sulfur oxides for the two additional generating units at the Colstrip Project is estimated to be approximately $30 million. Mining of the coal for these projects is subject to state or Federal regulations respecting land reclamation. Legislation to regulate strip mining is pending in Congress, but the Company cannot predict at this time the impact on the cost of coal for its projects if such legislation becomes law.

On June 13, 1973 various plaintiffs filed suit in the U.S. District Court for the District of Columbia against certain Federal agencies alleging that they are making decisions concerning the development of coal resources of the Northern Great Plains Region without making requisite environmental impact statements in violation of the National Environmental Policy Act. On February 14, 1974 the Court granted the Federal and intervening defendants' motions for summary judgment and the intervening defendants' motion for judgment on the pleadings. The plaintiffs have appealed to the United States Court of Appeals for the District of Columbia.

On October 16, 1973 various plaintiffs filed a complaint in the United States District Court for the District of Montana at Billings against various Federal agencies. The original complaint was dismissed and an amended complaint was filed seeking injunctive and declaratory relief in regard to the disposition of water rights to certain bodies of water in Montana. The Colstrip Project will probably utilize water to be withdrawn from one of these bodies of water.

The Company is unable to predict the ultimate effects of these proceedings and of other aspects of the developing environmental laws and regulations upon the Colstrip or Skagit Projects or upon any other projects which the Company may undertake in the future. However, it is possible that they may delay or impede the Company's construction and operation of such projects and require the Company to make substantial additional expenditures.

Legal Proceedings

The Muckleshoot Indian Tribe filed a complaint against the Company on July 18, 1972 in the United States District Court for the Western District of Washington requesting damages of $45,000,000 for alleged wrongful diversion and conversion of water from the White-Stuck River and an injunction against further diversions. This complaint relates to the Company's 63,400 KW White River Generating Plant which was constructed in 1910. In the opinion of general counsel, the Company has substantial defenses in this litigation and there is little likelihood of significant recovery against the Company.

EPA regulations, adopted effective January 6, 1975, require the air quality implementation plan of each state to prevent significant deterioration of ambient air in areas where air quality is

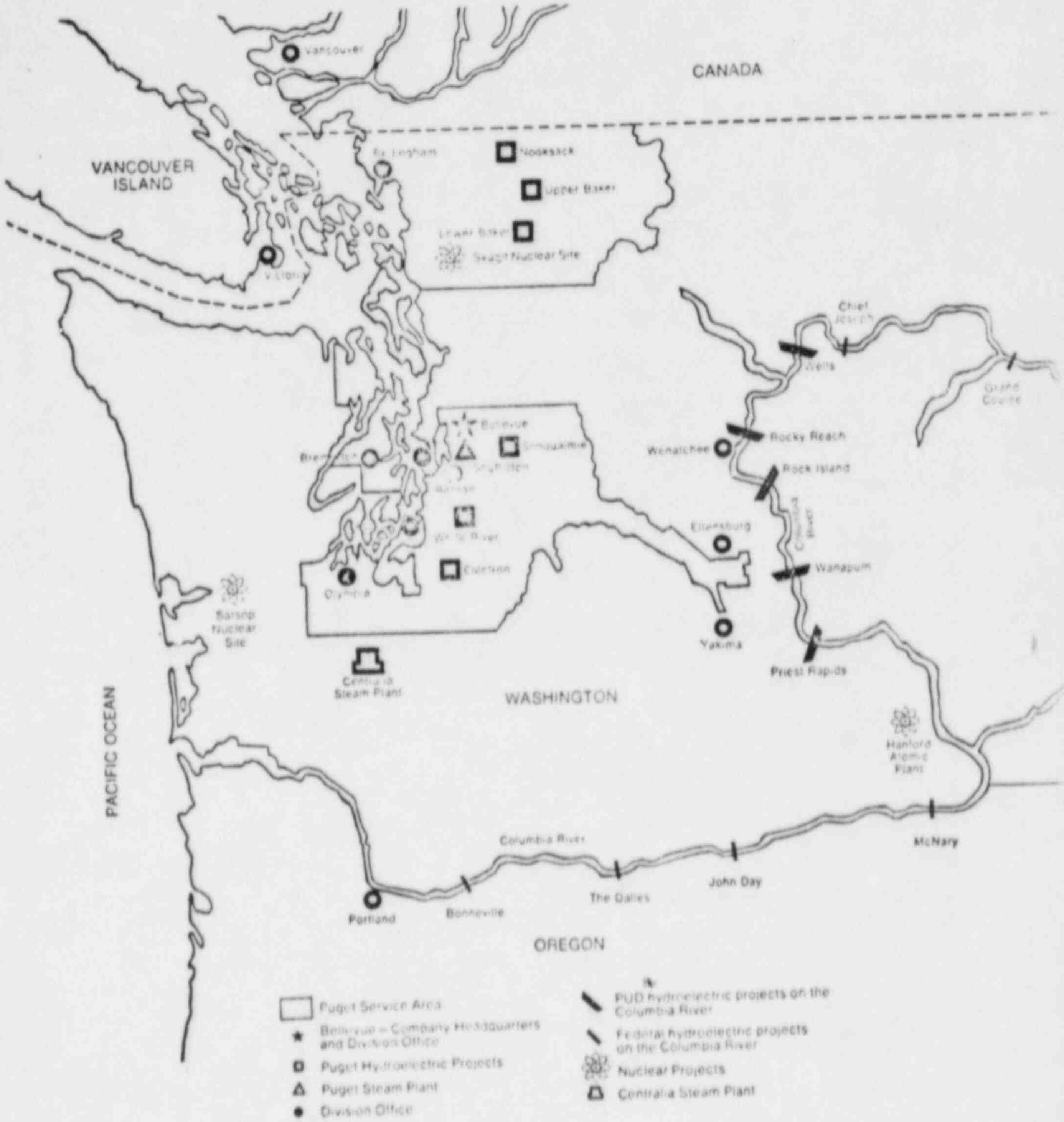
OPERATING STATISTICS

	Years Ended or on December 31				
	1970	1971	1972	1973	1974
Electric revenues by classes (thousands):					
Residential	$49,897	$54,432	$61,423	$ 65,249	$ 72,722
Commercial	24,023	26,222	29,849	32,920	36,230
Industrial	8,884	8,986	11,450	12,502	15,146
Other consumers	3,878	4,461	5,424	6,231	7,189
Total electric revenues from consumers	86,682	94,101	108,146	116,902	131,287
Other electric utilities†	—	—	—	—	11,106
Total electric revenues	$86,682	$94,101	$108,146	$116,902	$142,393
Number of customers (average):					
Residential	319,279	332,371	343,173	354,434	363,717
Commercial	34,264	34,094	35,150	37,342	37,753
Industrial	327	331	379	482	483
Other	882	945	1,024	1,295	1,456
Total customers (average)	354,752	367,711	379,726	393,553	403,409
KWH generated, purchased and interchanged (thousands):					
Total Company generated	1,250,288	1,403,953	1,434,925	1,490,290	1,793,833
Purchased power	7,164,989	7,606,312	9,140,628	9,225,002	10,350,368
Interchanged power (net)	(226,380)	(177,690)	(897,309)	(736,873)	474,196
Total output	8,188,897	8,832,575	9,678,244	9,978,419	12,618,397
Losses and Company use	(781,452)	(805,978)	(793,424)	(658,462)	(846,922)
Total energy sales	7,407,445	8,026,597	8,884,820	9,319,957	11,771,475
Electric energy sales, KWH (thousands):					
Residential	4,164,100	4,557,250	4,856,093	4,913,394	5,039,751
Commercial	1,545,281	1,721,741	1,868,645	2,049,051	2,043,277
Industrial	1,492,355	1,506,199	1,865,277	2,040,586	2,050,080
Other consumers	205,709	241,407	294,805	316,926	274,252
Total energy sales to consumers	7,407,445	8,026,597	8,884,820	9,319,957	9,407,360
Other electric utilities†	—	—	—	—	2,364,115
Total energy sales	7,407,445	8,026,597	8,884,820	9,319,957	11,771,475
Per residential customer:					
Annual use (KWH)	13,042	13,711	14,151	13,863	13,856
Annual revenue	$156.28	$163.77	$178.99	$184.09	$199.94
Revenue per KWH	1.20¢	1.19¢	1.26¢	1.33¢	1.44¢
Company-owned generator capability—kilowatts:					
Hydro	309,900	309,900	309,900	309,900	309,900
Steam	85,800	85,800	183,800*	183,800*	183,800*
Other	2,750	2,750	31,250	31,250	98,750
Total Company-owned generator capability	398,450	398,450	524,950	524,950	592,450

†Prior to 1974 sales to other utilities were accounted for by credits to purchased and interchanged power. Revenues from such sales were not significant. See "Business—Sales to Other Utilities."

*Includes Company's share of expected capability of the Centralia Steam-Electric Generating Plant upon completion of additional testing and possible modifications (see "Business—Power Resources—Existing").

Puget's Service Area/Major Power Resources In Washington State



MANAGEMENT

Directors

WINSTON D. BROWN
Chairman of the Board (Retired), Howard S. Wright Construction Co., Seattle

RALPH M. DAVIS
President of the Company, Bellevue

JOHN W. ELLIS
Executive Vice President of the Company, Bellevue

F. J. HERB
Chairman of the Board, The Bellingham National Bank, Bellingham

J. H. KING
Vice President and Treasurer of the Company, Bellevue

LOWELL P. MICKELWAIT
Director Emeritus, The Boeing Company, Seattle

ROBERT D. O'BRIEN
Chairman of the Board, PACCAR Inc, Bellevue

IRVINE B. RABEL
Chairman of the Board, Star Machinery Company, Seattle

RALPH STORMANS
Chairman of the Board, Associated Grocers, Inc. and President, Ralph's Thriftway Stores, Olympia

Officers

Ralph M. Davis	President
John W. Ellis	Executive Vice President
J. H. Abramson	Vice President—Administration
W. J. Ferguson	Vice President—Major Projects
L. E. Hall	Vice President—Public Affairs
J. H. King	Vice President—Finance and Treasurer
D. H. Knight	Vice President—Power Supply
R. F. Whaley	Vice President and Controller
R. C. Wing	Vice President
W. E. Watson	Secretary

DESCRIPTION OF THE NEW PREFERRED STOCK

General

The following statements include summaries of certain provisions relating to the New Preferred Stock contained in the Company's Articles of Incorporation (the "Articles"), Mortgage Indenture, Debenture Indenture, and Statement of the Relative Rights and Preferences of the New Preferred Stock, all of which are Exhibits to the Registration Statement of which this Prospectus is a part. Reference is made to the pertinent Exhibits for a full and complete statement of such provisions, and the following statements are qualified in their entirety by such reference.

The Articles at present authorize three classes of capital stock: \$100 par value Preferred Stock, \$50 par value Convertible Preference Stock, and \$10 par value Common Stock. It is anticipated that the shareholders of the Company will, on May 13, 1975, approve a proposal to authorize 3,000,000 shares of \$25 par value Preferred Stock; the 600,000 shares of New Preferred Stock being offered hereby will constitute the first series of the \$25 par value Preferred Stock.

The remaining 2,400,000 shares of \$25 par value Preferred Stock may in the future be issued as additional series of \$25 par value Preferred Stock without further approval by the shareholders, including such terms as the Board of Directors may fix according to law.

Dividend Rights

The holders of the New Preferred Stock, together and on a parity with the holders of the \$100 par value Preferred Stock, will be entitled to receive, when and as declared by the Board of Directors, cumulative dividends at the annual rate fixed for each particular series, before the Company may pay dividends on, make any other distributions on, or make any expenditures for the acquisition of shares of the Preference Stock or the Common Stock.

Dividends on the 600,000 shares of New Preferred Stock will be payable at the annual rate speci-fied on the cover page of this Prospectus on the fifteenth days of February, May, August and November. The first dividend on the New Preferred Stock will accrue from the date of original issue and will be payable on August 15, 1975.

Liquidation Rights

In the event of any involuntary liquidation, dissolution or winding up of the Company, holders of the New Preferred Stock, together and on a parity with holders of the \$100 par value Preferred Stock, will be entitled to receive, before any distribution is made on the Common Stock or the Preference Stock, the par value of such shares (\$25 or \$100, as the case may be) plus accrued dividends, or, if such liquidation, dissolution or winding up is voluntary, such holders will be entitled to receive the applicable optional redemption prices.

Redemption Provisions

The Company may, at its option, redeem, on not less than 30 nor more than 90 days' notice, the New Preferred Stock in whole or in part at the applicable optional redemption prices, including it each case accrued dividends. The optional redemption prices for the New Preferred Stock are $ per share if redeemed on or prior to June 1, 1980; $ if redeemed thereafter and on or prior to June 1, 1985; $ if redeemed thereafter and on or prior to June 1, 1990; and $ if redeemed thereafter, including in each case accrued dividends; provided, however, that the Company will not, prior to June 1, 1980, redeem any shares of the New Preferred Stock in any refunding operation involving funds (other than the proceeds of an issue of junior stock) having an effective cost to the Company below that of the New Preferred Stock.

Voting Rights

The holders of the Common Stock have exclusive voting rights except as referred to below under "Restrictions on Corporate Action," except when holders of $100 par value Preferred Stock, $25 par value Preferred Stock or Preference Stock are entitled to vote under the Articles as a result of an arrearage in dividends, and except as otherwise required by the laws of the State of Washington.

Whenever dividends payable on any $100 par value Preferred Stock or $25 par value Preferred Stock are in arrears in an amount equivalent to or exceeding four quarterly dividends, holders of $100 par value Preferred Stock have the right to elect the smallest number of directors necessary to constitute a majority of the Board of Directors and holders of $25 par value Preferred Stock have the right to elect two directors. Such rights shall continue until no dividends are in arrears and the current dividend has been set apart.

Restrictions on Corporate Action

The Company may not, without the consent of two-thirds of each outstanding class of Preferred Stock: (i) authorize any prior ranking stock; (ii) change the terms of the Preferred Stocks in any prejudicial manner; provided, however, if such change would be prejudicial to the holders of one class, or any series thereof, alone, only the like consent of holders of such class or series of stock is required; (iii) dispose of substantially all of its property (but no consent is required to mortgage assets of the Company); or (iv) dispose of any shares of either class of Preferred Stock unless certain earnings and other tests are complied with.

The Company may not, without the consent of a majority of each outstanding class of Preferred Stock (or such greater proportion as may be required by the laws of the State of Washington), in certain instances (i) merge with any corporation or (ii) incur unsecured indebtedness.

Under the Articles, the voting rights of each class of Preferred Stock described above in this section are not effective if, in connection with any of the matters specified, provision is made for the redemption or other retirement of all such class of Preferred Stock at the time outstanding.

Preemptive Rights

No holder of shares of stock of any class has preemptive or other rights to subscribe for or purchase any stock of the Company of any class, or securities convertible into stock.

Liability for Further Calls or Assessments

The New Preferred Stock, when issued, will be fully paid and nonassessable.

Transfer Agents and Registrars

Rainier National Bank, Seattle, Washington and Manufacturers Hanover Trust Company, New York, New York will both be Transfer Agents and Registrars for the New Preferred Stock.

LEGAL OPINIONS AND EXPERTS

The validity of the New Preferred Stock offered hereby is being passed upon for the Company by Messrs. Perkins, Coie, Stone, Olsen & Williams, 1900 Washington Building, Seattle, Washington, general counsel, and for the Underwriters by Messrs. Mudge Rose Guthrie & Alexander, 20 Broad Street, New York, New York. All matters pertaining to the laws of the States of Washington and Montana are being passed upon only by Messrs. Perkins, Coie, Stone, Olsen & Williams.

Messrs. Perkins, Coie, Stone, Olsen & Williams have reviewed the statements made herein as to matters of law and legal conclusions under "Business" with respect to "Regulation and Rates," "Fuel Supply," "Environment" and "Legal Proceedings," and under "Description of the New Preferred Stock" and those statements are set forth herein on the authority of such firm as experts. At April 15, 1975, attorneys in that firm were the beneficial owners, directly or indirectly, of approximately 600 shares of the Company's common stock and $40,000 in principal amount of its first mortgage bonds.

The financial statements of Puget Sound Power & Light Company as of December 31, 1974 and for the five years then ended have been examined by Coopers & Lybrand, independent certified public accountants, and are included in this Prospectus in reliance upon the accompanying report of said firm, which report is given upon their authority as experts in accounting and auditing.

Puget Sound Power & Light Company

BALANCE SHEETS

ASSETS

	December 31 1974	December 31 1973
	(Thousands of Dollars)	
UTILITY PLANT:		
Electric plant, at original cost (Notes 1, 2, 7 and 13)	$672,269	$576,912
Less accumulated depreciation (Note 1)	92,766	81,074
Net utility plant	579,503	495,8[illegible]
OTHER PROPERTY AND INVESTMENTS:		
Nonutility property, at cost	879	796
Investment in and advances to subsidiaries (Note 1)	2,843	2,700
Other investments, at cost (Note 3)	880	1,465
Total other property and investments	4,602	4,961
CURRENT ASSETS:		
Cash (Note 8)	3,701	1,294
Accounts receivable:		
Customers	13,769	9,861
Miscellaneous	4,543	3,651
Less allowance for doubtful accounts	(408)	(340)
	17,904	13,[illegible]
Materials and supplies, at average cost	9,433	5,[illegible]6
Current portion of deferred income taxes (Note 1)	900	—
Prepayments	1,326	1,195
Total current assets	33,264	21,257
DEFERRED CHARGES:		
Advance under power contract	906	937
Unamortized debt expense (Note 1)	1,069	772
Accumulated income taxes (Note 1)	829	703
Thermal plant feasibility costs	—	707
Prepaid power costs	—	2,573
Other	1,104	1,524
Total deferred charges	3,908	7,216
	$621,277	$529,272

The accompanying notes are a part of the financial statements.

Puget Sound Power & Light Company

BALANCE SHEETS

LIABILITIES AND CAPITAL

	December 31 1974	December 31 1973
	(Thousands of Dollars)	
CAPITALIZATION:		
Shareholders' investment:		
Common stock (Notes 4 and 12)	$ 49,979	$ 43,850
Additional paid-in capital (Notes 5 and 12)	34,689	26,976
Earnings reinvested in the business (Note 6)	81,391	73,202
Total common equity	166,059	144,028
Preferred stock (Note 4)	37,122	39,345
Convertible preference stock (Note 4)	14,814	14,814
Total shareholders' investment	217,995	198,187
Long-term debt (Note 7)	318,749	256,116
Total capitalization	536,744	454,303
NOTES PAYABLE TO BANKS (Note 8)	30,500	41,000
CURRENT LIABILITIES:		
Commercial paper (Note 8)	15,700	6,000
Accounts payable	4,704	4,679
Accrued expenses:		
Taxes	12,457	9,649
Salaries and wages	1,667	1,547
Interest	4,226	2,175
Other	2,441	653
Total current liabilities	41,195	24,703
DEFERRED TAX CREDITS (Note 1):		
Accumulated investment tax credits	3,754	2,449
Accumulated income tax credits	1,223	833
Total deferred tax credits	4,977	3,282
OTHER DEFERRED CREDITS:		
Customer advances for construction (Note 1)	3,213	2,942
Other	2,572	1,230
Total other deferred credits	5,785	4,172
ACCUMULATED PROVISION FOR SELF-INSURANCE	2,076	1,812
COMMITMENTS AND CONTINGENCIES (Notes 2 and 14)		
	$621,277	$529,272

The accompanying notes are a part of the financial statements.

Puget Sound Power & Light Company

STATEMENTS OF EARNINGS REINVESTED IN THE BUSINESS

	Years Ended December 31				
	1970	1971	1972	1973	1974
	(Thousands of Dollars)				
BALANCE AT BEGINNING OF YEAR	$55,999	$59,726	$63,370	$68,778	$73,2[illegible]
NET INCOME	13,045	13,863	16,044	15,463	21,38[illegible]
Total	69,044	73,589	79,414	84,241	94,5[illegible]
DEDUCTIONS:					
Cash dividends paid:					
Preferred stock:					
$4.84 per share on 4.84% issue	624	612	602	589	57[illegible]
$4.70 per share on 4.70% issue	658	637	609	592	57[illegible]
$8.00 per share on 8% issue	—	—	—	113	1,15[illegible]
7.25% Convertible preference stock, $3.625 per share	1,078	1,087	1,086	1,074	1,074
Common stock*	6,958	7,388	8,339	8,671	8,6[illegible]
Expenses relating to issuance of equity securities:					
8% Preferred stock, 150,000 shares	—	—	—	—	248
Common stock, 400,000 shares in 1971 and 600,000 shares in 1974	—	495	—	—	874
Total deductions	9,318	10,219	10,636	11,039	13,1[illegible]
BALANCE AT END OF YEAR (Note 6)	$59,726	$63,370	$68,778	$73,202	$81,391

*See Statements of Income for dividends per common share.

The accompanying notes are a part of the financial statements.

Puget Sound Power & Light Company

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Years Ended December 31				
	1970	1971	1972	1973	1974
	(Thousands of Dollars)				
FUNDS PROVIDED BY OPERATIONS:					
Net income	$ 13,045	$ 13,863	$ 16,044	$ 15,463	$ 21,385
Add (deduct) items not affecting working capital in the current period:					
Depreciation, including amounts charged to other expense accounts	9,264	11,047	11,896	13,131	14,751
Equity portion of allowance for funds used during construction	(337)	(546)	(611)	(730)	(1,701)
Deferred investment tax credits and income taxes—net	(176)	383	1,464	1,185	1,568
Other	(353)	(79)	443	238	803
Total from operations	21,443	24,668	29,236	29,287	36,806
OTHER FUNDS PROVIDED (APPLIED):					
Issuance of first mortgage bonds	30,000	—	30,000	—	60,000
Issuance of equity securities	47	12,071	405	15,283	13,183
Increase (decrease) in notes payable to banks	(6,000)	9,000	(10,500)	25,000	(10,500)
Proceeds of pollution control bonds—net	—	—	—	2,738	3,852
(Increase) decrease in other investments	(328)	(115)	1,652	231	448
Additions to utility plant—net of equity portion of allowance for funds used during construction	(36,541)	(34,664)	(40,402)	(62,330)	(97,094)
(Increase) decrease in prepaid power costs	—	—	—	(2,573)	2,573
Payment of dividends	(9,318)	(9,724)	(10,636)	(11,039)	(12,074)
Reacquired securities	(531)	(1,124)	(498)	(569)	(2,152)
Miscellaneous—net	1,828	451	733	1,112	472
Increase (decrease) in working capital	$ 600	$ 563	$ (10)	$ (2,860)	$ (4,486)
Changes in components of working capital:					
Increase (decrease) in current assets:					
Cash	$ 667	$ 1,543	$ (1,600)	$ (2,880)	$ 2,407
Accounts receivable	981	423	2,552	724	4,732
Materials and supplies	(89)	(58)	46	1,453	3,837
Current portion of deferred income taxes	—	—	—	—	900
Prepayments	114	43	89	309	131
(Increase) decrease in current liabilities:					
Commercial paper and accounts payable	(1,150)	(1,205)	351	(3,649)	(9,725)
Accrued expenses and other	77	(183)	(1,448)	1,093	(6,768)
	$ 600	$ 563	$ (10)	$ (2,860)	$ (4,486)

The accompanying notes are a part of the financial statements.

Puget Sound Power & Light Company

NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies

The Company's accounting policies conform to generally accepted accounting principles and to accounting requirements of regulatory authorities. Significant policies are described below.

Utility Plant—Utility plant includes taxes incurred and allowances for funds used during construction. It is the general policy of the Company to charge the cost of maintenance and repairs to operating expenses and other appropriate accounts. The cost of renewals and betterments is charged to appropriate utility plant accounts, except the cost of minor replacements which is charged to maintenance expense. The original cost of operating property retired or otherwise disposed of and the cost of removal, less salvage, is charged to accumulated depreciation. However, in the case of the sale of a significant operating unit or system, the original cost is removed from the utility plant accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and the net gain or loss on disposition is credited or charged to income.

Investment in Subsidiaries—The investment in subsidiaries is stated on an equity basis. The assets, revenues, earnings, and earnings reinvested in the business of the subsidiaries are not material in relation to those of the Company.

Accounts Receivable and Operating Revenues—The Company bills its customers on a monthly and bi-monthly cyclical basis. Accounts receivable and operating revenues include only amounts billed. They do not include an estimated accrual for service between the last cyclical billing and the end of the year.

Customer Advances for Construction—Customer advances for construction may be refunded in whole or in part or may be transferred to utility plant. Such credits represent amounts paid by customers and others toward utility plant improvements, principally underground distribution facilities.

Depreciation and Amortization—The Company provides for depreciation on a straight-line basis for all depreciable property, except for 15.6% of such property (principally hydro-electric production property) which is depreciated on a 6 percent compound-interest method.

The annual depreciation provisions recorded in the Company's accounts were equivalent to the following percentages of the original cost of depreciable utility plant:

	1970	1971	1972	1973	1974
Straight-line method (%)	2.7	3.0	3.0	3.0	3.1
Compound-interest method (%)	.68	.72	.76	.81	.85

Automobiles, trucks, power operated equipment and tools are depreciated by the straight-line method and such depreciation is charged to fixed asset and maintenance or other expense accounts.

Debt expense is being amortized ratably over the periods of outstanding long-term debt.

Federal Income Taxes—In computing depreciation for Federal income tax purposes, the Company uses depreciation methods and estimated asset lives which differ from those used in its financial statements. In addition, the allowance for funds used during construction and certain taxes during construction are treated differently for income tax and financial statement purposes. Principally as result of these factors, the Company's effective tax rate varies from the statutory Federal income tax rate (See Note 10).

The Company normalizes, with the approval of the Washington Utilities and Transportation Commission, the tax effects of (1) liberalized and asset depreciation range depreciation on production property additions after 1969 and 1970, respectively; (2) job development investment credits; (3) the provision for self-insurance in excess of deductible losses; and (4) certain accrued property taxes.

Allowance for Funds Used During Construction—The allowance for funds used during construction ("AFDC") represents capitalization of the estimated portion of interest and equity costs of capital funds which are applicable to utility plant while under construction. AFDC is included in other income with a corresponding charge to utility plant, in accordance with accounting requirements of regulatory authorities. The Company, in the rates used to bill customers for utility service, is permitted, under established regulatory rate practices, to recover these capitalized costs and a fair return thereon through their inclusion in rate base and the provision for depreciation after the related utility plant has been placed in service.

The composite rate used by the Company to capitalize the cost of funds devoted to construction was 7.8% for the five years ended December 31, 1974. Such rate was determined on the basis of the estimated cost of capital employed to finance the Company's construction program, without giving effect to income taxes related to interest on debt.

A substantial portion of AFDC represents, in effect, the capitalization of a portion of the interest charges shown as an expense in the statements of income. The amount of AFDC, which directly affects net income for common stock, varies from year to year, depending principally upon the level of construction work in progress. The portion of AFDC attributable to funds provided by common stock equity amounted to 2.31%, 3.47%, 3.26%, 4.15% and 6.91% of net income for common stock for the five years ended December 31, 1974, respectively. The foregoing percentages are based on the assumptions that (1) funds required for construction were supplied 60% from funded debt, 10% from preferred and preference stock, and 30% from common stock equity, and (2) the incremental cost rates for funded debt and preferred and preference stock were 8%. For the five years ended December 31, 1974, AFDC amounted to 8.21%, 12.31%, 11.56%, 14.73% and 24.48%, respectively, of net income for common stock. Cash inflow related to AFDC does not occur until the related utility plant is placed in service.

Earnings per Common Share—Earnings per common share for each of the five years ended December 31, 1974 have been computed as follows:

Earnings per common share assuming no conversion of preference stock: the net income for common stock is divided by the weighted average number of common shares outstanding.

Earnings per common share assuming full conversion: the aggregate of the net income for common stock plus the dividends accrued on convertible preference stock is divided by the aggregate of the weighted average number of common shares outstanding plus the number of shares that would be outstanding if the convertible preference stock were fully converted.

NOTES TO FINANCIAL STATEMENTS, Continued

2. Utility Plant Expenditures

Expenditures for utility plant during 1975 are expected to approximate $90,700,000. The Company's construction program for the years 1976 through 1977, subject to continuing review and adjustment, is estimated to be $304,000,000. Certain purchase commitments have been made in connection with the construction program.

3. Other Investments

Other investments consist principally of (1) mortgages receivable resulting from sale of certain non-operating properties which are collateralized by such property but have no ready marketability, and (2) long-term notes receivable deemed fully realizable.

4. Capital Stock

	Preferred Stock (1,000,000 shares authorized)			Preference Stock (700,000 shares authorized)	Common Stock
	4.84%	4.70%	8%	7.25% Convertible	
Par value	$100	$100	$100	$50	$10
			(shares)		
Authorized	150,000	150,000	150,000	300,000	6,000,000
Outstanding January 1, 1970	131,800	140,583	—	300,000	3,953,561
Issued to trustee of employee investment plan:					
1970	—	—	—	—	1,7[illegible]2
1971	—	—	—	—	6,723
1972	—	—	—	—	7,750
1973	—	—	—	—	9,706
1974	—	—	—	—	12,802
Sold to public:					
1971	—	—	—	—	400,000
1973	—	—	150,000	—	—
1974	—	—	—	—	600,000
Conversion of preference stock into common stock:					
1971	—	—	—	(310)	468
1972	—	—	—	(3,400)	5,150
Acquired for sinking fund:					
1970	(4,427)	(3,255)	—	—	—
1971	(1,742)	(5,995)	—	—	—
1972	(3,264)	(4,376)	—	—	—
1973	(2,355)	(3,520)	—	—	—
1974	(4,407)	(820)	(17,000)	—	—
Outstanding December 31, 1974	115,605	122,617	133,000	296,290	4,997,852
Available for future sinking fund requirements	7,395	6,383	17,000		

NOTES TO FINANCIAL STATEMENTS, Continued

The preferred stock may be redeemed by the Company at the following redemption prices per share plus accrued dividends:

4.84% Series—$103 prior to May 15, 1977 and $102 thereafter.
4.70% Series—$102 prior to May 15, 1979 and $101 thereafter.
8% Series—$108, $105 and $103 prior to February 15, 1978, 1983 and 1988, respectively, and $101 thereafter.

The Company is required to deposit funds annually in a sinking fund sufficient to redeem the following number of shares of each series at $100 per share plus accrued dividends: 4.84% series and 4.70% series, 3,000 shares each; 8% series, 4,000 shares from 1975 through 1984 and 5,000, 6,000, and 1,000 shares through 1989, 2003, and 2004, respectively. These requirements may be satisfied by delivery of reacquired shares.

The convertible preference stock may be redeemed at par plus accrued dividends. The Company must keep available for conversion of this preference stock 448,924 shares of its authorized and unissued $10 par value common stock, based on conversion values for preference stock and common stock of $50 and $33, respectively.

5. Additional Paid-in Capital

	Years Ended December 31				
	1970	1971	1972	1973	1974
	(Thousands of Dollars)				
Balance at beginning of year	$16,929	$17,276	$26,043	$26,590	$26,976
Excess of proceeds over par value of common stock sold to public	—	8,350	—	—	6,900
Excess of par value over cost of preferred stock reacquired for annual sinking fund requirements	317	273	271	200	657
Excess of proceeds over par value of common stock issued to trustee of employee investment plan	30	133	158	186	156
Excess of conversion price over par value of common stock issued in exchange for convertible preference stock	—	11	118	—	—
Balance at end of year	$17,276	$26,043	$26,590	$26,976	$34,689

6. Earnings Reinvested in the Business

Earnings reinvested in the business unrestricted as to payment of cash dividends on common stock amounted to approximately $51,100,000 at December 31, 1974, under provisions of the most restrictive covenants applicable to the preferred and preference stock and long-term debt.

7. Long-Term Debt

	Amount Outstanding December 31 1974	1973
	(Thousands of Dollars)	
First Mortgage Bonds:		
10¾% series, due 1983	$30,000	$ —
3½% series, due 1984	25,000	25,000
4⅛% series, due 1988	30,000	30,000
4⅝% series, due 1991	15,000	15,000
4⅝% series, due 1993	40,000	40,000
4¾% series, due 1994	15,000	15,000
5¼% series, due 1996	20,000	20,000
6⅝% series, due 1997	20,000	20,000
7½% series, due 1999	20,000	20,000
9½% series, due 2000	29,700	29,700
7¾% series, due 2002	30,000	30,000
8¾% series, due 2004	30,000	—
	304,700	244,700
Debentures, 5¼%, due 1983	8,486	9,292
5.90% pollution control revenue bonds, series 1973, due 1998 ($20,000,000, net of funds on deposit with trustee of $13,409,000 and $17,261,000)	6,591	2,739
Notes payable	525	544
	320,302	257,275
Less unamortized discount—net of premium	1,553	1,159
Total	$318,749	$256,116

The effective interest cost approximates the coupon rate during the life of the bonds and the discount or premium applicable to individual issues is not material.

The Company is required to make annual sinking and improvement fund payments to the trustee equal to one percent of the aggregate principal amount of each series of first mortgage bonds outstanding as provided in the respective indentures, except for the 10¾% series, due 1983, which has no sinking fund provision. The aggregate amount of such requirements for 1975 is $2,447,000 and for each of the years 1976 through 1979 is $2,747,000. This requirement may be met by the substitution of certain credits as provided in the indentures.

The Company is also required to make an annual sinking fund payment sufficient to redeem (at special redemption prices not to exceed 100.75 percent of principal) $375,000 principal amount of debentures on November 1 of each year through 1982. This requirement may be satisfied by delivery of reacquired debentures. At December 31, 1974, $889,000 of reacquired debentures were available to meet future sinking fund requirements.

NOTES TO FINANCIAL STATEMENTS, Continued

The 5.90% pollution control revenue bonds were issued by Rosebud County, Montana. The Company has guaranteed the payment of principal and interest on the bonds.

On March 7, 1974, the Company issued $30,000,000 of first mortgage bonds, 8¾% series, due March 1, 2004. On November 14, 1974, the Company issued $30,000,000 of first mortgage bonds, 10¾% series, due November 1, 1983. The proceeds of these issues were used to retire a like amount of notes payable to banks.

Substantially all properties of the Company are subject to the lien of the first mortgage bonds.

8. Notes Payable

Notes payable to banks represent borrowings under a credit agreement with 21 banks, which provided for a maximum commitment of $50,000,000 with interest on borrowings at 105% of the prime rate. The agreement also provided for a fee of ¼ of 1% per annum on the unused commitment. The borrowings carried an average interest rate of 12% at December 31, 1974 and matured April 1, 1975. It was informally understood that the Company would maintain compensating balances on a yearly average basis equal to 5% of the total line of credit based on monthly bank statement balances. The normal delay in check clearances through the depository banks substantially met this compensating balance requirement.

On April 1, 1975 notes payable to banks were refinanced with notes due April 1, 1976 under a new credit agreement with 22 banks which provides for a maximum commitment of $75,000,000. The new agreement provides for interest on borrowings at 114% of the prime rate and a commitment fee of ½ of 1%. The Company has informally agreed to maintain compensating balances of 7½%.

The average interest rate on commercial paper outstanding at December 31, 1974 was 10.75%. A $15,000,000 supplemental credit agreement which expired December 31, 1974, a $5,000,000 supplemental credit agreement which expired March 31, 1975, and the unused portion of the regular credit line were used to support the issuance of commercial paper.

The maximum aggregate balance of notes payable to banks and commercial paper outstanding at any month end during the year 1974 was $66,800,000 at October 31. The approximate average balance of borrowings outstanding during 1974 was $42,560,000 and the approximate weighted average interest rate was 11.25%, calculated on a daily average basis.

NOTES TO FINANCIAL STATEMENTS, Continued

9. Supplementary Income Statement Information

	Years Ended December 31				
	1970	1971	1972	1973	1974
	(Thousands of Dollars)				
Taxes:					
Real estate and personal property	$ 6,092	$ 5,609	$ 7,396	$ 7,808	$ 9,42[illegible]
State business	3,094	3,361	3,853	4,229	4,651
Municipal, occupational and other	1,219	1,379	1,347	1,479	2,05[illegible]
State sales and use	989	1,084	1,157	1,353	1,61[illegible]
Payroll	756	848	1,128	1,477	1,[illegible]
Other	281	302	353	384	361
	$12,431	$12,583	$15,234	$16,730	$19,77[illegible]
Charged to:					
Tax expense	$10,889	$10,851	$13,257	$14,861	$17,04[illegible]
Other accounts, including construction in progress	1,542	1,732	1,977	1,869	2,7[illegible]
	$12,431	$12,583	$15,234	$16,730	$19,77[illegible]

See the Statements of Income for maintenance and depreciation.

Rentals, advertising, research and development expenses and amortization of intangibles are not considered to be significant. The Company pays no royalties.

10. Federal Income Taxes

The Company's effective Federal income tax rates for the five years ended December 31, 1974 were 3.3%, 10.9%, 19.7%, 21.1% and 27.2%, respectively. The difference between these effective rates and the 48% Federal income tax statutory rate comprises:

	1970	1971	1972	1973	[illegible]
Items on which the tax effect has not been deferred in accordance with regulatory requirements:					
Depreciation expense deducted for income tax purposes in excess of depreciation expense included in the financial statements, net of liberalized depreciation treated as a timing difference	25.4%	18.7%	16.4%	16.4%	11.1%
Allowance for funds used during construction included as income in the financial statements and excluded from taxable income	3.1	4.4	3.8	4.7	7.2
Certain taxes included in the cost of utility plant in the financial statements and deducted for income tax purposes	4.8	4.1	3.3	3.5	2.7
Certain general and administrative expenses included in the cost of utility plant in the financial statements and deducted for income tax purposes	3.9	2.6	—	—	—
Flow through of investment tax credits	—	4.2	1.6	1.3	—
Other	7.5	3.1	3.2	1.0	(.2)
	44.7%	37.1%	28.3%	26.9%	20.8%

NOTES TO FINANCIAL STATEMENTS, Continued

Deferred tax amounts in the Statements of Income for the years ended December 31, 1973 and 1974 result from timing differences in the recognition of expenses for tax and financial statement purposes (See Note 1). The source of these differences and the tax effect of each were as follows:

	1973	1974
	(Thousands of Dollars)	
Excess of deductible liberalized and asset depreciation range depreciation on production property additions after 1969 and 1970, respectively, over related depreciation in the financial statements	$ 397	$ 390
Property taxes accrued in the financial statements in excess of amounts deductible for tax purposes	—	(900)
Provision for self-insurance in the financial statements in excess of deductible losses for tax purposes	(131)	(127)
	$ 266	$(637)

11. Employee Pension Plan

The Company has a noncontributory pension plan covering substantially all of its employees. The total cost of this plan for each of the years 1970, 1971 and 1972 was $1,620,000 and for 1973 and 1974 was $1,800,000 and $2,300,000, respectively, including $526,000, $503,000, $502,000, $587,000 and $725,000, respectively, charged to construction. Effective January 1, 1974 the plan was amended to increase plan benefits which had no material effect on net income. Unfunded prior service costs are being amortized over a period of approximately thirty years. The Company's policy is to fund pension cost accrued. At December 31, 1974, unfunded past service costs were approximately $10,392,000. The actuarially computed value of vested benefits exceeds the value (based primarily on market) of the pension fund by approximately $8,600,000.

12. Employee Investment Plan

The Company has a qualified employee investment plan under which prescribed payroll deductions as designated by the employees are deposited monthly with a trustee and are used to purchase a diversified investment portfolio. The Company makes a monthly contribution to the trust fund equal to 35% of the basic contribution of each participating employee. The basic contribution is limited to 6% of the employee's regular earnings. Under the investment plan agreement, all Company contributions are used by the trustee to purchase common stock directly from the Company at a value established by sales at specified dates on the New York Stock Exchange.

For the years 1970 through 1974 the Company contributed $65,000, $200,000, $224,000, $253,000 and $240,000, respectively, in cash to the plan and the trustee purchased from such contributions 1,752, 6,723, 7,750, 9,706 and 12,802 shares of Company common stock. Proceeds from such sales were credited to the common stock and additional paid-in capital accounts on the books of the Company.

NOTES TO FINANCIAL STATEMENTS, Continued

13. Restatements

In accordance with regulatory requirements effective January 1, 1974, contributions in aid of construction have been reclassified as a reduction of utility plant. Utility plant as of December 31, 1973 has been restated to reflect this change resulting in a reduction of $12,954,000. Previously such contributions were shown separately among the liabilities. In addition, certain other restatements have been made to conform previously reported amounts to 1974 classifications.

14. Contingencies

See "Business—Legal Proceedings" for details of a complaint filed against the Company by the Muckleshoot Indian Tribe requesting damages of $45,000,000 and a contested case before the Montana Board of Natural Resources and Conservation regarding the application for a construction permit for two additional generating units at Colstrip, Montana.

Puget Sound Power & Light Company

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Puget Sound Power & Light Company
Bellevue, Washington

We have examined the balance sheets of Puget Sound Power & Light Company as of December 31, 1974 and 1973 and the related statements of income, earnings reinvested in the business and changes in financial position for the five years ended December 31, 1974. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Puget Sound Power & Light Company at December 31, 1974 and 1973 and its results of operations and changes in financial position for the five years ended December 31, 1974, in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

Seattle, Washington

February 12, 1975, except as to Note 8 with respect to which the date of this report is April 1, 1975.

No dealer, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer made by this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any of the Underwriters. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

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$60,000,000

Pacific Power & Light Company

First Mortgage Bonds, 10¾% Series due 1990

Salomon Brothers

Blyth Eastman Dillon & Co.
Incorporated

The First Boston Corporation

Kidder, Peabody & Co.
Incorporated

Prospectus

Dated May 1, 1975

Prospectus

$60,000,000

Pacific Power & Light Company

First Mortgage Bonds, 10¾% Series due 1990

Interest is payable May 1 and November 1

Upon exercise by the holder of the New Bonds of an election described herein, the maturity date of the New Bonds shall be May 1, 1985 instead of May 1, 1990.

The New Bonds are redeemable at the option of the Company as a whole or in part at any time upon not less than 30 days' notice, at the applicable redemption prices set forth herein, with accrued interest to the date fixed for redemption, except that prior to May 1, 1980 no redemption of the New Bonds may be made at a General Redemption Price for the purpose, or in anticipation, of refunding such New Bonds through the use, directly or indirectly, of funds borrowed by the Company at an effective interest cost to the Company of less than 10.9456% per annum. The initial General and Special Redemption Prices are 110.45% and 100.00%, respectively. See "Description of New Bonds".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Company(1)(3)
Per Bond	99.70%	1.125%	98.575%
Total	$59,820,000	$675,000	$59,145,000

(1) Plus accrued interest from May 1, 1975 to date of payment and delivery.

(2) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(3) Before deduction of expenses payable by the Company estimated at $135,000.

The New Bonds are offered when, as and if issued and accepted by the Underwriters named within, and subject to approval of legal matters by counsel, prior sale or withdrawal, cancellation or modification of the offer without notice. It is expected that delivery of the New Bonds will be made in New York City on May 8, 1975.

Salomon Brothers

Blyth Eastman Dillon & Co.
Incorporated

The First Boston Corporation

Kidder, Peabody & Co.
Incorporated

The date of this Prospectus is May 1, 1975.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission. Information, as of particular dates, concerning directors and officers, their remuneration, the principal holders of securities of the Company and any material interest of such persons in transactions with the Company, is disclosed in proxy statements distributed to shareholders of the Company and filed with the Commission. Such reports, proxy statements and other information may be inspected at the office of the Commission at 1100 L Street, N.W., Washington, D.C. 20005, and copies of such material may be obtained from the Commission at prescribed rates. The Company's common stock is listed on the New York and the Pacific Stock Exchanges where reports, proxy material and other information concerning the Company may also be inspected.

THE COMPANY

Pacific Power & Light Company (Company) is an operating public utility, incorporated under the laws of Maine on June 16, 1910. The principal executive offices of the Company are located in the Public Service Building, Portland, Oregon 97204; the telephone number is (503) 243-1122. It is engaged primarily in generating, purchasing, transmitting and distributing electricity in more than 240 communities (the largest of which is Portland, Oregon) in the States of Oregon, Wyoming, Washington, California, Montana and Idaho. The Company provides customer services through four division offices and thirty district offices located throughout its service area.

PROBLEMS OF THE ELECTRIC UTILITY INDUSTRY

The Company has been experiencing some of the problems generally common to the electric utility industry, such as increased costs resulting from inflation, the high cost of capital, the need to comply with environmental requirements (see "Business—Regulation"), the effect of energy conservation on electric operating revenues and, in some of the states in which the Company operates, obtaining rate relief within a reasonable time after the filing of applications therefor (see "Business—Rates").

USE OF PROCEEDS, CONSTRUCTION PROGRAM AND FINANCING PLANS

Company construction costs in 1975 are expected to aggregate approximately $225,000,000, of which approximately $37,000,000 has been incurred through February 28, 1975, and the construction program in 1976 is expected to equal or exceed the 1975 program. The 1975 and 1976 construction programs exclude costs relating to the Wyodak Project (see "Business—Property and Power Supply"). The Company's estimate of construction costs and timing of construction projects is subject to continuing review and adjustment.

The Company issued 3,500,000 shares of common stock for approximately $55,580,000 in January, 1975 to retire short-term debt issued in connection with the 1974 construction program.

In addition to the use of internally generated funds, the Company expects to finance the 1975 construction program through the use of short-term borrowings and permanent financing. The Company intends to issue, in addition to the First Mortgage Bonds offered hereby (New Bonds), $70,000,000 of additional long-term debt and equity securities prior to the end of 1975. Within the next year, the Company may also guarantee approximately $78,000,000 of pollution control revenue bonds, in addition to $15,000,000 of such bonds sold in April 1975. The construction and financing planned for periods subsequent to 1975 will depend upon the cost and availability of capital, the timeliness and adequacy of rate relief, and other economic factors.

The Company's regulatory and corporate short-term borrowing authority consists of a $65,000,000 line of credit with fourteen banks, a $35,000,000 loan facility in the Eurodollar market and authority to sell commercial paper up to $60,000,000 outstanding at any one time. At the time of the sale of the New Bonds, the Company estimates that it will have outstanding $30,000,000 of bank loans under its line of credit, $55,000,000 of commercial paper and $35,000,000 under its Eurodollar loan facility. The proceeds from the sale of the New Bonds will be used to retire portions of these short-term borrowings outstanding in types and amounts that will result in the lowest effective interest cost on amounts remaining outstanding after such retirements, consistent with the interest rates and maturities of such short-term debt.

CAPITALIZATION

The capitalization of the Company and its consolidated subsidiaries as of February 28, 1975, and as adjusted to reflect the Company's guaranty related to the issuance of $15,000,000 principal amount of 8⅜% Series, due 2005, pollution control revenue bonds by Sweetwater County, Wyoming and the issuance of $60,000,000 principal amount of New Bonds is as follows:

	February 28, 1975			
	Outstanding		As Adjusted	
	Shares	Amount	Amount	Ratio
		Thousands of Dollars		
Long-Term Debt (Note 6):				
First mortgage bonds (A)		$ 667,788	$ 727,788	
Guaranty of pollution control revenue bonds		25,000	40,000	
Less funds on deposit with trustee (B)			(3,000)	
Long-term debt of consolidated subsidiaries		58,085	58,085	
Miscellaneous long-term debt		1,034	1,034	
Unamortized premium and discount on long-term debt		(3,239)	(3,239)	
Total Long-Term Debt		748,668	820,668	56.9%
Preferred Stock (Note 4)	1,172,360	117,236	117,236	8.1
Common Equity (Note 4):				
Common stock ($3.25 par value)	26,686,268	86,730	86,730	
Premium on capital stock		279,449	279,449	
Installments received on common stock		196	196	
Capital stock expense		(11,228)	(11,228)	
Retained Earnings (Note 5)		149,455	149,455	
Total Common Equity		504,602	504,602	35.0
Total Capitalization		$1,370,506	$1,442,506	100.0%

Notes 4, 5 and 6 refer to Notes to Consolidated Financial Statements.

(A) Additional first mortgage bonds may be issued without limitation as to principal amount upon satisfaction of the requirements of the Company's Mortgage and Deed of Trust dated as of July 1, 1947, as supplemented (see "Description of New Bonds--Issuance of Additional Bonds"). For information as to short-term borrowings, see "Use of Proceeds, Construction Program and Financing Plans" and Note 10 to Consolidated Financial Statements.

(B) Under terms of the indenture of trust relating to the 8⅜% Series, due 2005, pollution control revenue bonds, the proceeds from the issue will be deposited with the trustee. Disbursements will be made by the trustee as the pollution control facilities for the Jim Bridger Project are constructed (see "Business--Property and Power Supply"). As such disbursements are made the amount of funds on deposit with the trustee will be reduced. In the Company's accounts, the total amount of bonds outstanding under the indenture less the funds on deposit with the trustee will be reflected as a liability. As of the date the 8⅜% Series, due 2005, pollution control revenue bonds were issued, after disbursements for such pollution control facilities were made, approximately $3,000,000 remained on deposit with the trustee.

STATEMENT OF CONSOLIDATED INCOME

The following statement of consolidated income for the five years ended December 31, 1974 has been examined by Haskins & Sells, independent Certified Public Accountants, whose opinion with respect thereto appears elsewhere in this Prospectus; the statement for the twelve months ended February 28, 1975 has not been audited but in the opinion of the Company includes all adjustments (constituting only normal recurring accruals) necessary to a fair statement of the results of operations for such period. This statement should be considered in conjunction with its notes and the other consolidated financial statements and notes thereto appearing elsewhere in this Prospectus and with the information under "Business—Rates".

	Year Ended December 31					Twelve Months Ended February 28, 1975 (Unaudited)
	1970	1971	1972	1973	1974	
	Thousands of Dollars					
Operating Revenues:						
Electric	$152,842	$171,679	$190,170	$220,377	$216,789	$223,363
Steam heating	1,298	1,369	1,538	1,465	2,124	2,256
Telephone (Note 2)	4,932	5,619	6,552	11,905	25,628	26,187
Water	1,545	1,563	1,815	2,188	2,438	2,441
Total operating revenues	160,617	180,230	200,075	235,935	246,979	254,247
Operating Expenses:						
Operation:						
Electric utility:						
Power purchased and interchanged—Net	23,053	24,080	25,438	26,121	25,213	25,960
Fuel expense	2,742	3,393	5,124	16,894	16,939	18,053
Other production	3,353	3,587	3,857	4,611	5,654	5,682
Transmission and distribution	7,909	8,960	9,682	10,344	11,460	11,714
Customer service expense	8,712	9,067	9,204	9,464	9,899	10,140
Other utilities	2,337	2,404	2,547	3,693	5,833	6,103
Administrative and general	12,999	14,593	16,152	15,675	18,014	18,525
Maintenance	7,946	9,673	9,977	13,391	18,870	19,724
Depreciation	17,943	19,960	21,097	26,062	30,901	31,692
Taxes—Other than income	16,812	17,440	19,723	22,365	24,087	23,504
Federal and state income taxes (Notes 1 and 3)	5,919	9,451	10,250	7,472	(2,740)	(2,769)
Total operating expenses	109,725	122,608	133,051	156,092	164,130	168,328
Net Utility Operating Income	50,892	57,622	67,024	79,843	82,849	85,919
Other Income (Deductions):						
Allowance for funds used during construction (B)	5,357	10,447	12,324	7,887	16,799	18,992
Equity in earnings of joint ventures (Notes 1 and 2)	—	—	525	3,707	7,132	8,468
Interest, dividends and other income (C)	787	246	740	1,142	4,445	769
Other deductions	(655)	(1,082)	(946)	(1,100)	(1,242)	(1,330)
Minority interest	(3)	(3)	(20)	(167)	(805)	(814)
Income taxes (C)	169	483	(62)	(1,053)	(4,129)	(2,744)
Other income (deductions)—Net (C)	5,655	10,091	12,561	10,416	22,200	23,341
Income Before Interest Charges	56,547	67,713	79,585	90,259	105,049	109,260
Interest Charges:						
Interest on long-term debt	23,550	26,870	29,537	30,892	42,798	44,119
Amortization of debt discount, premium and expense—Net	86	99	139	161	232	253
Other interest	1,860	1,860	2,027	5,664	7,890	8,810
Total interest charges—Net	25,496	28,829	31,703	36,717	50,920	53,182
Net Income	31,051	38,884	47,882	53,542	54,129	56,078
Preferred Dividend Requirements	3,693	5,115	6,815	8,407	8,407	8,407
Earnings Applicable to Common Stock	$ 27,358	$ 33,769	$ 41,067	$ 45,135	$ 45,722	$ 47,671
Average number of shares of Common Stock outstanding (in thousands)	16,234	17,074	18,292	19,881	22,498	23,513
Earnings per common share (based on average number of shares of Common Stock outstanding)	$1.69	$1.98	$2.25	$2.27	$2.03	$2.03
Cash Dividends Declared Per Common Share	$1.28	$1.40	$1.47	$1.575	$1.60	$1.60
Ratio of Earnings to Fixed Charges (D)	2.41	2.63	2.78	2.65	2.03	1.99
Supplemental Ratio of Earnings to Fixed Charges (E)	2.23	2.44	2.60	2.50	1.96	1.92

NOTES TO STATEMENT OF CONSOLIDATED INCOME

A. The statement of consolidated income includes the operations of the Company and its subsidiaries, majority-owned, since dates of organization or acquisition. All significant intercompany transactions have been eliminated.

The statement of consolidated income for the four years ended December 31, 1973, which previously included subsidiary operations on the equity basis of accounting, has been restated to the consolidated basis of presentation. This restatement had no effect on previously reported net income.

B. In accordance with the accounting practice described in Note 1 to Consolidated Financial Statements, allowance for funds used during construction (AFDC) was determined on the basis of a composite rate of 7% through June 30, 1974, and at a composite rate of 8% beginning July 1, 1974. The "Allowance for funds used during construction", an item of non-operating "Other Income", is defined in the Uniform System of Accounts prescribed by the Federal Power Commission as including the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used.

Determination of the components of the composite rate attributable to each source of funds used for construction is impracticable; however, on the assumption that the funds used for this purpose were provided from sources in the same ratios as the Company's capitalization ratios during the applicable periods (56%-61% debt, 8%-12% preferred stock and 30%-33% common equity), with AFDC attributable to debt and preferred stock being based upon incremental costs (with interest on debt computed on a pre-tax basis), the portion of AFDC attributable to funds provided by common equity would amount to 0.8%, 6.4%, 6.4%, 4.1%, 6.9% and 5.5% of earnings applicable to common stock for the years ended December 31, 1970 through 1974 and the twelve months ended February 28, 1975, respectively.

C. As of February 1, 1974, the Company has included as other income a non-recurring payment in the amount of $3,800,000 received from Idaho Power Company for the transfer of an undivided one-third interest in coal reserves at the Jim Bridger plant, resulting in an increase of $1,976,000 ($.09 per common share) in "Other income (deductions) - Net" after provisions for income taxes.

D. "Earnings" represent the aggregate of (a) consolidated net income, less equity in undistributed earnings of joint ventures, (b) taxes based on income and (c) fixed charges. "Fixed charges" represent interest charges and the estimated amount representing the interest factor in rents. The pro forma ratio of earnings to fixed charges for the twelve months ended February 28, 1975, adjusted to give effect to annual interest requirements on outstanding debt and on $15,000,000 of the 8⅜% Series, due 2005, pollution control revenue bonds sold by Sweetwater County, Wyoming, $60,000,000 principal amount of the New Bonds at an assumed interest rate of 10%, and $78,000,000 of additional pollution control revenue bonds, which may be sold during the twelve months ended February 29, 1976, at an estimated interest rate of 8% and the elimination of interest on short-term and long-term debt heretofore retired, or to be retired with the proceeds from the sale of such pollution control revenue bonds and the New Bonds, would be 1.65; a change of 1/8 of 1% in the interest rate on the New Bonds would result in a change of approximately .002 in this pro forma ratio. This pro forma ratio does not take into consideration the annual effect of electric rate increases discussed under "Business—Rates" or the effect of anticipated additional permanent financing, other than pollution control revenue bonds. (See "Use of Proceeds, Construction Program and Financing Plans".)

E. Pursuant to Accounting Series Release No. 122 of the Securities and Exchange Commission, in this supplemental calculation of the ratio of earnings to fixed charges, in addition to items included in the calculation of fixed charges in D above, fixed charges include the Company's allocable portion of interest expense of Washington public utility districts relating to bonds issued to finance certain generating facilities from which, under long-term arrangements, the Company is purchasing power. Such allocable portion of interest expense relates only to those power purchases not subject to withdrawal upon notice. (See Note 7 to Consolidated Financial Statements.) The supplemental pro forma ratio of earnings to fixed charges for the twelve months ended February 28, 1975, adjusted as in Note D above, would be 1.61; a change of 1/8 of 1% in the interest rate on the New Bonds would result in a change of approximately .002 in this supplemental pro forma ratio.

F. Numbered note references are to Notes to Consolidated Financial Statements appearing elsewhere herein.

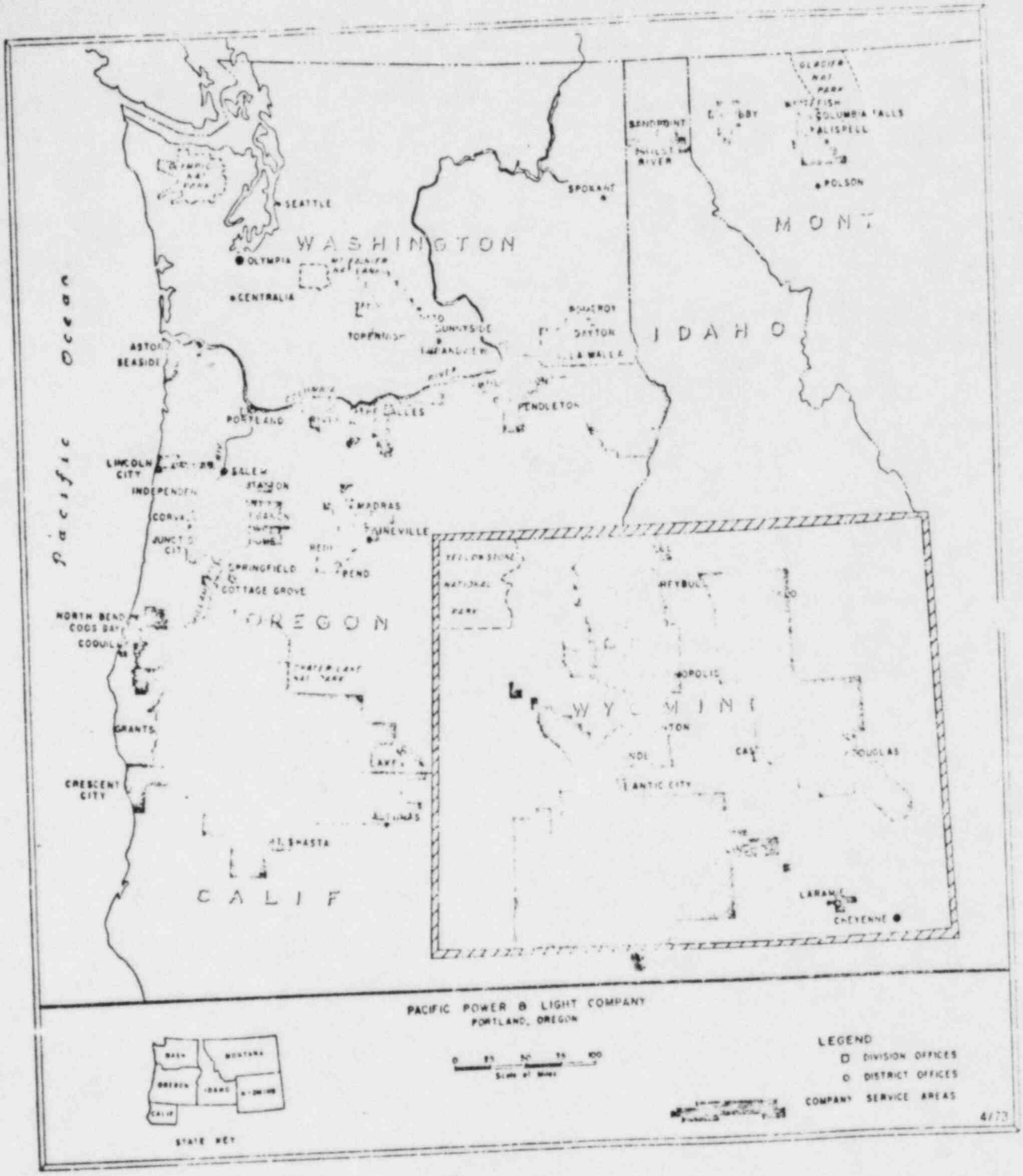
Unaudited total operating revenues, consolidated earnings applicable to common stock and consolidated earnings per common share for the twelve months ended March 31, 1975 were $258,380,000, $49,483,000 and $2.06, respectively, as compared with $237,097,000, $46,403,000 and $2.29 for the twelve months ended March 31, 1974. The ratio of earnings to fixed charges for the twelve months ended March 31, 1975 was 2.02 and the pro forma ratio was 1.71 (see Note D to Statement of Consolidated Income). The supplemental ratio of earnings to fixed charges for the twelve months ended March 31, 1975 was 1.96 and the pro forma ratio was 1.67 (see Note E to Statement of Consolidated Income). In the opinion of the Company all adjustments (constituting only normal recurring accruals) necessary to a fair statement of such amounts for such periods have been included.

The earnings coverage provisions of the Mortgage covering the Company's First Mortgage Bonds require for the issuance of additional mortgage bonds, except for certain refunding purposes, that minimum earnings, including the Allowance for Funds Used During Construction, before income taxes, be equal to at least two times pro forma annual interest charges on bonds. On the basis of this formula, the pro forma coverage (assuming the issuance of $60,000,000 of New Bonds at an assumed interest rate of 10%) for 12 consecutive months out of the 15 months immediately preceding the issuance of the New Bonds would be at least 2.10 times as compared with the requirement of at least two times.

The annual interest requirement on the New Bonds will be $6,450,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE STATEMENT OF CONSOLIDATED INCOME

The decline in electric operating revenues for the year ended December 31, 1974 as compared with the year ended December 31, 1973 is principally the result of reduced kilowatt-hour sales to "Public Utilities and Other" (sales for resale) and inadequate levels of electric rates in relation to continuing increases in operating costs and interest costs. Such increases were substantially offset by related reductions in income taxes, additional equity in earnings of joint ventures, and increased allowance for funds used during construction with the result that net income increased slightly for 1974 as compared to 1973. The decline in industrial kilowatt-hour sales (see "Electric Operating Statistics") between the year ended December 31, 1974 and the twelve months ended February 28, 1975 is principally the result of energy conservation and general economic conditions in the Pacific Northwest. The decline in governmental and municipal energy sales from the year ended December 31, 1973 through the twelve months ended February 28, 1975 results principally from the transfer of a large governmental customer to a commercial classification. Although electric operating revenues declined between the years ended December 31, 1973 and December 31, 1974, for the twelve months ended February 28, 1975 electric operating revenues increased, primarily reflecting the effect of increased electric rates which became effective in the fall of 1974. See "Business—Rates" for information regarding electric rate increases recently put into effect. The decrease in consolidated earnings per common share for the year ended December 31, 1974 and the twelve months ended February 28, 1975 as compared with the year ended December 31, 1973 reflects an increase in the number of common shares outstanding. The increase in electric utility operating expense, including fuel and other production expense, for the years ended December 31, 1973 and 1974 and the twelve months ended February 28, 1975 over the respective prior periods, results from the Company's increasing steam electric generation in relation to the portion of energy generated and purchased from hydroelectric sources (see "Electric Operating Statistics" and "Business—Property and Power Supply"). Operating expenses also increased due to increases in depreciation, maintenance and administrative and general expense which are related to increased utility plant put into service, as well as to higher costs of labor and materials. Maintenance and administrative and general expenses also increased as a result of the acquisition of control of Telephone Utilities, Inc. in October 1973. The reduction in administrative and general expense between 1972 and 1973 results principally from a reduction in employee benefit program insurance premiums. The increased amounts of interest charges reflect additional capital obtained to finance the Company's continuing construction program (see "Business"). See Notes to Statement of Consolidated Income above and Notes to Consolidated Financial Statements for information relating to accounting for income taxes, allowance for funds used during construction, equity in earnings of joint ventures, telephone operations and a non-recurring credit to other income.


WASHINGTON
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TOPPENISH
DAYTON
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Pacific Ocean
PORTLAND
SALEM
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MADRAS
SPRINGFIELD
BEND
COTTAGE GROVE
NORTH BEND
OREGON
CRESCENT CITY
CALIF
MT. SHASTA
IDAHO
MONT
COLUMBIA FALLS
KALISPELL
POLSON
WYOMING
DOUGLAS
LARAMIE
CHEYENNE
PACIFIC POWER & LIGHT COMPANY
PORTLAND, OREGON
LEGEND
DIVISION OFFICES
DISTRICT OFFICES
COMPANY SERVICE AREAS
STATE KEY
WASH
MONTANA
OREGON
IDAHO
WYOMING
CALIF

ELECTRIC OPERATING STATISTICS

	Twelve Months Ended December 31 1970	1971	1972	1973	1974	Twelve Months Ended February 28, 1975
Operating Revenues (thousands of dollars):						
Residential	$ 64,339	$ 73,259	$ 77,125	$ 81,605	$87,465	$91,603
Commercial	43,103	48,491	51,708	54,660	58,146	60,374
Industrial	35,588	38,595	40,894	42,358	47,526	49,041
Government and Municipal	2,668	2,530	2,685	2,831	2,803	2,785
Public Utilities and Other	4,267	5,623	13,488	33,687(a)	15,353	13,743
Total Energy Sales	149,965	168,498	185,900	215,141	211,293	217,546
Miscellaneous Electric Revenues	2,877	3,161	4,270	5,236	5,496	5,817
Total Electric Operating Revenues	$152,842	$171,679	$190,170	$220,377	$216,789	$223,363
Energy Sales (thousands of Kwh):						
Residential	4,558,470	4,962,472	5,235,260	5,529,310	5,653,332	5,721,758
Commercial	2,752,649	2,940,770	3,184,198	3,388,342	3,418,128	3,481,994
Industrial	4,761,404	4,828,399	5,076,847	5,230,515	5,286,591	5,217,121
Government and Municipal	149,045	139,354	152,374	157,407	141,144	133,231
Public Utilities and Other	1,099,414	1,553,944	2,918,907	3,403,644(a)	1,977,384	1,886,134
Total Energy Sales	13,320,982	14,424,939	16,567,586	17,709,218	16,476,579	16,440,238
Number of Customers (average for period counted on location basis):						
Residential	395,050	405,516	424,544	446,238	461,466	463,782
Commercial	66,691	68,194	70,246	72,594	74,097	74,385
Industrial	2,697	2,652	2,590	2,470	2,804	2,907
Government and Municipal	1,022	694	737	843	814	812
Public Utilities and Other	24	24	26	29	27	26
Total Customers	465,484	477,080	498,143	522,154	539,208	541,912
Average Per Residential Customer:						
Annual use—Kwh	11,539	12,237	12,331	12,391	12,251	12,337
Annual Revenue	$162.86	$180.66	$181.67	$182.87	$189.54	$197.51
Revenue per Kwh	1.41¢	1.48¢	1.47¢	1.48¢	1.55¢	1.60¢
Sum of Non-simultaneous Peak Demands (kilowatts as determined for all systems)	2,519,000	2,610,000	3,210,000	3,080,000	3,116,000	3,116,000
Energy Generated and Purchased (thousands of Kwh):						
Generated—Net Station Output:						
Hydroelectric	4,140,125	5,016,030	4,893,758	3,766,827	5,039,740	5,013,204
Steam	2,698,753	2,415,405	3,329,392	6,517,051	5,718,104	5,958,668
Other	(2)	(3)	820	11,069	113	106
Total Generated	6,838,876	7,431,432	8,223,970	10,294,947	10,757,857	10,971,978
Purchased and Net Interchange	7,829,426	8,406,537	9,991,488	8,877,070	7,461,010	7,198,475
Total Generated and Purchased	14,668,302	15,837,969	18,215,458	19,172,017	18,218,967	18,170,453
Company Use	35,466	37,592	38,357	35,518	33,053	32,999
Lost and Unaccounted For	1,311,854	1,375,438	1,609,515	1,427,281	1,709,335	1,697,216
Energy Sold	13,320,982	14,424,939	16,567,586	17,709,218	16,476,579	16,440,238

(a) Includes temporary sales under certain contracts, the last of which expired in 1974.

BUSINESS

General. During each of the last five fiscal years, more than 87% of the Company's consolidated operating revenue has been derived from the electric business and the remainder from steam heating, telephone and water operations. The geographical distribution of its electric operating revenues for the twelve months ended February 28, 1975 was: Oregon, 61.0%; Wyoming, 18.0%; Washington, 12.5%; California, 5.2%; Montana, 2.5%; and Idaho, 0.8%.

Telephone operations contributed approximately 2%, 3%, 2%, 6%, 13% and 13% of consolidated net utility operating income, before income taxes, for the five years ended December 31, 1974 and the twelve months ended February 28, 1975, respectively, with electric operations contributing substantially all of the remainder (see Note 2 to Consolidated Financial Statements regarding acquisition of Telephone Utilities, Inc.).

Business activities in the Company's electric service areas are highly diversified in the agricultural, extractive, recreational and industrial fields. Among the important types of businesses using the Company's service are lumber, plywood, pulp, paper, hardboard and particleboard plants; oil wells, refineries and pipeline compressor stations; iron ore mining and beneficiation; trona, bentonite and gypsum extraction and processing; recreation complexes, such as ski lodges and resorts, zirconium and titanium processing and machining; transportation equipment and mobile home factories; seafood processing plants; beet sugar factories; flour mills; creameries; meat packing plants; fruit, vegetable, hop, berry and nut processing plants; and irrigation pumping installations.

Regulation. *The* Company is subject to the jurisdiction of public utility regulatory authorities of each of the states in which it operates as to its rates, services, accounting, the issuance of securities and other matters. The Company is both a "licensee" and a "public utility" as those terms are used in the Federal Power Act and is, therefore, subject to regulation by the Federal Power Commission (FPC) as to the issuance of securities, accounting, certain rates and other matters. Certain of the Company's hydroelectric projects are licensed under the Oregon Hydroelectric Act and are subject to its provisions. As a participant in a nuclear generating facility under construction, the Company is subject to the jurisdiction of the Nuclear Regulatory Commission, which has broad supervisory and regulatory jurisdiction over the construction and operation of nuclear reactors, particularly with regard to public health and safety (see "Property and Power Supply").

In addition to zoning and other regulation by local authorities, the Company is subject to environmental regulation by federal, state and local authorities. Costs incurred by the Company in connection with compliance with existing and anticipated environmental standards and controls have increased and are expected to continue to increase in the future. Such costs have been approximately $15,000,000, $29,000,000 and $44,000,000 for the years 1972, 1973 and 1974, respectively, and are estimated to be approximately $50,000,000, $71,000,000 and $64,000,000, respectively, for the years 1975, 1976 and 1977. The amounts for 1975 and 1976 are included in the 1975 and 1976 construction program (see "Use of Proceeds, Construction Program and Financing Plans"). Except with respect to the recently adopted Wyoming sulfur oxide emission standards, in the Company's opinion its current construction projects have been designed to comply with applicable environmental laws and regulations, and the estimated cost of pollution control facilities such as electrostatic precipitators, scrubbers, cooling towers and settling ponds is included in the construction budgets for those projects (see "Property and Power Supply" and "Coal Sales and Reserves").

Rates. On September 3, November 12 and November 20, 1974, the Oregon Public Utility Commissioner, the Idaho Public Utilities Commission and the Washington Public Utilities and Transportation Commission, respectively, issued orders permitting the Company to increase retail electric rates in Oregon, Idaho and Washington in the aggregate amount of approximately $33,000,000 annually, based upon estimated 1974 operations. Pursuant to an order issued on March 25, 1975 by the California Public Utilities Commission, the Company has increased its retail rates in California by approximately $1,500,000 annually. The Company also has on file a rate application in the State of Montana to increase retail electric rates by an aggregate of approximately $1,300,000 annually. On January 31, 1975 and April 18, 1975, respectively, applications were filed in the States of Oregon and Washington to increase retail electric rates in the aggregate by approximately $21,000,000 annually. The Company cannot anticipate if or to what extent these applications, or other applications the Company expects to file later in 1975, will be granted. Major factors in the Company's need for increased rates are the increase in power production costs resulting from increased steam electric generation, higher costs of construction of new generating facilities and the current high cost of capital.

Ten of the Company's largest industrial customers in Oregon have filed suit challenging the September 3, 1974 order of the Oregon Public Utility Commissioner on the ground that too much of the overall revenue increase allowed, which they do not challenge, is imposed upon them. They seek a reduction of approximately $2,300,000 annually in the increase charged them. One residential customer of the Company in Oregon has filed suit, in his individual capacity, seeking to "revoke or modify" the same order, alleging that the Company's residential rates permitted by that order are "discriminatory among customers of the same class" and that the Company "failed to establish a need for the various monetary increases in residential services." The court has denied the motions of the industrial customers and the residential customer that the Commissioner's order, to the extent challenged by them, be stayed or that the Company be required to undertake to provide a refund to them of amounts they claim to be in excess of a lawful increase. The City of Portland has also filed suit on behalf of itself and all other customers of the Company within the City alleging that such order is unjust and unreasonable in placing Portland rates on the same level as elsewhere in Oregon. The difference involved is approximately $2,000,000 annually. The Company cannot predict the outcome of these suits on the merits. The Company is advised, however, that if any of these plaintiffs prevail on the merits, they will seek a refund for any amounts paid by them or, in the case of the suit brought by the City of Portland, paid by the Company's customers in the City on and after September 3, 1974 in excess of the rates the court or the Commissioner, on remand to him, may finally set. Counsel have advised the Company that plaintiffs' right to a refund under such circumstances is not settled under Oregon law.

Property and Power Supply. The Company owns 33 hydroelectric generating plants with a rated capacity of 863,393 kilowatts. It also owns three steam-electric generating plants and has ownership interests in one other, the aggregate rated steam-electric capacity owned by the Company being 1,433,086 kilowatts. In addition it has minor internal combustion generating capacity. During the year ended December 31, 1974, approximately 59% of the Company's energy requirement was supplied by its plants, 27% was obtained under long-term purchase contracts, principally from hydroelectric generating facilities, and the balance of 14% through interchange and other purchase arrangements (see "Electric Operating Statistics"). The Company has replaced substantially all of the energy purchased under Bonneville Power

Authority (BPA) contracts which expired August 31, 1973 with output from its Centralia (Washington) Steam Electric Generating Plant and the fourth unit at the Dave Johnston Plant and the balance from a number of other purchase contracts. The Company also has contracts to purchase firm peaking capacity from BPA and expects to purchase non-firm energy from BPA to the extent available (see Note 7 to Consolidated Financial Statements).

Most of the Company's hydroelectric plants are licensed as major projects under the Federal Power Act. The first of these licenses (for a 1,100 kw plant) expired June 26, 1974 and was renewed; and the second (for a 136,000 kw plant) expires in 1979. The remaining licenses expire on dates from 1997 through 2006. Upon expiration of a license the project may be re-licensed to the Company or, upon payment to the Company of its net investment therein, not to exceed fair value, plus severance damages, the project may be taken over by the United States or licensed to a new licensee. Each of these licenses also provides that after the first 20 years of operation, out of surplus earnings thereafter, if any, accumulated in excess of a specified rate of return upon net investment in the licensed project, the licensee shall establish and maintain amortization reserves which, in the discretion of the FPC, shall be held until the termination of the license or applied from time to time in reduction of net investment in the project. In the opinion of the Company's management, any such excess earnings realized from those projects which have been in operation for 20 years have not been material but may be material in the future.

The Company's generating facilities are interconnected through its own lines or the lines of others, and, along with substantially all other generating facilities and reservoirs located within the region in which the Company operates, are operated on a coordinated basis to obtain maximum load-carrying capability and efficiency. On December 31, 1974, the Company owned 5,910 circuit miles of transmission lines, including 49 miles of 500 kv, 1,733 miles of 230 kv, 271 miles of 161 kv, 1,222 miles of 115kv and 2,635 miles of 69 kv capacity or less.

Near Rock Springs, Wyoming, the Company and Idaho Power Company are constructing the Jim Bridger coal-fired generating plant, consisting of four 500,000 kw coal-fired units. The first unit has been placed in commercial operation and the second, third and fourth units are scheduled for operation in 1976, 1977 and 1979, respectively. The Company's share of the total cost of the plant and associated transmission facilities and coal mine is estimated to be approximately $700,000,000 of which approximately $103,000,000 will be for air and water pollution control facilities. Idaho Power Company will receive the entire output of the first unit until completion of the second unit. The Company's share of the output of the plant will be 50% beginning with completion of the second unit and 66⅔% upon completion of the third and fourth units.

Additional air quality control equipment to conform to Wyoming and federal air quality standards is being installed for the first three units at the Company's Dave Johnston coal-fired generating plant at an estimated cost of approximately $60,000,000. Of this total, $3,400,000 has been expended through 1974 and approximately $20,000,000 has been or will be expended in 1975 and is included in the estimated construction costs for 1975 set forth under "Use of Proceeds, Construction Program and Financing Plans". These units are exempt from federal thermal effluent discharge standards. Cooling towers which meet Wyoming water quality standards, to the extent currently determined, have been installed at a cost of approximately $7,000,000. Studies now in progress will determine whether additional water cooling will be required to meet Wyoming water quality standards.

The Company and Black Hills Power and Light Company are constucting a 330,000 kilowatt air-cooled, coal-fired plant (the Wyodak Project) east of Gillette, Wyoming, near coal deposits controlled by

Black Hills. The Company's share of the Wyodak Project is 60% and is expected to cost approximately $130,000,000. The Company and Black Hills Power and Light Company intend to sell and leaseback this Project. The estimated cost of construction, approximately $25,000,000 in 1975, is not included in the Company's construction program discussed under "Use of Proceeds, Construction Program and Financing Plans".

On January 31, 1975, the Wyoming Environmental Quality Council adopted air quality standards, much stricter than federal standards, limiting permissible emissions of sulfur dioxide from fossil fuel burning equipment. Enforcement of these regulations will require the installation of scrubbers at the Jim Bridger plant and at the Wyodak Project. Studies by the Company indicate that compliance with these regulations may also require installation of scrubbers on Units 1, 2 and 3 at the Dave Johnston plant; however, the Department of Environmental Quality has stated that the new sulfur oxide emission standards were designed to permit operation of these units of the plant without scrubbers. The Department has not yet established any compliance schedule under which the standards must be met at the Company's generating facilities.

The Company estimates that its share of the cost of scrubbers on the first three units at the Jim Bridger plant and at the Wyodak Project will require capital expenditures of approximately $150,000,000 and will result in additional expenses of approximately $30,000,000 per year. The sulfur dioxide emission standards applicable to the proposed Jim Bridger Unit No. 4 are stricter than those applicable to the other plants. Studies are being made to determine whether available technology would enable that unit to meet those standards. The decision to proceed with construction of Unit No. 4 will depend on the outcome of those studies or of the litigation referred to below. The Company's share of capital expenditures and additional operating expenses for a scrubber for Unit No. 4 is estimated at $45,000,000 and $9,000,000, respectively. If scrubbers must also be installed on the first three units of the Dave Johnston plant, approximately $58,000,000 of additional capital expenditures and $11,000,000 of additional annual expenses will be required. The foregoing capital cost estimates are based on completion of scrubber installation at the Dave Johnston plant and at Jim Bridger Units 1, 2, and 3 by 1979, and at Jim Bridger Unit No. 4 and Wyodak concurrently with the completion of those units. These amounts are not currently included in the Company's forecast of construction expenditures.

The Company and Idaho Power Company have filed suit for judicial review of these standards on the grounds, among others, that the Environmental Quality Council exceeded its authority, that the Council's action was arbitrary and capricious and that no need was shown for such stringent standards. Similar suits have been filed by others. The Company cannot predict the outcome of this litigation.

The Company has agreed to acquire a 10% interest in two 1,240,000 kw nuclear generating units to be constructed in western Washington by Washington Public Power Supply System (WPPSS), a joint operating agency of public utility districts, scheduled for operation in 1982 and 1984 and has also agreed to acquire a 20% interest in a 1,288,000 kw nuclear generating plant sponsored by Puget Sound Power & Light Company, scheduled for operation in 1982. The Company has agreed to acquire a 10% interest in two 700,000 kw coal-fired steam electric generating units to be constructed by The Montana Power Company near Colstrip, Montana, scheduled by the sponsor for operation in 1979 and 1980 (see "Coal Sales and Reserves").

The Company owns 25% of the voting securities of Pacific Northwest Power Company whose sole activity is seeking, as joint applicant with WPPSS, a license from the FPC to build a major hydroelectric project on the Snake River between Oregon and Idaho. On February 23, 1971 a hearing examiner recommended granting a license, with construction of the project to be postponed until September 11, 1975, apparently to provide Congress time to determine whether construction of any project in this area should be permitted. The matter is pending before the FPC on exceptions to the initial decision and the outcome is not presently determinable. Legislation to preclude any project on this portion of the Snake River between Oregon and Idaho is pending in Congress.

Since 1973, the Company has had in effect throughout its service area a program to encourage energy conservation and has filed energy curtailment programs with the appropriate regulatory bodies in five states. Because of nationwide energy shortages and possible shortages in the Pacific Northwest in the next several years, the Company expects to continue to encourage energy conservation.

On August 1, 1974 the Portland City Council, after receiving a report from a consulting firm recommending further study into the question of benefits that might be derived from a merger of the Company and Portland General Electric Company, requested the two companies, both of which serve customers within the City, to study separately the advantages and disadvantages of a merger and to each submit to the Council either a plan of merger or a statement of the reasons why a merger would not be in the best interests of the respective company's customers or investors. The Company and Portland General Electric Company filed merger feasibility studies with the Council in early March, 1975 and each company has been requested to evaluate the other's study. Based upon the study it submitted to the Council, the Company has concluded that a merger is not feasible at this time. One of the five members of the Portland City Council has stated that, if he is not satisfied with the companies' good faith in the merger studies or the results thereof, he may propose a study of the feasibility of public ownership of the utilities' properties within the City or that the City's power to set electric rates in the City be invoked. Approximately 6.5% of the Company's electric operating revenues were derived from customers within the City of Portland for the year ended December 31, 1974.

The following tables summarize the Company's existing and planned generating plants:

EXISTING GENERATING PLANTS

		Energy Source	Installation Dates	Nameplate Rating (Megawatts)
COPCO PLANTS	Copco, California	Klamath River	1918-1925	47
LINCOLN	Portland, Oregon	Oil/Gas Steam-Electric	1923-1929	35.5
PROSPECT	Prospect, Oregon	Rogue River	1928	32
MERWIN	Ariel, Washington	Lewis River	1931-1958	136
EIGHT NORTH UMPQUA PLANTS	Toketee Falls, Oregon	N. Umpqua River, Fish Creek & Clearwater River	1950-1956	185.5
YALE	Amboy, Washington	Lewis River	1953	108
BOYLE	Keno, Oregon	Klamath River	1958	80
SWIFT	Cougar, Washington	Lewis River	1958	204
DAVE JOHNSTON	Glenrock, Wyoming	Coal-Fired Steam-Electric	1959-1972	750.3
IRON GATE	Hornbrook, California	Klamath River	1962	18
TRONA	Green River, Wyoming	Oil-Gas Steam-Electric	1968	15.6
LIBBY	Libby, Montana	Combustion Turbine	1972	23.8
CENTRALIA (Company Portion)	Centralia, Washington	Coal-Fired Steam-Electric	1972	631.7
JIM BRIDGER UNIT NO. 1 (Company Portion)*	Rock Springs, Wyoming	Coal-Fired Steam-Electric	1974	339
17 miscellaneous minor hydroelectric units	—	—	1903-1957	52.9
		TOTAL		2,659.3

Note: Hydroelectric project locations are stated by locality and river watershed.

* See text above for schedule of Company's participation in output.

FUTURE GENERATING PLANTS

		Energy Source		Scheduled by Sponsor	Capacity (Megawatts)	Company's Ownership %	MW	Cost through 2/28/75[1] (000)	Total Estimated Cost[1] (000)	Estimated Cost Per KW[1]
JIM BRIDGER	Rock Springs, Wyoming	Coal-Fired Steam-Electric	No. 2	1976	500					
			No. 3	1977	500	66.7	1,000	$266,200[2]	$647,000[2]	$485[2]
			No. 4	1979	500					
TROJAN[4]	Rainier, Oregon	Nuclear		1976	1,130	2.5	28.3	8,600[3]	10,000[3]	340[3]
WYODAK	Gillette, Wyoming	Coal-Fired Steam-Electric		1978	330	60.0	198	15,100	130,000	660
COLSTRIP	Colstrip, Montana	Coal-Fired Steam-Electric	No. 3	1979	700	10.0	70	600	74,000	530
			No. 4	1980	700	10.0	70			
WPPSS[4]	Satsop, Washington	Nuclear	No. 3	1982	1,240	10.0	124	1,800[3]	212,000[3]	855[3]
			No. 5	1984	1,240	10.0	124			
SKAGIT No. 1[4]	Concrete, Washington	Nuclear		1982	1,288	20.0	257.6	4,800[3]	210,000[3]	815[3]
				TOTAL			1,871.9			

[1] Costs and estimated costs include only the Company's portion of jointly-owned plants. Estimated costs are subject to constant review and change.

[2] Includes Company's portion of costs relating to Jim Bridger Unit No. 1, currently in service; therefore the estimated cost per KW is based upon 1,333 MW, the Company's portion of the entire plant capacity.

[3] Excludes costs of nuclear fuel.

[4] Although the Company has agreed to participate in the construction and ownership of nuclear generating facilities being sponsored by others, it currently has no material investment in such facilities.

Coal Sales and Reserves. The Company owns in fee and has mining leases on strip coal reserves in Washington, Wyoming and Montana. In southwestern Washington, the Centralia Plant (see "Property and Power Supply") is fueled with coal mined and sold to the plant participants from adjacent reserves held by the Company and Washington Irrigation & Development Company, a subsidiary of The Washington Water Power Company.

The Company has strip coal reserves in four major areas and several smaller areas in Wyoming aggregating approximately 950,000,000 tons, of which approximately 250,000,000 tons are committed to the Dave Johnston and Jim Bridger steam-electric generating plants.

The Company has approximately 400,000,000 tons of strip coal reserves near Decker, Montana. In addition, Decker Coal Company, a joint venture in which the Company's subsidiary, Western Minerals, Inc., has a one-half interest, controls approximately 750,000,000 tons of coal reserves near Decker, having an average heat value of approximately 9200 to 9600 Btu per pound. The joint venture has executed contracts to sell approximately 330,000,000 tons of coal through 2003.

Approximately 1,300,000,000 tons of strip coal reserves controlled by the Company (including reserves controlled by Decker Coal Company) currently are uncommitted. Of the total reserves, 85% have a sulfur content of less than 1.0%. In the Company's opinion, all of its coal reserves have a sufficiently high heating value to be used efficiently as boiler fuel in the Company's coal-fired steam-electric generating plants. The Wyoming Environmental Quality Council sulfur oxide emission standards (see "Property and Power Supply"), however, might prevent use in Wyoming of the Company's coal reserves having a sulfur content greater than 1.0% as boiler fuel. Mining of these coal reserves is subject to state and federal regulations respecting land reclamation and environmental protection.

Surface mining regulation bills, substantially identical to a bill vetoed by the President at the end of the 93rd Congress, passed both houses of Congress and were referred to a conference committee. A conference committee compromise bill has been reported back to both houses. Neither the Senate, House nor the conference committee bill, if enacted, would prevent the Company from being able to mine all of its coal reserves but each would result in net increased mining costs of approximately $3,000,000 per year at present levels of operation.

The State of Wyoming passed legislation in early 1975 which will require the consent of the surface owner or a waiver of consent prior to the issuance of a State mining permit. The validity of this legislation to the extent it restricts access to coal held under federal coal leases is, in the opinion of counsel to the Company, questionable. This legislation may affect approximately 65,000,000 tons of the Company's coal held under federal leases, but will not affect any reserves currently dedicated to plants in operation or under construction.

The following table describes the Company's recoverable coal reserves as of February 28, 1975:

Recoverable Coal Reserves[1]	Assigned or Dedicated (tons)	Unassigned or Undedicated (tons)	Percentage Sulfur Content by Weight (%)
WASHINGTON			
Centralia Field near Centralia	Centralia Plant[2, 3] 70,000,000[4]		0.7
WYOMING			
Jim Bridger Coal Field near Rock Springs	Jim Bridger Plant[2, 3] 133,000,000[4]	33,000,000[4]	0.6
Dave Johnston near Glenrock	Dave Johnston Plant[2, 3] 117,000,000		0.5
Antelope northeast of Glenrock		300,000,000	0.4
North Antelope[5] northeast of Glenrock		145,000,000	0.7
Cherokee west of Rawlins		250,000,000	1.8
MONTANA			
Decker near Decker	Decker Coal Company 165,000,000[4]	210,000,000[6]	0.4
West Decker near Decker		400,000,000	0.5
Totals:	485,000,000	1,338,000,000	

[1] Recoverable coal reserves represent the portion of total reserve estimates which, in the opinion of the Company, is substantiated by adequate information, including that derived from exploration, mining operations (in some cases), outcrop data, quality testing and knowledge of mining conditions. Reserve estimates are subject to adjustment as a result of continuing engineering evaluation of additional exploratory and development information and as a result of changes in economic factors affecting the marketability or utilization by the Company of such reserves.

[2] See "Property and Power Supply".

[3] The Company considers that the respective reserves assigned to the named plants are sufficient to provide fuel to these plants for their economically useful lives.

[4] Excludes reserves controlled by other participant in project.

[5] Nine non-contiguous reserve areas.

[6] Controlled by Decker Coal Company, but not subject to contract for sale.

In June, 1973 the Sierra Club and other plaintiffs filed a complaint for declaratory judgment against the Secretary of the Interior and other federal officials to enjoin any federal action related to coal development, including the approval of mining plans, in the Northern Great Plains region, including northeastern Wyoming and eastern Montana, prior to the preparation of a comprehensive environmental impact statement regarding coal development in that region. On February 14, 1974, the United States District Court for the District of Columbia granted the defendants' and intervenors' motions for summary judgment and judgment on the pleadings and dismissed the litigation. Plaintiffs have appealed this decision and the Court of Appeals has issued a temporary injunction pending a decision on the appeal. The Company is unable to predict the outcome of the litigation. The Company owns coal reserves in the region subject to the litigation; however with the possible exception of coal supplies for the Wyodak and Colstrip projects (see "Property and Power Supply") and any additional contracts for the sale of coal by Decker Coal Company, the Company does not believe that this litigation will affect its currently contemplated activities.

Telephone Operations. The Company owns indirectly, through a subsidiary, over 80% of the currently outstanding voting stock of Telephone Utilities, Inc., a Washington telephone holding company. Telephone Utilities operates telephone properties through 23 subsidiaries, principally in Washington, Oregon, Montana, Idaho and Nevada. Telephone Utilities' subsidiaries have approximately 116,000 telephone stations in service.

DESCRIPTION OF NEW BONDS

General. The New Bonds are to be issued under a Mortgage and Deed of Trust, dated as of July 1, 1947, to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York) ("Corporate Trustee") and Oliver R. Brooks (R. L. Sparrow, successor), as Trustees, as supplemented, hereinafter referred to as the "Mortgage". The statements herein concerning the New Bonds and the Mortgage are merely an outline and do not purport to be complete. They make use of terms defined in the Mortgage and are qualified in their entirety by express reference to the cited Sections and Articles of the Mortgage.

The New Bonds are not subject to a sinking or improvement fund or other provision for amortization prior to maturity (see "Maturity Dates").

The New Bonds will be issuable in the form of registered bonds without coupons in denominations of $1,000 and any multiple thereof. The New Bonds are exchangeable at the office or agency of the Company in New York City without payment of any charge other than a sum sufficient to reimburse the Company for any tax or taxes or other governmental charge incident thereto.

Maturity Dates. The New Bonds will mature on May 1, 1990 or, at the election of the holder thereof, on May 1, 1985. IF THE HOLDER DESIRES THAT ALL OR ANY PORTION OF THE NEW BONDS (IN A MULTIPLE OF $1,000) REGISTERED IN HIS NAME MATURE ON MAY 1, 1985, HE, OR HIS AUTHORIZED ATTORNEY, MUST DELIVER TO THE CORPORATE TRUSTEE AND THE CORPORATE TRUSTEE MUST RECEIVE AN IRREVOCABLE WRITTEN NOTICE OF ELECTION NO EARLIER THAN NOVEMBER 1, 1984 AND NO LATER THAN DECEMBER 31, 1984, THAT SUCH NEW BONDS SPECIFIED IN THE ELECTION MATURE ON MAY 1, 1985. THE NOTICE MUST EITHER BE DELIVERED OR SENT BY REGISTERED MAIL TO THE CORPORATE TRUSTEE, 23 WALL STREET, NEW YORK, NEW YORK 10015, ATTENTION: CORPORATE TRUST DEPARTMENT, AND MUST BE ACCOMPANIED BY THE NEW BONDS TO WHICH THE ELECTION RELATES. IF AN ELECTION IS MADE AS TO ONLY A PORTION OF ANY NEW BOND, THE COMPANY WILL EXECUTE AND THE CORPORATE TRUSTEE WILL DELIVER, WITHOUT CHARGE, A NEW BOND OR BONDS IN PRINCIPAL AMOUNT EQUAL TO THE

PORTION OF THE NEW BONDS DELIVERED TO THE CORPORATE TRUSTEE FOR WHICH NO ELECTION HAS BEEN MADE.

Interest and Payment. The New Bonds will bear interest at the rate shown in their title, payable semi-annually on May 1 and November 1, beginning November 1, 1975. Interest will be paid to the persons in whose names the New Bonds are registered at the close of business on the 15th day of the calendar month next preceding each semi-annual interest payment date (with certain exceptions, as provided for in the Mortgage). Principal and interest are payable at Morgan Guaranty Trust Company of New York.

Redemption and Purchase of Bonds. The New Bonds will be redeemable in whole or in part on 30 days' notice (a) at the special redemption prices set forth below for the replacement fund or with certain deposits and proceeds of property, and (b) at the general redemption prices set forth below for all other redemptions; provided, however, that no New Bonds shall be redeemed prior to May 1, 1980, if such redemption is for the purpose, or in anticipation, of refunding such New Bond through the use, directly or indirectly, of funds borrowed by the Company at an effective interest cost to the Company (calculated in accordance with acceptable financial practices) of less than 10.9456% per annum.

If, at the time the notice is given, the redemption moneys are not held by the Corporate Trustee, the redemption may be made subject to their receipt by the Corporate Trustee before the date fixed for redemption and such notice shall be of no effect unless such moneys are so received.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of Bonds of any series. (See Mortgage, Art. X, and Twenty-eighth Supplemental, Sec. 1.)

Year	General Redemption Price (%)	Special Redemption Price (%)	Year	General Redemption Price (%)	Special Redemption Price (%)
If redeemed during the twelve months period ending April 30,					
1976	110.45	100.00	1984	102.05	100.00
1977	109.40	100.00	1985	101.00	100.00
1978	108.35	100.00	1986	100.00	100.00
1979	107.30	100.00	1987	100.00	100.00
1980	106.25	100.00	1988	100.00	100.00
1981	105.20	100.00	1989	100.00	100.00
1982	104.15	100.00	1990	100.00	100.00
1983	103.10	100.00			

in each case, together with accrued interest to the date fixed for redemption.

Replacement Fund. There shall be expended each year 15% of adjusted gross operating revenues for maintenance and replacements in respect of the mortgaged property and automotive equipment. Such requirement may be met be depositing cash or certifying gross property additions or automotive equipment expenditures or by taking credit for Bonds and qualified lien bonds retired. Any excess in such credits may be applied against future requirements. Such cash may be withdrawn on the basis of gross property additions or waiver of the right to issue Bonds, or may be applied to the retirement of Bonds. (See Nineteenth Supplemental, Sec. 1 and Twenty-eighth Supplemental, Sec. 2.)

Special Provisions for Retirement of Bonds. If during any 12 months' period, property is disposed of by the order of or to any governmental authority, resulting in the receipt of $10,000,000 or more as proceeds therefor, the Company (subject to certain conditions and deductions) must apply such proceeds to the retirement of Bonds. The New Bonds are redeemable at the special redemption price for this purpose. If the Company is consolidated with, merged into, or conveys all its property to, any other corporation having a plant account of not less than $10,000,000, or if a governmental or public body acquires 70% of the Company's common stock towards its dissolution, all outstanding Bonds may be redeemed at the special redemption prices any time within 12 months. (See Mortgage, Secs. 64 and 87.)

Security. The New Bonds, together with all other Bonds now or hereafter issued under the Mortgage, will be secured by the Mortgage, which constitutes, in the opinion of General Counsel to the Company, a first mortgage lien on all of the electric generating plants and other materially important physical properties of the Company (except as stated below), subject to (a) leases of minor portions of the Company's property to others for uses which, in the opinion of counsel, do not interfere with the Company's business, (b) leases of certain property of the Company not used in its electric utility business, (c) excepted encumbrances, as defined in the Mortgage, and (d) as to certain property situated primarily in the City of Rawlins, Wyoming, the prior lien of the Indenture made by Rawlins Electric Company to Irving Trust Company, as Trustee, dated as of October 1, 1941, as supplemented. There are excepted from the lien all cash and securities, certain equipment, apparatus, materials and supplies; aircraft, automobiles and other vehicles; receivables, contracts, leases and operating agreements; timber, minerals, mineral rights and royalties and all natural gas and oil production property.

The Mortgage contains provisions for subjecting after-acquired property (subject to pre-existing liens) to the lien thereof, subject to limitations in the case of consolidation, merger or sale of substantially all of the Company's assets. (See Mortgage, Sec. 87.)

The Mortgage provides that the Trustees shall have a lien upon the mortgaged property, prior to the Bonds, for the payment of their reasonable compensation and expenses and for indemnity against certain liabilities. (See Mortgage, Sec. 96.)

Issuance of Additional Bonds. Bonds of any series may be issued from time to time on the basis of (1) 60% of Property Additions after adjustments to offset retirements, (2) retirement of Bonds or qualified lien bonds otherwise than with Funded Cash and (3) deposit of cash. With certain exceptions in the case of (2) above, the issuance of Bonds is subject to adjusted net earnings before income taxes for 12 out of the preceding 15 months being at least twice the annual interest requirements on all Bonds at the time outstanding and on all indebtedness of prior rank, including the additional issue. Such adjusted net earnings are computed after expenses for maintenance and provision for retirement and depreciation of property; provided that, in lieu of the actual provision for retirement and depreciation of certain mortgaged utility property and automotive equipment, there shall be used an amount equal to $1,150,000 plus 2¼% of net additions to such depreciable mortgaged utility property made after April 30, 1947 and prior to the beginning of the year for which calculated.

Property Additions generally include electric, gas, steam or water utility property, acquired after April 30, 1947, but may not include securities, aircraft, automobiles or other vehicles, or natural gas transmission lines or natural gas and oil production property. It is expected that the New Bonds will be issued against unfunded Property Additions and that after the issuance thereof unfunded Property Additions remaining will be approximately $234,000,000. In addition, when the Bonds of all series issued prior to 1969 have been retired, Property Additions theretofore funded to satisfy sinking or improvement funds for such series will revert to unfunded status.

The Mortgage restricts the issuance of Bonds against Property Additions subject to prior liens.

The amount of the obligations secured by prior liens on mortgaged property may be increased, provided that, if any property subject to such lien shall have been made the basis of a credit under the Mortgage by the Company, all the additional obligations are deposited.

(See Mortgage, Secs. 4 to 7, 29 to 30, and 46, Sixteenth Supplemental, Sec. 5, Twentieth Supplemental, Secs. 2, 3 and 4 and Twenty-eighth Supplemental, Sec. 2.)

Release and Substitution of Property. Property may be released against (1) deposit of cash or, to a limited extent, purchase money mortgages, (2) Property Additions, and (3) waiver of the right to issue Bonds, without applying any earnings test. Cash may be withdrawn upon the bases stated in (2) and (3) above. The Mortgage contains special provisions with respect to qualified lien bonds pledged and disposition of moneys received on pledged prior lien bonds. (See Mortgage, Secs. 5, 31, 32, 37, 46 to 50, 57 to 63 and 100.)

Dividend Covenants. All retained earnings as of June 30, 1947 ($3,560,311), except $130,000, was initially restricted as to payment of cash dividends on common stock. The amount of restricted retained earnings was subject to being increased or decreased and restricted retained earnings could be used for various purposes. As of February 28, 1975 none of the retained earnings was restricted under the Mortgage. (See Mortgage, Sec. 39; and Twenty-eighth Supplemental, Sec. 2.)

Reference is also made to Note 5 to Consolidated Financial Statements appearing elsewhere herein.

The Trustees. Morgan Guaranty Trust Company of New York owns certain unsecured promissory notes issued by the Company and is Trustee for the Company's Retirement Plan for Employees.

Modification. The rights of the Bondholders may be modified with the consent of the holders of 70% of the Bonds, and, if less than all series of Bonds are affected, the consent also of the holders of 70% of the Bonds of each series affected. The Company has reserved the right without any consent or other action by holders of the New Bonds or any other series of Bonds created since 1969 to substitute for the foregoing provision a provision to the effect that the rights of the Bondholders may be modified with the consent of holders of 66⅔% of the Bonds, and, if less than all series of Bonds are affected, the consent also of holders of 66⅔% of the Bonds of each series affected. In general, no modification of the terms of payment of principal or interest and no modification affecting the lien or reducing the percentage required for modification is effective against any Bondholder without his consent. (See Mortgage, Art. XIX and Twenty-second Supplemental, Sec. 3.)

Defaults. Defaults are defined as: default in payment of principal; default for 60 days in payment of interest or of installments of funds for retirement of Bonds; certain events in bankruptcy, insolvency or reorganization; certain defaults with respect to qualified lien bonds; and default for 90 days after notice in other covenants. (See Mortgage, Secs. 65 and 66.)

The holders of 25% of the Bonds may declare the principal and interest due on default, but a majority may annul such declaration if such default has been cured. No holder of Bonds may enforce the lien of the Mortgage without giving the Trustees written notice of a default and unless the holders of 25% of the Bonds have requested the Trustees to act and offered indemnity satisfactory to them against the costs, expenses and liabilities to be incurred thereby and reasonable opportunity to act, and the Trustees shall have failed to act. The holders of a majority of the Bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustees or exercising any trust or power conferred upon the Trustees. The Trustees are not required to risk their funds or incur personal liability if there is reasonable ground for believing that repayment is not reasonably assured. (See Mortgage, Secs. 67, 71, 80 and 95.)

The Company must file with the Corporate Trustee annually an Officers' Certificate with reference to compliance with the terms of the Mortgage and the absence of defaults. (See Mortgage, Sec. 44.)

LEGALITY

The legality of the securities to which this Prospectus relates will be passed upon for the Company by Rives, Bonyhadi & Drummond, General Counsel to the Company, Public Service Building, Portland, Oregon 97204, and for the underwriters by Winthrop, Stimson, Putnam & Roberts, 40 Wall Street, New York, N. Y. 10005. However, all matters pertaining to the organization of the Company, and all matters of Oregon, Wyoming, Washington, California, Montana, Utah and Idaho law will be passed upon only by Rives, Bonyhadi & Drummond. George D. Rives, a partner in the firm of Rives, Bonyhadi & Drummond is a director of the Company and at March 1, 1975 members of the firm owned 4,566 shares of the Company's Common Stock.

EXPERTS

The consolidated balance sheet as of December 31, 1974 and the related statements of consolidated income, retained earnings and changes in financial position for the five years then ended contained in this Prospectus have been examined by Haskins & Sells, independent Certified Public Accountants, as stated in their opinion appearing herein, and have been so included in reliance upon such opinion given upon the authority of that firm as experts in accounting and auditing.

The statements made as to matters of law and legal conclusions under "Business", and "Description of New Bonds" have been reviewed by Rives, Bonyhadi & Drummond and all such statements are set forth herein upon the authority of such counsel.

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Pacific Power & Light Company:

We have examined the consolidated balance sheet of Pacific Power & Light Company and subsidiaries as of December 31, 1974 and the related statements of consolidated income, retained earnings, and changes in financial position for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned consolidated financial statements present fairly the financial position of the companies at December 31, 1974 and the results of their operations and the changes in their financial position for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, to the consolidated basis of presentation as explained in the second paragraph of Note 1 to Consolidated Financial Statements.

HASKINS & SELLS

Portland, Oregon
February 28, 1975

PACIFIC POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

	December 31, 1974	February 28, 1975 (Unaudited)
	Thousands of Dollars	
Utility Plant (Notes 1 and 6):		
Utility plant in service:		
Electric	$1,240,995	$1,244,144
Steam heating	2,765	2,765
Telephone	100,553	101,025
Water	24,020	24,020
Total utility plant in service	1,368,333	1,371,954
Accumulated provisions for depreciation and amortization	(228,902)	(233,667)
Utility plant in service — net	1,139,431	1,138,287
Construction work in progress	325,639	353,166
Utility plant held for future use	4,757	4,757
Electric plant acquisition adjustments	3,720	3,688
Utility plant — net	1,473,547	1,499,898
Other Property and Investments:		
Nonutility property (at cost)	3,035	3,033
Accumulated provisions for depreciation and amortization	(212)	(215)
Investment in joint ventures (Notes 1 and 2)	14,214	21,387
Other	5,761	5,748
Total other property and investments	22,798	29,953
Current Assets:		
Cash (Note 10)	7,357	3,723
Working funds and deposits	1,461	4,227
Temporary cash investments	2,840	3,928
Accounts receivable:		
Customer	16,951	17,347
Other	11,038	10,766
Accumulated provision for uncollectible accounts	(556)	(574)
Materials and supplies (at average cost or less)	20,470	20,841
Prepayments	1,492	1,888
Total current assets	61,053	62,143
Deferred Debits:		
Unamortized debt expense	2,341	2,313
Preliminary survey and investigation charges	7,665	7,848
Jobbing and other work in progress	8,888	8,986
Other	12,138	10,699
Total deferred debits	31,032	29,846
Total	$1,588,430	$1,671,840

The accompanying Notes to Consolidated Financial Statements should be considered in conjunction with the above statement.

PACIFIC POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

LIABILITIES

	December 31, 1974	February 28, 1975 (Unaudited)
	—Thousands of Dollars—	
CAPITALIZATION		
Proprietary capital (Note 4)		
Preferred stock	$ 117,236	$ 117,236
Common stock, $3.25 par authorized - 50,000,000 shares; outstanding, 1974 - 23,184,623 shares, 1975 - 26,686,268 shares (Note 4)	75,350	86,730
Premium on capital stock	232,179	279,449
Installments received on common stock	11	196
Capital stock expense	(8,104)	(11,228)
Retained earnings (Note 5)	135,187	149,455
Total proprietary capital	551,859	621,838
Long-term debt (Note 6)	749,169	748,668
Total capitalization	1,301,028	1,370,506
CURRENT LIABILITIES		
Long-term debt currently maturing	13,878	13,878
Notes payable to banks (Note 10)	69,400	40,400
Commercial paper (Note 10)	43,665	56,110
Accounts payable	35,490	22,986
Taxes accrued	24,253	25,033
Interest accrued	14,975	13,811
Dividends declared	11,379	—
Other current liabilities	6,916	10,319
Total current liabilities	219,956	182,537
DEFERRED CREDITS		
Customer advances for construction	4,183	4,220
Accumulated deferred investment tax credits (Note 1)	7,954	8,487
Accumulated deferred income taxes (Note 1)		
Accelerated amortization	27,367	27,089
Liberalized depreciation	10,260	10,831
Repair allowance	7,184	7,377
Other deferred credits	974	1,239
Total deferred credits	57,922	59,243
OPERATING RESERVES	1,146	1,046
MINORITY INTEREST IN SUBSIDIARY COMPANIES	8,378	8,508
COMMITMENTS AND CONTINGENCIES (Note 7)		
Total	$1,588,430	$1,621,840

The accompanying Notes to Consolidated Financial Statements should be considered in conjunction with the above statement.

PACIFIC POWER & LIGHT COMPANY AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

	Year Ended December 31					Twelve Months Ended February 28, 1975 (Unaudited)
	1970	1971	1972	1973	1974	
	Thousands of Dollars					
Balance at Beginning of Period	$ 81,139	$ 87,706	$ 97,556	$111,492	$125,484	$137,803
Net income	31,051	38,884	47,882	53,542	54,129	56,078
Total	112,190	126,590	145,438	165,034	179,613	193,881
Deduct Cash Dividends:						
Preferred stock:						
5%—$5.00 per share	633	633	633	633	633	633
4.52% Serial—$4.52 per share	44	44	44	44	44	44
7.00% Serial—$7.00 per share	126	126	126	126	126	126
6.00% Serial—$6.00 per share	36	36	36	36	36	36
5.00% Serial—$5.00 per share	210	210	210	210	210	210
5.40% Serial—$5.40 per share	378	378	378	378	378	378
4.72% Serial—$4.72 per share	472	472	472	472	472	472
4.56% Serial—$4.56 per share	456	456	456	456	456	456
8.92% Serial—$8.92 per share	1,338	1,338	1,338	1,338	1,338	1,338
9.08% Serial—1971, $4.74; thereafter, $9.08 per share	—	1,422	2,724	2,724	2,724	2,724
7.96% Serial—1972, $1.59; thereafter, $7.96 per share	—	—	398	1,990	1,990	1,990
Common Stock—1970, $1.28; 1971, $1.40; 1972, $1.47; 1973, $1.575 and 1974, $1.60 per share	20,791	23,919	27,131	31,143	36,019	36,019
Total	24,484	29,034	33,946	39,550	44,426	44,426
Balance at Close of Period (Note 5)	$ 87,706	$ 97,556	$111,492	$125,484	$135,187	$149,455

The accompanying Notes to Consolidated Financial Statements should be considered in conjunction with the above statement.

PACIFIC POWER & LIGHT COMPANY AND SUBSIDIARIES

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

	Year Ended December 31 1970	1971	1972	1973	1974	Twelve Months Ended February 28, 1975 (Unaudited)
	Thousands of Dollars					
SOURCE OF FUNDS:						
From Operations:						
Net income	$ 31,051	$ 38,884	$ 47,882	$ 53,542	$ 54,129	$ 56,078
Non-cash charges (credits) to income:						
Depreciation	17,943	19,960	21,097	26,062	30,901	31,692
Deferred income taxes—Net	(1,667)	1,230	1,546	2,662	4,536	4,397
Investment tax credit adjustments—Net	(9)	161	7,005	2,277	(2,093)	(2,246)
Allowance for funds used during construction	(5,357)	(10,447)	(12,324)	(7,887)	(16,799)	(18,992)
Undistributed earnings of joint ventures	—	—	(525)	(462)	(2,095)	(2,764)
Minority interest in net income of subsidiaries	3	3	20	167	805	814
Other—Net	5,353	1,670	857	421	(419)	(649)
Total from operations	47,317	51,461	65,558	76,782	68,965	68,330
From Outside Sources:						
Long-term debt	24,746	73,955	39,423	45,593	137,155	74,733
Preferred stock	—	29,930	25,042	—	—	—
Common stock	23,927	1,019	37,077	37,107	51,984	107,518
Net increase in short-term debt	25,000	—	—	57,081	56,262	76,073
Net decrease in temporary investments	2,025	150	—	8,810	—	—
Total from outside sources	75,698	105,054	101,542	148,591	245,401	258,324
Decrease (Increase) in working capital (excluding short-term debt and temporary investments)	3,245	3,582	9,234	18,857	(7,185)	(11,845)
Other sources—Net	1,660	(9,314)	5,053	(5,975)	6,684	11,035
Total source of funds	$127,920	$150,783	$181,387	$238,255	$313,865	$325,844
APPLICATION OF FUNDS:						
Construction Expenditures:						
Utility plant	$106,547	$120,670	$111,618	$173,010	$258,992	$274,309
Non-utility plant—Net	974	80	27	128	213	199
Total construction expenditures	107,521	120,750	111,645	173,138	259,205	274,508
Less allowance for funds used during construction	5,357	10,447	12,324	7,887	16,799	18,992
Construction expenditures—Net	102,164	110,303	99,321	165,251	242,406	255,516
Purchase of Telephone Utilities, Inc., less working capital acquired						
Property—Net	—	—	—	61,653	—	—
Other assets and liabilities—Net	—	—	—	(2,573)	—	—
Long-term debt assumed	—	—	—	(33,492)	—	—
Dividends:						
Preferred stock	3,693	5,115	6,815	8,407	8,407	8,407
Common stock	20,791	23,919	27,131	31,143	36,019	36,019
Long-term debt retirement	1,272	10,446	10,361	7,866	25,856	25,837
Net decrease in short-term debt	—	1,000	28,156	—	—	—
Net increase in temporary investments	—	—	9,603	—	1,177	65
Total application of funds	$127,920	$150,783	$181,387	$238,255	$313,865	$325,844

The accompanying Notes to Consolidated Financial Statements should be considered in conjunction with the above statement.

PACIFIC POWER & LIGHT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Five Years Ended December 31, 1974 and (Unaudited) the Twelve Months Ended February 28, 1975

1. Summary of Significant Accounting Policies:

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all majority-owned, since dates of organization or acquisition. The Company and such subsidiaries are herein sometimes referred to as the "Companies." All significant intercompany transactions and balances have been eliminated.

Financial statements for periods prior to 1974, which previously included the subsidiaries on the equity basis of accounting, have been restated to the consolidated basis of presentation. This restatement had no effect on previously reported net income.

Investments in unincorporated joint ventures are included in the financial statements on the equity basis.

Regulatory Authorities—

Utility operations of the Companies are subject to regulation with respect to accounting and rates by Federal agencies and the public regulatory agencies of the various states in which the Companies operate.

Utility Plant

Utility plant in service is stated substantially at original cost. Additions to utility plant represent the original cost of contracted services, direct labor and material, allowance for funds used during construction and indirect charges for engineering, supervision and similar overhead items. Maintenance and repairs of property, and replacements and renewals of items determined to be less than units of property, are charged to operating expense—maintenance. The cost of units of property replaced or renewed, plus removal costs, less salvage, is charged to accumulated provision for depreciation, and the cost of related replacements and renewals is added to utility plant. Betterments are charged to utility plant. Upon sale or disposition of property other than through normal retirement, the difference between the proceeds realized and the cost, less the estimated portion of the accumulated provision for depreciation applicable thereto, is recorded in income.

Allowance for Funds Used During Construction—

In accordance with the uniform system of accounts prescribed by regulatory authorities, an allowance for funds used during construction is included in construction work in progress and credited to income using a composite rate, applied to construction work in progress, which assumes that funds used for construction were provided by borrowings, preferred stock, and common equity. This accounting practice results in the inclusion in utility plant in service of amounts considered by regulatory authorities as an appropriate cost of funds for the purpose of establishing rates for utility charges to customers.

Depreciation—

Depreciation of utility plant is computed under the straight-line method based on the estimated service lives of the various classes of property.

The percentage relationship of provisions for depreciation of utility plant in service (averaged) was approximately 2.18%, 2.34%, 2.13%, 2.58%, 2.57% and 2.64%, for 1970, 1971, 1972, 1973, 1974 and the twelve months ended February 28, 1975, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Income Taxes—

The Company includes the operations of its subsidiaries in a consolidated Federal income tax return. Income tax provisions of the individual companies are computed on a separate return basis.

For income tax purposes, the Companies generally compute depreciation under the liberalized methods allowed by the Asset Depreciation Range System (ADR) which became effective in 1971. For electric, steam heating, and water utility properties, deferred income taxes are provided for the excess of the tax reductions attributable to the use of ADR over the use of liberalized depreciation methods and guideline lives used prior to the adoption of ADR. The tax reductions relating to the difference between such prior liberalized methods and book depreciation are flowed through to net income. For telephone utility properties, deferred income taxes are provided for the total tax reduction resulting from the excess of the ADR method over book depreciation.

Federal income tax reductions resulting from the investment tax credit relating to utility plant other than telephone are deferred and amortized to income over five year periods for those related to mass property additions and ten-year periods for those related to major additions. Investment tax credits relating to telephone plant are deferred and amortized to income over the estimated useful life of the property.

Deferred income taxes accumulated prior to 1964 resulting from accelerated amortization of certain properties under Necessity Certificates are being amortized to income.

Retirement Plans—

Substantially all employees of the Companies are covered under various retirement plans. Current service costs are funded as the liability accrues, based on actuarial determinations. Prior service costs are being amortized over periods ranging up to 30 years.

2. Subsidiaries and Joint Ventures:

The operations of Telephone Utilities, Inc. (T.U.) are included in the consolidated financial statements since October 1, 1973, at which time the Company had acquired by purchase approximately 66% of the outstanding common stock of T.U., a Washington company operating telephone properties, through subsidiaries, principally in Washington, Oregon, Idaho and Nevada. On November 30, 1973, the Company exchanged all of the outstanding common stock of its subsidiary, Northwestern Telephone Systems, Inc., for an additional 1,800,000 common shares of T.U. This transaction resulted in the Company's ownership of approximately 80% of the outstanding common stock of T.U.

Investments in joint ventures include the 50% equity interest in Decker Coal Company, an unincorporated joint venture, the Company's equity in whose accounts at February 28, 1975 is summarized as follows (in thousands): assets, \$18,743, liabilities, \$3,477, and joint venture capital, \$15,266 (\$17,231, \$3,313, and \$13,918, respectively, at December 31, 1974).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company's equity in operations of the joint venture for the three years ended December 31, 1974 and the twelve months ended February 28, 1975 is summarized as follows (in thousands):

	1972	1973	1974	Twelve Months Ended February 28, 1975
Revenues	$1,473	$9,014	$16,527	$18,387
Expenses	948	5,769	9,711	10,421
Joint venture income before applicable income taxes	525	3,245	6,816	7,966

3. **Income Taxes:**

Provisions for income taxes for the five years ended December 31, 1974 and the twelve months ended February 28, 1975 were less than the amounts computed by applying the statutory Federal income tax rate of 48% to income before tax. The reasons for these differences are as follows (in thousands):

	1970	1971	1972	1973	1974	Twelve Months Ended February 28, 1975
Computed income tax based on Statutory Federal income tax rate	$17,739	$22,775	$27,555	$29,398	$26,934	$27,066
Reduction in tax resulting from:						
Allowance for funds used during construction	(2,637)	(5,014)	(5,916)	(3,897)	(8,061)	(9,116)
Excess of tax over book depreciation (flow-through basis)	(6,592)	(5,578)	(7,363)	(10,262)	(10,208)	(10,047)
Ad valorem, payroll and sales taxes capitalized	(1,370)	(1,575)	(1,467)	(1,647)	(2,237)	(2,420)
Investment tax credit restored	(9)	(49)	(737)	(1,573)	(1,570)	(1,594)
Other items capitalized and miscellaneous timing differences	(1,381)	(1,591)	(1,760)	(3,494)	(3,439)	(3,914)
Total income tax expense (credit)	5,750	8,968	10,312	8,525	1,389	(25)
Amount credited (charged) to other income	169	483	(62)	(1,053)	(4,129)	(2,744)
Federal and state income tax expense (credit) included in operating expenses	$ 5,919	$ 9,451	$10,250	$ 7,472	$(2,740)	$(2,769)

Income tax expense consists of the following (in thousands):

	1970	1971	1972	1973	1974	Twelve Months Ended February 28, 1975
Taxes currently payable (refundable):						
Federal	$ 6,860	$ 7,188	$ [illegible],038	$ 2,593	$(1,459)	[illegible]
State	566	389	723	993	405	454
Deferred income taxes:						
Deferred		2,897	3,355	4,659	6,588	6,469
Restored	(1,667)	(1,667)	(1,809)	(1,997)	(2,052)	(2,072)
Investment tax credit adjustments—net	(9)	161	7,005	2,277	(2,093)	(2,246)
Total income tax expense (credit)	$ 5,750	$ 8,968	$10,312	$ 8,525	$ 1,389	$ (25)

Deferred income taxes relate primarily to timing differences between book and tax depreciation amounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

4. Proprietary Capital:

Under an Employees' Stock Purchase Plan, 26,929 shares of common stock were held by the Company as Trustee and 106,628 shares of unissued common stock were reserved for unpaid subscriptions of the participants in the Plan at February 28, 1975 (28,397 and 109,706, respectively, at December 31, 1974). In addition, 255,376 shares were reserved for future offerings under the Plan (253,943 at December 31, 1974).

At December 31, 1974 and February 28, 1975 the Company had outstanding the following shares of cumulative Preferred Stock. The redemption and liquidation prices shown would be increased by any unpaid accumulated dividends to date of redemption or liquidation.

	Shares		Redemption Price Per Share(1)	
	Authorized	Outstanding	2/28/75	Eventual Minimum
5% Preferred	126,533	126,533	$110.00	$110.00
Serial Preferred	1,500,000			
4.52% series		9,835	103.50	103.50
7.00% series		18,060	Non-callable	
6.00% series		5,932	Non-callable	
5.00% series		42,000	100.00	100.00
5.40% series		70,000	102.00	101.00
4.72% series		106,000	103.50	103.50
4.56% series		100,000	102.34	102.34
8.92% series		150,000	109.37	102.37
9.08% series		300,000	110.83(2)	104.02
7.96% series		250,000	109.36(2)	103.39
No Par Serial Preferred	4,000,000			
Total shares outstanding		1,172,360		
At par or stated value		$117,236,000		

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(1) Upon voluntary liquidation, the 7.00%, 6.00%, 5.00% and 5.40% series are entitled to $100 per share and the remaining outstanding series are entitled to an amount equal to the then current redemption prices of each such series. Upon involuntary liquidation all preferred stock is entitled to par or stated value per share.

(2) The 9.08% and 7.96% series are not redeemable prior to July 1, 1976 and November 1, 1977, respectively, directly or indirectly, as part of, or in anticipation of, any refunding operation involving the incurring of indebtedness or the issuance of shares of preferred stock ranking equally with or prior to such series as to dividends or on liquidation, if the interest on such indebtedness or the dividends on shares of any such preferred stock would result in effective costs to the Company of less than 9.0746% and 7.9315%, respectively, per annum.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Changes in capital stock and related premiums (in thousands):

	Total Premium	Common Stock Shares	Common Stock Premium	Preferred Stock Shares	Preferred Stock Premium
Balance, January 1, 1970	$ 99,943	15,445	$ 99,866	622	$ 77
1970—On sales to employees	747	53	747		
On conversion of debentures	23	1	23		
On sales to public	19,326	1,546	19,326		
1971—On sales to employees	780	55	780		
On conversion of debentures	343	21	343		
On sales to public	18			300	18
1972—On sales to employees	1,254	76	1,254		
On conversion of debentures	137	8	137		
On sales to public	30,940	1,714	30,851	250	89
1973—On sales to employees	1,291	72	1,291		
On conversion of debentures	85	5	85		
On sales to public	31,600	1,600	31,600		
1974—On sales to employees	1,283	87	1,283		
On conversion of debentures	34	2	34		
On sales to public	44,375	2,500	44,375		
Balance, December 31, 1974	232,179	23,185	231,995	1,172	184
1975 (to February 28, 1975)					
On sales to employees	20	1	20		
On sales to public	47,250	3,500	47,250		
Balance, February 28, 1975	$279,449	26,686	$279,265	1,172	$184

5. RESTRICTIONS ON CONSOLIDATED RETAINED EARNINGS:

Total consolidated retained earnings not available for the payment of dividends aggregate $9,659,000 and $9,897,000 at December 31, 1974 and February 28, 1975, respectively, as discussed below.

Under an order of the Securities and Exchange Commission, dated April 24, 1947, in connection with the merger of Northwestern Electric Company into the Company, no dividends may be declared or paid on the common stock of the Company (other than dividends payable in common stock) except out of earnings accumulated subsequent to the effective date of the merger and after deducting therefrom the dividend requirement on the Company's preferred stock from such date; at each of the balance sheet dates there was $3,953,000 of retained earnings so restricted. Although the Company's mortgage relating to its First Mortgage Bonds contains restrictive provisions relating to common stock dividends, none of the retained earnings at such date was restricted thereunder.

The loan agreements covering outstanding debt of certain subsidiaries impose, among other covenants, limitations on the payment of dividends. Under the most restrictive interpretation of these covenants, $5,706,000 and $5,944,000 of retained earnings of such subsidiaries was restricted at December 31, 1974 and February 28, 1975, respectively.

6. LONG-TERM DEBT:

Long-term debt issued or assumed by the Company and its subsidiaries and outstanding at December 31, 1974 and February 28, 1975 was as follows (in thousands):

	1974	1975
Pacific Power & Light Company:		
First Mortgage Bonds:		
3¼% Series due 1977	$ 29,000	$ 29,000
3⅜% Series due April 1, 1978	4,500	4,500
3⅜% Series due August 1, 1979	4,951	4,951
3 % Series due 1980	9,000	9,000
4⅛% Series due June 1, 1981	5,849	5,849
3⅞% Series due 1982	12,500	12,500
3¾% Series due September 1, 1982	7,500	7,500
4⅛% Series due October 1, 1982	6,157	6,157
3¼% Series due March 1, 1984	8,659	8,659
3⅜% Series due 1984	8,000	8,000
3½% Series due August 1, 1984	30,000	30,000
3⅝% Series due 1985	10,000	10,000
4⅜% Series due May 1, 1986	14,454	14,454
4¼% Series due 1988	15,000	15,000
4⅜% Series due July 1, 1988	20,000	20,000
5⅛% Series due 1990	20,000	20,000
4¾% Series due 1992	35,000	35,000
4½% Series due December 1, 1992	32,000	32,000
4⅝% Series due 1993	30,000	30,000
4⅝% Series due 1994	30,000	30,000
5 % Series due 1995	30,000	30,000
8 % Series due 1999	25,000	25,000
8¼% Series due November 1, 1999	20,000	20,000
9⅝% Series due 2000	25,000	25,000
7⅞% Series due 2001	40,000	40,000
8 % Series due October 1, 2001	35,000	35,000
7¼% Series due 2002	30,000	30,000
8⅜% Series due 2004	60,000	60,000
9⅞% Series due 1983	70,000	70,000
Rawlins Electric Company:		
First Mortgage Bonds:		
4½% Series due 1975	90	90
6 % Series due 1977	128	128
Guaranty of Pollution Control Revenue Bonds, 6% Series due 2003	25,000	25,000
Miscellaneous	1,060	1,034
Unamortized premium and discount on long-term debt	(3,262)	(3,239)
Total long-term debt of Pacific Power & Light Company	690,586	690,583

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	1974	1975
Subsidiaries:		
Telephone Utilities, Inc.:		
2% First Mortgage Notes due 1990-1999	909	901
4½%-10¼% First Mortgage Notes due 1975-1998	20,163	20,092
7¾% Second Mortgage Note due 1980	11,000	11,000
5¾%-9½% Unsecured Notes due 1978-1998	12,875	12,831
Total Telephone Utilities, Inc.	44,947	44,824
Other Subsidiaries:		
7%-8% Unsecured Notes due in installments through 1997	1,953	1,953
10%* Note due in installments through 1978	4,683	4,308
7¾% Note due 1980	7,000	7,000
Total long-term debt of subsidiaries	58,583	58,085
Total long-term debt	$749,169	$748,668

* Interest rate at December 31, 1974 and February 28, 1975; rate is based on prime rate plus 3%, such rate to be not less than 6% nor more than 10%.

In April, 1975 the Company expects to guarantee $15,000,000, 8⅜% Series, due 2005, pollution control revenue bonds to be issued by Sweetwater County, Wyoming.

Substantially all of the assets of the Company and its subsidiaries are subject to liens of mortgages or security agreements. Additional First Mortgage Bonds of the Company may be issued in amounts limited by property, earnings and other provisions of the mortgage indenture.

Maturity and sinking fund requirements for the years 1975 to 1979 on the total long-term debt outstanding amount to $19,087,000 for 1975, $9,047,000 for 1976, $38,032,000 for 1977, $10,910,000 for 1978 and $11,183,000 for 1979. Of these requirements $11,139,000 in 1975, $1,099,000 in 1976, $30,084,000 in 1977, $3,670,000 in 1978, and $4,060,000 in 1979, are payable in cash; the remainder may be satisfied by certification of property additions as follows: 1975, $7,948,000; 1976, $7,948,000; 1977, $7,948,000; 1978, $7,240,000; and 1979, $7,123,000.

7. Commitments and Contingencies

Reference is made to "Use of Proceeds, Construction Program and Financing Plans" and "Business—Property and Power Supply" for information relating to the Company's construction program. The Company has substantial commitments in connection therewith.

Substantial amounts of power are being purchased under long-term arrangements with Washington public utility districts owning generating plants. Such purchases are made from nonaffiliated persons on a "cost of service" basis, with the Company buying a stated percentage of project output and paying a like percentage of project annual costs (operating expenses and debt service) which are included in "Power purchased and interchanged—Net." The purchase arrangements which expire from 1996 to 2018 provide for firm power to such dates and most of them also provide for additional power, withdrawable by the owner upon two to five years' notice. For the year 1974, purchases under these arrangements approximated 27% of the Company's energy requirements; 14% was obtained through other purchase and net interchange arrangements. The Company has received notices of withdrawal effective 1976 through 1979 to withdraw up to approximately 159,000 kw capacity from these plants.

Reference is made to information under "Business—Property and Power Supply" relating to licenses on hydroelectric plants.

The Companies have incurred expenses related to lease commitments for the periods indicated as follows:

	Year Ended December 31					Twelve Months Ended February 28
	1970	1971	1972	1973	1974	1975
	Thousands of Dollars					
Total Rentals						
Charged to:						
Operating expenses	$ 986	$1,065	$1,311	$1,537	$1,598	$1,888
Other income accounts	630	631	628	628	628	628
Utility plant, clearing and sundry accounts	960	1,017	1,172	1,526	2,294	2,476
Total	2,576	2,713	3,111	3,691	4,520	4,992
Less rentals from subleases	720	640	699	722	778	729
Net Total	$1,856	$2,073	$2,412	$2,969	$3,742	$4,263

The minimum gross rental commitments of the Companies under all noncancellable leases for the periods indicated are as follows (in thousands of dollars):

1975	$ 3,251
1976	3,170
1977	3,061
1978	2,968
1979	2,770
1980–1984	11,343
1985–1989	9,725
1990–1994	7,626
Remainder	8,925
Total	$52,839

Rental payments are calculated upon the basis of elapsed time. Substantially all options to renew existing leases provide for negotiation of the amount of rental at the time of exercising such options. Except for relatively minor leases, there are no existing options to purchase or escalation clauses. The Companies are also committed to pay all taxes and expenses of operation (other than depreciation) and maintenance applicable to the leased property, except for the property under several relatively minor leases.

8. Employees Retirement Plans:

For the years ended December 31, 1970 through 1974, respectively, retirement plan costs were $2,654,000, $3,212,000, $3,124,000, $3,430,000 and $3,739,000 of which $685,000, $550,000, $488,000, $544,000 and $311,000 were for prior service. Of these costs, $908,000, $1,170,000, $1,187,000, $1,206,000 and $1,399,000, respectively, were applicable to construction payroll and were charged to plant accounts. For the twelve months ended February 28, 1975 retirement plan costs were $3,916,000, including $338,000 for prior service; of the total $1,427,000 was applicable to construction payroll and was charged to plant accounts. Unfunded prior service cost at January 1, 1974 (exclusive of interest) was approximately $6,250,000. Of this total liability approximately $2,998,000 represented the amount by which vested benefits exceeded the pension fund assets. In September 1974, the Federal 1974 Pension Reform Act was enacted and will become applicable to the Companies, in pertinent part, in 1975. The Companies have estimated that retirement plan costs will increase approximately $300,000 to $700,000 annually as a result of such Act.

9. Supplementary Income Statement Information:

	Year Ended December 31 1970	1971	1972	1973	1974	Twelve Months Ended February 28, 1975
	Thousands of Dollars					
Taxes, other than income, are as follows:						
Federal and state social security	$ 1,331	$ 1,511	$ 1,815	$ 2,478	$ 3,225	$ 3,369
Property	13,118	13,555	16,996	18,201	20,996	21,428
State gross receipts tax on public utilities	792	877	933	964	1,465	1,586
Occupation and franchise	2,280	2,536	2,783	2,633	2,716	2,911
Regulatory commission fees	124	109	205	255	265	275
State sales and use	2,215	2,537	1,570	2,109	2,273	1,857
Miscellaneous	223	235	261	343	524	433
Total	$20,083	$21,360	$24,563	$26,983	$31,464	$31,859
Charged to:						
Operating expenses—Taxes	$16,812	$17,440	$19,723	$22,365	$24,087	$23,504
Other income accounts	232	260	291	290	299	300
Utility plant, clearing and sundry accounts	3,039	3,660	4,549	4,328	7,078	8,055

Maintenance and depreciation, other than amounts set out separately in the Statement of Consolidated Income, are not material.

Amounts of advertising costs and research and development costs are not material.

For further information regarding lease commitments and rentals see Note 7.

10. COMPENSATING BALANCES AND SHORT-TERM BORROWING:

Substantially all of the funds included in cash are in the form of demand deposits and include compensating balances informally required by banks under a credit agreement and lines of credit with respect to outstanding short-term loans and unused lines of credit. These balances may be withdrawn without restriction for use as general operating funds on a day-to-day basis, provided the Company maintains average bank balances totaling 10% of the banks' commitment under the credit agreement and lines of credit or 15% of the outstanding borrowings, whichever is greater.

At December 31, 1974 and February 28, 1975, and during the twelve month period then ended, total bank commitments under the credit agreement and lines of credit were $65,000,000 and average compensating balance requirements were $6,500,000. The lines of credit are periodically reviewed by the various banks and may be renewed or cancelled. Commitment fees charged in connection with the credit agreement and Eurodollar loan facility are not significant; no commitment fee is charged in connection with maintaining the lines of credit. On July 1, 1974 the Company replaced the credit agreement with lines of credit.

At December 31, 1974, outstanding notes payable to banks under the lines of credit totaled $43,000,000 representing short-term notes with an average interest rate of 10.26%; during the year then ended, such notes payable averaged (on a monthly weighted basis) $25,167,000 with an average interest rate of 11.03%. During the same period, maximum month-end aggregate short-term notes payable under such lines were $43,000,000.

On February 28, 1975, there were no notes payable under the lines of credit; during the twelve months then ended, notes payable to banks averaged (on a monthly weighted basis) $22,416,667 with an average interest rate of 11.27%. Maximum month end aggregate short-term notes payable to banks during the twelve months ended February 28, 1975 were $43,000,000.

At December 31, 1974, there was $43,665,000 of commercial paper outstanding with an average interest rate of 10.73%; during the year then ended, commercial paper outstanding averaged $19,826,000 with an average interest rate of 12.09%. Maximum month-end aggregate commercial paper outstanding during the year ended December 31, 1974, was $52,150,000.

On February 28, 1975, there was $56,110,000 of commercial paper outstanding with an average interest rate of 7.23%; during the twelve months then ended, commercial paper outstanding averaged $28,838,000 with an average interest rate of 11.03%. Maximum month-end aggregate commercial paper outstanding during the twelve months ended February 28, 1975 was $56,110,000.

At December 31, 1974, there was $21,000,000 of outstanding notes payable under the Eurodollar loan facility representing short-term notes with an average interest rate of 10.91%; during the year then ended, notes payable under this loan facility averaged $7,583,000 with an average interest rate of 10.97%. Maximum month-end aggregate short-term notes payable under this Eurodollar loan facility during the year ended December 31, 1974, were $35,000,000.

On February 28, 1975, there was $35,000,000 of outstanding notes payable under the Eurodollar Loan Facility representing short-term notes with an average interest rate of 7.41%; during the year then ended, notes payable under this loan facility averaged $12,500,000 with an average interest rate of 9.80%. Maximum month end aggregate short-term notes payable under the Eurodollar Loan Facility for the twelve months ended February 28, 1975 were $35,000,000.

Reference is made to "Use of Proceeds, Construction Program and Financing Plans" for information relating to the Company's short-term borrowing authority.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has agreed to sell to each of the Underwriters named below and each of the Underwriters, for whom Salomon Brothers, Blyth Eastman Dillon & Co. Incorporated, The First Boston Corporation and Kidder, Peabody & Co. Incorporated are acting as Representatives, has severally agreed to purchase the principal amount of the New Bonds, if any are purchased, set forth opposite its name below:

Name	Principal Amount
Salomon Brothers	$ 4,750,000
Blyth Eastman Dillon & Co. Incorporated	4,750,000
The First Boston Corporation	4,750,000
Kidder, Peabody & Co. Incorporated	4,750,000
Dillon, Read & Co. Inc	1,000,000
Drexel Burnham & Co. Incorporated	1,000,000
Goldman, Sachs & Co	1,000,000
Halsey, Stuart & Co. Inc	1,000,000
Hornblower & Weeks-Hemphill, Noyes Incorporated	1,000,000
E. F. Hutton & Company Inc	1,000,000
Kuhn, Loeb & Co	1,000,000
Lazard Freres & Co	1,000,000
Lehman Brothers Incorporated	1,000,000
Loeb, Rhoades & Co	1,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,000,000
Paine, Webber, Jackson & Curtis Incorporated	1,000,000
Reynolds Securities Inc	1,000,000
Smith, Barney & Co. Incorporated	1,000,000
Wertheim & Co., Inc	1,000,000
White, Weld & Co. Incorporated	1,000,000
Dean Witter & Co. Incorporated	1,000,000
Bear, Stearns & Co	690,000
L. F. Rothschild & Co	690,000
Shearson Hayden Stone Inc	690,000
Shields Model Roland Securities Incorporated	690,000
Weeden & Co. Incorporated	690,000
Basle Securities Corporation	500,000
Alex. Brown & Sons	500,000
Daiwa Securities America Inc	500,000
F. Eberstadt & Co., Inc	500,000
Harris, Upham & Co. Incorporated	500,000
Nomura Securities International, Inc	500,000
Wm. E. Pollock & Co., Inc	500,000
R. W. Pressprich & Co. Incorporated	500,000
SoGen-Swiss International Corporation	500,000
Thomson & McKinnon Auchincloss Kohlmeyer Inc	500,000
Spencer Trask & Co. Incorporated	500,000
Tucker, Anthony & R. L. Day	500,000
UBS-DB Corporation	500,000
Wood, Struthers & Winthrop Inc	500,000
Advest Co	350,000
Bacon, Whipple & Co	350,000
Blunt Ellis & Simmons Incorporated	350,000
Boettcher & Company	$ 350,000
J. C. Bradford & Co	350,000
The Chicago Corporation	350,000
Crowell, Weedon & Co	350,000
Dain, Kalman & Quail, Incorporated	350,000
Doft & Co., Inc	350,000
A. G. Edwards & Sons, Inc	350,000
First of Michigan Corporation	350,000
First Southwest Company	350,000
Foster & Marshall Inc	350,000
Janney Montgomery Scott Inc	350,000
Legg Mason/Wood Walker, Div. of First Regional Securities, Inc	350,000
Loewi & Co. Incorporated	350,000
McDonald & Company	350,000
Moore, Leonard & Lynch, Incorporated	350,000
Piper, Jaffray & Hopwood Incorporated	350,000
Prescott, Ball & Turben	350,000
Rauscher Pierce Securities Corporation	350,000
The Robinson-Humphrey Company, Inc	350,000
Rotan Mosle Inc	350,000
Shuman Agnew & Co., Inc	350,000
Stifel, Nicolaus & Company Incorporated	350,000
Stone & Youngberg	350,000
Stuart Brothers	350,000
Sutro & Co. Incorporated	350,000
Wheat, First Securities, Inc	350,000
Birr, Wilson & Co., Inc	200,000
Black & Company, Inc	200,000
Blakely, Strand & Williams, Inc	200,000
Bosworth, Sullivan & Company, Inc	200,000
Craigie, Mason-Hagan, Inc	200,000
Davis, Skaggs & Co., Inc	200,000
Gallagher & Jensen, Inc	200,000
Hibbard & O'Connor Securities, Inc	200,000
Hinkle Northwest, Inc	200,000
Paul Kendrick & Co., Inc	200,000
Kirkpatrick, Pettis, Smith, Polian Inc	200,000
Lepercq, de Neuflize & Co. Incorporated	200,000
Newhard, Cook & Co. Incorporated	200,000
Rippey, Inskeep, Hess & McFaul, Inc	200,000
R. Rowland & Co. Incorporated	200,000
Stern, Frank, Meyer & Fox, Incorporated	200,000
Wagenseller & Durst, Inc	200,000
Total	$60,000,000

The several Underwriters propose initially to offer the New Bonds to the public at the public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of .7 of 1% of the principal amount of the New Bonds. The Underwriters may allow and such dealers may reallow a concession not in excess of .5 of 1% of the principal amount of the New Bonds to certain other dealers. Some or all of the Underwriters may be included among such dealers. After the initial public offering, the public offering price and concessions to dealers may be changed from time to time by the Representatives of the Underwriters.

$40,000,000

Portland General Electric Company

First Mortgage Bonds, 10% Series due April 1, 1982

The New Bonds will be redeemable at the option of the Company at prices set forth herein, provided that no redemption may be made prior to April 1, 1980 through refunding by the issuance of indebtedness having an interest cost of less than 10.0% per annum. See "Description of New Bonds" herein.

The Company will make application for the listing of the New Bonds on the New York Stock Exchange. Listing will be subject to meeting the requirements of the Exchange, including those relating to distribution.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public (1)	*Underwriting Discounts and Commissions (2)*	*Proceeds to Company (1) (3)*
Per Bond	100.00%	1.30%	98.70%
Total	$40,000,000	$520,000	$39,480,000

(1) Plus accrued interest from April 1, 1975 to date of delivery and payment.

(2) The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

(3) Before deducting expenses payable by the Company estimated at $95,000.

The New Bonds, which will be issued in fully registered form only, are offered by the several Underwriters thereof as set forth under "Underwriting" herein. It is expected that delivery of the New Bonds will be made in New York, N. Y. on or about April 10, 1975.

Blyth Eastman Dillon & Co.
Incorporated

Dean Witter & Co.
Incorporated

The date of this Prospectus is April 3, 1975.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NEW BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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No person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized. This Prospectus does not constitute an offer of any securities other than those to which it relates or an offer of those securities to which it relates to any person in any jurisdiction where such offer would be unlawful. The delivery of this Prospectus at any time does not imply that the information herein is correct as of any time subsequent to its date.

AVAILABLE INFORMATION

Portland General Electric Company (the "Company") is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission. Information, as of particular dates, concerning directors and officers, their remuneration, and any material interest of such persons in transactions with the Company, is disclosed in proxy statements of the Company distributed to shareholders of the Company and filed with the Commission. Such reports, proxy statements and other information can be inspected at the Public Reference Room of the Commission, 1100 L Street, Washington, D. C. and copies of such material can be obtained from the Commission at prescribed rates. Shares of the Company's Common Stock are listed on the New York and Pacific Stock Exchanges where reports, proxy material and other information concerning the Company may also be inspected.

SUMMARY OF PROSPECTUS

The following material is qualified in its entirety by the detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus.

THE OFFERING

Company	Portland General Electric Company
Type of Security	First Mortgage Bonds
Redemption Provisions	Not refundable at lower interest cost prior to April 1, 1980
Offering Date	April 3, 1975
Principal Amount Offered	$40,000,000
Maturity	April 1, 1982
Use of Proceeds	To reduce short-term debt of the Company which was incurred in connection with the Company's construction program

THE COMPANY

Business	Generation, purchase, transmission, distribution and sale of electric energy
Service Area	3,350 square mile area within the State of Oregon, including 54 incorporated cities of which Portland and Salem are the largest
Estimated Service Area Population	972,000
Customers (December 31, 1974)	Approximately 393,000
Estimated 1975 Construction Expenditures	$152,000,000

FINANCIAL INFORMATION

	Thousands of Dollars (except ratios) 12 Months Ended December 31 1974	February 28 1975
Statement of Income Data:		
Operating Revenues	$146,001	$149,758
Utility Operating Income	46,263	47,546
Net Income	32,918	29,454
Ratio of Earnings to Fixed Charges	1.98	1.86
—Pro Forma	1.72	1.67
Supplemental Ratio of Earnings to Fixed Charges	1.84	1.75
—Pro Forma	1.63	1.59

	December 31, 1974 Actual	As Adjusted*	% of Capitalization
Capital Structure:			
Long-Term Debt (including long-term debt maturing within one year and current sinking fund requirements)	$364,929	$403,927	53.5
Cumulative Preferred Stock	80,000	110,000	14.6
Common Stock Equity	241,965	240,985	31.9
Total	$686,894	$754,912	100.0

* Adjusted to give effect to the sale of the New Bonds offered hereby, to the sale of 300,000 shares of Cumulative Preferred Stock on January 23, 1975 and the other adjustments set forth under "Capital Structure".

General

Portland General Electric Company, incorporated in Oregon in 1930 as successor to Portland Electric Power Company and its predecessors, has principal offices located at 621 S. W. Alder Street, Portland, Oregon 97205 (telephone number: 503 228-7181). The Company is an electric utility engaged in the generation, purchase, transmission, distribution and sale of electricity in the State of Oregon. Together with its predecessors, the Company has been furnishing electric service for 85 years. Its service area is a 3,350 square mile area within a state approved service area allocation of 4,250 square miles, including 5[illegible] incorporated cities of which Portland and Salem are the largest. The Company estimates that the population of the service area at the end of 1974 was approximately 972,000. At December 31, 1974 the Company served 393,411 customers, constituting about 42% of the state's electric customers.

Recent Developments in Financial Considerations

During 1974 approximately 96% of the Company's electric energy input was obtained from hydroelectric facilities, including Company hydroelectric plants, the Bonneville Power Administration ("Bonneville") and Washington Public Utility Districts, and 4% from thermal generation, including purchases. Until September 1, 1973, Bonneville was contractually obligated to supply all of the Company's firm power requirements in excess of its other power resources and had, for some years, accounted for approximately 40% of total energy requirements. The Company is currently entitled to some firm power, non-firm energy and additional peaking capacity from Bonneville.

To enable the Company to meet the capacity and energy demands of its system between the time of termination of Bonneville's firm power commitment and the commencement of operations of the Company's Trojan Nuclear Plant, presently scheduled for late 1975 or early 1976, the Company entered into purchase and exchange agreements with Bonneville and other utilities and in 1973 installed jet-engine type combustion turbines. The Company added 439,000 kw of industrial type combustion turbine capacity in August 1974.

Need for operation of the combustion turbines during the fall and winter of 1974-1975 has been virtually non-existent because of the availability of energy purchases, favorable hydro conditions, reduced usage by customers due to energy conservation measures and warmer than normal winter weather and the acquisition of 1.5 billion kilowatt-hours from Bonneville pursuant to an Exchange Agreement entered into on June 12, 1974 (see "Bonneville Power Administration" under "Business—Power Supply"). In the event of further delay in completion of the Trojan Plant (see "Future Resources—Trojan Plant") coupled with poorer than normal hydro and weather conditions and the unavailability of power for purchase, need for operation of the combustion turbines during the fall and winter of 1975-1976 could be substantial, which could materially increase the Company's cost of power. Operation of the combustion turbines requires permits from environmental authorities relating to air quality and noise control and, while the Company presently has such permits, the Company's ability to operate its six jet-engine type turbines is limited (see "Construction Program" and "Regulation—Environmental Matters").

The Company estimates that following completion of the Trojan Nuclear Plant, approximately 60% of its energy input will be from hydroelectric facilities, 32% from nuclear facilities and the balance from fossil fuel generation and purchases.

In order to meet the additional costs of operation and the capital costs of its construction program, including providing sufficient earnings to meet interest and dividend coverage requirements for the issuance of additional bonds and preferred stock, the Company has aggressively sought rate increases. On September 3, 1974 the Public Utility Commissioner of Oregon (the "Commissioner") issued an Order which permitted the Company to recover the cost of power in excess of 4.8 mills per kwh during the 1974-1975 winter. On December 23, 1974 the Commissioner granted the Company a rate increase of 9.7% for service rendered on and after that date. On March 11, 1975, the Company filed an application for a 25% increase in all rates to be effective in September 1975 and requested that the Commissioner grant as interim relief an increase of at least 15% effective in April 1975. In addition, such filing requests a cost of power adjustment clause designed to permit the Company to recover the cost of power in excess of 5.2 mills per kwh during the 1975-76 winter. The Commissioner, by order dated April 2, 1975, granted the Company interim relief to the extent of a 10% increase effective with billings on and after April 4, 1975 for service rendered on and after March 12, 1975. The Company expects that an additional rate increase of approximately 10% to 15% will be required in 1976 (see "Regulation—Rate Increases").

General Problems of the Industry

The Company has been experiencing, in varying degrees, certain problems which are general in the electric utility industry, including the difficulty in obtaining an adequate return on invested capital (see "Regulation—Rate Increases"), the difficulty in financing a large construction program (see "Construction Program"), the difficulty of the capital markets in absorbing utility debt and equity securities, the restrictions on operations and increased costs and delays attributable to environmental considerations (see "Regulation—Environmental Matters"), the necessity of expending substantial sums on studies and other preliminary work with respect to, and in some cases for the purchase of sites for, future facilities prior to the determination of their feasibility, and the necessity of making substantial investments in facilities prior to the completion of licensing and other proceedings by regulatory bodies necessary for the construction and/or operation of such facilities (see "Business—Future Resources"), the effects of energy conservation (see "Business—Energy Curtailment"), and the difficulty of obtaining adequate supplies of fuel at reasonable prices (see "Business—Company Generation" and "Business—Future Generation").

APPLICATION OF PROCEEDS

The net proceeds from the sale of the New Bonds offered hereby (estimated at $39,385,000) will be used to reimburse in part the Company's general funds for past construction expenditures. Out of its general funds the Company will repay a like amount of its short-term bank loans and commercial paper (estimated to aggregate $55,000,000 at the time of such sale). Such obligations were incurred in connection with the Company's construction program.

CONSTRUCTION PROGRAM

To meet the requirements of its consumers, the Company is continually extending and enlarging its facilities. During the years 1970 through 1974, gross property additions approximated $501,100,000 and gross property retirements approximated $23,000,000. Estimated construction costs (including allowance for funds used during construction and nuclear cores) during 1975 are $152,000,000, of which $111,600,000 will be incurred to construct generating plant facilities, $33,600,000 for transmission and distribution facilities and $6,800,000 for general construction and equipment. In addition, the Company may increase its 1975 construction program by approximately $12,150,000 for the purchase of a supply of uranium hexafluoride, with respect to which negotiations were commenced in late February 1975 (see "Business—Future Resources—Trojan Plant"). At February 28, 1975, $20,963,000 of the 1975 construction costs had been incurred.

The Company estimates that, in addition to the proceeds from the sale of 300,000 shares of Cumulative Preferred Stock in January 1975 and from the sale of the New Bonds offered hereby, approximately $105,000,000 of external permanent financing will be required during the balance of 1975 (1) to complete its construction program referred to above, (2) to refinance $27,199,000 of its First Mortgage Bonds due July 1, 1975 and (3) to refinance up to $18,875,000 of short-term refunding pollution control bonds (see Note 9(d) of Notes to Financial Statements). The Company presently anticipates that such $105,000,000 of external permanent financing will consist of approximately $30,000,000 additional Common Stock, $45,000,000 of additional First Mortgage Bonds and $30,000,000 in pollution control bonds. In addition, the Company might under certain circumstances be required to purchase and refinance approximately $18,175,000 of leased turbines (see "Regulation—Environmental Matters" and Note 14(d) of Notes to Financial Statements).

The Company's construction programs, which are subject to continuing review and adjustment, are estimated in the range of $900,000,000 to $1,000,000,000 total for the years 1976-1978 (including allowance for funds used during construction and nuclear cores). Approximately 80% of the aggregate of these estimates is for generating plant facilities and the remainder for transmission, distribution and general facilities (see "Business—Future Resources" and "Regulation"). The Company expects that on the average during the three years 1976-1978, 80% of its construction costs will require external financing through the sale of securities or other financial arrangements. In addition to such financings, the Company will refund $28,160,000 of its First Mortgage Bonds in 1977.

Under the terms of the Company's Mortgage, the issuance of additional first mortgage bonds is subject to net earnings available for interest for 12 consecutive months within the preceding 15 months being at least twice the annual interest requirements on all bonds to be outstanding. The terms of the Agreement, under which the Company's outstanding Sinking Fund Debentures due 1983 were issued, as amended, restricts the issuance of additional funded debt (long-term debt) unless the net earnings available for interest for 12 consecutive months within the preceding 15 months is at least 175% of the annual interest requirements on all indebtedness to be outstanding. Pro forma net earnings available for interest for the 12 months ended February 28, 1975 on the assumptions set forth under "Adjusted" in "Capital Structure" were 2.18 times annual interest requirements under the Mortgage and 1.79 times annual interest requirements under the Agreement, as amended.

Under the most restrictive computation of net earnings available for interest the Company estimates that, on the assumptions set forth under "Adjusted" in "Capital Structure", at the date of issuance of the New Bonds, in addition to the New Bonds it could issue approximately $19,000,000 of long-term debt at an assumed interest rate of 10%. Such computation is based upon net earnings available for interest for the 12 months ended February 28, 1975.

CAPITAL STRUCTURE

The following tabulation sets forth the capital structure and short-term borrowings of the Company at December 31, 1974 and adjusted as of that date to give effect to the issuance and sale of the New Bonds offered hereby, to the issuance of 300,000 shares of Cumulative Preferred Stock on January 23, 1975 for net proceeds of $29,020,000, to the incurring and payment of additional short-term bank loans and the issuance of commercial paper, to the retirement of $1,002,000 of long-term debt for sinking fund purposes prior to the date of issuance of the New Bonds offered hereby and to the payment of approximately $40,000,000 of the $55,000,000 of the Company's short-term bank loans and commercial paper expected to be outstanding at the time of the sale of the New Bonds.

	Issued and Outstanding December 31, 1974	Adjusted	
		Amount	Percent
	(Thousands of Dollars)		
Long-Term Debt (including long-term debt maturing within one year and current sinking fund requirements)	$364,929	$403,927	53.5
Cumulative Preferred Stock	80,000	110,000	14.6
Common Stock Equity	241,965	240,985	31.9
Total Capitalization	$686,894	$754,912	100.0
Short-Term Bank Loans and Commercial Paper	$ 52,100	$ 15,000	
Other Short-Term Borrowings	43,691	44,600	
Total Short-Term Borrowings	$95,791	$ 59,600	

See "Financial Statements—Statement of Capitalization" for details concerning the Company's Long-Term Debt, Cumulative Preferred Stock and Common Stock Equity. See Note 9 of Notes to Financial Statements for details concerning the Company's Short-Term Borrowings and $150,000,000 Credit Agreement.

For information with respect to obligations under leases, see Note 14(d) of Notes to Financial Statements.

STATEMENTS OF INCOME

The statements of income for the five years ended December 31, 1974 have been examined by Arthur Andersen & Co., independent public accountants, as stated in their report included elsewhere in this Prospectus. Reference is made to said report which calls attention to a change in accounting principles with respect to the method of accounting for investment tax credits. These statements should be read in conjunction with (i) the Ratios of Earnings to Fixed Charges on the following page, (ii) Notes to Statements of Income on the two following pages and (iii) Financial Statements and Notes to Financial Statements included elsewhere in this Prospectus, all of which are an integral part of these statements. Numerical notes refer to Notes to Financial Statements.

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
OPERATING REVENUES	$ 146,001	$ 124,833	$ 112,443	$ 104,919	$ 88,290
OPERATING EXPENSES AND TAXES:					
Operation:					
Power purchased and interchange—net	37,385	30,798	24,849	22,264	19,477
Production	7,675	5,941	2,357	2,100	1,928
Transmission and distribution	7,914	6,742	5,988	5,560	4,700
Administrative and other	14,806	12,762	12,437	11,781	10,644
Maintenance and repairs (Note 1)	6,397	5,749	4,969	4,636	3,862
Depreciation annuity and interest on 5% sinking fund method (Note 1)	12,060	11,290	9,962	9,231	8,175
Taxes other than income taxes (Note 15)	14,322	12,746	11,964	10,849	10,035
Taxes on income (Note B):					
State	(99)	281	722	921	434
Federal	(732)	1,938	5,408	6,749	3,160
Disposition of utility plant	10	(858)	(125)	—	—
Total operating expenses and taxes	99,738	87,389	78,531	74,091	62,415
Utility operating income	46,263	37,444	33,912	30,828	25,875
OTHER INCOME:					
Allowance for funds used during construction (Note A)	17,004	11,090	4,610	1,789	792
Other income and deductions—net	255	310	338	99	332
Gross income	63,522	48,844	38,860	32,716	26,999
INTEREST CHARGES:					
Interest on long-term debt	20,734	18,591	15,132	13,667	11,377
Interest on short-term notes payable	9,488	3,279	848	658	1,779
Other interest and amortization	382	358	311	108	102
Total interest charges	30,604	22,228	16,291	14,433	13,258
NET INCOME	32,918	26,616	22,569	18,283	13,741
PREFERRED DIVIDEND REQUIREMENT	6,577	5,247	2,196	976	152
INCOME AVAILABLE FOR COMMON STOCK	$ 26,341	$ 21,369	$ 20,373	$ 17,307	$ 13,589
AVERAGE COMMON SHARES OUTSTANDING	12,125,000	10,500,000	9,666,667	8,666,667	8,350,000
EARNINGS PER AVERAGE COMMON SHARE	$2.17	$2.04	$2.11	$2.00	$1.63
DIVIDENDS DECLARED PER COMMON SHARE	$1.52	$1.48	$1.42	$1.38	$1.30
RATIOS OF EARNINGS TO FIXED CHARGES	1.98	2.27	2.74	2.75	2.28
SUPPLEMENTAL RATIOS OF EARNINGS TO FIXED CHARGES	1.84	2.04	2.33	2.31	1.95

Ratios of Earnings to Fixed Charges

For the purposes of computing the ratios of earnings to fixed charges, "earnings" are defined as net income before income taxes and fixed charges. "Fixed charges" consist of interest and amortization of debt discount and expense and premium on all indebtedness. "Fixed charges" also include, for the years 1973 and 1974, the interest factor in the long-term combustion turbine leases and one-third of annual rentals under other long-term leases and for the years 1970, 1971 and 1972 one-third of annual rentals under long-term leases. The Company has calculated the supplemental ratios of earnings to fixed charges pursuant to Accounting Series Release No. 122 issued August 10, 1971 by the Securities and Exchange Commission. In the computations "earnings" are defined as net income before income taxes and fixed charges, and "fixed charges" include, in addition to the items referred to above, the Company's allocable portion of interest expense included in the costs of power purchased from Washington Public Utility Districts under long-term contracts (see "Business—Power Supply—Public Utility District Hydro" and Note 14(b) of Notes to Financial Statements). Such allocable portion of interest expense relates only to power purchases not subject to future reduction under the contracts.

The unaudited pro forma ratio of earnings to fixed charges for 1974 would be approximately [illegible] after adjustment of fixed charges to reflect (i) the annual interest requirement on the New Bonds, (ii) the annual interest requirements on long-term debt outstanding at December 31, 1974 reduced by the estimated annual interest requirements on long-term debt to be retired through the operation of sinking funds in the ensuing twelve months and increased by the estimated interest relating to the refunding of long-term debt maturing within one year, (iii) the annual interest requirements on the short-term borrowings expected to be outstanding at the date of issuance of the New Bonds after the retirement of short-term borrowings from the net proceeds from the sale of 300,000 shares of Preferred Stock on January 23, 1975 and from the net proceeds from the sale of the New Bonds offered hereby, (iv) the interest factor in the annual rental charges in the combustion turbine leases entered into during 1974 and (v) the estimated annual interest requirements relating to the proposed refinancing of $27,000,000 short-term refunding pollution control bonds. The unaudited pro forma supplemental ratio defined above for 1974, after giving effect to the transactions referred to in the preceding sentence, would be approximately 1.63.

NOTES TO STATEMENTS OF INCOME

(A) For a description of accounting policy and rate used for allowance for funds used during construction (ADC) refer to Note 5 of Notes to Financial Statements. Construction funds used are assumed to have been derived from capital sources in the same proportions as the average capitalization ratios for the respective years. On this basis the ADC attributable to funds provided by common equity amounts to 0.8%, 2.6%, 6.8%, 9.6% and 3.4% of Income Available for Common Stock for the years 1970 through 1974, respectively. Interest on debt utilized in calculating such percentages is on a pre-tax basis. The amount of ADC varied from year to year depending principally upon the amount of construction program expenditures.

(B) For the Company's accounting policies relating to income taxes see Notes 2, 3 and 4 of Notes to Financial Statements. The following table shows the detail of taxes on income and the items used in computing the differences between the statutory Federal income tax rate and the Company's effective rate

PORTLAND GENERAL ELECTRIC COMPANY

NOTES TO STATEMENTS OF INCOME—(Continued)

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
State Income Taxes:					
Charged to Operating Expenses and Taxes:					
Currently payable	$ (91)	$ 289	$ 730	$ 929	$ 442
Deferred in prior years	(8)	(8)	(8)	(8)	(8)
	$ (99)	$ 281	$ 722	$ 921	$ 434
Charged to Other Income and Deductions—Net	$ 34	$ 25	$ 18	$ 5	$ 14
Federal Income Taxes:					
Charged to Operating Expenses and Taxes:					
Currently payable	$(2,203)	$ 1,121	$ 4,878	$ 7,282	$3,877
Deferred in prior years	(533)	(533)	(533)	(533)	(533)
Investment tax credit adjustments	2,004	1,350	1,063	—	(184)
	(732)	1,938	5,408	6,749	3,160
Charged to Other Income and Deductions—Net	219	67	10	(20)	21
Total	$ (513)	$ 2,005	$ 5,418	$ 6,729	$3,181
Computed Federal income taxes applying statutory rate (48%) to income before income taxes	$15,523	$13,885	$13,789	$12,450	$8,338
Reductions in taxes resulting from:					
Excess tax over book depreciation	4,662	3,668	3,276	2,794	2,923
Costs capitalized for books and expensed for tax	1,968	1,537	951	511	404
Allowance for funds used during construction	8,162	5,323	2,213	859	380
Investment tax credit	156	80	37	423	184
Income taxes deferred in prior years	533	533	533	533	533
State income taxes	(19)	158	400	452	229
Adjustments of prior years accrued income taxes	(277)	86	608	(137)	307
Property taxes expensed—excess tax over book	516	16	130	219	60
Other minor items	335	479	223	67	137
	16,036	11,880	8,371	5,721	5,157
Federal income taxes	$ (513)	$ 2,005	$ 5,418	$ 6,729	$3,181
Company's effective rate	(1.6%)	6.9%	18.9%	25.9%	18.3%

The Company does not anticipate that the cash outlay for income taxes will substantially exceed the amounts to be accrued as income tax expense for the next three years.

Interim Results of Operations

Operating revenues, net income and earnings per average common share for the 12 months ended February 28, 1975 were $149,758,000, $29,454,000 and $1.78, as compared with $146,001,000, $32,918,000 and $2.17 for the year 1974 and $142,233,000, $35,738,000 and $2.56 for the 12 months ended September 30, 1974. The amounts for the 12 month periods ended February 28, 1975 and September 30, 1974 are unaudited but in the opinion of the Company reflect all adjustments (consisting, except for the adjustment of operating revenues for the 12 months ended February 28, 1975 referred to in the next sentence, only of normal recurring accruals) necessary for a fair presentation. With the approval of the Commissioner the Company has transferred to "Operating Revenues" for the months of February and March 1975, in equal amounts, a $1,989,000 reserve for "Possible additional income taxes and other contingencies" which had been provided from income in years prior to 1970 (see Note 10 of Notes to Financial Statements). Although Operating Revenues (including $995,000 so transferred) for the 12 months ended February 28, 1975 were approximately $7,525,000 greater than for the 12 months ended September 1974 and $3,757,000 greater than for the year 1974, such increased revenues were more than offset by increased operating expenses, which were approximately $10,832,000 and $5,018,000 greater, respectively, than for the two earlier periods. Of such increased operating expenses $10,058,000 and $4.2 respectively, were attributable to the higher cost of power purchased and interchange-net. Earnings per average common share were further affected by increased average numbers of common shares outstanding and increased preferred dividend requirements. For the 12 month periods ended September 30, December 31, 1974 and February 28, 1975, the average numbers of common shares outstanding were 11,375,000, 12,125,000 and 12,625,000, respectively. The ratio of earnings to fixed charges and supplemental ratio of earnings to fixed charges for the 12 months ended February 28, 1975 were 1.86 and 1.7 respectively. The pro forma ratios for the 12 months ended February 28, 1975, determined as described on page 8, would be approximately 1.67 and 1.59, respectively.

The Company anticipates that while operating revenues and allowance for funds used during construction will increase, at least until receipt of additional rate increases, net income, ratios of earnings to fixed charges and earnings per average common share for 12 month periods ending subsequent to February 28, 1975 may be less than net income, ratios of earnings to fixed charges and earnings per average common share for the 12 months ended February 28, 1975 and that for periods commencing after February 28, 1975 they may be less than those for comparable periods ended in 1974, due primarily to increased operating costs and interest costs on borrowings. Earnings per average common share for periods ending subsequent to February 28, 1975 will be further affected by increased average numbers of common shares outstanding and increased preferred dividend requirement (see "Regulation—Rate Increases").

In prior years, the Company followed flow through accounting for the income tax reductions resulting from the deduction for tax purposes of interest expense included in construction work in progress. Effective January 1, 1975, the Commissioner required the Company to normalize income taxes with respect to such deductions. This accounting change decreased reported earnings per average common share by $.08 for the 12 months ended February 28, 1975 (see "Regulation—Rate Increases"). The transfer to operating revenues from the reserve for possible additional income taxes and other contingencies referred to above increased reported earnings per average common share by $.08 for the 12 months ended February 28, 1975.

Annual interest requirements on the Company's First Mortgage Bonds and sinking fund debentures to be outstanding after the issuance of the New Bonds (including current maturities) will amount to $28,445,348, including annual interest requirements of $4,000,000 on the New Bonds.

Management's Discussion and Analysis of Statements of Income

(a) *Operating Revenues.*

Total operating revenues increased $7,524.0 0 during 1972, $12,390,000 during 1973 and $21,168,0 during 1974. The 1972 increase was primarily due to an increase in total kilowatt-hour sales in 1972 over 1971. Energy conservation measures resulted in lower than anticipated usage by ultimate customers in 1973 and 1974, and the increases in operating revenues in such years are primarily due to general rate increases. To the extent that the reduction in anticipated usage occurred during the winter months of 1973-1974 and reduced the necessity to operate the Company's combustion turbines, the result was a lower cost of power per kwh. In October 1973, the Company was granted a rate increase of 22.5%, including an 11% interim increase in April 1973. Commencing in September 1974 the Company was permitted to add 2.0 mills per kwh to all bills in order to recover the cost of power in excess of 4.8 mills per kwh during the 1974-1975 winter. Excess power costs amounted to $2,866,000 during the last four months of 1974, all of which is included in 1974 revenues. The 9.7% rate increase granted the Company in late December 1974 had no effect on 1974 revenues.

(b) *Power Purchased and Interchange—Net and Production.*

These costs increased $2,842,000 during 1972, $9,533,000 during 1973 and $8,321,000 during 1974. The increase in 1972 was primarily due to the related increase in total kilowatt-hour sales referred to in (a) above. The increase in 1973 and 1974 results from several factors. Until September 1, 1973, the Bonneville Power Administration ("Bonneville") was contractually obligated to supply all of the Company's firm power requirements in excess of its other power resources. Since that date, this resource has been replaced by other energy sources, generally at costs in excess of Bonneville rates. During 1973 and 1974 the Company added combustion turbine generating capacity. The combustion turbines were acquired under long-term leases and the lease payments are included as production expenses. Although the combustion turbines have been operated for relatively minor periods, such operation together with the lease payments have increased the Company's production expenses.

(c) *Other Operation and Maintenance Expenses.*

Expenses in these categories have increased due to the effect of inflation and the increase in the number of customers and the number of Company employees.

(d) *Taxes Other Than Income Taxes.*

These taxes have increased in all periods, primarily because of additions to electric utility plant and increased operating revenues.

(e) *Taxes on Income.*

Taxes on income decreased $1,540,000 during 1972, $3,911,000 during 1973 and $3,050,000 during 1974. Changes in Federal and state income taxes are generally related to changes in income before income taxes; however, the Company's income tax accounting policies do not utilize full interperiod income tax allocation. The two most significant items resulting in differences between book and tax income are excess tax over book depreciation and allowance for funds used during construction (ADC) which is not taxable for income tax purposes. During 1972, 1973 and 1974, ADC resulted in a significant portion of the decrease in taxes on income. See Notes 2, 3 and 4 of Notes to Financial Statements for the Company's income tax accounting policies and Note (B) of Notes to Statements of Income for details of taxes on income. Reference is also made to Note 3 of Notes to Financial Statements for the change, effective January 1, 1972, in the accounting principles with respect to the method of accounting for investment tax credits.

(f) *Allowance for Funds Used During Construction (ADC).*

ADC increased $2,821,000 during 1972, $6,480,000 during 1973 and $5,914,000 during 1974. The increases are related to the substantial increase in the Company's construction program expenditures. See Note 5 of Notes to Financial Statements.

(g) *Interest Charges on Long-Term Debt and Short-Term Notes Payable and Preferred Dividend Requirements.*

The Company's annual construction expenditures have increased significantly since 1970. This has required substantial external financings through the sale of long-term debt and equity securities and the use of short-term notes payable. These financing requirements resulted in increased interest charges on borrowings of $1,655,000 during 1972, $5,890,000 during 1973 and $8,352,000 during 1974 and resulted in increased preferred dividend requirements of $1,220,000, $3,051,000 and $1,330,000 during such years. A part of these increases has been capitalized. See (f) above.

OPERATING STATISTICS

	Twelve Months Ended December 31				
	1974	1973	1972	1971	19[illegible]
Operating Revenues (thousands of dollars):					
Sales of electric energy:					
Residential	$ 73,124	$ 63,007	$ 57,142	$ 54,249	$ [illegible]
Commercial and small industrial	41,881	36,691	31,983	29,155	[illegible]
Large industrial	20,888	16,806	14,294	13,106	[illegible]
Government and municipal	3,320	3,095	2,968	3,009	[illegible]
Total sales to ultimate customers	139,213	119,599	106,387	99,519	[illegible]
Sales for resale	3,138	3,094	3,580	2,770	[illegible]
Total sales of electric energy	142,351	122,693	109,967	102,289	[illegible]
Other electric revenues	3,650	2,140	2,476	2,630	[illegible]
Total electric operating revenues	$ 146,001	$ 124,833	$ 112,443	$ 104,919	$ [illegible]
Energy Sales (thousands of Kwh):					
Residential	4,700,025	4,684,806	4,623,886	4,414,194	[illegible]
Commercial and small industrial	2,632,272	2,648,578	2,509,198	2,234,677	[illegible]
Large industrial	3,364,222	3,285,372	3,135,093	2,787,549	[illegible]
Government and municipal	105,822	112,165	118,311	133,997	[illegible]
Total sales to ultimate customers	10,802,341	10,730,921	10,386,488	9,570,417	[illegible]
Sales for resale	599,723	829,392	1,780,844	1,391,495	[illegible]
Total sales of electric energy	11,402,064	11,560,313	12,167,332	10,961,912	[illegible]
Number of Customers (12-month average):					
Residential	342,231	331,233	322,589	310,906	[illegible]
Commercial and small industrial	43,406	41,189	39,479	37,464	[illegible]
Large industrial	197	190	172	158	[illegible]
Government and municipal	1,344	1,109	1,262	1,892	[illegible]
Total ultimate customers	387,178	373,721	363,502	350,420	[illegible]
Sales for resale	3	4	3	3	[illegible]
Total electric customers	387,181	373,725	363,505	350,423	[illegible]
Average Annual Use and Revenue per Residential Customer:					
Use (Kwh)	13,733	14,144	14,334	14,198	[illegible]
Revenue	$213.67	$190.22	$177.14	$174.49	$[illegible]
Average Revenue per Kwh:					
Residential	1.56¢	1.34¢	1.24¢	1.23¢	[illegible]
Commercial and small industrial	1.59¢	1.39¢	1.27¢	1.30¢	[illegible]
Large industrial	.62¢	.51¢	.46¢	.47¢	[illegible]
Energy Generated and Purchased (thousands of Kwh):					
Generated (net station output) steam	108,844	167,154	—	—	—
Generated (net station output) hydro	2,752,780	2,282,109	2,779,414	2,684,891	[illegible]
Generated (net station output) combustion turbines	43,082	160,519	—	—	—
Generated (net station output) internal combustion	(251)	(102)	(5)	339	[illegible]
Purchased and net interchange	9,465,240	9,806,092	10,462,136	9,265,088	[illegible]
Total energy generated and purchased	12,369,695	12,415,772	13,241,545	11,950,318	[illegible]
Losses and Company use	967,631	855,459	1,074,213	988,406	[illegible]
Energy sold	11,402,064	11,560,313	12,167,332	10,961,912	[illegible]
Net System Hourly Peak in Kw	2,321,000	2,492,000	2,437,000	2,056,000	[illegible]

General

Electric energy sales for the twelve months ended December 31, 1974 amounted to 11,402,064 megawatt-hours including 599,723 megawatt-hours of sales for resale. In such period 50% of the Company's operating revenues was derived from residential service, 29% from commercial and small industrial users, 14% from large industrial users and 7% from others. The average use per residential customer served by the Company during this period was 13,733 kilowatt-hours, approximately 1.8 times the 1973 national average, and the average revenue per kilowatt-hour sold to all residential customers was 1.56¢ compared with the 1973 national average of 2.54¢.

The basic economic activities in the Company's service area are lumbering, wood products, pulp and paper manufacturing, diversified agriculture, food processing, primary and fabricated metal producing, and the manufacture of clothing, machinery and electronics equipment. Portland is the major distribution and retailing center for Oregon, southern Washington and most of Idaho, in addition to being a major West Coast shipping port.

The Company has approximately 1,930 regular employees of whom about 43% are represented by labor unions under working agreements which expired on March 1, 1975 and are presently being renegotiated. The Company has group life insurance, pension, stock purchase, sick benefit and medical plans for its employees. The employees and the Company share in the cost of these plans except the pension and sick benefit plans, the cost of which is borne by the Company. The Company considers its employee relations satisfactory.

The City Council of the City of Portland requested the Company and Pacific Power & Light Company ("Pacific") to make separate studies of the advantages or disadvantages of a merger of the two companies. The Company submitted its report on March 7, 1975, which indicated that a merger or combination of the companies would not be in the best interest of either company's customers. The Company has been advised by counsel that the City Council is without jurisdiction to require the two companies to take action with respect to a merger. One of the five Portland City Commissioners has stated that if he is not satisfied with the companies' good faith in the merger study or the results thereof, he may propose a study of the feasibility of public take-over of the utilities or seek to question the Company's City franchise or to invoke the City's power to set rates (see "Regulation-General").

Various candidates for elective office and certain "consumer interest" organizations have proposed that certain investor-owned utilities be acquired by governmental agencies in the areas they serve. Voters in the City of Portland, Oregon, in a referendum on November 5, 1974, defeated by a vote of 3-to-1 a proposal that the City purchase the properties of Pacific located in the City of Portland as provided in the franchise from the City to that utility. Except as noted in the preceding paragraph, the Company is not aware of any proposals for public ownership of its properties or public operation of its system.

Power Supply

General

The Company's energy input in 1974 was 12,369,695 megawatt-hours; its maximum hourly demand to date occurred in January 1973 and was 2,492 megawatts. The following tabulation shows the sources of energy for 1974.

	Energy Generated and Purchased 1974	
	Megawatt-hours	%
Company generation (net)	2,904,455	23.48
Bonneville Power Administration:		
Firm Power	925,208	7.48
Other	1,501,477	12.14
Public Utility District Hydro (net)	5,374,546	43.45
Purchases and other (net)	1,664,009	13.45
Total	12,369,695	100.00

Company Generation

The Company owns eight hydroelectric generating plants with net peaking capability of 661,000 kw. It also has six jet-engine type combustion turbine-generator units, having a cold weather capability of 385,000 kw, and industrial type combustion turbine-generator capability of 439,000 kw. All of the turbines and generators are leased, with the balance of the installations being owned by the Company. Four of the jet-engine type units are located in the Harborton area in Portland and two at the Company's Bethel Substation near Salem. The industrial type units are located at Beaver on the Columbia River approximately 60 miles northwest of Portland. The jet-engine type units can operate on either petroleum distillates or natural gas, while the industrial type units can operate on crude oil, a variety of petroleum distillates or natural gas. The Company presently plans to convert the industrial type units to combined cycle operation by 1977 at an estimated cost of $56,000,000.

The Company does not presently anticipate that extended operation of any of its turbines will be required prior to the fall of 1975. The turbines are expected to be used primarily to meet peaking requirements, but can be used at other times as required. The Company has storage capacity of 1,500,000 barrels and has approximately 1,300,000 barrels of petroleum distillates in storage, which it believes to be adequate to meet its anticipated requirements at least until the fall of 1975. The Company does not anticipate that supplies of natural gas will be available for operation of the turbines for the foreseeable future. Future availability of fuels is subject to shortages of supplies associated with the national energy situation, whether by reason of the allocation of available supplies among various categories of consumers or otherwise. Operation of the combustion turbines requires permits from environmental authorities relating to air quality and noise control and, while the Company presently has such permits, the Company's ability to operate its six jet-engine type turbines is limited (see "Regulation—Environmental Matters").

Bonneville Power Administration

Bonneville acts as the marketing agent for power generated at federal projects. Until September 1, 1973 Bonneville was obligated to supply all of the Company's firm power requirements in excess of its other power resources. Since that date, under agreements with Bonneville and other utilities, the Company has received and will receive approximately 262 megawatts of firm power at Bonneville rates until April 1, 1974, 129 megawatts until September 1, 1974, and thereafter approximately 20 megawatts until July 1, 1980, at which time this amount of power will increase to 80 megawatts peak (68 megawatts average) until June 30, 1990.

On June 12, 1974, the Company entered into an Exchange Agreement with Bonneville under which the Company received 1.5 billion kwh during the period August 1974 through February 1975. On August 1, 1976, if Bonneville's reservoirs have been substantially filled, the Company will pay $13,500,000 for the energy. If they are not substantially filled, the Company must return the energy in equal monthly amounts until April 30, 1977, except that to the extent the Trojan Plant is not then operable at full capacity there will be a pro rata reduction in the Company's obligation to return the energy in kind, with the amount of the reduction being paid for in cash at 9 mills per kwh.

Public Utility Districts Hydro

The Company has long-term contracts with Washington Public Utility Districts ("Districts") owning hydroelectric projects on the Columbia River. The Company has agreed to purchase portions of the output of these projects and to pay a proportionate part of the annual cost (including debt service) and is entitled to the same proportion of the output. The Company's obligation to pay under these contracts continues whether or not the project is operable. In the event that a District's facilities were to become inoperable, the Company's recovery of insurance proceeds would not reimburse it fully for its charges under the contracts with the Districts. The Company has agreements with Bonneville for the transmission of power to the Company's system for the duration of the power purchase contracts with the Districts.

The projects and significant statistics relating thereto are as follows:

	Hydroelectric Projects			
	Rocky Reach	Priest Rapids	Wanapum	Wells
Amount of revenue bonds sold to finance the projects	$313,100,000	$166,000,000	$197,000,000	$202,600,000
Company's current share of output, capacity and cost:				
Percentage of output	13.3%	25.75%	30.85%	32.8%
Capacity in kw, based on nameplate rating	161,349	203,007	256,407	253,954
Estimated current annual cost, including debt service(1)	$ 2,600,000	$ 2,800,000	$ 3,800,000	$ 4,300,000

	Hydroelectric Projects			
	Rocky Reach	Priest Rapids	Wanapum	Wells
Completion date	1971	1961	1964	[illegible]
Date of long-term contract expiration	2011	2005	2009	[illegible]

(1) Annual cost will change in proportion to the percentage of output allocated to the Company [illegible] particular year.

The Company's percentage of the output of the Rocky Reach Project decreases to 12[illegible] June 30, 1977, and its percentage of the output of the Priest Rapids and Wanapum Projects ma[illegible] reduced, at the option of the District and from time to time after advance notice and in accordance w[illegible] a predetermined schedule, so that after August 31, 1983 the Company's percentage of the output [illegible] be as low as 13.9% and 18.7%, respectively. The Company's percentage of the output of the We[illegible] Project may be reduced, after advance notice and in accordance with a predetermined schedule, wh[illegible] by 1988 could reduce the Company's percentage to 20.3% for the remainder of the contract term.

Other Resources

As a result of construction of storage dams in Canada pursuant to a treaty between that count[illegible] and the United States, the Company is receiving as part of its share of the output of District proje[illegible] substantial firm power benefits from storage releases. The last of the storage facilities which provi[illegible] these benefits was completed in 1973. In addition, the Company under a series of purchase and exch[illegible] agreements became entitled to additional amounts of "Canadian Entitlement" power equaling appr[illegible] mately 242,000 kw of capacity and 133,000 kw of average energy in 1974-1975 and 241,000 kw [illegible] capacity and 129,000 kw of average energy in 1975-1976. Thereafter the amounts decrease gradua[illegible] 29,000 kw of capacity and 16,000 kw of average energy in 2002-2003. A portion of such varying am[illegible] of power had been assigned to California utilities which assumed the payment therefor; howeve[illegible] Company has advised the California utilities, in accordance with the terms of the contract, that t[illegible] assignment is to be terminated effective April 1, 1975.

Coordination and Pooling

The Company is a member of the Northwest Power Pool, operates under a long-term Coordinati[illegible] Agreement with 15 other parties in the Pacific Northwest and is also a member of the Western Syste[illegible] Coordinating Council representing some 57 electric systems in 13 western states and British Colum[illegible] The general purpose of these associations is to promote the reliable operation of the interconnected b[illegible] power systems by the coordination of planning and operation. The Company is one of seven invest[illegible] owned utilities that have recently entered into and are implementing an Intercompany Pool Agreem[illegible] to provide sharing of surplus energy available to the members, reserves, and planning activities.

The Company, together with Bonneville, several public agencies and investor-owned electr[illegible] utilities, participates in the extra high voltage intertie between the Pacific Northwest and Paci[illegible] Southwest. An agreement with Bonneville provides for the use of capacity in each other's lines a[illegible] establishes procedures for the delivery and sale of energy by both parties. Among other benefits [illegible] the Company from the intertie are payments for its use by other utilities, diversity and econom[illegible] exchanges with southwest utilities and system support during emergencies.

Future Resources

Information with respect to generating facilities currently under construction or planned is set forth in the following table:

Units Under Construction or Planned	Location	Net Capability MW	% of Company's Interest	Fuel	Company Cost to 1/31/75 (000s)	Estimated Date of Operation	Estimated Cost of Company's Interest (000s)	Estimated Total Construction Cost: Total (000s)	Estimated Total Construction Cost: $/Kw
Trojan	Rainier, Oregon	1130	67½	Nuclear	$221,500	1975-76	$273,375	$405,000	$358
Carty	Boardman, Oregon	500	100	Coal	2,900	1980	320,000	320,000	640
Pebble Springs first unit	Arlington, Oregon	1260	65*	Nuclear	28,000	1982	650,000 to 715,000	1,000,000 to 1,100,000	794 to 813
Pebble Springs second unit	Arlington, Oregon	1260	65*	Nuclear	200	1985	†	†	†
Colstrip first unit	Colstrip, Montana	700	20*	Coal	820	1979	63,500	317,500	454
Colstrip second unit	Colstrip, Montana	700	20*	Coal	820	1980	63,500	317,500	454
WPPSS No. 3	Montesano, Washington	1300	10	Nuclear	1,450	1982	105,000	1,050,000	808

* Estimated. Ownership arrangements have not yet been concluded.

† No estimate presently available.

Trojan Plant

The Company is constructing an 1130 megawatt nuclear plant ("Trojan Plant") on a site 42 miles northwest of Portland near the City of Rainier on the Oregon side of the Columbia River. A construction permit was issued by the Atomic Energy Commission ("AEC") on February 8, 1971 and all other presently required permits and certificates have been granted by other federal and state agencies.

The Trojan Plant is owned jointly by the Company (67½%), Eugene Water & Electric Board (30%) and Pacific Power & Light Company (2½%) pursuant to an agreement for the construction, ownership and operation of the plant executed on October 5, 1970.

The Trojan Plant is approximately 83% complete and is presently expected to commence commercial operation at at least partial capability by late 1975 or early 1976, having originally been scheduled for commercial operation in September 1974. The estimated total cost of the Trojan Plant has increased from $235,000,000 in 1969 to $405,000,000 including allowances for funds used during construction and escalation, but exclusive of $34,500,000 for the initial nuclear cores. The principal increases are for additional interest during construction, labor and engineering and design changes. Costs of approximately $224,400,000 (excluding approximately $26,500,000 for nuclear cores) had been incurred by the Company through February 28, 1975.

On February 4, 1974 an Atomic Safety and Licensing Board made findings and issued an order authorizing the Director of Regulation of the AEC, after making requisite findings, to issue an operating license for the Trojan Plant for a term of 40 years. No further public hearings are now required. The Company expects that the requisite findings will be made and that the license as requested will be granted prior to the presently anticipated date of fuel loading.

In order to fuel a nuclear generating station, four distinct stages are involved, each of which is contracted for separately. Stage I concerns the mining and milling of the natural uranium ore to produce a concentrate; Stage II deals with the conversion of uranium concentrate into uranium hexafluoride; Stage III involves the enrichment process of such uranium hexafluoride; and Stage IV entails the fabrication of the enriched uranium hexafluoride into usable fuel assemblies.

Contracts have been entered into for nuclear fuel adequate to meet the needs of the Trojan Plant through 1980. The uranium hexafluoride for the first core and first four reload batches has been obtained from Kerr-McGee Corporation ("KM"). A requirements type enrichment contract with the United States Energy Research and Development Administration ("ERDA") will provide all needed enrichment services for uranium for the plant for 30 years. The Company has contracted with Westinghouse Electric Corporation for fabrication services for the first core and nine reload batches and with Allied General Nuclear Services ("AGNS") for spent fuel reprocessing and transportation for the first four regions of discharged fuel. (A region represents approximately one-third of the nuclear cores in the reactor at any time.) Although AGNS does not presently have reprocessing facilities in operation, it is expected that such facilities will be in operation by 1978. The Company will not require reprocessing of spent fuel prior to 1977, and will have facilities for the storage of spent fuel in its spent fuel pool until 1981. In the event that AGNS is not ready to reprocess spent fuel when expected, the Company may ship spent fuel to AGNS for storage, or may modify its storage facilities to accommodate spent fuel for another three years. Should reprocessing not be available to the extent necessary, the anticipated long term cost of nuclear fuel would be increased and the problems and cost of storage and disposing of larger amounts of spent fuel would be greater. The following table summarizes the Company's contract commitments for the stages of nuclear fuel assemblies for the Trojan Plant.

Commitment	Contractor	Regions	Estimated Operating Years
Uranium concentrate	KM	1-7	1975-1980
Conversion	KM	1-7	1975-1980
Enrichment	ERDA	Requirements Contract	1975-2002
Fabrication	Westinghouse	1-12	1975-198[illegible]
Reprocessing	AGNS	1-4	1978-1982

The Company is negotiating for the purchase of one million pounds of uranium concentrate at $1[illegible] (U.S.) per pound from Rio Algom Mines Ltd. ("Rio"), Canada, subject to execution of a conversion contract with Eldorado Nuclear Ltd. ("Eldorado"), Canada; approval of the Rio contract by the Atomic Energy Control Board of Canada ("AECB") and approval, if necessary, of the Eldorado contract by the AECB. The Company has stated that it will pay Rio approximately $12,150,000 for its share (67½%) of the uranium concentrate 30 days after AECB approval of the Rio contract and Eldorado contract, if such approval is necessary, or June 30, 1975, whichever is later. The Company has obtained verbal approval from ERDA for storage of the uranium hexafluoride at federal facilities in the United States. If such contracts become effective, little or no further procurements will be required to provide fuel supply for the Trojan Plant through 1982.

The Company is currently investigating possible sources of the fuel supply for the periods 1982-198[illegible]. While the Company understands that uranium concentrate for such fuel supply is presently available for contract, there can be no assurance that the Company will be able to acquire such supplies at a later date and, in any event, it will undoubtedly be faced with higher fuel prices in obtaining such fuel supplies.

Other

The Company is planning additional thermal power plant additions for completion during the 1980-1985 period. Two sites in north central Oregon have been chosen after extensive investigation and have been designated as "Carty" and "Pebble Springs". The Carty site is approximately twelve miles southwest of Boardman and the Pebble Springs site is approximately three miles southeast of Arlington.

It is presently contemplated that the Company will construct a 500,000 kw coal-fired generating unit at the Carty site, scheduled for completion in 1980 at an estimated cost of $320,000,000. The Company is currently negotiating a long-term contract for a supply of low-sulfur coal for the Carty plant. The coal supply under consideration contains less than 0.50% of sulfur by weight and when burned will emit less than the present EPA allowable limit of 1.2 pounds of sulfur dioxide per million BTU. This coal supply would be obtained from surface mining operations in compliance with all applicable federal, state and local regulations as to restoration of the surface subsequent to removal of the coal. The plant is estimated to require 50 million tons of coal over its estimated life of 30 years. Adequate supplies of coal for fueling the Carty coal plant will be assured prior to commitment of the project. The Company has received the necessary site certificate from the Oregon Nuclear and Thermal Energy Council.

The Company has received coal prospecting permits from the State of Alaska embracing about 46,000 acres located about 100 miles north of Anchorage. If core drilling indicates there is a significant amount of economically recoverable coal, the Company would probably perfect lease arrangements and take action necessary to commence surface mining activity, but there can be no assurance that economically recoverable coal will be developed. The tentative plan calls for rail transportation from the surface mines to Seward, some 200 miles south, and water transportation to Oregon.

The Company also contemplates construction of two nuclear plants of the 1200 megawatt class at the Pebble Springs site, currently scheduled for completion in 1982 and 1985. A preliminary estimate of the total cost for the first nuclear plant is in the range of $1,000,000,000 to $1,100,000,000, exclusive of transmission facilities, but the actual cost could be substantially in excess of such estimate. The project is expected to be jointly owned by the Company and other northwest utilities under arrangements similar to those made in connection with the Trojan Plant, with the Company's ownership share presently expected to be 65%. Applications have been filed with the appropriate state and federal agencies for the necessary licenses and certificates for the two proposed nuclear plants.

Negotiations are being conducted with state and federal agencies with respect to obtaining ownership and easements and other matters, so that both sites can ultimately be developed. Use of the Carty site for a nuclear plant is dependent on relocation of a weapons system training facility operated in the area by the United States Navy.

The Company has contracted for sufficient uranium concentrate for the initial nuclear core at Pebble Springs Unit #1, which will cover the first two years of operation. It has also contracted for enrichment services and fabrication for this and additional cores but not for conversion or reprocessing. No uranium has yet been procured for Pebble Springs Unit #2, although the Company has contracts for enrichment services and fabrication. The following table summarizes the Company's [illegible] ments for the stages of nuclear fuel assemblies for the first and second units.

Unit #1

Commitment	Contractor	Regions	Estim[illegible] Operati[illegible]
Uranium concentrate	Anaconda	1-3	1982-19[illegible]
Conversion	None	—	—
Enrichment	ERDA	Fixed commitment	1982-2004
Fabrication	Babcock & Wilcox	1-6 or 9 (option)	1982-19[illegible] (or 19[illegible])
Reprocessing	None	—	—

Unit #2

Commitment	Contractor	Regions	Estim[illegible] Operati[illegible]
Uranium concentrate	None	—	—
Conversion	None	—	—
Enrichment	ERDA	Fixed commitment	1985-2004
Fabrication	Babcock & Wilcox	1-6 or 9 (option)	1985-1988 (or 1991)
Reprocessing	None	—	—

The Company is currently investigating possible sources of the fuel supply for the period throug[illegible] 1985. While the Company understands that uranium concentrate for such fuel supply is presently availab[illegible] for contract, there can be no assurance that the Company will be able to acquire such supplies at a later da[illegible] and, in any event, it will undoubtedly be faced with higher fuel prices in obtaining such fuel supplies.

The Company expects to acquire a 20% interest in the ownership and construction of two 7[illegible] coal-fired generating units at Colstrip, Montana. The Company's estimated share of the total cost [illegible] $127,000,000 for the generating units and $40,000,000 for the transmission facilities. The first unit i[illegible] presently scheduled to be operational in 1979 and the second in 1980. An application has been submitte[illegible] to the Montana Department of Natural Resources and Conservation (the "Department") for a certificate to construct the two generating units and the transmission lines. The Department has held hearings an[illegible] issued recommendations to the Montana Board of National Resources and Conservation (the "Board") that the requisite certificate not be issued. The Board will decide whether to issue the certificate on the basis of the recommendations of the Department and based on its own hearings, which are expected t[illegible] end in mid-1975.

Several actions have been commenced which, if successful, would delay or prevent the construction of the plant. Such actions are based on environmental considerations and possible requirements for licensing by regulatory agencies. The Company anticipates that coal for these units will be provided under a firm commitment contract with Western Energy Company ("Western"), a wholly-owned subsidiary of The Montana Power Company. Western controls coal reserves in the Colstrip area having an average sulphur content of 7/10ths of 1% or less by weight. It is expected that the contract will provide for the entire coal requirements of the two units for their estimated useful lives of [illegible] years.

The Company has entered into an agreement to own 10% of a [illegible]-mw nuclear generating plant being sponsored by the Washington Public Power Supply System ("WPPSS"). WPPSS is a municipal corporation and operating agency of the State of Washington, consisting of a number of public utility districts and municipalities, which owns and operates generating and transmission facilities and markets the power therefrom. The plant being sponsored, known as WPPSS Nuclear Project No. 3, is planned for completion in 1982 at a site known as Satsop near the community of Montesano, Washington. The Company has been advised that WPPSS has entered into a fixed commitment contract with ERDA for fuel enrichment services, and has contracts for uranium concentrate and fabrication for at least the initial nuclear cores.

The Company owns 25% of the voting securities of Pacific Northwest Power Company ("Pacific Northwest") which was organized to undertake the construction of major hydroelectric projects. The other participating companies are The Montana Power Company, Pacific Power & Light Company and The Washington Water Power Company. By agreement, the Company is entitled to 35% of Pacific Northwest's share of the output of any projects in which Pacific Northwest participates and is required to pay 35% of Pacific Northwest's share of the cost thereof. Pacific Northwest and WPPSS, as equal joint participants, are seeking a license from the Federal Power Commission ("FPC") to build a major hydroelectric project on the Snake River between Oregon and Idaho. On February 23, 1971 a hearing examiner recommended granting a license to construct a development with a projected initial capability of 1640 megawatts (in which the Company's interest would be 17½%), with construction of the project to be postponed until September 11, 1975, apparently to provide Congress time to determine whether construction of any project in this area should be permitted. The matter is pending before the FPC on exceptions to the initial decision and the outcome is not presently determinable. Several proposals have been introduced in Congress since 1971 which would preclude any project on this portion of the Snake River and similar bills have been introduced in the 1975 session of Congress.

REGULATION

General

The Company is subject to regulation by the Public Utility Commissioner of Oregon (the "Commissioner"), who has the power, among other things, to establish rates and conditions of service, to regulate security issues and to prescribe uniform systems of accounts to be kept by public utilities.

The Company is subject to the jurisdiction of the FPC in the transmission of electric energy in interstate commerce and in the sale of electric energy at wholesale for resale, as well as with respect to licensed hydroelectric projects and certain other matters, but not with respect to the issuance of securities.

Oregon law provides that any city or town may fix for a period of not more than five years rates which may be charged by an electric utility therein. No city or town in which the Company furnishes service has attempted to fix a schedule of rates applicable to the Company under such law.

Rate Increases

On October 25, 1973 the Commissioner granted the Company a rate increase of 22.5%, including an 11% interim increase effective on April 26, 1973. In connection with such proceeding, the Commissioner accepted the use of a future test period to determine appropriate rate levels.

During the 1974-1975 winter the Company was, by Orders of the Commissioner, permitted to re[illegible] the cost of power in excess of 4.8 mills per kwh by the addition of 2 mills per kwh to regular mon[illegible] bills rendered during the last four months of 1974 and 1 mill per kwh for the period January 6, 19[illegible] through February 3, 1975. Revenues billed above the cost of power in excess of 4.8 mills during a mo[illegible] were placed in a reserve to offset underbillings of such cost of power in subsequent months. Durin[illegible] period September 1974 through February 28, 1975 approximately $8,200,000 was added to regular mont[illegible] bills and $3,900,000 was taken into revenues to offset excess power costs, resulting in approximate[illegible] $4,300,000 being reserved at February 28, 1975, which amount will be returned to customers by cred[illegible] against billing starting in April 1975. On December 23, 1974 the Commissioner granted the Compan[illegible] a rate increase of 9.7% for service rendered on and after that date and required the Company effective January 1 1975, to defer the reduction in income taxes currently payable resulting from t[illegible] deduction for tax purposes of interest expense included in construction work in progress. The incom[illegible] taxes so deferred will be credited to construction work in progress and will be restored to income ov[illegible] the life of the related properties through reduced provisions for depreciation.

On February 24, 1975, four of the Company's large industrial customers filed suit challenging th[illegible] December 23, 1974 Order of the Commissioner on the ground that a disproportionate share of th[illegible] 9.7% overall revenue increase allowed, which they do not challenge, is imposed on them. The plaintif[illegible] seek approval of the proposed rate schedule for large industrial customers filed by the Company in connection with its application for rate relief and a refund of the excess over amounts that would be du[illegible] under such schedules collected since January 6, 1975 under the new rate schedule filed pursuant to th[illegible] Order. Plaintiffs also seek a stay of the operation of the Commissioner's Order insofar as [illegible] permits the Company to collect amounts in excess of those which would be due under the propose[illegible] schedules filed by the Company for large industrial customers, or alternatively, for an undertaking by th[illegible] Company to refund such excess. The Company is not a party to the suit and no action has been take[illegible] on the motion for stay. If the plaintiffs were to prevail, all large industrial customers, including th[illegible] plaintiffs, would receive a reduction of approximately $3,200,000 annually in the increase charged them. Such a reduction in large industrial customer's rates would have to be offset by increases in rates in othe[illegible] classes of customers in order for the Company to receive the total increases in revenues as authorized b[illegible] the Commissioner's Order. The Company cannot predict the outcome of the litigation on the r[illegible] and counsel has advised the Company that the plantiffs' right to a refund in excess of rates finally fixe[illegible] by the Court or the Commissioner on remand is not settled under Oregon law.

On March 11, 1975, the Company filed an application for a 25% increase in all rates to be effectiv[illegible] in September 1975 and requested that the Commissioner grant as interim relief an increase of at leas[illegible] 15% effective in April 1975. The Company's application considered the appropriate revenue requirement[illegible] associated with the accounting change discussed above. The current filing also requests inclusion in rates of a cost of power adjustment clause which would be designed to recover the cost of power in excess of 5.2 mills per kwh during the 1975-1976 winter. The Commissioner, by order dated April [illegible] 1975, granted the Company interim relief to the extent of a 10% increase effective with billings on an[illegible] after April 4, 1975 for service rendered on and after March 12, 1975.

Energy Curtailment

The utilities of the Pacific Northwest have a continuing program of promoting voluntary conservatio[illegible] by all customers. The Company program stresses wise and efficient use of all forms of energy.

As indicated in the table set forth under "Operating Statistics", kilowatt-hour sales to ultimate customers in 1974 were only slightly higher than in 1973. However, average kwh use per residential customer decreased slightly in 1973 from 1972 and further declined in 1974 to the lowest level since 1970. The lack of growth in usage, as well as the decline in average kwh use by residential customers is believed attributable in part to energy conservation measures, including the Company's own energy conservation activities. Approximately one-half of the declines in average kwh use per residential customer in each of the two years was due to warmer weather. To the extent that the reduction in usage occurred in the winter months and resulted in a reduction of the necessity of operating the Company's combustion turbines, the result was lower cost of power produced. The Company does not anticipate that total kwh sales to ultimate customers will continue indefinitely without increase. Sales to ultimate customers, adjusted to normal temperature, during the period September 1974 through February 1975 were about 6% above such sales during the same period one year earlier. It is likely, however, that conservation measures will continue to affect the Company's sales during the foreseeable future.

In anticipation of a shortage of hydro energy in the Pacific Northwest during the winter of 1973-1974, the Commissioner ordered the Company and other electric utilities to file tariffs providing for curtailment of deliveries if required. Such tariffs were made effective November 6, 1973 and remain in effect.

Environmental Matters

The Company is subject to regulation by federal, state and local authorities with regard to air and water quality control and other environmental factors. Standards and procedures regarding such regulation have not in all cases been fully established. The Company is also subject to the Rivers and Harbors Act of 1899, under which the Company must obtain from the U. S. Army Corps of Engineers permits to construct facilities on navigable waters. Oregon state agencies which have direct jurisdiction over environmental matters include the Environmental Quality Commission ("EQC") and its Department of Environmental Quality ("DEQ"), the Nuclear and Thermal Energy Council and, in part of the Company's service area, the Mid-Willamette Valley Air Pollution Authority ("MWVAPA"). The DEQ has been designated by the Governor as the state agency authorized to give the certification required by Sections 401 and 402 of the Federal Water Pollution Control Act Amendments of 1972.

The MWVAPA has issued a new one-year permit for the Bethel installation effective August 1, 1974. The air contaminant discharge limits in the new permit have been brought into line with the operating characteristics of the turbines. Under the terms of the permit, the Company can operate the generating units for no more than a maximum of 500 hours during the year unless it can demonstrate that additional operation is required for public health and safety. The Company has filed with MWVAPA a study with respect to possible alternate sites. The Company also expects to request an extension of the Bethel permit.

On September 21, 1973 the DEQ issued the necessary air contaminant discharge permit for the Harborton installation. The permit approves operation of the installation for a maximum of two years and imposes certain limits on its operation during such period. The Portland City Council has enacted an ordinance which would permit the Harborton turbines to operate for no more than a maximum of 240 hours up to January 31, 1976 unless permitted by the Mayor or Commissioner of Public Utilities in the event that there is a clear and imminent danger of disruption of electric service. The ordinance also requires the Company to cease operation of the turbines after that date. In view of the above, it is possible that the Company might be required to refinance the turbines and might, for a [illegible] period of time, be unable to operate these turbines or be able to operate them on a limited [illegible] and that if the Company were unable to acquire from outside sources the power required during any [illegible] when these turbines were not in operation or were operating only on a limited basis, some form of [illegible] tory energy curtailment might be required (see "Construction Program" and "Energy Curtailment [illegible]

In 1972, 1973 and 1974 the Company's expenditures for environmental purposes amounted to [illegible] least $6,000,000, $20,600,000 and $22,000,000, respectively. It is not possible for the Company to fore[illegible] all future costs for environmental purposes but it forecasts minimum expenditures of $27,0[illegible] $41,000,000, $73,000,000 and $62,000,000, respectively, in 1975, 1976, 1977 and 1978 for such cost[illegible]

MANAGEMENT

The Company's executive officers and directors are as follows:

Frank M. Warren	President and Director
Robert H. Short	Executive Vice President and Director
Hilbert S. Johnson	Senior Vice President
Arthur J. Porter	Senior Vice President
H. H. Phillips	Vice President, Corporate Counsel and Secretary
G. E. Bredemeier	Vice President
C. W. Brissenden	Vice President
Estes Snedecor, Jr.	Vice President
F. D. Wieden	Vice President
E. F. Wildfong	Vice President
J. L. Williams	Vice President
James L. Staines	Controller and Assistant Treasurer
James N. Woodcock	Treasurer

Warren W. Braley	Director
Franklin G. Drake	Director
Ernest H. Miller	Director
Wade Newbegin	Director
Robert W. Roth	Director
Eberly Thompson	Director
W. T. Triplett, Jr.	Director
James J. Walton	Director
Earl Wantland	Director
William W. Wessinger	Director
Robert J. Wilhelm	Director
Ralph E. Williams	Director

The New Bonds are to be issued under the Indenture of Mortgage dated [illegible] 1, 1945, made by the Company to The Marine Midland Trust Company of New York (now Marine Midland Bank—New York), as Trustee (the "Original Indenture"), as supplemented by twenty-four supplemental indentures (the "Supplementals") executed by the Company, including a Twenty-fourth Supplemental Indenture to be dated April 1, 1975, all of which are collectively referred to as the "Mortgage".

The statements herein concerning the New Bonds and the Mortgage are an outline and do not purport to be complete. They make use of defined terms and are qualified in their entirety by reference to the Mortgage, which is filed as an exhibit to the Registration Statement. References herein are to sections and articles of the Original Indenture unless otherwise indicated.

Form, Denominations and Exchangeability

The New Bonds are issuable only in fully registered form in denominations of $1,000 and any multiple thereof. (Twenty-fourth Supplemental Section 1.01)

The New Bonds will be transferable or exchangeable for New Bonds of other authorized denominations without any service charge by the Company at the office of the Trustee in New York, N. Y. (Sections 2.06 and 2.10; Twenty-fourth Supplemental Section 1.01)

Principal Amount, Interest and Maturity

The New Bonds will be limited to $40,000,000 aggregate principal amount, will bear interest from April 1, 1975 at the rate shown in their title and will mature on April 1, 1982. Interest will be payable semi-annually on April 1 and October 1 in each year commencing on October 1, 1975 to the persons in whose names the New Bonds are registered at the close of business on the March 15 or September 15 preceding such April 1 or October 1. The principal and interest are payable in New York City at the office or agency of the Company in the Borough of Manhattan, City of New York (Twenty-fourth Supplemental Section 1.01), presently the corporate trust office of Marine Midland Bank—New York, New York, N. Y.

Security and Priority; Bondable Public Utility Property

The Company's principal plants and appurtenant generating facilities and storage reservoirs are situated on land owned by the Company in fee or land under the control of the Company pursuant to valid existing leases, federal or state licenses, easements and other agreements; in some cases, meters and transformers are located upon the premises of customers. The Company's interests in its properties (other than excepted properties) are subject to the lien of the Indenture securing the First Mortgage Bonds, and are further subject to various exceptions, reservations, reversions, easements and minor irregularities and deficiencies in title, which, in the opinion of counsel for the Company, will not interfere with their proper operation and development.

The Company holds licenses under the Federal Power Act for all of its hydroelectric generating stations. The Company also holds state licenses covering all or portions of certain hydroelectric projects which are covered by licenses under the Federal Power Act. See Note 14(c) of Notes to Financial Statements.

In addition to the generating plants owned by the Company, as discussed under "Bu[illegible] Generation", the Company had at December 31, 1974 approximately 1,431 circuit miles of tran[illegible] lines as follows: 194 miles of 500 kv, [illegible] miles of 230 kv, 326 miles of 115 kv and 657 miles [illegible] The distribution system included 12,314 pole miles of overhead lines of 2.4 to 12.5 kv and 3,44[illegible] miles of underground cable of .6 to 12.5 kv.

The New Bonds are to be secured, equally with all other bonds heretofore or hereafter issued [illegible] the Mortgage, by a direct first lien on the Company's interests in substantially all of its property [illegible] cash, securities, contracts and accounts receivable, motor vehicles, materials and supplies, [illegible] minerals and mineral rights and certain other assets) now owned or hereafter acquired by the C[illegible] subject, however, to certain permitted encumbrances and to various title matters referred to above.

The Mortgage permits the acquisition of property subject to prior liens. However, no pr[illegible] subject to prior liens (other than liens securing the unpaid purchase price of equipment or machin[illegible] may be acquired (a) if at the date of acquisition thereof the principal amount of indebtedness secured [illegible] such prior liens, together with all other prior lien indebtedness of the Company, exceeds [illegible] of the aggregate principal amount of bonds outstanding under the Mortgage, or (b) if at the date of acquisi[illegible] thereof the principal amount of indebtedness secured by such prior liens exceeds 60% of the cost of s[illegible] property to the Company, or (c) in certain cases of property used by another in a business similar to t[illegible] of the Company, unless the net earnings of such property meet certain tests. (Section 8.11)

The term "bondable public utility property", as presently defined in the Mortgage, means specifi[illegible] types of tangible property, including property then in the process of construction, now owned or hereaft[illegible] acquired by the Company and subjected to the lien of the Original Indenture as the same has been or m[illegible] be in the future supplemented, modified or amended, which is located in the State of Oregon or in a[illegible] state contiguous thereto. (Section 1.10 A.) When the holders of 75% in principal amount of bonds of [illegible] series then outstanding, including the holders of not less than 60% in principal amount of the bonds th[illegible] outstanding of each series which is affected by such amendment, shall have consented thereto, the te[illegible] "bondable public utility property" will be amended to mean the same types of tangible proper[illegible] owned or hereafter acquired by the Company and subjected to the lien of the Original Indenture as t[illegible] same has been or may be in the future supplemented, modified or amended, which is located in the Sta[illegible] of Oregon, Washington, California, Arizona, New Mexico, Idaho, Montana, Wyoming, Utah, Neva[illegible] and Alaska. Each holder of a New Bond, by his acceptance of such Bond, shall thereby consent to su[illegible] amendment; no further vote or consent of holders of the New Bonds shall be required to permit su[illegible] amendment to become effective; and in determining whether the holders of not less than 75% of princip[illegible] amount of bonds outstanding at the time such amendment becomes effective have consented there[illegible] the holders of all New Bonds then outstanding shall be deemed to have so consented. (Twenty-four[illegible] Supplemental Section 1.08) Similar provisions were contained in the last prior supplemental indentu[illegible] (Twenty-third Supplemental Section 1.07) Similar provisions amending the definition of "bonda[illegible] public utility property" to include all of the states named above (other than Alaska) have been includ[illegible] in certain prior supplemental indentures. (Eighteenth through Twenty-second Supplementals, Section 1.[illegible]

Sinking Fund Provisions

The New Bonds are not subject to a sinking fund or other provision for amortization prior [illegible] their maturity.

Replacement Fund

The Company is required, on or before April 1 in each year, to pay to the Trustee an amount in cash and/or deliver bonds of any series in principal amount equal to the amount by which the minimum provision for depreciation upon bondable public utility property (see below) for the preceding calendar year exceeds the sum of specified credits. Credit is given in an amount equal to the aggregate amount and/or cost of property additions acquired or constructed by the Company from March 31, 1945 to the end of the preceding calendar year, less (1) property additions theretofore made the basis for action or credit under the Mortgage, (2) available additions theretofore made the basis for action or credit under the Mortgage, and (3) property additions theretofore credited against any previous replacement fund requirement. The Company may at its election credit against the amount required to be paid (i) any available bond retirements, (ii) certain expenditures for the acquisition of or for improvements, additions, renewals or replacements to bondable public utility property subject to a prior lien and (iii) certain retirements of prior lien indebtedness. To the extent that such credits at any time exceed the replacement fund requirement, the Company may withdraw cash or bonds held by the Trustee in the replacement fund or, under certain circumstances, reinstate available bond retirements previously taken as a credit against any replacement fund requirement. Any cash so deposited with the Trustee may, at the option of the Company, be applied to the redemption of bonds of any series, except those issued under the Seventeenth and Twenty-third Supplemental Indentures, authenticated under the Mortgage at the applicable Special Redemption Price or to the purchase of such bonds at not exceeding such redemption price. (Section 4.04; First and Third through Twenty-fourth Supplementals, Section 1.04) The amount of credit for property additions has always exceeded the replacement fund requirement and therefore the Company has not been required to pay cash or deliver bonds to the Trustee. The Company expects this to continue in the foreseeable future.

Minimum Provision for Depreciation

The "minimum provision for depreciation" as applied to bondable public utility property, as presently defined in the Mortgage, is, for any period (other than periods of less than a calendar year), 15% of the gross operating revenues derived from such property during such period, after deducting the cost of purchased power and lease or rental payments for generating or transmission facilities, less all amounts expended for maintenance of such property during such period. The "minimum provision for depreciation" as applied to bondable public utility property not subject to a prior lien is similarly determined on the basis of gross operating revenues from, and maintenance expenditures upon, bondable public utility property not at the time subject to a prior lien. (Section 1.10.G)

When the holders of 75% in principal amount of bonds of all series then outstanding, including the holders of not less than 60% in principal amount of the bonds then outstanding of each series which is affected by such amendment, shall have consented thereto, the definitions of minimum provision for depreciation will be amended so that the minimum provision for depreciation for the period from March 31, 1945 through December 31, 1976 as applied to bondable public utility property, whether or not subject to a prior lien, shall mean $35,023,487.50 (which is the amount of such minimum provision for such period under the existing definitions of minimum provision for depreciation, after giving effect to the adjustments referred to in the paragraph immediately preceding); the minimum provision for depreciation as applied to bondable public utility property shall mean, for any calendar year subsequent to December 31, 1976, the greater of (i) an amount equal to 2% of such property, as shown by the books of the Company as of January 1 of such year, with respect to which the Company was then required to make appropriations to a reserve or reserves for depreciation or obsolescence, or (ii) the amount actually appropriated in respect of such property to any reserve or reserves for such calendar year, in either case less an amount equal to the aggregate of (a) the amount of any property additions which during such calendar year were made the basis for any sinking fund credit, and (b) [illegible] of the principal amount of bonds of any series which were credited against any sinking fund payment due during such calendar year for bonds of any series, or which were redeemed in anticipation of, or out of moneys paid to the Trustee on account of, any sinking fund payment due during such calendar year for bonds of any series. The "minimum provision for depreciation" as applied to bondable public utility property not subject to a prior lien for any period subsequent to December 31, 1966 will be calculated on a similar basis except that the property referred to in clauses (i) and (ii) above will be bondable public utility property not subject to a prior lien. (Sixteenth, Eighteenth through Twenty-second and Twenty-fourth Supplementals Section 1.08; Seventeenth and Twenty-third Supplementals Section 1.07) If the revised definitions should become effective it is expected that the minimum provisions for depreciation for periods subsequent to December 31, 1966 will be reduced from such minimum provisions as computed in accordance with the existing definitions. Each holder of a New Bond, by his acceptance of such Bond, shall thereby consent to such amendment; no further vote or consent of holders of the New Bonds shall be required to permit such amendment to become effective; and in determining whether the holders of not less than 75% in principal amount of bonds outstanding at the time such amendment becomes effective have consented thereto, the holders of all New Bonds then outstanding shall be deemed to have so consented. (Twenty-fourth Supplemental Section 1.08)

Issuance of Additional Bonds

The principal amount of bonds which may be issued under the Mortgage is unlimited. Additional bonds may from time to time be issued on the basis of (1) 60% of available additions, (2) the deposit of cash or (3) available bond retirements. With certain exceptions in the case of (3) above, the issuance of bonds is subject to net earnings available for interest for 12 consecutive months within the preceding 15 months being at least twice the annual interest requirements on all bonds to be outstanding and prior lien indebtedness (net earnings available for interest include, in the opinion of counsel, allowance for funds used during construction). (Article FIVE) Cash deposited with the Trustee pursuant to (2) above may be (i) withdrawn in an amount equal to 60% of available additions, (ii) withdrawn in an amount equal to available bond retirements or (iii) applied to the purchase or redemption of bonds. (Article SEVEN) The New Bonds will be issued upon the basis of the deposit of cash, which will contemporaneously be withdrawn upon the basis of 60% of available additions. At December 31, 19[illegible] the Company had available additions of approximately $166,000,000, sufficient to permit the issuance of approximately $99,600,000 principal amount of additional bonds.

Available additions (which include, in the opinion of counsel, property then in the process of construction in connection with the Trojan Plant) are determined, at any time, by deducting from the aggregate amount of property additions since March 31, 1945 (1) the greater of the aggregate amount of retirements since March 31, 1945 or the aggregate amount of the minimum provision for depreciation upon bondable public utility property not subject to a prior lien since March 31, 1945, and (2) the aggregate of available additions theretofore made the basis for action or credit under the Mortgage. (Sections 1.10 I, 3.01 and 3.03.A) Property additions taken as a credit against the replacement fund requirement are not deemed to be "made the basis for action or credit". (Section 1.10.H)

In addition to the restrictions in the Mortgage governing the issuance of additional bonds, the Agreement under which the Company's outstanding Sinking Fund Debentures due 19[illegible] were issued contains restrictions upon the Company incurring or becoming liable with respect to funded debt. Such restrictions do not limit the Company's ability to issue the New Bonds.

Dividend Restrictions

So long as any of the New Bonds, or bonds of any other series heretofore authenticated under the Mortgage, are outstanding, dividends (other than dividends in capital stock of the Company) may not be declared or paid or other distributions made on Common Stock of the Company, nor may any shares of capital stock of the Company be purchased (other than in exchange for or from the proceeds of other shares of capital stock of the Company), if the aggregate amount so distributed or expended after December 31, 1944 would exceed the aggregate amount of the Company's net income available for dividends on its Common Stock accumulated after December 31, 1944. (Section 4.06; First and Third to Twenty-fourth Supplementals, inclusive, Section 1.04) At December 31, 1974, $82,052,000 of the Company's retained earnings was not restricted under the foregoing provisions. Reference is made to Note 12 of the Notes to Financial Statements.

Release and Substitution of Property

Property subject to the lien of the Mortgage may (subject to certain exceptions and limitations) be released only upon the substitution of cash, purchase money obligations or certain other property, or upon the basis of available additions or available bond retirements. (Article SIX)

Modification of the Mortgage

The rights of the bondholders may be modified with the consent of the holders of 75% of the bonds, including the consent of the holders of 60% of the bonds of each series the rights of the holders of which are affected by such modification. In general, no modification of the terms of principal and interest, and no modification affecting the lien of the Mortgage or reducing the percentage required for modification, is effective against any bondholder without his consent. (Section 17.02)

Defaults and Notice Thereof

Defaults are defined as being: default in payment of principal; default for 60 days in payment of interest or of any sinking fund or replacement or improvement fund obligation; certain events of bankruptcy, insolvency or reorganization; or default continuing for 60 days after notice in performance or observance of other covenants, agreements or conditions. (Section 11.01) The Trustee may withhold notice of defaults (except in payment of principal, interest or any sinking or purchase fund installment) if it in good faith determines it to be in the interests of the bondholders. (Section 14.09) The holders of 25% of the bonds may declare the principal and interest due on default, but the holders of a majority may annul such declaration if such default has been cured. (Section 11.01) No holder of bonds may enforce the lien of the Mortgage without giving the Trustee written notice of a default and unless the holders of 25% of the bonds have requested the Trustee to act and offered the Trustee indemnity against expenses and the Trustee has failed to act within 60 days. (Section 11.21) The holders of a majority of the bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, but the Trustee is not required to incur personal liability if it has reasonable ground for believing that it will not be sufficiently indemnified for any expenditures in connection therewith. (Section 11.20)

Evidence to be Furnished to the Trustee

Compliance with Mortgage provisions is evidenced by written statements of officers of the Company or persons selected and paid by the Company. In certain cases, opinions of counsel and certificates of an engineer, accountant, appraiser or other expert (who in some instances must be independent) must be furnished. Various certificates and other papers are required to be filed annually and in certain events, including an annual certificate with respect to compliance with the terms of the Mortgage and absence of defaults.

Regarding the Trustee

The Company has borrowed and expects to continue to borrow from the Trustee pursuant to credit agreements.

Redemption and Purchase of Bonds

The New Bonds will be redeemable at the option of the Company as a whole at any time or in part from time to time on at least 30 days' notice. However, the New Bonds may not be redeemed prior to April 1, 1980 directly or indirectly out of the proceeds of or in anticipation of any borrowings or the issuance of any debt obligations by or for the account of the Company having an interest rate yielding at the initial public offering price less than 10.0% per annum. (Twenty-fourth Supplemental Section 1.02)

The Special Redemption Price, which is 100% of the principal amount together with interest accrued to the redemption date, will apply to redemptions (a) by the operation of the replacement fund, and (b) by use of the proceeds of released property. The following Regular Redemption Prices (expressed in percentages of principal amount) will apply to all other redemptions:

If redeemed during 12 months' period beginning April 1	Regular Redemption Price(%)
1975	110.00
1976	108.00
1977	106.00
1978	104.00
1979	102.00
1980	100.00
1981	100.00

together in each case with interest accrued to the redemption date.

Cash deposited under any provision of the Mortgage (with certain exceptions) may be applied to the purchase of bonds of any series. (Section 7.05)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Portland General Electric Company:

We have examined the balance sheet and statement of capitalization of Portland General Electric Company (an Oregon corporation) as of December 31, 1974, and the related statements of income (included herein under "Statements of Income"), retained earnings and sources of funds invested in electric utility plant for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Portland General Electric Company as of December 31, 1974, and the results of its operations and sources of funds invested in electric utility plant for the five years then ended, in conformity with generally accepted accounting principles applied, except for the change (with which we concur) in the method of accounting for investment tax credits as described in Note 3, on a consistent basis during the periods.

Arthur Andersen & Co.

Portland, Oregon,
February 14, 1975.

PORTLAND GENERAL ELECTRIC COMPANY

BALANCE SHEET

ASSETS

	December 31, 1974 (Thousands of Dollars)
ELECTRIC UTILITY PLANT:	
In service, at original cost (Note 8)	$589,036
Less—Reserve for depreciation (Note 1)	97,956
	491,080
Construction work in progress, including $217,273,000 for the Trojan Nuclear Plant at December 31, 1974 (Note 8)	264,847
Nuclear fuel	29,385
	785,312
OTHER PROPERTY AND INVESTMENTS:	
Nonutility property, substantially at cost, less reserve	2,202
Sales contracts receivable and other	3,004
	5,206
CURRENT ASSETS:	
Cash (Note 9)	11,703
Receivables:	
Customers' accounts	9,251
Other accounts and notes	2,249
Reserve for uncollectible accounts	(355)
Materials and supplies, at average cost:	
Fuel oil	15,112
Other	6,707
Property taxes applicable to subsequent periods	6,774
Prepayments	1,040
	52,481
DEFERRED CHARGES:	
Preliminary engineering and survey costs on proposed generating plants	4,154
Unamortized debt expense	2,522
Other deferred charges	1,277
	7,953
	$850,952

The accompanying notes are an integral part of this statement.

PORTLAND GENERAL ELECTRIC COMPANY

BALANCE SHEET

LIABILITIES

	December 31 1974 (Thousands of Dollars)
Capitalization (see accompanying statement):	
Common stock equity	$241,965
Cumulative preferred stock	80,000
Long-term debt	335,344
Total capitalization	657,309
Current Liabilities:	
Long-term debt maturing within one year	27,199
Current sinking fund requirements on long-term debt	2,386
Short-term notes payable (Note 9)	95,791
Accounts and wages payable	29,253
Dividends payable	6,774
Accrued general taxes	10,821
Accrued income taxes (Note 2)	406
Accrued interest	5,346
	177,976
Other:	
Deferred income taxes—accelerated amortization (Note 4)	7,008
Deferred investment tax credits (Note 3)	4,417
Possible additional income taxes and other contingencies (Note 10)	1,989
Deferred revenue—excess power costs (net of income taxes)	1,937
Miscellaneous	316
	15,667
Commitments and Contingent Liabilities (Note 14)	
	$850,952

The accompanying notes are an integral part of this statement.

PORTLAND GENERAL ELECTRIC COMPANY

STATEMENT OF CAPITALIZATION

	December 31, 1974 (Thousands of Dollars)	
Common Stock Equity:		
Common stock, $3.75 par value per share, 20,000,000 shares authorized, 13,500,000 shares outstanding (Note 11)	$ 50,625	
Other paid-in capital (Note 11)	108,146	
Capital stock expense	(1,432)	
Retained earnings (Note 12)	84,626	
Total common stock equity	241,965	36.8%
Cumulative Preferred Stock, $100 Par Value Per Share, 2,000,000 Shares Authorized (Note 11):		
Series outstanding (redeemable at the Company's option):		
9.76% 100,000 Shares, redeemable to November 1, 1980 at $110 and at reduced amounts thereafter	10,000	
7.95% 300,000 Shares, redeemable to July 1, 1977 at $108 and at reduced amounts thereafter	30,000	
7.88% 200,000 Shares, redeemable to April 1, 1978 at $108 and at reduced amounts thereafter	20,000	
8.20% 200,000 Shares, redeemable to July 1, 1978 at $108 and at reduced amounts thereafter	20,000	
Total cumulative preferred stock	80,000	12.2
Long-Term Debt:		
First mortgage bonds:		
3⅛% Series due July 1, 1975	27,199	
3½% Series due November 1, 1977	5,906	
3½% Second Series due November 1, 1977	2,798	
3⅜% Series due November 1, 1984	8,183	
4¼% Series due September 1, 1986	12,160	
4⅞% Series due June 1, 1987	7,800	
5¼% Series due June 1, 1990	12,300	
5⅛% Series due November 1, 1991	10,800	
4⅝% Series due February 1, 1993	13,872	
4¾% Series due June 1, 1993	16,650	
4½% Series due April 1, 1994	16,875	
4.70% Series due March 1, 1995	13,300	
5⅞% Series due June 1, 1996	11,550	
6.60% Series due October 1, 1997	22,725	
8¾% Series due April 1, 1977	20,000	
9⅞% Series due November 1, 2000	20,000	
8 % Series due November 1, 2001	20,000	
7¾% Series due November 1, 2002	20,000	
7.95% Series due April 1, 2003	35,000	
8¼% Series due October 1, 2003	17,000	
10½% Series due December 1, 1980	40,000	
5½% Sinking fund debentures due 1983	10,500	
Real estate purchase contracts	606	
	365,224	
Unamortized premium on long-term debt	17	
Unamortized discount on long-term debt	(312)	
	364,929	
Less—Amounts included in current liabilities (Note 13):		
Long-term debt maturing within one year	(27,199)	
Current sinking fund requirements	(2,386)	
Total long-term debt	335,344	51.0
Total capitalization	$657,309	100.0%

The accompanying notes are an integral part of this statement.

PORTLAND GENERAL ELECTRIC COMPANY

STATEMENTS OF RETAINED EARNINGS

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
BALANCE AT BEGINNING OF PERIOD	$ 77,452	$ 71,980	$ 65,809	$ 60,933	$ 58,556
ADD—NET INCOME	32,918	26,616	22,569	18,283	13,741
	110,370	98,596	88,378	79,216	72,297
DEDUCT:					
Dividends declared:					
On common stock	18,810	15,540	13,845	12,075	10,855
On preferred stock	6,577	5,247	2,196	976	152
Write-off (over the five-year period ended 1974) of a portion of investment in other nonutility property in compliance with Federal Power Commission requirements	357	357	357	356	357
	25,744	21,144	16,398	13,407	11,364
BALANCE AT END OF PERIOD (Note 12)	$ 84,626	$ 77,452	$ 71,980	$ 65,809	$ 60,933

The accompanying notes are an integral part of these statements.

PORTLAND GENERAL ELECTRIC COMPANY

STATEMENTS OF SOURCES OF FUNDS INVESTED IN ELECTRIC UTILITY PLANT

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
Funds Generated Internally:					
Income available for common stock	$ 26,341	$ 21,369	$ 20,373	$ 17,307	$ 13,589
Depreciation (including amounts charged to other accounts) (Note 1)	12,915	12,095	10,681	9,914	8,739
Investment tax credit adjustments (Note 3) ..	2,004	1,350	1,063	—	(184)
Income taxes deferred in prior years (Note 4)	(541)	(541)	(541)	(541)	(541)
Allowance for funds used during construction	(17,004)	(11,090)	(4,610)	(1,789)	(792)
	23,715	23,183	26,966	24,891	20,811
Less: Dividends declared on common stock ..	18,810	15,540	13,845	12,075	10,855
Total funds generated internally	4,905	7,643	13,121	12,816	9,956
Funds Provided from Outside Sources:					
Long-term debt	40,000	52,000	20,000	20,000	39,900
Preferred stock	—	40,000	30,000	—	10,000
Common stock	47,213	—	20,075	19,650	11,955
Short-term notes payable	122,232	113,984	79,750	21,280	21,100
Refinancing of short-term notes payable with long-term financing	(86,555)	(81,370)	(52,250)	(24,480)	(56,050)
Total funds from outside sources	122,890	124,614	97,575	36,450	26,905
Other Funds Provided (Used):					
Retirement of long-term debt	(3,152)	(3,299)	(4,615)	(2,673)	(2,772)
Change in net current assets excluding long-term debt due within one year and short-term notes payable	(12,191)	14,568	827	1,546	(1,305)
Reimbursement by lessor of 1973 construction expenditures	22,800	—	—	—	—
Allowance for funds used during construction	17,004	11,090	4,610	1,789	792
Other—net	1,325	(2,418)	(1,087)	370	979
Total other funds provided (used) ...	25,786	19,941	(265)	1,032	(2,306)
Funds Invested in Electric Utility Plant	$153,581	$152,198	$110,431	$ 50,298	$ 34,555

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

Notes 1 through 7 Summarize the Company's Significant Accounting Policies

1. **Depreciation.** Provisions for depreciation of utility plant (other than transportation equipment) have been computed on the 5% sinking fund method, as approved by the Public Utility Commissioner of Oregon (the "Commissioner"), and are based upon the estimated service lives of the various classes of property. For regulatory accounting purposes the annuity portion of such provisions is charged to Operating Expenses, whereas the portion representing interest on the depreciation reserve is included in Interest Charges. In the Statements of Income, included elsewhere in this prospectus, the annuity and interest portions have been combined under Operating Expenses. The percentages of provisions for depreciation (including the annuity and interest portions) to the total average depreciable plant-in-service balances were 2.0% in 1970, 2.1% in 1971, 2.2% in 1972, 2.3% in 1973 and 2.3% in 1974. The Company's sinking fund method of depreciation yields depreciation provisions that are substantially the same as provisions resulting from the use of straight-line depreciation on a group or composite basis as practiced by the majority of utilities. Provisions for depreciation of transportation equipment and nonutility property have been computed at straight-line rates based upon the estimated service lives of these properties.

   The Company charges maintenance with the cost of repairs and minor renewals, plant account with the cost of renewals and replacement of property units, and the depreciation reserve with the cost, less net salvage, of property units retired other than land.

2. **Federal and State Income Taxes.** The Company, with the approval of the Commissioner, follows flow-through accounting (other than as discussed in Notes 3 and 4) for reductions of income taxes resulting from various provisions in the tax laws which has the effect of passing such reductions on to the Company's customers. See Note (B) of Notes to Statements of Income for details of income tax reductions.

3. **Investment Tax Credits.** As authorized by the Commissioner, the Company followed flow-through accounting for investment tax credits prior to 1972, which had the effect of decreasing income tax expense by $184,000 in 1970 and $423,000 in 1971 after giving effect to the following adjustments: during 1968, the Company deferred two-thirds (estimated at $368,000) of the investment tax credit realized in 1968 arising from the completion of the Company's portion of the 500,000-volt Pacific Northwest-Southwest Intertie; the deferred investment tax credit was taken into income over a two-year period commencing January 1, 1969; this deferment was approved by the Commissioner. Effective January 1, 1972 the Company, with the approval of the Commissioner, elected to defer the tax reductions resulting from job development investment tax credits.

   Had the Company continued to use flow-through accounting for such credits, income tax expense would have been decreased by $1,063,000 in 1972, by $1,350,000 in 1973 and by $2,004,000 in 1974. As a result of the accounting change, however, income tax expense was decreased by $37,000 in 1972, by $80,000 in 1973 and by $150,000 in 1974 after the deferral (less related amortization) of $1,100,000, $1,430,000 and $2,160,000 of such credits. The deferred tax reductions are being amortized to income over a 30-year period, the approximate life of the related properties.

NOTES TO FINANCIAL STATEMENTS—(Continued)

Had the Company followed deferred accounting for investment tax credits prior to 1972, income tax expense as reported would have been increased by $33,000 in 1970, $258,000 in 1971 and decreased by $165,000 in 1972, 1973 and 1974.

4. **Amortization of Defense Facilities.** Prior years' tax reductions attributable to the excess of five-year amortization of defense facilities over depreciation computed substantially on the sum of the years-digits method were deferred by crediting the reductions to Deferred Income Taxes—Accelerated Amortization. Pursuant to an order of the Commissioner, the amounts deferred are being restored to income over the twenty-five years following the amortization period.

5. **Allowance for Funds Used During Construction (ADC).** ADC is defined in the Federal Power Commission ("FPC") Uniform System of Accounts as the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used. ADC is capitalized as part of the cost of utility plant and is credited to Other Income. ADC is not capitalized for income tax purposes. The Company is currently using a 7% rate, which has been in effect since 1968, on construction expenditures other than nuclear fuel which is capitalized at the actual interest rate of the nuclear core notes. See Note 9(d). The amount of ADC capitalized has increased substantially subsequent to 1970, reflecting the increase in the Company's construction program expenditures.

6. **Debt Premium, Discount and Expense.** Debt premium, discount and expense are being amortized over the lives of the respective issues.

7. **Retirement Plan.** The Company has a retirement plan for the benefit of its employees. The Company funds pension costs accrued. Prior service costs of the plan are being amortized over a 25-year period. Such unfunded prior service costs at December 31, 1973 (latest actuarial valuation date) which are not recorded in the accounts, are estimated to be $1,758,000 before income tax offsets. This amount had not changed materially at December 31, 1974. Retirement plan costs were as follows:

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
Charged to:					
Operations	$ 738	$ 749	$ 746	$ 650	$ 618
Other than income accounts	823	730	711	579	544
Total cost	$ 1,561	$ 1,479	$ 1,457	$ 1,229	$ 1,162

8. The Company's Indenture of Mortgage and Deed of Trust, dated July 1, 1945, as supplemented, constitutes a direct first mortgage lien securing the first mortgage bonds issued by the Company, on substantially all property and franchises, other than expressly excepted property, owned by the Company.

9. Short-term borrowings consisted of the following:

	December 31, 1974 (Thousands of Dollars)
Bank loans (a)	$52,100
Commercial paper (b)	—
Pollution control bonds (c)	27,000
Less: bond held by Company	(8,125)
funds held in trust	(2,459)
Nuclear core notes (d)	27,275
Total short-term borrowings (e)	$95,791

(a) *Bank loans.* The Company has a credit agreement with banks, maturing August 31, 1976, which provides that the Company may borrow, prepay and reborrow from time to time up to a maximum amount of $150,000,000. The interest rate on the first $75,000,000 of the commitment is the prime commercial rate in effect from time to time and on the balance 115% of the prime commercial rate in effect from time to time. The credit agreement provides for a commitment fee of ½ of 1% per annum on the unused commitment and a service fee determined by multiplying $1,875,000 at the end of each quarter by the average daily prime commercial rate percentage in effect during such quarter. The unused commitment was $97,900,000 at December 31, 1974.

It is understood that the Company will maintain compensating cash balances under the credit agreement; however, there are no legal restrictions to the withdrawal of such balances. The compensating balances were calculated as follows:

	December 31, 1974 (Thousands of Dollars)
Compensating cash balance requirements	$10,500
Less—Float*	3,119
	$ 7,381

* "Float" is the difference between the balances recorded on the Company's books and the balances shown on the bank statements.

(b) *Commercial paper.* The Company issues commercial paper from time to time at varying interest rates. The Company expects that a sum equal to the amount of commercial paper outstanding at any time will not be borrowed under the credit agreement discussed above, but will be reserved by the Company for the purpose of back-up support for such commercial paper.

(c) *Pollution control bonds.* The Company has entered into an agreement with the Port of St. Helens, Oregon (the "Port") to provide up to $60,000,000 of financing for the pollution control facilities at the Trojan Nuclear Plant. The Company will lease the facilities to the Port and in turn sublease the facilities from the Port.

At December 31, 1973, the Port had issued $27,000,000 of 6[illegible]% short-term pollution control bonds to a bank on a private placement basis. The short-term pollution control bonds matured in November 1974 and the Port issued $27,000,000 of 8[illegible]% short-term refunding pollution control bonds. The Company had received $24,541,000 at December 31, 1974 for completed pollution control facilities; the balance of the proceeds having been placed in trust for investment pending completion of the facilities.

The Port plans to issue up to $60,000,000 of long-term pollution control bonds to the public, and a portion of the proceeds will be used to refinance the $27,000,000 of short-term refunding pollution control bonds. On December 10, 1974 the Supreme Court of the State of Oregon refused to review the decision of an intermediate appellate court confirming the right of the Port to issue such pollution control bonds. The issuance of the long-term pollution control bonds is contingent upon receiving a favorable tax ruling from the Internal Revenue Service. If a favorable tax ruling is not received, the lease and sublease will be terminated and the Company will repay the short-term refunding pollution control bonds then outstanding and compensate the bank for the taxable status of the interest thereon.

(d) *Nuclear core notes.* The Company has entered into an agreement, which may be terminated each year, to finance Trojan Plant nuclear cores up to a maximum of $35,000,000. Under the agreement, a trust issues its short-term notes supported by a bank's irrevocable letters of credit. The agreement provides for the Company to repay the nuclear core notes outstanding as the nuclear cores are consumed. The interest rate on the nuclear core notes is the current rate in effect for the trust's short-term notes. In addition, the Company must pay a fee of ⅜ of 1% per annum on the average daily outstanding amount of such notes.

In June 1974 the Company entered into an agreement to finance nuclear cores for a second nuclear plant up to a maximum amount of $40,000,000. The terms of this agreement are substantially identical to those in the Trojan agreement. The first financing under this agreement took place in August 1974.

(e) *Aggregate short-term borrowings.* The weighted average interest rate for the outstanding short-term borrowings was 10.1% at December 31, 1974. The maximum amount of such borrowings outstanding was $141,076,000 during 1974, the average daily amount outstanding was $84,808,000 and the weighted average daily interest rate was 10.1%. The interest rates are calculated by using the rates of such borrowings but excluding the fees discussed above and the effect of the compensating cash balances.

10. Provisions for Possible Additional Income Taxes and Other Contingencies were provided from income in years prior to 1970 as directed by the Commissioner. The Commissioner has assumed jurisdiction over this item and has ordered that no portion of it shall be disposed of without his permission, but has indicated that he will permit it to be used for additional income taxes or for any other purpose from which the Company's customers may derive benefit.

11. The following changes occurred in the Common Stock, Cumulative Preferred Stock and Other Paid-in Capital accounts (Dollar Amounts in Thousands):

	Common Stock		Cumulative Preferred Stock		
	Number of Shares	$3.75 Par Value	Number of Shares	$100 Par Value	Other Paid-in Capital
Outstanding, December 31, 1969	7,900,000	$29,625	—	$ —	$ 30,253
Sales of stock	600,000	2,250	100,000	10,000	9,705
Outstanding, December 31, 1970	8,500,000	31,875	100,000	10,000	39,958
Sales of stock	1,000,000	3,750	—	—	15,900
Outstanding, December 31, 1971	9,500,000	35,625	100,000	10,000	55,858
Sales of stock	1,000,000	3,750	300,000	30,000	16,325
Outstanding, December 31, 1972	10,500,000	39,375	400,000	40,000	72,183
Sales of stock	—	—	400,000	40,000	—
Outstanding, December 31, 1973	10,500,000	39,375	800,000	80,000	72,183
Sales of stock	3,000,000	11,250	—	—	35,963
Outstanding, December 31, 1974	13,500,000	$50,625	800,000	$80,000	$108,146

On January 23, 1975 the Company issued 300,000 shares of 11.50% Series Cumulative Preferred Stock for net proceeds of $29,020,000.

12. Retained Earnings of $82,052,000 at December 31, 1974 are not restricted for cash dividends under the provisions of the Indenture of Mortgage and Deed of Trust, dated July 1, 1945, securing the Company's first mortgage bonds.

13. Under the terms of the indentures securing the Company's first mortgage bonds and debentures, the following principal amounts of bonds and debentures become due for redemption through sinking funds and maturities during the years 1975 through 1979:

	Sinking Fund Requirements			
	Aggregate Requirements	Bonds Reacquired as of December 31, 1974	Net Remaining Sinking Fund Requirements	First Mortgage Bond Maturities
	(Thousands of Dollars)			
1975	$3,468	$1,082	$2,386	$27,199
1976	3,378	611	2,767*	—
1977	3,628	75	3,553*	28,160
1978	3,598	—	3,598*	—
1979	4,249	—	4,249*	—

* Sinking funds in amounts of $250,000 in 1976, $725,000 in 1977, $1,050,000 in 1978 and $1,701,000 in 1979 may be satisfied by pledging available additions equal to 166⅔% of the sinking fund requirement.

14. (a) New construction for the year 1975 is estimated at $140,000,000, excluding the proposed new headquarters complex which is expected to be financed by a sale-lease back arrangement. See "Construction Program" for additional information concerning the 1975 construction program. Purchase commitments outstanding, relating principally to construction, totaled approximately $241,700,000 at December 31, 1974. The Company has made substantial commitments under long-term agreements to provide nuclear cores for its Trojan Nuclear Plant and its proposed additional nuclear plants. Such agreements may be terminated and would require payment of termination charges.

(b) The Company has entered into long-term power purchase contracts, expiring from 2005 to 2018, for portions of power from public utility districts' plants on the Columbia River. Power purchase prices are based on a proportionate share of the operating and debt service costs of each project whether or not operable. The agreements provide that the districts insure the plants to the extent deemed adequate by them. Significant statistics regarding these projects are as follows:

Kilowatts available to the Company (name plate rating)	874,700
Estimated current annual operating and debt service costs	$13,500,000

(c) All of the Company's hydroelectric plants are licensed by the FPC. Upon the expiration of a major license, a new license may be granted to the Company or upon payment to the Company of its "net investment" therein, not to exceed "fair value", plus severance damages, the projects may be taken over by the United States or licensed to a new licensee. The licenses provide that after an initial twenty-year period earnings in excess of a specified return are to be set aside in an amortization reserve which may reduce the "net investment" in the projects.

NOTES TO FINANCIAL STATEMENTS—(Continued)

The original license on the Oak Grove Hydroelectric Plant—Project No. 135 expired in 1972 and the Company made application for a new license for that Project. The United States has not acted to take over the Project or to issue a new license. Annual licenses have been issued on the same terms and conditions as the original license. Preliminary studies of "net investment" on Project No. 135 have been made by the Company and the FPC staff. In the opinion of management, the final determination of "net investment" as of the expiration of the annual license will not have a significant effect on the financial position of the Company.

The remaining major licenses expire from 2001 to 2006. The minor part license on the Bull Run Hydroelectric Plant—License 477—expired in November 1974. An annual license has been issued on the same terms and conditions as the original license.

The Company holds state licenses covering all or portions of certain hydroelectric projects which are also covered by licenses under the Federal Power Act. Such licenses expire between 2002 and 2011. Each of the state licenses, except one, contains provisions similar to the Federal Power Act licenses with respect to amortization reserves and authorizes the State of Oregon to take over the project when it is fully amortized. Under state law, the state or any municipality may acquire a project subject to state license upon not less than two years' notice at the fair value thereof but not exceeding the then "net investment", or otherwise may acquire a project by condemnation proceedings.

(d) The minimum annual rental commitments of the Company under all noncancelable leases at December 31, 1974 are as follows:

	Basic	Non-capitalized Financing Leases	Sub-lease Rentals (Credit)	Total
	(Thousands of Dollars)			
1975	$ 1,103	$ 4,368	$ (50)	$ 5,421
1976	1,049	4,365	(50)	5,364
1977	918	4,363	(12)	5,269
1978	854	4,363	—	5,217
1979	688	4,363	—	5,051
1980-1984	3,442	21,812	—	25,254
1985-1989	1,973	21,812	—	23,785
1990-1994	1,606	21,713	—	23,319
Remainder	7,031	18,442	—	25,473
Total	$18,664	$105,601	$(112)	$124,153

During 1973 the Company entered into 25-year leases of combustion turbines located at two of its generating plants. In August 1974 the Company entered into 25-year leases of combustion turbines located at its Beaver plant site. The total lease commitments for the combustion turbines represent $104,196,000 of the amount shown above as noncapitalized financing leases. The present value of these leases computed upon the 5.9% interest rates (1973 leases) and 6.56% interest rates (1974 leases) implicit in the leases was approximately $53,155,000 at December 31, 1974.

NOTES TO FINANCIAL STATEMENTS—(Continued)

In the event of certain contingencies the Company may be required to purchase the turbines from the lessor at a maximum price of $59,281,000 in 1975 and at decreasing amounts thereafter. Such purchase would reduce the $104,196,000 of lease commitments to the extent of lease payments then remaining. At the expiration of each lease the Company has options to (i) renew the lease for five years at the then fair rental value or (ii) purchase the turbines at the then fair market value. Substantially all other leases with options to renew provide for negotiation of the amount of rental at the time of exercising such options. Other leases with options to purchase are not material.

If all noncapitalized financing leases had been capitalized during the years 1972, 1973 and 1974, the effect on the Company's average net income would have been less than 3% during such years. If all present noncapitalized financing leases were capitalized, the Company does not anticipate that the impact on net income in future years would exceed 3% of average net income.

15. Supplementary Income Information:

	Twelve Months Ended December 31				
	1974	1973	1972	1971	1970
	(Thousands of Dollars)				
Taxes other than income taxes, charged directly to tax expense:					
Property	$10,790	$ 9,700	$ 9,330	$ 8,613	$ 8,007
Payroll	807	692	521	452	415
City taxes and license fees	2,446	2,131	1,886	1,674	1,506
Other	279	223	227	110	107
Total	$14,322	$12,746	$11,964	$10,849	$10,035
Rentals charged to operation expense accounts:*					
Basic rentals	$ 991	$ 960	$ 922	$ 902	$ 870
Contingent rentals**	166	141	172	154	141
Noncapitalized financing leases	2,869	455	14	15	15
Total	$ 4,026	$ 1,556	$ 1,108	$ 1,071	$ 1,026

* See Note 14(d) for details concerning the Company's long-term lease commitments.

** Based on kwh of gross generation at certain Company hydroelectric projects.

The amounts of maintenance and repairs, depreciation and taxes other than income taxes included in the Statements of Income but not set out separately therein are not material.

The amounts of depreciation and amortization of intangible assets, advertising costs and research and development costs were not material.

LEGAL OPINIONS

Legal matters in connection with the issuance and sale of the New Bonds will be passed upon for the Company by its General Counsel, Messrs. Phillips, Coughlin, Buell, Stoloff & Black, Electric Building, Portland, Oregon 97205, and for the Underwriters by Messrs. Beekman & Bogue, Five Hanover Square, New York, New York 10004, except that as to all matters governed by Oregon law Messrs. Beekman & Bogue will rely upon the opinion of Messrs. Phillips, Coughlin, Buell, Stoloff & Black.

EXPERTS

The statements made under "Business", "Regulation" and "Description of New Bonds", as to matters of law and legal conclusions, have been prepared or reviewed by Messrs. Phillips, Coughlin, Buell, Stoloff & Black and such statements are made upon authority of such counsel as experts. James K. Buell, Esq., a member of such firm, is an Assistant Secretary of the Company. Persons who are members of, or of counsel to, the law firm of Messrs. Phillips, Coughlin, Buell, Stoloff & Black own in the aggregate 3,718 shares of the Company's Common Stock, 100 shares of Preferred Stock and $35,000 principal amount of its First Mortgage Bonds. Of such securities Clarence D. Phillips, Esq., a member of such firm, owns 1,000 shares of Common Stock, 100 shares of Preferred Stock and $30,000 principal amount of First Mortgage Bonds, John J. Coughlin, Esq., a member of such firm, owns 300 shares of Common Stock and $5,000 principal amount of First Mortgage Bonds and James K. Buell, Esq., a member of such firm, owns 1,518 shares of Common Stock. Waldemar Seton, Esq., who is of counsel to such firm, owns 900 shares of the Company's Common Stock.

The balance sheet and statement of capitalization as of December 31, 1974 and the statements of income, retained earnings and sources of funds invested in electric utility plant for the five years then ended included in this Prospectus have been examined by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report. Reference is made to said report which calls attention to a change in accounting principles with respect to the method of accounting for investment tax credits.

UNDERWRITING

The several Underwriters named below, acting through Blyth Eastman Dillon & Co. Incorporated and Dean Witter & Co. Incorporated, as Representatives, have entered into an Underwriting Agreement with the Company whereby they have severally agreed to purchase the respective principal amounts of New Bonds indicated below from the Company, subject to the terms and conditions of the Underwriting Agreement, a copy of which is filed as an exhibit to the Registration Statement.

Underwriter	Principal Amount
Blyth Eastman Dillon & Co. Incorporated	$ 4,925,000
Dean Witter & Co. Incorporated	4,925,000
Adams & Peck	200,000
Advest Co.	300,000
Atkinson and Company	200,000
Bacon, Whipple & Co.	300,000
Robert W. Baird & Co. Incorporated	300,000
Bateman Eichler, Hill Richards Incorporated	300,000
Belford, Hammerbeck, Inc.	100,000
Birr, Wilson & Co., Inc.	200,000
Black & Company, Inc.	300,000
Blakely, Strand & Williams, Inc.	200,000
Blunt Ellis & Simmons Incorporated	300,000
Crowell, Weedon & Co.	300,000
Dain, Kalman & Quail, Incorporated	300,000
Daugherty, Cole Inc.	100,000
Davis, Skaggs & Co., Inc.	300,000
Dillon, Read & Co. Inc.	900,000
Drexel Burnham & Co. Incorporated	900,000
The First Boston Corporation	900,000
Foster & Marshall Inc.	500,000
Gallagher & Jensen, Inc.	100,000
Goldman, Sachs & Co.	900,000
Halsey, Stuart & Co. Inc.	900,000
Harris, Upham & Co. Incorporated	500,000
J. J. B. Hilliard, W. L. Lyons, Inc.	200,000
Hinkle Northwest, Inc.	300,000
Hornblower & Weeks-Hemphill, Noyes Incorporated	900,000
E. F. Hutton & Company Inc.	900,000
June S. Jones Co.	200,000
Kidder, Peabody & Co. Incorporated	900,000
Kuhn, Loeb & Co.	900,000
Lehman Brothers Incorporated	900,000
Loeb, Rhoades & Co.	$ 900,000
Loewi & Co. Incorporated	300,000
McDonald & Company	300,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	900,000
Mitchum, Jones & Templeton, Inc.	200,000
Moseley, Hallgarten & Estabrook Inc.	500,000
John Nuveen & Co. Incorporated	500,000
The Ohio Company	300,000
Omega Securities, Inc.	100,000
Paine, Webber, Jackson & Curtis Incorporated	900,000
Piper, Jaffray & Hopwood Incorporated	300,000
Wm. E. Pollock & Co., Inc.	500,000
R. W. Pressprich & Co. Incorporated	500,000
Reynolds Securities Inc.	900,000
Rippey, Inskeep, Hess & McFaul, Inc.	200,000
L. F. Rothschild & Co.	750,000
Salomon Brothers	900,000
Shields Model Roland Securities Incorporated	750,000
Shuman, Agnew & Co., Inc.	300,000
Smith, Barney & Co. Incorporated	900,000
Somers, Grove & Co., Inc.	200,000
Stone & Youngberg	200,000
Sutro & Co. Incorporated	300,000
Thomson & McKinnon Auchincloss Kohlmeyer Inc.	500,000
Chas. N. Tripp Inc.	100,000
Wagenseller & Durst, Inc.	200,000
Warburg Paribas Becker Inc.	900,000
Weeden & Co. Incorporated	750,000
L. J. Werschkul & Sons	200,000
White, Weld & Co. Incorporated	900,000
Wood, Struthers & Winthrop Inc.	500,000
Total	$40,000,000

The New Bonds are offered subject to prior sale, when, as and if issued by the Company and accepted by the Underwriters, in part directly to the public at the initial public offering price set forth on the cover page hereof and in part to certain dealers at such price less a concession not exceeding .9 of 1% of the principal amount of the New Bonds. Underwriters and dealers may reallow to certain other dealers a discount not exceeding .5 of 1% of such principal amount. After the initial public offering, the public offering price and concessions and discounts to dealers may be changed by the Representatives.

The Underwriters will be obligated to purchase all of the New Bonds if any are purchased.

ATTACHMENT 10-1

1974 UPDATED FINANCIAL AND OPERATING SUMMARIES
OF THE 104 CONSUMER-OWNED PARTICIPANTS

Page 1

U. S. DEPARTMENT OF THE INTERIOR - BONNEVILLE POWER ADMINISTRATION

MONTHLY FINANCIAL AND OPERATING REPORT

DISTRIBUTOR City of Rupert **FOR MONTH ENDING** December 1974

REVENUE, ENERGY SALES AND CUSTOMER STATISTICS

ENERGY SALES	DOLLARS THIS MONTH	DOLLARS YEAR TO DATE	KWH SOLD THIS MONTH	KWH SOLD YEAR TO DATE	NO. OF CUST THIS MONTH 4/
1. Residential & Farm	24,783.22	247,028.39	2,865,173	26,333,558 (1822)	1822
2. Residential seasonal					
3.					
4. Commercial (50 KVA or less)	21,475.31	231,884.01	1,642,574	16,929,033 (320)	320
5. Commercial (over 50 KVA)					
6. Industrial					
7.					
8. Irrigation and/or drainage pumping					
9. Public street lighting					
10. Public authorities					
11. Other 1/ 12 20,000 (usage under estimate	- 574.89	17,795.11	-235,978	3,559,022	
12. TOTAL (1 thru 11)	45,683.64	496,707.51	4,271,769	46,821,613 (2122)	
OTHER REVENUES					
13.					
14.					
15. Miscellaneous electric revenue	5,854.30	5,854.30			
16. TOTAL MISC. REVENUE (13 thru 15)	5,854.30	5,854.30			
17. TOTAL OPERATING REVENUE (12 + 16)	51,537.94	502,561.81			
OPERATING EXPENSES					
18. Generation					
19. Power purchases - BPA	14,706.00	156,251.00			
20. Power purchases - other					
21. Transmission					
22. Distribution - O & M	8,113.88	112,313.80			
23. Customers' accounting & collecting	1,546.67	19,656.15			
24. Sales promotion					
25. Administrative & general	4,412.70	53,378.48			
26. Kilowatt Expense	2,582.74	2,582.74			
27.					
28. TOTAL OPERATING EXPENSES (18 thru 27)	31,361.99	344,182.17			

INCOME STATEMENT

	THIS MONTH	YEAR TO DATE
1. Total operating revenue (line 17)	51,537.94	502,561.81
2. Operating revenue deductions:		
3. Total operating exp. (line 28)	31,361.99	344,182.17
4. Depreciation		
5. Amortization of 3/		
6. Taxes 1/12 63700	5,308.15	63,700.00
7. Tax equivalents 4/		
8. TOTAL OPER. REV. DED. (3 thru 7)	36,670.14	407,882.17
9. OPERATING INCOME (1 minus 8)	14,867.80	94,679.64
OTHER INCOME		
10.		
11. Misc. non-operating rev. (net)		
12. TOTAL OTHER INCOME (10 + 11)		
13. GROSS INCOME (9 + 12)	14,867.80	94,679.64
INCOME DEDUCTIONS		
14. Interest on long term debt		
15. Interest on invest. of municipality		
16. Capital	6.15	5,676.43
17. 1/12 66,300	5,525.00	66,300.00
18. Misc. income deductions Loss	1,333.73	1,333.73
19. TOTAL INCOME DED (14 thru 18)	6,864.88	73,310.16
20. NET INCOME (13 minus 19)	8,002.92	21,369.48

1 [illegible]
2 [illegible]
3 [illegible]
4 [illegible]

BPA 110

ELECTRIC ENERGY STATEMENT

City of Rupert

MONTH OF November 19 74

ENERGY GENERATED, PURCHASED, AND INTERCHANGED	THIS MONTH	YEAR TO DATE
Generation for station use (kw)		
Net generation (excluding station use):		
Steam		
Hydro		
Internal combustion		
Total net generation		
Purchased energy:		
From Bonneville Power Administration	4,892,160	44,351,720
From others: (List)		
Total purchases	4,892,160	44,351,720
Interchanges-in (gross)		
Total energy generated, purchased and interchanged		
Disposition of energy generated, purchased and interchanged:		
Total sales of electric energy (from page 4)	4,302,479	42,549,844
Interchanges-out (gross)		
Energy used by electric utility (excluding station use)		
Total energy accounted for		
Total energy losses	589,681	1,801,876
Total disposition of energy (total energy generated, purchased and interchanged)		

System peak demand (30-minute kw

REMARKS

Declo - Audit 1974

TABLE OF CONTENTS

DONALD E. WESTFALL
CERTIFIED PUBLIC ACCOUNTANT
ION AVENUE BURLEY, IDAHO 83318
TELEPHONE 208 - 678-0406

March 8, 1975

Mayor and City Council
City of Declo
Declo, Idaho

I have examined the balance sheets of funds and general fixed asset group of accounts of Declo, Idaho, at December 31, 1974, and the related statement of changes in fund balances and general fixed asset group of accounts and statement of revenues and expenditures for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances, except as noted in the following paragraphs.

The City does not maintain detailed records of property and equipment. Accordingly, I do not express any opinion concerning general fixed assets stated at $61,778.93, amounts expended for fixed assets Revenue Sharing Fund of $4,995.93 and Culinary Water System fixed assets of $119,370.08. Also included in the general fixed assets are amounts expended on behalf of the sewer system in the amount of $20,806.60.

There was no inventory of electrical supplies taken at December 31, 1974. Because the inventory of electrical supplies and the fixed assets of all funds enter materially into the overall financial position, I do not express an opinion of the accompanying balance sheet for the City of Declo.

Donald E. Westfall

Donald E. Westfall

Declo, Idaho

BALANCE SHEETS OF GENERAL FUND, REVENUE SHARING FUND AND CULINARY WATER BOND FUND
December 31, 74

	General Fund	Culinary Water System and Bonds	Revenue Sharing	General Fixed Assets
ASSETS				
Cash on hand and in banks	$3,423.20	$10,291.83	$3,486.26	
RECEIVABLES:				
Utility accounts receivable	3,954.60			
Taxes receivable	5,437.01			
Due from General Fund		617.90		
Inventory	6,925.11			
FIXED ASSETS:				
General fixed assets			4,995.93	$82,585.53
Culinary water system		119,370.08		
	$19,739.92	$130,279.81	$8,482.19	$82,585.53
LIABILITIES, FUND BALANCES AND INVESTMENTS IN GENERAL FIXED ASSETS				
Accounts payable	$1,732.45			
Payroll taxes payable	218.42			
Meter deposits	905.00			
Due other funds	617.90			
General obligation bonds payable $1,000.00 due within one year		$12,000.00		
Revenue bonds payable $2,500.00 due within one year		48,500.00		
Note payable - Bank of Idaho - Sewer				$19,900.00
FUND BALANCES:				
Unappropriated	16,266.15		$3,486.26	
INVESTMENT IN GENERAL FIXED ASSETS		69,779.81	4,995.93	62,685.53
	$19,739.92	$130,279.81	$8,482.19	$82,585.53

The accompanying notes are an integral part of this statement.

Declo, Idaho

STATEMENT OF REVENUES AND EXPENDITURES
Year ended December 31, 1974

	General Fund	Culinary Water System and Bonds	Revenue Sharing
REVENUES:			
Utility revenues	$20,814.78	$7,586.54	
Garbage collection fees	2,140.00		
Taxes	3,141.87	2,256.37	
Liquor apportionment	1,493.71		
Highway	3,513.50		
Licenses	540.00		
Fines	36.00		
Other revenues	2,406.73		$3,086.00
Total revenues	34,086.59	9,842.91	3,086.00
EXPENDITURES:			
Utility purchases	8,062.14		
Electrical supplies	685.34		
Office expense	778.75		33.75
Salaries	6,475.85		
Streets and parks	1,888.25		
Fire department and telephone	775.21		
Water system expense	1,121.22		
Insurance and bonds	791.18		
Other expenses	935.24		
Retirement	376.71		
Police salary and mileage	2,485.50		
Legal	242.10		
Payroll taxes	401.42		
Bond interest		2,317.75	
Total expenditures	25,020.91	2,317.75	33.75
	$9,065.68	$7,525.16	$3,052.25

The accompanying notes are an integral part of this statement.

Declo, Idaho

STATEMENT OF CHANGES IN FUND BALANCES
AND GENERAL FIXED ASSET ACCOUNTS
Year ended December 31, 1974

	General Fund	Culinary Water System and Bonds	Revenue Sharing	General Fixed Assets
BALANCE, January 1, 1974	$12,156.37	$62,254.65	$5,429.94	$57,729.63
Excess revenues over expenditures	9,065.68	7,525.16	3,052.25	
Expenditures for fixed assets	4,955.90*	———	4,995.93*	4,955.90
	$16,266.15	$69,779.81	$3,486.26	$62,685.53

The accompanying notes are an integral part of this statement.

Declo, Idaho

NOTES TO FINANCIAL STATEMENTS
December 31, 1974

Note 1 - Principles of accounting.
The accrual basis of accounting is used by the City and accordingly uses fund accounting principles. Cash and other assets are accounted for by certain accounts within each fund which balance within each group.

NOTE 2 - Value of General Fixed Assets and Culinary Water System Fixed Assets are the result of recorded book transactions. No detail property records are maintained by the City.

NOTE 3 - No depreciation has been taken on fixed assets of the culinary water system.

NOTE 4 - An inventory of electrical supplies was not taken as of December 31, 1974.

NOTE 5 - The Revenue Sharing Funds are being accumulated for specific needs of the City as determined by the City Council. As of December 31, 1974, $2,559.53 has been expended for extensions of the electrical system and $2,436.40 has been expended for extensions of the water system.

DONALD E. WESTFALL
CERTIFIED PUBLIC ACCOUNTANT
AVENUE
BURLEY, IDAHO 83318
TELEPHONE 208 - 678-0466

March 8, 1975

OTHER FINANCIAL INFORMATION

City [illegible] Declo
Dec[illegible] Idaho

In [illegible]nection with my examination of the financial statements of [illegible] Idaho, for the year ended December 31, 1974, I have rev[illegible] the other financial information presented in the f[illegible] pages which has been taken primarily from accounting and [illegible] records of the City, but which is not, in my opinion, nece[illegible]ary for a fair presentation of its financial position or res[illegible] of operations. My examination was primarily for the pur[illegible] of formulating an opinion on the basic financial statem[illegible] taken [illegible] whole and was not such as to enable me to ex[illegible] an opinion as to the fairness of all the details of the addi[illegible] information.

Donald E. Westfall

Declo, Idaho

CASH ON HAND AND ON DEPOSIT
Year ended December 31, 1974

	General Fund	Culinary Water System and Bonds	Rever Shar[illegible]
RECEI[illegible]	$42,649.61	$12,518.16	$3,086.
Ut[illegible] [illegible]ccounts, taxes and other	19,900.00		
L[illegible] [illegible]eeds	62,549.61	12,518.16	3,086.
DIS[illegible]	38,327.72		33
Op[illegible]		5,817.75	
[illegible] [illegible] and interest	24,855.90	3,331.34	4,995
F[illegible] [illegible]et purchases	63,183.62	9,149.09	5,029
	(634.01)	3,369.07	(1,943
NET [illegible] (DECREASE)	4,057.21	6,922.76	5,429
[illegible] DECEMBER 31, 1973			
	$3,423.[illegible]	$10,291.83	$3,486
CAS[illegible] DECEMBER 31, 1974			

CASH [illegible]	$25.00
Ca[illegible]	3,3[illegible]3.20
Ba[illegible]	13,[illegible]
Id[illegible] [illegible]st Co.	
	$17,201.2

Declo, Idaho

OPERATION IN TAXES RECEIVABLE
Year ended December 31, 1974

	Balance 12/31/73	1974 Levy	1974 Collections	Balance 12/31/74
GENERAL FUND:				
1974 [illegible]		$4,671.76		$4,671.76
1973 [illegible] prior	$4,451.16		$3,685.91	765.25
	$4,451.16	$4,671.76	$3,685.91	$5,437.01

Declo, Idaho

GENERAL FIXED ASSETS
December 31, 1974

	Balance 12/31/73	1974 Additions	Balance 12/31/74
ffice building and equipment	$13,126.23		$13,126.23
lectrical system	27,080.18	$2,426.48	29,506.66
ire house and property	8,459.03		8,459.03
anitary land fill	100.00		100.00
treets and parks	2,424.50		2,424.50
ater system and irrigation	6,539.69	1,622.82	8,162.51
ewer project		20,806.60	20,806.60
	$57,729.63	$24,855.90	$82,585.53

Declo, Idaho

COMPARISON OF EXPENDITURES WITH BUDGET
Year ended December 31, 1974

	1974 Budget	1974 Expenses	Over Budget	Under Budget
GENERAL FUND:				
Employee taxes	$400.00	$401.42	$1.42	
Employee retirement	450.00	378.71		$71.29
Power purchases	7,000.00	7,371.00	371.00	
Electrical supplies	1,500.00	685.34		814.66
Irrigation water	650.00	691.14	41.14	
Office expense	700.00	778.75	78.75	
Office salary	2,450.00	2,472.00	22.00	
Election salary	2,100.00	1,054.85		1,045.15
Labor collecting trash	2,500.00	2,194.00		306.00
Irrigation labor	750.00	755.00	5.00	
Streets and parks	4,000.00	1,888.25		2,111.75
Fire department and telephone	500.00	775.21	275.21	
Culinary water expense	2,000.00	1,121.22		878.78
Insurance and bonds	1,200.00	791.18		408.82
Miscellaneous	1,000.00	935.24		64.76
Capital expenditures		4,049.30	4,049.30	
Police salary and mileage	2,500.00	2,485.50		14.50
Culinary water sinking fund	2,400.00			2,400.00
[illegible]	[illegible]00.00	242.10		257.90
	$32,600.00	$29,070.21	$4,843.82	$8,373.61

	1974 Budget	1974 Expenses	Over Budget	Under Budget
CULINARY WATER SYSTEM AND BONDS:				
Revenue bonds and interest	$5,000.00	$4,361.50		$638.50
General obligation bonds and interest	2,000.00	1,456.25		543.75
Capital expenditures		3,331.34	$3,331.34	
	$7,000.00	$9,149.09	$3,331.34	$1,182.25

	1974 Budget	1974 Expenses	Over Budget	Under Budget
SEWER PROJECT	$135,000.00	$20,806.60		

Declo, Idaho

SCHEDULE OF INSURANCE AND SURETY BONDS
December 31, 1974

	Policy Number	Amount	Expiration Date	Coverage
Western Surety Co.	2204089	$2,500.	3/4/76	Blanket Bond
New Hampshire	GLA 57(4)	100/300,000.	5/8/75	General Liabil
Western Surety Co.	2108762	10,000.	6/1/75	Treasurer Bon
New Hampshire	52961	15,000. 1,000. 3,000.	12/15/75	Office Buildi Office Equipm Electrical Su
Western Surety Co.			8/1/77	Notary Bond -
New Hampshire	210373	20,000. ,000.	2/25/78	Fire Station Pump House
State Insurance Fund				Workman's Com

Declo, Idaho

GENERAL OBLIGATION BONDS AND
REVENUE BONDS
December 31, 1974

Year Due	Revenue Bonds	General Obligation Bonds
	$500.00	$1,00
1975	2,500.00	1,00
1976	2,500.00	1,00
1977	2,500.00	1,00
1978	3,000.00	1,50
[illegible]	3,000.00	1,50
1980	3,000.00	1,50
[illegible]	3,500.00	1,50
[illegible]	3,500.00	2,00
[illegible]	4,000.00	
1984	4,500.00	
[illegible]	5,000.00	
1986	5,000.00	
19[illegible]	6,000.00	
[illegible]		
	$48,500.00	$12,0[illegible]

[illegible] bonds are dated January 1, 1963, and interest is payable January [illegible] each year.

The general obligation bonds are dated January 1, 1963, and interest is paid semi-annually on March 1 and September 1.

Both of the above bond issues are guaranteed by the Farmers Home Administration and carry an interest rate of 3.65% per annum.

WALSTON, REINCKE & OSTERHOUT
CERTIFIED PUBLIC ACCOUNTANTS

2225 OVERLAND AVENUE
BOX 81
BURLEY, IDAHO 83318
TELEPHONE 678 3027

February 20, 1975

To The Board of Directors
Riverside Electric Company, Ltd.
Rupert, Idaho

We have examined the Comparative balance sheet of Riverside Electric Company, Ltd. (an Idaho Tax Exempt Corporation) as of December 31, 1974 and the related Comparative Statement of Operations and Statement of Changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Comparative Balance Sheet and Comparative Statement of Operations and Statement of Changes in Financial Position present fairly the financial position of Riverside Electric Company, Ltd. as of December 31, 1974 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Walston, Reincke & Osterhout
Walston, Reincke & Osterhout

RIVERSIDE ELECTRIC COMPANY, LTD.
Rupert, Idaho
COMPARATIVE BALANCE SHEET

EXHIBIT A

ASSETS

	Year Ended December 31 1974	1973	Increase (Decrease)
DISTRIBUTION FACILITIES & EQUIPMENT (note 3):			
Distribution Facilities	$ 130,653.25	$ 123,427.25	$ 7,226.00
Equipment	15,373.91	15,144.41	229.50
	$ 146,027.16	$ 138,571.66	$ 7,455.50
Less: Accumulated Depreciation	20,986.65	15,041.95	5,944.70
Net Book Value of Fixed Assets	$ 125,040.51	$ 123,529.71	$ 1,510.80
CURRENT ASSETS:			
Cash on Hand & in Checking Account	$ 3,312.96	$ 750.46	$ 2,562.50
Cash in Bank - Savings	20,000.00	20,000.00	-0-
Accounts Receivable - Electricity (note 2)	11,916.49	25,129.10	(13,212.61)
" Materials	4,977.51	3,374.65	1,602.86
" Memberships	145.00	255.10	(110.10)
Inventories, at cost (note 4)	29,667.14	21,049.77	8,617.37
Interest Receivable on Savings Certificates	466.48	857.28	(390.80)
Total Current Assets	$ 70,485.58	$ 71,416.36	$ (930.78)
TOTAL ASSETS	$ 195,526.09	$ 194,946.07	$ 580.02

LIABILITIES & MEMBERS' EQUITY

	1974	1973	Increase (Decrease)
CURRENT LIABILITIES:			
Note Payable to Idaho First National Bank	$ -0-	$ 5,000.00	$ (5,000.00)
Accounts Payable	3,940.44	2,698.14	1,242.30
Meter Deposits	594.61	529.61	65.00
Payroll Taxes Withheld & Accrued	683.36	408.43	274.93
Accrued Interest Payable	-0-	278.43	(278.43)
TOTAL LIABILITIES (all Current)	$ 5,218.41	$ 8,914.61	$ (3,696.20)
MEMBERS' EQUITY:			
Membership Certificates, at $100.00 each (Exhibit B)	$ 19,600.00	$ 19,200.00	$ 400.00
Members' Equity (Exhibit B)	170,707.68	166,831.46	3,876.22
Total Members' Equity	$ 190,307.68	$ 186,031.46	$ 4,276.22
TOTAL LIABILITIES & MEMBERS' EQUITY	$ 195,526.09	$ 194,946.07	$ 580.02

The accompanying Notes to Financial Statements are an integral part of this statement.

RIVERSIDE ELECTRIC COMPANY, LTD.
Rupert, Idaho
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 1974

EXHIBIT B

Membership Certificates January 1, 1974 (Exhibit A)		$ 19,200.00
New Members added during the year:		
Jake Pickering	$ 100.00	
Robert Bywater	100.00	
Ralph Bourquin	100.00	
James A. Holston	100.00	400.00
Membership Certificates December 31, 1974 (Exhibit A)		$ 19,600.00
Members' Equity January 1, 1974 (Exhibit A)	$ 166,831.46	
Additions:		
Excess of Revenues over Costs of Operations (Exhibit C)	2,225.62	
Other Income (Exhibit C)	1,650.60	
Members' Equity December 31, 1974 (Exhibit A)		170,707.68
MEMBERS' EQUITY (Exhibit A)		$ 190,307.68

The Accompanying Notes to Financial Statements are an integral part of this statement.

RIVERSIDE ELECTRIC COMPANY, LTD. — EXHIBIT C

Rupert, Idaho

COMPARATIVE STATEMENT OF OPERATIONS

	Year Ended December 31 1974	Year Ended December 31 1973	Increase (Decrease)
OPERATING REVENUES:			
Electrical Energy Sales - Residential	$ 49,791.76	$ 48,176.66	$ 1,615.10
Electrical Energy Sales - Irrigation	1,861.02	778.04	1,082.98
Gross Energy Sales	$ 51,652.78	$ 48,954.70	$ 2,698.08
Less: Discounts taken (Note 2)	(12,066.38)	(8,097.31)	3,969.07
Net Energy Sales	$ 39,586.40	$ 40,857.39	$ (1,270.99)
Less: Cost of Energy	(17,397.00)	(15,520.00)	1,877.00
Net Revenues - Electrical Energy	$ 22,189.40	$ 25,337.39	$ (3,147.99)
Other Revenues & Costs:			
Materials Sold	$ 18,414.80	$ 11,901.02	$ 6,513.78
Less: Cost of Materials Sold	13,861.73	9,682.20	4,179.53
Net Revenue from Materials	$ 4,553.07	$ 2,218.82	$ 2,334.25
[illegible]tor Sales	4,112.07	2,800.83	1,311.17
Total Other Revenues	$ 8,665.07	$ 5,019.65	$ 3,645.42
Total Revenues from Operations	$ 30,854.47	$ 30,357.04	$ 497.43
OPERATING EXPENSES:			
Salaries - Manager & Helpers	$ 15,426.92	$ 15,545.00	$ (118.08)
Payroll Taxes	1,068.32	847.90	220.42
Line Maintenance & Repairs	1,073.26	842.97	230.29
Property Tax	1,402.78	1,283.03	119.75
Truck & Equipment Expense & Licenses	1,025.96	1,109.72	(83.76)
Depreciation	6,028.70	5,752.79	275.91
[illegible]	150.00	150.00	-0-
Total Operating Expense	$ 26,175.94	$ 25,531.41	$ 644.53
ADMINISTRATIVE & GENERAL EXPENSES:			
Insurance	$ 712.83	$ 645.68	$ 67.15
Legal & Audit	730.00	569.20	160.80
Office Supplies & Advertisements	267.26	193.91	73.35
Directors Fees	305.00	275.00	30.00
Postage	180.00	144.00	36.00
Interest Expense	62.50	278.43	(215.93)
Telephone Expense	195.32	186.08	9.24
Travel & Meetings	-0-	371.83	(371.83)
Total Administrative & General Expense	$ 2,452.91	$ 2,664.13	$ (211.22)
Excess Operating Revenue over Total Expenses	$ 2,225.62	$ 2,161.50	$ 64.12
OTHER INCOME:			
Interest Earned on Savings	$ 1,442.60	$ 1,279.15	$ 163.45
Pole Rent	208.00	56.00	152.00
Total Other Income	$ 1,650.60	$ 1,335.15	$ 315.45
NET EXCESS REVENUES OVER EXPENSES	$ 3,876.22	$ 3,496.65	$ 379.57

The accompanying Notes to Financial Statements are an integral part of this statement.

RIVERSIDE ELECTRIC COMPANY, LTD. — EXHIBIT D

Rupert, Idaho

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended December 31, 1974

SOURCES OF WORKING CAPITAL:		
From Operations:		
Net Income from Operations	$ 2,225.62	
Interest Income	1,442.60	
Pole Rental	208.00	
Net Excess of Revenues over Expenses		$ 3,876.22
Add: Depreciation expense not requiring outlay of working capital in current period		6,028.70
Cost of damaged or obsolete assets removed from service not requiring outlay of working capital in current period (net)		766.00
Working Capital provided from operations		$ 10,670.92
Working Capital provided from new membership certificates		400.00
Total Sources of Working Capital		$ 11,070.92
USES OF WORKING CAPITAL:		
Distribution lines and facilities placed in service	$ 8,076.00	
Electronic Calculator Purchased	229.50	8,305.50
INCREASE IN WORKING CAPITAL		$ 2,765.42

The accompanying Notes to Financial Statements are an integral part of this statement.

RIVERSIDE ELECTRIC COMPANY, LTD.
Rupert, Idaho
NOTES TO FINANCIAL STATEMENTS
December 31, 1974

NOTE 1 - OPERATIONS:

The Company was incorporated January 29, 1918 as an Idaho Corporation exempt from federal and state income taxation. Operations consist of distribution of electrical energy on a non-profit basis.

NOTE 2 - FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE COMPANY:

Assets and Liabilities, and revenues and expenses are recognized on the accrual basis of accounting.

Inventories are carried at cost, on a first-in, first-out basis.

Fixed assets, consisting of distribution lines and facilities, mobile equipment and office equipment are carried at estimated replacement cost less estimated depreciation from date of acquisition for those items placed in service prior to December 31, 1971. All fixed assets put in service in 1974 are carried at cost. Depreciation is calculated on a straight-line method.

In 1974 the Company changed from annual to quarterly billings for all patrons who were on an annual billing cycle. As a result, the accounts receivable for electricity were reduced significantly as of December 31, 1974, and the discounts taken during 1974 increased significantly. The increase in discounts taken in relation to the prior year is a non-recurring item.

NOTE 3 - FIXED ASSETS AT DECEMBER 31, 1974 consisted of:

Description	Book Value	Accumulated Depreciation	Net Book Value	Estimated Life
Wire	$ 46,457.80	$ 5,930.56	$ 40,527.24	30 Years
Poles, Stubs & X-arms	42,088.20	5,325.08	36,763.12	30-40 Years
Transformers & Regulators	38,302.25	3,764.00	34,538.25	30 Years
Meters	3,805.00	421.34	3,383.66	30 Years
Total Distribution Facilities	$130,653.25	$ 15,440.98	$115,212.27	
Mobile Equipment	$ 13,000.66	$ 4,692.14	$ 8,308.52	5-10 Years
Equipment & Building	1,332.69	511.40	821.29	5-20 Years
Office Equipment	1,040.56	342.13	698.43	5-20 Years
Total Equipment	$ 15,373.91	$ 5,545.67	$ 9,828.24	
Total Fixed Assets	$146,027.16	$ 20,986.65	$125,040.51	

- [illegible]iverside Electric Company, Ltd. - Notes to Financial Statements - 12/31/74
[illegible] Continued

	1974	1973
[illegible] Wire Miles In Service	81.04	78.0

[illegible]formers:		
[illegible]idential	172	157
[illegible]s	5	1
[illegible]	5	5
	182	163
[illegible]:		
Residential	208	196
Pumps	5	1
[illegible]	5	5
	218	202

NOTE [illegible] - INVENTORIES AT DECEMBER 31, 1974 and 1973 CONSISTED OF:

	1974	1973
Poles, Stubs & cross-arms	$ 1,614.00	$ 1,670.00
Transformers	[illegible],871.00	2,780.00
Wire	11,875.16	[illegible],556.80
Materials	11,460.22	8,666.[illegible]
Meters	846.76	376.00
	$ 2[illegible],667.14	$ 21,04[illegible].77

NOTE 5 - KILOWATT HOURS SOLD & PURCHASED

	1974 KWH	1973 KWH
Residential	4,384,806	3,[illegible],652
Irrigation	220,251	[illegible],054
Total Sold	4,605,057	4,048,706
Purchased From B.P.A.	5,162,000	4,572,000
Line Loss	556,943	523,294
% Line Loss to Total Purchased	10.8%	11.5%

SOUTH SIDE ELECTRIC LINES, INC.

DECLO, IDAHO

COMPARATIVE PROFIT AND LOSS STATEMENT

Purpose	12-15-73	12-15-74
Energy Sales	$149,859.45	$180,604.87
Less Energy Purchases	55,675.00	67,612.00
	94,184.45	112,992.87
Expenses		
Discounts	10,813.16	12,052.03
Line Labor	26,482.33	36,966.86
Clerical Labor	5,613.70	6,267.50
Directors Fees	760.00	720.00
Legal & Auditing	600.00	547.20
Payroll Taxes	2,181.57	2,799.66
Other Taxes	6,305.62	4,884.39
Bonds, Ins. & Licenses	2,131.20	2,260.00
Building Maintenance	55.50	.00
Line Maintenance	2,940.67	2,197.98
Supplies & Small Tools	996.00	348.81
Office Supplies	1,275.21	1,379.99
Heat, Power & Telephone	1,230.54	1,277.07
Truck Expense	3,837.21	5,823.81
Radio Maintenance	229.70	110.31
Mileage	550.90	332.60
Freight Expenses	45.64	63.14
Misc. Operating Expenses	756.94	185.28
Interest & Bad Acct. Expenses	.00	142.79
Employees' Health & Retirement	2,835.96	1,316.98
Depreciation Expense	5,679.77	9,505.03
	75,322.22	89,181.43
Profit or Loss	18,862.23	23,811.44
Merchandise Sales	52,957.28	64,550.47
Plus Closing Inventory	41,339.66	51,357.48
	94,296.94	115,907.95
Less Mdse. Purchases	51,638.26	64,349.72
Opening Inventory	39,224.95	41,339.66
	3,433.73	10,218.57
Summary of Income		
P & L from Power Lines	18,862.23	23,811.44
Penalties & Revenue	7,203.18	6,984.55
Interest & Misc. Income	6,829.28	8,209.46
P & L Merchandise Sales	3,433.73	10,218.57
	36,328.42	49,224.02

2/18
w/annual supplement

USDA - REA

FORM APPROVED
OMB NO. 40-R0[illegible]

FINANCIAL AND STATISTICAL REPORT

TO: U.S. DEPARTMENT OF AGRICULTURE, REA, WASHINGTON, D.C. 20250

BORROWER DESIGNATION: NEVADA 15 WELLS

INSTRUCTIONS—SUBMIT ORIGINAL AND THREE COPIES OF THIS REPORT TO REA. ROUND ALL AMOUNTS TO NEAREST DOLLAR. SEE REA BULLETIN 108-1.

MONTH ENDING: December 31, 1974

REA USE ONLY

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR TO DATE LAST YEAR a	YEAR TO DATE THIS YEAR b	YEAR TO DATE BUDGET c	THIS MONTH d
1. OPERATING REVENUE & PATRONAGE CAPITAL	759,307	814,784	834,000	75,141
2. POWER PRODUCTION EXPENSE	2,151	2,388	2,400	78
3. COST OF PURCHASED POWER	258,952	281,649	278,800	24,359
4. TRANSMISSION EXPENSE	4,299	3,180	6,000	262
5. DISTRIBUTION EXPENSE-OPERATION	65,687	96,671	67,700	12,395
6. DISTRIBUTION EXPENSE-MAINTENANCE	11,552	14,583	14,000	1,330
7. CONSUMER ACCOUNTS EXPENSE	29,325	37,282	32,640	4,389
8. SALES EXPENSE	10,082	8,388	11,400	1,636
9. ADMINISTRATIVE & GENERAL EXPENSE	125,266	173,268	135,400	27,907
10. TOTAL OPERATION & MAINTENANCE EXPENSE (2 THRU 9)	507,314	617,409	548,340	72,356
11. DEPRECIATION & AMORTIZATION EXPENSE	89,338	93,358	97,800	7,783
12. TAX EXPENSE-PROPERTY	24,276	24,004	25,620	2,357
13. TAX EXPENSE-OTHER	13,201	16,809	18,760	797
14. INTEREST ON LONG-TERM DEBT	37,773	37,213	36,200	3,214
14.1 INTEREST CHARGED TO CONSTRUCTION-CREDIT	(0)	(0)	(0)	(0
15. OTHER DEDUCTIONS	3,721	4,561	3,400	1,663
16. TOTAL COST OF ELECTRIC SERVICE (10 THRU 15)	675,623	793,354	730,120	88,170
17. PATRONAGE CAPITAL & OPERATING MARGINS (1 MINUS 16)	83,684	21,430	103,880	(13,0[illegible])
18. NONOPERATING MARGINS-INTEREST	7,893	7,653	11,040	352
19. ALLOW. FOR FUNDS USED DURING CONST.	0	0	0	0
20. NONOPERATING MARGINS-OTHER	(5,456)	1,361	(950)	(1,369)
21. GENERATION & TRANSMISSION CAPITAL CREDITS	0	0	0	0
21.1 OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	0	0	0	0
22. EXTRA ORDINARY ITEMS	(18,069)	0	0	0
23. PATRONAGE CAPITAL OR MARGINS (17 THRU 22)	68,052	30,444	113,970	(14,046)
24. CONTRIBUTIONS FOR DEBT SERVICE NOT INCLUDED IN ELECTRIC ENERGY REVENUES	0	0	0	0

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR a	YEAR-TO-DATE THIS YEAR b	ITEM	YEAR-TO-DATE LAST YEAR a	YEAR-TO-DATE THIS YEAR b
1. NEW SERVICES CONNECTED	75	67	5. MILES TRANSMISSION	61	61
2. SERVICES RETIRED	20	15	6. MILES DISTRIBUTION OVERHEAD	633	663
3. TOTAL SERVICES IN PLACE	1802	* 1765	7. MILES DISTRIBUTION-UNDERGROUND	1	1
4. IDLE SERVICES (EXCLUDING SEASONAL)	263	251	8. TOTAL MILES ENERGIZED (5 + 6 + 7)	695	725

*Corrected to actual

CERTIFICATION

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT AND IN REA FORM 7a IF SUCH FORM IS ATTACHED HERETO ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE & BELIEF.

E. L. Rutherford
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

February 5, 1975
DATE

D. H. Snyder
SIGNATURE OF MANAGER

February 5, 1975
DATE

SIGNATURE OF TREASURER (REQUIRED ONLY WHEN FORM 7a IS ATTACHED)

February 5, 1975
DATE

USDA - REA

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - SEE REA BULLETIN 108-1

BORROWER DESIGNATION: NEVADA 15 WELLS

MONTH ENDING: December 31, 1974

REA USE ONLY

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. TOTAL UTILITY PLANT IN SERVICE	3,280,522	25. MEMBERSHIPS	2,981
2. CONSTRUCTION WORK IN PROGRESS	35,032	26. PATRONAGE CAPITAL	774,665
3. TOTAL UTILITY PLANT (1 + 2)	3,315,554	27. OPERATING MARGINS - PRIOR YEARS	20,335
4. ACCUM. PROVISION FOR DEPRECIATION AND AMORT.	1,201,898	28. OPERATING MARGINS - CURRENT YEAR*	0
5. NET UTILITY PLANT (3 – 4)	2,113,656	29. NON OPERATING MARGINS*	17,067
6. NONUTILITY PROPERTY - NET	791	30. OTHER MARGINS & EQUITIES*	20,802
7. INVEST. IN ASSOC. ORG. – PATRONAGE CAPITAL	0	31. TOTAL MARGINS & EQUITIES (25 THRU 30)	835,850
8. INVESTMENTS IN ASSOC. ORG. – OTHER	66,863	32. LONG-TERM DEBT - REA (NET)	1,833,220
9. OTHER INVESTMENTS	25,209	(PAYMENTS - UNAPPLIED $ 0)	
10. SPECIAL FUNDS	0	33. LONG-TERM DEBT - OTHER	0
11. TOTAL OTHER PROPERTY & INVESTMENTS (6 THRU 10)	92,863	34. TOTAL LONG-TERM DEBT (32 + 33)	1,833,220
12. CASH - GENERAL FUNDS	5,891	35. NOTES & ACCOUNTS PAYABLE	73,018
13. CASH - CONSTRUCTION FUND - TRUSTEE	461	36. CONSUMERS DEPOSITS	9,013
14. SPECIAL DEPOSITS	1,853	37. OTHER CURRENT & ACCRUED LIABILITIES	36,612
15. TEMPORARY INVESTMENTS	0	38. TOTAL CURRENT & ACCRUED LIABILITIES (35 THRU 37)	118,643
16. NOTES RECEIVABLE - NET	0	39. DEFERRED CREDITS	3,800
17. ACCOUNTS RECEIVABLE - NET	141,179	40. MISCELLANEOUS OPERATING RESERVES	0
18. MATERIALS & SUPPLIES - ELECTRIC	120,865	41. CONTRIBUTIONS IN AID OF CONSTRUCTION	0
19. MATERIALS & SUPPLIES - OTHER	23,834	42. TOTAL LIABILITIES & OTHER CREDITS (31 + 34 + 38 THRU 41)	2,791,513
20. PREPAYMENTS	13,915		
21. OTHER CURRENT & ACCRUED ASSETS	562	43. CURRENT ASSETS TO CURRENT LIABILITIES (22 ÷ 38)	2.60
22. TOTAL CURRENT & ACCRUED ASSETS (12 THRU 21)	308,560	44. MARGINS & EQUITIES TO TOTAL ASSETS (31 ÷ 24)	.30
23. DEFERRED DEBITS	276,434	45. LONG-TERM DEBT TO TOTAL UTILITY PLANT (34 ÷ 3)	.55
24. TOTAL ASSETS & OTHER DEBITS (5 + 11 + 22 + 23)	2,791,513	*ON THE DEC. 31st REPORT INCLUDE AMOUNTS TO BE ASSIGNED ON LINE 26.	

PART D. CONSUMER SALES AND REVENUE DATA

SOURCE OF REVENUE	THIS MONTH: NO. RECEIVING SERVICE a	THIS MONTH: kWh SOLD b	THIS MONTH: AMOUNT c	YEAR-TO-DATE: NO. MINIMUM BILLS d	YEAR-TO-DATE: AVG. NO. RECEIVING SERVICE e	YEAR-TO-DATE: kWh SOLD CUMULATIVE f	YEAR-TO-DATE: AMOUNT CUMULATIVE g
1. RESIDENTIAL SALES RURAL	351	358,982	10,084	51	338	3,872,075	111,872
2. RESIDENTIAL SALES SEASONAL	101	7,069	143	1	96	101,159	17,357
3. RESIDENTIAL SALES TOWNS, VILLAGE	773	533,240	13,384	36	745	4,569,120	129,606
4. IRRIGATION SALES	18	1,950	27	0	17	1,973,372	35,225
5. COMMERCIAL & INDUS. 50 kva OR LESS	246	455,482	19,555	57	246	5,041,866	215,716
6. COMMERCIAL & INDUS. OVER 50 kva	14	1,345,713	29,683	0	13	14,192,710	280,452
7. PUBLIC STREET & HIGHWAY LIGHTING	4	17,158	554	0	4	153,972	5,578
8. SALES TO PUB. BLDGS. & OTHER PUBLIC AUTHORITIES	23	68,187	1,684	5	21	513,379	15,585
9. SALES FOR RESALE-REA BORROWERS							
10. SALES FOR RESALE-OTHER							
11. TOTAL SALES OF ELECTRIC ENERGY (1 THRU 10)	1530	2,787,781	75,114	150	1480	30,417,653	811,391
12. OTHER ELECTRIC REVENUE			27				3,394
13. TOTAL (11 + 12)			75,141				814,785
14. TOTAL NUMBER OF SECURITY LIGHTS			114				
15. MOST COMMON MONTHLY CHARGE PER SECURITY LIGHT			4.25				

PART E. kWh AND kW STATISTICS

ITEM	THIS MONTH a	YEAR-TO-DATE b	ITEM	THIS MONTH a	YEAR-TO-DATE b
1. NET kWh GENERATED	32,000	555,200	6. OFFICE USE	13,374	119,824
2. kWh PURCHASED	2,828,500	31,803,845	7. TOTAL UNACCOUNTED FOR (4 LESS 5 & 6)	59,345	1,821,568
3. INTERCHANGE kWh - NET			8. PERCENT SYSTEM LOSS (7 ÷ 4) x 100	2.07	5.63
4. TOTAL kWh (1 THRU 3)	2,860,500	32,359,045	9. MAXIMUM DEMAND (kW)	5424	5783
5. TOTAL kWh SOLD	2,787,781	30,417,653	10. MONTH WHEN MAXIMUM DEMAND OCCURRED		August

SEND THIS COPY TO REA

USDA-REA

ANNUAL SUPPLEMENT TO FINANCIAL AND STATISTICAL REPORT

TO: U. S. DEPARTMENT OF AGRICULTURE, REA, WASHINGTON, D.C. 20250

Form Approved
OMB No. 10-R2697

BORROWER DESIGNATION: [illegible] 15 [illegible]

INSTRUCTIONS - *Submit original and three (3) copies of this report to REA. ROUND ALL AMOUNTS TO NEAREST DOLLAR. SEE REA BULLETIN 108-1.*

YEAR ENDING: DECEMBER 31, 1974

REA USE ONLY

PART A. CHANGES IN UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR a	ADDITIONS b	RETIREMENTS c	ADJUSTMENTS AND TRANSFERS d	BALANCE END OF YEAR e	[illegible] f
1. LAND AND LAND RIGHTS (360)	32,734	6,434		193	[illegible]	
2. STRUCTURES AND IMPROVEMENTS (361)	0				0	
3. STATION EQUIPMENT (362)	222,823	498		444	[illegible]	
4. POLES, TOWERS AND FIXTURES (364)	760,241	29,276	2,748		[illegible]	
5. OVERHEAD, CONDUCTORS & DEVICES (365)	568,711	23,227	1,114		[illegible]	
6. UNDERGROUND CONDUIT & CONDUCTORS (366, 367)	17,380				17,[illegible]	
7. LINE TRANSFORMERS (368)	252,133	46,191	314		[illegible]	
8. SERVICES (369)	56,016	3,811	1,397		[illegible]	
9. METERS (370)	43,433	7,302	114	(139)	[illegible]	
10. PROPERTY ON CONSUMER PREMISES (371, 372)	24,523	2,174	933		25,764	
11. STREET LIGHTING (373)	3,512				[illegible]	
12. SUBTOTAL - DISTRIBUTION (1 THRU 11)	1,981,506	118,913	6,414	498	[illegible]	[illegible]
13. LAND AND LAND RIGHTS (389)	13,980				13,[illegible]	
14. STRUCTURES AND IMPROVEMENTS (390)	204,454				204,454	[illegible]
15. OFFICE FURNITURE AND EQUIPMENT (391)	39,615	2,536		(799)	41,3[illegible]	[illegible]
16. TRANSPORTATION EQUIPMENT (392)	93,211	11,892			105,103	[illegible]
17. STORES, TOOLS, SHOP, GARAGE, & LABORATORY EQUIPMENT (393, 394, 395)	14,095	1,936		(252)	15,779	[illegible]
18. POWER OPERATED EQUIPMENT (396)	15,746				15,746	[illegible]
19. COMMUNICATION EQUIPMENT (397)	16,757	1,579		(68)	18,268	7.
20. OTHER GENERAL PLANT (398, 399)	5,903	67			[illegible]	[illegible]
21. SUBTOTAL - GENERAL PLANT (13 THRU 20)	403,361	18,010	0	(1,119)	[illegible]	
22. INTANGIBLES (301, 302, 303)	31,834				31,834	
23. TRANSMISSION (350 - 352, 354 - 359)	359,311				[illegible]	[illegible]
24. TRANSMISSION STATION EQUIPMENT (353)	21,207				[illegible]	[illegible]
25. STEAM PRODUCTION (310 - 316)	0				0	0
26. HYDRAULIC PRODUCTION (330 - 336)	31,544				31,544	0
27. OTHER PRODUCTION (320 - 325, 340 - 346)	0				0	
28. ELECTRIC PLANT PURCHASED & SOLD (102)	0				0	
29. LEASED TO OTHERS (104)	0				0	0
30. HELD FOR FUTURE USE (105)	0				0	0
31. COMPLETED CONSTRUCTION NOT CLASSIFIED (106)	130,724	(41,600)			[illegible]	
32. ACQUISITION ADJUSTMENTS (114)	223,779				223,779	
33. OTHER UTILITY PLANT (118)	0				0	
34. SUBTOTAL (12 + 21 + 22 THRU 33)	3,192,256	95,323	6,414	(643)	[illegible]	
35. CONSTRUCTION WORK IN PROGRESS (107)	22,301	12,731			35,0[illegible]	
36. TOTAL UTILITY PLANT (34 + 35)	3,214,557	108,054	6,414	(643)	3,315,[illegible]	

PART B. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - TOTAL UTILITY PLANT

ITEM	ANNUAL ACCRUAL a	LOSS OR (GAIN) ON RETIREMENTS b	ADJUSTMENTS OR TRANSFERS c	BALANCE END OF YEAR d
1. GENERATING PLANT	0			31,544
2. TRANSMISSION PLANT	8,846			128,309
3. DISTRIBUTION PLANT	63,622	6,037		618,128
4. GENERAL PLANT	23,447	(653)		179,863
5. RETIREMENT WORK IN PROGRESS				(478)
6. PLANT LEASED TO OTHERS	0			0
7. PLANT HELD FOR FUTURE USE	0			0
8. OTHER UTILITY PLANT	1,168			244,532
9. TOTAL (1 THRU 8)	[illegible]	5,384	0	[illegible]

PART C. ESTIMATE OF FUNDS INVESTED IN PLANT DURING YEAR

1. ADDITIONS TO UTILITY PLANT (PART A, COLUMN b, ITEM 36)	[illegible]
2. LESS: a. REA LOAN FUNDS EXPENDED	[illegible]
b. OTHER LOAN FUNDS EXPENDED	
c. CONTRIBUTIONS IN AID OF CONSTR.	
d. SALVAGED MATERIALS	[illegible]
e. PROCEEDS FROM SALE OF PROPERTY	
f. SUBTOTAL (a THRU e)	[illegible]
3. OTHER FUNDS INVESTED IN PLANT (1 - 2f)	[illegible]

REA FORM 7a REV. 10-74

SEND THIS COPY TO SUPPLEMENTAL LENDER (if applicable)

USDA-REA

ANNUAL SUPPLEMENT TO FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - SEE REA BULLETIN 108-1.

BORROWER DESIGNATION: NEVADA 15 WELLS

YEAR ENDING: DECEMBER 31, 19 74

REA USE ONLY

PART D. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR a	PURCHASED b	SALVAGED c	USED (NET) d	SOLD e	ADJUSTMENT f	BALANCE END OF YEAR g
1. ELECTRIC	75,213	92,836	3,201	48,823	0	(1,562)	120,865
2. OTHER (155 + 156)	15,514	19,556	449	609	10,106	(970)	23,834

3. RATIO OF INVENTORY TURN OVER ELECTRIC ITEM 1d ÷ $\frac{1a + 1g}{2}$ = .497996

4. INVENTORY-ELECTRIC AS PERCENT OF TOTAL UTILITY PLANT $\frac{\text{ITEM 1g}}{\text{ITEM 36a, PART A}} \times 100$ = 3.645394

PART E. SERVICE INTERRUPTIONS

ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE: POWER SUPPLIER a	EXTREME STORM b	PREARRANGED c	ALL OTHER d	TOTAL e
1. PRESENT YEAR	3 hr. 30 min.	0 hr. 10 min.	2 hr. 10 min.	1 hr. 56 min.	7 hr. 46 min
2. FIVE YEAR AVERAGE	2 hr. 20 min.	0 hr. 23 min.	1 hr. [illegible] min.	2 hr. 24 min.	7 hr. 06 min

PART F. CASH AND INVESTMENTS

CASH ITEM	AMOUNT	CASH ITEM	AMOUNT
1. SPECIAL FUNDS (125-128)	0	5. SPECIAL DEPOSITS (132-134)	1,853
2. GENERAL FUNDS (131.1)	5,491	6. WORKING FUNDS (135)	400
3. CONSTRUCTION FUNDS (131.2)	461	7. TOTAL CASH (1 THRU 6)	8,205
4. INST. LOAN & COLLECTION FUND (131.3)	0	8. NO. OF DEPOSITORIES FOR GENERAL FUNDS	[illegible]

INVESTMENT ITEM (LIST BY ORGANIZATION INVOLVED) a	FORM OR TYPE OF INVESTMENT b	DATE PURCHASED c	MATURITY DATE d	REA USE ONLY e	CURRENT BALANCE f
9. INVESTMENT IN ASSOCIATED ORGANIZATIONS-PATRONAGE CAPITAL (123)					
(A)					
(B)					
(C)					
(D)					
(E)					
(F)					
(G) SUBTOTAL (ITEM 9A THRU F)					0
10. INVESTMENT IN ASSOCIATED ORGANIZATIONS-OTHER (123.22 + 123.23)					
(A) N.R.U.C.F.C.	Membership Fee	10-1-70			1,000
(B) N.R.U.C.F.C.	C.T.C. #1242	10-1-71	2020		16,6[illegible]
(C) N.R.U.C.F.C.	C.T.C. #2278	10-1-72	2020		15,6[illegible]
(D) N.R.U.C.F.C.	C.T.C. #3141	10-1-73	2020		9,035
(E) N.R.U.C.F.C.	C.T.C. #0606	10-1-70	2020		15,650
(F) N.R.U.C.F.C.	C.T.C. #3777	10-1-74	2020		[illegible]
(G) SUBTOTAL (ITEM 10A THRU F)					[illegible]
11. OTHER INVESTMENTS (124)					
(A) First National Bank, Wells Branch	I.D.C.	3-16-74	3-16-75		25,208
(B) Wells Civic Improvement Center	Loan for Medical Cnt.	3-9-63	none		1
(C)					
(D)					
(E)					
(F)					
(G)					
(H) SUBTOTAL (ITEM 11A THRU G)					25,2[illegible]
12. TEMPORARY INVESTMENTS (136)					0
(A)					
(B)					
(C)					
(D)					
(E)					
(F)					
(G)					
(H) SUBTOTAL (ITEM 12A THRU G)					0
13. TOTAL INVESTMENTS (ITEM 9G + 10G + 11H + 12H)					[illegible]
14. TOTAL CASH AND INVESTMENTS (ITEM 7 + 13)					100,[illegible]

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USDA-REA

ANNUAL SUPPLEMENT TO FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS: SEE REA BULLETIN 108-1

BORROWER DESIGNATION	
[illegible] 15 [illegible]	
YEAR ENDING: DECEMBER 31, 19 [illegible]	REA USE ONLY

PART G. COMMITMENTS TO ASSOCIATED ORGANIZATIONS (Attach separate sheet, if additional space is needed)

NAME OF ORGANIZATION a	NATURE OF COMMITMENT b	REA USE ONLY c	BALANCE OF COMMITMENT d	COMMITMENT NEXT YEAR e
N O N E				

PART H. OPERATING RATIOS AND COSTS

ITEM	LAST YEAR a	THIS YEAR b	ITEM	LAST YEAR a	THIS YEAR b
1. DISTRIBUTION OPERATIONS AND MAINTENANCE PER $1000 PLANT	24.03	33.56	1. PLANT REVENUE RATIO	6.5[illegible]	6.285
2. CONSUMER ACCOUNTS EXPENSES PER CONSUMER	20.64	25.19	2. TIMES INTEREST EARNED RATIO	2.806	1.8[illegible]
3. SALES EXPENSES PER CONSUMER	7.10	5.67	3. DEBT SERVICE COVERAGE RATIO	1.935	1.3[illegible]
4. ADMINISTRATIVE AND GENERAL EXPENSES PER CONSUMER	88.15	117.07	5. REVENUE PER KWH SOLD	.0273	.0[illegible]

PART I. MAN-HOUR AND PAYROLL STATISTICS

ITEM		ITEM	
1. NUMBER OF FULL TIME EMPLOYEES	22	6. ESTIMATED MAN YEARS CONTRACT LABOR - M & MAINT.	[illegible]
2. MAN HOURS WORKED - REGULAR TIME	40,331	7. PAYROLL - EXPENSED	[illegible]
3. MAN HOURS WORKED - OVERTIME	1,455	8. PAYROLL - CAPITALIZED	[illegible]
4. TOTAL MAN HOURS WORKED	41,786	9. PAYROLL - OTHER	0
5. ESTIMATED MAN YEARS CONTRACT LABOR - CONSTRUCTION	*Labor figure not broken down to hours. Units only.	10. PAYROLL - TOTAL (7 THRU 9)	[illegible]

PART J. PATRONAGE CAPITAL AND OTHER EQUITIES

ITEM	NONOPERATING MARGINS AND EQUITIES a	PATRONAGE CAPITAL - GENERAL b	CLASSIFIED - G & T CREDITS c	CLASSIFIED - OTHER CREDITS d	TOTAL e	TOTAL MARGINS AND OTHER EQUITIES f
1. BALANCE BEGINNING OF YEAR	58,698	743,727	0	0	743,727	[illegible]
2. MARGINS AND PATRONAGE CAPITAL THIS YEAR	27,760	774,665	0	0	774,665	[illegible]
3. OTHER EQUITIES THIS YEAR	0					0
4. SUBTOTAL (1 THRU 3)	86,458	1,518,392	0	0	1,518,392	[illegible]
5. GENERAL RETIREMENT THIS YEAR		743,727	0	0	743,727	
6. SPECIAL RETIREMENTS THIS YEAR		0	0	0	0	
7. BALANCE END OF YEAR (4 MINUS SUM OF 5 + 6)	86,458	774,665	0	0	774,666	[illegible]
8. CUMULATIVE CONTRIBUTIONS FOR CERT SERVICE	20,802					
9. CUMULATIVE GENERAL RETIREMENTS		774,665	0	0	774,666	
10. CUMULATIVE SPECIAL RETIREMENTS		0	0	0	0	
		[illegible]	0	0	774,6[illegible]	

USDA-REA

ANNUAL SUPPLEMENT TO FINANCIAL AND STATISTICAL REPORT

INSTRUCTION - SEE REA BULLETIN 108-1.

BORROWER DESIGNATION: NEVADA 15 WELLS

YEAR ENDING: DECEMBER 31, 1974

PART K. NOTES AND ACCOUNTS RECEIVABLE DUE FROM DIRECTORS AND EMPLOYEES

ITEM	TOTAL DUE a	AMOUNT PAST DUE b
1. EMPLOYEES	0	0
2. DIRECTORS	0	0

*INCLUDE LAUNDRY, UNIFORMS, INSURANCE, TOOLS, ETC.

PART L. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. AMOUNT DUE OVER 60 DAYS: $ 2,954
2. AMOUNT WRITTEN OFF DURING YEAR: $ 3,106
3. WAS AMOUNT WRITTEN OFF AUTHORIZED BY THE BOARD? [x] YES [ ] NO [ ] NOT APPLICABLE

PART M. BOARD MEMBER AND MANAGER DATA

1. TOTAL NUMBER OF BOARD MEMBERS	2. NUMBER OF BOARD MEMBERS SERVING FIRST TIME	3. TOTAL AMOUNT OF FEES & EXPENSES FOR BOARD MEMBERS
11	0	$ 14,273
4. ANNUAL SALARY OF MANAGER	**5. OTHER COMPENSATION OF MANAGER**	**6. DOES MANAGER HAVE WRITTEN CONTRACT?**
$ 20,064	$ 0	[ ] YES [x] NO

PART N. CONTINUING PROPERTY RECORDS

ARE CPR's MAINTAINED ON A CURRENT BASIS? [ ] YES [x] NO (IF NO, EXPLAIN METHOD USED IN COMPUTING COST OF RETIREMENT)

Costs of construction units are periodically reveived and an average cost over the years is derived. The average cost is used as the retirement figure.

PART P. PROFESSIONAL SERVICE PAYMENTS

NAME AND ADDRESS (INCLUDE P.O. BOX, STREET ADDRESS OR RURAL ROUTE, CITY, STATE AND ZIP CODE) a	TYPE OF SERVICE b	REA USE ONLY c	AMOUNT PAID (SHOW AMOUNT ONLY IF IT EXCEEDS $400) d
1. Alexander Grant & Company P.O. Box 1418 Elko, NV 89801	Auditing Services and Accounting Consultation		12,698
2. Vaughan, Hull, Marfisi, Goicoechea, Miller P.O. Box 831 Elko, NV 89801	Legal Services & Consultation		10,276
3. Lee Engineering P.O. Box 752 East Ely, NV 89315	Engineering Services & Consultation		7,495
4.			
5.			
6.			
7.			

PART Q. MEMBERSHIP AND ANNUAL MEETING DATA

1. DATE OF LAST ANNUAL MEETING	2. TOTAL NO. OF MEMBERS	3. NO. OF MEMBERS PRESENT AT MEETING	4. WAS QUORUM PRESENT?	5. NO. OF MEMBERS VOTING BY PROXY OR MAIL
Sept. 14, 1974	1530	120	[x] YES [ ] NO	No Vote Cases Elected by Acclamati

6. APPROXIMATE COST OF MEETING	7. DAY(S) SET FOR REGULAR BOARD MEETING	8. DATE SET FOR NEXT ANNUAL MEETING (IF NOT SET INDICATE APPROXIMATE DATE)
$ 1,426	3rd Friday of the month.	Sept. 13, 1975

PART R. MAINTENANCE, RENEWAL AND REPLACEMENT CALCULATION

ITEM	1ST CYCLE YEAR a	2ND CYCLE YEAR b	3RD CYCLE YEAR c	TOTAL d
1. GROSS OPERATING REVENUE	681,337	750,307	814,785	2,255,42
2. COST OF POWER	229,583	265,402	284,036	779,02
3. REVENUE LESS COST OF POWER (1 MINUS 2)	451,754	493,905	530,749	1,476,40
4. (ITEM 3 x 10 PERCENT)	45,175	49,381	53,075	147,64
5. MAINTENANCE	12,731	15,451	18,512	46,69
6. RENEWAL AND REPLACEMENT	15,397	32,384	20,122	67,90
7. AVAILABLE MAINTENANCE CREDIT				
8. TOTAL MRR (5 + 6 + 7)				114,59
9. MRR DEFICIT OR (CREDIT) (4 MINUS 8)				33,04

REA FORM 7a REV 10-74

PAGE 4 OF 5 PAGES

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USDA REA

ANNUAL SUPPLEMENT TO FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - SEE REA BULLETIN 108-1.

BORROWER DESIGNATION: NEVADA 15 WELLS

YEAR ENDING: DECEMBER 31, 1974

REA USE ONLY

PART S. SUBSTATION AND METERING POINT DATA (If additional space is needed, list on separate sheet)

	NAME OR LOCATION OF SUBSTATION OR METERING POINT	SUBSTATION OWNED YES	SUBSTATION OWNED NO	kVa CAPACITY *	MAXIMUM kW DEMAND	MONTH OF MAXIMUM DEMAND	NUMBER RECEIVING SERVICE
1	Wells		X	6250	5783	8/29/74	1506
2	Wells	X		7500	2880	8/28/74	1059
3	Wendover	X		5000	2770	12/1974	460
4	Elko	X		330	218	9/3/74	95
5							
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37							
38							
39							
40	TOTAL						

* INDICATE METERING POINT BY PLACING AN (MP) IN THIS COLUMN

PART T. SUMMARY OF METERED kW DEMAND AND kWh PURCHASED AND GENERATED

MONTH	kW (a)	kWh (b)	MONTH	kW (a)	kWh (b)
1. JANUARY	4917	2,526,320	7. JULY	5694	2,503,928
2. FEBRUARY	4760	2,230,291	8. AUGUST	5783	2,503,070
3. MARCH	4445	2,283,155	9. SEPTEMBER	5568	2,979,829
4. APRIL	4410	2,449,637	10. OCTOBER	5089	2,221,220
5. MAY	4865	2,211,359	11. NOVEMBER	5124	2,206,185
6. JUNE	5780	3,235,875	12. DECEMBER	5424	2,787,781

PART U. kWh PURCHASED AND TOTAL COST

	NAME OF SUPPLIER (a)	REA USE ONLY: SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER kWh (CENTS) (e)	INCLUDED IN TOTAL COST: FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST: WHEELING AND OTHER CHARGES OR (CREDITS) (g)
1	Idaho Power Company		31,803,845	281,649	.008856	0	* 12,488
2							
3							
4							
5	* Col F: Amortization of Connection Charge.						
6							
7	TOTAL		31,803,845	281,649	.008856	0	12,488

PART V.—LONG-TERM LEASES (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" *** LEASE. (IF NONE, STATE "NONE")

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1	None	None	None
2			
3	TOTAL		

** "RESTRICTED PROPERTY" MEANS ALL PROPERTIES OTHER THAN AUTOMOBILES, TRUCKS, TRAILERS, TRACTORS, OTHER VEHICLES (INCLUDING WITHOUT LIMITATION AIRCRAFT AND SHIPS), OFFICE, GARAGE AND WAREHOUSE SPACE AND OFFICE EQUIPMENT (INCLUDING, WITHOUT LIMITATION COMPUTERS).

*** "LONG TERM" MEANS LEASES HAVING UNEXPIRED TERMS (TAKING INTO ACCOUNT TERMS OF RENEWAL AT THE OPTION OF THE LESSOR, WHETHER OR NOT SUCH LEASES HAVE THERETOFORE BEEN RENEWED) OF MORE THAN 12 MONTHS.

REA FORM 7a REV 10-74

SEND THIS COPY TO SUPPLEMENTAL LENDER (if applicable)

UNITED STATES GOVERNMENT

Memorandum

Debbie
Pls forward
to Chuck Bryant
DJA

DATE : May 19, 1975

In reply refer to : OWI

TO : David J. Anderson
Projects Manager - EI-11

FROM : V. Clair Looeli, Public Utilities Specialist
Idaho Falls District - OWI

SUBJECT: Financial Data - Various Idaho District Customers

You requested what financial data we have on the Cities of Albion, Declo, and Minidoka, and the following rural cooperatives: Farmers, Riverside, South Side Lines, and Wells Rural Electric.

In addition to the attached financial statements, the information listed below represents data received from these customers to date for their 1974 accounting year.

Customer	No. Res. Accts	Total Accts	MWH Sales	Operating Elect. Revenue
Albion	138	143	2,240	$26,276.73
Declo	74	92 (est)	1,890 (est)	$20,770.00
Minidoka	56	(No audit for 3 years - no definite plans for one)		
South Side	373	423	18,334 (est)	$180,605.00

Enclosures:
Financial reports for
Farmers, Declo, Riverside,
South Side & Wells

VC Looeli:jjs 5-19-75

cc:
A. Kler - PCGB w/encls
R. Nishi - OWC w/o encls
Official File: OWI

Rupert, Idaho.
April 30-1975

Bonneville Power Adm.
Idaho Falls, Idaho

Dear Blair

I am sending the information you requested, taken from our records [illegible] 1974 [illegible] from B-15 Light + Power Co. + Empire Electric Co., which they furnished for me.

Farmers Electric Co. — — 2,552,[illegible]7 KWH.
" " — $14,[illegible]73.70 Revenue

B-15 Light + Power — — — 1,770,444 KWH
" " — $16,[illegible]9[illegible]78 Revenue

Empire Electric Co. — — — 486,212 KWH
" " — — — $4,248.28 Revenue

I hope this is what you wanted, + can be of some use to you.

Sincerely,

[illegible] Peterman

397 WEST ORE ELEC ORE PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2447343	2406033	2624254	2099253	2798669	2955351	3162276	3293737	3374251
RESERVE FOR DEPRECIATION	607419	620214	672451	740825	850035	860948	934905	1024496	1071363
CURRENT ASSETS	85061	79116	73376	107972	106839	137356	171413	252969	323132
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	23166	26868	32738	37620	55094	123548	136019	211152	173116
MATERIALS & SUPPLIES	17937	16390	16887	15860	13776	17823	26316	29274	49749
LONG TERM DEBT	1861713	1839013	1837166	1860364	1819115	1816003	1835636	1733962	1837869
CURRENT LIABILITIES	26311	30610	43777	52217	66340	73758	82189	82085	108682
MEMBERSHIP FEES	9330	9754	13179	10659	11044	11584	12674	12659	13654
CONTRIBUTION IN AID CONSTRUCTN	12471	12777	76372	78134	79738	81007	170495	172323	
SURPLUS AND/OR PATRONAGE CAP.	100852	141358	213045	230441	299258	379444	477755	624325	743898
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	264531	287323	325490	350811	401456	466984	487625	520075	537639
COMMERCIAL REVENUE	52938	56305	63041	62613	67957	72029	70432	84774	80191
INDUSTRIAL REVENUE	58353	53083	42143	30438	41403	46722	50705	57093	59154
IRRIGATION REVENUE	2356	2000	1520	1712	2791	2134	3415	1735	[illegible]
OTHER REVENUE FROM SALES	3917	4215	4325	4205	4322	4322	4349	4443	4478
OTHER OPERATING REVENUE	12190	12578	12455	11424	10359	7011	6328	5708	6933
NON-OPERATING REVENUE	3335	2249	4217	4633	5501	4241	4819	19224	14148
RESIDENTIAL SALES(MWH)	21334	22922	25561	26061	29831	33026	34469	36941	38628
COMMERCIAL SALES(MWH)	2952	3269	3579	3837	4069	4124	4263	4902	4435
INDUSTRIAL SALES(MWH)	4931	4433	3599	3190	3515	3658	4360	5335	5266
IRRIGATION SALES(MWH)	124	158	52	85	145	135	152	148	132
OTHER SALES(MWH)	156	165	171	171	171	171	174	175	177
ENERGY INPUT(MWH)	33439	34613	36311	36913	41051	45735	49968	43185	53491
POWER COST	111237	111517	118002	134859	135481	148592	163313	166160	174509
TRANSMISSION EXPENSE	1026	1353	140	3133	2120	4997	5096	2742	1251
DISTRIBUTION EXPENSE	16470	20606	21102	16830	20655	21262	21117	15133	20429
MAINTENANCE EXPENSE	48341	37100	40391	59371	53141	86925	69665	43962	68521
CUSTOMER SERVICE	21361	22093	23348	25247	26511	28232	33948	35417	38357
SALES EXPENSE	15649	16594	17751	17187	9734	4111	4060	73	
ADMIN & GENERAL EXPENSE	49408	55988	58139	66308	69047	76343	74544	105273	106361
INTEREST EXPENSE	35836	35682	35621	35599	35742	35482	35568	34974	35069
TAXES	16732	17729	18799	22416	26525	30294	32329	34934	37274
OTHER DEDUCTIONS	771	53	469	1389	240	1391	1260	1232	1471
DEPRECIATION	62839	64000	70809	69204	74894	83515	88174	88393	86042
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2077	2133	2139	2269	2353	2408	2544	2672	2771
RESIDENTIAL CUSTOMERS(AVG)	1322	1874	1949	2013	2092	2140	2265	2391	2480
COMMERCIAL CUSTOMERS(AVG)	208	213	207	213	219	225	235	243	250
MILES OF DISTRIBUTION LINE	400	408	428	433	446	457	466	470	454
DEVELOPMENTAL DISCOUNT	2269	2275	2408	2752	2764	3232	3332		
MAXIMUM DEMAND KW	7741	8140	8053	10455	9374	10097	13929	13482	13858
AVERAGE DEMAND KW	6281	6104	6501	7167	7482	8151	9109	9297	

394 WASCO ELEC MUNI WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3515177	3535420	3665819	4219655	4339134	4473162	4586175	4793977	4735252
RESERVE FOR DEPRECIATION	1735535	1635355	1978550	2089903	2209342	2331422	2383405	2480700	2622736
CURRENT ASSETS	134459	135843	128307	122574	92390	115940	133471	153164	171706
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	21930	49908	162743	231603	19442	21583	36478	8147	37479
MATERIALS & SUPPLIES	15017	33407	24039	16992	25906	24001	23252	49691	61501
LONG TERM DEBT	1650519	1752977	1647446	1604183	1556323	1445291	1331196	1487058	1243751
CURRENT LIABILITIES	30555	36251	15153	16493	38761	45377	58127	53878	42207
MEMBERSHIP FEES	12073	13005	13143	13205	11460	11170	9895	8800	9200
CONTRIBUTION IN AID CONSTRUCTN	135405	137205	137265	137265	137205	137205	183484	231930	
SURPLUS AND/OR PATRONAGE CAP.	543731	653649	709319	749571	882100	979949	1106292	1273484	1424585
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					3819	3534	4469	5571	
RESIDENTIAL REVENUE	275811	272853	280115	295364	301089	319182	349331	368842	381345
COMMERCIAL REVENUE	40950	45390	50942	51301	52929	55559	65004	71753	74925
INDUSTRIAL REVENUE	230719	190333	208540	157210	154655	146673	188552	263292	211534
IRRIGATION REVENUE	30150	40212	47550	48287	59034	57756	72217	86949	88323
OTHER REVENUE FROM SALES	6354	8459	13101	10873	11357	11456	11693	11248	11319
OTHER OPERATING REVENUE	13111	12561	12353	12944	12756	31038	32210	15506	18749
NON-OPERATING REVENUE	30522	43055	40547	41324	45505	26096	25101	41340	61295
RESIDENTIAL SALES(MWH)	20811	21516	21724	23274	23690	25122	27584	29571	29512
COMMERCIAL SALES(MWH)	2552	2793	2965	3631	3139	4305	3058	4121	4708
INDUSTRIAL SALES(MWH)	35100	28069	35349	18843	14741	13318	19675	21578	21150
IRRIGATION SALES(MWH)	3344	4634	5657	4740	5795	5503	6697	6359	7042
OTHER SALES(MWH)	475	533	597	628	607	686	675	719	653
ENERGY INPUT(MWH)	63976	62973	64948	55811	53022	54118	66200	69810	76463
POWER COST	220837	231633	221226	193004	180254	179322	221156	227141	234357
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	74554	87003	67522	63723	68050	61041	72720	32620	60755
MAINTENANCE EXPENSE	21265	25184	40036	33441	33550	52843	54878	73651	44273
CUSTOMER SERVICE	21429	16430	21123	10378	20461	21745	26749	36269	34825
SALES EXPENSE	7834	7570	9225	6823	6940	6047	6051	7371	7712
ADMIN & GENERAL EXPENSE	45934	45008	45349	52035	57136	59400	64594	83279	93246
INTEREST EXPENSE	34228	34502	33279	29448	28252	26052	20540	25047	28173
TAXES	15533	16762	20170	25421	26245	26599	31433	35535	36526
OTHER DEDUCTIONS		-2265	11165						
DEPRECIATION	130077	122174	113455	114973	124583	123245	113660	114114	117613
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2201	2192	2261	2174	2276	2113	2273	2413	2559
RESIDENTIAL CUSTOMERS(AVG)	1372	1635	1627	1754	1835	1650	1824	1939	2023
COMMERCIAL CUSTOMERS(AVG)	129	145	149	155	192	174	186	192	196
MILES OF DISTRIBUTION LINE	1257	1255	1257	1211	1215	1228	1240	1240	1360
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	13672	16160	15518	14063	11284	11243	10858	10623	17578
AVERAGE DEMAND KW	12457	11371	11778	10873	10214	10154	12521	12854	

391 VIGILANTE ELEC MONT SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	4332213	4526200	4662664	4827390	5077356	5291498	5543979	6115991	6925079
RESERVE FOR DEPRECIATION	1482076	1585599	1609120	1792125	1894390	2011487	2159635	2282639	2454361
CURRENT ASSETS	211256	275342	284410	337248	325566	359951	7160	494531	689447
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	136344	22103	77671	164169	265327	266329	316203	496344	1022287
MATERIALS & SUPPLIES	51171	64001	43763	69527	73251	94494	33464	195710	280135
LONG TERM DEBT	2649129	2745497	2568926	2654927	2694058	2764362	2779843	3019655	3556109
CURRENT LIABILITIES	33556	39123	37913	45759	48015	53191	65698	221917	383925
MEMBERSHIP FEES	17246	17395	17766	18266	18735	18775	19055	20280	21390
CONTRIBUTION IN AID CONSTRUCTN	110321	115497	125970	125351	134833	134633	137077	138563	
SURPLUS AND/OR PATRONAGE CAP.	492979	541724	661165	761566	863513	973311	974212	1271439	1459688
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					3434	4959	5902	5346	
RESIDENTIAL REVENUE	368879	383343	391099	410335	424547	458133	494635	520673	560054
COMMERCIAL REVENUE	67926	73307	72760	76629	81575	81679	88317	91744	91132
INDUSTRIAL REVENUE	9177	11944	15299	16838	14809	15677	17698	22663	21278
IRRIGATION REVENUE	37432	45145	57166	65211	69358	87574	102212	150949	217130
OTHER REVENUE FROM SALES	10276	11409	10720	11817	12069	11506	11229	11074	10775
OTHER OPERATING REVENUE	11134	12622	12306	11983	12138	12220	12035	11312	11671
NON-OPERATING REVENUE	6934	7273	11017	11278	12263	14041	16250	17436	22257
RESIDENTIAL SALES(MWH)	16433	17093	13183	13956	20567	22317	25392	25527	27696
COMMERCIAL SALES(MWH)	2607	2887	2785	3193	3133	3201	3552	3766	3798
INDUSTRIAL SALES(MWH)	325	544	955	1059	794	751	986	1343	1116
IRRIGATION SALES(MWH)	3356	3330	4547	5433	5579	7843	9170	13381	19209
OTHER SALES(MWH)	423	537	622	546	567	560	461	494	544
ENERGY INPUT(MWH)	25344	26946	33507	32779	33834	38157	42653	49851	60450
POWER COST	121814	120510	94335	135410	104285	118896	131634	163827	189207
TRANSMISSION EXPENSE	697	434	925	497	767	3093	1829	332	256
DISTRIBUTION EXPENSE	30331	37561	42126	44617	51123	43279	61887	54759	69905
MAINTENANCE EXPENSE	33330	23825	31193	34666	27410	38401	36212	34953	28956
CUSTOMER SERVICE	24979	25855	25926	23715	32424	34074	43285	37277	55491
SALES EXPENSE	6543	7810	8504	7251	9029	9033	3140	3013	1391
ADMIN & GENERAL EXPENSE	64155	68982	73795	80433	86755	95204	99284	113491	127369
INTEREST EXPENSE	51344	52533	51631	52320	51587	53259	53232	62805	63475
TAXES	19453	21916	23496	25673	26059	28119	31312	35916	37455
OTHER DEDUCTIONS	1156	532	106	2236	469	283	2925	1344	357
DEPRECIATION	123332	124705	123709	127976	132144	137135	147604	153839	168491
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2321	2407	2526	2596	2669	2763	2928	3124	3327
RESIDENTIAL CUSTOMERS(AVG)	1936	1979	2056	2116	2186	2269	2460	2534	2673
COMMERCIAL CUSTOMERS(AVG)	222	233	254	253	253	250	261	270	274
MILES OF DISTRIBUTION LINE	1593	1634	1576	1621	1651	1670	1689	1713	1743
DEVELOPMENTAL DISCOUNT	6336	6327	4953	5535	5475	6242	5427	7534	
MAXIMUM DEMAND KW		5777	6755	6922	6835	8218	9371	11856	17153
AVERAGE DEMAND KW		4887	5342	5765	5564	5642	7259	8543	19232

380 UMATILLA ELEC ORE WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3911756	4329138	4948292	5343188	5745955	6338277	7461919	6775019	12766946
RESERVE FOR DEPRECIATION	1233143	1333716	1475458	1504773	1696795	1642236	1964396	2117586	2269674
CURRENT ASSETS	681029	549572	569158	601299	540618	455231	414825	780800	1466419
ACQUISITION ADJUSTMENT	113719	113719	113719	113719	169028	169028	169028	169028	169028
CONSTRUCTION WORK IN PROGRESS	191708	203494	154756	24787	59832	266008	367633	517291	1766566
MATERIALS & SUPPLIES	50570	115361	65406	71376	96013	138871	153621	589054	1267549
LONG TERM DEBT	1809130	1796208	2139516	2334030	2512604	2710702	3217656	4430085	6693556
CURRENT LIABILITIES	66925	75443	58752	87821	96303	88762	334106	369423	2207050
MEMBERSHIP FEES	14500	15220	15816	16150	15695	16230	17995	18960	20765
CONTRIBUTION IN AID CONSTRUCTN	56971	38213	62174	92358	92955	92958	93103	93100	
SURPLUS AND/OR PATRONAGE CAP.	1528766	1665897	1827116	1956140	2116860	2265506	2512357	2801915	3117659
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					27019	29545	50564	62762	
RESIDENTIAL REVENUE	393041	420647	452843	501471	520962	565405	632665	712432	776932
COMMERCIAL REVENUE	112257	119448	130594	142445	142706	152595	171714	201519	251892
INDUSTRIAL REVENUE	65651	59205	74916	65920	74957	74033	62926	216813	257960
IRRIGATION REVENUE	116412	155790	220127	251063	293395	383798	556276	679143	1193491
OTHER REVENUE FROM SALES	3057	3635	3455	3517	3901	4018	4032	4119	3958
OTHER OPERATING REVENUE	25428	26596	28033	28116	29676	29118	18973	18382	16178
NON-OPERATING REVENUE	21746	17231	4847	8581	17806	14551	15346	11345	19272
RESIDENTIAL SALES(MWH)	29730	32653	34880	39201	41170	43934	50998	57752	62427
COMMERCIAL SALES(MWH)	8551	9221	10696	11717	11315	12200	14519	16578	20536
INDUSTRIAL SALES(MWH)	9398	10635	11099	10405	11700	11052	13594	35420	44041
IRRIGATION SALES(MWH)	10398	21564	31121	33381	40967	53960	70146	95891	170828
OTHER SALES(MWH)	114	124	119	125	135	126	114	119	112
ENERGY INPUT(MWH)	72037	83449	96448	104871	115494	135536	169302	221344	324343
POWER COST	220725	249617	264411	313269	334208	353192	477619	623065	915575
TRANSMISSION EXPENSE				1255				982	2578
DISTRIBUTION EXPENSE	55112	54638	64678	73508	71013	71954	112653	124825	159146
MAINTENANCE EXPENSE	27110	35722	31579	42814	42839	45123	59699	67622	121537
CUSTOMER SERVICE	31490	35294	42212	45265	52236	56369	60661	60943	61495
SALES EXPENSE	5538	10107	10247	10349	10329	8614	11941	14053	13052
ADMIN & GENERAL EXPENSE	68735	80310	113765	102535	117700	145925	143079	196054	244616
INTEREST EXPENSE	37209	35910	33783	43748	47372	53491	59992	70119	101054
TAXES	21599	20625	33433	39299	45898	52245	64347	82677	106846
OTHER DEDUCTIONS							5639	35902	111352
DEPRECIATION	114914	111196	123980	145737	155740	165745	183394	205833	251123
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	3375	3210	3307	3490	3533	3839	4472	4913	5328
RESIDENTIAL CUSTOMERS(AVG)	2543	2663	2769	2852	2946	3094	3549	3895	4122
COMMERCIAL CUSTOMERS(AVG)	231	233	287	293	299	304	304	393	453
MILES OF DISTRIBUTION LINE	833	897	933	950	969	1003	1063	1113	1129
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	13305	15355	18012	20553	23353	28311	30176	40226	80616
AVERAGE DEMAND KW	12047	13400	15912	17145	18803	21518	25534	35914	

387 TANNER ELEC WASH SEATTLE

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	463433	483933	553479	590174	654695	716490	776519	863287	[illegible]
RESERVE FOR DEPRECIATION	105537	105306	117712	120182	141463	155125	169203	185032	199172
CURRENT ASSETS	25195	19570	30164	23723	38014	32423	16038	49614	54302
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	7735	6207	7607	5605	13034	15587	31755	9110	11679
MATERIALS & SUPPLIES	6352	9930	12137	11560	17297	13009	12684	20324	21329
LONG TERM DEBT	430557	440811	499984	524614	580141	618316	643998	714696	769709
CURRENT LIABILITIES	4653	8317	10135	12173	22311	23357	22940	43024	51959
MEMBERSHIP FEES	2617	2748	3013	3098	3297	3457	3677	3441	3601
CONTRIBUTION IN AID CONSTRUCTN	39456	39450	39456	39323	39043	42129	39330	39641	
SURPLUS AND/OR PATRONAGE CAP.	-65347	-63811	-61965	-66963	-66451	-63635	-57169	-45296	-51452
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	59475	64502	77261	92422	99055	112650	120706	137956	140626
COMMERCIAL REVENUE	5922	8139	11568	12043	12818	14713	15104	14158	20723
INDUSTRIAL REVENUE	6394	5640	6887	9057	9930	10984	10710	12330	10450
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	649	714	733	745	393	1006	1078	1051	1334
OTHER OPERATING REVENUE	2040	2360	2500	3481	4211	4589	4547	5871	7071
NON-OPERATING REVENUE	150	1600	70	101	107	204	222	441	505
RESIDENTIAL SALES(MWH)	3155	3660	4429	5584	6082	7053	7624	8063	8600
COMMERCIAL SALES(MWH)	371	408	623	695	605	803	837	894	1088
INDUSTRIAL SALES(MWH)	290	293	412	670	773	937	893	942	379
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	27	27	28	38	47	50	60	47	44
ENERGY INPUT(MWH)	4176	4900	6090	7517	8229	9584	11326	10952	11526
POWER COST	17248	17095	21527	27505	28342	32694	35092	30869	39658
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	3709	5116	4851	8035	8241	11158	9017	11590	10976
MAINTENANCE EXPENSE	6133	6764	8152	17393	11944	11706	13987	11525	20273
CUSTOMER SERVICE	4331	4720	6302	7493	8331	8655	9712	11232	13876
SALES EXPENSE	1994	2021	3258	2139	2178	2511	2654	4523	
ADMIN & GENERAL EXPENSE	12070	14837	18990	25006	25043	27093	29740	36903	50434
INTEREST EXPENSE	7748	6555	9124	10145	10320	11644	12535	13567	14828
TAXES	7037	7250	10048	10471	11545	13235	14653	17367	16020
OTHER DEDUCTIONS	400	42					409	233	1517
DEPRECIATION	13390	14019	14903	16762	18320	20028	20003	22216	24072
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	450	474	529	562	593	627	658	709	744
RESIDENTIAL CUSTOMERS(AVG)	426	442	489	522	548	575	605	645	676
COMMERCIAL CUSTOMERS(AVG)	24	27	34	35	40	40	47	55	62
MILES OF DISTRIBUTION LINE	67	67	81	65	93	94	98	132	104
DEVELOPMENTAL DISCOUNT	900	698	1131	563	579	667	737	753	
MAXIMUM DEMAND KW	1074	1344	2151	1899	2106	2355	2937	2821	3051
AVERAGE DEMAND KW	667	936	1207	1417	1555	1602	2020	2020	

380 SURPRISE VALLEY CAL WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	5069426	5447773	5614181	5754816	5970059	6312644	6610068	6881689	7289163
RESERVE FOR DEPRECIATION	1350294	1462270	1581105	1634567	1810052	1942315	2065767	2206929	2744159
CURRENT ASSETS	227008	272733	241604	204280	291753	416314	416413	236304	363903
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	18104	16552	4097	4060	3318	148731	7539		46303
MATERIALS & SUPPLIES	62551	62544	57395	59397	68195	67008	74644	89656	145627
LONG TERM DEBT	3607343	3749238	3764696	3604222	3681836	3692654	3687537	3889314	4349631
CURRENT LIABILITIES	29477	37173	34584	56244	63390	69482	70167	85266	121268
MEMBERSHIP FEES	4330	8183	7995	8273	8490	8933	9220	9600	9645
CONTRIBUTION IN AID CONSTRUCTN	85506	142649	162411	182004	227655	249938	326309	337346	
SURPLUS AND/OR PATRONAGE CAP.	614838	659578	721217	759787	810261	933161	1071465	1229594	1414802
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					4522	4677	5951	6693	
RESIDENTIAL REVENUE	324114	322610	331944	340837	374107	439626	432142	445238	484457
COMMERCIAL REVENUE	50427	60001	71235	70085	79171	63394	83622	59991	67248
INDUSTRIAL REVENUE	37930	41691	49419	50553	58223	61424	63475	59441	59629
IRRIGATION REVENUE	77317	68907	102226	110684	129302	117326	145538	179793	223723
OTHER REVENUE FROM SALES	15134	12023	12007	13623	14707	16005	16083	16075	16175
OTHER OPERATING REVENUE	9371	10441	11358	17228	10255	17333	15808	17868	21844
NON-OPERATING REVENUE	15826	19224	13661	15246	16470	18454	17883	29513	51799
RESIDENTIAL SALES(MWH)	15033	16741	17208	18369	20156	22802	24273	25072	25903
COMMERCIAL SALES(MWH)	2295	2694	3211	3540	3731	3948	3997	4301	4004
INDUSTRIAL SALES(MWH)	1900	2095	2581	2071	2088	3081	3180	2742	2311
IRRIGATION SALES(MWH)	5732	4094	6379	6615	7216	6407	9404	12323	15635
OTHER SALES(MWH)	533	603	564	607	744	849	873	533	847
ENERGY INPUT(MWH)	29913	29734	34295	35793	39290	41505	46069	50250	54820
POWER COST	92625	92903	106057	112761	121176	133463	144105	140394	166216
TRANSMISSION EXPENSE	2792	618	1406	1731	2103	4735	4063	3654	3008
DISTRIBUTION EXPENSE	25239	15238	15675	21023	21611	21944	23779	28542	23206
MAINTENANCE EXPENSE	20830	20014	34138	33832	42124	52257	53028	42600	56727
CUSTOMER SERVICE	24558	27044	23339	25502	28019	28453	32589	39016	39652
SALES EXPENSE	5030	6953	3976	9763	10427	13318	13977	10323	11258
ADMIN & GENERAL EXPENSE	50332	54679	60940	72599	71001	76374	80666	93814	105343
INTEREST EXPENSE	71929	74301	70063	72241	72335	73935	76196	77105	72257
TAXES	44504	47408	49026	40646	51307	51853	53259	59933	63255
OTHER DEDUCTIONS	525	296	952		752	676	259		
DEPRECIATION	125542	142914	152551	149414	153329	158444	164603	175255	195757
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2323	2253	2331	2303	2472	2531	2652	2939	2851
RESIDENTIAL CUSTOMERS(AVG)	1550	1753	1520	1654	1920	2019	2672	2323	2211
COMMERCIAL CUSTOMERS(AVG)	240	239	255	270	260	277	283	245	279
MILES OF DISTRIBUTION LINE	1337	1304	1190	1201	1230	1253	1271	1267	1257
DEVELOPMENTAL DISCOUNT	4853	4082	5630	5922	6362	6847	7576	7791	
MAXIMUM DEMAND KW	5915	6411	7229	7990	8745	9155	10677	10992	12537
AVERAGE DEMAND KW	5415	5461	6248	6686	7245	7453	8761	8671	

384 SALMON RIVER ELEC   IDAHO   WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1739956	1826191	1862467	1950190	2167980	2252726	2429944	2564891	2698341
RESERVE FOR DEPRECIATION	564948	556460	595959	645366	698119	752302	803415	864921	947640
CURRENT ASSETS	114335	135798	188411	147167	165525	117649	137198	173167	255542
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	27378	22723	15359	28814	34692	70735	131694	31363	7870
MATERIALS & SUPPLIES	53182	51271	40516	47991	45017	53921	51534	165011	126356
LONG TERM DEBT	1215134	1156724	1200489	1150745	1160330	1233836	1311440	1341391	1532730
CURRENT LIABILITIES	21214	26572	22814	22831	24583	41424	33631	42534	39657
MEMBERSHIP FEES	7030	7690	8150	8310	8750	9160	9740	9930	10350
CONTRIBUTION IN AID CONSTRUCTN	4473	4596	4596	4596	5521	5521	17879	19642	
SURPLUS AND/OR PATRONAGE CAP.	254926	294947	333898	358271	397758	424519	451870	513655	551891
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1301	1641	1559	2826	
RESIDENTIAL REVENUE	96046	100922	108406	115381	126375	138591	152086	165931	179632
COMMERCIAL REVENUE	41530	40269	44367	43467	52308	54304	53110	65495	69274
INDUSTRIAL REVENUE	52342	55228	61439	50086	61572	54060	53707	57571	56120
IRRIGATION REVENUE	13330	17653	24518	31777	26557	23746	34034	51684	71435
OTHER REVENUE FROM SALES	5774	5167	5556	5708	6062	6111	6289	6939	7255
OTHER OPERATING REVENUE	3714	3391	3734	3623	4093	4308	5403	9217	9427
NON-OPERATING REVENUE	6097	6933	3957	5073	7472	2412	6191	3079	1727
RESIDENTIAL SALES(MWH)	3717	4044	4504	4875	5446	6033	6743	7521	8148
COMMERCIAL SALES(MWH)	1777	1960	2117	2300	2743	2863	3683	3532	3757
INDUSTRIAL SALES(MWH)	3325	3960	4495	4429	4535	4112	4077	4345	3560
IRRIGATION SALES(MWH)	1032	1309	1609	2021	2005	2240	2435	4274	5349
OTHER SALES(MWH)	277	235	239	267	284	325	330	331	345
ENERGY INPUT(MWH)	12301	12640	14538	16039	17528	18311	23180	22707	25601
POWER COST	32259	30241	41085	45243	48777	51783	57132	63397	71479
TRANSMISSION EXPENSE	6017	22	386			259			
DISTRIBUTION EXPENSE	14755	14074	22455	10713	17975	17808	20959	18393	21444
MAINTENANCE EXPENSE	5562	6313	8327	12595	15755	22073	14447	20743	30106
CUSTOMER SERVICE	11638	11300	12908	18345	23036	23325	29527	19899	24451
SALES EXPENSE	2150	1984	2064	3033	3937	3831	5332	2935	746
ADMIN & GENERAL EXPENSE	34550	40520	44330	42243	56437	51301	62637	76243	64309
INTEREST EXPENSE	23173	22933	22462	22551	22056	22979	25937	20640	31135
TAXES	9391	9573	10869	11080	12415	13236	15349	17313	19223
OTHER DEDUCTIONS	1313				10			1	
DEPRECIATION	43432	45842	47952	49357	51420	55315	59343	62712	67477
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	832	937	970	1003	1057	1122	1223	1277	1343
RESIDENTIAL CUSTOMERS(AVG)	655	719	725	749	789	848	931	971	1002
COMMERCIAL CUSTOMERS(AVG)	154	169	181	185	192	194	206	215	221
MILES OF DISTRIBUTION LINE	373	407	366	375	383	375	405	434	452
DEVELOPMENTAL DISCOUNT	1695	1903	2157	2376	2561	2719	3030	3327	
MAXIMUM DEMAND KW	2335	2620	3210	3170	3375	3410	3960	4730	4810
AVERAGE DEMAND KW	1741	2045	2366	2598	2606	2893	3223	3611	

383-SALEM ELEC   ORE   PORTLAND

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1592153	1640610	2003716	2405130	2053746	3017741	3955108	3629169	4200239
RESERVE FOR DEPRECIATION	408741	527055	549539	657300	733426	811695	895441	983755	1054205
CURRENT ASSETS	251793	337314	321009	192800	160510	202737	324728	293212	355574
ACQUISITION ADJUSTMENT						25974	42279	54553	65253
CONSTRUCTION WORK IN PROGRESS	6343	3001	7365	3063	4991	5723	2137	4549	6098
MATERIALS & SUPPLIES	24730	34204	37135	45204	61221	72345	71246	51927	96357
LONG TERM DEBT	42437	34803	23002	11032	1015			36030	27633
CURRENT LIABILITIES	100526	136248	111457	120569	127321	44103	253695	225785	248429
MEMBERSHIP FEES	41	43	40	53	50				
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	1337516	1519156	1731442	1941552	2234267	2526351	2527271	3020545	3014133
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					161	156	102	130	
RESIDENTIAL REVENUE	497520	510255	562108	674209	704719	751973	823165	824703	999025
COMMERCIAL REVENUE	250436	258124	269518	287007	297309	325347	352824	345831	413001
INDUSTRIAL REVENUE	72271	72953	72576	59273	72090	87243	110241	106601	119160
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	12139	13405	13530	17738	19561	24724	23476	20435	30878
OTHER OPERATING REVENUE	1131	1147	549	750	996	1723	1623	2125	1346
NON-OPERATING REVENUE	4524	7603	10276	10597	14113	15331	11983	6717	19443
RESIDENTIAL SALES(MWH)	61250	65030	69782	81171	88251	98035	102797	132384	111211
COMMERCIAL SALES(MWH)	28335	20603	29716	31731	32587	35027	33449	37273	39349
INDUSTRIAL SALES(MWH)	12049	12513	12819	12790	13370	10357	21459	20513	20518
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	409	433	436	499	541	628	656	730	940
ENERGY INPUT(MWH)	109342	114391	122009	137950	144319	161751	171394	173342	182533
POWER COST	362373	380602	412142	403630	476944	533839	574200	562103	547721
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	29704	43030	35208	37743	44908	44643	54385	60121	65907
MAINTENANCE EXPENSE	31707	39932	34370	33850	49951	40227	47328	56333	67553
CUSTOMER SERVICE	42223	44694	49001	50538	57208	69727	79921	80172	109512
SALES EXPENSE	3331	4258	6360	1704	9774	9383	10350	2332	3223
ADMIN & GENERAL EXPENSE	60700	73057	67013	70597	70955	80704	93719	113179	127052
INTEREST EXPENSE		1455	1029	715	3352				2249
TAXES	32532	33739	37704	44040	56947	63329	71932	75930	81041
OTHER DEDUCTIONS	2720							5440	6114
DEPRECIATION	53174	65633	70177	80500	96495	134662	117158	133142	139917
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4435	4673	4425	5593	5944	6344	6745	7150	7527
RESIDENTIAL CUSTOMERS(AVG)	3914	3974	4200	4313	5121	5452	5779	6135	6449
COMMERCIAL CUSTOMERS(AVG)	544	692	712	762	809	876	949	1024	1054
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	24810	23834	34801	34722	33948	37623	45525	42304	
AVERAGE DEMAND KW	19731	20913	22721	24942	25903	29063	31151	30790	

382 RURAL ELEC COOP IDAHO WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT						1391426	1523375	1662955	1906855
RESERVE FOR DEPRECIATION						434656	483315	542922	606022
CURRENT ASSETS						267530	283785	313794	260739
ACQUISITION ADJUSTMENT						145266	145266	145265	145266
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES						74635	90479	187764	148030
LONG TERM DEBT						288[illegible]	275[illegible]	252[illegible]	237442
CURRENT LIABILITIES						63761	43569	50[illegible]	46614
MEMBERSHIP FEES						110600	120306	1327[illegible]	171079
CONTRIBUTION IN AID CONSTRUCTN						65944	67220	67220	72420
SURPLUS AND/OR PATRONAGE CAP.						372518	1010277	1134023	1005476
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT						924	1456	2141	
RESIDENTIAL REVENUE						238150	290901	304633	317762
COMMERCIAL REVENUE						110176	139520	138622	144633
INDUSTRIAL REVENUE									
IRRIGATION REVENUE						17598	26517	39057	55946
OTHER REVENUE FROM SALES									
OTHER OPERATING REVENUE						12023	13506	66855	79939
NON-OPERATING REVENUE						59446	56390	4535	
RESIDENTIAL SALES(MWH)						20928	24722	26821	28341
COMMERCIAL SALES(MWH)						8034	13468	10357	10717
INDUSTRIAL SALES(MWH)									
IRRIGATION SALES(MWH)						1498	2308	3421	4912
OTHER SALES(MWH)						588	731	613	
ENERGY INPUT(MWH)						33218	41555	44364	46240
POWER COST						104722	123766	139339	150658
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE						67748	73469	82436	169398
MAINTENANCE EXPENSE									
CUSTOMER SERVICE									
SALES EXPENSE						16230	19054	21203	
ADMIN & GENERAL EXPENSE						48638	54162	63609	90597
INTEREST EXPENSE									
TAXES						21670	26000	27784	
OTHER DEDUCTIONS							47703	48851	48443
DEPRECIATION						41742	41600	49823	
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)							1737	1894	4439
RESIDENTIAL CUSTOMERS(AVG)							1433	1634	3392
COMMERCIAL CUSTOMERS(AVG)							198	185	1041
MILES OF DISTRIBUTION LINE									1255
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW								9930	21768
AVERAGE DEMAND KW								7442	17190

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306 RAVALLI ELEC COOP MONT SPOKANE	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1947341	2054147	2229296	2420490	2654147	2927340	3445579	3920604	4437094
RESERVE FOR DEPRECIATION	469303	541450	596372	648521	716220	790522	875227	967461	1123604
CURRENT ASSETS	100594	142684	181578	145550	206549	171592	247177	325643	317608
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	32400	17747	63927	24427	52365	78661	95993	43800	38874
MATERIALS & SUPPLIES	32255	39271	3316	43214	81504	65768	72751	97361	137447
LONG TERM DEBT	1474243	1591263	1507220	1614775	1777543	1914581	2221855	2525374	3235658
CURRENT LIABILITIES	17959	8504	16384	25176	7910	13541	113041	53313	24054
MEMBERSHIP FEES	11970	10193	13850	11060	12030	13970	13440	16720	18370
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	295740	340294	397571	455595	493634	558176	612514	662903	719449
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					4310	4756	4572	5403	
RESIDENTIAL REVENUE	179373	194457	215299	238029	262054	302797	355710	350459	459509
COMMERCIAL REVENUE	11775	12251	13490	14000	14459	17290	19326	22493	25876
INDUSTRIAL REVENUE	70819	73442	70645	64348	81608	65963	91416	62515	84534
IRRIGATION REVENUE	52532	53464	53402	64171	67180	75954	74550	84177	101050
OTHER REVENUE FROM SALES	324	350	341	408	1510	1729	1692	2255	3630
OTHER OPERATING REVENUE	3521	4398	4977	4973	5564	7550	5692	5563	5231
NON-OPERATING REVENUE	4117	10325	11105	5503	5302	5255	4619	4823	6932
RESIDENTIAL SALES(MWH)	12193	13300	15093	17101	18690	22095	26433	28168	30563
COMMERCIAL SALES(MWH)	711	770	840	920	1001	1204	1443	1604	1656
INDUSTRIAL SALES(MWH)	6504	6923	7431	8303	7048	8232	8679	6483	7553
IRRIGATION SALES(MWH)	5920	4942	5335	5963	6300	7205	6936	5341	8543
OTHER SALES(MWH)	25	26	24	30	129	140	154	154	250
ENERGY INPUT(MWH)	27330	28975	32008	36204	37702	43355	49595	52250	54552
POWER COST	69342	94225	104540	119304	123343	140539	157155	168563	174207
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	13503	17140	17319	19911	31157	42759	27548	27140	33939
MAINTENANCE EXPENSE	8324	9315	12796	12340	19087	14729	44323	37421	47736
CUSTOMER SERVICE	14443	15182	11220	13201	12947	10760	19699	21293	26205
SALES EXPENSE	9127	10251	11380	11448	14352	13555	14602	13810	9596
ADMIN & GENERAL EXPENSE	42423	48107	51801	53052	64721	73833	81847	92045	102650
INTEREST EXPENSE	23743	30210	30821	31000	32356	37500	41609	50232	60050
TAXES	6272	6073	7563	9252	10073	12749	10051	17383	19040
OTHER DEDUCTIONS	704	743	402	205	238	319	1212	5403	327
DEPRECIATION	56135	61071	64448	68351	75304	83057	93070	108850	126757
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1352	1427	1531	1590	1681	1843	2027	2203	2394
RESIDENTIAL CUSTOMERS(AVG)	1312	1030	1110	1104	1252	1385	1543	1701	1841
COMMERCIAL CUSTOMERS(AVG)	54	51	56	55	43	55	59	65	78
MILES OF DISTRIBUTION LINE	502	513	525	541	556	574	611	611	7.8
DEVELOPMENTAL DISCOUNT	1330	1923	2133	2447	2517	2407	3206	3443	
MAXIMUM DEMAND KW	5030	6577	6979	8003	8010	9870	14000	13740	12802
AVERAGE DEMAND KW	5234	5518	6210	7315	7180	8219	9140	9843	

379 RAFT RIVER ELEC IDAHO MALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3390209	4124029	4634418	4334034	5246478	5398265	5685511	6195813	6561572
RESERVE FOR DEPRECIATION	952353	1058136	1164030	1287042	1408405	1516847	1649143	1772057	1954072
CURRENT ASSETS	590434	542429	562670	575355	685317	427547	641917	703752	1039233
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	27940		287670	19035	116738	9364	79100	61524	46068
MATERIALS & SUPPLIES	115574	98120	120802	138890	161739	223453	265987	243172	543252
LONG TERM DEBT	2560474	2880605	3127851	3100187	3229805	3441377	3483056	3562759	4171944
CURRENT LIABILITIES	69424	30605	112192	77822	72243	117828	110146	115603	69844
MEMBERSHIP FEES	3626	3575	3580	3725	3755	4110	4685	4085	4450
CONTRIBUTION IN AID CONSTRUCTN	40294	40294	40294	40294	40294	40294	40294	45694	
SURPLUS AND/OR PATRONAGE CAP.	657741	780971	902892	1001603	1187119	1262590	1370015	1597327	1899783
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					45165	43494	51940	54714	
RESIDENTIAL REVENUE	113381	129371	147406	152830	171102	192950	200965	229343	241573
COMMERCIAL REVENUE	30217	30776	32834	34555	35274	33631	40734	45056	41000
INDUSTRIAL REVENUE	3395	11505	17085	13295	21363	30120	33788	31724	31559
IRRIGATION REVENUE	562701	570638	594702	568573	652935	641944	724326	793062	1002327
OTHER REVENUE FROM SALES	12119	14609	5560	5773	6509	6623	7055	7763	9175
OTHER OPERATING REVENUE	830	1181	1036	2873	699	2956	2211	1104	1633
NON-OPERATING REVENUE	725	1542	713	2087	9383	10894	18265	12495	22052
RESIDENTIAL SALES(MWH)	7339	9310	9899	10271	11787	13247	14516	16534	17475
COMMERCIAL SALES(MWH)	2074	2033	2218	2547	2584	2757	2955	3496	2960
INDUSTRIAL SALES(MWH)	457	573	844	633	884	1338	1625	1435	1405
IRRIGATION SALES(MWH)	67014	61581	63509	73172	69250	67798	79631	82922	107498
OTHER SALES(MWH)	631	593	413	428	476	434	548	619	764
ENERGY INPUT(MWH)	87500	82619	87576	97491	95387	93265	111226	117971	151047
POWER COST	223715	231540	235134	256195	250463	253543	284832	339750	392591
TRANSMISSION EXPENSE	2930	1069	139	210	1482	4236	1233	1731	1035
DISTRIBUTION EXPENSE	46601	55952	67812	55391	50441	78735	80807	83763	84073
MAINTENANCE EXPENSE	22757	20324	29487	23557	32713	43732	34135	29440	42621
CUSTOMER SERVICE	19330	16882	21288	22173	23761	26513	28509	29314	35921
SALES EXPENSE	21038	22189	20022	21561	16954	22499	23846	18594	21160
ADMIN & GENERAL EXPENSE	57712	65043	67170	74033	93000	96935	113696	144152	153777
INTEREST EXPENSE	52003	53622	50498	62135	61927	65309	67099	70036	75127
TAXES	30049	30525	31523	35257	35702	37517	41401	46570	55208
OTHER DEDUCTIONS	2025	1446							3442
DEPRECIATION	101993	110613	117906	125216	139593	145798	151628	159375	177312
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1409	1523	1554	1584	1648	1675	1645	1755	1408
RESIDENTIAL CUSTOMERS(AVG)	792	853	910	945	984	982	954	1014	1050
COMMERCIAL CUSTOMERS(AVG)	120	129	135	140	143	141	142	143	151
MILES OF DISTRIBUTION LINE	937	975	915	937	970	1036	1056	1027	1109
DEVELOPMENTAL DISCOUNT	4000								
MAXIMUM DEMAND KW	26776	25977	28830	29454	29365	31700	34266	38394	48652
AVERAGE DEMAND KW	13718	14110	14140	14907	15271	15229	17537	13777	

377-PRAIRIE POWER COOP IDAHO WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	470337	492825	515293	524411	560682	584413	620646	636344	[illegible]
RESERVE FOR DEPRECIATION	200561	212104	224563	236077	255222	264947	275412	291137	[illegible]
CURRENT ASSETS	48325	55213	43548	39335	62452	30720	41343	46147	46198
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	12722	13937	12427	54	24451	12195	23	1151	7094
MATERIALS & SUPPLIES	7303	9792	7700	6311	25515	11471	9566	20047	33242
LONG TERM DEBT	400318	403350	391974	385755	418696	421404	430646	439565	540215
CURRENT LIABILITIES	46642	53637	48637	49991	62462	45747	45708	44947	56044
MEMBERSHIP FEES	1095	1745	1775	1805	1945	2063	2115	2065	2136
CONTRIBUTION IN AID CONSTRUCTN	7247	7247	11131	9393	9493	9433	9454	9543	9543
SURPLUS AND/OR PATRONAGE CAP.	-147348	-132910	-122825	-120007	-120433	-119610	-117672	-120539	-111447
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	42968	44746	46299	47897	48520	52139	54968	59200	64468
COMMERCIAL REVENUE	6732	5648	3573	6947	8420	3913	13876	12771	12255
INDUSTRIAL REVENUE	4273	3703	3916	3126	2476	4608	5679	5510	6093
IRRIGATION REVENUE	97	68	96	295	632	464	1174	1351	7311
OTHER REVENUE FROM SALES									
OTHER OPERATING REVENUE	1396	1631	1662	1596	1550	1719	1520	1494	1524
NON-OPERATING REVENUE	334	277	-16	222	121	157	214	-211	-157
RESIDENTIAL SALES(MWH)	1135	1255	1303	1389	1479	1691	1862	1895	2004
COMMERCIAL SALES(MWH)	147	144	205	225	225	239	311	413	334
INDUSTRIAL SALES(MWH)	173	147	105	100	101	135	153	174	238
IRRIGATION SALES(MWH)	4	4	3	5	7	16	48	68	307
OTHER SALES(MWH)									
ENERGY INPUT(MWH)	1878	1932	2073	2210	2317	2499	2846	3105	3068
POWER COST	6767	7665	7490	7991	7913	8331	9691	10073	11806
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	3845	2866	2605	4541	4479	4631	4646	6847	6972
MAINTENANCE EXPENSE	6323	7870	4640	7454	7237	6901	12914	11042	6523
CUSTOMER SERVICE	2376	2665	3315	4374	3552	4233	4495	4664	5042
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	10931	9151	10364	11339	14294	16328	15534	18715	17521
INTEREST EXPENSE	5231	7931	8258	8122	8374	8820	9987	9261	9543
TAXES	2548	2603	2797	3309	3140	3494	4176	5017	5204
OTHER DEDUCTIONS						56	52		2451
DEPRECIATION	12139	12359	12732	12845	13344	14596	15687	16116	17376
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	238	247	260	265	265	305	311	323	340
RESIDENTIAL CUSTOMERS(AVG)	213	229	240	247	250	233	239	333	252
COMMERCIAL CUSTOMERS(AVG)	15	15	17	17	15	17	16	17	16
MILES OF DISTRIBUTION LINE	239	239	239	239	234	250	256	253	256
DEVELOPMENTAL DISCOUNT	357	368	394	423	416	441	499	527	
MAXIMUM DEMAND KW	477	465	548	555	572	632	667	691	1013
AVERAGE DEMAND KW	331	367	443	454	463	493	547	535	

370 UPCAS FRELT WASH SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3570325	3583313	4190606	4553083	4959018	5357993	5886375	6591321	7224935
RESERVE FOR DEPRECIATION	974527	1073575	1181117	1302132	1424462	1551193	1713306	1876549	2085723
CURRENT ASSETS	210317	252331	167328	225081	233703	241543	222306	375814	562156
ACQUISITION ADJUSTMENT	22361	22361	22361	22361	22361	22361	22361	22361	22361
CONSTRUCTION WORK IN PROGRESS	99380	89302	67140	107227	231730	184368	258258	359393	241806
MATERIALS & SUPPLIES	62759	124503	107628	107546	107213	124981	163174	165775	376669
LONG TERM DEBT	2849598	2955712	3072973	3234623	3486451	3756796	4106543	4543492	5141950
CURRENT LIABILITIES	20033	40662	62138	114762	108654	74556	17913	83655	162748
MEMBERSHIP FEES	10435	10805	11875	12555	13275	14240	15446	16493	17575
CONTRIBUTION IN AID CONSTRUCTN	5541	5541	5541	5541	6531	5541	5541	9497	
SURPLUS AND/OR PATRONAGE CAP.	-4352	54937	113166	113269	156711	205513	284317	324397	406552
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	340117	375382	433719	485242	533664	601857	677839	717463	847533
COMMERCIAL REVENUE	85506	93405	103264	105545	111143	122411	130294	139163	162615
INDUSTRIAL REVENUE	30537	41593	42964	60377	57502	64178	60625	85923	93292
IRRIGATION REVENUE	752	785	657	843	834	816			
OTHER REVENUE FROM SALES	12526	13706	15588	16412	16967	18830	19639	21222	24315
OTHER OPERATING REVENUE	8337	7523	9572	27850	15293	15334	24374	25692	27568
NON-OPERATING REVENUE	1305	3695	3268	3432	3346	3311	3652	4266	7329
RESIDENTIAL SALES(MWH)	16434	21059	24918	28863	32326	37612	43633	44472	46559
COMMERCIAL SALES(MWH)	5317	5864	7180	6604	7267	8276	8519	8922	9542
INDUSTRIAL SALES(MWH)	3242	3683	3709	3865	5449	6163	7409	7827	7496
IRRIGATION SALES(MWH)	29	50	43	58	58	55			
OTHER SALES(MWH)	611	723	904	1011	957	1167	1236	1285	1419
ENERGY INPUT(MWH)	32309	36443	42353	49674	53893	63061	71766	73134	74359
POWER COST	103178	116967	150194	193014	185422	215623	244763	259242	266[illegible]5
TRANSMISSION EXPENSE	28	93	192	50226	11451	3137	24938	12229	7752
DISTRIBUTION EXPENSE	20521	23601	24163	31313	43349	53952	34441	54328	71717
MAINTENANCE EXPENSE	30033	29997	33416	37636	41243	61697	63204	81167	57559
CUSTOMER SERVICE	17113	20182	22434	27935	32355	35648	43565	49394	54203
SALES EXPENSE	7940	11273	14352	14665	12619	17531	13698	21161	19479
ADMIN & GENERAL EXPENSE	55234	62401	71662	82825	92289	103471	106582	123244	140349
INTEREST EXPENSE	54137	56255	50923	62292	68216	71351	79449	68685	112133
TAXES	42249	45227	53090	61245	67135	56604	54798	67424	85703
OTHER DEDUCTIONS	1421	674	535	1295	900	8030	1595	1420	1841
DEPRECIATION	103333	110158	117992	120892	140032	155237	169657	180667	200734
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2135	2210	2436	2571	2773	2954	3208	3543	3839
RESIDENTIAL CUSTOMERS(AVG)	1878	1967	2084	2201	2375	2527	2746	2993	3267
COMMERCIAL CUSTOMERS(AVG)	224	236	259	294	327	355	392	469	523
MILES OF DISTRIBUTION LINE	333	401	419	423	431	449	395	475	505
DEVELOPMENTAL DISCOUNT	5417	6141	7886	3938	3733	4339	4772	5648	
MAXIMUM DEMAND KW	7230	10290	13968	14256	14784	17283	20352	23544	20554
AVERAGE DEMAND KW	5933	6753	8322	9364	10128	11688	12873	14097	

373-OKANOGAN CO ELEC WASH SPOKANE

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	449555	463311	554886	612455	661560	704641	777694	1013502	1111806
RESERVE FOR DEPRECIATION	150557	172104	165543	202452	214047	234091	252245	276935	305505
CURRENT ASSETS	67857	110211	54347	56754	51966	105764	131657	97513	153359
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	5579	7779	3156	7240	5474	55295	43542	190963	56474
MATERIALS & SUPPLIES	21050	15655	11219	12961	13450	18241	24681	20304	63246
LONG TERM DEBT	157526	175171	133182	151120	189568	240651	285257	451412	552469
CURRENT LIABILITIES	10953	6709	13494	17098	17621	20573	24162	25567	16437
MEMBERSHIP FEES	3445	3455	2875	3555	3295	3425	3665	3915	3005
CONTRIBUTION IN AID CONSTRUCTN	4562	4803	4853	5098	6550	15656	24970	27833	31136
SURPLUS AND/OR PATRONAGE CAP.	221541	238406	257814	282274	295666	302426	333983	346090	371999
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					715	577	615	1037	
RESIDENTIAL REVENUE	62795	60152	77328	90439	94489	104371	120936	126364	131361
COMMERCIAL REVENUE	24215	25264	20521	21773	21455	24634	29631	31487	33774
INDUSTRIAL REVENUE			14653	14545	20623	23535	27538	29770	31559
IRRIGATION REVENUE	10557	11017	13392	11377	12723	11004	12551	14219	15473
OTHER REVENUE FROM SALES	1055	1109	1045	960	960	965	966	905	966
OTHER OPERATING REVENUE	2344	2723	2799	2257	2095	3273	4366	4544	4424
NON-OPERATING REVENUE	2351	3265	1413	962	965	1613	3721	4246	9744
RESIDENTIAL SALES(MWH)	4546	5634	6089	6149	7797	3724	9329	9371	6054
COMMERCIAL SALES(MWH)	2143	2301	1474	2393	1425	1596	2089	2097	2023
INDUSTRIAL SALES(MWH)			2269	2359	3264	3001	3629	3547	4677
IRRIGATION SALES(MWH)	1315	1413	937	1214	1236	1087	874	1571	1432
OTHER SALES(MWH)	67	67	67	27	26	26	26	25	26
ENERGY INPUT(MWH)	8030	9307	12136	14074	15330	16455	17718	15373	18714
POWER COST	20359	20855	37149	46501	52655	51535	55635	57119	59559
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	10757	14034	7859	12938	23283	24855	21867	31755	29934
MAINTENANCE EXPENSE	7545	5908	12362	12258	6575	14003	13342	15553	16250
CUSTOMER SERVICE	10453	6603	9268	8090	9959	9932	12558	14678	10573
SALES EXPENSE	-1131	601	263	-14	7	-34	-28	-255	-752
ADMIN & GENERAL EXPENSE	10155	13641	16095	20235	22446	23715	25891	31256	38120
INTEREST EXPENSE	2948	2635	2098	2614	3547	4152	5057	3740	11479
TAXES	6573	6695	6686	6654	8772	10133	11310	10655	10633
OTHER DEDUCTIONS									
DEPRECIATION	12336	13259	14310	15418	17513	19227	19529	21704	20752
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	721	733	755	756	765	831	932	1033	1011
RESIDENTIAL CUSTOMERS(AVG)	544	553	595	607	641	696	769	825	659
COMMERCIAL CUSTOMERS(AVG)	73	75	74	73	76	35	91	97	103
MILES OF DISTRIBUTION LINE	159	163	160	164	172	179	182	189	157
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	1932	2164	2828	4228	3926	3734	4648	4994	5320
AVERAGE DEMAND KW	1477	1577	2017	2599	2412	2844	3026	3093	

37. NORTHERN LIGHTS IDAHO SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	6150437	6437673	6815658	7243233	7820125	8189475	8860523	9073349	10665256
RESERVE FOR DEPRECIATION	1437358	1542400	1673201	1765918	1385004	1333925	2047761	2153963	2203027
CURRENT ASSETS	473016	421120	404303	359387	453750	619133	712156	675537	894532
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	63305	109036	279978	209730	340073	211307	362942	468330	659306
MATERIALS & SUPPLIES	143906	182962	183551	217758	237740	244137	294646	267764	345682
LONG TERM DEBT	4563002	4588499	4583526	4622791	5099209	5407166	5893566	6303723	7025193
CURRENT LIABILITIES	55322	57035	63543	67577	75082	76634	84555	95938	174627
MEMBERSHIP FEES	31000	33803	30051	36692	41222	44242	47572	51247	54917
CONTRIBUTION IN AID CONSTRUCTN	354773	365305	395385	413385	427761	436067	449821	552541	672469
SURPLUS AND/OR PATRONAGE CAP.	667552	717617	847758	946564	1079933	1232079	1391704	1569897	1722779
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					459	269	535	738	
RESIDENTIAL REVENUE	457657	481559	535938	573064	636990	728144	814039	922404	957259
COMMERCIAL REVENUE	94331	100173	111965	125225	122859	137231	145435	157744	167299
INDUSTRIAL REVENUE	144278	144145	150952	155440	170461	171606	214083	236054	241120
IRRIGATION REVENUE	25557	22560	21307	23955	16449	21653	23532	25715	32481
OTHER REVENUE FROM SALES									
OTHER OPERATING REVENUE	16026	27559	24837	19495	25139	15323	23804	22947	24448
NON-OPERATING REVENUE	20053	25539	21233	25192	29679	31368	32947	31091	47465
RESIDENTIAL SALES(MWH)	25673	27130	32052	35823	39416	46522	52169	60777	64801
COMMERCIAL SALES(MWH)	4477	5090	5914	7055	7062	8545	10015	10623	10249
INDUSTRIAL SALES(MWH)	9773	9942	11238	11459	12299	12706	15478	17165	15230
IRRIGATION SALES(MWH)	835	1200	693	1223	703	507	842	1247	1336
OTHER SALES(MWH)									
ENERGY INPUT(MWH)	47924	51665	58045	62345	70163	78514	92503	95574	103966
POWER COST	161028	167427	193738	224353	225426	251227	290060	315059	324054
TRANSMISSION EXPENSE	553	1012	1402	3922	1940	2354	816	6595	651
DISTRIBUTION EXPENSE	35137	42230	34501	28936	49412	40010	55160	48563	53113
MAINTENANCE EXPENSE	58250	60395	60298	35291	75113	81363	132538	116793	144427
CUSTOMER SERVICE	41142	43420	49345	49813	54689	60657	65203	71835	76050
SALES EXPENSE	12917	14118	16715	23027	23567	27416	24744	35810	43148
ADMIN & GENERAL EXPENSE	60445	97573	105343	115758	128919	144202	153152	171321	181137
INTEREST EXPENSE	64437	87827	87773	93769	95047	103905	103244	120962	162215
TAXES	36111	36918	34806	39078	39952	45709	52731	60943	66328
OTHER DEDUCTIONS	1303	2313	1624	3177	1200	1548	1521	7247	5734
DEPRECIATION	141353	140074	154201	166176	176833	191641	241177	265733	291030
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4241	4419	4551	4839	5042	5304	5551	5843	6206
RESIDENTIAL CUSTOMERS(AVG)	3354	3991	4092	4338	4532	4733	4966	5325	5622
COMMERCIAL CUSTOMERS(AVG)	290	304	327	350	354	355	362	372	390
MILES OF DISTRIBUTION LINE	1449	1463	1447	1477	1514	1514	1560	1593	1604
DEVELOPMENTAL DISCOUNT	6455	8793	10014	11779	11835	13190	15200	16573	
MAXIMUM DEMAND KW	10335	12901	13754	17323	16105	18636	25102	25649	26552
AVERAGE DEMAND KW	9455	9002	11072	12393	13129	14545	16606	18230	

307/NESPELEM VALLEY ELEC WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	860326	1090693	1235586	1344015	1475204	1537043	1581546	1684681	1752951
RESERVE FOR DEPRECIATION	365388	331755	351571	372857	412533	445608	479851	527610	572334
CURRENT ASSETS	51391	60959	70364	76274	90591	90367	102752	80520	103493
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	35733	53512	114226	150071	93116	87760	43642	81642	91359
MATERIALS & SUPPLIES	20335	23631	22232	18319	17600	20195	14957	19002	43530
LONG TERM DEBT	495131	585666	599752	755258	857769	378973	907214	949859	1001327
CURRENT LIABILITIES	16399	26537	38029	54166	39014	43029	47185	44590	46434
MEMBERSHIP FEES	2555	2780	3530	3455	4605	4130	3885	3895	3874
CONTRIBUTION IN AID CONSTRUCTN	65011	65011	65011	65011	68749	65749	68749	70368	70308
SURPLUS AND/OR PATRONAGE CAP.	189060	210670	231165	252206	269435	287132	302275	325537	342021
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					2429	2383	3299	3579	
RESIDENTIAL REVENUE	74300	83421	113863	135382	144330	163875	181128	178500	182669
COMMERCIAL REVENUE	9738	10947	13047	10054	17690	19051	20346	20430	23077
INDUSTRIAL REVENUE	15733	17509	16539	23410	23379	23534	25893	26590	35006
IRRIGATION REVENUE	31733	31002	29939	32729	36700	35539	37834	42071	45337
OTHER REVENUE FROM SALES	1600	1608	1644	1044	1044	1044	1647	1690	2569
OTHER OPERATING REVENUE	4309	5371	6291	6358	6373	8830	8103	11392	10841
NON-OPERATING REVENUE	1245	5142	4151	11940	6144	7173	8920	13171	8920
RESIDENTIAL SALES(MWH)	5093	6427	9126	11384	12141	14607	16340	13607	15575
COMMERCIAL SALES(MWH)	671	736	938	1255	1351	1404	1681	1671	1807
INDUSTRIAL SALES(MWH)	1258	1420	1568	1937	1975	1922	2202	2491	2910
IRRIGATION SALES(MWH)	3941	3439	3073	3550	4394	4247	4347	5504	5472
OTHER SALES(MWH)	71	73	72	72	72	72	72	73	72
ENERGY INPUT(MWH)	13041	13601	10462	20508	22122	24339	26835	27757	28093
POWER COST	38346	41142	52573	73527	69263	77486	80884	90278	91412
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	4619	103	9555	7654	8573	7611	9938	7557	12350
MAINTENANCE EXPENSE	10938	8009	13994	12545	13806	15165	22205	16695	22605
CUSTOMER SERVICE	3242	10060	8002	9923	10913	11452	12875	13943	10105
SALES EXPENSE	4501	7602	9316	11459	11349	12209	10603	13312	10494
ADMIN & GENERAL EXPENSE	15736	10108	21992	20992	33680	41056	41219	44205	45018
INTEREST EXPENSE	5421	10074	12044	14627	16252	17503	15030	10329	15241
TAXES	8351	10802	12057	15585	16282	21069	21376	21443	24857
OTHER DEDUCTIONS			376			341			
DEPRECIATION	20524	26629	31690	33131	40739	43272	45234	47613	40795
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	591	623	702	852	840	909	988	1013	1019
RESIDENTIAL CUSTOMERS(AVG)	471	493	537	690	728	807	821	933	881
COMMERCIAL CUSTOMERS(AVG)	50	65	73	62	88	88	91	91	102
MILES OF DISTRIBUTN LINE	251	209	280	284	285	286	293	294	
DEVELOPMENTAL DISCOUNT	793	840	1073	1500	1393	1581	1773		
MAXIMUM DEMAND KW	2700	3607	3841	5738	4692	5314	6724	6951	6744
AVERAGE DEMAND KW	2300	2374	2988	3734	3801	4336	5641	5107	5172

304 MISSOULA ELEC COOP   MONT   SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3251062	3414327	3759015	3932963	4337297	4643698	5635457	5875693	6345635
RESERVE FOR DEPRECIATION	856025	946655	1018522	1110342	1221126	1279936	1435973	1569980	1638900
CURRENT ASSETS	335454	247650	298835	319310	271703	318003	352948	288382	702308
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	47330	41009	30348	55604	79917	17756	60612	34323	70739
MATERIALS & SUPPLIES	93408	85629	86214	106256	123798	113308	177395	131813	306628
LONG TERM DEBT	2467327	2555284	2715086	2857635	2997330	3246290	3371515	3622650	4583890
CURRENT LIABILITIES	37500	33077	37477	53703	55185	48969	164635	277843	125103
MEMBERSHIP FEES	25249	27573	29160	30880	32225	34315	34439	37034	39353
CONTRIBUTION IN AID CONSTRUCTN	42994	43134	42994	42994	42994	42994	42994	42994	
SURPLUS AND/OR PATRONAGE CAP.	399322	423455	434291	487180	528001	623366	710269	833075	924605
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1360	1756	1814	3111	
RESIDENTIAL REVENUE	315658	331745	365675	406890	448931	511092	560934	641191	722344
COMMERCIAL REVENUE	53745	50445	64501	60128	73377	83274	91824	97939	111601
INDUSTRIAL REVENUE	45571	25601	33258	43025	44572	47712	53933	70943	76293
IRRIGATION REVENUE	21330	21414	23292	24190	24494	30209	33635	43742	52107
OTHER REVENUE FROM SALES	8349	10605	10435	9461	9526	9775	12412		
OTHER OPERATING REVENUE	4820	5701	5842	5820	5813	5757	5699	5809	6222
NON-OPERATING REVENUE	9554	12203	9505	9695	16207	12531	13645	11106	22105
RESIDENTIAL SALES(MWH)	16131	17273	20656	22014	25331	29480	34721	38015	41945
COMMERCIAL SALES(MWH)	3077	3254	3617	4083	4645	5103	5956	6229	6773
INDUSTRIAL SALES(MWH)	3177	2100	2391	3182	2997	3185	3575	5306	5645
IRRIGATION SALES(MWH)	2031	1930	2114	2182	1983	2724	2754	4723	5650
OTHER SALES(MWH)	339	513	558	495	379	513	545		
ENERGY INPUT(MWH)	27004	29035	32936	37400	40351	46449	54579	61703	67702
POWER COST	84134	89443	101603	116919	123546	142543	167165	191762	213230
TRANSMISSION EXPENSE	1303	1792	1560	23404	1550	1748	3176	2609	2218
DISTRIBUTION EXPENSE	23642	24073	26035	30011	31675	35658	36662	46304	54157
MAINTENANCE EXPENSE	34342	37578	41771	39011	47448	51495	63541	64114	86742
CUSTOMER SERVICE	19575	23439	23493	28987	32033	34333	45551	41935	43598
SALES EXPENSE	17354	19843	21601	21539	25503	18734	23493	11566	12573
ADMIN & GENERAL EXPENSE	72215	73965	79244	86469	94042	102754	110927	133192	150930
INTEREST EXPENSE	47753	49045	51519	54027	56803	61413	60850	74824	110323
TAXES	16413	17929	13097	21509	24656	20193	32383	30244	42524
OTHER DEDUCTIONS		2017	2015	409	363		4842	444	4395
DEPRECIATION	93401	101347	113907	105505	111950	125615	133606	148712	166229
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2335	2483	2615	2771	2925	3185	3437	3745	4053
RESIDENTIAL CUSTOMERS(AVG)	2015	2092	2201	2355	2455	2726	2974	3240	3519
COMMERCIAL CUSTOMERS(AVG)	221	233	238	238	237	260	260	313	332
MILES OF DISTRIBUTION LINE	739	809	844	854	911	942	967	1015	1067
DEVELOPMENTAL DISCOUNT	4633	4650	5363	6133	6503	7404	3743	3912	
MAXIMUM DEMAND KW	5819	5595	6793	8313	8356	10537	13898	13511	12657
AVERAGE DEMAND KW	5106	4987	5534	6344	6777	7799	9695	10336	

[illegible] ELEC COOP   OCC   WALLA

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	33412.7	4202656	4592053	5223515	5632025	5941013	6694452	7399452	761[illegible]
RESERVE FOR DEPRECIATION	706031	681467	972068	1693563	1230429	1300459	1551801	1713005	1914113
CURRENT ASSETS	124699	166741	278160	163742	206423	174376	311119	256467	270557
ACQUISITION ADJUSTMENT	29295	29295	29295	29295	29295	29295	29295	29295	29295
CONSTRUCTION WORK IN PROGRESS	151359	224222	34209	34434	19079	42116	273105	65140	73158
MATERIALS & SUPPLIES	55067	54702	162179	38584	85981	79067	262618	171282	202808
LONG TERM DEBT	2811353	3202949	3603306	3758043	4063372	4440357	4593613	4794234	4964336
CURRENT LIABILITIES	39133	51740	60560	93907	134323	133393	129907	137075	175935
MEMBERSHIP FEES	7935	16003	12145	13353	14825	16420	18495	248[illegible]	22640
CONTRIBUTION IN AID CONSTRUCTN	135-0	135-0	42234	142592	205035	230568	325911	397893	
SURPLUS AND/OR PATRONAGE CAP.	290094	362138	319019	420859	489301	653573	633022	1110493	1344775
MUNICIPAL INVESTMENT					3928	4442	5806	6903	
IRRIGATION DISCOUNT	154311	102517	193645	233103	272350	553209	437052	555342	615773
RESIDENTIAL REVENUE	161736	114497	117156	127307	138915	153419	160070	172515	185035
COMMERCIAL REVENUE	73403	64029	81004	153037	222240	243413	251583	249093	244033
INDUSTRIAL REVENUE	77154	71670	73989	73056	80907	63942	109532	122816	157302
IRRIGATION REVENUE	5467	5610	5900	4512	7425	7959	9163	10220	14990
OTHER REVENUE FROM SALES	14147	21090	21604	23130	19503	22309	21698	14394	16602
OTHER OPERATING REVENUE	3036	2420	3194	6591	11732	19580	36524	35731	42434
NON-OPERATING REVENUE	7008	8163	12306	12853	16942	14327	25019	31047	36055
RESIDENTIAL SALES(MWH)	6735	7214	6590	8190	9239	9691	10034	10630	10714
COMMERCIAL SALES(MWH)	6075	6459	7411	15443	23091	27853	31127	29290	27809
INDUSTRIAL SALES(MWH)	5492	5403	6526	6710	6935	6731	5097	10402	12041
IRRIGATION SALES(MWH)	350	391	393	515	372	359	484	543	551
OTHER SALES(MWH)	31577	34063	35124	50330	62045	74272	85242	92042	97552
ENERGY INPUT(MWH)	89330	96333	108030	142041	181240	217059	264579	269234	293063
POWER COST	329	2599	1509	429	1733	2354	3405	3595	7842
TRANSMISSION EXPENSE	42656	30531	20711	31452	34781	37920	28172	30230	56077
DISTRIBUTION EXPENSE	20273	32741	47979	44014	63299	60729	72075	72003	62604
MAINTENANCE EXPENSE	33039	26131	22731	21094	27478	30008	34551	45891	53750
CUSTOMER SERVICE	3043	15052	13910	8671	8537	11740	6585	3436	2099
SALES EXPENSE	77351	67013	63440	72510	88039	94317	103161	123431	136442
ADMIN & GENERAL EXPENSE	46511	55704	61020	68599	72871	77812	80585	132285	110032
INTEREST EXPENSE	13033	14751	10051	22023	29177	34193	33857	40514	56971
TAXES	-1					349	255	347	433
OTHER DEDUCTIONS	95001	104556	114097	131339	146384	159253	170633	193347	228950
DEPRECIATION									
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1723	1943	2127	2505	2847	3163	3625	4092	4551
RESIDENTIAL CUSTOMERS(AVG)	1357	1523	1064	1990	2274	2582	2960	3385	3305
COMMERCIAL CUSTOMERS(AVG)	243	303	317	345	344	427	405	495	524
MILES OF DISTRIBUTION LINE	823	362	839	874	423	959	1021	1083	1152
DEVELOPMENTAL DISCOUNT	4070	3058	5675	7502	9510	11396	5538	5493	
MAXIMUM DEMAND KW	5933	6737	6737	10174	10998	14573	10233	17153	20550
AVERAGE DEMAND KW	5635	5390	5009	3271	10271	12293	14538	14533	

SEC/LOWER VALLEY P&L ATO WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	7134435	7541717	7935669	8422697	8427912	8794953	9197735	10434263	11664595
RESERVE FOR DEPRECIATION	2191512	2307447	2440376	2331891	2590261	2050041	2595671	3438661	3209432
CURRENT ASSETS	362434	454607	404656	397108	367187	507212	562854	936169	1336279
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	411310	116763	157384	218479	147247	323312	333376	388665	801248
MATERIALS & SUPPLIES	150424	148078	153427	138122	139247	177425	224731	469775	699353
LONG TERM DEBT	4365510	4663379	4921520	4535479	4584410	4336991	5323633	5338513	7349143
CURRENT LIABILITIES	73758	117642	121666	134898	149992	163687	220570	246079	351919
MEMBERSHIP FEES	15730	16420	17115	18375	19135	19670	21155	23175	25315
CONTRIBUTION IN AID CONSTRUCTION	124355	159290	163014	190663	219162	223899	244916		
SURPLUS AND/OR PATRONAGE CAP.	994131	1222856	1343959	1409362	1615101	1630641	2072685	2423495	2754118
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					191	636	847	1272	
RESIDENTIAL REVENUE	472239	531374	633565	646654	711342	791255	877741	1003617	1140623
COMMERCIAL REVENUE	256345	297594	324466	315620	315531	355423	421433	473655	542263
INDUSTRIAL REVENUE	180042	207739	233384	225938	213449	218244	231404	254285	269000
IRRIGATION REVENUE	15732	11966	16755	17529	17852	17949	20900	25102	34028
OTHER REVENUE FROM SALES	48571	52651	55714	56466	62890	63424	73535	78353	76542
OTHER OPERATING REVENUE	10212	11024	14214	19339	20742	19502	14933	24263	28954
NON-OPERATING REVENUE	10174	17763	13323	1322	18253	25039	20550	20904	25973
RESIDENTIAL SALES(MWH)	26339	31636	37473	41113	46129	52764	54777	69597	77329
COMMERCIAL SALES(MWH)	12756	15727	17324	17701	19569	22702	27203	30957	33000
INDUSTRIAL SALES(MWH)	10370	11673	13413	14065	15342	16152	16937	18637	22166
IRRIGATION SALES(MWH)	521	452	667	1010	1378	1355	1363	2065	2983
OTHER SALES(MWH)	1350	2138	2255	2520	2955	3328	3456	3698	3977
ENERGY INPUT(MWH)	60333	69003	83606	85442	94535	106231	122014	135149	153905
POWER COST	165535	212650	254363	264302	304277	338964	390452	434351	485239
TRANSMISSION EXPENSE	2976	4623	4738	5448	19770	5273	13102	9254	6343
DISTRIBUTION EXPENSE	49577	97563	57737	110763	133321	133763	144341	161240	169994
MAINTENANCE EXPENSE	43149	55742	54374	75933	93324	93924	124827	132625	132007
CUSTOMER SERVICE	43055	47467	51039	63335	66903	75735	81575	89445	102142
SALES EXPENSE	6450	23083	19710	24151	28099	26652	23170	15727	5521
ADMIN & GENERAL EXPENSE	113354	130725	163422	164900	167314	170031	192335	220707	245116
INTEREST EXPENSE	86717	93363	83352	86007	89756	91326	95130	117631	166470
TAXES	54359	65594	73145	75412	72363	70202	83294	90763	104104
OTHER DEDUCTIONS	2331	2204	2277	4241	5454	3364	3259	3637	2455
DEPRECIATION	190345	193024	203500	215069	220045	239094	243459	260603	283247
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4410	4741	5094	5263	5513	5759	6126	6659	7212
RESIDENTIAL CUSTOMERS(AVG)	3237	2430	3063	3792	3474	4193	4394	4792	5237
COMMERCIAL CUSTOMERS(AVG)	912	1003	1107	1134	1169	1245	1364	1434	1509
MILES OF DISTRIBUTION LINE	1033	1634	979	964	993	1017	1041	1067	[illegible]
DEVELOPMENTAL DISCOUNT	3775	4326	5292	5392	6208	6915	7906	8861	
MAXIMUM DEMAND KW	12099	14743	16958	13528	19502	23258	31256	32865	1239
AVERAGE DEMAND KW	10152	11603	14102	13501	15531	18608	21235	23570	

359 LOST RIVER ELEC IDAHO MALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1944788	2,357720	2041332	2024727	2097242	2090598	2100609	2322754	2651351
RESERVE FOR DEPRECIATION	497705	541655	554598	561669	598461	640069	702598	766951	815354
CURRENT ASSETS	130031	125104	93472	90203	108305	106671	105804	156477	207241
ACQUISITION ADJUSTMENT	16435	15400	15466	16450	16460	15466	16466	16490	18466
CONSTRUCTION WORK IN PROGRESS	162212	46069	10104	14450	18755	16703	23514	27632	94525
MATERIALS & SUPPLIES	75525	77045	62001	63416	81001	71047	75145	133845	243852
LONG TERM DEBT	1122552	1185548	1175789	1163509	1139460	1169943	1077457	1117369	1378215
CURRENT LIABILITIES	30033	21470	22454	23103	26295	21049	30190	42674	46179
MEMBERSHIP FEES	4305	4310	4385	4415	4515	4613	4800	4655	4925
CONTRIBUTION IN AID CONSTRUCTN	10490	12318	12438	12598	12635	12803	13193	13570	
SURPLUS AND/OR PATRONAGE CAP.	461954	477308	508071	507793	547346	584405	649704	734201	834902
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					3102	2913	4657	4653	
RESIDENTIAL REVENUE	117244	107441	112375	117501	128696	141337	151096	167455	181205
COMMERCIAL REVENUE	21017	15049	17133	17350	18103	19036	20829	21423	23227
INDUSTRIAL REVENUE	4239	1930	3290	3700	8417	10235	9703	15414	14202
IRRIGATION REVENUE	115555	60603	64929	70716	81004	74544	104150	147449	173956
OTHER REVENUE FROM SALES	6556	7003	9404	9534	9835	10229	11336	11055	10146
OTHER OPERATING REVENUE	13750	11291	10406	10694	11051	10533	10302	9841	10045
NON-OPERATING REVENUE	6923	5072	5984	9243	8565	8200	11055	10875	8301
RESIDENTIAL SALES(MWH)	6709	7250	7506	8030	8393	10139	10066	12199	13202
COMMERCIAL SALES(MWH)	1539	1157	1259	1293	1355	1423	1554	1562	1725
INDUSTRIAL SALES(MWH)	150	133	132	224	503	1035	541	1002	940
IRRIGATION SALES(MWH)	5922	3533	5633	4500	4709	4420	7667	11433	12700
OTHER SALES(MWH)	277	557	757	771	815	800	931	972	774
ENERGY INPUT(MWH)	19132	13904	15550	16523	18173	19059	23182	30321	33702
POWER COST	54942	42593	40071	47355	51141	55535	65357	84290	93415
TRANSMISSION EXPENSE	5243	921	2772	1179	512	2745	2696	1510	2445
DISTRIBUTION EXPENSE	11301	17807	16272	19792	16050	22012	21520	24405	27446
MAINTENANCE EXPENSE	7109	9955	5084	6271	9564	7949	7000	6693	6917
CUSTOMER SERVICE	10739	16400	10551	11979	12030	13912	12047	14544	19042
SALES EXPENSE	2422	3305	1979	2123	2174	2220	2064	2040	1017
ADMIN & GENERAL EXPENSE	34510	34402	39791	35769	43414	40594	47220	50642	59600
INTEREST EXPENSE	19451	22503	23176	23208	22434	22210	21613	21343	25460
TAXES	11110	9200	10127	10580	11340	12553	13670	16402	19306
OTHER DEDUCTIONS	1346	2020	1130	4300	802	935	802	941	93
DEPRECIATION	47040	50292	55351	50094	55920	57559	53519	60707	66169
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1132	1147	1159	1163	1213	1245	1207	1363	1436
RESIDENTIAL CUSTOMERS(AVG)	534	644	453	670	301	323	959	1017	1046
COMMERCIAL CUSTOMERS(AVG)	110	105	108	109	112	118	119	119	117
MILES OF DISTRIBUTION LINE	409	409	431	437	437	440	454	451	455
DEVELOPMENTAL DISCOUNT	2345	665	2451	2487	2648	2969	3432	1002	
MAXIMUM DEMAND KW	6946	4432	6323	3792	4854	4927	5993	9431	10274
AVERAGE DEMAND KW	3352	2471	2808	2704	3007	3321	3903	5244	

358/LINCOLN ELEC COOP WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3147345	3433043	3701129	3577449	4343193	4247339	4352498	4572031	4937167
RESERVE FOR DEPRECIATION	1100077	1152453	1212092	1243786	1298327	1347269	1393407	1484493	1642322
CURRENT ASSETS	310237	359724	233319	332203	113530	439765	375111	426428	724727
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	30730	49749	31300	50039	33521	76492		64634	97218
MATERIALS & SUPPLIES	94683	132319	95083	92954	100924	111095	77238	161077	362195
LONG TERM DEBT	1727835	1900735	1953057	2175018	2324975	2425092	2594691	2564028	3022734
CURRENT LIABILITIES	30737	45903	63073	77533	61942	39938	54946	63370	113838
MEMBERSHIP FEES	5760	5725	5755	5835	5985	6175	6285	6430	6625
CONTRIBUTION IN AID CONSTRUCTN	172303	187427	194713	202114	209727	215711	223988	240273	
SURPLUS AND/OR PATRONAGE CAP.	463753	522927	565468	577897	616360	630210	645637	686933	754630
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					26642	27563	27834	33331	
RESIDENTIAL REVENUE	243414	249732	251704	235067	241375	252062	260781	282715	319561
COMMERCIAL REVENUE	13722	11253	11531	13203	13791	15542	16528	16714	17711
INDUSTRIAL REVENUE	62233	59038	73402	60309	60377	64331	63054	73617	79213
IRRIGATION REVENUE	150814	146135	185175	170743	220343	227354	232258	284203	324423
OTHER REVENUE FROM SALES									
OTHER OPERATING REVENUE	15034	15248	16311	17799	18380	17577	17647	16362	16457
NON-OPERATING REVENUE	9530	8255	6889	10483	10886	12776	12335	14051	14317
RESIDENTIAL SALES(MWH)	16538	17603	18615	19804	20540	21526	22798	22791	23612
COMMERCIAL SALES(MWH)	555	582	524	696	731	877	1034	644	854
INDUSTRIAL SALES(MWH)	6738	6116	9762	3669	7043	8912	10066	10042	9658
IRRIGATION SALES(MWH)	19931	25533	34272	30885	40363	41706	42177	50491	46521
OTHER SALES(MWH)									
ENERGY INPUT(MWH)	56570	57133	68450	67330	75419	80089	83608	91972	88553
POWER COST	145713	165533	192251	192373	213026	222857	232190	250345	253967
TRANSMISSION EXPENSE					490	246	909	455	3594
DISTRIBUTION EXPENSE	40130	32352	23707	35626	31333	13846	12268	20167	20790
MAINTENANCE EXPENSE	3378	9004	6696	10434	15017	35470	32335	40407	51697
CUSTOMER SERVICE	12450	12690	12999	14194	15359	17244	22169	30949	30773
SALES EXPENSE	6331	6004	6540	8303	6294	5201	3656	1334	1773
ADMIN & GENERAL EXPENSE	41647	44977	50905	52904	50725	62082	71037	75474	83356
INTEREST EXPENSE	31856	33331	35064	40959	43755	45248	47257	52493	55063
TAXES	35938	38622	43130	40824	38181	47657	49167	55679	61352
OTHER DEDUCTIONS	533								2969
DEPRECIATION	91356	87381	96707	104625	109272	113619	115926	123112	120497
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1327	1357	1391	1423	1427	1459	1483	1522	1571
RESIDENTIAL CUSTOMERS(AVG)	1097	1123	1120	1129	1134	1157	1177	1233	1244
COMMERCIAL CUSTOMERS(AVG)	63	56	71	91	86	95	95	98	99
MILES OF DISTRIBUTION LINE	1244	1272	1272	1275	1283	1344	1353	1296	1314
DEVELOPMENTAL DISCOUNT	2973								
MAXIMUM DEMAND KW	10933	13421	15320	16783	18372	19038	19333	21393	22243
AVERAGE DEMAND KW	8400	9701	11324	11338	12739	13138	13642	14833	

357LINCOLN ELEC COOP   MONT   SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2290034	2441940	2519949	2641798	3064342	3177719	3447557	3529475	3623570
RESERVE FOR DEPRECIATION	537273	632204	673549	720361	860572	924139	955168	1053832	1135594
CURRENT ASSETS	165457	90322	148659	164978	194391	207153	243305	245033	271651
ACQUISITION ADJUSTMENT	29541	29541	29541	29541	29541	29541	29541	29541	29541
CONSTRUCTION WORK IN PROGRESS	15751	44792	35428	70791	421005	227580	365797	163812	202254
MATERIALS & SUPPLIES	56420	54976	53648	55008	62993	69664	90911	80571	126818
LONG TERM DEBT	1291527	1309339	1338034	1385936	1669615	1433490	1426320	1539638	1552095
CURRENT LIABILITIES	34351	30107	44486	51624	53847	64038	119859	94785	85327
MEMBERSHIP FEES	14303	15290	15536	14783	14506	14120	13710	13110	12910
CONTRIBUTION IN AID CONSTRUCTN	162356	204755	212126	215372	540576	637806	693607	765334	[illegible]
SURPLUS AND/OR PATRONAGE CAP.	495781	601404	638544	654022	646277	690002	721213	757808	797200
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					686	623	598	923	
RESIDENTIAL REVENUE	180232	215295	241514	253122	262061	261375	289612	294293	325523
COMMERCIAL REVENUE	49510	59263	55616	55753	61861	66659	63307	65955	66432
INDUSTRIAL REVENUE	79531	204745	238311	141565	99674	122667	149405	132506	131753
IRRIGATION REVENUE	8323	9979	10015	11467	12797	13424	12037	15213	16958
OTHER REVENUE FROM SALES	9037	11724	14604	15315	16543	16776	17929	17304	17973
OTHER OPERATING REVENUE	4730	6062	6020	6195	2900	2743	2486	3309	3257
NON-OPERATING REVENUE	7598	8202	13903	13253	11209	12531	16337	20383	17306
RESIDENTIAL SALES(MWH)	11620	13014	15942	13604	18606	19227	19336	20873	21747
COMMERCIAL SALES(MWH)	2049	3735	4292	4504	5160	5494	5565	5503	4356
INDUSTRIAL SALES(MWH)	6559	19202	22016	11643	7176	9197	10941	10617	11584
IRRIGATION SALES(MWH)	574	972	733	763	1053	930	673	1515	1623
OTHER SALES(MWH)	602	634	1237	1306	1441	1502	1405	1394	1553
ENERGY INPUT(MWH)	23398	43718	49997	42332	37762	40973	44244	42354	44385
POWER COST	81203	141152	161651	141591	125534	133405	156594	139339	141953
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	32039	43403	51702	50859	49865	53347	52411	59231	56534
MAINTENANCE EXPENSE	10248	31950	45215	30243	23302	24117	52332	31153	27970
CUSTOMER SERVICE	13742	20420	20599	33723	30523	30144	24551	20931	31147
SALES EXPENSE	2605	1967	674	858	937	1847	2115	2042	2741
ADMIN & GENERAL EXPENSE	59127	57713	97214	84393	87359	93922	90930	101592	109304
INTEREST EXPENSE	23009	25924	23692	25524	26774	27654	20665	29431	29046
TAXES	9997	12653	13392	14150	13071	11207	11601	14733	14959
OTHER DEDUCTIONS	2259	1422	4570	5730	2264	3447	1964	2790	1500
DEPRECIATION	55639	64075	68263	66361	76300	82275	92128	101405	104361
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1478	1605	1778	1763	1733	1711	1655	1636	1605
RESIDENTIAL CUSTOMERS(AVG)	1213	1372	1404	1453	1413	1401	1363	1326	1343
COMMERCIAL CUSTOMERS(AVG)	172	192	255	252	204	215	205	212	219
MILES OF DISTRIBUTION LINE	444	446	453	453	458	405	436	417	428
DEVELOPMENTAL DISCOUNT	4254	2851			2551	2525	3195	2654	
MAXIMUM DEMAND KW	7230	10272	16363	9605	9200	10400	11500	10900	10700
AVERAGE DEMAND KW	4816	5607	8640	5230	7052	7362	6934	7902	

354 LANE CO ELEC ORE PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	197-
GROSS PLANT	5298035	5486397	5652083	5933608	6126295	6361936	6574722	6959454	7156304
RESERVE FOR DEPRECIATION	1262332	1398319	1461095	1532359	1762090	1530135	1895375	2049003	2291459
CURRENT ASSETS	565153	653071	615594	543139	555212	541647	675503	871533	902915
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	12037	94133	49184	90160	52228	37306	5537	44431	235616
MATERIALS & SUPPLIES	60314	61592	137057	70285	95590	115942	101637	121533	175513
LONG TERM DEBT	3173456	3274213	3149970	3041084	3250456	2333379	2766531	2764155	2603843
CURRENT LIABILITIES	173035	137715	143117	150470	174995	133537	247136	345501	328129
MEMBERSHIP FEES	27705	26005	29075	23560	29730	31163	32505	34290	34955
CONTRIBUTION IN AID CONSTRUCTN	107059	108690	77037	117152	133025	146477	213699	251353	
SURPLUS AND/OR PAT-DJAGE CAP.	1339078	1506024	1782226	1938200	2128119	2323691	1941669	2857032	3134252
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					355	329	381	410	
RESIDENTIAL REVENUE	862011	914234	992145	1084809	1152229	1273171	1352599	1395535	1533703
COMMERCIAL REVENUE	152209	102556	90257	35991	99557	103311	119342	124860	157413
INDUSTRIAL REVENUE	267322	260165	354441	233303	254452	291024	329451	378273	471610
IRRIGATION REVENUE	6478	7622	4776	5604	7033	6578	7574	5557	10415
OTHER REVENUE FROM SALES	17519	16033	23743	44748	63339	65599	69459	77441	94100
OTHER OPERATING REVENUE	25006	23553	22534	24583	24340	25449	25949	31409	23752
NON-OPERATING REVENUE	14544	22649	24743	31785	32740	17320	33070	41835	47775
RESIDENTIAL SALES(MWH)	83777	87213	95376	103387	114913	129323	137231	141327	143206
COMMERCIAL SALES(MWH)	9330	9734	8820	9296	9760	10617	11939	12821	14504
INDUSTRIAL SALES(MWH)	40574	45471	55090	52818	40761	53039	57321	65349	72111
IRRIGATION SALES(MWH)	527	543	552	450	542	537	627	664	718
OTHER SALES(MWH)	1350	1515	1553	4469	6173	6441	5776	7424	12251
ENERGY INPUT(MWH)	143034	153390	175316	188442	182387	211177	233733	243373	264342
POWER COST	528136	526001	583764	635556	619334	690593	772787	823134	905465
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	133497	141822	121571	127866	115703	165065	133135	135344	134212
MAINTENANCE EXPENSE	64775	40637	65566	91271	163736	145035	113777	121904	174455
CUSTOMER SERVICE	62466	80001	92652	91605	96381	134529	119285	120069	164494
SALES EXPENSE		9353	4076	26975	17358	17731	13404	14132	19969
ADMIN & GENERAL EXPENSE	160554	122870	124709	141311	173038	187273	193992	219607	255078
INTEREST EXPENSE	61039	65016	62773	61200	58378	55488	55684	53550	52464
TAXES	41250	44401	52766	66797	77455	80332	97032	99391	114003
OTHER DEDUCTIONS	2530					1945	2891	3344	4121
DEPRECIATION	154034	160031	163234	157423	180573	192536	198034	200523	211273
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	6302	6510	6422	5619	6783	6945	7322	7057	7564
RESIDENTIAL CUSTOMERS(AVG)	5657	5655	5612	6025	6255	6399	6665	6947	7050
COMMERCIAL CUSTOMERS(AVG)	423	397	381	367	353	365	392	413	470
MILES OF DISTRIBUTION LINE	794	814	832	841	841	871	882	927	957
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	35511	40174	38384	44414	43322	45233	65473	58730	67086
AVERAGE DEMAND KW	29714	23871	32183	34185	34373	37972	42358	45575	

351 KOOTENAI ELEC IDAHO SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3593055	3999901	4163431	4403103	4879394	5287982	5753232	6248677	6863357
RESERVE FOR DEPRECIATION	772251	871890	932718	1006612	1163056	1283967	1407918	1527714	1792825
CURRENT ASSETS	437941	388615	392999	402292	448393	469923	456242	643938	648477
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	96262	194557	111311	133713	75682	125151	174840	241635	372627
MATERIALS & SUPPLIES	64179	62233	62911	53030	105411	113191	120846	197637	355071
LONG TERM DEBT	3340039	3060535	3263063	3432792	3793663	4012322	4303700	4332798	4909416
CURRENT LIABILITIES	71250	90655	97430	64134	101947	104174	114929	526272	493971
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	17431	86739	87137	87137	87137	87137	87137	164485	
SURPLUS AND/OR PATRONAGE CAP.	136300	173713	204604	227334	206234	265662	343957	472487	547942
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT						3607	3730	5905	
RESIDENTIAL REVENUE	319448	347112	383237	432446	477636	564341	659377	757977	844837
COMMERCIAL REVENUE	30142	41334	55253	59678	65367	73444	80422	95098	98105
INDUSTRIAL REVENUE	41233	50602	53241	65677	61159	102409	131939	130615	140043
IRRIGATION REVENUE	45930	44872	34728	43248	46500	33234	43446	60921	53019
OTHER REVENUE FROM SALES	13275	15342	10696	15993	17646	20029	21102	21311	21647
OTHER OPERATING REVENUE	3242	3012	3771	4186	4182	4725	6245	9134	19714
NON-OPERATING REVENUE	2111	-27	2995	3375	2950	4462	13459	8294	12803
RESIDENTIAL SALES(MWH)	16087	16766	22292	25470	29177	35791	43554	40749	54711
COMMERCIAL SALES(MWH)	2077	2494	3293	4634	4169	4872	5599	6022	6774
INDUSTRIAL SALES(MWH)	3141	3912	4137	5122	6744	9434	13017	13813	13906
IRRIGATION SALES(MWH)	7747	6404	4563	5935	6600	4596	3632	9034	8882
OTHER SALES(MWH)	1557	1557	1076	1069	61	2048	2176	2194	2109
ENERGY INPUT(MWH)	34552	37005	40578	43200	55264	63545	75776	91033	97546
POWER COST	103310	110554	131449	150075	172087	207910	243895	280951	303458
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	25408	18265	27926	32139	33391	38591	35710	170573	50645
MAINTENANCE EXPENSE	33020	35060	39014	37975	75555	61793	131603		169437
CUSTOMER SERVICE	37410	20305	30825	32253	34094	37634	41721	60443	72417
SALES EXPENSE	15334	22662	24718	20953	20259	23238	10226	7820	8059
ADMIN & GENERAL EXPENSE	74333	71900	67211	101411	101961	115386	120101	121074	149717
INTEREST EXPENSE	53359	50047	54000	60394	66552	73108	81743	94405	130255
TAXES	15204	19521	22039	28209	27630	32446	33535	47532	44511
OTHER DEDUCTIONS								1152	644
DEPRECIATION	95008	105204	113675	121992	135413	145109	161705	174215	182069
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	3035	3252	3373	3566	3770	4014	4300	4790	5244
RESIDENTIAL CUSTOMERS(AVG)	2820	2973	3092	3204	3460	3038	4017	4403	4607
COMMERCIAL CUSTOMERS(AVG)	132	142	155	167	163	192	187	225	253
MILES OF DISTRIBUTION LINE	549	609	629	635	635	663	702	714	714
DEVELOPMENTAL DISCOUNT	5713	6109	6932	8154	9007	4242	5058	5894	
MAXIMUM DEMAND KW	8754	8922	9436	11193	12377	14335	20740	19504	22512
AVERAGE DEMAND KW	6402	6649	7584	6592	9092	11900	14060	16101	16934

348 INLAND POWER & LT   WASH   SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	12324990	13330821	14310912	15116997	15739443	17225606	19320894	22062813	2628[illegible]2
RESERVE FOR DEPRECIATION	3703353	4361491	4345782	4894892	5135421	5445374	5749140	6234304	6942191
CURRENT ASSETS	432026	764602	663002	653041	303329	734957	827037	1344833	1084131
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	192508	353298	442735	33827	195335	582391	485136	793652	561804
MATERIALS & SUPPLIES	172554	206602	284465	252183	16863	366680	456233	855757	1132475
LONG TERM DEBT	7812003	8034400	9335995	9374639	11292363	11373749	12620794	15661607	19377632
CURRENT LIABILITIES	196510	300704	259123	432237	253098	629666	839625	1390531	1703636
MEMBERSHIP FEES	67640	70430	73529	76962	80232	84305	89384	95237	103076
CONTRIBUTION IN AID CONSTRUCTN	275427	297516	298544	321874	324337	325140	329844	336844	
SURPLUS AND/OR PATRONAGE CAP.	755313	533945	794580	689977	833425	987452	1070713	954096	1442452
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					6951	5523	5521	6425	
RESIDENTIAL REVENUE	1184283	1257541	1369121	1577322	1820579	2017707	2239623	2513662	3249503
COMMERCIAL REVENUE	114155	119835	124738	129930	138157	144307	149952	166641	206760
INDUSTRIAL REVENUE	150453	151368	150466	165566	175370	184374	209874	230703	302164
IRRIGATION REVENUE	80300	69583	83924	93355	99073	87606	93835	140695	141847
OTHER REVENUE FROM SALES	143036	204753	140011	111665	87368	84655	67011	45110	55863
OTHER OPERATING REVENUE	42154	42734	42728	50266	56505	55694	57175	94733	143029
NON-OPERATING REVENUE	17318	17437	16241	16328	22307	24568	16397	24315	63955
RESIDENTIAL SALES(MWH)	104973	112255	124355	139079	144436	162724	183381	194279	211543
COMMERCIAL SALES(MWH)	7930	8313	8601	9453	9965	10407	10945	12983	12272
INDUSTRIAL SALES(MWH)	15330	16096	17295	18231	18698	19161	21710	23144	25531
IRRIGATION SALES(MWH)	9703	7495	8535	8069	10037	8521	9435	15157	10709
OTHER SALES(MWH)	13313	21141	18060	14402	7474	4378	4688	3575	3090
ENERGY INPUT(MWH)	170433	191997	195432	209901	216997	232405	261222	275623	296760
POWER COST	567444	603609	634353	730421	680144	741566	834855	877320	966919
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	122434	133166	147505	165173	142878	185948	234192	285303	188252
MAINTENANCE EXPENSE	75572	94693	93151	133492	247054	224641	221603	320075	292705
CUSTOMER SERVICE	53030	60773	53492	64120	70447	65104	102023	160266	240526
SALES EXPENSE	54450	73899	73260	43718	33306	36785	30668	47282	49252
ADMIN & GENERAL EXPENSE	167356	182695	213092	240443	248519	279806	347125	424136	611744
INTEREST EXPENSE	150579	157048	172086	185356	199408	213612	229679	293220	406032
TAXES	144552	157248	169042	184934	190151	206921	232376	262720	345209
OTHER DEDUCTIONS	1236	3391	5659	5706	2606	3294	15666	70175	95316
DEPRECIATION	331433	353851	377309	401602	444618	470012	512311	594151	617541
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	9132	9633	9845	9919	10263	10735	11572	12802	
RESIDENTIAL CUSTOMERS(AVG)	8175	8627	8769	8850	9179	9627	10267	11571	
COMMERCIAL CUSTOMERS(AVG)	370	382	401	411	405	435	423	435	
MILES OF DISTRIBUTION LINE	4031	4043	4046	4162	4162	4231	4377	4524	
DEVELOPMENTAL DISCOUNT	11576	12253	12941	15023	13875	15128	17632	17899	
MAXIMUM DEMAND KW	37355	44206	45066	58863	49373	55453	74181	70131	
AVERAGE DEMAND KW	31535	33563	34940	37519	37315	41280	45475	47034	

345 IDAHO CO ELEC IDAHO SPOKANE

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2174325	2217335	2378171	2235964	2647349	[illegible]	2703319	2865545	3037110
RESERVE FOR DEPRECIATION	711143	744644	755556	843014	941027	944435	952014	1071493	1125549
CURRENT ASSETS	90352	40951	152445	119712	119391	121777	127339	163542	182646
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	7634	7114	94794	25240	37276	24921	32611	22261	67024
MATERIALS & SUPPLIES	31276	31234	33423	30621	48179	30383	46678	50293	63442
LONG TERM DEBT	1372977	1362566	1404912	1532443	1557437	1612435	1637503	1742654	1777633
CURRENT LIABILITIES	14340	14695	53431	41144	28101	32577	41303	30728	66622
MEMBERSHIP FEES	6431	5191	6321	6321	6431	6096	5941	7340	7641
CONTRIBUTION IN AID CONSTRUCTN	15748	15748	15748	15748	15748	15747	15748	15747	15747
SURPLUS AND/OR PATRONAGE CAP.	249317	205609	289156	301702	314479	331538	351914	392755	442458
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					195	175	76	557	
RESIDENTIAL REVENUE	190035	197423	207539	218773	236049	263513	231059	314561	357952
COMMERCIAL REVENUE	24671	29503	34763	34692	30460	33311	33923	33565	35476
INDUSTRIAL REVENUE	32217	32050	33499	28092	31307	20498	13603	15241	12755
IRRIGATION REVENUE	6323	5373	4779	4034	5130	5505	5074	7292	9594
OTHER REVENUE FROM SALES	2256	2404	2446	2755	3117	3187	3277	3505	3622
OTHER OPERATING REVENUE	10749	10607	10551	10801	11377	13958	10696	11615	12342
NON-OPERATING REVENUE	2433	2918	3429	3425	3033	4799	4680	5915	8043
RESIDENTIAL SALES(MWH)	13535	14342	15140	16474	17048	18749	21336	22332	24233
COMMERCIAL SALES(MWH)	1835	2632	2222	2181	1733	1915	1919	2162	2271
INDUSTRIAL SALES(MWH)	3204	3173	3325	2939	3277	1972	1398	1414	997
IRRIGATION SALES(MWH)	437	351	301	343	326	292	331	663	593
OTHER SALES(MWH)	157	149	105	150	159	179	102	190	196
ENERGY INPUT(MWH)	21290	21991	24335	24032	24833	25529	20940	29703	31693
POWER COST	68623	71300	83403	80579	82004	80399	86047	97692	164690
TRANSMISSION EXPENSE			469	148	1307	1823	1263	657	2664
DISTRIBUTION EXPENSE	20351	20142	21597	23400	28064	13679	14758	14268	15304
MAINTENANCE EXPENSE	10336	7634	11132	11008	12117	20510	22816	20127	29550
CUSTOMER SERVICE	14305	15191	10173	10094	20110	23947	21749	21833	22024
SALES EXPENSE						7636	7453	4725	4659
ADMIN & GENERAL EXPENSE	45525	45023	47000	51131	55175	55352	50395	60907	71042
INTEREST EXPENSE	22974	20112	23503	20993	29729	31187	31372	32123	34147
TAXES	11249	11005	12445	12762	13069	14145	15370	17495	22274
OTHER DEDUCTIONS		345	225	245	275	350	684	275	7742
DEPRECIATION	50130	57753	58975	63244	65990	71030	72654	74632	77558
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1372	1393	1419	1439	1456	1404	1543	1649	1722
RESIDENTIAL CUSTOMERS(AVG)	1235	1253	1270	1285	1301	1327	1383	1430	1500
COMMERCIAL CUSTOMERS(AVG)	86	92	96	100	100	101	103	111	114
MILES OF DISTRIBUTION LINE	740	747	750	755	750	774	751	784	795
DEVELOPMENTAL DISCOUNT	3603	3747	1703	1767	1673	4221	4518	4023	
MAXIMUM DEMAND KW	4336	5295	5544	6794	5722	5740	8418	7869	8834
AVERAGE DEMAND KW	3326	4222	4717	4826	4534	4003	4998	5483	

342 HOOD RIVER ELEC   ORE   WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1209445	1571124	1654326	1749724	1842557	1949062	2052371	2157930	2423434
RESERVE FOR DEPRECIATION	287044	285213	333744	317659	349529	373063	402626	416091	395569
CURRENT ASSETS	103354	119773	112960	116904	128292	137926	154605	162822	182909
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES	39604	44645	30309	33790	46206	41672	48880	57301	74677
LONG TERM DEBT	646332	989317	1004321	1330755	1152631	588130	1135339	1154933	1300895
CURRENT LIABILITIES	30944	59145	114160	54569	64604	131159	94261	71655	82341
MEMBERSHIP FEES	4755	6665	5546	5665	5710	5695	6230	6565	6555
CONTRIBUTION IN AID CONSTRUCTION									
SURPLUS AND/OR PATRONAGE CAP.	348135	383717	435518	406562	453473	561459	661053	701231	916202
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					929	840	1878	1092	
RESIDENTIAL REVENUE	172686	235912	224611	250626	276853	369683	332418	347962	350359
COMMERCIAL REVENUE	19213	23621	20443	30027	32582	37345	39643	41434	41750
INDUSTRIAL REVENUE	111332	132410	147611	179964	204732	225511	242692	235675	270034
IRRIGATION REVENUE	10241	15274	13707	14220	16540	16305	15741	19615	17416
OTHER REVENUE FROM SALES	255	502	676	670	694	722	714	711	742
OTHER OPERATING REVENUE	937	2351	2701	757	3360	4343	639	717	659
NON-OPERATING REVENUE			1736	3165			6294	6623	6394
RESIDENTIAL SALES(MWH)	16625	21405	23629	20157	25395	27604	31103	31940	32807
COMMERCIAL SALES(MWH)	2013	2419	2813	2463	2676	3223	3535	3650	3431
INDUSTRIAL SALES(MWH)	12455	15855	17219	20927	22130	24293	26974	25509	27280
IRRIGATION SALES(MWH)	1321	1403	1150	1237	1448	1290	1334	1674	1391
OTHER SALES(MWH)	17	23	33	32	35	74	48	33	33
ENERGY INPUT(MWH)	37243	44605	52707	56383	56234	60920	65827	65945	67634
POWER COST	121574	137443	156258	173793	182320	196601	213603	211327	217545
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	32527	36663	40470	46843	42543	57152	73699	78609	85190
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	22459	24547	33768	28660	31821	34151	44515	48613	55749
SALES EXPENSE	7738	8626	9435	9606	13253	13670	13561	9713	9357
ADMIN & GENERAL EXPENSE	30204	29432	31503	35625	36021	37758	34285	36105	45553
INTEREST EXPENSE	32975	51846	50608	61403	63269	65421	66348	69364	72136
TAXES	10747	15541	15029	13760	24134	25938	23530	31765	34164
OTHER DEDUCTIONS					623		267	10547	
DEPRECIATION	35334	43545	49604	52101	54024	57595	63495	61745	69296
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1405	1705	1937	1964	1989	2054	2132	2185	2169
RESIDENTIAL CUSTOMERS(AVG)	1156	1441	1633	1636	1643	1694	1776	1821	1911
COMMERCIAL CUSTOMERS(AVG)	96	122	141	126	124	127	130	135	135
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	8112	12600	13986	12962	12513	13333	15548	14943	13276
AVERAGE DEMAND KW	6610	8376	3754	10109	9889	10634	11579	11394	

341 HARNEY ELEC COOP ORE WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	7143923	7415744	7376020	8255945	8776415	9015453	9264732	9446791	9952719
RESERVE FOR DEPRECIATION	1164359	1290665	1493072	1737833	1952490	2120703	2510198	2774903	3368393
CURRENT ASSETS	350907	598809	693156	560910	661573	593107	550367	665723	654366
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	9631	37843	34612	72694	38458	53809	7682	11534	74933
MATERIALS & SUPPLIES	77578	99370	108819	122406	77723	124628	100175	112397	195634
LONG TERM DEBT	6121637	6545404	6907400	6788862	7147571	7340305	7171712	7187675	7167709
CURRENT LIABILITIES	145735	150701	144436	177753	139061	75651	81391	195506	105377
MEMBERSHIP FEES	4620	5363	5410	5270	5370	5560	5910	6573	6840
CONTRIBUTION IN AID CONSTRUCTION								4493	
SURPLUS AND/OR PATRONAGE CAP.	68713	99509	137208	163044	103852	132420	120320	225636	7167739
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					22150	19943	25606	32272	
RESIDENTIAL REVENUE	182430	171300	179611	130462	198555	215349	263671	300979	334617
COMMERCIAL REVENUE	30121	46942	47334	51372	54892	61021	64154	64531	62535
INDUSTRIAL REVENUE	153025	119927	143934	139794	134103	72434	44394	51533	55158
IRRIGATION REVENUE	476630	466964	577348	559405	560240	523653	634817	705392	876645
OTHER REVENUE FROM SALES	24574	46373	64362	77359	64499	84457	37166	37632	37521
OTHER OPERATING REVENUE	-162469	-142054	-156803	-140825	-137764	-159481	-184784	-226735	-243756
NON-OPERATING REVENUE	18530	17245	23517	19875	23058	24306	19769	25540	31757
RESIDENTIAL SALES(MWH)	6341	9355	10565	11904	12246	11607	14567	15920	17459
COMMERCIAL SALES(MWH)	2355	2698	2703	3135	3350	3614	3793	3037	3573
INDUSTRIAL SALES(MWH)	7121	3963	10046	9949	7100	5117	3423	3661	3854
IRRIGATION SALES(MWH)	31750	28916	38752	32550	33352	39281	40274	40909	56011
OTHER SALES(MWH)	1036	1422	1680	1227	2330	4316	1576	1499	1406
ENERGY INPUT(MWH)	62592	65056	80335	73440	71163	67729	79644	91003	99113
POWER COST	153100	155608	205405	190013	185021	173104	204254	229837	240724
TRANSMISSION EXPENSE	1335	2030	9914	2583	4241	7306	5305	12240	15077
DISTRIBUTION EXPENSE	19402	22223	27723	30309	35103	48525	99086	49317	52607
MAINTENANCE EXPENSE	24012	37902	45968	43199	41751	53680		52135	72292
CUSTOMER SERVICE	20336	23665	28925	27482	66947	25330	22886	10867	23037
SALES EXPENSE	25757	25712	30357	37190	29835	24675	23878	25223	36038
ADMIN & GENERAL EXPENSE	77745	74030	92447	77935	96581	101294	79634	80603	67259
INTEREST EXPENSE	121501	125748	132068	136705	142359	144773	144588	144094	143157
TAXES	34070	37659	39467	41049	41301	43150	42259	43293	46201
OTHER DEDUCTIONS	420	74							
DEPRECIATION	201943	212323	224080	233945	254326	249503	266919	263329	278182
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	473	1125	1252	1103	1153	1459	1537	1042	1792
RESIDENTIAL CUSTOMERS(AVG)	434	470	526	550	568	595	913	982	1671
COMMERCIAL CUSTOMERS(AVG)	37	114	121	130	141	147	150	155	168
MILES OF DISTRIBUTION LINE	1349	1643	1753	1759	1812	1834	1917	1917	1933
DEVELOPMENTAL DISCOUNT	8039	8663	10837	10291	9714	9354	10602	11932	
MAXIMUM DEMAND KW	14379	15390	19500	20253	16436	19780	21335	25075	26665
AVERAGE DEMAND KW	15350	9751	12026	11586	11194	13740	12551	13979	

339 FLATHEAD ELEC COOP MONT. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3435504	3519565	3749903	3977827	4252538	4593732	4923991	5352434	6156779
RESERVE FOR DEPRECIATION	971903	1051439	1138161	1217369	1284664	1399226	1519327	1634333	1762744
CURRENT ASSETS	151671	174119	122220	168100	190364	366946	430759	470321	627375
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	30048	17163	93464	115435	151192	140815	66019	59501	256466
MATERIALS & SUPPLIES	34640	37273	44217	60093	53359	101765	109704	130555	243369
LONG TERM DEBT	2220523	2231503	2230560	2343094	2489250	2780445	2991021	3325144	2893402
CURRENT LIABILITIES	31699	24391	24767	32964	97060	79305	90379	85513	241958
MEMBERSHIP FEES	25300	26603	23066	24160	30381	32411	33763	35193	37210
CONTRIBUTION IN AID CONSTRUCTN	40905	40550	42772	54899	43274	43274	44549	102327	
SURPLUS AND/OR PATRONAGE CAP.	599819	671845	772062	824850	902458	998214	894786	3190899	1050598
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					3071	2769	2405	3645	
RESIDENTIAL REVENUE	350318	366897	407077	444170	477538	519145	570033	635404	673134
COMMERCIAL REVENUE	56031	54363	63154	60173	75673	77428	87315	96924	95530
INDUSTRIAL REVENUE	51102	54403	54731	56595	60487	50611	54838	53106	56240
IRRIGATION REVENUE	30792	36930	43765	44864	47127	52205	57259	75540	91728
OTHER REVENUE FROM SALES	10139	10764	12179	13163	14363	15337	13656	15203	14833
OTHER OPERATING REVENUE	555	503	571	159	970	533	513	12045	5440
NON-OPERATING REVENUE	9233	11364	10729	12131	19275	9714	13717	17613	26730
RESIDENTIAL SALES(MWH)	23140	24295	27421	30870	32356	35477	41276	44734	49115
COMMERCIAL SALES(MWH)	3021	4109	4781	5267	5931	6647	6827	6737	7304
INDUSTRIAL SALES(MWH)	3538	3700	3869	3750	4053	3234	2945	3209	3207
IRRIGATION SALES(MWH)	2257	2972	3207	3444	3544	4250	3019	7121	7723
OTHER SALES(MWH)	633	709	764	949	990	1074	1135	1125	1049
ENERGY INPUT(MWH)	37121	39960	44297	46570	52404	55752	62516	65295	71336
POWER COST	110757	122394	133253	149758	161565	170732	192256	207209	210357
TRANSMISSION EXPENSE	331	95		205	5	813	175	774	125
DISTRIBUTION EXPENSE	23571	19754	17740	25007	29373	29728	39603	41211	46225
MAINTENANCE EXPENSE	84091	55965	40930	73559	63311	91331	96081	92104	113894
CUSTOMER SERVICE	19937	21603	23240	26038	29525	35094	37356	44343	46357
SALES EXPENSE	15694	17921	21435	22033	26308	25016	29089	24353	22554
ADMIN & GENERAL EXPENSE	69310	50440	93130	101334	112732	130704	131375	169901	165303
INTEREST EXPENSE	43914	42667	42667	43759	45904	49605	55231	62883	74915
TAXES	13837	14595	14455	16105	19268	19392	25640	29234	36493
OTHER DEDUCTIONS	1432	2956	236	333	1144	1212	902	439	413
DEPRECIATION	97434	100303	104203	109694	117344	132050	140324	153933	163903
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2831	2981	3134	3275	3457	3686	3939	4197	4473
RESIDENTIAL CUSTOMERS(AVG)	2340	2552	2606	2794	2964	3140	3379	3615	3946
COMMERCIAL CUSTOMERS(AVG)	225	228	249	250	268	291	306	320	345
MILES OF DISTRIBUTION LINE	760	778	803	810	837	873	902	901	938
DEVELOPMENTAL DISCOUNT	2333	2497	2821	3056	3295	3403	3923	4225	
MAXIMUM DEMAND KW	7320	8401	8805	11550	10233	11555	14632	14835	14740
AVERAGE DEMAND KW	6510	6829	7747	5222	8533	9415	13572	11374	11548

337 FALL RIVER ELEC   IDAHO   WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3017153	3339026	4143416	4017302	5008741	5591862	6354651	7430312	9511061
RESERVE FOR DEPRECIATION	1130245	1237241	1334074	1443477	1557175	1664071	1775044	1912137	2073001
CURRENT ASSETS	326619	494795	214276	330094	407276	529344	633405	1536019	865110
ACQUISITION ADJUSTMENT	370271	370271	370271	370271	369763	366263	366263	366263	366253
CONSTRUCTION WORK IN PROGRESS	27739	708460	105910	307307	347965	516157	892867	1467241	2552179
MATERIALS & SUPPLIES		74701	62299	110963	126437	245742	523364	369382	456949
LONG TERM DEBT	1718530	1684797	1714731	2000159	2266782	2335104	3344171	4555140	5162994
CURRENT LIABILITIES	24339	36514	53635	95867	68050	64854	83433	326802	924652
MEMBERSHIP FEES	12573	12335	13535	14060	15395	16470	16835	18146	19536
CONTRIBUTION IN AID CONSTRUCTN	162576	102301	104091	104178	113862	114363	115381	117677	
SURPLUS AND/OR PATRONAGE CAP.	1031603	1165743	1241591	1348407	1539734	1715969	1924048	2122183	2279029
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					3371	4501	4914	5753	
RESIDENTIAL REVENUE	251293	273325	287427	316367	345126	381559	417302	454888	513357
COMMERCIAL REVENUE	165327	181585	201824	206098	234355	251298	263705	287537	309119
INDUSTRIAL REVENUE	36642	37149	37930	42019	30022	40502	51210	51892	35367
IRRIGATION REVENUE	61228	70030	61323	39765	111169	133392	130576	160170	211849
OTHER REVENUE FROM SALES	13970	14655	16150	17333	19497	22013	21173	22167	23249
OTHER OPERATING REVENUE	11273	13540	11239	12532	16200	23750	27201	21865	22759
NONOPERATING REVENUE	1537	-8105	2513	3030	2711	2406	2204	1935	2517
RESIDENTIAL SALES(MWH)	11540	13040	14360	15781	17383	21503	23154	25047	24962
COMMERCIAL SALES(MWH)	7033	8400	9036	9056	11052	12695	12985	14452	15033
INDUSTRIAL SALES(MWH)	2327	2063	2169	2249	1495	2543	2622	2839	2030
IRRIGATION SALES(MWH)	4330	3204	3230	5116	5252	7019	7275	3773	13072
OTHER SALES(MWH)	631	691	807	829	959	1123	1069	1157	1245
ENERGY INPUT(MWH)	31540	32664	36777	41352	44903	52143	55182	63064	75833
POWER COST	117653	126447	133462	134554	143144	160219	183471	200712	234723
TRANSMISSION EXPENSE	3408	2593	1320	11947	11280	5061	15440	11042	17205
DISTRIBUTION EXPENSE	29303	30505	37593	38337	45053	60197	62729	64745	71207
MAINTENANCE EXPENSE	34326	38459	41009	53504	63587	51163	54729	54525	64618
CUSTOMER SERVICE	20236	22204	24651	37128	34040	33760	50478	46025	60773
SALES EXPENSE	4349	5753	5219	8120	9727	11233	11530	12841	17309
ADMIN & GENERAL EXPENSE	56515	65100	74293	70451	79707	57912	100500	116745	154521
INTEREST EXPENSE	30744	30113	35171	36313	39315	45733	53677	73246	37560
TAXES	21350	20567	25714	20364	28745	33405	30152	42557	56042
OTHER DEDUCTIONS					104	155		7912	22102
DEPRECIATION	103032	107456	112191	120463	128942	137111	140240	157403	175520
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	3343	3200	3431	3476	3707	3904	4102	4322	4503
RESIDENTIAL CUSTOMERS(AVG)	2525	2549	2631	2679	2332	2993	2164	3353	3503
COMMERCIAL CUSTOMERS(AVG)	492	525	558	524	552	569	503	543	537
MILES OF DISTRIBUTION LINE	737	824	713	713	751	835	877	897	43
DEVELOPMENTAL DISCOUNT	2330	2457	2672	2746	2921	3331	3682	4395	
MAXIMUM DEMAND KW	9243	7552	9170	11548	13128	12833	15192	16474	22133
AVERAGE DEMAND KW	5733	4871	6247	7540	8192	9555	10208	11407	

333 DOUGLAS ELEC COOP ORE PORTLAND

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	5308552	5249864	5683510	6147102	6379137	6986383	7633772	8623743	9456215
RESERVE FOR DEPRECIATION	1134415	1195464	1245736	1338563	1450633	1534879	1664990	1782694	2066443
CURRENT ASSETS	261231	430167	337138	365385	358372	363625	343322	446953	626375
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	67390	31699	290329	477428	57137	250456	121153	432675	503958
MATERIALS & SUPPLIES	164393	95546	122562	131222	157548	182192	174373	158616	365640
LONG TERM DEBT	3521143	3030074	3496124	4172460	4399054	4783903	5302036	5815015	5327705
CURRENT LIABILITIES	54737	49250	55319	60103	71275	60539	53899	333191	279613
MEMBERSHIP FEES	17510	17400	17975	16470	19530	21160	22965	25060	26795
CONTRIBUTION IN AID CONSTRUCTION	77747	77747	77747	77870	77870	77870	77870	80370	56
SURPLUS AND/OR PATRONAGE CAP.	673508	718931	786778	933199	914589	1024541	1086742	1198640	1365615
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1284	1569	1257	1381	
RESIDENTIAL REVENUE	467255	539947	570556	633130	724201	839412	914181	998743	1183820
COMMERCIAL REVENUE	76032	71410	72270	73537	86595	86772	89086	97111	106141
INDUSTRIAL REVENUE	69737	65628	70329	69872	66608	75779	81328	100236	169151
IRRIGATION REVENUE	20430	23151	23846	22201	27324	24939	20607	31139	34042
OTHER REVENUE FROM SALES	19516	19337	19211	19693	20409	21300	21863	22751	23549
OTHER OPERATING REVENUE	20451	22856	36345	27267	19205	23935	19469	40180	42411
NON-OPERATING REVENUE	13233	6137	11	477	2045	7213	5532	11479	16524
RESIDENTIAL SALES(MWH)	40732	42124	[illegible]	50924	53341	61277	67306	72162	80249
COMMERCIAL SALES(MWH)	5177	5245	5313	5530	6161	6779	7475	7121	7655
INDUSTRIAL SALES(MWH)	6133	6106	7323	6603	6426	7751	8225	9672	7839
IRRIGATION SALES(MWH)	1959	1725	1451	1345	1377	1653	1898	2175	2510
OTHER SALES(MWH)	1225	1277	1277	1306	1369	1446	1617	1624	2014
ENERGY INPUT(MWH)	60334	61635	66721	73218	76339	88449	96735	103755	116475
POWER COST	263910	237967	227643	249752	259215	290057	333697	353323	371549
TRANSMISSION EXPENSE	1313	2113	1645	1210	2885	2417	4463	172	2194
DISTRIBUTION EXPENSE	29346	31671	37486	34437	33277	45755	59644	59553	54540
MAINTENANCE EXPENSE	39233	52413	40423	57174	54131	91493	94012	133973	155574
CUSTOMER SERVICE	42219	44912	51556	50960	67334	74414	91263	161901	118553
SALES EXPENSE	25159	29551	33618	28394	28750	18143	13365	11952	11206
ADMIN & GENERAL EXPENSE	161698	105253	110513	115643	130294	133296	163826	150155	182955
INTEREST EXPENSE	67413	76561	72816	77697	83696	89861	93195	110253	157275
TAXES	20011	13122	20350	26309	27564	30013	44398	49967	55612
OTHER DEDUCTIONS	1433	435	294	218	346	655	1492	3861	4365
DEPRECIATION	133253	140604	140882	150629	169495	178707	195809	219465	237654
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	3993	4033	4151	4294	4463	4702	5019	5359	5702
RESIDENTIAL CUSTOMERS(AVG)	3503	3545	3667	3801	3959	4193	4507	4824	5105
COMMERCIAL CUSTOMERS(AVG)	243	238	234	234	242	248	256	263	264
MILES OF DISTRIBUTION LINE	904	910	929	942	942	999	1028	1032	1117
DEVELOPMENTAL DISCOUNT	4294	4242	4632	5695	5288	6040	6734	7232	
MAXIMUM DEMAND KW	14205	16141	15837	17709	18361	20519	20454	24707	29974
AVERAGE DEMAND KW	12155	12237	13063	14207	14856	16909	13946	20347	

330 COOS CURRY ELEC ORE	PORTLAND 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	9055049	9362659	9048442	9957469	10238266	10751073	13013802	11902294	12242743
RESERVE FOR DEPRECIATION	1840018	2063760	2274060	2452479	2096602	2450830	3223092	3480011	3701923
CURRENT ASSETS	862038	735541	897706	752292	671341	913611	925606	1639094	1091745
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	153006	264563	242643	325037	384005	487451	581614	338155	290503
MATERIALS & SUPPLIES	150055	157529	132013	137979	150479	163583	187938	293172	325063
LONG TERM DEBT	6814950	6707337	6921335	6605278	7213015	6911048	6780092	6604459	7069363
CURRENT LIABILITIES	100505	211693	269155	139929	213305	222931	272746	322191	261116
MEMBERSHIP FEES	31720	32213	33625	34535	35590	37755	39405	41220	42760
CONTRIBUTION IN AID CONSTRUCTN	137349	132110	133545	135950	170183	155271	138941	139730	
SURPLUS AND/OR PATRONAGE CAP.	1147815	1200694	1261475	1339552	1358465	1566278	2627693	2422459	2753921
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1753	1149	1754	1997	
RESIDENTIAL REVENUE	896208	910709	957655	1040108	1047367	1224308	1317549	1603147	1618726
COMMERCIAL REVENUE	282045	292143	302852	324771	335305	384787	452172	481603	471370
INDUSTRIAL REVENUE	350488	353303	366704	371445	379755	356321	473390	467131	451752
IRRIGATION REVENUE	21935	24101	23007	33395	40521	34326	56806	63507	47496
OTHER REVENUE FROM SALES	32457	33518	29756	23492	20732	33093	39642	42519	32033
OTHER OPERATING REVENUE	16309	16463	17540	26470	20993	15790	27365	22178	22306
NON-OPERATING REVENUE	19743	20105	14926	22379	10763	12259	16428	13600	16314
RESIDENTIAL SALES(MWH)	74430	76626	81652	89004	88522	106867	113524	117032	111992
COMMERCIAL SALES(MWH)	20511	21603	22518	24050	25732	25706	31910	34071	33045
INDUSTRIAL SALES(MWH)	55050	51125	56763	58040	58369	54335	61541	60334	57273
IRRIGATION SALES(MWH)	2150	2144	1871	2201	3356	2031	2722	3171	4752
OTHER SALES(MWH)	1998	1940	1441	1451	1492	1925	2021	2253	1790
ENERGY INPUT(MWH)	161750	167324	177201	183097	189871	215951	226692	229041	229549
POWER COST	541915	561232	593512	634327	667865	727624	755216	793205	791233
TRANSMISSION EXPENSE	17212	15149	6277	5570	16433	6210	7604	2733	3794
DISTRIBUTION EXPENSE	71552	79600	85831	75239	95726	98720	100039	112035	142757
MAINTENANCE EXPENSE	114019	135023	144597	222309	195764	143029	250881	302118	246497
CUSTOMER SERVICE	65579	80455	94913	95933	134214	139579	148534	164393	168535
SALES EXPENSE	46777	52079	44544	43415	37254	37198	26959	20774	15169
ADMIN & GENERAL EXPENSE	181932	183052	194376	194317	239261	264773	247362	287853	331456
INTEREST EXPENSE	131357	129920	124954	125031	127844	123576	138241	102520	137209
TAXES	54507	39554	57001	60053	65546	70093	81458	135443	110543
OTHER DEDUCTIONS	5511	62142	63205	51055	4557	4036	6275	5253	5614
DEPRECIATION	233694	252035	265883	255267	283833	316797	323199	347253	371353
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	6343	6673	6371	7007	7211	7419	7839	8311	8516
RESIDENTIAL CUSTOMERS(AVG)	5455	5504	5656	5792	5370	6214	6504	6905	7136
COMMERCIAL CUSTOMERS(AVG)	770	781	785	794	817	853	894	945	959
MILES OF DISTRIBUTION LINE	927		959	967	967	1011	1029	1023	1052
DEVELOPMENTAL DISCOUNT	11550	11455	12547						
MAXIMUM DEMAND KW	37333	39642	43310	46226	43716	49348	59470	53795	56401
AVERAGE DEMAND KW	30943	32108	33608	36984	37911	40228	44262	39313	

327/CONSUMERS POWER INC ORE PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	10673206	12034193	12427806	13933327	14036350	15430314	17123488	18550693	19969746
RESERVE FOR DEPRECIATION	2293392	2480709	2555058	2353053	3057417	3263710	3357393	3567265	3780196
CURRENT ASSETS	1196032	405644	514436	543601	768734	591227	920661	821493	1555343
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	350220	1040406	573418	722421	649352	252147	245075	142114	592587
MATERIALS & SUPPLIES	431949	294085	245225	239073	246762	254666	263049	317360	446405
LONG TERM DEBT	8171141	8775507	9248213	9349106	10451069	11414353	12056017	12852121	13772167
CURRENT LIABILITIES	201445	307957	134235	131946	164374	106250	197617	183163	156012
MEMBERSHIP FEES	5410	5752	5614	6222	6059	7100	7520	8103	8508
CONTRIBUTION IN AID CONSTRUCTN	397070	396151	271733	422112	439379	463978	497749	552505	559726
SURPLUS AND/OR PATRONAGE CAP.	914733	1043717	1025473	1472481	1659113	1435211	2233494	2566274	2909694
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					4039	3152	3608	2859	
RESIDENTIAL REVENUE	994133	948707	1035021	1161959	1248478	1522134	1702011	1812537	2069240
COMMERCIAL REVENUE	173073	179064	183939	203303	220041	263909	264019	270613	295406
INDUSTRIAL REVENUE	497051	401006	453142	444053	453249	533775	600212	660245	644319
IRRIGATION REVENUE	60113	73310	70523	86835	101069	86665	101703	134554	132505
OTHER REVENUE FROM SALES	20339	20034	35433	40291	37169	59052	63030	80621	90301
OTHER OPERATING REVENUE	20276	37926	37042	34238	20962	23845	21571	24614	22035
NON-OPERATING REVENUE	-7587	-6713	-4308	-17318	180335	12277	6598	5003	56892
RESIDENTIAL SALES(MWH)	64513	60546	75423	55104	91554	104598	111472	118166	130296
COMMERCIAL SALES(MWH)	5640	6605	3699	4969	10321	11146	11395	11703	11912
INDUSTRIAL SALES(MWH)	54330	39303	51357	49045	40309	54055	56452	50252	52026
IRRIGATION SALES(MWH)	4109	4755	3530	4327	6394	4031	5118	8244	7942
OTHER SALES(MWH)	1300	1439	1731	2455	1945	2994	5698	5533	5223
ENERGY INPUT(MWH)	142313	130833	152026	165910	173728	193931	211154	219139	227126
POWER COST	560969	438653	503150	551390	572651	625964	690693	721412	756460
TRANSMISSION EXPENSE	14243	20547	9700	13840	20523	11321	7835	30519	17679
DISTRIBUTION EXPENSE	130301	185744	196308	137102	175511	162191	199637	226821	212349
MAINTENANCE EXPENSE	121238	135102	130029	154203	205842	223576	234599	249071	291003
CUSTOMER SERVICE	85763	75879	101076	124013	125791	134143	164793	163569	203591
SALES EXPENSE	35241	21947	25175	32130	33711	30201	45061	56645	47376
ADMIN & GENERAL EXPENSE	163335	194556	164316	152863	217553	256107	264073	285090	312644
INTEREST EXPENSE	150659	104443	174766	143452	199520	214073	227015	245025	300750
TAXES	40033	50222	53337	64076	83215	112956	123627	114917	147042
OTHER DEDUCTIONS	7374	4700	2058	6604	3245	12691	73035	10623	7217
DEPRECIATION	285633	304564	331241	358372	412000	421305	461303	532233	544506
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	6430	6063	7057	7392	7813	8341	8918	9539	10040
RESIDENTIAL CUSTOMERS(AVG)	5550	5603	5047	6329	6701	7172	7716	8293	8617
COMMERCIAL CUSTOMERS(AVG)	314	331	307	391	420	449	471	493	440
MILES OF DISTRIBUTION LINE	1632	1717	1717	1755	1755	1875	1956	1960	2017
DEVELOPMENTAL DISCOUNT	10223	6949	10265	11249	11083	12771	14172	14717	
MAXIMUM DEMAND KW	37509	41153	41041	37201	36794	41958	49834	46493	50103
AVERAGE DEMAND KW	32632	33155	34871	31004	32397	35103	39855	40403	41557

324 COLUMBIA REA WASH WALLA

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2411512	3049661	3233427	3650130	4134593	4240408	4541237	4861632	5232529
RESERVE FOR DEPRECIATION	1069529	1099093	1143665	1214053	1331007	1384084	1475533	1597137	1742001
CURRENT ASSETS	264430	244327	254900	261854	270467	294400	372390	312498	521017
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	33760	40805	133949	25643	31577	6767	23332	266399	192133
MATERIALS & SUPPLIES	55671	64335	74293	65152	74485	79774	83060	95341	173135
LONG TERM DEBT	1553121	1503903	1042958	1980714	2150092	2159052	2240063	2301643	2695525
CURRENT LIABILITIES	3831	4567	4669	5205	23160	44524	55593	53683	74037
MEMBERSHIP FEES	5318	5525	5300	5495	5435	5565	5815	5605	5846
CONTRIBUTIONS IN AID CONSTRUCTN	80456	80456	80456	80450	80455	86450	93690	93090	
SURPLUS AND/OR PATRONAGE CAP.	640227	724603	792253	678013	968408	347257	1134632	1263105	1306993
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					34055	33098	34658	44043	
RESIDENTIAL REVENUE	213357	232249	238573	244953	242418	265007	281773	201519	293520
COMMERCIAL REVENUE	30293	42540	39321	36472	33627	38032	33562	37539	38038
INDUSTRIAL REVENUE	34144	37728	34669	43054	65252	77500	70562	60405	97101
IRRIGATION REVENUE	159427	174155	162410	276507	349162	341678	371670	451123	494542
OTHER REVENUE FROM SALES	852	885	862	909	918	918	918	910	918
OTHER OPERATING REVENUE	6915	9192	7493	6505	6169	7433	8362	6365	6148
NON-OPERATING REVENUE	7038	7721	8195	6903	6123	8129	11409	11854	15136
RESIDENTIAL SALES(MWH)	16357	17494	18350	14753	19767	23454	22592	22320	23040
COMMERCIAL SALES(MWH)	1830	2673	1883	1005	1469	2128	1748	1584	73972
INDUSTRIAL SALES(MWH)	4049	4873	5088	5306	8572	13619	13404	12040	1619
IRRIGATION SALES(MWH)	21305	23903	24239	41533	56104	52033	56447	76645	73972
OTHER SALES(MWH)	48	50	52	50	52	52	52	52	52
ENERGY INPUT(MWH)	43330	46393	54848	74152	92256	93054	99341	114028	118263
POWER COST	133739	150469	153330	212543	250626	256277	277619	313037	333384
TRANSMISSION EXPENSE				2355	2353	4245	2244	13143	5875
DISTRIBUTION EXPENSE	22772	23224	24349	23548	30347	20790	14127	17555	22209
MAINTENANCE EXPENSE	25030	25615	32040	33962	49025	51538	55975	36514	41592
CUSTOMER SERVICE	13653	16632	15475	17644	23324	22176	21221	27431	24652
SALES EXPENSE	2857	3355	2977	3203	3249	3174	2735	1501	1187
ADMIN & GENERAL EXPENSE	42139	51002	58149	57453	65790	83892	60278	97319	122482
INTEREST EXPENSE	24209	29730	31579	37176	40771	42003	43359	40973	49848
TAXES	33956	35263	34267	47010	50252	59013	62244	70595	78455
OTHER DEDUCTIONS							213	234	163
DEPRECIATION	64190	80037	93406	103749	113332	113963	125542	135331	143345
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1628	1718	1721	1761	1780	1816	1658	1923	1953
RESIDENTIAL CUSTOMERS(AVG)	1111	1103	1107	1153	1193	1213	1228	1275	1250
COMMERCIAL CUSTOMERS(AVG)	156	174	171	175	176	178	166	185	158
MILES OF DISTRIBUTION LINE	921	931	931	966	966	974	974	937	995
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	9618	10834	11079	18425	24570	24754	26136	28811	31619
AVERAGE DEMAND KW	7647	8053	8902	12302	14952	15153	16567	15044	

321 COLUMBIA POWER COOP ORE WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2746405	2796952	2844145	2833905	2926952	2961626	3017155	3120931	3191634
RESERVE FOR DEPRECIATION	902345	970173	1042249	1117632	1204315	1287613	1350132	1435584	1545221
CURRENT ASSETS	304238	312188	357248	337815	363383	398760	423566	412480	472403
ACQUISITION ADJUSTMENT	16269	13557	10845	8134	5422	2711			
CONSTRUCTION WORK IN PROGRESS	5705	4864	13454	7392	1537	5176	15680	8920	4805
MATERIALS & SUPPLIES	28074	36990	25419	22001	21437	23345	23775	20674	16458
LONG TERM DEBT	1897479	1804478	1857570	1775276	1737951	1656706	1581744	1535338	1474311
CURRENT LIABILITIES	22673	24364	25582	26037	30594	36080	38511	31790	37207
MEMBERSHIP FEES	5170	5110	5180	5255	5310	5635	5805	5955	5845
CONTRIBUTION IN AID CONSTRUCTN	20238	20238	20238	20238	20238	20238	24308	24303	
SURPLUS AND/OR PATRONAGE CAP.	255251	284484	305694	330193	348011	406056	482391	559416	647596
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					2926	3036	3372	4113	
RESIDENTIAL REVENUE	160081	165637	169233	140768	187266	206571	228997	235321	245352
COMMERCIAL REVENUE	40600	39990	41973	42951	40443	40964	50561	51537	51605
INDUSTRIAL REVENUE	55444	63848	72423	71608	69351	75237	79321	82860	74219
IRRIGATION REVENUE	30355	34437	42309	35378	41089	43067	40322	53527	57072
OTHER REVENUE FROM SALES	4053	8601	8344	4317	9096	10084	11167	10233	10301
OTHER OPERATING REVENUE	42590	41296	45016	43808	41378	41191	43341	35420	30305
NON-OPERATING REVENUE	5732	15624	35926	6384	5269	6470	39046	7527	40076
RESIDENTIAL SALES(MWH)	7555	7605	8204	8992	9742	10312	11078	11322	12152
COMMERCIAL SALES(MWH)	1773	1779	1816	2403	2043	2256	2342	2343	2417
INDUSTRIAL SALES(MWH)	6955	7174	6479	7724	8043	7006	6291	6945	7706
IRRIGATION SALES(MWH)	3353	3465	4485	3605	4403	3917	4658	6182	6757
OTHER SALES(MWH)	541	632	583	584	636	732	766	650	664
ENERGY INPUT(MWH)	23215	24832	28219	27443	28559	29985	32993	34423	34578
POWER COST	79530	82984	94593	90500	99447	104423	111534	116434	127412
TRANSMISSION EXPENSE	208								
DISTRIBUTION EXPENSE	31179	35169	33376	46442	45634	39040	45157	45041	49517
MAINTENANCE EXPENSE	14453	11664	20148	14830	16994	24067	25536	21330	30104
CUSTOMER SERVICE	12929	11565	12540	12911	14038	10777	23361	20071	25409
SALES EXPENSE		35471	30470	2414	21117	-13507	35739	1253	
ADMIN & GENERAL EXPENSE	54105	53900	52843	70362	62530	67747	57586	66771	67644
INTEREST EXPENSE	30016	35703	35075	35000	35318	33932	31382	30131	29393
TAXES	10547	10518	12297	13146	16177	18871	13810	20111	21701
OTHER DEDUCTIONS			3606						
DEPRECIATION	60602	69690	71806	72742	74144	75455	73451	70429	73212
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1156	1173	1176	1193	1200	1233	1265	1310	1323
RESIDENTIAL CUSTOMERS(AVG)	891	893	873	893	869	905	943	977	975
COMMERCIAL CUSTOMERS(AVG)	116	116	125	122	127	173	123	125	120
MILES OF DISTRIBUTION LINE	503	503	503	503	898	903	900	920	918
DEVELOPMENTAL DISCOUNT	4178	4357	1930	1971	2029	2131	2270	2375	
MAXIMUM DEMAND KW	5136	5560	6502	6468	6669	6797	7965	7597	8147
AVERAGE DEMAND KW	4618	5614	5702	5727	5996	6319	6739	7007	

318 COLUMBIA BASIN COOP ORE WALLA

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	4364529	4795623	5304136	5495965	5812240	6064803	6521272	6674632	7142226
RESERVE FOR DEPRECIATION	1317603	1431266	1554755	1734730	1869535	1962036	2102758	2127303	2393266
CURRENT ASSETS	141231	153704	257977	172319	226715	261047	346937	147229	855256
ACQUISITION ADJUSTMENT	410814	414654	416655	416655	416595	416655	416655	416655	416655
CONSTRUCTION WORK IN PROGRESS	53232	40644	184035	341469	143267	157230	99630	237894	294346
MATERIALS & SUPPLIES	39231	40453	64552	54371	68646	64103	105418	151172	329047
LONG TERM DEBT	3025533	2861045	3065133	2930657	3079636	2997826	3193198	3275274	3453973
CURRENT LIABILITIES	86657	46498	52087	54042	61950	81393	92330	94561	157193
MEMBERSHIP FEES	2731	2534	1919	1474	1879	1701	1847	2034	2218
CONTRIBUTION IN AID CONSTRUCTN	32507	37769	42626	47263	58658	75015	74726	76693	
SURPLUS AND/OR PATRONAGE CAP.	757754	939857	1100209	1217984	1362267	1577903	1734646	1954459	2129780
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					9561	17603	15372	22403	
RESIDENTIAL REVENUE	390574	395044	404325	423075	423082	435993	453035	457356	506348
COMMERCIAL REVENUE	141111	142724	152963	151253	152730	156831	153855	157513	176731
INDUSTRIAL REVENUE	90445	85055	92062	95091	112929	94062	98739	115457	120300
IRRIGATION REVENUE	33335	39942	73877	110491	155238	263497	273654	333135	319248
OTHER REVENUE FROM SALES	12134	13141	12902	12841	13263	13851	14433	14325	15344
OTHER OPERATING REVENUE	17444	15022	17979	17353	21182	16467	10834	19235	18242
NON-OPERATING REVENUE	13200	20717	21401	25362	23030	21065	15452	27377	29648
RESIDENTIAL SALES(MWH)	20451	26520	27903	29709	29367	29986	31555	31545	32971
COMMERCIAL SALES(MWH)	6073	5701	7645	7493	7271	7332	7547	7659	8452
INDUSTRIAL SALES(MWH)	12370	10673	12569	12610	12671	10858	11771	15403	14935
IRRIGATION SALES(MWH)	2517	3633	5453	9951	14633	20752	20863	31970	30493
OTHER SALES(MWH)	462	505	536	463	474	525	496	442	497
ENERGY INPUT(MWH)	55736	53561	61064	67572	73343	86033	93314	98117	97210
POWER COST	173315	167035	139043	210947	231911	253091	253989	279041	288755
TRANSMISSION EXPENSE	457	2162	941	3772	3754	2405	7297	1220	1325
DISTRIBUTION EXPENSE	12577	17521	31995	43237	53274	42547	52447	42321	73204
MAINTENANCE EXPENSE	33707	23229	22754	62420	44009	42930	73196	52720	71792
CUSTOMER SERVICE	32335	32352	33844	36403	39539	37013	41463	53071	63503
SALES EXPENSE	7737	6616	5644	6341	6503	11836	12675	6933	6320
ADMIN & GENERAL EXPENSE	53359	62464	64673	86043	85462	91908	121037	104127	111954
INTEREST EXPENSE	79470	70105	64265	58382	54841	55370	54726	55043	62003
TAXES	41539	40300	42734	45315	49359	50922	56610	60931	65103
OTHER DEDUCTIONS		1945	1955	1625	2157	2473	4061	1492	3179
DEPRECIATION	162631	125565	140979	155679	162206	175775	181034	195363	208278
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2433	2640	2656	2567	2699	2918	3032	3113	3257
RESIDENTIAL CUSTOMERS(AVG)	2131	2133	2211	2108	2192	2201	2269	2340	2425
COMMERCIAL CUSTOMERS(AVG)	435	433	453	445	443	456	464	473	522
MILES OF DISTRIBUTION LINE	1230	1234	1234	1234	1234	1234	1234	1234	1349
DEVELOPMENTAL DISCOUNT	3548	3459	3857	4305	4751	5202	5162	5693	
MAXIMUM DEMAND KW	11251	12423	11888	14543	14062	16443	16967	18626	195977
AVERAGE DEMAND KW	9037	9553	13505	11674	12542	14574	15511	16193	

315/CLEARWATER POWER CO IDAHO SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	6871237	7127105	7501948	7926553	8285263	8680834	9276229	10644429	13134132
RESERVE FOR DEPRECIATION	2307349	2391702	2520467	2641395	2737747	2866763	3004693	3131712	3442533
CURRENT ASSETS	254030	289671	390925	478943	562099	459927	469891	330093	637714
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	62079	73150	118643	122573	106794	108204	185604	523193	94277
MATERIALS & SUPPLIES	160020	136524	164240	193609	222279	237225	191621	276455	404867
LONG TERM DEBT	4581955	4487467	4688330	4809344	5108771	5244932	5435248	5708912	6332310
CURRENT LIABILITIES	116707	64037	67067	160405	177741	219648	237404	194822	267173
MEMBERSHIP FEES	24554	25124	25812	25317	25115	25210	26975	27965	28970
CONTRIBUTION IN AID CONSTRUCTN	75207	93123	100052	115512	178329	164781	312367	1357327	
SURPLUS AND/OR PATRONAGE CAP.	613350	710138	797201	901843	974802	1126924	1249350		1393042
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					769	464	468	1337	
RESIDENTIAL REVENUE	654310	686621	741803	737648	840287	913994	963301	1022851	1090171
COMMERCIAL REVENUE	59545	65075	74701	80102	87153	92115	100044	105661	106745
INDUSTRIAL REVENUE	144951	160434	175056	211200	234751	256936	264290	250370	208567
IRRIGATION REVENUE	11903	13230	13300	13873	14057	11977	11167	10031	15301
OTHER REVENUE FROM SALES	1932	1532	2088	2308	2447	4190	3804	3862	3855
OTHER OPERATING REVENUE	17595	15913	13885	16021	17943	23668	22441	25841	49238
NON-OPERATING REVENUE	30476	14422	12893	9744	11497	13444	19576	23793	40385
RESIDENTIAL SALES(MWH)	45740	43183	47504	52379	55958	61781	66513	70654	77953
COMMERCIAL SALES(MWH)	3333	4330	5001	5405	5690	6432	7030	7183	7351
INDUSTRIAL SALES(MWH)	12520	14093	16492	22062	25353	20673	23766	30307	21430
IRRIGATION SALES(MWH)	1152	1364	1265	1262	1183	782	960	2053	1344
OTHER SALES(MWH)	110	97	66	68	81	98	65	65	64
ENERGY INPUT(MWH)	69256	69732	78524	89550	97407	106982	112694	119573	116239
POWER COST	222034	234475	271587	305504	322721	356238	371979	387025	380173
TRANSMISSION EXPENSE	2033	7523	3515	1467	4821	4295	17048	4183	7627
DISTRIBUTION EXPENSE	72373	75435	86416	96086	106920	114423	93776	112249	120237
MAINTENANCE EXPENSE	63357	48170	53657	73310	89723	60171	97975	169947	142533
CUSTOMER SERVICE	37579	36500	43031	40990	53871	60871	70044	70017	93753
SALES EXPENSE	2331	9226	13496	18256	19473	18339	21355	18592	22506
ADMIN & GENERAL EXPENSE	100610	114540	140420	145239	163238	159100	192847	200494	220832
INTEREST EXPENSE	89036	87004	88318	91501	97511	101304	104909	113919	131817
TAXES	40134	43696	46040	51005	55268	58946	60359	73827	79473
OTHER DEDUCTIONS	1382		3116	7605		3240	2635		-2358
DEPRECIATION	184703	194204	195034	193734	220434	228860	241641	255173	275565
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4505	4642	4829	4980	5072	5217	5349	5537	5760
RESIDENTIAL CUSTOMERS(AVG)	4124	4181	4331	4442	4537	4663	4760	4937	5159
COMMERCIAL CUSTOMERS(AVG)	321	351	305	380	375	383	414	433	434
MILES OF DISTRIBUTION LINE	2230	2127	2131	2146	2149	2215	2239	2251	2278
DEVELOPMENTAL DISCOUNT	11657	[illegible]	5541	6229	6584	7209	7589	7890	
MAXIMUM DEMAND KW	14457	16929	17410	21522	21172	24212	24135	26077	28453
AVERAGE DEMAND KW	13235	13959	15319	17194	18140	20134	20932	21606	

312 CENTRAL ELEC COOP ORE WALLA

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	5103933	5444475	5371946	6502903	7232970	6559606	9031264	10759223	11385534
RESERVE FOR DEPRECIATION	1800141	[illegible]	1258423	1421829	1567017	1703809	1963305	2162095	2474475
CURRENT ASSETS	235433	315839	213159	375743	353542	351917	689397	756296	955422
ACQUISITION ADJUSTMENT	4920								
CONSTRUCTION WORK IN PROGRESS	52257	10039	52325	247491	201938	119372	274567	235289	45081
MATERIALS & SUPPLIES	102140	74562	91185	131161	153805	168997	324538	364115	563759
LONG TERM DEBT	3824931	4085904	4249821	4038348	4967744	5005465	6323390	7200393	8334270
CURRENT LIABILITIES	94122	76262	73156	120382	113125	154488	208505	780711	767678
MEMBERSHIP FEES	10245	16715	11355	12275	13845	15035	14520	23410	21826
CONTRIBUTION IN AID CONSTRUCTN	10924	23524	37685	36385	147284	159337	193613	199613	
SURPLUS AND/OR PATRONAGE CAP.	637233	681196	744785	805838	930743	1008433	993605	1256234	1244726
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					14074	13696	12179	19553	
RESIDENTIAL REVENUE	374256	395018	434176	483201	552094	652480	780463	940731	1391297
COMMERCIAL REVENUE	77331	82543	91888	99023	104478	124219	162195	195039	207104
INDUSTRIAL REVENUE	23541	20259	32050	32345	37385	48900	52259	56201	61158
IRRIGATION REVENUE	85341	97521	135751	175225	203739	194355	205109	254941	253337
OTHER REVENUE FROM SALES	5378	6135	6530	7277	7061	8153	8057	9593	9269
OTHER OPERATING REVENUE	14049	14603	13009	14639	15355	16609	19621	10217	18553
NON-OPERATING REVENUE	13033	10499	8927	3624	2944	2430	-13038	4334	8122
RESIDENTIAL SALES(MWH)	25159	26646	33496	33635	38755	40912	57161	68154	76724
COMMERCIAL SALES(MWH)	5034	5163	5664	6310	6553	7449	9943	12069	12951
INDUSTRIAL SALES(MWH)	1027	2175	2633	2073	2900	4000	4924	5712	6025
IRRIGATION SALES(MWH)	8039	9553	13903	10457	23310	13408	23391	26974	26043
OTHER SALES(MWH)	327	351	366	403	404	483	576	634	517
ENERGY INPUT(MWH)	40079	51001	63325	68469	82462	91677	111641	134943	141779
POWER COST	136176	145751	174090	200047	228615	263703	334116	393005	439729
TRANSMISSION EXPENSE	2759	3121	2342	2149	1215	632	6164	17559	14371
DISTRIBUTION EXPENSE	33439	40705	42093	40743	54244	62807	73073	96557	104652
MAINTENANCE EXPENSE	21504	32770	30495	52044	36354	53528	63315	81241	141445
CUSTOMER SERVICE	16355	16607	21337	25002	27695	34020	33895	50939	65504
SALES EXPENSE	12046	12273	11612	10372	22357	14084	13285	15329	17750
ADMIN & GENERAL EXPENSE	70732	70922	94336	108052	118313	130529	140030	189237	216845
INTEREST EXPENSE	73013	70081	82860	80567	95159	102491	118537	134017	184550
TAXES	17211	10472	20675	29019	37495	47428	50583	71748	62914
OTHER DEDUCTIONS								14911	40445
DEPRECIATION	149177	150387	175732	138116	205053	220123	256912	292569	347975
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2827	2867	3035	3328	3549	4005	4065	5655	6033
RESIDENTIAL CUSTOMERS(AVG)	2267	2291	2415	2553	2812	3103	3725	4031	4824
COMMERCIAL CUSTOMERS(AVG)	256	257	268	292	299	337	362	437	436
MILES OF DISTRIBUTION LINE	1253	1317	1365	1355	1395	1530	1616	1721	2093
DEVELOPMENTAL DISCOUNT	7155	7652	9141	10563	12003	5502	6816	8019	
MAXIMUM DEMAND KW	8803	10218	11551	13310	17099	16695	29607	25875	33057
AVERAGE DEMAND KW	7793	8356	10027	11568	13320	15027	13799	22145	

309 BLACHLEY-LANE ELEC ORE PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2395311	2504743	2663317	2762155	2896874	3052103	3260279	3467400	3715620
RESERVE FOR DEPRECIATION	465152	427415	433742	529365	593895	682831	754657	833926	1313031
CURRENT ASSETS	125034	213551	169246	124479	145503	181728	211449	280091	492922
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	55913	51745	9878	4416	10676	23556	24722	10615	79255
MATERIALS & SUPPLIES	65784	53243	70530	41063	45464	52835	50009	61218	78024
LONG TERM DEBT	1720343	1841974	1933843	1595801	2020903	1360635	1947258	1965034	2190439
CURRENT LIABILITIES	64142	51354	75921	73993	99182	113435	105966	114375	95655
MEMBERSHIP FEES	6335	6305	6466	6695	7675	7500	4060	8540	8495
CONTRIBUTION IN AID CONSTRUCTN	165112	154610	105028	104907	106318	110326	114273	116517	
SURPLUS AND/OR PATRONAGE CAP.	464116	458628	516245	556601	603359	668086	733143	1919222	1361256
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	199200	216609	228976	247455	255704	284216	320024	342931	430648
COMMERCIAL REVENUE	20037	44803	25072	17654	15978	16067	13278	20095	20529
INDUSTRIAL REVENUE	220519	212443	200897	276659	326003	369354	359389	361786	455164
IRRIGATION REVENUE	6533	6812	7033	7447	11196	12542	13047	14127	14263
OTHER REVENUE FROM SALES	3034	4041	6194	7376	7150	7933	9645	9155	10747
OTHER OPERATING REVENUE	4805	5603	6336	6893	6210	6443	6273	7355	4508
NON-OPERATING REVENUE	7559	6260	7336	14249	15286	23469	8755	9925	11611
RESIDENTIAL SALES(MWH)	14540	15406	17193	19601	21066	23599	27721	28900	31419
COMMERCIAL SALES(MWH)	1711	5569	2534	1571	1575	1638	1872	1824	2053
INDUSTRIAL SALES(MWH)	31012	29258	39510	39775	46432	54493	53202	52162	49644
IRRIGATION SALES(MWH)	627	664	524	594	821	692	936	1179	1172
OTHER SALES(MWH)	250	506	964	920	315	995	1166	1164	1174
ENERGY INPUT(MWH)	54535	58450	65525	67517	75618	88755	92166	92724	41860
POWER COST	184745	197029	221552	223238	260599	299646	301893	327140	314815
TRANSMISSION EXPENSE	50	410	107	18	1171	18	2652	18	18
DISTRIBUTION EXPENSE	9092	14518	22408	35249	52900	33496	38777	46799	47543
MAINTENANCE EXPENSE	21032	14702	30691	34067	27885	52941	41807	33032	53247
CUSTOMER SERVICE	20240	20103	20856	23993	28142	26234	26032	30167	43559
SALES EXPENSE	6875	12929	6170	5905	1918	1868	1553	1053	1950
ADMIN & GENERAL EXPENSE	52390	54553	61119	70723	69842	83094	89412	103300	108140
INTEREST EXPENSE	33430	33097	35553	37943	36524	37062	37656	36653	45826
TAXES	12115	13769	15774	20251	24478	28092	23025	31913	34409
OTHER DEDUCTIONS						696	745	782	748
DEPRECIATION	65053	71623	76081	81950	86435	90402	95064	102014	108242
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1431	1459	1505	1500	1608	1597	1736	1910	2033
RESIDENTIAL CUSTOMERS(AVG)	1233	1263	1298	1350	1436	1480	1506	1682	1750
COMMERCIAL CUSTOMERS(AVG)	77	79	69	62	62	66	66	57	72
MILES OF DISTRIBUTION LINE	314	318	318	336	325	343	345	355	365
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	11171	13225	13950	14370	16798	19261	19488	20225	20731
AVERAGE DEMAND KW	10235	13991	12366	12753	14510	16406	15281	16716	

300 BIG BEND ELEC COOP WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	8987629	9547125	10085398	10444051	11069320	11319440	11684840	12281455	12863931
RESERVE FOR DEPRECIATION	1464315	1499645	1619736	1743804	1925970	2130715	2315043	2551519	2795601
CURRENT ASSETS	482377	608457	572399	720810	652739	563901	690722	1630579	1215807
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	64359	31670	78786	47539	58493	52693	27121	84563	85816
MATERIALS & SUPPLIES	200173	192957	162152	174965	168145	163138	176005	194072	345956
LONG TERM DEBT	7045336	8194834	8402335	8613331	9291849	9432575	9561665	9537923	9963975
CURRENT LIABILITIES	79433	81832	103791	137615	29574	39374	169734	101094	328753
MEMBERSHIP FEES	8775	8805	9020	8995	9325	9240	9555		
CONTRIBUTION IN AID CONSTRUCTN	96138	101021	100124	124402	128921	134748	130985	173873	
SURPLUS AND/OR PATRONAGE CAP.	452930	535470	591117	670679	805164	909581	1073413	1373034	1660759
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					80388	83339	85151	102922	
RESIDENTIAL REVENUE	449801	483847	479610	545578	558566	599090	631862	641993	684659
COMMERCIAL REVENUE	34965	39231	33796	45266	48765	53638	56961	57496	63016
INDUSTRIAL REVENUE	90729	100484	96510	101805	98151	100092	115822	113495	111583
IRRIGATION REVENUE	579536	605603	787206	811667	878469	917205	955442	1164855	1225109
OTHER REVENUE FROM SALES	10252	10677	9072	11166	12139	12659	12565	11515	11016
OTHER OPERATING REVENUE	10157	15647	15212	15606	16576	16700	17146	32431	26135
NON-OPERATING REVENUE	11175	9033	12019	5861	17272	12236	13472	23455	47725
RESIDENTIAL SALES(MWH)	38032	41524	42379	45592	49065	53759	57174	57990	61225
COMMERCIAL SALES(MWH)	2246	2643	2731	3353	3692	4119	4413	4393	4634
INDUSTRIAL SALES(MWH)	12537	13968	14057	15303	14564	13147	14137	14562	14747
IRRIGATION SALES(MWH)	85936	97247	115938	110928	121466	126621	120084	152824	150121
OTHER SALES(MWH)	630	636	617	793	822	902	937	812	704694
ENERGY INPUT(MWH)	151559	170533	192946	194460	207184	213828	229187	251543	259110
POWER COST	415679	452053	503850	527439	549745	571053	611316	644805	693851
TRANSMISSION EXPENSE	1052								
DISTRIBUTION EXPENSE	120525	81509	99033	97762	108322	101739	90568	111331	113716
MAINTENANCE EXPENSE		55440	72479	67506	78107	73433	100987	95036	133436
CUSTOMER SERVICE	20617	31995	40708	43130	42612	48390	53871	47575	56594
SALES EXPENSE	20259	11603	15485	15108	15508	14464	13450	6861	6102
ADMIN & GENERAL EXPENSE	69700	66003	90232	138459	120912	164098	133677	153601	194423
INTEREST EXPENSE	145256	155121	161740	150035	169302	173432	170242	187165	209657
TAXES	100733	110064	119508	133306	141309	147692	153359	157755	168640
OTHER DEDUCTIONS		2997	5613	3778	2530	2149	3035	4370	4013
DEPRECIATION	234924	257114	269372	252539	272350	300927	317652	328226	341841
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	3533	3705	3850	3933	4034	4162	4297	4405	4507
RESIDENTIAL CUSTOMERS(AVG)	2113	2169	2240	2249	2352	2444	2532	2602	2732
COMMERCIAL CUSTOMERS(AVG)	189	201	204	215	221	233	240	241	246
MILES OF DISTRIBUTION LINE	1971	2160	2007	2321	2039	2055	2071	2043	2104
DEVELOPMENTAL DISCOUNT	6480	9351	10401	10760	11215	11650	12092	12875	
MAXIMUM DEMAND KW	32172	38094	43424	47611	50766	51566	51839	56481	63965
AVERAGE DEMAND KW	25479	27515	30266	31649	33454	34623	36476	39482	

363 BENTON REA WASH WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	197-
GROSS PLANT	5480507	5837225	5117280	6446512	6747644	7042203	7522548	8399513	9765929
RESERVE FOR DEPRECIATION	1527035	1636932	1734164	1772160	1937416	2050046	2166933	2314949	2552903
CURRENT ASSETS	237219	333708	311712	224259	277497	340353	454210	369304	408257
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	-2713	13067	21587	29174	77514	92805	104866	17034	104737
MATERIALS & SUPPLIES	123314	172354	80756	75217	97526	114358	120033	150522	380512
LONG TERM DEBT	4131394	4371640	4512395	4555772	4729979	4928258	5317078	5478860	5956503
CURRENT LIABILITIES	41934	39604	53478	101413	140281	162456	182229	219281	401229
MEMBERSHIP FEES	16155	16415	16705	17305	7075	17145	17455	18030	19315
CONTRIBUTION IN AID CONSTRUCTN	140328	153594	167815	253425	254930	257118	273594	363925	
SURPLUS AND/OR PATRONAGE CAP.	228589	288645	348041	393839	475549	553134	637143	777824	917304
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					13623	14645	15118	20599	
RESIDENTIAL REVENUE	591524	626803	650455	668904	737738	772928	821349	847631	893054
COMMERCIAL REVENUE	77753	80101	88577	94170	99237	101719	105914	127734	112709
INDUSTRIAL REVENUE	31543	31969	38845	41200	46203	53241	57288	68964	79315
IRRIGATION REVENUE	118221	137042	145507	143592	106262	178722	205620	272302	331624
OTHER REVENUE FROM SALES	10322	4539	4516	9515	6692	9325	9339	5431	9652
OTHER OPERATING REVENUE	8703	10430	15609	11133	11167	13629	14353	21459	25036
NON-OPERATING REVENUE	9915	11221	11542	12764	45562	20983	38028	37503	41213
RESIDENTIAL SALES(MWH)	49426	53738	50853	64951	66112	69886	74930	75358	75357
COMMERCIAL SALES(MWH)	5533	6223	6335	7601	7370	7728	7949	7734	7932
INDUSTRIAL SALES(MWH)	2575	2535	2928	3121	3512	4002	4482	5530	5926
IRRIGATION SALES(MWH)	15225	16262	19035	16658	20668	22141	22735	31737	34062
OTHER SALES(MWH)	743	502	444	3205	742	823	826	602	9-1
ENERGY INPUT(MWH)	81559	89242	94507	103540	108836	113134	122817	132455	143239
POWER COST	247276	260523	204354	333331	319766	336645	373606	391725	424432
TRANSMISSION EXPENSE	3048	5350	2738	3613	8194	9653	3490	3423	91.7
DISTRIBUTION EXPENSE	54356	52413	53758	61517	67074	60725	72026	78241	80242
MAINTENANCE EXPENSE	48344	55519	59007	62320	74885	71725	93516	74375	93373
CUSTOMER SERVICE	51590	54737	57619	64980	72477	77734	82657	83903	53770
SALES EXPENSE	5605	7528	3613	6944	11065	7978	7843	6283	8112
ADMIN & GENERAL EXPENSE	70555	83195	92495	97712	112310	119915	125603	137375	140322
INTEREST EXPENSE	80151	81671	85526	33397	92373	94056	95354	109433	132345
TAXES	73160	79132	83212	90723	89340	102275	105172	115179	128049
OTHER DEDUCTIONS	1857	2105	1181	726	348	284	285	1259	0294
DEPRECIATION	162477	166590	163024	175475	185523	192592	202908	217324	231124
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4308	4320	4410	4430	4541	4603	4894	5093	5305
RESIDENTIAL CUSTOMERS(AVG)	3493	3502	3490	3243	3503	3664	3770	3979	4014
COMMERCIAL CUSTOMERS(AVG)	249	259	266	275	275	273	291	302	311
MILES OF DISTRIBUTION LINE	1340	1320	1341	1354	1363	1374	1390	1422	1491
DEVELOPMENTAL DISCOUNT	5545	5438	5601	6800	6524	6850	7622	7992	
MAXIMUM DEMAND KW	15536	17876	18591	20206	20837	21836	24807	27217	31207
AVERAGE DEMAND KW	14009	15085	15878	17551	17851	18914	21230	22376	

293 WAHKIAKUM CO PUD   WASH   PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1205720	1259339	1337412	1436655	1497324	1571235	1551870	1723303	1795116
RESERVE FOR DEPRECIATION	365152	411155	442044	482747	538407	565273	611908	661024	675599
CURRENT ASSETS	94357	105905	110782	130729	98244	83641	107949	70774	116347
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	16551	35950	27606	35567	63325	73998	114457	41436	84424
MATERIALS & SUPPLIES	38548	37643	31169	30950	32573	31359	38136	35470	43233
LONG TERM DEBT	224000	207000	193000	172000	152000	139000	123000	100039	86000
CURRENT LIABILITIES	32131	37913	44139	51616	52366	49455	69927	53947	44359
MEMBERSHIP FEES					13148				
CONTRIBUTION IN AID CONSTRUCTN	40044	40044	40044	40044	40444	40444	43444	44324	54794
SURPLUS AND/OR PATRONAGE CAP.	787453	837724	892033	944325	987971	1042389	1092234	1114055	1224602
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	190944	197795	215303	239308	245706	264226	291529	301845	320029
COMMERCIAL REVENUE	31652	32614	31902	31723	31784	34732	47766	48653	66350
INDUSTRIAL REVENUE	26224	26047	23195	30661	34994	36413	35619	36594	46204
IRRIGATION REVENUE	3934	4338	3997	4094	4264	5034	5671	4604	7494
OTHER REVENUE FROM SALES	7040	8363	3170	10175	11601	1122	1137	1603	2021
OTHER OPERATING REVENUE	2950	2599	2405	1183	1488	1555	2132	4203	5252
NON-OPERATING REVENUE	6651	8259	13901	17553	8944	6641	6060	3515	8725
RESIDENTIAL SALES(MWH)	17346	18067	23136	23196	23365	27059	29669	25301	28249
COMMERCIAL SALES(MWH)	2122	3224	2465	2253	2361	2562	4219	4280	4249
INDUSTRIAL SALES(MWH)	2015	1943	2107	2192	2289	2468	2359	2393	2774
IRRIGATION SALES(MWH)	439	519	450	465	470	644	636	478	656
OTHER SALES(MWH)	311	313	451	434	392	69	128	240	915
ENERGY INPUT(MWH)	25517	26263	28152	31557	31945	30262	33763	39567	
POWER COST	85562	86911	95676	102743	109793	121778	127849	130323	131553
TRANSMISSION EXPENSE	417	757	51	175	601	624	912	1362	216
DISTRIBUTION EXPENSE	10222	13256	12365	12595	11606	14558	64787	89649	17070
MAINTENANCE EXPENSE	25439	26254	36735	50552	51344	60879			48601
CUSTOMER SERVICE	14437	16015	17562	18035	21325	25371	27041	29413	32449
SALES EXPENSE	2323	2224	2662	1434	2763	2327	871	635	541
ADMIN & GENERAL EXPENSE	21427	24612	21237	21157	27239	34953	55671	54430	58919
INTEREST EXPENSE	6729	6752	5966	5255	4090	4255	3616	3243	2950
TAXES	17712	15735	21597	26576	27318	28386	25931	24499	26632
OTHER DEDUCTIONS									
DEPRECIATION	27271	33066	31274	32663	34543	35737	37814	38524	43179
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1494	1457	1504	1545	1571	1514	1635	1597	1601
RESIDENTIAL CUSTOMERS(AVG)	1253	1262	1324	1365	1395	1441	1432	1402	1372
COMMERCIAL CUSTOMERS(AVG)	153	177	161	153	163	159	165	154	175
MILES OF DISTRIBUTION LINE	435	435	435	445	445	447		451	
DEVELOPMENTAL DISCOUNT									20000
MAXIMUM DEMAND KW	5922	7062	5838	9655	8015	8480	11714	10250	10523
AVERAGE DEMAND KW	4651	4793	5251	5844	5856	6732	7316	7323	7066

280 TILLAMOOK CO PUD ORE	PORTLAND 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	8971507	9064543	9355100	9311749	9426595	9661126	10301129	10931361	11354042
RESERVE FOR DEPRECIATION	2333609	2242523	2132963	2181207	2063111	2193431	2390494	2461635	2621526
CURRENT ASSETS	281172	433952	473927	654590	612523	739923	693922	989081	957151
ACQUISITION ADJUSTMENT	1371676	1330732	1289780	1248841	1207395	1166953	1126004	1085059	1344113
CONSTRUCTION WORK IN PROGRESS	323339	393624	447426	239535	197198	283319	402032	693255	697959
MATERIALS & SUPPLIES	114976	116530	125872	127148	124589	135835	142958	168659	184751
LONG TERM DEBT	6561293	6560960	6581333	6702202	6364642	6668441	6674914	7221753	7496252
CURRENT LIABILITIES	340613	336354	374699	334565	372732	345180	333617	399636	388395
MEMBERSHIP FEES					473				
CONTRIBUTION IN AID CONSTRUCTN	32743	34607	39054	54403	87272	96322	166041	193141	
SURPLUS AND/OR PATRONAGE CAP.	400825	736124	1032385	1338292	1060542	2024753	2363451	2672656	3245294
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	1135831	1218963	1295502	1408329	1442341	1588891	1801260	1769719	1911643
COMMERCIAL REVENUE	545531	691671	729607	768256	769066	838447	966459	507943	525763
INDUSTRIAL REVENUE								380674	359116
IRRIGATION REVENUE	11776	15259	9113	12315	15344	16022	16290	11561	15562
OTHER REVENUE FROM SALES	210349	125904	125592	43892	97739	106056	4541	82753	110157
OTHER OPERATING REVENUE	12205	22123	15618	22491	34809	39974	40810	22064	114094
NON-OPERATING REVENUE	16032	27171	31606	33209	34426	32712	34675	71371	34135
RESIDENTIAL SALES(MWH)	105278	109315	118097	126869	132946	149374	166958	159965	165926
COMMERCIAL SALES(MWH)	52725	72306	75934	79363	80272	90185	99580	42125	49752
INDUSTRIAL SALES(MWH)								50753	40235
IRRIGATION SALES(MWH)	1114	1553	434	893	1447	548	1450	1137	1111
OTHER SALES(MWH)	24421	9672	3163	4102	3918	4190	1235	3138	3141
ENERGY INPUT(MWH)	202855	212520	216421	232190	238589	267117	289833	282269	292943
POWER COST	696133	717113	737997	733373	819083	937952	963753	963873	965771
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	106562	107872	102416	115951	115736	131212	144993	153734	161268
MAINTENANCE EXPENSE	91045	86053	111728	132779	113374	129541	152549	139541	213124
CUSTOMER SERVICE	97333	95817	103880	137507	114539	139163	155584	152019	105965
SALES EXPENSE	40712	54113	62655	65520	68579	60524	84991	84559	48460
ADMIN & GENERAL EXPENSE	124090	137499	149093	164914	181030	178172	209107	233548	284395
INTEREST EXPENSE	337319	296603	293607	270258	247493	286602	244294	311099	296503
TAXES	125026	131102	137061	137374	131447	153046	175835	175112	172493
OTHER DEDUCTIONS									288389
DEPRECIATION	215631	263367	265247	263185	277123	244772	297605	269553	46946
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	9129	9303	9524	10040	10269	10616	11921	11345	11676
RESIDENTIAL CUSTOMERS(AVG)	7828	8045	8234	8416	8657	8962	9252	9301	9397
COMMERCIAL CUSTOMERS(AVG)	1133	1155	1147	1451	1444	1473	1495	1494	1504
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	49530	50775	54290	60974	56156	61354	79458	77494	59014
AVERAGE DEMAND KW	30955	35043	41010	44262	45749	50251	54681	53473	54370

263 SNOHOMISH CO PUD   WASH   SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	58393126	63022624	73255734	79341464	93344591	105348408	114180346	124218600	129943459
RESERVE FOR DEPRECIATION	6780517	10522257	12241616	13261099	14055843	15130722	17651226	19374243	22102457
CURRENT ASSETS	9700276	9003898	6839328	4920308	9829037	9006787	12185715	14220621	12528512
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	1388520	2140565	2735801	4167525			23921316	3569154	6041233
MATERIALS & SUPPLIES	497342	787453	820522	613303	1034203	900747	1259844	920024	1021010
LONG TERM DEBT	14515300	13437700	12338766	11215700	49307700	47095736	52494000	49274000	48592652
CURRENT LIABILITIES	2570246	3640723	3481366	6372017	6300135	6515236	6009822	6239701	5830736
MEMBERSHIP FEES					252136				
CONTRIBUTION IN AID CONSTRUCTN	838534	970985	1157790	1330921	494409	180126	2753263	3595723	4044405
SURPLUS AND/OR PATRONAGE CAP.	42465339	45837156	43142344	53035033	57268300	61070703	64144516	58337713	72641261
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1336	1515	1357	1429	
RESIDENTIAL REVENUE	8502330	8755097	10130327	11913777	12092150	13791407	14550679	14652373	14993505
COMMERCIAL REVENUE	2854335	3149757	3520955	4119579	4322840	4335946	5432180	5599936	5534571
INDUSTRIAL REVENUE	2381342	2512198	3314364	3240758	3355949	3312609	3333555	3365455	3240501
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	389544	409732	466172	534434	585565	629405	643060	475061	667604
OTHER OPERATING REVENUE	107074	111003	132948	105883	147909	140363	354468	448789	438117
NON-OPERATING REVENUE	503505	484248	392545	308009	997163	1222022	897862	1057303	1166906
RESIDENTIAL SALES(MWH)	1001488	1091270	1302006	1551096	1639507	1779820	1890512	1900730	1915115
COMMERCIAL SALES(MWH)	230320	291606	335720	409362	449851	492510	561776	577476	551555
INDUSTRIAL SALES(MWH)	541430	620729	773337	829356	836350	762804	730929	711504	715021
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	30341	35531	25069	32945	34144	47417	32715	33540	32381
ENERGY INPUT(MWH)	1966054	2190566	2610500	2935069	3123379	3259002	3370196	3337853	3395630
POWER COST	6113333	6732432	8334979	9333103	9677207	10118225	16734806	12752795	13741144
TRANSMISSION EXPENSE			13532	14876	16717	40433	88757	72794	55716
DISTRIBUTION EXPENSE	420005	531253	644571	777242	902091	617927	952741	2237004	1217620
MAINTENANCE EXPENSE	544019	750349	717776	639974	979127	1063169	1122486		1331755
CUSTOMER SERVICE	542810	647903	843592	974790	1124341	1263382	1313822	1513132	1667633
SALES EXPENSE	183324	214061	240370	254113	278736	206402	254068	233331	362570
ADMIN & GENERAL EXPENSE	569015	695232	768112	932896	1147095	1349000	1520615	1693772	1702434
INTEREST EXPENSE	396450	379407	351772	353927	1222709	1471107	1123200	2250982	2268571
TAXES	920353	936103	1067078	1227215	1312538	1421147	1513011	1600273	1673323
OTHER DEDUCTIONS					4024	42205	27567	8849	
DEPRECIATION	1590512	1600656	1705956	1320210	1920732	2129803	2413403	3661843	3325034
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	76224	80210	86011	93595	97547	100856	103647	106792	109651
RESIDENTIAL CUSTOMERS(AVG)	69041	73103	78413	85374	88794	91617	93937	96350	98650
COMMERCIAL CUSTOMERS(AVG)	6300	6604	7074	7523	7405	8172	8597	8687	8504
MILES OF DISTRIBUTION LINE	2131	2250	2306	2474	2540	2590	2634	2631	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	469253	504173	568626	632305	650905	583702	778559	792335	768234
AVERAGE DEMAND KW	319530	360842	420330	452210	505248	529464		525452	566722

279 SKAMANIA CO PUD WASH. PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1982003	2055947	2210492	2359495	2548061	2911206	3088511	3500192	3808186
RESERVE FOR DEPRECIATION	455159	404200	507606	551524	593781	603201	715434	783942	853148
CURRENT ASSETS	481710	429641	421521	406206	289117	242458	331584	703944	393200
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	478	19572	42154		6404	4137	6364	30451	27099
MATERIALS & SUPPLIES	35173	37671	48608	35054	53751	39737	31057	123027	122269
LONG TERM DEBT	695749	663717	645700	625700	605700	585700	643697	1275703	1267700
CURRENT LIABILITIES	92245	120262	124976	120745	106206	105648	159398	158795	135061
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	6701	9347	13310	24237	43759	54894	66753	69273	124633
SURPLUS AND/OR PATRONAGE CAP.	1269757	1313004	1423307	1540031	1638110	1754982	1931314	183045	2259043
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	230549	245224	268752	287150	306204	342736	375816	389764	450649
COMMERCIAL REVENUE	69348	131840	137570	75573	144490	70930	89214	87313	99715
INDUSTRIAL REVENUE	164420	111555	116320	172955	97069	185323	210031	254278	269290
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	14557	15473	16295	17421	18449	13119	13211	19937	10152
OTHER OPERATING REVENUE	37234	36242	54368	30438	66275	50242	89041	63095	72552
NON-OPERATING REVENUE	25931	17575	15216	33275	13788	20783	13278	41349	45511
RESIDENTIAL SALES(MWH)	22405	23205	20066	29041	30137	33299	34368	39473	41301
COMMERCIAL SALES(MWH)	5437	11064	11790	6056	12928	6456	7692	7317	7627
INDUSTRIAL SALES(MWH)	21352	17105	18466	21060	13914	23400	25566	33109	31129
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	500	710	763	950	835	678	703	890	613
ENERGY INPUT(MWH)	54359	55395	61348	61717	61864	63239	70814	85933	86703
POWER COST	183440	191201	205505	212012	212754	230532	264808	300001	297009
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	74955	72641	89663	87198	136317	76918	82527	118371	157640
MAINTENANCE EXPENSE	6505	39.							
CUSTOMER SERVICE	20241	21106	23370	20306	24725	26593	28643	45644	40376
SALES EXPENSE	6184	4770	4746	7179	6297	5972	1904	270	553
ADMIN & GENERAL EXPENSE	51105	52938	60305	62155	56767	58229	60062	32494	35257
INTEREST EXPENSE	22506	21700	21105	20399	19099	18999	13299	50904	54321
TAXES	35954	35054	39042	43211	41800	46054	51080	58591	68224
OTHER DEDUCTIONS									
DEPRECIATION	56133	57300	59768	65083	73269	76750	84396	85130	100980
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2332	2307	2273	2213	2265	2294	2553	2541	2912
RESIDENTIAL CUSTOMERS(AVG)	2049	1900	1950	1954	2002	2028	2104	2244	2405
COMMERCIAL CUSTOMERS(AVG)	336	344	310	252	250	259	245	254	413
MILES OF DISTRIBUTION LINE	500	[illegible]	506	392	416			431	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	11837	13600	13673	15647	15060	16225	17479	17473	22901
AVERAGE DEMAND KW	10029	10943	11483	12505	11719	12850	13951	13974	17530

273 PEND OREILLE CO PUD WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT							3492234	3691139	
RESERVE FOR DEPRECIATION							973777	1062339	
CURRENT ASSETS							1013692	1330521	
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS							5582	17309	
MATERIALS & SUPPLIES							160070	115925	
LONG TERM DEBT							2279006	2181036	
CURRENT LIABILITIES							309401	324063	
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.							1403398	1427487	
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE							367625	421374	
COMMERCIAL REVENUE							145312	152797	
INDUSTRIAL REVENUE							243923	247942	
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES							19588	19499	
OTHER OPERATING REVENUE							853273	884633	
NON-OPERATING REVENUE							29362	65011	
RESIDENTIAL SALES(MWH)							34759	39234	
COMMERCIAL SALES(MWH)							13552	13976	
INDUSTRIAL SALES(MWH)							46801	43230	
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)							1844	1527	
ENERGY INPUT(MWH)							106286	102745	
POWER COST							404430	369643	
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE							54723	44135	
MAINTENANCE EXPENSE							47658	59325	
CUSTOMER SERVICE							35943	39804	
SALES EXPENSE							3603	3042	
ADMIN & GENERAL EXPENSE							61672	83655	
INTEREST EXPENSE							66024	112633	
TAXES							45901	48676	
OTHER DEDUCTIONS									
DEPRECIATION							109397	113670	
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)							2733	2835	
RESIDENTIAL CUSTOMERS(AVG)							2384	2455	
COMMERCIAL CUSTOMERS(AVG)							378	373	
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW									
AVERAGE DEMAND KW									

273 PACIFIC CO PUD WASH SEATTLE

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	5267245	5498827	5557070	6245973	6773930	7421105	7627474	6416111	8400406
RESERVE FOR DEPRECIATION	2057313	2225017	2327152	2431505	2030572	2313303	2941804	3196021	2936515
CURRENT ASSETS	673243	555510	591462	624357	1777221	1325019	1140926	1087578	606936
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	135925	122036	43628	134201	337684	432595	274384	134677	221357
MATERIALS & SUPPLIES	117748	123458	150651	152269	218327	243555	284548	253083	369404
LONG TERM DEBT	714030	641000	566000	490000	1715000	1635000	1555000	1555000	2765000
CURRENT LIABILITIES	244753	263291	322171	347014	429031	479356	489659	506623	486902
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	64320	65523	73158	85048	168596	198309	208788	221968	248314
SURPLUS AND/OR PATRONAGE CAP.	3019032	3193559	3380553	3570374	3787187	3990330	4152466	4356828	4661426
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	730437	764523	843198	949581	972176	1091371	1209188	1195924	1308642
COMMERCIAL REVENUE	283057	302361	329497	349019	372354	406721	517744	442679	528945
INDUSTRIAL REVENUE	101079	84003	95032	93300	112031	113259	142806	178537	103351
IRRIGATION REVENUE	9173	10796	9542	12702	14149	15300	16730	10491	20150
OTHER REVENUE FROM SALES	81348	93756	103548	105534	128135	145280	17595	161081	164552
OTHER OPERATING REVENUE	12552	11759	12139	13705	16628	14822	22692	27544	27148
NON-OPERATING REVENUE	17071	20160	19362	16830	45118	62512	43544	50430	118435
RESIDENTIAL SALES(MWH)	71792	77992	86419	97307	99472	114335	123153	125448	128063
COMMERCIAL SALES(MWH)	21404	23301	25914	27554	28973	32113	43601	34677	42843
INDUSTRIAL SALES(MWH)	17778	12931	14203	13497	19142	22299	23071	29237	18411
IRRIGATION SALES(MWH)	373	1092	807	1419	1104	1111	1470	1268	1393
OTHER SALES(MWH)	4233	6167	6753	8327	8186	13296	953	12193	11921
ENERGY INPUT(MWH)	127537	133820	147956	155567	169053	196233	210192	215041	215954
POWER COST	427502	441415	499343	547627	585961	649744	717900	720741	733068
TRANSMISSION EXPENSE	740	2252	1737	954	384	635	3010	70	2071
DISTRIBUTION EXPENSE	64333	70090	75300	90945	93163	95355	127081	122011	137701
MAINTENANCE EXPENSE	105952	118695	103911	106065	108344	155134	173345	178542	171993
CUSTOMER SERVICE	63104	63923	66740	77069	90095	97047	95668	109843	127104
SALES EXPENSE	14875	16135	16191	15522	20439	25436	22808	23707	26224
ADMIN & GENERAL EXPENSE	120501	126109	144967	167922	191390	154044	171253	171359	217373
INTEREST EXPENSE	21614	19337	17597	14759	56335	103703	101293	96947	165704
TAXES	73118	75342	82303	89998	94713	104412	137099	150221	148791
OTHER DEDUCTIONS	720	703	507					419	3020
DEPRECIATION	175372	188101	194654	205037	214704	259673	275732	290164	306315
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	8119	8275	8506	8752	9201	9499	9785	10262	10351
RESIDENTIAL CUSTOMERS(AVG)	6624	6725	6910	7140	7554	7615	8083	8425	8558
COMMERCIAL CUSTOMERS(AVG)	1438	1408	1516	1526	1502	1600	1631	1477	1376
MILES OF DISTRIBUTION LINE	455	477	482	500	572	600		640	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	29233	32903	43437	33344	39332	45406	59277	53496	57912
AVERAGE DEMAND KW	23585	25523	29591	29834	32822	36365	37042	39493	40046

200 'KANOGA, CO PUD WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	8255714	9346308	9743507	10135405	10703634	11460678	12394543	13198122	14232128
RESERVE FOR DEPRECIATION	2815936	3049720	3361074	4193759	4548422	4915531	5259967	5734591	6137250
CURRENT ASSETS	1033358	1192740	1193122	1654702	1751530	2002035	2115871	2347735	2106805
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	63340	70411	93004	83533	54105	97682	138015	190767	380909
MATERIALS & SUPPLIES	134431	140017	155878	174507	262935	243630	271501	434215	667424
LONG TERM DEBT	343344	833732	749254	629625	465821	384840	325678	275334	227806
CURRENT LIABILITIES	243135	312627	259457	417525	408230	491892	476765	584525	570027
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	124229	139529	167605	170269	230165	211171	242934	271466	323741
SURPLUS AND/OR PATRONAGE CAP.	5870935	6307755	6797158	7271702	7833837	8455506	9032380	9576530	9862522
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					27386	24045	21923	29874	
RESIDENTIAL REVENUE	606412	922593	993658	1133044	1142006	1261347	1403530	1321576	1449364
COMMERCIAL REVENUE	712535	733159	764457	817634	836775	873270	917777	914954	936515
INDUSTRIAL REVENUE	54030	61763	59030	65433	71530	124544	163353	193565	204919
IRRIGATION REVENUE	232430	219065	232900	255534	244774	292013	283243	333564	329128
OTHER REVENUE FROM SALES	39813	64006	76605	75755	80540	82131	53674	65362	96345
OTHER OPERATING REVENUE	19721	20395	22743	25023	27359	33791	29470	47159	49770
NON-OPERATING REVENUE	40633	50232	60169	74359	128602	79855	72497	92130	154246
RESIDENTIAL SALES(MWH)	87752	92100	102540	114000	119068	133938	147003	148355	151773
COMMERCIAL SALES(MWH)	54200	66622	70152	73094	77387	83740	83347	86765	88873
INDUSTRIAL SALES(MWH)	12134	10331	9659	12154	13921	25021	30023	37433	35077
IRRIGATION SALES(MWH)	32717	20765	33093	32510	41603	37427	35409	40815	42836
OTHER SALES(MWH)	1362	4188	4317	4720	4077	4533	3962	4664	5340
ENERGY INPUT(MWH)	203473	223303	235769	266073	279374	300129	328225	349470	351033
POWER COST	611316	655738	704603	653429	824934	907971	1031132	1051679	1062754
TRANSMISSION EXPENSE					57	4127	2666	2235	223
DISTRIBUTION EXPENSE	225692	191960	203833	200807	276772	257408	293031	395233	397051
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	87730	88044	107778	112912	115230	110536	131608	144911	157078
SALES EXPENSE	24605	33940	44309	42001	30953	31116	33515	13367	14600
ADMIN & GENERAL EXPENSE	170615	183600	153754	177305	190304	200226	226623	255035	275254
INTEREST EXPENSE	28335	24174	21753	19352	16130	11057	9327	7015	5022
TAXES	159420	169066	177256	139594	231189	216107	241407	259150	268970
OTHER DEDUCTIONS									172
DEPRECIATION	296550	317700	343248	362010	375912	397284	424380	450243	473412
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	10263	10632	13517	10607	10919	11299	11437	12190	12739
RESIDENTIAL CUSTOMERS(AVG)	7650	7720	7935	8002	8173	3477	8570	9155	9651
COMMERCIAL CUSTOMERS(AVG)	1233	1298	1320	1314	1312	1345	1360	1435	1775
MILES OF DISTRIBUTION LINE	940	950	956	975	1057	1145		1344	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	37333	42760	44463	59538	51739	62339	73707	76097	76556
AVERAGE DEMAND KW	33351	35053	37396	42218	43532	49223	53823	55941	57531

202 NORTHERN WASCO PUD OREG WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1027331	1050267	1071780	1080943	1107762	1149945	1224715	1312271	1410605
RESERVE FOR DEPRECIATION	343407	395823	431066	475091	510959	545940	584483	626253	665464
CURRENT ASSETS	211671	275597	317225	392151	438169	512659	556612	530619	567918
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	212	420	3187	63	36	484		46516	76114
MATERIALS & SUPPLIES	10100	10405	9696	9177	7850	5554	10351	12830	33006
LONG TERM DEBT	392000	362000	367000	353000	338000	322000	305000	287000	268000
CURRENT LIABILITIES	33707	58039	38872	51031	43381	52337	73753	70284	89468
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	408818	450727	493969	604111	667583	678795	748519	801715	890793
MUNICIPAL INVESTMENT									75543
IRRIGATION DISCOUNT						132	187	153	
RESIDENTIAL REVENUE	265335	289815	290287	319027	322690	339521	360016	349536	358154
COMMERCIAL REVENUE	49034	50535	51158	54022	56342	57507	64102	70340	80359
INDUSTRIAL REVENUE	52332	39357	43052	45724	51790	63852	58507	53773	135656
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES									3919
OTHER OPERATING REVENUE	11526	9698	13421	19025	9478	34597	32751	30116	42231
NON-OPERATING REVENUE									
RESIDENTIAL SALES(MWH)	32472	33097	33981	36904	37622	39229	42008	41035	39370
COMMERCIAL SALES(MWH)	3723	4010	4461	4558	4580	4459	5171	7480	7707
INDUSTRIAL SALES(MWH)	9437	6690	7104	7702	8994	12030	10719	10677	10330
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)									392
ENERGY INPUT(MWH)	49898	45594	47376	51570	53208	59070	61590	62568	67600
POWER COST	151430	149925	158052	190835	173227	190635	202780	207086	227605
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	31841	31114	34365	31753	38364	40540	39047	62427	51019
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	22712	22340	28357	27435	28444	33111	35205	35079	38071
SALES EXPENSE	12434	5971	5157	5079	4177	3996	6002	4105	5566
ADMIN & GENERAL EXPENSE	54306	52931	52809	50130	63517	71930	77351	76640	84051
INTEREST EXPENSE	14853	15040	14630	14192	13721	12675	12075	11856	11157
TAXES	16331	16910	17749	18224	10362	14447	23643	22309	22843
OTHER DEDUCTIONS	542				717	463	441		
DEPRECIATION	47025	49501	51987	52093	41157	41687	43410	47522	49595
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2247	2226	2243	2267	2305	2367	2458	2520	2619
RESIDENTIAL CUSTOMERS(AVG)	2000	1984	1996	2020	2372	2127	2219	2293	2388
COMMERCIAL CUSTOMERS(AVG)	238	234	239	238	224	231	230	221	10
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	10620	12240	11790	15840	13140	14040	18630	17640	18900
AVERAGE DEMAND KW	8100	8105	8190	9425	9361	10280	11050	11313	12534

258 MASON PUD #3 WASH SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	4992557	5380894	5577232	6462530	7072928	8232103	9160432	9919604	11512957
RESERVE FOR DEPRECIATION	1672273	1792241	1944854	2122945	2323346	2501543	2652276	2873319	3073759
CURRENT ASSETS	1479525	1114604	996989	954645	1348610	1152710	1140957	1175507	1611169
ACQUISITION ADJUSTMENT	103506	103506	103506	103500	133506	103506	163506	103506	103506
CONSTRUCTION WORK IN PROGRESS	13555	47027	77258	270555	53118	161713	142626	300095	244545
MATERIALS & SUPPLIES	101245	181152	221266	329551	300461	220457	187000	178112	236120
LONG TERM DEBT	1861000	1690000	1589000	1485000	1675000	1620000	1745000	1672000	2300000
CURRENT LIABILITIES	170673	149701	362795	552615	241463	455942	385559	451029	419318
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	40542	71957	155232	195272	329170	441596	561731	564635	611113
SURPLUS AND/OR PATRONAGE CAP.	3209413	3436124	3651177	3835100	4356515	4140523	5218403	5801654	6553826
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	894355	950381	1121063	1291034	1397504	1596017	1923213	2022455	2249463
COMMERCIAL REVENUE	222410	228722	265151	275907	290041	340508	369733	396767	411154
INDUSTRIAL REVENUE	166303	183659	182513	215902	253992	392561	433027	429350	414951
IRRIGATION REVENUE	1502	2027	1654	1541	1300	1499	1553	2004	512
OTHER REVENUE FROM SALES	50778	40743	53473	57141	88240	24211	25813	20799	27091
OTHER OPERATING REVENUE	21625	20255	22016	21970	233939	22874	25451	22157	35316
NON-OPERATING REVENUE	11122	54109	38949	32343	16559	33576	25971	45542	54554
RESIDENTIAL SALES(MWH)	70544	78547	93040	110403	117803	135345	145273	153723	154240
COMMERCIAL SALES(MWH)	20531	23297	27604	28105	31685	32057	33175	35787	35676
INDUSTRIAL SALES(MWH)	45576	45194	42506	43291	50929	85853	96196	97033	91002
IRRIGATION SALES(MWH)	123	153	111	110	146	143	127	134	59
OTHER SALES(MWH)	1661	1090	1337	1487	1763	1152	1207	1085	2001
ENERGY INPUT(MWH)	153852	167435	176921	205079	224335	269971	297046	301459	306956
POWER COST	492735	525077	573488	676910	723071	874114	937077	974465	1102555
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	125123	132695	137744	152013	184193	214409	245409	219933	223012
MAINTENANCE EXPENSE	111728	97102	92319	110949	109354	202695	207957	247470	261047
CUSTOMER SERVICE	64437	87000	101465	111855	133382	155715	148595	155045	156203
SALES EXPENSE	14521	35572	53778	55903	32064	21308	3032	16203	14001
ADMIN & GENERAL EXPENSE	135973	136093	148618	173773	184782	249492	295616	240422	221503
INTEREST EXPENSE	21519	75007	72012	53459	63691	93124	96667	92932	83301
TAXES	54290	65133	75611	52840	98323	114901	128789	114513	110528
OTHER DEDUCTIONS									14293
DEPRECIATION	152439	162315	165362	204073	125771	243376	207018	294415	317236
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	8030	8581	9674	10503	11026	11435	12005	12375	12474
RESIDENTIAL CUSTOMERS(AVG)	7353	7940	9004	9034	10309	10735	11382	11606	12177
COMMERCIAL CUSTOMERS(AVG)	650	592	617	644	661	665	636	705	721
MILES OF DISTRIBUTION LINE	753	713	824	852	883	919		953	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	29038	34416	37440	45840	49874	54614	62664	70273	65054
AVERAGE DEMAND KW	25518	27180	29443	34576	37397	45822	44209	45675	49775

257 MASON CO PUD #1 WASH SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1375525	1437949	1550674	1731235	1996602	2117639	2223298	2427073	2644728
RESERVE FOR DEPRECIATION	256733	297425	318250	364702	393963	432694	455629	516928	564464
CURRENT ASSETS	103193	106991	113404	98594	103944	120184	377818	343009	302017
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS		44509	94224	212601	268043	213712	119275	171952	209249
MATERIALS & SUPPLIES	23431	21617	23911	31210	40735	35308	46236	46325	65053
LONG TERM DEBT	665778	667763	717740	693605	855873	949006	1176939	1247292	1325840
CURRENT LIABILITIES	40615	46552	50687	63444	15960	60853	103734	80065	88379
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	20539	24694	24029	93023	112345	125490	137685	154068	166719
SURPLUS AND/OR PATRONAGE CAP.	529047	563513	623073	683075	730679	706811	814455	1062292	933003
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	171509	183100	205323	227705	238044	270220	298671	322325	346362
COMMERCIAL REVENUE	56576	57649	65191	72924	74501	79514	85579	89945	97544
INDUSTRIAL REVENUE	3934	4324	3525	3819	4965	5162	6354	5674	6115
IRRIGATION REVENUE	651	630	540	438	490	371	452	465	324
OTHER REVENUE FROM SALES	6950	8428	9760	11138	13036	14056	15546	16764	17852
OTHER OPERATING REVENUE	2212	1555	3976	2961	3131	3327	3374	3594	3543
NON-OPERATING REVENUE	9073	2101	1038	4370	6284	7145	11447	24405	21936
RESIDENTIAL SALES(MWH)	11970	12767	14741	17553	18317	22334	23416	25917	27503
COMMERCIAL SALES(MWH)	4150	4250	4097	5407	5837	6443	6863	7254	8061
INDUSTRIAL SALES(MWH)	104	145	129	243	355	395	502	422	418
IRRIGATION SALES(MWH)	29	32	17	12	7	1	2	4	6
OTHER SALES(MWH)	140	165	192	465	250	274	334	327	346
ENERGY INPUT(MWH)	20033	19523	21713	25571	27029	31251	35124	36575	40007
POWER COST	64050	60749	68406	86853	88362	101437	111452	113380	131253
TRANSMISSION EXPENSE	213	87			537	732	153	331	659
DISTRIBUTION EXPENSE	7247	9603	12121	14575	17423	20986	22556	23027	24797
MAINTENANCE EXPENSE	40333	32604	18372	15805	33825	54178	53848	34749	56714
CUSTOMER SERVICE	13035	13719	15155	16712	18043	23100	24917	21514	26157
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	35392	34683	40784	47274	51303	53359	57209	63690	65000
INTEREST EXPENSE	12450	13303	13826	13900	14014	18041	25229	30599	33850
TAXES	11136	15504	20364	22014	24132	20202	28480	30581	35728
OTHER DEDUCTIONS								487	
DEPRECIATION	37073	35601	39271	41289	45166	49001	52934	63132	64532
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1620	1717	1799	1938	2079	2597	2357	2541	2763
RESIDENTIAL CUSTOMERS(AVG)	1406	1492	1566	1604	1816	1944	2074	2249	2472
COMMERCIAL CUSTOMERS(AVG)	209	215	226	244	251	263	272	260	295
MILES OF DISTRIBUTION LINE	133	135	144	161	175	198	215	225	252
DEVELOPMENTAL DISCOUNT	1313	1233	1397	1613	1803	2073	2274	2436	
MAXIMUM DEMAND KW	4837	4561	4659	7126	7032	6904	9478	9232	10300
AVERAGE DEMAND KW	3343	3315	3991	4695	5135	5655	6127	6677	9534

255 LEWIS CO.PUD WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	10163120	10655583	11250759	11550885	12481550	130[illegible]19	13972376	14857671	15942059
RESERVE FOR DEPRECIATION	2357011	2552829	2855212	3102481	3332710	3503502	3773520	4016431	4296321
CURRENT ASSETS	1053533	1312744	1193720	1155230	1344802	1265637	1262305	1451603	1419253
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES	163370	167740	194214	166820	207396	223255	226542	262055	374415
LONG TERM DEBT	2710000	2554000	2394000	2230000	2061000	1905000	1680000	1563000	1315000
CURRENT LIABILITIES	621735	540270	512390	614244	775814	673259	821237	910794	924455
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	155600	163670	164343	166882	191267	227370	239736	264940	385255
SURPLUS AND/OR PATRONAGE CAP.	6233631	6777742	7275025	7656200	8289174	9035510	9563306	10359880	11156937
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1429	997	196	1339	
RESIDENTIAL REVENUE	1257335	1320914	1433014	1567095	1043201	1341630	1989708	2161530	2267469
COMMERCIAL REVENUE	384043	415461	450658	464789	491538	541515	613608	505175	599632
INDUSTRIAL REVENUE	473330	512353	467711	425516	424522	435211	460436	576388	715759
IRRIGATION REVENUE	12652	19013	11190	16292	19594	10086	17861	20053	17459
OTHER REVENUE FROM SALES	163319	260743	265706	290124	290334	323812	338299	339245	3347[illegible]9
OTHER OPERATING REVENUE	33827	34174	31962	39143	42329	47479	79065	90370	96505
NON-OPERATING REVENUE	52251	49010	65931	67575	77738	83092	90379	109707	126591
RESIDENTIAL SALES(MWH)	132879	141350	154722	171430	179068	205706	223904	237091	249544
COMMERCIAL SALES(MWH)	29946	31956	33566	36508	38493	43409	52519	44957	47045
INDUSTRIAL SALES(MWH)	55349	58510	47497	44473	45179	46727	53653	71537	107378
IRRIGATION SALES(MWH)	1235	1971	955	1502	2122	1470	1839	1923	1679
OTHER SALES(MWH)	13549	20805	32401	36308	38770	41970	43080	43921	45176
ENERGY INPUT(MWH)	247137	274310	283237	309640	320190	360041	402589	420759	474663
POWER COST	854423	919220	933218	1040547	1098435	1189598	1353464	1445131	1627004
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	96295	124154	123470	139079	115093	154567	150436	174033	179049
MAINTENANCE EXPENSE	137451	119055	131681	152333	152240	184612	182797	165571	202732
CUSTOMER SERVICE	121552	126425	141909	156439	167122	176930	165495	199254	217456
SALES EXPENSE	22534	35659	40553	34449	49253	29927	21531	19602	6557
ADMIN & GENERAL EXPENSE	145435	143345	158061	199008	197463	202611	215465	240047	273402
INTEREST EXPENSE	80450	70255	71906	67500	63350	58409	52986	48053	43030
TAXES	144073	155990	164200	175701	182547	201123	221736	232702	261906
OTHER DEDUCTIONS									
DEPRECIATION	350772	374850	393696	404164	365532	385603	437136	430040	459006
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	12379	13230	13473	13774	14199	14663	15267	15518	16244
RESIDENTIAL CUSTOMERS(AVG)	11154	11427	11629	11806	12231	12612	13160	13634	14021
COMMERCIAL CUSTOMERS(AVG)	1181	1240	1276	1326	1371	1432	1496	1550	1604
MILES OF DISTRIBUTION LINE	1154	1145	1153	1173	1163	1202			
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	51400	60619	64989	72787	69440	79254	94909	95984	110351
AVERAGE DEMAND KW	45301	50179	52362	55574	58059	62452	65174	81409	84955

253 KLICKITAT CO. PUD WASH. WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	7581940	7793320	8038364	8339447	8662102	8992503	9003725	10527766	11720333
RESERVE FOR DEPRECIATION	2814249	3014066	3191710	3375616	3479805	3655398	3957306	4179093	4531805
CURRENT ASSETS	845751	383609	743809	531379	849251	493034	1650138	452225	759737
ACQUISITION ADJUSTMENT	440774	440774	443774	440774	443774	443774	443774	440774	440774
CONSTRUCTION WORK IN PROGRESS	161043	182647	198496	239894	406513	258519	447325	931627	1795850
MATERIALS & SUPPLIES	102279	110576	113580	109964	125464	104951	127972	202505	307931
LONG TERM DEBT	4090952	4384634	4513943	4299438	4844773	4524490	4054879	4833714	5145144
CURRENT LIABILITIES	197321	138008	178512	190500	223994	273420	287107	416318	410316
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	309627	334153	407936	415563	432010	433051	521286	542137	566324
SURPLUS AND/OR PATRONAGE CAP.	1128423	1267154	1361319	1468481	1526904	1695015	1913866	2177747	2397399
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					5715	5513	6093	7312	
RESIDENTIAL REVENUE	645330	642505	679598	721962	750523	842185	951693	977922	991091
COMMERCIAL REVENUE	202270	192631	206642	206074	226420	254707	253997	219374	222607
INDUSTRIAL REVENUE	234833	271623	247625	242378	251602	285524	347576	436663	472342
IRRIGATION REVENUE	25107	31721	39189	51081	65568	70134	75745	83375	90091
OTHER REVENUE FROM SALES	41206	42871	45118	53518	52261	49502	50027	51107	47904
OTHER OPERATING REVENUE	11030	6517	7363	6962	15540	10873	20249	15957	14042
NON-OPERATING REVENUE	33787	50774	34639	40820	58933	37424	21960	37713	30437
RESIDENTIAL SALES(MWH)	52163	52642	55639	60471	62047	67962	75333	77912	79248
COMMERCIAL SALES(MWH)	14321	13452	14350	14299	15282	18123	13830	14718	15047
INDUSTRIAL SALES(MWH)	26920	34904	32519	31167	32101	34811	44134	38715	60380
IRRIGATION SALES(MWH)	3505	3349	5373	6273	7507	8235	7990	9876	10674
OTHER SALES(MWH)	2252	2333	2523	2887	2561	2826	2899	3027	2717
ENERGY INPUT(MWH)	110319	110693	120869	124623	129961	145364	164623	170167	166279
POWER COST	352367	364733	387275	417140	410644	471090	525082	502172	579017
TRANSMISSION EXPENSE	435	661	1763	2477	3833	825	1067	5942	4471
DISTRIBUTION EXPENSE	52378	46633	55375	60363	60852	63333	93736	85005	87602
MAINTENANCE EXPENSE	60743	52751	67386	70857	152865	67434	93766	107954	95677
CUSTOMER SERVICE	54228	43861	47311	47540	51827	55542	57256	61940	90608
SALES EXPENSE	47129	54957	60299	54406	65652	63774	60200	71784	66359
ADMIN & GENERAL EXPENSE	137385	130024	141430	141920	168012	165519	160943	182363	219754
INTEREST EXPENSE	93135	88650	33655	36084	90423	98182	94592	106731	120470
TAXES	60715	77312	79823	83615	69910	96441	113825	115373	125829
OTHER DEDUCTIONS	21829	29730	17194	23518	22830	22130	22188	7197	1775
DEPRECIATION	204331	210132	219909	221105	229560	233159	244138	262125	272501
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	5451	5205	5265	5300	5437	5634	5881	6001	6106
RESIDENTIAL CUSTOMERS(AVG)	4507	4303	4285	4341	4435	4614	4826	4922	5030
COMMERCIAL CUSTOMERS(AVG)	508	633	631	638	667	679	709	714	734
MILES OF DISTRIBUTION LINE	1110	1115	1123	1132	1137	1141	1143	1152	2152
DEVELOPMENTAL DISCOUNT	7195	7441							
MAXIMUM DEMAND KW	22274	23463	26236	31734	28417	29660	37348	34695	41741
AVERAGE DEMAND KW	18042	19719	21051	22340	22530	25447	26617	27154	31256

240 KITTITAS CO. PUD WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1055039	1103052	1204500	1378810	1469316	1521434	1717846	1920309	23357.5
RESERVE FOR DEPRECIATION	320403	359557	377133	435122	437190	472408	502477	534015	5637.5
CURRENT ASSETS	109523	104854	106507	132200	153049	115006	125315	356642	292412
ACQUISITION ADJUSTMENT	6593	6593	6593	6093	6090	6095	6708	6709	6700
CONSTRUCTION WORK IN PROGRESS	22416	47739	41315	21925	45502	25115	27696	12221	114464
MATERIALS & SUPPLIES	27059	32224	33244	34047	31073	28802	33620	33162	35607
LONG TERM DEBT	823990	830163	876284	954143	1019318	1063006	1164230	1521335	1472094
CURRENT LIABILITIES	37812	44122	73150	61070	92328	59958	95203	87049	173624
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	18028	22119	31420	33323	33323	70135	63261	69965	
SURPLUS AND/OR PATRONAGE CAP.	83550	89184	98374	105568	119394	139716	143060	162682	109743
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					680	729	700	660	
RESIDENTIAL REVENUE	108133	114149	131256	140933	167639	194015	217351	243412	275406
COMMERCIAL REVENUE	26727	20544	28150	30915	33531	30794	41369	44054	46793
INDUSTRIAL REVENUE	17328	21970	24111	24218	28164	29255	33020	37129	40374
IRRIGATION REVENUE	6324	6240	6004	7001	9309	10515	10374	10994	14378
OTHER REVENUE FROM SALES	2371	2202	2614	3508	3501	2001	1868	2053	2327
OTHER OPERATING REVENUE	3168	2572	2567	2543	2540	3279	3579	3340	3052
NON-OPERATING REVENUE	2810	3645	5329	4560	4460	4552	2769	13339	15168
RESIDENTIAL SALES(MWH)	10333	10509	12234	14027	15512	17712	19058	19925	20497
COMMERCIAL SALES(MWH)	1948	1967	2052	2292	2404	2441	3434	3183	3172
INDUSTRIAL SALES(MWH)	2806	3254	3096	3962	4727	5130	5529	6225	6406
IRRIGATION SALES(MWH)	509	638	673	712	1041	1108	1074	1022	1235
OTHER SALES(MWH)	131	126	141	167	167	143	163	97	110
ENERGY INPUT(MWH)	17104	18347	23101	23875	28154	30136	33037	33595	
POWER COST	54303	57784	64645	81070	89220	97933	111897	110900	116031
TRANSMISSION EXPENSE	502	49	274	412	654	706	911	635	442
DISTRIBUTION EXPENSE	9338	6112	12009	7544	12136	15607	19206	19975	28035
MAINTENANCE EXPENSE	5679	8140	11774	14202	22533	24435	36069	33075	27143
CUSTOMER SERVICE	7331	8145	6812	4231	10039	11493	11539	13845	14993
SALES EXPENSE	2287	2073	4762	5435	2142	2709	4780	4155	3595
ADMIN & GENERAL EXPENSE	25353	26604	29362	30159	29305	32610	34345	34945	45536
INTEREST EXPENSE	10376	16471	10070	18024	19131	20793	22259	39737	41901
TAXES	10751	11351	12890	13053	15039	17249	19344	22154	25440
OTHER DEDUCTIONS	142	191	580	740	164	172	1243	2183	3105
DEPRECIATION	29459	31355	25203	30218	34593	37743	41774	46005	48556
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	756	824	874	931	1032	1104	1163	1221	1244
RESIDENTIAL CUSTOMERS(AVG)	601	702	749	799	892	963	1016	1063	1095
COMMERCIAL CUSTOMERS(AVG)	52	63	63	64	60	68	93	90	96
MILES OF DISTRIBUTION LINE	270	271	260	261	287	301	310	327	329
DEVELOPMENTAL DISCOUNT	1109	1179	1319	4257	1821				
MAXIMUM DEMAND KW	5620	4435	4449	6373	6307	6858	5981	6942	10034
AVERAGE DEMAND KW	2933	3132	3524	4136	4860	5232	5127	5974	6945

241 GRAYS HARBOR CO. PUDWASH. SEATTLE

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	19169471	20315389	21732411	23225698	33260522	352640[illegible]	37935548	39374888	41163126
RESERVE FOR DEPRECIATION	5175364	5089354	6195038	6685813	7274763	7363537	10474371	9466843	9322252
CURRENT ASSETS	3167465	3457099	3831997	3623896	3398859	3373421	2260418	3843652	4118453
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS					5556353	8844621	10474371	468839	556739
MATERIALS & SUPPLIES							664658	773912	1332553
LONG TERM DEBT	449238	424211	613423	592354	10567869	13543249	10284927	13297962	13000560
CURRENT LIABILITIES	667208	704191	663056	1110607	1420221	1190333	1601426	1750542	2196917
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	134478	155591	280738	323280	629210	[illegible]34751	807553		946336
SURPLUS AND/OR PATRONAGE CAP.	15389432	16762613	17002446	18224993	19133358	20166733	20836150	21662523	22442056
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT						338	527	489	
RESIDENTIAL REVENUE	2299359	2387012	2608027	2908179	2968692	3327034	3544340	3595044	3622822
COMMERCIAL REVENUE	800996	947091	919533	975615	1027184	1115318	1163776	1183129	1195037
INDUSTRIAL REVENUE	919774	1046552	1044856	1040108	1027776	1050836	1083769	1204840	1411705
IRRIGATION REVENUE	25851	27297	23355	25262	29491	25597	28697		27633
OTHER REVENUE FROM SALES	249309	275283	316422	305310	384791	418347	474666	2485088	2962208
OTHER OPERATING REVENUE	30353	27330	41995	38627	55854	52733	54729	67147	109029
NON-OPERATING REVENUE	17608	17437					154708	127108	234325
RESIDENTIAL SALES(MWH)	265359	296292	332771	372126	375001	429513	459526	467701	472650
COMMERCIAL SALES(MWH)	76932	81216	88066	95411	100862	109337	114294	119835	115756
INDUSTRIAL SALES(MWH)	231674	252979	264110	259065	257423	249655	261161	250398	357176
IRRIGATION SALES(MWH)	1121	1662	814	1696	1697	1164	1627		1370
OTHER SALES(MWH)	21216	22436	27504	32178	33443	41243	42744	199960	223047
ENERGY INPUT(MWH)	643931	694752	760152	806049	827234	882403	955547	1087869	1176944
POWER COST	1853953	1859633	2188022	2793746	2430074	2595346	3101397	4023097	4334102
TRANSMISSION EXPENSE	62441	67617	55434	62546	67038	63730	107194	87843	125703
DISTRIBUTION EXPENSE	165446	176622	197694	205135	217158	253909	695575	293312	339425
MAINTENANCE EXPENSE	296934	357773	335795	349409	313451	376028		401633	470597
CUSTOMER SERVICE	184305	200184	220447	237111	279123	308955	334628	345492	372936
SALES EXPENSE	6317	7160	5353	10332	5502	5735	13605	5495	
ADMIN & GENERAL EXPENSE	266510	275100	299340	332728	408390	435938	469682	611540	660287
INTEREST EXPENSE	7135	6671	12058	12563	12192	12124	13292	460657	621726
TAXES	265444	287314	312356	335797	346599	368339	415095	485730	519449
OTHER DEDUCTIONS								137773	146815
DEPRECIATION	562032	599700	561228	607404	647736	593783	733663	1023340	1127549
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	24392	25353	26031	25880	27363	27432	21027	28707	29297
RESIDENTIAL CUSTOMERS(AVG)	20317	21344	21978	22670	23317	23424	23666	24433	25042
COMMERCIAL CUSTOMERS(AVG)	3261	3209	3326	3409	3191	3167	3226	3279	3242
MILES OF DISTRIBUTION LINE	1033	1036	1084	1127	1152	1192	1219	1223	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	125140	142176	176399	156522	152626	176449	195788	210300	
AVERAGE DEMAND KW	105594	117264	127385	115275	121176		150494	147363	

238 GRANT CO. PUD WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	17066741	18091554	20082591	21817908	22339791	24477765	26672320	28754256	31974291
RESERVE FOR DEPRECIATION	3312231	3675234	4095918	4540220	4900607	5285278	5699318	6193692	6341554
CURRENT ASSETS	2043407	2263858	1025077	2154670	3575145	2317700	4659795	3160023	4052210
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	69737	98762	495700	399053	232411	427769	361198	514633	521315
MATERIALS & SUPPLIES	264747	284135	200514	317723	544567	628311	761052	830232	1557523
LONG TERM DEBT	6320000	7603000	7398000	7565000	10572400	9554000	12179060	11792000	14064700
CURRENT LIABILITIES	360403	723932	612486	1785405	1313175	1113026	1353698	1213645	1239722
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	199312	215795	235125	203361	306353	365674	397551	522170	577105
SURPLUS AND/OR PATRONAGE CAP.	9413150	9081656	10239657	10042582	11208267	11310441	12369909	13115550	13854578
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					54947	54851	65807	91032	
RESIDENTIAL REVENUE	1702388	1798618	1984241	2309528	2599120	2963473	3305557	3210791	3130776
COMMERCIAL REVENUE	930733	1018003	1097732	1109116	1201917	1319744	1455489	1451783	1442228
INDUSTRIAL REVENUE	518435	447945	425672	474594	584002	609709	707851	764243	822557
IRRIGATION REVENUE	644358	682193	763517	770085	671771	902243	1042252	1329297	1597576
OTHER REVENUE FROM SALES	92451	100738	145986	159848	192575	175706	219042	204501	130305
OTHER OPERATING REVENUE	131975	121558	262898	138835	149786	152193	145311	173984	157724
NON-OPERATING REVENUE	60749	51464	73064	130401	103462	179500	170593	271627	327238
RESIDENTIAL SALES(MWH)	193475	200138	223934	271529	298437	314880	334091	320590	323339
COMMERCIAL SALES(MWH)	92938	99263	112401	120018	122293	126750	124586	127082	129373
INDUSTRIAL SALES(MWH)	90510	83703	83984	93875	112257	123979	140645	145052	153409
IRRIGATION SALES(MWH)	90314	94905	107553	100551	124400	129377	137485	185325	200762
OTHER SALES(MWH)	76535	3031	3418	3063	3043	3999	4250	4352	4611
ENERGY INPUT(MWH)	580552	521565	571101	660748	721437	763399	803920	885445	
POWER COST	1763349	1662732	1813711	2249356	2319975	2378220	2633204	2787211	2773139
TRANSMISSION EXPENSE	9								
DISTRIBUTION EXPENSE	393878	366717	351433	383728	447662	475779	564096	579055	604143
MAINTENANCE EXPENSE	216539	183647	173784	160241	199342	203421	315749	283907	372214
CUSTOMER SERVICE	220141	211432	214598	233391	269079	395261	657248	523773	552634
SALES EXPENSE	95698	111518	97432	113974	113560	100011	109740	60329	66008
ADMIN & GENERAL EXPENSE	264917	301263	356691	393300	483413	520689	615923	637650	746524
INTEREST EXPENSE	211922	229642	260613	232835	333341	439410	441710	560215	629650
TAXES	225245	340333	300476	401070	440376	484063	564483	574027	510545
OTHER DEDUCTIONS									
DEPRECIATION	416560	443940	527832	551590	592033	644296	673543	758471	817238
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	15310	15444	16173	17017	18447	19177	19530	20226	
RESIDENTIAL CUSTOMERS(AVG)	11251	11540	11884	12850	13795	14454	14678	15144	
COMMERCIAL CUSTOMERS(AVG)	2480	2420	2532	2750	2781	2846	2893	2957	
MILES OF DISTRIBUTION LINE	2647	2676	2116	2271	2283	2349	2398	2469	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	160000	115000	136500	151000	151300	163900	159416	161595	
AVERAGE DEMAND KW	80983	95125	91358	110107	120468	138000			

233 FRANKLIN CO. PUD WASH. WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	8630024	9381347	9700859	10019433	10396355	10537849	11162378	11891841	13245300
RESERVE FOR DEPRECIATION	2311935	2592933	2727618	2833278	3159647	3291413	3564519	3892924	4161965
CURRENT ASSETS	623259	870472	933663	1109869	1245739	1321717	1695118	1899554	2389225
ACQUISITION ADJUSTMENT	993234	930234	903234	950234	980234	980234	981234	980234	980234
CONSTRUCTION WORK IN PROGRESS	136098	124110	84153	150225	131812	114264	49837	344853	268849
MATERIALS & SUPPLIES	212602	197000	210234	200314	224792	195755	235425	464391	864306
LONG TERM DEBT	3348000	3818000	3185000	3349000	2910000	2981325	2813725	2647025	3265325
CURRENT LIABILITIES	255533	353333	203515	412552	379355	366382	461509	622475	661740
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	255311	258813	267106	234757	293211	316494	328421	345554	349827
SURPLUS AND/OR PATRONAGE CAP.	3979318	4343910	4700492	5073198	5519232	6152780	6394392	7334805	7654926
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					22210	22407	22855	27397	
RESIDENTIAL REVENUE	968050	1039400	1063388	1199302	1198368	1272490	1349325	1415429	1469112
COMMERCIAL REVENUE	766520	795532	849317	912029	963851	973178	1046494	1110042	1123353
INDUSTRIAL REVENUE									
IRRIGATION REVENUE	154245	158908	194952	192663	212370	234638	241330	281724	369430
OTHER REVENUE FROM SALES	85516	94341	103466	130444	113039	153303	160689	77840	134251
OTHER OPERATING REVENUE	67203	77670	63458	71344	109300	111935	125109	139464	149100
NON-OPERATING REVENUE	11929	16323	25020	44495	71842	58053	67635	146101	147255
RESIDENTIAL SALES(MWH)	102133	110691	114178	130250	130379	139234	149239	149870	150340
COMMERCIAL SALES(MWH)	84510	96671	105427	112625	121420	123976	133030	150331	146806
INDUSTRIAL SALES(MWH)									
IRRIGATION SALES(MWH)	20337	21606	29143	27077	27240	33696	33413	40603	52109
OTHER SALES(MWH)	3054	3215	3326	3007	3765	8332	3141	2003	4405
ENERGY INPUT(MWH)	227975	249265	273523	296378	303302	319934	350390	357565	378520
POWER COST	765122	822504	882118	1012300	972386	1017308	1100102	1111058	1181912
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	79933	80011	71675	89122	107189	132908	133613	97862	117940
MAINTENANCE EXPENSE	40306	65603	64532	75579	73915	120372	128481	136540	159130
CUSTOMER SERVICE	94533	109475	110784	90243	101209	103122	110685	141203	140937
SALES EXPENSE	43250	48022	67018	50603	53756	45038	38385	38663	24704
ADMIN & GENERAL EXPENSE	159020	145409	175056	234914	248415	263986	304454	316409	331531
INTEREST EXPENSE	102245	119145	122271	117994	113900	139049	104529	93285	87550
TAXES	163440	176232	184301	200304	244005	242630	277833	290583	318907
OTHER DEDUCTIONS				32640					
DEPRECIATION	225420	250533	267510	281403	305120	315660	331110	350851	364276
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	8510	8653	8600	8659	8714	8942	9217	9571	9924
RESIDENTIAL CUSTOMERS(AVG)	7355	7151	7140	7134	7157	7372	7619	7635	8153
COMMERCIAL CUSTOMERS(AVG)	1154	1161	1194	1165	1172	1175	1186	1253	1278
MILES OF DISTRIBUTION LINE	483	504	526	565	563	579		594	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	44240	50003	50124	74178	60198	64716	82196	79500	[illegible]
AVERAGE DEMAND KW	39196	43323	48342	51296	53836	53796	58129	57636	63530

230 FERRY CO.PUD WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2591159	2382758	3069205	3135941	3180752	3273505	3365161	3440770	3720235
RESERVE FOR DEPRECIATION	832073	914200	991663	1075041	1135060	1190656	1200406	1323442	1382115
CURRENT ASSETS	256244	190155	125064	60233	125845	123088	190635	170364	300665
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	69940	32727	50742	59159	61341	10939	83562	63544	56567
MATERIALS & SUPPLIES	40131	46143	43404	44613	41463	42845	42704	55073	65251
LONG TERM DEBT	2008717	2014624	1925594	1933557	1822955	1833010	1823831	1875027	2120702
CURRENT LIABILITIES	169333	92001	40384	20790	72496	68583	141069	195357	137592
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	28692	28692	28692	28692	28692	28692	28692	28692	
SURPLUS AND/OR PATRONAGE CAP.	312093	340804	309239	380954	419045	400702	521855	554023	582069
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1945	1448	1719	1386	
RESIDENTIAL REVENUE	143981	151164	162678	174443	178267	192427	215957	220340	238902
COMMERCIAL REVENUE	40572	40390	43353	40994	50679	52700	53697	56343	59540
INDUSTRIAL REVENUE	123030	124007	117033	110248	120059	142745	144622	155530	141324
IRRIGATION REVENUE	25079	26992	24070	22483	25071	23759	25811	26233	23359
OTHER REVENUE FROM SALES	10033	16458	18257	21009	23014	24491	25032	24743	23825
OTHER OPERATING REVENUE	5138	6433	6045	4233	7940	1412	5410	2935	10010
NON-OPERATING REVENUE	7325	3710	3733	4240	4834	3248	4245	6549	15750
RESIDENTIAL SALES(MWH)	8200	8750	9075	10525	10775	11607	13397	13655	14151
COMMERCIAL SALES(MWH)	2357	2112	2336	2209	2373	2506	2949	2973	3002
INDUSTRIAL SALES(MWH)	9952	15350	9716	4232	10231	12033	13311	13817	11737
IRRIGATION SALES(MWH)	2727	2902	1900	2073	2998	2194	2417	2850	2272
OTHER SALES(MWH)	614	1402	1042	1949	2119	2230	2241	2205	1623
ENERGY INPUT(MWH)	26732	26553	23744	29410	31731	33600	30642	39054	38166
POWER COST	79052	84595	86841	93690	93715	103923	113226	120271	120537
TRANSMISSION EXPENSE	433	5247	1000	2370	3349	2366	1494	2000	
DISTRIBUTION EXPENSE	23233	22507	24121	28057	30500	26991	25133	30503	38842
MAINTENANCE EXPENSE	19770	23712	22056	31110	29550	34293	38149	44035	49352
CUSTOMER SERVICE	13490	17012	20285	17334	17345	18103	13612	23935	20072
SALES EXPENSE	2472	1501	5236	5133	4924	4601	4996	5097	2217
ADMIN & GENERAL EXPENSE	34037	36061	38200	33083	40302	40019	54906	64137	71218
INTEREST EXPENSE	37738	35009	33103	36090	35726	35734	35234	40250	40323
TAXES	22974	25082	25280	27413	26254	26493	32009	30030	37772
OTHER DEDUCTIONS	5433	6303	4457	4747	2336	2342	2358	1639	2332
DEPRECIATION	79990	85001	80044	83320	53384	92176	95412	97036	94909
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1337	1344	1394	1398	1411	1400	1502	1427	1456
RESIDENTIAL CUSTOMERS(AVG)	1021	1027	1047	1093	1105	1140	1189	1125	1157
COMMERCIAL CUSTOMERS(AVG)	183	190	159	154	158	159	155	154	163
MILES OF DISTRIBUTION LINE	753	763	763	763	826	826	765	[illegible]	804
DEVELOPMENTAL DISCOUNT	4152	4442	4560	1910	1912	2121	2316	2494	
MAXIMUM DEMAND KW	4924	5044	5602	7073	6311	6963	8445	8652	9246
AVERAGE DEMAND KW	4439	4757	4906	5152	5296	5692	6257	6613	6626

226 - DOUGLAS CO PUD WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	7083554	7401963	7641796	8216955	8594543	9101674	9481729	10218483	11285604
RESERVE FOR DEPRECIATION	2095533	2211121	2437515	2545563	2792137	2962528	3143860	3378454	3554271
CURRENT ASSETS	663912	440195	527937	520145	890753	375607	960971	945149	1084048
ACQUISITION ADJUSTMENT	862185	862185	862185	862185	862185	862135	862165	862135	862135
CONSTRUCTION WORK IN PROGRESS	96620	176006	140403	251312	86962	267996	139612	362525	853658
MATERIALS & SUPPLIES	145131	143876	157288	202622	238701	234370	232776	230783	301214
LONG TERM DEBT	4345136	4294532	4139452	3836073	3610751	3556964	3583126	3712273	4230212
CURRENT LIABILITIES	287436	306447	301567	339952	322089	466622	374844	410677	564943
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	403453	469898	531261	539839	[illegible]	564616	562837	603624	616632
SURPLUS AND/OR PATRONAGE CAP.	1628552	1823894	2048736	2251952	3044403	2772724	3063575	3393075	3678462
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					13095	15199	14742	17083	
RESIDENTIAL REVENUE	719379	769658	860951	933169	1319307	1144092	1230493	1269127	1365878
COMMERCIAL REVENUE	113916	117591	123593	137415	147841	156001	173030	185903	191459
INDUSTRIAL REVENUE	350801	320625	332512	342506	337694	344294	335782	270645	446063
IRRIGATION REVENUE	132251	133431	137059	140373	160179	165207	159915	174991	180154
OTHER REVENUE FROM SALES	61449	85077	91511	103492	101724	102237	113860	107292	115005
OTHER OPERATING REVENUE	21814	21525	29082	32091	32583	31900	36687	49823	41039
NON-OPERATING REVENUE	44777	69549	54347	49192	34273	24510	23610	52490	76888
RESIDENTIAL SALES(MWH)	69534	74514	83878	90751	98995	111914	121562	123066	127116
COMMERCIAL SALES(MWH)	8385	8966	9427	10840	11820	12313	13691	14595	14737
INDUSTRIAL SALES(MWH)	120953	113667	109896	114002	112157	115516	113669	78676	134227
IRRIGATION SALES(MWH)	18374	13752	19246	20860	22140	23277	22317	25952	24512
OTHER SALES(MWH)	12166	12959	14025	15775	15703	15520	17996	17144	17205
ENERGY INPUT(MWH)	236179	239382	254524	273433	283244	296234	306946	274755	342116
POWER COST	640736	649821	694035	853498	767015	829910	678832	819017	1306256
TRANSMISSION EXPENSE	1181	682	321	40		53			318
DISTRIBUTION EXPENSE	67339	70677	70993	80931	175543	77793	103612	122377	167445
MAINTENANCE EXPENSE	43251	34069	37563	60479		85665	73849	93772	123239
CUSTOMER SERVICE	40730	44074	42676	53025	60178	73114	75146	80437	95553
SALES EXPENSE	36433	45147	45912	60529	43371	56608	52996	18833	5972
ADMIN & GENERAL EXPENSE	103297	117511	135140	134119	154475	154523	167910	191643	228537
INTEREST EXPENSE	79437	83174	79447	75192	71134	67307	67912	68955	97775
TAXES	88447	88447	95174	133557	137280	115494	127190	132512	151222
OTHER DEDUCTIONS		208							753
DEPRECIATION	195158	194004	200312	230062	219264	233010	245023	256423	273712
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	5832	5976	6198	6413	6654	7068	7295	7582	7344
RESIDENTIAL CUSTOMERS(AVG)	4693	4834	5055	5243	5433	5739	6027	6321	6597
COMMERCIAL CUSTOMERS(AVG)	537	489	484	503	526	552	531	575	554
MILES OF DISTRIBUTION LINE	1138	1144	1065	1072	1090	1099	1112	1204	1141
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	41143	42703	45467	59287	51563	54957	61867	61300	64064
AVERAGE DEMAND KW	36135	35624	37975	43320	42443	45654		44624	52658

222 COWLITZ CO PUD WASH PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	22090048	23431004	25214549	26034074	27508853	[illegible]	30528720	33075473	35982253
RESERVE FOR DEPRECIATION	8367474	8757764	9456099	10235061	10745308	11305944	11613976	12537565	13246005
CURRENT ASSETS	4803439	3023975	5259332	4721202	4472702	5201107	4042142	5019925	4891923
ACQUISITION ADJUSTMENT	530570	530570	530570	530570	536570	530576	533570	530576	351570
CONSTRUCTION WORK IN PROGRESS	120231	322596	413721	664103	596762	586032	622555	823003	1595197
MATERIALS & SUPPLIES	333544	372470	378263	393507	434155	465307	611168	718933	1160426
LONG TERM DEBT	1965000	1933000	1870000	1425000	1033725	665950	265235	13493	5445
CURRENT LIABILITIES	1051659	1135062	1371583	1659312	1689297	1475392	1598247	2283069	2931549
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	205636	227291	254015	234473	347049	405813	760911	753703	830025
SURPLUS AND/OR PATRONAGE CAP.	16386901	17420410	18365241	19351050	19436553	20040773	20851512	23165096	24310280
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	3075531	3201329	3413605	3761108	3833261	4192607	4295749	4392830	4483000
COMMERCIAL REVENUE	917452	1225295	1307893	1423703	1504171	1574477	1491174	1537641	1576705
INDUSTRIAL REVENUE	2613508	2349500	2636945	2550763	2002349	2405230	3219972	3068800	4031551
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	134370	147338	155350	171221	158364	201325	249840	1740797	1006657
OTHER OPERATING REVENUE	142333	139521	150071	102090	166496	176607	229274	264040	302919
NON-OPERATING REVENUE	161548	211004	259774	234675	232697	208334	220437	260515	192957
RESIDENTIAL SALES(MWH)	384912	400554	433475	435001	500576	552184	562400	575778	586279
COMMERCIAL SALES(MWH)	80449	120759	132018	145753	152781	136905	150537	150735	156921
INDUSTRIAL SALES(MWH)	920024	871723	1039651	1067439	1081965	965206	1293092	1382095	1448510
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	12338	13547	14223	10353	18005	20693	22446	189946	126346
ENERGY INPUT(MWH)	1439000	1446204	1606492	1757336	1790305	1724222	2033193	2349637	2420905
POWER COST	3440324	3453964	3671752	4542041	4412557	4547077	4893306	6834277	7544193
TRANSMISSION EXPENSE	22929	27760	31539	34250	47649	34721	55782	51043	42934
DISTRIBUTION EXPENSE	210015	243739	274741	301030	345557	380391	397494	724617	394525
MAINTENANCE EXPENSE	201751	207915	390437	452721	368144	208750	344870		365094
CUSTOMER SERVICE	169756	260853	253809	277153	316954	330576	344276	340024	370366
SALES EXPENSE	99553	87400	82201	73330	77736	85913	96009	91343	88413
ADMIN & GENERAL EXPENSE	452042	496301	530283	554272	600304	640530	711540	689301	792928
INTEREST EXPENSE	52840	51507	50704	47312	40444	27669	17632	7101	1091
TAXES	553408	572210	527148	556300	683903	722037	791621	648034	913541
OTHER DEDUCTIONS		253	253						
DEPRECIATION	794000	830604	860316	971070	779130	790896	806317	803604	942552
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	24448	25410	26330	26375	27212	27700	24619	29714	31440
RESIDENTIAL CUSTOMERS(AVG)	22030	22674	23715	24251	24576	24904	25511	25730	27330
COMMERCIAL CUSTOMERS(AVG)	2305	2403	2572	2533	2597	2695	2475	2873	3014
MILES OF DISTRIBUTION LINE	875	800	905	951	973	1013		1090	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	215600	232257	272300	272284	265500	286772	325360	320453	374563
AVERAGE DEMAND KW	192720	205153	225995	249193	245840	247605			338950

219 CLATSKANIE CO PUD OREGON PORTLAND

	1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	861350	934493	1043117	1160872	1190566	1292236	1372377	1492201	1774612
RESERVE FOR DEPRECIATION	244039	261965	278794	297766	329441	366811	431148	446354	516929
CURRENT ASSETS	110402	229189	230799	311114	348491	373829	312499	350603	664612
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	3406	2369	261					75939	
MATERIALS & SUPPLIES	34372	34686	42119	40138	52836	49521	44319	61774	69050
LONG TERM DEBT									
CURRENT LIABILITIES	59515	141276	148543	163372	169314	171447	174231	254941	424652
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	822925	961877	1124447	1266843	1395358	1502552	1613599	1772165	1934329
MUNICIPAL INVESTMENT									4546
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	176266	193173	213209	242358	253997	273262	311684	381766	382946
COMMERCIAL REVENUE	49501	55993	57707	70338	57626	54857	52225	53309	60693
INDUSTRIAL REVENUE	263006	1155692	1440035	1372394	1455543	1602878	1454946	1563641	1597116
IRRIGATION REVENUE	7119	7923	8593	7971	9862	11737	7631	8443	10356
OTHER REVENUE FROM SALES	6443	8633	10698	1036	1057	13749	1757	1973	2046
OTHER OPERATING REVENUE	6529	6696	6378	5973	5972	5434	5704	6538	6851
NON-OPERATING REVENUE	2309	2618	6877	11141	816	202	309	16601	1246
RESIDENTIAL SALES(MWH)	24739	27153	30107	34054	35533	42066	44348	45467	50651
COMMERCIAL SALES(MWH)	6347	7633	7652	8300	7745	7290	5752	6249	5853
INDUSTRIAL SALES(MWH)	70107	366698	501947	557786	591785	615574	603832	606057	591041
IRRIGATION SALES(MWH)	753	755	832	717	839	1172	696	834	1251
OTHER SALES(MWH)	233	302	405	158	136	403	195	222	202
ENERGY INPUT(MWH)	105133	405701	542317	655657	638769	671454	660893	659719	654310
POWER COST	334307	1196693	1437062	1419933	1481330	1635569	1520895	1639021	1547832
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	27554	42366	45912	62664	78976	69134	101910	96299	96555
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	20430	21602	24716	26368	34601	35380	34747	39214	47310
SALES EXPENSE	1307	1451	1545	1637	1326	1938	2907	5101	6060
ADMIN & GENERAL EXPENSE	27033	30856	32498	34174	36516	40397	42738	50234	53454
INTEREST EXPENSE									
TAXES	13927	13122	14112	11273	11933	17944	22581	21124	22114
OTHER DEDUCTIONS									
DEPRECIATION	22456	24625	26679	29847	31160	34468	42084	32992	45683
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1874	1975	2034	2094	2139	2199	2225	2288	2306
RESIDENTIAL CUSTOMERS(AVG)	1556	1651	1699	1744	1805	1895	1982	2057	2176
COMMERCIAL CUSTOMERS(AVG)	215	293	302	318	272	232	211	202	143
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	52500	77628	83764	88092	97600	93002	95280	92304	93512
AVERAGE DEMAND KW	20744	65778	77666	83769	86030	81616	80360	67470	69235

216 / CLARK CO PUD WASH PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	26114515	28222237	33731009	35447674	36497553	40029494	44270757	48954814	53447140
RESERVE FOR DEPRECIATION	5060310	5594035	4375077	5307343	5493525	6335031	7519231	8947174	12562354
CURRENT ASSETS	2320558	3024701	3332801	3017247	3540551	4003090	6600117	7860043	7231704
ACQUISITION ADJUSTMENT	2593006	2593000	2593006	2593000	2593005	2593006	2593036	2274929	2593006
CONSTRUCTION WORK IN PROGRESS	747543	1052958	1733559	2104163	2142005	2125543	2424102	2732920	2416439
MATERIALS & SUPPLIES	419435	430072	490313	572004	611552	557901	759938	993643	1501053
LONG TERM DEBT	9369210	8736592	12388908	12017000	11055000	11290503	10910600	18513600	13354026
CURRENT LIABILITIES	2276307	2360117	2733348	2036752	2961968	2982128	3694335	4100145	4046919
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	422704	434003	442482	451227	403075	409117	471465	472811	462422
SURPLUS AND/OR PATRONAGE CAP.	14200750	15031101	17122983	18740943	20480190	22554187	24564989	26464075	29316016
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT						1246	1365	1722	
RESIDENTIAL REVENUE	5083483	5423037	6127339	6696161	7297924	8359313	9180075	9724034	11516359
COMMERCIAL REVENUE	1764930	1606821	2208870	2240824	2321800	2013023	2414633	3697017	3326229
INDUSTRIAL REVENUE	1103537	1150611	1718292	1108088	1283280	1262407	1349028	1397607	1503323
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	236734	254674	274968	350043	326721	333876	384975	441314	484535
OTHER OPERATING REVENUE	164941	193643	253365	294498	297880	334730	387568	442153	495105
NON-OPERATING REVENUE	74332	45204	113502	211023	207347	164576	364598	400425	297504
RESIDENTIAL SALES(MWH)	566315	601514	634464	774604	619242	944222	1040823	1394693	1133131
COMMERCIAL SALES(MWH)	170420	180360	201408	220103	234443	203447	304525	322494	331659
INDUSTRIAL SALES(MWH)	202156	313012	345943	239781	327065	330236	329334	340373	343349
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	10330	19571	13015	20540	21012	23614	25775	31992	33495
ENERGY INPUT(MWH)	1003353	1175944	1327716	1390029	1480593	1614375	1793865	1845420	1962964
POWER COST	3416273	3694152	4103094	4573734	4836354	5281102	6019884	6672133	6455551
TRANSMISSION EXPENSE	2339	490	513	2432	1020	139	427	1361	629
DISTRIBUTION EXPENSE	397929	427032	551539	565336	1050890	674761	765518	1415033	1056403
MAINTENANCE EXPENSE	374341	371042				523234	627678		636933
CUSTOMER SERVICE	341398	379032	424035	491960	541331	599696	684726	865990	1050803
SALES EXPENSE	293718	293003	303780	354316	312241	355999	241655	191603	159749
ADMIN & GENERAL EXPENSE	553930	534578	643590	721155	608179	875543	924952	1271149	1471121
INTEREST EXPENSE	292002	292047	332342	472671	462358	455729	755110	645369	830503
TAXES	520802	550163	623765	680154	720421	621216	904510	1000530	1055233
OTHER DEDUCTIONS		1691		81					
DEPRECIATION	697025	775295	1063600	1153133	1280021	1428403	1620833	1330273	2054272
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	34173	40082	42375	45342	47372	50174	54329	51672	59700
RESIDENTIAL CUSTOMERS(AVG)	30389	30757	38054	40993	42049	45430	43098	52135	53351
COMMERCIAL CUSTOMERS(AVG)	3630	3751	3926	4122	4200	4449	4799	5192	5523
MILES OF DISTRIBUTION LINE	1201	1275	1332	1350	1330	1524		1704	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	210194	272025	301904	347540	339526	355935	502030	513030	516710
AVERAGE DEMAND KW	170338	194100	216903	220705	249120	275355	317000	319983	320307

213 CLALLAM CO.PUD WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	6925013	7249764	7695962	8341867	8523041	9481936	10235695	11492114	13403159
RESERVE FOR DEPRECIATION	1965713	2127453	2291151	2446471	2594307	2924437	3181921	3493403	3865465
CURRENT ASSETS	781300	916602	1079885	1073464	1365300	1430090	1024937	2082795	2354776
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES	349559	308092	275590	306414	417013	417232	442551	394752	429024
LONG TERM DEBT	1525000	1493000	1567000	1291000	1193000	1104000	1011000	2606000	2543000
CURRENT LIABILITIES	382200	397355	355636	410357	440786	450141	535887	647901	838774
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	87767	169364	129424	297194	357333	412965	502067	621202	722334
SURPLUS AND/OR PATRONAGE CAP.	4073343	6323462	6917624	5056643	5541145	6005501	6000581	7143354	7907450
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1414	1159	1187	1610	
RESIDENTIAL REVENUE	960557	1047205	1171309	1341757	1449037	1650372	1870106	2016243	2178394
COMMERCIAL REVENUE	367356	330022	363797	428002	441108	463043	594774	646692	672308
INDUSTRIAL REVENUE	87352	80375	87435	137093	114068	125206	132737	137747	120434
IRRIGATION REVENUE	25136	23333	22649	24335	27365	24683	24374	41013	29323
OTHER REVENUE FROM SALES	44014	22405	22547	21162	21796	25504	30876	42252	31565
OTHER OPERATING REVENUE	63070	63045	72670	59443	73441	57049	114243	124477	71204
NON-OPERATING REVENUE	11250	3560	6525	6827	8790	9128	11354	72613	3143
RESIDENTIAL SALES(MWH)	[illegible]	95203	102311	116773	126739	143495	174605	193452	192326
COMMERCIAL SALES(MWH)	21432	24203	27459	31000	32162	30013	42856	47533	49724
INDUSTRIAL SALES(MWH)	7277	5934	7934	8070	9021	11230	11459	13693	13232
IRRIGATION SALES(MWH)	1974	1732	1610	1833	2121	1755	1759	2795	2533
OTHER SALES(MWH)	2253	2147	2400	1700	1619	2103	3472	4122	3215
ENERGY INPUT(MWH)	131376	140291	157344	177520	194525	221443	257480	282501	302837
POWER COST	436547	450153	524356	602291	655295	743989	870057	955202	1023237
TRANSMISSION EXPENSE	11320	24144	11480	9165	15204	32344	24962	24304	14525
DISTRIBUTION EXPENSE	140835	164723	81237	194045	138575	122896	155438	304631	174254
MAINTENANCE EXPENSE			101027		87435	120963	81746		122477
CUSTOMER SERVICE	72433	63415	90584	120173	145646	149136	164901	199009	205813
SALES EXPENSE	49508	1103	10948	18140	-14870	3271	-7752	73	13352
ADMIN & GENERAL EXPENSE	162554	206419	200877	229357	223171	227903	286032	377530	457615
INTEREST EXPENSE	50334	50223	55531	52990	46365	43500	43599	53011	37401
TAXES	95175	103529	113662	123032	140262	152251	170209	207311	216157
OTHER DEDUCTIONS	402								
DEPRECIATION	212231	212117	220601	249379	303401	298297	325062	381481	424637
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	6749	7133	7426	7794	8245	8803	9579	10610	
RESIDENTIAL CUSTOMERS(AVG)	5945	5900	6179	6407	6933	7409	8197	9101	
COMMERCIAL CUSTOMERS(AVG)	632	903	978	1017	1033	1074	1123	1233	
MILES OF DISTRIBUTION LINE	552	567	706	731	742	703		938	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	26277	31687	43732	45475	45405	53933	62558	70783	73275
AVERAGE DEMAND KW	22138	21621	27826	31001	32664	40292	43803	48890	53297

21./CHELAN CO.PUD WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	15944945	17919604	13927898	19743361	20637047	21080102	23102622	24764714	27336023
RESERVE FOR DEPRECIATION	1294819	1430902	1513022	1704370	1881906	2219026	2570431	2981057	3446652
CURRENT ASSETS	1240036	1130740	1254073	1500030	1566522	1605308	1602488	1915141	2545142
ACQUISITION ADJUSTMENT								913594	
CONSTRUCTION WORK IN PROGRESS	276340	1441752	900494	317710	615922	391340	614055	1702533	3108371
MATERIALS & SUPPLIES	214412	217373	264909	252859	313136	324095	311289	397223	739873
LONG TERM DEBT	7510000	7237000	6925000	6619000	6304000	5981000	5653000	5310000	4961000
CURRENT LIABILITIES	740233	1303054	1132438	1400411	1353141	1705365	1520375	1582451	2135401
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	251153	299265	333733	333381	424672	507253	551963	914974	1049293
SURPLUS AND/OR PATRONAGE CAP.	8191377	12401208	13123921	13790030	14733269	15593410	16912372	18339471	19733876
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	1073122	1045495	1337714	2020020	2075731	2203329	2313756	2337570	2398103
COMMERCIAL REVENUE	1024235	1945719	1970336	2116741	2210439	2270033	2414040	2511791	2530365
INDUSTRIAL REVENUE	153750	160835	130536	130037	174029	172213	172714	182901	132041
IRRIGATION REVENUE	153770	161004	173202	177365	201002	187063	183970	234553	223143
OTHER REVENUE FROM SALES	180343	202739	223444	357183	471223	382042	402078	649114	739111
OTHER OPERATING REVENUE	60104	61375	57540	55344	71130	64040	45253	162969	145178
NON-OPERATING REVENUE	52809	193057	205908	184339	179137	154273	136561	182355	167943
RESIDENTIAL SALES(MWH)	169353	172627	191372	215205	214919	235274	251671	251595	257449
COMMERCIAL SALES(MWH)	175074	175739	175203	130833	190119	232035	210730	227953	225076
INDUSTRIAL SALES(MWH)	74771	80045	80246	37139	84950	84495	85355	88457	87420
IRRIGATION SALES(MWH)	23345	23894	23774	25214	29751	20019	25539	34585	33390
OTHER SALES(MWH)	20755	30873	34633	64594	134481	93490	102760	174225	241410
ENERGY INPUT(MWH)	463955	467503	495165	619722	702509	667548	723041	833055	873270
POWER COST	1351350	1477493	1013100	2040515	1848552	1899619	2137231	2320125	2370435
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	214331	238807	270264	281650	297374	344534	325471	389205	420749
MAINTENANCE EXPENSE	132600	153425	163304	139000	223102	252309	241355	259093	261591
CUSTOMER SERVICE	130355	140152	154291	105843	201064	213268	237747	245303	272365
SALES EXPENSE	126753	131642	142065	157659	124310	122078	129932	139359	131803
ADMIN & GENERAL EXPENSE	393945	391707	413873	377190	439815	481375	510476	591876	626656
INTEREST EXPENSE	244332	230401	220714	216554	210346	199819	193219	179057	171358
TAXES	361370	370514	393336	441502	455396	478042	511940	530515	562459
OTHER DEDUCTIONS				26852	76023	4954	5341	1500	24705
DEPRECIATION	446372	401755	405276	532332	572510	509302	619577	650840	686265
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	13247	16223	14273	16643	18984	13042	19043	19225	19790
RESIDENTIAL CUSTOMERS(AVG)	15079	14904	14905	15202	15524	15720	16030	16352	16637
COMMERCIAL CUSTOMERS(AVG)	2122	2163	2229	2255	2274	2302	2355	2375	2393
MILES OF DISTRIBUTION LINE	377	900	825	835	850	869		1026	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	79512	87934	110576	110623	103281	113475	132739	134672	145056
AVERAGE DEMAND KW	70231	72237	70482	83312	87973	92691	43417		105528

207 CENTRAL LINCOLN PUD ORE. PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	18390497	15936715	19373711	17051713	16004149	19513709	20733638	21675693	23327206
RESERVE FOR DEPRECIATION	3544359	4032807	4434844	4814011	5314207	5601359	6444455	7144021	7690537
CURRENT ASSETS	1774236	2034305	1393553	1215246	1294304	1575533	1475968	1455822	1551576
ACQUISITION ADJUSTMENT	291038	203903	236748	209593	182437	234049	204682	173514	136346
CONSTRUCTION WORK IN PROGRESS	803248	405377	1059490	384675	388656	421100	863199	795113	1599126
MATERIALS & SUPPLIES	363655	391742	317139	247257	336775	339169	307626	302784	428194
LONG TERM DEBT	7040000	6777000	6445000	6803000	6371000	5961000	6548000	6089000	5584000
CURRENT LIABILITIES	496070	337414	389379	362403	420447	429713	445311	403917	504952
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	91730	139433	124125	132040	151473	192717	219983	46207	45624
SURPLUS AND/OR PATRONAGE CAP.	6834094	7365269	7737585	8203341	8897177	9793488	10093016	11404128	12324066
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	1694338	1743275	1677917	2033179	2336202	2583032	2744574	2790497	2929239
COMMERCIAL REVENUE	742739	710751	761974	826727	945134	1035546	1130359	1155504	1176079
INDUSTRIAL REVENUE	1703599	1781579	1843999	1331728	1992130	2066942	2092747	2133682	2367855
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	90102	104303	110477	124804	133634	147846	153990	173210	79834
OTHER OPERATING REVENUE	40132	43009	50500	40707	49124	56806	53986	65077	101120
NON-OPERATING REVENUE	113431	99692	84669	105893	97264	85396	125506	147873	172603
RESIDENTIAL SALES(MWH)	170203	175831	191757	212735	220070	253756	267275	267275	243417
COMMERCIAL SALES(MWH)	66851	73103	75636	82005	87053	95042	108761	108761	111432
INDUSTRIAL SALES(MWH)	364814	405252	421301	417041	429399	447793	461656	461650	524611
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1838	1801	1849	1910	1943	5476	2133	2150	2263
ENERGY INPUT(MWH)	645505	684613	720060	740153	771298	830561	874152	880600	954537
POWER COST	1904355	2009925	2172403	2253445	2377601	2545508	2671753	2662101	2439945
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	180633	192653	225552	221923	225185	243556	243258	253983	285551
MAINTENANCE EXPENSE	216368	222403	260409	235911	278290	287843	321635	390232	441557
CUSTOMER SERVICE	143140	152573	159540	175632	186308	236158	255258	263043	301029
SALES EXPENSE	58217	87302	93305	97300	96509	93574	89546	89974	96277
ADMIN & GENERAL EXPENSE	185502	198876	288669	348477	361363	350637	379932	354051	443476
INTEREST EXPENSE	260345	255679	233170	254543	245266	248402	272406	262853	246659
TAXES	231554	245260	289502	323339	337351	353119	392637	405033	382052
OTHER DEDUCTIONS	12004	13302	13133	11923	14470	2924	10530	27308	15321
DEPRECIATION	553025	584403	633753	660341	716400	758002	791239	834123	857806
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	14513	14615	14690	15352	15849	16578	17268	17268	18654
RESIDENTIAL CUSTOMERS(AVG)	12294	12390	12702	13157	13613	14273	14681	14861	16155
COMMERCIAL CUSTOMERS(AVG)	2252	2153	2002	2127	2163	2229	2316	2313	2458
MILES OF DISTRIBUTION LINE	765	799		834	846	960		1012	1029
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	117714	130492	130731	141249	143048	152236	181152	165356	165318
AVERAGE DEMAND KW	96029	108335	107624	112726	123987	131918	142789	141927	154695

203 BENTON CO PUD WASH. WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	9404501	10230894	11270693	12020701	12937149	14202596	15409306	17251745	19342393
RESERVE FOR DEPRECIATION	2940179	3215105	2372725	3019323	3641564	4001764	4445599	4840065	5082322
CURRENT ASSETS	1217635	1182835	1027913	1327247	1314220	1307479	1492471	1518172	1767719
ACQUISITION ADJUSTMENT	756103	756103	756103	756103	756103	756103	756103	756103	756103
CONSTRUCTION WORK IN PROGRESS	101439	157377	655003	309453	273429	552153	582759	474523	1378472
MATERIALS & SUPPLIES	211247	243131	311202	294076	323471	369817	423052	527856	973372
LONG TERM DEBT	1702030	1578820	1450960	1337100	1221240	2706006	2559000	2401330	3241505
CURRENT LIABILITIES	452247	405845	449700	600619	541463	597926	823391	1000821	1022211
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	30379	34553	38799	47696	51333	55905	66291	133535	138379
SURPLUS AND/OR PATRONAGE CAP.	6392552	6974022	7074138	8295542	8998141	9699481	10561184	11492086	12268247
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					22233	20614	39938	61113	
RESIDENTIAL REVENUE	1617330	1563507	1373683	2003193	2090259	2196941	2425914	2527260	2678219
COMMERCIAL REVENUE	651571	632175	713573	817847	920251	943516	980903	999143	1000507
INDUSTRIAL REVENUE	590745	550001	647604	744298	743120	773249	680423	902957	839474
IRRIGATION REVENUE	71301	138200	130440	150505	190139	233244	342992	547244	715351
OTHER REVENUE FROM SALES	69528	76407	55491	45073	104397	112417	59008	53745	59644
OTHER OPERATING REVENUE	20256	23322	29371	30035	30419	34422	52241	70177	79437
NON-OPERATING REVENUE	39352	51545	49545	42242	50585	73513	192018	185833	78613
RESIDENTIAL SALES(MWH)	177912	163505	206022	232403	236213	240462	263494	280080	297003
COMMERCIAL SALES(MWH)	69191	73250	70724	90562	104005	113279	114601	116387	111110
INDUSTRIAL SALES(MWH)	137209	130505	142097	150957	101547	165617	190738	204379	262439
IRRIGATION SALES(MWH)	11012	17557	23263	27349	36702	43733	57790	163097	124663
OTHER SALES(MWH)	2553	2905	3237	3406	3756	3882	2414	2451	2249
ENERGY INPUT(MWH)	417245	445117	474220	535340	571356	585278	680774	714799	773144
POWER COST	1295373	1342025	1499400	1506002	1780001	1662733	2084577	2170350	2345048
TRANSMISSION EXPENSE	1247	777	1162	1219	2471	1460	3668	2549	8614
DISTRIBUTION EXPENSE	142555	120435	140322	177905	202924	211724	249711	257060	275203
MAINTENANCE EXPENSE	134741	121701	125573	143342	152028	157436	200839	253972	240250
CUSTOMER SERVICE	102452	90233	110507	133742	138715	153029	165379	170255	199110
SALES EXPENSE	55451	36172	42920	37540	38250	30233	29199	39559	37602
ADMIN & GENERAL EXPENSE	161393	250557	199602	230730	281923	279972	294792	347331	424543
INTEREST EXPENSE	54050	51143	48118	45327	42055	45703	111059	105070	100213
TAXES	225020	240142	277797	320393	340349	353342	399674	433743	461541
OTHER DEDUCTIONS							24713	24710	
DEPRECIATION	330753	345203	378731	342974	444757	481802	495244	541230	642043
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	12155	12395	12723	13004	13394	13630	14320	15045	16154
RESIDENTIAL CUSTOMERS(AVG)	10552	10942	10806	11058	11330	11670	12166	12529	13619
COMMERCIAL CUSTOMERS(AVG)	1204	1273	1297	1354	1416	1420	1425	1443	1516
MILES OF DISTRIBUTION LINE	522	534	542	560	575	574		723	
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	83570	90363	104745	123460	107453	115206	148563	140851	150151
AVERAGE DEMAND KW	60717	64519	76091	87450	93137	95595	113191	113245	127552

191/VERA IRRIGATION DIST WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	923458	903676	1082311	1167319	1232341	1357947	1460413	1837719	1998209
RESERVE FOR DEPRECIATION	232327	261325	292215	324323	357369	393133	432949	470412	522673
CURRENT ASSETS	95824	94036	132663	115444	148620	145506	94736	158225	221457
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	35	104	356	231	1644	299	33759	210293	48431
MATERIALS & SUPPLIES	14545	17262	22214	21565	19274	19663	21550	24440	30559
LONG TERM DEBT	16844	15475	14697	12724	11351	9481	9613	252257	309659
CURRENT LIABILITIES	451	35	834	564	754	932	515	9031	8751
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									1909624
SURPLUS AND/OR PATRONAGE CAP.	1034555	1113451	1203729	1271561	1379523	1557687	1640644	1772155	
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT					1418	1959	1209	1269	
RESIDENTIAL REVENUE	293216	310547	346155	366457	423770	472590	522316	542553	592007
COMMERCIAL REVENUE	13341	15104	15315	15652	16342	18352	21512	24376	28159
INDUSTRIAL REVENUE	25945	26648	28024	29235	43363	43355	45871	64937	82906
IRRIGATION REVENUE	1353	1543	1620	1363	1576	667	1335	1343	
OTHER REVENUE FROM SALES	5443	9742	11037	11744	15591	14765	7596	7410	10555
OTHER OPERATING REVENUE	3875	3406	3341	5352	3943	3163	3599	4034	5831
NON-OPERATING REVENUE	9957	13179	14788	12157	17143	18596	24838	29570	10127
RESIDENTIAL SALES(MWH)	39102	41032	45960	52102	56807	64074	72713	73025	74340
COMMERCIAL SALES(MWH)	1216	1405	1481	1462	1531	1711	2051	2357	2036
INDUSTRIAL SALES(MWH)	2723	3121	3256	3363	5697	5715	6596	9269	11475
IRRIGATION SALES(MWH)	307	271	265	256	247	129	205	235	
OTHER SALES(MWH)	513	503	654	690	601	603	472	465	730
ENERGY INPUT(MWH)	51290	53917	58008	66024	74343	80293	93435	95783	101248
POWER COST	153022	166416	175960	219690	222051	240673	263546	295703	306343
TRANSMISSION EXPENSE		1405							
DISTRIBUTION EXPENSE	34450	28454	31853	35149	40635	49216	50625	74137	79425
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	21031	24006	23848	25403	20805	30173	33646	30956	61696
SALES EXPENSE	11455	15465	23550	29520	23255	17877	19752	20734	
ADMIN & GENERAL EXPENSE	10645	24930	27110	30904	33645	30185	32606	33553	57592
INTEREST EXPENSE									10803
TAXES	15422	16340	18422	20273	23430	25181	27372	31234	34904
OTHER DEDUCTIONS		192	180	71	86	245	474		
DEPRECIATION	27844	29262	29537	34314	40076	36551	41532	40632	51398
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	2426	2450	2594	2723	2004	3015	3196	3343	3454
RESIDENTIAL CUSTOMERS(AVG)	2324	2383	2485	2618	2747	2896	3065	3203	3264
COMMERCIAL CUSTOMERS(AVG)	54	63	86	88	93	98	109	122	136
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	11455	13832	13860	16984	17304	18928	16212	24640	26323
AVERAGE DEMAND KW	9356	9413	10172	11713	12566	13979	13552	16613	17456

108-TACOMA WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	145660103	150079968	154412309	270911992	279460689	285275134	317655496	324507516	331764363
RESERVE FOR DEPRECIATION	38940031	41344234	44247700	47431867	51533507	55425464	59303644	63609473	68144703
CURRENT ASSETS	39514511	34534040	34374993	56140333	35494001	25044394	20550623	24256811	21624957
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	53366812	130559729	117424522	11053492	13670263	22772928	24323526	8744147	12089053
MATERIALS & SUPPLIES	1324945	2322251	2542807	2014862	2125752	1059966	1503847	2619432	2415998
LONG TERM DEBT	151294000	168000000	135985000	174945000	194195000	191245000	138065000	209035000	205530000
CURRENT LIABILITIES	5604230	6464117	6347175	37359445	8183056	7023355	7903478	16115898	9248729
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	1331703	1436303	1557049	1719859	1354641	2107430	2674093	2995605	3129408
SURPLUS AND/OR PATRONAGE CAP.	75837953	79560745	83790555	60305370	84264494	87044045	90505559	91840351	95509562
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	6052221	7329063	8013748	8772341	9457202	10527373	11760516	11981592	12538642
COMMERCIAL REVENUE	2774409	2335906	3252420	3664701	3929130	4203124	4993637	4972356	5019197
INDUSTRIAL REVENUE	8161401	8254990	8475415	8701380	8940755	9576939	9956164	10007467	9643643
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	1730050	1924280	2130335	2495692	2488039	2966806	3455747	7512057	13862900
OTHER OPERATING REVENUE	267250	271590	315516	293844	309947	345949	410564	440673	870297
NON-OPERATING REVENUE	660253	569432	457490	456497	1074049	1175436	1293709	1339063	1586627
RESIDENTIAL SALES(MWH)	725833	771095	854502	944201	1014797	1134516	1151163	1157369	1165422
COMMERCIAL SALES(MWH)	250347	272129	307732	338186	370952	437290	429036	433850	446252
INDUSTRIAL SALES(MWH)	1820759	1623210	1878292	1328142	1953062	1899502	1961951	1877910	1895389
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	362071	403353	447030	511028	522391	522391	593854	898094	516538
ENERGY INPUT(MWH)	3245543	3484290	3721734	3542309	4077656	4293034	4425697	4317035	4355160
POWER COST	5440043	5335613	5075990	4553670	5459536	5036587	5480489	10217986	11187616
TRANSMISSION EXPENSE	524370	406240	473796	550242	717137	726034	733749	907635	1205538
DISTRIBUTION EXPENSE	1744159	1831727	2130800	2462341	2538807	2743703	3068079	3157751	3861245
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	261325	264575	294624	323077	347356	410046	441558	551730	644404
SALES EXPENSE	259355	352439	396452	335522	366594	311137	285836	342942	173445
ADMIN & GENERAL EXPENSE	1480455	1632567	1435169	2054723	2223426	2267087	2594500	2785310	3148088
INTEREST EXPENSE	2019359	3053750	3537272	5017632	6961675	6750759	6683684	7204320	3219945
TAXES	2463557	2576925	2777047	3060020	3243089	3503285	3996228	4305735	4436072
OTHER DEDUCTIONS									
DEPRECIATION	3659718	3681939	3371891	3195170	4481876	4030563	4825205	4923226	4395119
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	69550	71565	74159	77273	81227	81386	82844	84692	86752
RESIDENTIAL CUSTOMERS(AVG)	61650	63654	65842	66215	71441	73137	74378	76131	77913
COMMERCIAL CUSTOMERS(AVG)	6137	6141	6528	7277	8037	6521	5752	6995	7059
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW									844234
AVERAGE DEMAND KW									

180/SUMAS WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT					280462	280463	290460	280462	280466
RESERVE FOR DEPRECIATION					70020	81543	93000	104583	111103
CURRENT ASSETS					9473	14225	20773	30559	26373
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES					2272	2272	2273	2272	4209
LONG TERM DEBT					60000	54533	48000	42000	36006
CURRENT LIABILITIES					5974	4810	6202	7393	7064
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.					167917	168797	163451	179559	204906
MUNICIPAL INVESTMENT					136000	136000	136000	136000	136000
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE				29201	28643	33905	32743	32701	33233
COMMERCIAL REVENUE				10057	16926	17410	20726	17509	17547
INDUSTRIAL REVENUE				4952	5046	6742		6971	6161
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES				5084	5482	5731	5833	5971	6393
OTHER OPERATING REVENUE				74	5435	3729	10565	10613	11597
NON-OPERATING REVENUE				5378	700	864	4775	4724	2794
RESIDENTIAL SALES(MWH)				2386	2497	2714	2607	2562	2592
COMMERCIAL SALES(MWH)				763	794	828	1548	623	803
INDUSTRIAL SALES(MWH)				319	399	551		612	759
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)				305	379	305	393	401	423
ENERGY INPUT(MWH)				4568	4491	4972	5335	5253	
POWER COST				25291	15095	17299	19156	18655	18000
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE				20449	15517	14930	23741	13505	59433
MAINTENANCE EXPENSE									
CUSTOMER SERVICE				2073	3741	4045	5691	5449	5943
SALES EXPENSE									
ADMIN & GENERAL EXPENSE				8082	5179	3428	3463	4218	6320
INTEREST EXPENSE					3192	2750	2450	2150	1550
TAXES				13947	4981	5534	5238	4159	4141
OTHER DEDUCTIONS									
DEPRECIATION					11520	12378	12078	12077	12078
RETURN ON MUNICIPAL INVESTMENT					8160	8160	9160	8160	8160
TOTAL CUSTOMERS(AVG)				307	310	313	321	322	322
RESIDENTIAL CUSTOMERS(AVG)				258	239	242	279	253	253
COMMERCIAL CUSTOMERS(AVG)				48	48	47		49	50
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW					1092	1242	1420	1313	1218
AVERAGE DEMAND KW					814	947	1002	1032	959

164 SPRINGFIELD ORE. PORTLAND

	FY 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2213692	2322403	2410505	2603967	2831646	2246812	3126649	3451271	3983332
RESERVE FOR DEPRECIATION	663067	558177	663497	632194	693485	704048	756848	810009	803652
CURRENT ASSETS	314338	352008	383250	365217	256643	317906	332581	327494	615504
ACQUISITION ADJUSTMENT	39154	34911	32301	29090	27060	24470	21059	19250	16039
CONSTRUCTION WORK IN PROGRESS	75413	72672	61685	96175	269835	103912	951160	102631	506459
MATERIALS & SUPPLIES	52351	53330	43223	40477	46231	43261	524220	111884	172721
LONG TERM DEBT	777200	688000	663000	631000	599000	566000	532000	497000	961000
CURRENT LIABILITIES	200154	222403	196118	144725	135765	156416	154704	241018	293493
MEMBERSHIP FEES					55				
CONTRIBUTION IN AID CONSTRUCTN	52651	60259	67934	69469	91784	96103	97595	97630	97630
SURPLUS AND/OR PATRONAGE CAP.	1074503	1221853	1349932	1509279	1644960	1816053	1993835	2194930	2369626
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	631597	649131	664056	736222	767310	833449	866089	910093	980439
COMMERCIAL REVENUE	117340	119855	113604	150022	100017	103208	115837	193888	209302
INDUSTRIAL REVENUE	223174	231765	225085	134734	219605	257382	274571	242043	252256
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	33351	30899	45068	50462	62532	63549	67544	65398	63465
OTHER OPERATING REVENUE	6603	5191	5930	5747	2030	5688	5363	5670	11638
NON-OPERATING REVENUE	2915	2622	3074	6910	4511	4955	6317	3119	23078
RESIDENTIAL SALES(MWH)	72100	74069	76374	85030	80719	95656	103548	105420	116663
COMMERCIAL SALES(MWH)	17242	17948	13943	15908	17091	15453	23244	22921	23048
INDUSTRIAL SALES(MWH)	66031	69483	63064	66902	64457	72973	71041	70710	78341
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	4171	4693	5306	6042	7600	4232	6257	8324	7451
ENERGY INPUT(MWH)	168733	173170	171653	184337	182183	201740	260779	220595	226909
POWER COST	518024	532160	528893	574203	571947	625604	642434	693237	713702
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	70765	70741	87602	91001	94829	121233	114694	117332	134495
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	44042	46710	50726	55145	62756	71817	82157	93571	119262
SALES EXPENSE	18334	17101	25519	15017	19049	14238	20665	14249	13352
ADMIN & GENERAL EXPENSE	60363	70630	75096	62471	93203	102773	113414	113702	143556
INTEREST EXPENSE	31943	26641	28568	24378	23220	21989	20721	21000	41207
TAXES	49721	50975	52014	57059	53499	65473	65696	70795	76174
OTHER DEDUCTIONS									1305
DEPRECIATION	60550	83692	62602	87160	93869	95176	103383	98760	165209
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	4433	4959	5008	5223	5156	5315	5554	5985	6534
RESIDENTIAL CUSTOMERS(AVG)	4433	4060	4734	4815	4713	4958	5088	5535	6010
COMMERCIAL CUSTOMERS(AVG)	332	333	335	372	373	339	395	430	477
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	37232	33633	34412	43403	38790	42346	54285	46935	
AVERAGE DEMAND KW	27693	27000	27080	29330	29774	33192	30188		

180 SEATTLE WASH.	SEATTLE 1965	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	320177340	415008664	428397968	441295392	451035544	467750032	524662926	524099871	563145737
RESERVE FOR DEPRECIATION	116722012	125073933	133114730	145087947	154635544	164962923	175574362	186477876	199820552
CURRENT ASSETS	41757843	19359823	24213376	20270675	20163209	22235693	31460062	22154433	29724345
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	71343793	6057233	6177362	12196257	27805134	31049362	25660945	10812445	21592973
MATERIALS & SUPPLIES	2903939	3392729	3007159	3522561	4221211	4050591	4462169	4511430	6515795
LONG TERM DEBT	102845000	158355000	173038000	184419000	195634300	189673300	237377000	238643000	212627735
CURRENT LIABILITIES	16673538	6209082	12727552	12725901	15044728	21282869	15412579	16972245	18016658
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	5305505	5400709	5972743	6572898	6926876	7113621	7768213	9343869	11425570
SURPLUS AND/OR PATRONAGE CAP.	145712439	152059367	158309830	162723295	152854378	164129918	167135333	168033294	169470850
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	21311755	21035928	23151993	24087708	24611832	26107702	27712448	27190675	26924043
COMMERCIAL REVENUE	13453386	14542699	15516740	16343493	17543048	16051127	20097994	20420864	20141537
INDUSTRIAL REVENUE	7349309	6808255	6465087	6919043	6777705	6494273	6743674	7082045	7127792
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	3474450	3532177	3559129	4170620	3692540	4452642	5117159	8291000	13249396
OTHER OPERATING REVENUE	420246	415665	476566	436222	630262	717732	767398	855138	989131
NON-OPERATING REVENUE	2541237	1232817	473307	1114051	1584056	1192153	1433319	3312923	1155300
RESIDENTIAL SALES(MWH)	2359700	2431721	2665715	2559733	2066000	2568565	3010439	2947345	2091139
COMMERCIAL SALES(MWH)	1320034	1320634	1420942	1584911	1681418	1739319	1809466	1856902	4810313
INDUSTRIAL SALES(MWH)	1262357	1262367	1180353	1280359	1253912	1103603	1115011	1235831	1216115
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	454854	454834	487152	532345	475422	527921	587797	930646	970571
ENERGY INPUT(MWH)	5940734	6102694	6504475	6965287	7367603	7123305	7330941	7534525	7640549
POWER COST	16140298	8498603	4384096	7553701	8359315	8273451	7591423	10720743	8339067
TRANSMISSION EXPENSE	897900	1412220	3233194	3116493	3392577	3074043	3553782	3230144	3656297
DISTRIBUTION EXPENSE	5990439	5940200	6615519	7063596	8376517	8643249	9072287	9107439	10125199
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	2020022	1941004	2394616	2306274	2556086	2091319	2930756	3084101	627176
SALES EXPENSE	1251094	1271046	1495505	1565908	1270737	1193604	653334	752773	3154649
ADMIN & GENERAL EXPENSE	2912759	4116318	4395815	4812142	5459694	5039277	6335406	7261566	3721652
INTEREST EXPENSE	3265918	3061032	5065062	5505469	6381841	6765153	7251363	9783878	5730244
TAXES	4467359	5243545	5541148	6197982	6979956	7512114	8325442	8393602	9728516
OTHER DEDUCTIONS									
DEPRECIATION	8665300	9471431	11068848	11521670	12204349	12591159	13563021	13648447	14683476
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	251110	253585	256308	258077	258680	255220	255651	259444	260791
RESIDENTIAL CUSTOMERS(AVG)	224863	226712	230766	231317	231736	228159	228472	232263	233726
COMMERCIAL CUSTOMERS(AVG)	24645	25432	25504	25310	25076	25101	25241	25237	25124
MILES OF DISTRIBUTION LINE	1612								
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW									
AVERAGE DEMAND KW									

177 RUPERT IDAHO WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT									
RESERVE FOR DEPRECIATION									
CURRENT ASSETS									
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES									
LONG TERM DEBT									
CURRENT LIABILITIES									
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.									
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE							223399		
COMMERCIAL REVENUE							212362		
INDUSTRIAL REVENUE									
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES							22046		
OTHER OPERATING REVENUE							13986		
NON-OPERATING REVENUE									
RESIDENTIAL SALES(MWH)							20704		
COMMERCIAL SALES(MWH)							15157		
INDUSTRIAL SALES(MWH)									
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)							4409		
ENERGY INPUT(MWH)							44534		
POWER COST							139623		
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE							18446		
MAINTENANCE EXPENSE									
CUSTOMER SERVICE							103869		
SALES EXPENSE							324		
ADMIN & GENERAL EXPENSE							44176		
INTEREST EXPENSE									
TAXES							63700		
OTHER DEDUCTIONS							74079		
DEPRECIATION									
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)							1972		
RESIDENTIAL CUSTOMERS(AVG)							1702		
COMMERCIAL CUSTOMERS(AVG)							270		
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW									
AVERAGE DEMAND KW									

175 RICHLAND WASH. WALLA

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	6126273	6475613	6972831	7425847	8038936	8579908	8862680	9234493	9583336
RESERVE FOR DEPRECIATION	2057145	2299290	2514648	2656554	2892789	3122499	3323868	3547804	3790293
CURRENT ASSETS	697631	807825	693931	633425	749573	915224	747921	695677	742645
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS		36747	50491	476527	555933		92558	244647	137352
MATERIALS & SUPPLIES	192732	305644	252216	344679	479209	664842	321306	284955	415594
LONG TERM DEBT									
CURRENT LIABILITIES	205176	314132	253055	343913	488495	328210	279727	266097	254970
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN							5721		
SURPLUS AND/OR PATRONAGE CAP.	1331634	1236277	1454189	1655490	1966319	2437122	2574476	2843454	2986698
MUNICIPAL INVESTMENT	3500000	3500000	3500000	3500000	3500000	3500000	3500000	3500000	3500000
IRRIGATION DISCOUNT					1913	1934	1913	1719	
RESIDENTIAL REVENUE	1203045	1212215	1277256	1512553	1457671	1470636	1532139	1613563	1667601
COMMERCIAL REVENUE	155302	157702	174641	148203	132244	133650	157578	143747	217305
INDUSTRIAL REVENUE	190734	219241	340290	443543	491354	558951	605360	706924	662078
IRRIGATION REVENUE	2249	2455	6510	8804	9741	6809	8091	7763	7471
OTHER REVENUE FROM SALES	65741	89559	92435	99649	139649	115143	105621	135843	117349
OTHER OPERATING REVENUE	31026	32192	64785	83774	97370	101505	82629	78769	73904
NON-OPERATING REVENUE	9028	3943	2690	56742	-278	-2179	-6247	155	16219
RESIDENTIAL SALES(MWH)	132634	133999	141903	172032	164851	166951	174017	183080	187504
COMMERCIAL SALES(MWH)	16725	18929	18206	15512	14030	14826	17461	16041	33937
INDUSTRIAL SALES(MWH)	44394	50480	53765	70965	82714	93157	114089	121825	109911
IRRIGATION SALES(MWH)	414	592	1657	2413	3133	2701	2682	2429	2077
OTHER SALES(MWH)	17030	18719	18946	20597	21908	21979	21781	24195	22216
ENERGY INPUT(MWH)	213355	230479	248617	281435	302205	311080	344217	352552	364736
POWER COST	703976	755053	838358	943046	965658	1013449	1123492	1159351	1206053
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	60705	120628	167509	133003	143400	113911	163875	177565	192270
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	99548	101768	116519	117257	136752	103639	67143	131981	136455
SALES EXPENSE	6652	12609	19397	14150	11877	14565	2217	1455	3198
ADMIN & GENERAL EXPENSE	73700	74352	64703	84327	95491	72939	228777	283705	348314
INTEREST EXPENSE									
TAXES	143379	148165	168207	135949	197578	205938	219422	231365	236153
OTHER DEDUCTIONS				9744	11722	27505	1231		
DEPRECIATION	192022	202145	207283	213332	208706	210150	211177	191655	203373
RETURN ON MUNICIPAL INVESTMENT	210000	210000	210000	210000	210000	210000	210000	210000	210000
TOTAL CUSTOMERS(AVG)	7755	8163	8460	8525	8090	8747	9600	9552	10103
RESIDENTIAL CUSTOMERS(AVG)	7212	7597	7945	7909	8142	8235	8476	8933	9479
COMMERCIAL CUSTOMERS(AVG)	438	424	424	407	414	395	377	385	459
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	51533	59210	59450	61133	66277	71677	90677	91377	95677
AVERAGE DEMAND KW	37641	40663	43656	50940	51697	54903	54797	63163	65772

176 PORT ANGELES WASH SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3940322	3812791	4498679	4823562	5030431	5213352	5687446	6040939	6312267
RESERVE FOR DEPRECIATION	1263859	1366715	1430188	1538197	1533080	1649334	1764171	1905065	2305632
CURRENT ASSETS	1360740	1085257	865184	865115	470369	454444	533894	699001	714307
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	120435	111243	135566	124847	62265	31174	27361	73069	164633
MATERIALS & SUPPLIES	70355	104534	113570	34134	161966	172616	199144	221455	232333
LONG TERM DEBT									
CURRENT LIABILITIES	45307	44355	155492	132305	339416	293558	333826	487801	319635
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	2903	4194	15498	15493	15357	19788	32212	45794	62565
SURPLUS AND/OR PATRONAGE CAP.	2039013	2796151	3113349	3211343	3335529	3543625	4773142	4988090	4377358
MUNICIPAL INVESTMENT	980635	980635	980635	980635	980635	980635	985635	980635	980635
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	567109	617527	670283	750903	742560	801924	883252	889278	899572
COMMERCIAL REVENUE	295410	262049	284280	343135	331269	403721	461222	392340	344906
INDUSTRIAL REVENUE	450219	533903	538130	515117	551921	524456	610222	638610	626332
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	21245	20500	20691	29559	29195	31750	31077	31597	32238
OTHER OPERATING REVENUE	17397	23545	19755	23402	28145	29371	30131	43131	36343
NON-OPERATING REVENUE	57344	36563	59557	45708	46022	46626	43621	45023	48043
RESIDENTIAL SALES(MWH)	80170	82063	91106	97294	101699	112854	125759	126349	127703
COMMERCIAL SALES(MWH)	35350	36075	34588	41547	41259	49556	53497	49075	47935
INDUSTRIAL SALES(MWH)	182050	209904	219174	226000	219412	177251	213331	217952	230758
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	3934	3758	4136	5879	5710	6341	6333	6207	5957
ENERGY INPUT(MWH)	284453	337894	359452	383785	378579	359836	403040	406733	421054
POWER COST	774914	905739	984076	1014153	1053332	1033117	1149361	1166093	1166143
TRANSMISSION EXPENSE	447	375	1326	560	577	1701	531	59	2633
DISTRIBUTION EXPENSE	166076	119655	110051	135476	146697	143265	157388	163419	169873
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	21804	21107	20015	22383	30224	33547	32904	35539	39257
SALES EXPENSE	316	537	611	540	569	773	842	274	42
ADMIN & GENERAL EXPENSE	76620	84935	57152	66163	73004	64350	89987	112559	102341
INTEREST EXPENSE									
TAXES	113755	123630	123771	134002	138099	137384	151041	150044	165796
OTHER DEDUCTIONS					35404				7348
DEPRECIATION	120026	117460	115372	130808	136921	149355	159077	170623	177421
RETURN ON MUNICIPAL INVESTMENT	59190	59194	59198	59198	59198	59198	59198	59195	59199
TOTAL CUSTOMERS(AVG)	6223	6253	6274	6302	6375	6573	6636	6945	7123
RESIDENTIAL CUSTOMERS(AVG)	5275	5267	5296	5311	5389	5534	5705	5929	6060
COMMERCIAL CUSTOMERS(AVG)	935	920	925	940	922	978	1033	997	989
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	47400	59243	63480	65000	66920	65960	80569	78643	75670
AVERAGE DEMAND KW	41430	49654	52620	53333	56040	53403	61982	62103	63435

163 MONMOUTH ORE.	PORTLAND 1966	1967	FY 1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	463334	452033	510594	566395	669285	655731	815309	847474	861271
RESERVE FOR DEPRECIATION	117357	117275	129562	144341	163390	180866	197667	214566	242294
CURRENT ASSETS	156517	190246	249572	242612	301662	360393	294673	321276	370027
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	556	2297	932	593	886	-925	3181		573
MATERIALS & SUPPLIES	34129	37436	27616	30679	28408	30557	59054	23922	26951
LONG TERM DEBT									
CURRENT LIABILITIES	22123	22331	73686	23659	27937	24628	35367	36420	34006
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN							34197		39629
SURPLUS AND/OR PATRONAGE CAP.	425438	489672	547267	622138	696967	761624	842552	874868	935306
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	157031	166329	179259	213990	225169	255437	260697	269527	269737
COMMERCIAL REVENUE	16193	19574	21076	32162	26047	26356	33194	42205	37954
INDUSTRIAL REVENUE	22735	33165	32172	24627	37756	44272	43862	44072	36592
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	11603	23352	24704	31312	30120	34376	34924	36404	33457
OTHER OPERATING REVENUE	2306	1523	534	1273	2609	577	1177	2355	1931
NON-OPERATING REVENUE	1107	1265	1202	2190	4517	5522	7710	8232	17736
RESIDENTIAL SALES(MWH)	20492	21718	23497	28069	29219	33759	34094	35337	35476
COMMERCIAL SALES(MWH)	2159	2407	2575	3705	3469	2400	4121	4026	4353
INDUSTRIAL SALES(MWH)	3515	5015	5215	4921	6427	7752	8530	8233	6350
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1252	3637	4035	4221	3775	4692	4886	4638	3809
ENERGY INPUT(MWH)	26311	34549	37792	43994	45884	52193	55489	55641	52471
POWER COST	164219	110039	129583	154978	161427	180953	191553	260175	189441
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	10564	11504	12299	19049	15881	27919	29398	33605	42733
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	10438	10642	16773	11945	14092	14933	15610	17699	26047
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	14431	14055	14912	19456	23776	27662	28911	31994	29376
INTEREST EXPENSE									
TAXES	10595	12115	13696	15334	16063	13391	19004	19549	22951
OTHER DEDUCTIONS	14	84	84	84				447	6670
DEPRECIATION	12733	14135	16619	19613	21653	22900	23186	27722	31098
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	1303	1377	1466	1565	1585	1783	1813	1831	1856
RESIDENTIAL CUSTOMERS(AVG)	1193	1243	1342	1431	1519	1613	1640	1649	1675
COMMERCIAL CUSTOMERS(AVG)	106	112	120	132	139	130	134	151	183
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	7323	8352	10512	12816	12082	13836	17568	17568	
AVERAGE DEMAND KW	5082	6492	7392	8422	8543	13505	11445	11435	

159 MILTON-FREEWATER ORE. WALLA WALLA

FY

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1777553	1675953	1903048	2044199	2109357	2180036	2328511	2362332	2541278
RESERVE FOR DEPRECIATION	639556	695103	755407	735832	752981	792014	855459	887395	9[illegible]621
CURRENT ASSETS	223315	227244	230474	283325	303101	344337	375172	358441	4949[illegible]9
ACQUISITION ADJUSTMENT	113691	113691	113691	113691	113691	113691	113691	113691	115691
CONSTRUCTION WORK IN PROGRESS	62606	8874	47740	54325	572	22779	43417	74329	26083
MATERIALS & SUPPLIES	23451	28953	33049	38215	39753	43687	47860		1051[illegible]3
LONG TERM DEBT									
CURRENT LIABILITIES	20922	11397	12405	11322	12753	12526			
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	734	734		1183	1403	1404		2719	
SURPLUS AND/OR PATRONAGE CAP.	1103336	1146132	1223702	1340621	1397791	1501830	1574174	1435193	1789317
MUNICIPAL INVESTMENT	250000	250000	250000	250000	250000	250000	250000	250000	250000
IRRIGATION DISCOUNT					2272	2292	2575	2533	
RESIDENTIAL REVENUE	271751	279562	281384	323423	317629	332103	341950	371348	358208
COMMERCIAL REVENUE	67230	72205	71026	79109	67724	71679	75074	94437	92965
INDUSTRIAL REVENUE	101252	106761	105197	113857	124264	125903	140893	120230	126000
IRRIGATION REVENUE	12440	11928	18853	21311	16354	47949	24057	30720	35354
OTHER REVENUE FROM SALES	20213	27454	35144	37549	35242	34900	26709	30355	31403
OTHER OPERATING REVENUE	1490	157	1123						
NON-OPERATING REVENUE	4901	6979	20355	9270	7698	10795	3053	8222	4792
RESIDENTIAL SALES(MWH)	32947	34371	36950	43519	42715	44577	45478	49274	48407
COMMERCIAL SALES(MWH)	6734	7462	8323	9452	8197	8743	9243	11777	11547
INDUSTRIAL SALES(MWH)	12359	13757	13292	17335	17285	17869	19133	17043	15453
IRRIGATION SALES(MWH)	1226	1654	1256	2070	2717	3505	2916	4551	4239
OTHER SALES(MWH)	4578	4407	5239	5672	5186	5009	4750	5734	5719
ENERGY INPUT(MWH)	61242	64926	69278	73928	77060	82431	86277	92310	69316
POWER COST	210014	239967	227102	237091	207360	264944	284465	299244	292061
TRANSMISSION EXPENSE	3037	5603	2335	1522	1294	1145	2221	1603	
DISTRIBUTION EXPENSE	25338	30026	41114	41497	44062	51930	53226	59634	71526
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	25139	28470	43476	32007	33423	33534	35673	33423	399[illegible]3
SALES EXPENSE	5339	4599	160	4734	4071	6002	6738	3545	503
ADMIN & GENERAL EXPENSE	63452	41631	26243	42495	41225	55056	61410	69290	64[illegible]
INTEREST EXPENSE	637								15[illegible]
TAXES	24133	25260	25657	27825	34904	30544	37404	31800	40304
OTHER DEDUCTIONS	6437	15695	7413	75	-8	-19	19	-6362	-36304
DEPRECIATION	61137	56675	40960	48130	49436	54405	52406	62905	543[illegible]
RETURN ON MUNICIPAL INVESTMENT	15225	15000	15000	15000	15000	15000	15000	15000	
TOTAL CUSTOMERS(AVG)	2750	2602	2734	2774	2762	2951	2975	2765	3259
RESIDENTIAL CUSTOMERS(AVG)	2138	2254	2210	2210	2194	2291	2332	2323	2337
COMMERCIAL CUSTOMERS(AVG)	347	327	318	323	362	350	359	392	417
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	13216	13323	16086	22113	16933	17879	24276	24633	
AVERAGE DEMAND KW	11538	11517	12535	13921	13667	14734	16096	16365	

155 MCMINNVILLE ORE PORTLAND

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	3181023	3364532	3604237	4209444	4340535	4545067	4872406	5349606	5984743
RESERVE FOR DEPRECIATION	886451	945224	1023648	1002052	1040247	1307046	1154695	1315732	1163339
CURRENT ASSETS	544317	600954	615077	193100	572925	405141	773072	795284	613446
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS		12076	7622		16210	39227	53792	199030	119815
MATERIALS & SUPPLIES	42749	51733	53758	47491	47750	51435	52996	73159	137799
LONG TERM DEBT									
CURRENT LIABILITIES	82724	34901	122316	127631	140529	128371	167028	219249	249979
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	63249	64011	65546	118134	369113	372375	373847	377023	378989
SURPLUS AND/OR PATRONAGE CAP.	2365200	2467021	2621241	2739091	2955333	3260720	3553922	3837505	4076741
MUNICIPAL INVESTMENT	440000	440000	440000	440000	440000	443000	440000	443003	446000
IRRIGATION DISCOUNT					641	424	575	767	
RESIDENTIAL REVENUE	522541	525033	575520	531747	654092	742018	753694	771694	813891
COMMERCIAL REVENUE	230058	236690	264993	285205	278320	360000	360095	314695	292651
INDUSTRIAL REVENUE	124345	134147	145294	179340	355004	266206	452751	542926	624827
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	14093	15203	10100	10720	17374	23157	32752	35433	33368
OTHER OPERATING REVENUE	14251	12102	10069	9535	12737	9795	10569	11039	11764
NON-OPERATING REVENUE	1271	6653	12392	644	4921	25242	23133	17775	38427
RESIDENTIAL SALES(MWH)	65356	60449	73150	80321	83313	95192	95978	96017	101213
COMMERCIAL SALES(MWH)	20310	20207	23370	24925	24553	20413	26031	27234	26990
INDUSTRIAL SALES(MWH)	14354	15300	17217	23209	49139	50743	63995	76704	91396
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1445	1920	2028	2124	2230	2579	4135	4463	4354
ENERGY INPUT(MWH)	107537	111902	122176	138958	167474	183695	200192	215516	235306
POWER COST	413096	430253	502187	537035	584710	693114	702436	731247	804241
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	67276	78151	85092	124552	160479	173412	189307	213201	276595
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	19846	22354	24275	26957	26830	27862	34728	30313	47315
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	43034	51833	67468	82400	89374	93643	103998	137643	152508
INTEREST EXPENSE	134	165	241	265	935	1152			364
TAXES	60641	62443	63203	76399	85308	89555	92633	100314	154025
OTHER DEDUCTIONS							292	341	
DEPRECIATION	90933	100023	100017	116031	131908	140450	149939	154300	165044
RETURN ON MUNICIPAL INVESTMENT	26400	26400	26400	26400	26400	26400	26400	26400	26400
TOTAL CUSTOMERS(AVG)	4774	4355	4473	4607	4817	5383	5185	5692	5600
RESIDENTIAL CUSTOMERS(AVG)	3079	3603	3704	3927	4096	4309	4435	4621	4737
COMMERCIAL CUSTOMERS(AVG)	1066	653	654	671	673	668	698	729	761
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	26355	31103	32500	39300	43000	48330	51850	55400	54650
AVERAGE DEMAND KW	19379	20725	21198	27043	31600	39967	35547	39015	46278

154 MCCLEARY WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	457525	472035	484980	506332	548179	573027	633323	629442	634453
RESERVE FOR DEPRECIATION	122544	135764	147878	163404	178942	192259	211226	232442	254271
CURRENT ASSETS	24242	30543	42566	67257	63381	55434	61925	115232	135965
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS						214			
MATERIALS & SUPPLIES	8301	5235	9612	9791	8653	13456	10424	11672	11246
LONG TERM DEBT	34000	34000	34606	34000	34066	34000	34600	21000	5030
CURRENT LIABILITIES	14252	10693	11443	12469	13316	4112	14610	21427	6223
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN				2463	3303	5193	9628	8404	8060
SURPLUS AND/OR PATRONAGE CAP.	250114	273762	294805	324751	351360	374659	394673	423371	440119
MUNICIPAL INVESTMENT	55145	55145	55145	55154	55145	55145	55145	55145	55145
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	63393	65212	70458	80649	83492	95539	99847	100131	101504
COMMERCIAL REVENUE	16610	10833	11660	11132	11591	12537	13455	14045	15069
INDUSTRIAL REVENUE	67003	66744	70132	74413	76538	78697	84065	84752	82436
IRRIGATION REVENUE	25								
OTHER REVENUE FROM SALES	4332	5543	5939	6610	7719	4516	8144	7708	7543
OTHER OPERATING REVENUE	3004	3964	5850	6543	7042	9323	10203	11304	12544
NON-OPERATING REVENUE	625								
RESIDENTIAL SALES(MWH)	7319	8137	8773	10197	10824	12323	13342	12742	12612
COMMERCIAL SALES(MWH)	731	807	881	950	1021	1025	1692	1273	1407
INDUSTRIAL SALES(MWH)	12037	11652	12624	12303	12473	13010	15100	14081	13910
IRRIGATION SALES(MWH)	2								
OTHER SALES(MWH)	639	731	777	809	1047	1170	1095	1323	996
ENERGY INPUT(MWH)	22411	22319	23835	25393	26027	29151	31810	31364	31257
POWER COST	73190	74259	83212	70265	96340	98103	105211	[illegible]	102970
TRANSMISSION EXPENSE	2241							79	46
DISTRIBUTION EXPENSE	6346	5603	5106	3506	1990	2726	3654	2794	4214
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	8955	5525	7603	11497	8385	10976	12427	9443	11302
SALES EXPENSE	155	100		100	100	130	130	133	100
ADMIN & GENERAL EXPENSE	16573	11298	13635	15615	10165	24917	26715	27334	31037
INTEREST EXPENSE	1750	1700	1750	1700	1700	1756	1750	1204	526
TAXES	16136	17733	13211	16975	19257	20290	20759	21341	166147
OTHER DEDUCTIONS	65								5559
DEPRECIATION	12142	14059	13765	16307	17064	10353	20564	21391	22271
RETURN ON MUNICIPAL INVESTMENT	33.9	33.9	33.9	33.9	33.9	33.9	33.9	33.7	33.9
TOTAL CUSTOMERS(AVG)	516	522	532	552	564	607	626	642	653
RESIDENTIAL CUSTOMERS(AVG)	460	465	473	494	523	544	561	575	596
COMMERCIAL CUSTOMERS(AVG)	43	44	44	44	46	47	49	51	41
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	4698	5683	6135	5817	6215	6334	7729	7271	7231
AVERAGE DEMAND KW	4377	4142	4407	4812	5139	5416	5805	5007	5054

152 IDAHO FALLS IDAHO

IDAHO FALLS

	1966	1967	1968	1969	1970	1971	1972	1973	197[illegible]
GROSS PLANT	5443665	5409568	5928432	6428638	6793343	7037394	8135323	8510696	
RESERVE FOR DEPRECIATION									
CURRENT ASSETS	514377	403403	384355	717367	935119	1204398	1261071	1252333	
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									
MATERIALS & SUPPLIES	73316	36629	113543	71646	26132	227192	191228	212636	
LONG TERM DEBT									
CURRENT LIABILITIES	390430	419455	479145	333096	401352		492184	595933	
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	473539	509257	556982		743060		9656810	747927	
MUNICIPAL INVESTMENT	9300000	9300000	9300000	9300000	9000000	9000000	9030600	9000000	
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	1160043	1241007	1296733	1331633	1437409	1503803	1542350	1616609	
COMMERCIAL REVENUE	1071412	975544	940604	1134344	1137335	1264472	1334223	1354213	
INDUSTRIAL REVENUE	207840	309471	263164	136871	212836	187695	160855	227125	
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	63749	76021	17734	57577	40302	61595	127494	159323	
OTHER OPERATING REVENUE	28530	25247	25247	54304	23613	43363	43091	73012	
NON-OPERATING REVENUE	231	30000	33000						
RESIDENTIAL SALES(MWH)	81531	84300	90624	100823	108906	119048	125190	131499	
COMMERCIAL SALES(MWH)	57505	59655	62755	73307	51693	88055	93213	90274	
INDUSTRIAL SALES(MWH)	21129	25223	21262	15491	18242	23137	13996	20609	
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	2339	3100	3797	3503	2687	4100	1586	21484	
ENERGY INPUT(MWH)	179901	190756	202657	219061	228050	229933	255390	248320	
POWER COST	557428	598017	635573	670134	704371	813532	886090	941423	
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	213437	213707	317398	290257	279537	339158	320436	414538	
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	76000	82200	79000	80070	150000	156000	174750	170600	
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	123133	122692	97767	100073	99849	101322	168943	190792	
INTEREST EXPENSE									
TAXES									
OTHER DEDUCTIONS	110521			499002	171212	471794	626552	846692	
DEPRECIATION									
RETURN ON MUNICIPAL INVESTMENT	1003000	1003000	1003000	1003000	1003000	1003000	1003300	1003000	
TOTAL CUSTOMERS(AVG)	11955	12044	12186	12225	12597	12548	12854	13040	
RESIDENTIAL CUSTOMERS(AVG)	10333	10416	90624	10659	10822	11078	11292	11434	
COMMERCIAL CUSTOMERS(AVG)	1503	1212	1242	1460	1350	1497	1441	1317	
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW							54203	59932	
AVERAGE DEMAND KW									

142 FOREST GROVE ORE.	PORTLAND 1966	1967	FY 1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1841555	2099442	2230296	2371490	2499352	2646417	2779272	2902444	3112996
RESERVE FOR DEPRECIATION	466319	525215	579361	612790	657349	722426	781452	857411	933827
CURRENT ASSETS	339331	213329	242498	279116	346016	420727	496977	538151	463375
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	70205	3717	30563	30531	23931	3773	4166	3290	11557
MATERIALS & SUPPLIES	45696	55201	40651	49204	53253	54706	54855	65543	82454
LONG TERM DEBT									
CURRENT LIABILITIES	433	517	497	497	497	497	497	497	497
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTION		444			1894			13362	
SURPLUS AND/OR PAT-UNAPP. CAP.	1639029	1753307	1921068	2345534	2231196	2363873	2433545	2523693	2543743
MUNICIPAL INVESTMENT	100000	100000	100000	100000	100000	100000	100000	100000	100000
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	390372	373708	364513	436415	463120	512955	561186	587203	612611
COMMERCIAL REVENUE	188315	204425	214983	233774	240216	269702	313548	314551	326098
INDUSTRIAL REVENUE									
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	25731	31644	30363	53327	48684	49647	47484	46063	43546
OTHER OPERATING REVENUE	17640	6653	7678	11560	10890	13407	9014	10072	9787
NON-OPERATING REVENUE	9124	7969	3683	6243	9335	15055	12166	11629	13916
RESIDENTIAL SALES(MWH)	45552	47629	49002	57840	59649	66241	72784	76977	79464
COMMERCIAL SALES(MWH)	19472	23393	24409	26131	27763	34158	35683	35373	34511
INDUSTRIAL SALES(MWH)									
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	2702	2970	2604	5747	5177	5162	4631	4595	4221
ENERGY INPUT(MWH)	72271	76812	80954	92959	96822	110375	118368	122913	124146
POWER COST	250316	259814	267866	311761	335847	373847	408615	420297	425703
TRANSMISSION EXPENSE	45	21	451	339	17	7	5	13	11
DISTRIBUTION EXPENSE	62814	58710	51433	54185	60650	67384	79161	79361	81356
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	9638	15010	11675	13954	14975	10953	23764	23390	27409
SALES EXPENSE	6515	8550	13649	9643	6712	5636	5992	11955	3463
ADMIN & GENERAL EXPENSE	54339	50966	70723	80537	97091	108529	106782	136275	167535
INTEREST EXPENSE									
TAXES	27726	32692	32197	55415	44723	55551	62686	65543	53702
OTHER DEDUCTIONS		3943	997	1712	994	1719	1969	10472	17331
DEPRECIATION	43970	54700	59063	73372	67449	67409	74660	81643	[illegible]
RETURN ON MUNICIPAL INVESTMENT	6000	6000	6000	6000	6000	6000	6000	6000	6000
TOTAL CUSTOMERS(AVG)	3311	3311	3335	3437	3656	3760	3919	4193	4432
RESIDENTIAL CUSTOMERS(AVG)	2732	2865	2890	2442	3218	3326	3469	3724	3953
COMMERCIAL CUSTOMERS(AVG)	553	483	427	427	418	415	433	452	451
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	11440	16734	20256	20490	22656	26688	32604	33888	
AVERAGE DEMAND KW	13640	14028	14767	17569	16039	20443	22162	23490	

137 EUGENE ORE.	PORTLAND 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	65127033	72453341	76342024	70447844	93413878	93163216	137493483		
RESERVE FOR DEPRECIATION	14325019	15392413	17543683	13341413	20145722	22134094	25344447		
CURRENT ASSETS	3840332	3501954	3332865	5364081	3378493	6571791	9346073		
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS				411197	7325413	15399725	47419656		
MATERIALS & SUPPLIES	1354124	1025152	1500[illegible]34	1322364	1663739	1001957	742376		
LONG TERM DEBT	31135006	31560603	37126[illegible]	36535003	49500000	113350530	169635000		
CURRENT LIABILITIES	3396332	1340852	2497167	3313955	2467189	3260019	7651426		
MEMBERSHIP FEES		53321		38463					
CONTRIBUTION IN AID CONSTRUCTN	467745	640525	506393	1731333	718345	530168	867715		
SURPLUS AND/OR PATRONAGE CAP.	27482245	28577083	29110442	31379940	33761303	32473585	33904734		
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	5340034	5275903	5622449	6302547	6339651	7499161	8153456		
COMMERCIAL REVENUE	2799347	2970350	3157541	3534292	3732149	4274879	4952108		
INDUSTRIAL REVENUE	377304	371026	339663	406936	514319	569368	569853		
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	87442	31812	85079	122373	642830	547145	316138		
OTHER OPERATING REVENUE	111942	123508	121703	132598			720634		
NON-OPERATING REVENUE	225932	211655	292924	456493	483467	3159252	5292953		
RESIDENTIAL SALES(MWH)	579351	639013	643998	730390	732371	817324	812147		
COMMERCIAL SALES(MWH)	352351	303303	393506	440329	484373	529500	587294		
INDUSTRIAL SALES(MWH)	132982	130508	123427	144040	178146	174374	185618		
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	21803	15617	19041	42317	38658	64031	79439		
ENERGY INPUT(MWH)	1143635	1192795	1253547	1433867	1449753	1620477	1677906		
POWER COST	2431342	2653640	2763067	3733343	3404264	4347913	5115202		
TRANSMISSION EXPENSE	55174	62163	92266	195428			255506		
DISTRIBUTION EXPENSE	583373	672665	1211908	950419	1258867	1665952	1402582		
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	343030	384975	411771	432526	652466	617738	558348		
SALES EXPENSE	93838	127479	193441	169345			45202		
ADMIN & GENERAL EXPENSE	509138	522571	752500	568762	752232	1071214	1179456		
INTEREST EXPENSE	1157755	1243408	1332785	1453774	1512850	4910403	6464111		
TAXES	665412	642627	680603	753507	787571	561879	1076656		
OTHER DEDUCTIONS							91794		
DEPRECIATION	1720000	1616903	1603900	1959000	2082000	2209132	2318304		
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	39148	38781	40225	41504	42968	44595	46512		
RESIDENTIAL CUSTOMERS(AVG)	33814	34479	35844	37205	38224	39575	41490		
COMMERCIAL CUSTOMERS(AVG)	4324	4292	4369	4731	4731	5006	5008		
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	239634	277670	320403		318143		179458		
AVERAGE DEMAND KW	192436	233002	210879		255750				

133 ELLENSBURG WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	2275144	2467120	2712704	3029402	3407114	3544222	3627122	3730469	
RESERVE FOR DEPRECIATION	590743	649043	722541	774218	840845	941348	1049449	1175781	
CURRENT ASSETS	310444	331265	300547	276917	140717	229744	314232	347836	
ACQUISITION ADJUSTMENT	112830	112830	114743	114744	114740	114739	115386	115386	
CONSTRUCTION WORK IN PROGRESS			57482						
MATERIALS & SUPPLIES	40140	39908	49089	43039	51409	44842	56355	82563	
LONG TERM DEBT	263000	177000	150000	122000	93300	63000			
CURRENT LIABILITIES	160325	116937	177770	35221	53652	185836	153763	180327	
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	4330	18703	22300	22300	22300	22336	22336	22340	
SURPLUS AND/OR PATRONAGE CAP.	1964544	2142945	2315102	2007237	2129050	2065520	2763257	2815193	
MUNICIPAL INVESTMENT	482971	482971	482971	482971	482971	482971	482971	482971	
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	301332	367027	414438	420491	436323	500405	524753	469460	445443
COMMERCIAL REVENUE	323113	356271	383959	420904	447003	469551	524264	517452	493338
INDUSTRIAL REVENUE									
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	1443	1437	22279	28900	34732	39308	55540	50627	45726
OTHER OPERATING REVENUE	31231	32602	34325	30413	39052	30633	24404	24356	36401
NON-OPERATING REVENUE	14544	19002	21723	21576	15511	3881	11676	1253	32527
RESIDENTIAL SALES(MWH)	34037	34844	44490	50337	50017	57636	50734	54491	47550
COMMERCIAL SALES(MWH)	41034	41034	45133	50820	48546	51231	53097	73393	58944
INDUSTRIAL SALES(MWH)									
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1436	1091	2250	2607	3842	3803	5402	4765	3722
ENERGY INPUT(MWH)	80930	95424	102000	110873	132502	135004	141159	130315	
POWER COST	205534	334299	322280	370785	418704	442127	463728	438355	422763
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	41255	44993	43091	52235	53712	65725	104530	110392	361917
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	24127	20799	32982	40934	41932	42026	33654	43463	49251
SALES EXPENSE	1517	553	276	75	611	707	185	352	
ADMIN & GENERAL EXPENSE	67370	68340	80772	95079	117784	121026	119406	120160	182204
INTEREST EXPENSE	5744	7009	7240	5308	4724	6493	3958		5403
TAXES	65249	67607	73506	101273	128709	142570	144942	152113	130152
OTHER DEDUCTIONS									20177
DEPRECIATION	76317	81303	84145	84970	135704	113453	123001	133826	
RETURN ON MUNICIPAL INVESTMENT	29000	29003	29000	29000	29000	29000	29000	29000	29000
TOTAL CUSTOMERS(AVG)	3870	4643	4446	4717	4774	4783	4796	5069	
RESIDENTIAL CUSTOMERS(AVG)	3314	3518	3696	3915	3905	4000	3999	4121	
COMMERCIAL CUSTOMERS(AVG)	553	572	752	798	782	778	790	785	
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	13133	22395	23127	20170	26601	33138	33535	33335	
AVERAGE DEMAND KW	15153	16186	17610	19870	21567	23784	24935	22751	

120/DRAIN	ORE. PORTLAND 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	384592	395450	393182	413300	427927	444301	461478	487903	505244
RESERVE FOR DEPRECIATION	74040	74075	80348	90825	101749	116910	93676	90495	98046
CURRENT ASSETS	150210	150108	173919	155113	168136	179960	145936	122801	133744
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	5121	1695	5608	12445	17344	13791	2799		
MATERIALS & SUPPLIES	18013	15935	18653	24872	29277	33725	14822	15865	9095
LONG TERM DEBT									
CURRENT LIABILITIES	21455	22793	16691	21965	22870	27252	26812	21193	26261
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	425613	435955	453534	467605	471742	471036	473958	473172	494533
MUNICIPAL INVESTMENT	20835	20835	20835	20835	20435	20835	20035	20834	20835
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	52472	52560	54918	60722	61907	63810	72500	72073	67033
COMMERCIAL REVENUE	20733	25324	23084	25401	26854	29504	33137	20426	37619
INDUSTRIAL REVENUE	50973	63067	70018	63209	71572	71348	73363	74057	81739
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	2355	1950	2212	2275	2313	2377	2014	2351	2350
OTHER OPERATING REVENUE	540	545	7012	540	543	2457	636	5603	505
NON-OPERATING REVENUE									
RESIDENTIAL SALES(MWH)	6541	6600	7193	7954	8113	9151	8737	9410	9087
COMMERCIAL SALES(MWH)	2515	2403	2455	2057	2800	3106	3493	3100	3152
INDUSTRIAL SALES(MWH)	7505	10435	11095	11513	11994	11746	12607	12555	12742
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	372	167	217	430	425	473	470	442	228
ENERGY INPUT(MWH)	18013	21570	22548	23015	23771	24800	23177	20177	24259
POWER COST	65521	73801	75000	73265	81022	84949	87795	90875	87242
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	16026	13000	15306	14417	19432	20932	20295	23154	18943
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	10423	12772	13391	13475	16145	16483	15673	14332	13429
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	10073	14322	12539	14059	15803	18429	16837	17473	25348
INTEREST EXPENSE									
TAXES	8233	9152	9492	9973	13950	13112	17716	20194	27090
OTHER DEDUCTIONS									
DEPRECIATION	10610	13304	11342	10477	10924	11657	13172	13847	14234
RETURN ON MUNICIPAL INVESTMENT	1250	1250	1250	1250	1250	1250	1250	1250	1250
TOTAL CUSTOMERS(AVG)	530	493	497	514	528	548	556	574	575
RESIDENTIAL CUSTOMERS(AVG)	437	405	467	425	430	458	463	490	450
COMMERCIAL CUSTOMERS(AVG)	43	57	84	83	84	84	87	84	93
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	4350	4624	4716	4090	5112	5760	6516	5976	6480
AVERAGE DEMAND KW	3552	3909	3776	4343	4365	4714	5031	5133	

125 COULEE DAM WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	530195	531663	548578	551114	554471	519843	524558	491651	495215
RESERVE FOR DEPRECIATION	392497	411167	429750	447990	465476	268162	283660	263425	275561
CURRENT ASSETS	95040	116425	123796	144035	158499	181254	65769	71484	75393
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	717				249	77	685	356	
MATERIALS & SUPPLIES	10971	9937	11076	18353	18851	19121	13669	19218	19575
LONG TERM DEBT									
CURRENT LIABILITIES	10039	17670	20020	30397	22213	42440	24849	22217	21676
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	2330	2790	3550	3746	4023	4023	4398	4399	5130
SURPLUS AND/OR PATRONAGE CAP.	51928	53366	55860	51547	74047	102429	127614	156509	166023
MUNICIPAL INVESTMENT	442934	442984	442984	442984	442984	442984	442984	442984	303851
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	57290	69691	92807	101361	106991	104606	103577	102499	99353
COMMERCIAL REVENUE	14743	11328	12310	15419	16811	19285	20367	20059	19039
INDUSTRIAL REVENUE		5292	13186	12160	10930	11413	12651	10443	14406
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	13406	15667	19293	20812	21230	22268	25036	22994	21417
OTHER OPERATING REVENUE	4429	4943	5605	4553	4528	4824	4957	4823	5147
NON-OPERATING REVENUE	4035	7225	7000	12136	14125	10837	9644	10140	10303
RESIDENTIAL SALES(MWH)	13249	13262	13074	15458	15139	15769	16514	15041	14269
COMMERCIAL SALES(MWH)	2315	1475	1334	1506	1739	2128	2291	2141	2003
INDUSTRIAL SALES(MWH)		1029	1490	1798	1578	1072	1727	1557	1595
IRRIGATION SALES(MWH)	137								
OTHER SALES(MWH)	2805	2097	3019	3235	3355	3357	3841	3401	7161
ENERGY INPUT(MWH)	20043	20321	20955	23781	23736	25072	26511	24041	22944
POWER COST	35436	50970	78309	101747	80439	80571	95844	86505	51844
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	12619	13103	13899	14593	14976	15288	15194	15257	19237
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	4270	4315	5329	5947	6233	7148	7150	7359	7511
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	5255	5078	7131	4804	12184	9314	13569	10215	10352
INTEREST EXPENSE									
TAXES	7221	9329	12497	13611	13619	14349	5807	6553	14182
OTHER DEDUCTIONS									
DEPRECIATION	19454	19692	19764	10057	18125	12476	12534	12523	11556
RETURN ON MUNICIPAL INVESTMENT	8000	10000	8000	5000			8349	7000	
TOTAL CUSTOMERS(AVG)	477	494	485	492	501	524	544	544	550
RESIDENTIAL CUSTOMERS(AVG)	436	452	452	462	476	433	501	503	505
COMMERCIAL CUSTOMERS(AVG)	29	24	23	21	23	25	27	27	28
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	5990	6157	6413	6643	6441	7392	9598	8597	7575
AVERAGE DEMAND KW	3715	3656	3780	4423	4179	4889	5534	5374	4539

123 CHENEY WASH. SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1080958	1182311	1241740	1414518	1544334	1637376	1969657	2247562	2321443
RESERVE FOR DEPRECIATION	329407	355642	383005	413659	448671	487510	523577	568637	605794
CURRENT ASSETS	192098	132229	200283	171330	169537	433426	519193	183114	311664
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS					1967	1833	189113	464411	58524
MATERIALS & SUPPLIES	26503	31542	32736	29352	29791	31528	31451	44562	52694
LONG TERM DEBT						400000	365000	330000	295000
CURRENT LIABILITIES	86635	44681	42890	63436	77993	73971	111335	92656	173375
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN						14199	14741	14741	14741
SURPLUS AND/OR PATRONAGE CAP.	817733	882879	902063	987143	1072265	1164302	1334749	1413379	1452251
MUNICIPAL INVESTMENT	136412	136412	136412	136412	136412	136412	136412	136412	136412
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	165331	197653	223719	274069	292277	335160	363775	306694	368331
COMMERCIAL REVENUE	51830	57400	57957	62700	71829	72633	83493	70375	77595
INDUSTRIAL REVENUE	71520	92219	105185	107955	121978	167532	201307	234535	182097
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	8104	9034	9297	8911	11077	10520	11052	13178	13406
OTHER OPERATING REVENUE	4175	4263	4292	4161	4213	4358	4279	4197	4536
NON-OPERATING REVENUE	7320	3744	4413	5787	5162	4339	13324	9897	7237
RESIDENTIAL SALES(MWH)	21435	25273	28247	30773	33863	39406	43526	43217	43705
COMMERCIAL SALES(MWH)	4629	5413	5959	6287	6535	6522	7457	6861	6724
INDUSTRIAL SALES(MWH)	10921	14128	16664	17603	20732	23364	34555	34933	29948
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1255	1403	1361	1373	1303	1831	1995	2365	2359
ENERGY INPUT(MWH)	43035	46500	52848	60624	68449	80595	92850	83704	86547
POWER COST	134355	150750	172694	205064	223246	264118	306822	290765	279877
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	21303	19281	18819	23670	31541	32386	34794	42041	61739
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	12151	15509	17810	19658	25209	24625	27045	30802	27483
SALES EXPENSE	1099	206	383	504	523	409	589	1113	1602
ADMIN & GENERAL EXPENSE	31755	33155	39021	43461	50651	56645	64684	77554	107191
INTEREST EXPENSE						544	17871	16471	15129
TAXES	27078	30699	34148	38561	42204	50169	50688	56362	54749
OTHER DEDUCTIONS									
DEPRECIATION	29830	31603	35389	37275	39971	43395	43429	45110	50444
RETURN ON MUNICIPAL INVESTMENT	8185	8185	8185	8185	8185	8185	8185	8185	8185
TOTAL CUSTOMERS(AVG)	1634	1670	1795	2002	2189	2382	2569	2604	2527
RESIDENTIAL CUSTOMERS(AVG)	1337	1423	1538	1698	1862	2047	2232	2271	2246
COMMERCIAL CUSTOMERS(AVG)	237	242	243	267	308	308	326	305	299
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	10030	11872	12896	15660	16290	19836	24632	23760	23168
AVERAGE DEMAND KW	7336	6117	9203	10864	11874	14415	15735	15063	15073

115 CENTRALIA WASH. SEATTLE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	5394333	5664374	5768062	6009773	6147915	6574422	6713490	6822383	6991440
RESERVE FOR DEPRECIATION	1742875	1980907	2031745	2169125	2245084	2377960	2530326	2691265	2959215
CURRENT ASSETS	583330	524502	610520	634155	703591	779724	924816	1113662	1152059
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS									1058
MATERIALS & SUPPLIES	69273	89140	93851	105070	111205	103454	86219	95791	123079
LONG TERM DEBT									
CURRENT LIABILITIES	71753	143556	53215	79740	68027	111550	109960	86524	122220
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN					306	3205	7335	8335	17485
SURPLUS AND/OR PATRONAGE CAP.	4262435	4287118	4540338	3993442	4811804	4351306	5036079	5233048	4554913
MUNICIPAL INVESTMENT	672000	672000	672000	672000	672000	672000	672000	672000	762000
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	465148	479914	513394	550061	577542	621039	663796	674383	693132
COMMERCIAL REVENUE	203433	205903	225900	245097	203280	292929	323007	317643	326673
INDUSTRIAL REVENUE	147500	237604	353108	143446	96902	112345	142588	155411	160344
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	9531	8601	10515	12115	13190	14529	15133	12731	16153
OTHER OPERATING REVENUE	11252	9124	9101	10632	10700	10056	11929	13237	13546
NON-OPERATING REVENUE	17430	17703	15316	29100	35233	35549	24223	48537	88999
RESIDENTIAL SALES(MWH)	52025	53979	53392	63005	66912	72006	73500	79300	81742
COMMERCIAL SALES(MWH)	17718	17514	19584	22294	25325	26305	31732	30991	32575
INDUSTRIAL SALES(MWH)	12500	32777	63169	12320	8377	10642	13730	15470	15930
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1235	1223	1371	1626	1838	2040	2125	1495	1419
ENERGY INPUT(MWH)	96341	117027	153057	113511	113482	129604	141462	137474	145258
POWER COST	159950	343912	344669	334313	266459	345035	441133	355089	471212
TRANSMISSION EXPENSE	32544	50605	31044	41775	36704	33233	30357	29130	31396
DISTRIBUTION EXPENSE	77833	88211	83507	92666	114450	121272	135226	127062	134621
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	16933	19036	21136	27703	27471	31605	35011	35993	34212
SALES EXPENSE	7022	2098	1708	1567	302	1395	1712	2212	3006
ADMIN & GENERAL EXPENSE	64003	55574	62263	74233	77315	85169	91972	84443	116579
INTEREST EXPENSE									
TAXES	130873	139202	145160	148165	139178	148026	153126	157691	180048
OTHER DEDUCTIONS									
DEPRECIATION	130073	143454	143044	150610	159215	163542	173854	173590	142737
RETURN ON MUNICIPAL INVESTMENT	40320	40320	40320	40320	40320	40320	40320	40320	40320
TOTAL CUSTOMERS(AVG)	5473	5539	5722	5501	5954	6125	6258	6392	6394
RESIDENTIAL CUSTOMERS(AVG)	4616	4602	4816	4372	5046	5178	5307	5458	5622
COMMERCIAL CUSTOMERS(AVG)	670	695	720	739	746	762	787	161	771
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	19539	29852	31900	30300	28320	29320	21260	25960	25820
AVERAGE DEMAND KW	15227	21624	20646	19043	20890	22408	17096	16900	18245

115 CASCADE LOCKS ORE. PORTLAND

	FY 1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	360210	363561	373467	394745	451323	455950	473217	495101	506977
RESERVE FOR DEPRECIATION	46524	47531	48104	55948	61541	63304	74632	89117	105515
CURRENT ASSETS	66521	33193	106956	130265	132650	128963	89717	74510	78637
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS					1194	1738	3898		629
MATERIALS & SUPPLIES	14332	12643	15575	17162	10568	21541	22067	23423	20955
LONG TERM DEBT	11000	7600	3000						
CURRENT LIABILITIES	15008	10943	22431	25875	19968	24483	13237	44700	33925
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTION									45435
SURPLUS ADJ/OR PATRONAGE CAP.	393588	423088	455455	483398	512094	509723	482817	457801	447540
MUNICIPAL INVESTMENT									
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	55360	53473	55375	61729	61128	64236	70624	71555	73941
COMMERCIAL REVENUE	54022	51314	22371	40454	30441	20542	27064	40764	35831
INDUSTRIAL REVENUE			45019	20873	42113	43753	59195	53893	59441
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	6033	5691	6957	7301	7473	9059	3920	6743	6048
OTHER OPERATING REVENUE	2549	7670	5327	3063	2242	1310	2923	12493	17954
NON-OPERATING REVENUE	1516	1705	3096	5290	7887	2779	872	2519	924
RESIDENTIAL SALES(MWH)	6216	6064	6241	7145	7330	7500	9323	6391	6770
COMMERCIAL SALES(MWH)	5290	5620	1530	2733	2182	2907	2154	3303	3215
INDUSTRIAL SALES(MWH)			5509	4279	3077	6248	9990	9435	10265
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	1158	1017	1143	1235	1290	1532	1529	1456	1354
ENERGY INPUT(MWH)	13207	13257	15558	16420	18215	19549	22914	23782	25415
POWER COST	42336	35607	41129	42041	51300	53735	61659	75073	65563
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	20500	18643	16731	15533	17812	20029	23636	25910	27474
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	6343	7191	3331	6257	7906	4637	7406	6662	7792
SALES EXPENSE	4200	203	514	900	842	703	811	1027	455
ADMIN & GENERAL EXPENSE	21930	16752	22387	29991	26230	34926	33869	24920	55245
INTEREST EXPENSE	357	257	192						
TAXES	5530	5527	6539	6530	7097	13774	12451	13373	13634
OTHER DEDUCTIONS								42351	
DEPRECIATION	13314	13599	11656	11632	11995	14412	14411	14411	17326
RETURN ON MUNICIPAL INVESTMENT									
TOTAL CUSTOMERS(AVG)	539	575	576	600	566	533	576	597	595
RESIDENTIAL CUSTOMERS(AVG)	474	464	461	471	441	434	459	453	483
COMMERCIAL CUSTOMERS(AVG)	94	94	86	104	96	87	85	95	98
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	3997	4644	4448	4602	4785	4992	6032	6032	
AVERAGE DEMAND KW	3645	3036	4014	3666	3454	4315	4378	4067	

III-CANBY ORE.	PORTLAND 1966	1967	FY 1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	481737	531115	561900	657565	777427	819792	817163	721716	842943
RESERVE FOR DEPRECIATION	80855	43590	96024	133452	110886	118328	270630	36029	533.6
CURRENT ASSETS	43919	33755	47626	40075	60496	133051	161717	193005	206726
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS				20137	24073			20510	19773
MATERIALS & SUPPLIES	37956	33601		71120	59125	62517	62545	84504	98264
LONG TERM DEBT									
CURRENT LIABILITIES	6514	11460	13047	10401	13440	19695	18298	51600	76731
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN	427		428	428	428	428			
SURPLUS AND/OR PATRONAGE CAP.	489959	533279	585910	673466	720558	830017	757241	843344	895974
MUNICIPAL INVESTMENT	27878	27878	27878	27878	27878	27878	27878	27879	27879
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	143113	152032	160415	149455	194521	223193	247481	259390	275570
COMMERCIAL REVENUE	62437	62937	60300	74522	69506	87609	111701	113384	75731
INDUSTRIAL REVENUE								13591	35553
IRRIGATION REVENUE									
OTHER REVENUE FROM SALES	7260	7260	7856	7877	7700	10033	5893	13140	44911
OTHER OPERATING REVENUE	3065	1408	3930	4165	8765	33570	40354	49262	35329
NON-OPERATING REVENUE	1432	2127	1821	905	1024	164			
RESIDENTIAL SALES(MWH)	18073	19090	21039	24742	26139	23043	32515	34113	36274
COMMERCIAL SALES(MWH)	5037	5915	6392	7143	8219	7953	11797	12073	7424
INDUSTRIAL SALES(MWH)								1519	4920
IRRIGATION SALES(MWH)									
OTHER SALES(MWH)	931	903	1152	1139	1095	1227	773	1728	5255
ENERGY INPUT(MWH)	20833	29107	31040	35842	38320	44457	49202	53435	57608
POWER COST	103123	105958	107806	131028	147987	150806	173601	190101	206307
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	30143	37001	33330	31974	44469	39961	97656	45312	47035
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	4203	5603	5067	5442	5156	5259	4750	4067	4573
SALES EXPENSE							135		
ADMIN & GENERAL EXPENSE	23534	10602	21041	17058	21367	22907	58586	54318	93702
INTEREST EXPENSE									
TAXES	10515	12138	10776	14355	11254	13778	17630	17364	36411
OTHER DEDUCTIONS								19172	
DEPRECIATION	7428	7428	7989	7428	7446	7620	25650	20452	22700
RETURN ON MUNICIPAL INVESTMENT	1673	1673	1673	1673	1673	1533	1320	1210	1100
TOTAL CUSTOMERS(AVG)	1330	1385	1439	1493	1613	1751	1803	2022	2218
RESIDENTIAL CUSTOMERS(AVG)	1075	1132	1159	1259	1306	1425	1467	1686	1785
COMMERCIAL CUSTOMERS(AVG)	252	251	248	257	305	324	334	315	309
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	8193	7590	8790	12510	10290	11970	16760	10040	
AVERAGE DEMAND KW	5373	5600	5725	7105	7455	1310	13627	10948	

7107 BONNERS FERRY WASH SPOKANE

	1966	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	1485388	1529493	1585340	1641313	1654180	1767771	2069912	2251274	2260349
RESERVE FOR DEPRECIATION	911430	951952	992642	1037731	1083284	1121333	1171073	1220393	1296771
CURRENT ASSETS	165544	141624	97914	150623	131043	122167	119253	112467	139333
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS	561	167		144					
MATERIALS & SUPPLIES	25336	27564	20970	30303	33575	34345	36321	45574	48454
LONG TERM DEBT									
CURRENT LIABILITIES	1379	2174	1392	1562	1928	949	10016		2817
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	562802	582468	601605	618740	636433	644435	663293	696762	722769
MUNICIPAL INVESTMENT	520584	520584	520584	520584	520584	520584	520564	520584	520504
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	162913	149603	[illegible]	123679	133845	143200	156962	162114	183652
COMMERCIAL REVENUE	53033	66730	66042	65078	82309	88607	97325	104409	114042
INDUSTRIAL REVENUE	54932	58859	72784	75193	66723	65335	63819	92533	84877
IRRIGATION REVENUE	2733	3462	2156	4133	1019	3508	3173	2723	5451
OTHER REVENUE FROM SALES	3525	4380	5607	6570	7391	6092	13969	12634	15393
OTHER OPERATING REVENUE	2048	1973	2302	1982	3215	2822	2495	20944	15615
NON-OPERATING REVENUE			5802		313				
RESIDENTIAL SALES(MWH)	11347	11554	12514	13603	14472	15627	17279	17306	18255
COMMERCIAL SALES(MWH)	5115	5510	5222	5610	7240	7648	8695	9258	9302
INDUSTRIAL SALES(MWH)	7345	7744	10135	9719	8142	9410	9756	13743	13265
IRRIGATION SALES(MWH)	203	302	185	414	130	317	263	197	453
OTHER SALES(MWH)	363	424	500	670	609	723	750	815	925
ENERGY INPUT(MWH)	27513	27854	33352	35300	34747	37377	42405	43920	53806
POWER COST	65320	70212	94036	97192	103294	121519	135129	153842	167768
TRANSMISSION EXPENSE	212	995	453	224	600	2495	851	416	1632
DISTRIBUTION EXPENSE	12449	22213	18397	20000	21094	23633	20674	24603	31530
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	11500	12100	14415	15017	17738	17575	19916	22500	20852
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	18695	20668	29209	27947	32586	33397	37258	43250	46433
INTEREST EXPENSE									
TAXES	13301	14640	16251	17794	18944	20636	23448	26743	26296
OTHER DEDUCTIONS									
DEPRECIATION	42333	43103	45524	50083	50878	54411	55325	66075	65587
RETURN ON MUNICIPAL INVESTMENT	31235	31235	31235	31235	31235	31235	31235	31235	31235
TOTAL CUSTOMERS(AVG)	1430	1430	1460	1472	1456	1557	1583	1595	1651
RESIDENTIAL CUSTOMERS(AVG)	1110	1116	1133	1159	1174	1189	1206	1232	1259
COMMERCIAL CUSTOMERS(AVG)	307	307	299	297	300	330	361	343	353
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	5250	5756	7114	6768	7307	8100	8866	8293	7600
AVERAGE DEMAND KW	4557	4673	4951	4735	6143	6513	5464	5482	5613

100/BLAINE WASH. SEATTLE 1965

	1967	1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	375963	431740	480263	550132	611630	683164	766372	834535
RESERVE FOR DEPRECIATION	65002	75345	94065	94937	109336	124808	149514	159128
CURRENT ASSETS	44710	47935	130031	191069	127574	133372	102395	265328
ACQUISITION ADJUSTMENT								
CONSTRUCTION WORK IN PROGRESS	14985	15129	14032	15238	16361	21821	22473	36417
MATERIALS & SUPPLIES	30000	23030	21000	260000	193030	183000	170000	410200
LONG TERM DEBT	25647	43431	22701	27048	5544	20002	8552	12633
CURRENT LIABILITIES								
MEMBERSHIP FEES								
CONTRIBUTION IN AID CONSTRUCTN						10391		
SURPLUS AND/OR PATRONAGE CAP.	163020	194591	220703	261395	293865	341650	386835	305415
MUNICIPAL INVESTMENT	118000	115000	110000	113000	115000	113060	120000	110003
IRRIGATION DISCOUNT								
RESIDENTIAL REVENUE	75600	70655	82626	92265	116344	133144	133139	148117
COMMERCIAL REVENUE	57400	53338	61178	59506	56440	59211	63195	74779
INDUSTRIAL REVENUE		6137	11596	15639	15694	19166	22236	27172
IRRIGATION REVENUE								
OTHER REVENUE FROM SALES	16756	15986	17203	18465	23020	27512	36171	37126
OTHER OPERATING REVENUE	2443	1153	1305	1633	1914	10291	7676	14301
NON-OPERATING REVENUE	593		6407	9615	7416			
RESIDENTIAL SALES(MWH)	7183	7718	9800	10383	12624	14540	14694	14678
COMMERCIAL SALES(MWH)	4548	4297	5354	4909	4917	5026	5403	5915
INDUSTRIAL SALES(MWH)		1035	1463	1981	2626	2434	2543	2537
IRRIGATION SALES(MWH)								
OTHER SALES(MWH)	1407	1689	1913	2418	2654	3035	3431	3480
ENERGY INPUT(MWH)	14181	16018	19743	25997	24451	27034	27905	
POWER COST	67577	46594	71222	71563	86638	93052	91465	55938
TRANSMISSION EXPENSE								
DISTRIBUTION EXPENSE	8255	9276	6593	10493	11616	14823	15346	22431
MAINTENANCE EXPENSE								
CUSTOMER SERVICE	6613	2570	2640	3103	2770	6239	8146	3910
SALES EXPENSE	64	0		444				13
ADMIN & GENERAL EXPENSE	7799	14300	13846	14319	26829	23680	21619	36226
INTEREST EXPENSE	1655	1088	11876	11507	11017	10467	9917	12615
TAXES	21592	20797	27951	23747	23428	24657	26916	29449
OTHER DEDUCTIONS			500	506	503	544	1072	500
DEPRECIATION	15625	15779	24770	25371	24281	30191	32095	40577
RETURN ON MUNICIPAL INVESTMENT	707	700	313		6493	7063	7070	7030
TOTAL CUSTOMERS(AVG)	643	917	933	956	999	1127	1213	1312
RESIDENTIAL CUSTOMERS(AVG)	705	725	741	766	808	911	984	925
COMMERCIAL CUSTOMERS(AVG)	153	158	162	153	154	173	161	157
MILES OF DISTRIBUTION LINE								
DEVELOPMENTAL DISCOUNT								
MAXIMUM DEMAND KW	3855	3820	5300	5240	6080	7326	7643	6850
AVERAGE DEMAND KW	2310	2808	3383	3605	4343	5618	4950	5047

I–✓SANDON UAC	PORTLAND 1966	1967	FY 1968	1969	1970	1971	1972	1973	1974
GROSS PLANT	862443	919300	933147	1100032	1170070	1237440	1313206	1362343	1431106
RESERVE FOR DEPRECIATION	204037	290697	320503	340429	364274	430232	405707	583445	591043
CURRENT ASSETS	104031	203208	223058	109486	107451	101373	115610	169595	101232
ACQUISITION ADJUSTMENT									
CONSTRUCTION WORK IN PROGRESS								51395	686.5
MATERIALS & SUPPLIES									
LONG TERM DEBT									
CURRENT LIABILITIES	2953	3123	3235	3175	3395	3431	4126	3434	1382
MEMBERSHIP FEES									
CONTRIBUTION IN AID CONSTRUCTN									
SURPLUS AND/OR PATRONAGE CAP.	720210	740144	774005	809759	835438	951354	881615	879687	884754
MUNICIPAL INVESTMENT	104327	104327	104327	104327	104327	104327	104327	104327	104327
IRRIGATION DISCOUNT									
RESIDENTIAL REVENUE	149203	154042	158705	175775	174052	204290	212214	217043	223405
COMMERCIAL REVENUE	50455	59408	61874	67419	53330	56887	61427	79786	84455
INDUSTRIAL REVENUE	47408	37962	33769	34500	58183	63375	64228	56693	54923
IRRIGATION REVENUE								3740	6534
OTHER REVENUE FROM SALES	12700	13456	15023	15574	14764	16707	17917	19240	18404
OTHER OPERATING REVENUE	4053	5511	5323	6809	8841	9977	13044	12989	11178
NON-OPERATING REVENUE	4176	4449	6260	7221	5042	4457	3705	3114	2495
RESIDENTIAL SALES(MWH)	15030	17334	17854	20250	19734	23044	24557	22134	25308
COMMERCIAL SALES(MWH)	4849	6037	6302	6802	5337	5467	5806	5047	6234
INDUSTRIAL SALES(MWH)	5454	4735	4897	5035	7182	7943	5168	5335	5350
IRRIGATION SALES(MWH)								274	700
OTHER SALES(MWH)	1324	1407	1578	1043	1578	1843	2018	2176	1944
ENERGY INPUT(MWH)	30612	31749	32939	36195	36153	39120	43374	44691	45951
POWER COST	106575	109921	115072	125987	124953	142760	147051	154013	159174
TRANSMISSION EXPENSE									
DISTRIBUTION EXPENSE	30547	26927	28342	30797	42273	56771	54342	83739	62437
MAINTENANCE EXPENSE									
CUSTOMER SERVICE	11410	14137	14343	14179	16616	19900	19127	26037	24324
SALES EXPENSE									
ADMIN & GENERAL EXPENSE	29975	35555	45550	40204	40436	47012	41109	48562	63615
INTEREST EXPENSE									
TAXES	12453	13227	13666	14651	14931	15951	17672	19642	19515
OTHER DEDUCTIONS									
DEPRECIATION	35475	43429	39114	39162	43383	51632	49074	44723	54003
RETURN ON MUNICIPAL INVESTMENT	6260	6263	6260	6260	6260	6260	6260	6260	6260
TOTAL CUSTOMERS(AVG)	1354	1377	1396	1417	1455	1533	1559	1724	1750
RESIDENTIAL CUSTOMERS(AVG)	1030	1093	1109	1126	1149	1197	1234	1329	1363
COMMERCIAL CUSTOMERS(AVG)	242	251	246	250	256	256	273	243	241
MILES OF DISTRIBUTION LINE									
DEVELOPMENTAL DISCOUNT									
MAXIMUM DEMAND KW	7347	7362	8490	9250	8652	9939	10318	10524	
AVERAGE DEMAND KW	6192	6162	6480	7064	6984	8363	8156	7963	

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Washington Public Power Supply System
A JOINT OPERATING AGENCY

P. O. Box 968 3000 Geo. Washington Way Richland, Washington 99352 Phone (509) 375-5000

December 11, 1980
ELE-GCS-80-364

Docket Nos. 50-397, 50-460/513
50-508/509

Director, Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attn: Mr. B. J. Youngblood, Chief
Licensing Branch 1

Gentlemen:

Subject: WASHINGTON PUBLIC POWER SUPPLY SYSTEM
ANNUAL REPORT

Enclosed for your information, as required by 10CFR50.71(b), please find fifteen (15) copies of the Washington Public Power Supply System Annual Report for 1980. Copies of the certified financial statements are included as a part of the Annual Report.

Very truly yours,

S C Sorensen / for
G. D. Bouchey
Director, Nuclear Safety

bk

cc: A Bournia, NRC
R. H. Engelken, NRC ROV
M. D. Lynch, NRC
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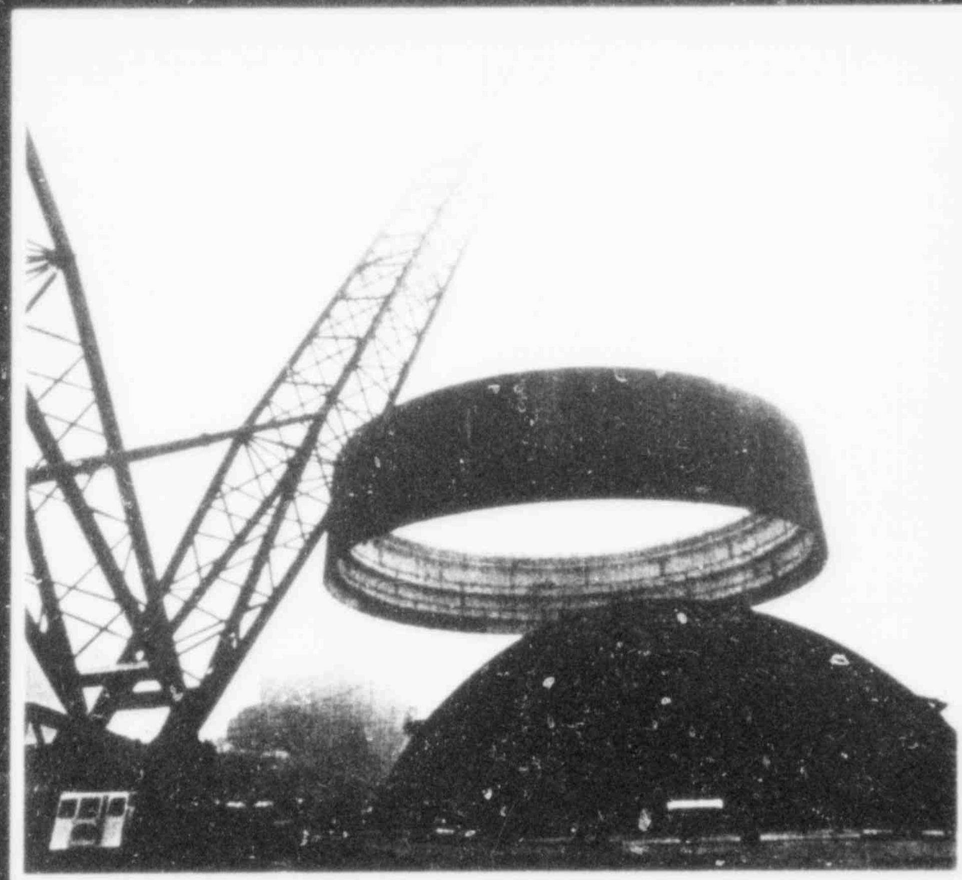

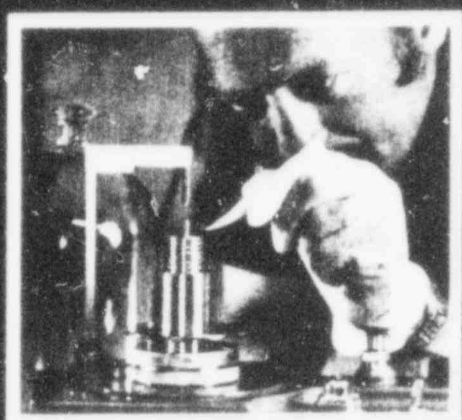

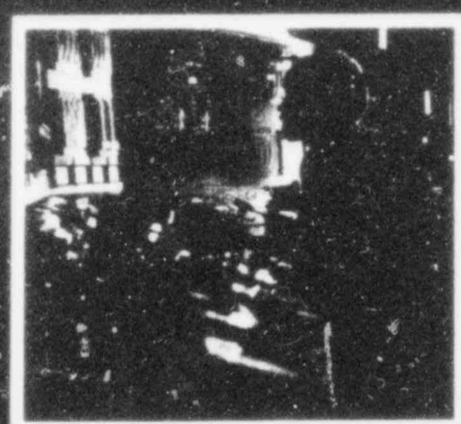


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The Washington Public Power Supply System: A Profile

Nature is generous in providing a supply of free energy, but nature's "free" energy in sunlight, water, wind, wood, coal, uranium and others must first be processed into a form useful to the consumer . . . and this carries a cost. Energy processing, that is, generating electricity, is the function of the Washington Public Power Supply System, on behalf of its members which are 19 public utility districts and four municipalities in the State of Washington.

The Supply System was organized in 1957 as a statewide joint operating agency . . . an action agency . . . through which the member utilities may act as one to meet their joint energy needs. Nearly a hundred other consumer and investor-owned utilities in the Pacific Northwest are served as cooperating participants through their contracts to purchase shares of the electricity produced, or shares of plant ownership.

The Supply System is the lead agency for these utilities in the construction of five large nuclear electric plants which will have a capacity of more than six million kilowatts, or about 20 percent of the region's total capacity, when completed.

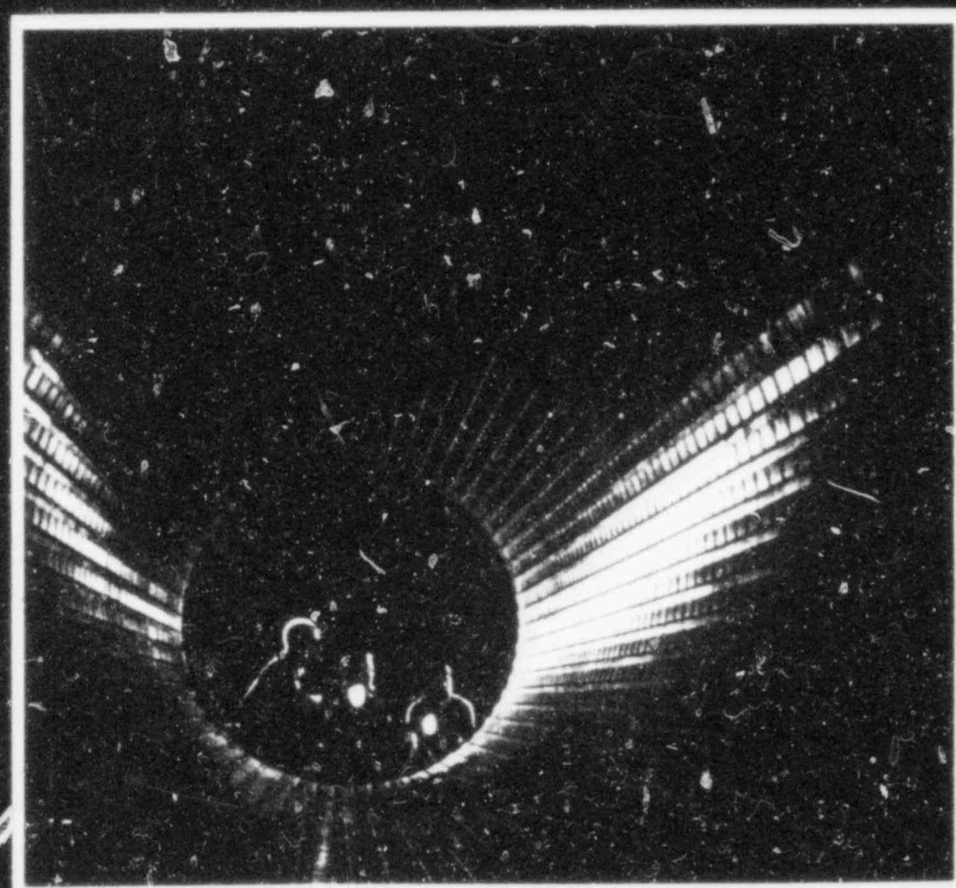
The Supply System already supplies almost half of the region's nuclear-generated electricity with its 860,000-kilowatt Hanford Generating Project. The Supply System's Packwood Hydroelectric Project adds another 27,500 kilowatt capacity to the regional supply.

The concept of the Supply System is that of service . . . service to its members, participating utilities, and ultimately, to the seven million people who live in the Pacific Northwest.

Photos:

(the cover) Many skills are needed in the construction of nuclear power plants. Some of them are depicted in the montage of Supply System employees at their jobs.

(below) Regular inspection and maintenance contributes to plant reliability.



Financial Highlights of 1980

($ in Millions)

Construction Projects

Long-Term Revenue Bond Sales	*WNP-1*	*WNP-2*	*WNP-3*	*WNP-4/5*	***Total***
Par Values	$ 150	$ 125	—	$ 480	**$ 755**
Number of Issues	1	1	—	3	**5**
Borrowing Cost (%)	6.57	7.41	—	8.29	**7.77**
Total Long-Term Revenue Bonds Outstanding					
Outstanding as of June 30	$1,045	$1,266	$ 680	$1,490	**$4,481**
Annualized Interest Expense	$ 68	$ 84	$ 43	$ 104	**$ 299**
Borrowing Cost (%)	6.52	6.52	6.37	6.99	**6.60**
Interest Earned					
Interest on Investments	$ 29	$ 26	$ 30	$ 47	**$ 132**
Annual Rate of Return (%)	9.71	9.06	8.85	10.72	**9.71**

Board of Directors/ Executive Committee Report

"The most economic thermal plants are large units, those of 1-million kilowatts and larger. No single utility or small group of utilities can absorb a plant of such size in its normal load-growth pattern."

Joint Power Planning Council Statement, October 1968.

One of the fundamentals of the District Power Law, enacted by the State of Washington in 1930, authorizing the formation of public utility districts, is:
"Cooperation by mutual agreement between districts on utility operations to the benefit of the individual districts."

Since it was organized in 1957, the Washington Public Power Supply System has been an extension of this concept of cooperation. In addition to the 23 members of the Supply System, there are 87 other consumer-owned utilities, for a total of 110, which are financial participants in one or more of the Supply System's five large nuclear projects now under construction. As a joint operating agency, the Supply System provides the mechanism for the utilities to act as a single entity to meet their individual needs. In addition, four investor-owned utilities own portions of two plants.

The Supply System's financing and construction program is one of the largest of any consumer-owned utility in the nation.
Attendant to programs of this scope are the challenges of direction and management to meet the problems which are common throughout the nuclear energy industry: schedule delays and cost increases.

Our analysis shows that the average cost of all nuclear power plants has more than doubled and construction time has doubled since the late 1960s.

Even so, this board has taken steps to strengthen its ability to ensure that these plants are completed as soon and as economically as possible. Three permanent board committees were appointed and given specific responsibilities related to costs, schedules, emergency planning and external relations.

A Committee on Budget, Finance and Audit was assigned responsibility for review of all financial matters that may affect cost and schedule. Additionally, the committee will participate with outside agencies which have oversight responsibility in reviewing procedures pertaining to budgets, cost estimates and issues concerning bonds and investments.

A Committee on Corporate Performance was appointed to review data pertaining to organization and management, contracting procedures, construction and plant management.

A Committee on External Relations was appointed to work with the State Legislature, Bonneville Power Administration and other public groups and government agencies. It also will assess the adequacy of emergency contingency plans and interaction with public safety and community groups.

Another step taken by the Board was the appointment of an independent Administrative Auditor to conduct continuous performance audits. The Administrative Auditor is responsible to the Board of Directors and communicates regularly with the State Legislature. The Board also receives direct reports from its own internal independent financial auditor.

Further strengthening of the relationship with the Bonneville Power Administration was the adoption of a working agreement known as the "Memorandum of Understanding" which clarifies the roles and responsibilities of each party in activities related to Projects WNP-1, 2 and 3, for which BPA purchases all, or most of the output through "net-billing" agreements.

Robert L. Ferguson, a Deputy Assistant Secretary of the Department of Energy, was selected June 27 to be the Supply System's new Managing Director, succeeding N. O. Strand who resigned in February.

Mr. Ferguson, who was in charge of the Energy Department's nuclear reactor program since 1978, also had been Director of the Fast Flux Test Facility (FFTF) project office for the Energy Department from 1973 to 1978 and was credited with the successful completion of its construction within the final schedule and budget.

His appointment was effective August 1, 1980.

Some changes took place on the Board of Directors and in management. During the year, Donald Clayhold was appointed to represent the Benton County Public Utility District and Larry Nickel to represent the City of Ellensburg on the Board. A. E. Fletcher, Clallam County Public Utility District representative, was elected Vice Chairman of the Executive Committee. Hal Norman, Pacific County Public Utility District, was elected Vice President of the Board of Directors and Howard Prey, Douglas County Public Utility District, was elected to the membership on the Executive Committee.

We begin a new decade on a note of hope, recognizing the critical importance of energy and our responsibility as energy suppliers to the people of the Pacific Northwest and in the belief that the Supply System is a strong organization, and the right organization for meeting our future needs.

Ed Fischer

Ed Fischer
Chairman, Executive Committee

Glenn C. Walkley

Glenn C. Walkley
President, Board of Directors

Managing Director's Statement

This is my first opportunity to communicate with the more than 10,000 people who receive the Supply System annual report. Since my appointment as Managing Director in June, I have received many expressions of support from the Northwest public power community and others. I appreciate that support and I welcome this opportunity to share my initial thoughts on this appointment with you.

I took the assignment of Managing Director of the Supply System because I believe in your commitment to sound and prudent economic development in this region and to the need for the energy supplies that will make this possible.

I want you to know that I have a commitment also, not only to serve the growing needs of public power in the Northwest, but to the belief that our nuclear projects are the best energy option available at this time. While we all look forward to the development of alternative energy sources in the future, we have an obligation to the citizens of the Northwest to meet their current and near-term energy needs with power generation systems using proven technologies which are safe, reliable, and economically acceptable.

The Supply System has taken on a great responsibility to the ratepayers of the member and participating utilities. It is imperative that the five projects now under construction be completed successfully, for their total output will equal about 20 percent of the total energy resources in the Northwest.

I believe we can meet this responsibility. The Supply System has an outstanding and dedicated staff and I plan to supplement this staff with additional proven management leadership to coordinate and direct their efforts. The tasks before us are formidable and they will require our best efforts if we are to overcome the very real problems we face in completing the projects. But we already have our most important resource in place—talented people. With that talent and with your continued support, I am confident that we can build safe and economic power plants that will serve the Northwest for many years in the future.

Bob Ferguson

Robert L. Ferguson
Managing Director

"1. To serve all who come,
2. With adequate facilities,
3. At reasonable rates, and
4. Without discrimination."

Principles of public responsibility for Public Utility Districts.

"Basic to the entire principle of public development of the Columbia River power resources has been the long-term purpose of balancing the Pacific Northwest region's timber-agricultural economy with industrial payroll development."

Sterling Munro, BPA Administrator, 1980

"And far up the river is
Grand Coulee Dam,
The mightiest thing
ever built by a man.
To run the great
factories and water
the land,
It's roll on,
Columbia, roll on."

Woody Guthrie ballad, 1941

Energy Supports A Balanced Economy

The Pacific Northwest historically has been a major beneficiary of an abundant supply of low-cost hydro power from the Columbia River system. This led to the development of the strong industrial segment of the region's economy, principally in aerospace, metals, and more recently, electronic products which are high in value and readily marketable on a worldwide basis.

The Northwest's booming economy slowed in 1980 with the onset of the national recession, compounded by the eruption of Mount St. Helens. Hardest hit were the forest products industry and tourism.

However, the diversity of the economy buffered the Northwest from the full effects of the recession. Its main strengths are in the aircraft industry, exports, agriculture, primary metals and a growing electronics manufacturing industry.

Significantly, many of these pillars are industries that depend upon continued, steady supplies of energy for their future health. For example, The Boeing Co., the nation's leading manufacturer of passenger jet aircraft, depends heavily upon the health of the energy-intensive aluminum industry.

The Pacific Rim Is Next Door

The Pacific Northwest is the gateway to the Pacific Rim nations and Alaska, with its untold wealth of the Northwest Slope oil and other natural resources. The increased use of large shipping containers and the development of inland navigation facilities on the major rivers bring landlocked interior states within reach of the Pacific Ocean for shipment of agricultural products, a process already well begun.

Agriculture: A Growth Industry

Agriculture—now more correctly agribusiness, with the inclusion of food processing—is the traditional heart of the economy. More than one half million acres of the Columbia Basin south of Grand Coulee Dam have had irrigation water available for many years, while another half million acres in the eastern part of the irrigation project were dependent upon the vagaries of the nature's weather patterns to grow crops.

Major facilities to bring water to these dry lands were completed during the fiscal year. The investment in the huge, energy intensive irrigation system is now nearly $1.4 billion and eventually will increase. Expanding farm output also has attracted many food processing firms to the area, creating many new jobs.

Newcomers Keep Arriving

The region's population increased at a more rapid pace than other regions. As an example, newcomers entered the state of Washington at a rate of more than 100,000 a year in 1978 and 1979.

The visible growth that contributes to the strength of the economy also is contributing to possible energy shortages in the years ahead, even with completion of the Supply System's 6-million kilowatts of generating capacity.

The Pacific Northwest Utilities Conference Committee (PNUCC), consisting of essentially all electrical power generating interests in the region, makes an annual load and resource analysis, projecting both ten years into the future.

The Pacific Northwest has the most highly developed hydroelectric system in the nation, producing more than 80 percent of the energy used in the region. However, the amount of energy which can be generated in the powerhouses along the rivers depends upon the amount of rain and snow which falls in the mountains of the Columbia River drainage.

When precipitation is lower than average, the water flow in the rivers drops and the amount of energy available is reduced. This is known as "adverse water conditions" and is the basis for the regional forecast.

Comparisons of forecasts since 1977 reveal some serious trends. Since the 1977 forecasts, the maximum energy deficit for any one year has grown steadily to an amount equal to two large thermal power plants. Deficits of more than 3,000 average megawatts are expected in five of the next 11 years and there is a high probability that the available energy will be insufficient to meet the firm loads now forecast.

Despite the possibility of an energy shortage, economists foresee growth at a more rapid pace than the national economy, with increased concentration on the quality rather than the quantity of growth.

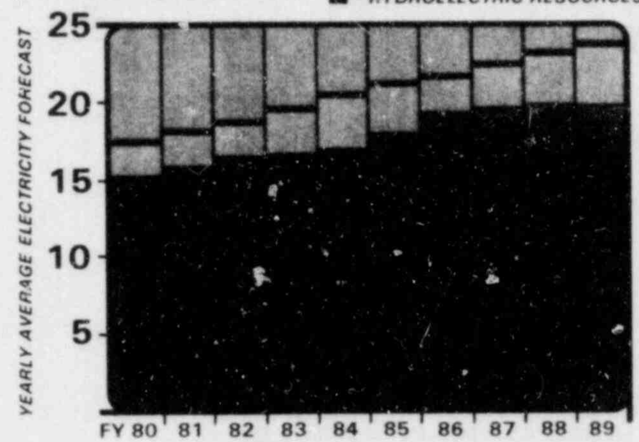
"...It is certain... that there is going to continue to be a demand for energy, and growing demand at that."

Dr. Paul Raver, BPA Administrator, 1954.

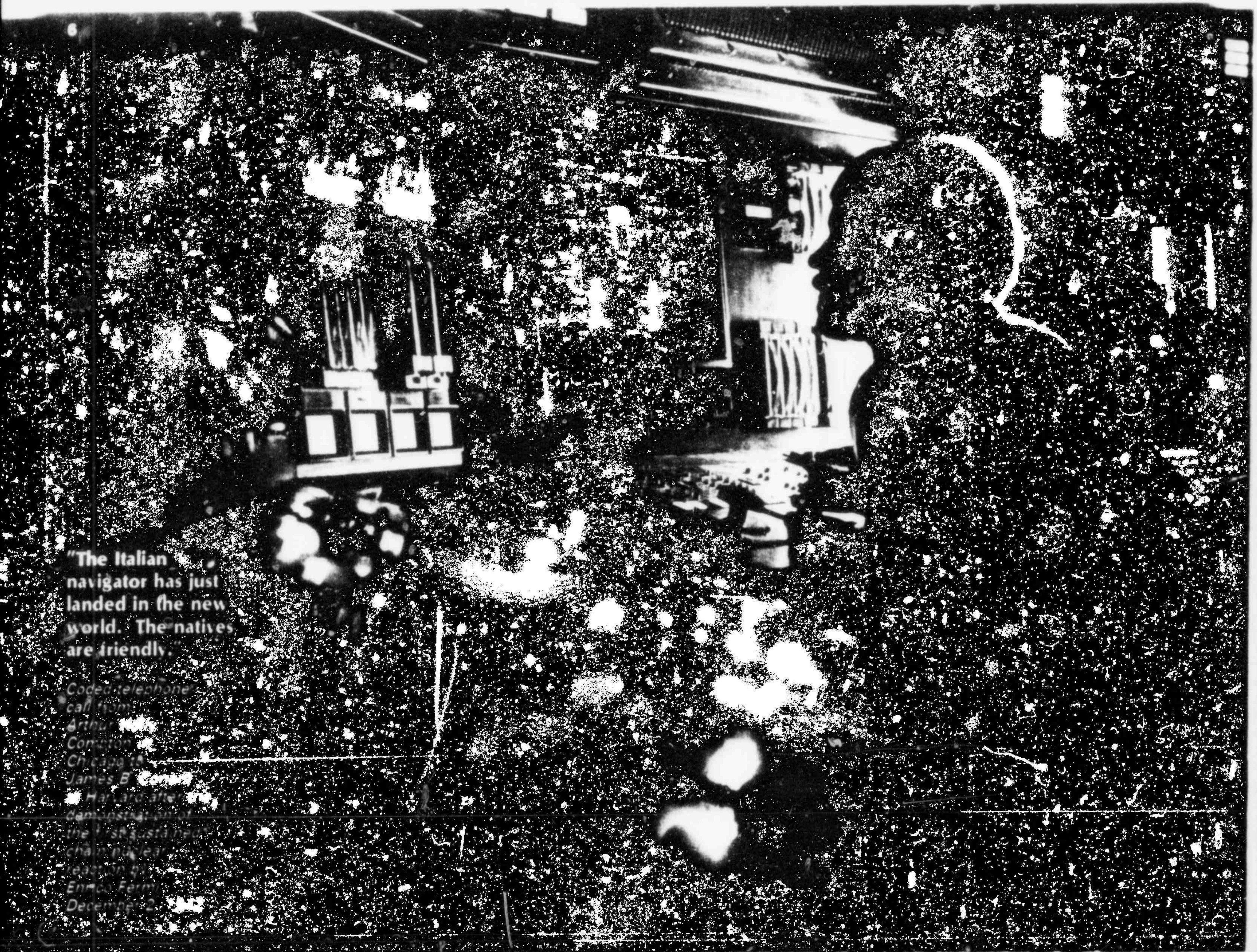
PACIFIC NORTHWEST LOADS AND RESOURCES

PNUCC
West Group Forecast
(May 1980)
(In millions of kilowatts)

*ESTIMATED ELECTRIC LOAD (DEMAND)
WPPSS NUCLEAR PLANTS (SUPPLY)
WNP-2 WNP-1 WNP-3 WNP-4 WNP-5
*OTHER RESOURCES (SUPPLY)
*HYDROELECTRIC RESOURCES (SUPPLY)



NOTE: Estimates of hydroelectric resources are based on "critical period" water conditions.



"The Italian navigator has just landed in the new world. The natives are friendly."

Coded telephone call from Arthur Compton Chicago to James B. Harvard after demonstration of the first sustained chain nuclear reaction by Enrico Fermi December 2

Generating Energy Gives Meaning & Purpose to the Supply System

The Hanford Generating Project (HGP) completed another successful operating year on May 15, 1980, when the Department of Energy shut down its N Reactor for the scheduled summer refueling and maintenance program.

The 860,000-kilowatt HGP again proved its reliability by maintaining 100 percent availability during the time that steam was available from N Reactor. The Supply System paid $32.3 million to the Department of Energy for steam during the fiscal year.

Total electrical generation for the operating year was 3,795,606,000 kilowatt hours, the equivalent of six million barrels of oil.

Since it began operating in 1966, HGP has generated more than 48 billion kilowatt hours, or the equivalent of the electrical energy available from burning about 75 million barrels of oil.

Packwood: Hydro Energy

The 27,500-kilowatt Packwood Hydroelectric Project operated at less than full capacity during most of the year, primarily because of low water levels in Packwood Lake.

Electrical energy from Packwood is distributed by Bonneville Power Administration to Clark, Lewis and Snohomish County Public Utility Districts which are among the 12 project participants. The three PUDs are expected to purchase about 27,500,000 kilowatt hours of the project output in fiscal year 1981. The remainder, about 62,500,000 kilowatt hours, will be exchanged with BPA for demand billing capacity.

Realistic Training Builds Skills

The accident at Three Mile Island focused attention on the need for extensive training and more frequent retraining of reactor operators, with new standards for realism.

At the time of the accident, the Supply System's WNP-1/4 control-room simulator was in final assembly and was utilized by the Nuclear Regulatory Commission to study certain Three Mile Island operations.

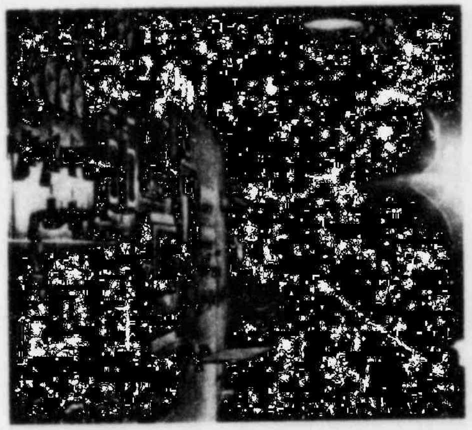
The computer-directed simulator can provide realistic training by allowing operators to practice for hundreds of expected, or unexpected conditions or events which might be met in plant operations.

The simulator looks exactly like the plant control room and to the operators, it "feels" like the plant by producing the same instrument indications as the real control room instruments.

Scheduled retraining of licensed operators enables them to maintain their skills in recognizing any abnormal situation quickly, for safety, more efficient plant operation and more reliable electric power production.

The WNP-1 and WNP-4 simulator was installed, tested and placed in service in the fall of 1979.

A simulator for WNP-2 was ordered so that operators might also benefit from training under conditions which exactly duplicate operational conditions. Other simulators for training WNP-3 and WNP-5 operators were expected. Each of the simulators will be installed in facilities near the respective plant.



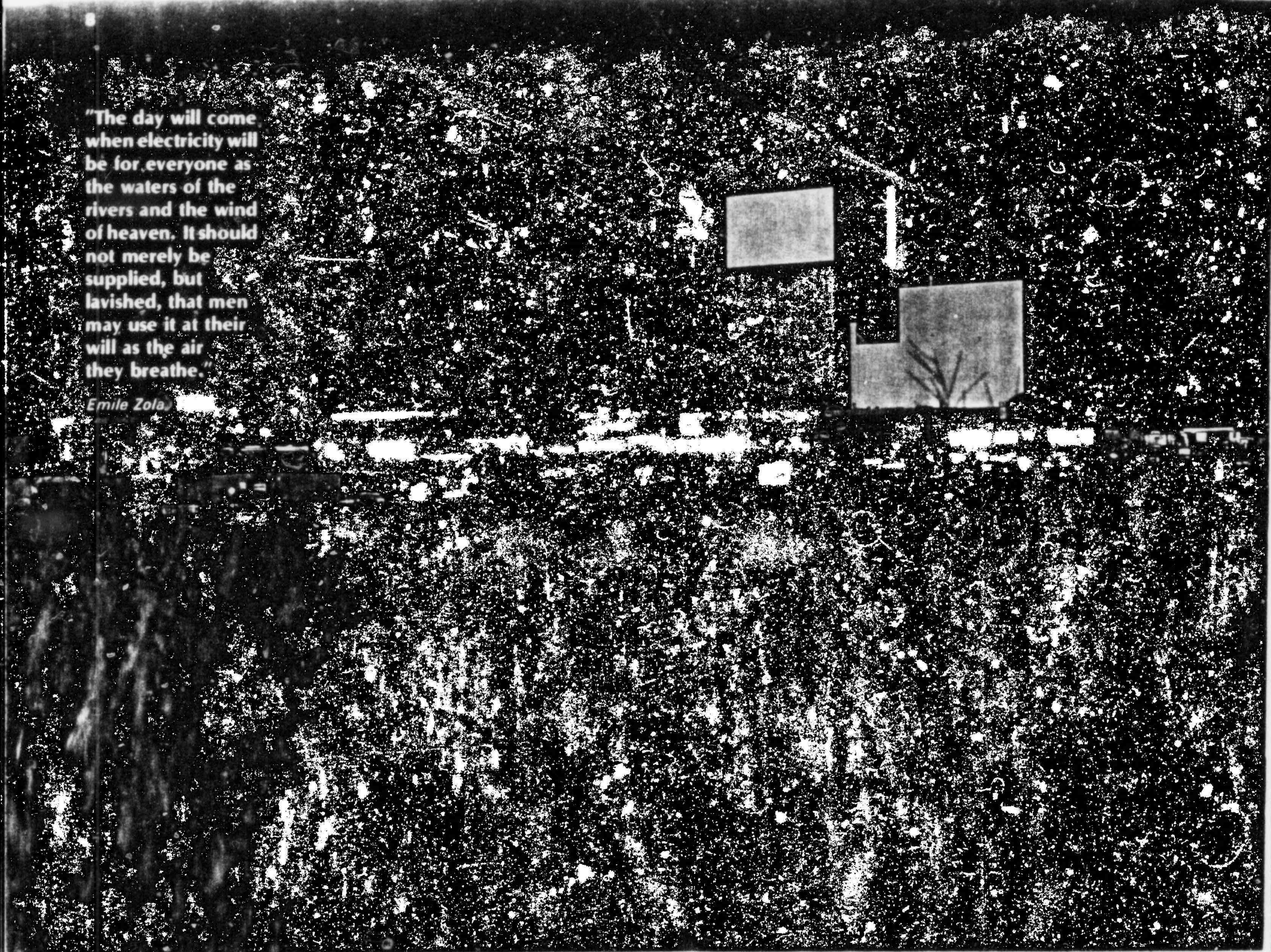
"Now...on this site... a nation dedicated to living in peace is forging, not a sword, but a plowshare, the Hanford steam electric generating plant."

President John F. Kennedy, September 26, 1963, at the groundbreaking.

Photos:

(facing page) A control room simulator provides realistic training.

(left) Gauges are checked regularly at the Packwood Hydroelectric plant.


"The day will come when electricity will be for everyone as the waters of the rivers and the wind of heaven. It should not merely be supplied, but lavished, that men may use it at their will as the air they breathe."
Emile Zola

Construction Requires Human Skill & Ingenuity

The Supply System has five large nuclear electric generating facilities under construction. Three are on the federal Hanford Reservation near Richland, Washington, a historic center of energy research and development, and two are in Grays Harbor County, Washington, near the town of Satsop. The projects are identified with the initials WNP, followed by a number.

Hanford

During fiscal year 1980, the work at WNP-2, a 1,100,000-kilowatt boiling water plant and the one nearest completion, entered a new phase, characterized by inspection, testing and making necessary adjustments to ensure performance reliability when the plant goes into operation. All primary buildings were completed, major piping and the principal control systems were installed.

A number of separate systems received provisional acceptance and were placed in service. These included the major electrical and water systems used to provide building power and water and also construction water to the neighboring sites of WNP-1 and WNP-4.

One important task completed was the installation of the "Omega" seal, shaped like the Greek letter for which it is named and which seals the wetwell (lower portion) from the "drywell" (upper portion) of the containment vessel. The stainless steel ring, 12 inches in diameter, extends around the 335-foot circumference of the structure. It is capable of maintaining a seal despite a possible 25 pound per square inch pressure differential between the building sections.

At WNP-1, a 1,250,000-kilowatt pressurized water plant, the start of the turbine-generator assembly marked a start of the mechanical installation phase.

Utilizing the world's largest land transportable mobile crane, known as the "Transi-Lift", workmen placed the 387-ton pressure vessel and two 500-ton steam generators inside the containment.

The system of lifting heavy components "over the top" and down into place contrasts with the conventional method of skidding the heavy materials into place from the side, and leaves the work areas clear for other work for a longer time.

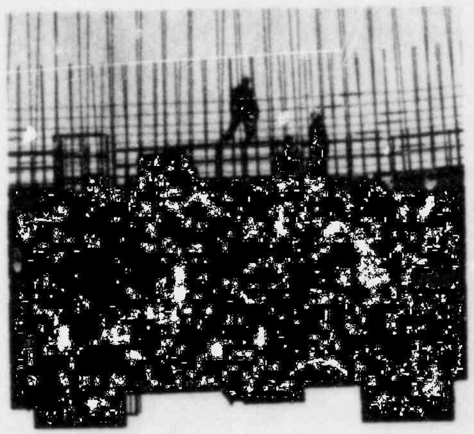
At WNP-4, a twin of WNP-1, work continued in the civil and structural construction phase. A major milestone was the completion of the nuclear steam supply system support slab which cleared the way for construction of interior building walls.

Satsop

The projects being built near Satsop are twin 1,240,000-kilowatt, pressurized water plants designated WNP-3 and WNP-5.

At WNP-3, a major accomplishment of the year was the post-weld heat treatment of the large steel containment vessel. The entire steel structure—150 feet in diameter and 190 feet high—was heated through pipe openings on the sides with 10 forced-air, oil burners. The inside temperature was raised to about 1100°F to relieve any stress in the field welds. It is the largest containment vessel ever to be field stress relieved, a treatment required of all welds greater than 1½ inches thick.

Above-ground work began on the 500-foot-high natural draft cooling tower which will be the dominant visible structure on the site. Installation of pipe began in the reactor auxiliary and turbine buildings.



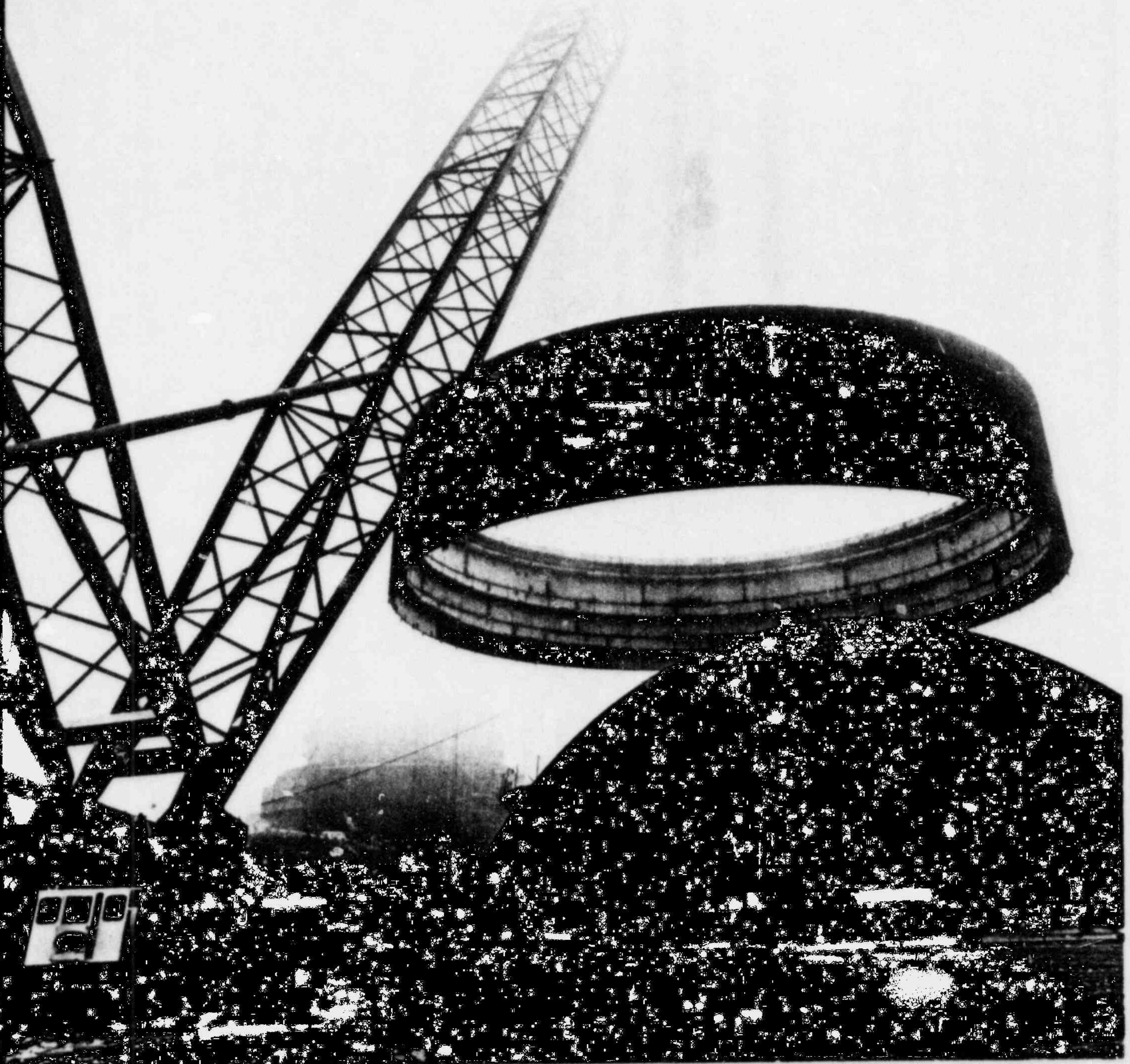
"...utilities...have an obligation to supply power that is needed by a growing population and a technological society that is highly dependent upon energy."

Alex Radin, Executive Director, American Public Power Association, 1980.

Photos:

(facing page) WNP-2 rises in the parched desert land of eastern Washington.

(left) The cooling tower rises.



marking the beginning of a transition to the mechanical and electrical installation phase.

A milestone at WNP-5 was the non-stop slipform construction of the 212-foot-high, 64-foot-diameter reactor shield wall in the record time of 15 days. A total of 11,000 cubic yards of concrete and 2,985 tons of reinforcing steel were placed to complete the wall.

Schedules Reassessed

An assessment of project schedules made during the year indicated that extensions ranging from 12 months for WNP-4 and WNP-5, to 16 months for WNP-2 and 18 months for WNP-1 and WNP-3 were necessary. Commercial operation dates are now scheduled to be January 1983 for WNP-2; June 1985 for WNP-1; June 1986 for WNP-3 and WNP-4 and June 1987 for WNP-5.

The new schedules reflect a reduction of six months in the lag time between the first and second units in each of the dual-plant projects, making the separation 12 months instead of 18. This is in keeping with the industry experience in construction of dual plants.

A 496-foot-high derrick, owned and operated by Chicago Bridge and Iron Co., collapsed at WNP-3 on May 20. Portions of the heavy structure plunged through a two-foot-thick, reinforced concrete floor slab in the reactor auxiliary building. There were no serious injuries, but there was damage to the building which was in the early stages of construction. The derrick was demolished in the collapse and was removed after thorough inspection by several investigating teams. The effects on cost and schedule had not been determined by the end of the fiscal year.

Disputes Impede Progress

Labor disputes impaired progress at all sites, but most severely at the Hanford locations.

A major jurisdictional dispute in March resulted in over two weeks' suspension of work on two major contracts at WNP-1 and WNP-4. More than 1,000 craft workers were affected.

Many collective bargaining agreements between contractors and their craft unions expired on May 31. In some cases contractors and unions failed to reach agreements for new contracts at the Hanford Reservation. Some of the unions withdrew their services, resulting in large reduction in forces by contractors due to their inability to function efficiently and safely without the support of these crafts. Approximately 5,300 craft workers were affected out of a total contractors' work force of about 5,950.

A strike by Cement Masons at WNP-3 and WNP-5 against several contractors in June resulted in the loss of seven work days by the affected contractors. Picket lines also disrupted other contractors for a short period during this strike. This action was the result of breakdown of negotiations for a new collective bargaining agreement to replace one which had expired on May 31. At one time, over 1,500 contractor employees were affected.

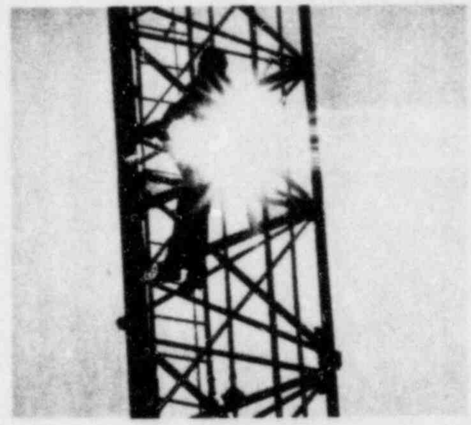
Such complete work stoppages affect project completion schedules on a day-for-day basis.

The Mountain Erupts

The awesome eruptions of the volcano Mount St. Helens in southwestern Washington on May 18 and 25 also affected construction of all projects to some degree. A third eruption on June 13 had no effect. These were the first eruptions of the volcano in 123 years.

Areas within a few miles of the mountain were devastated in the explosions, but damage became less severe with distance. Chemical analysis of the ash proved it did not contain any corrosive elements and that only clean-up would be required.

The three plants on the Hanford Reservation near Richland were at the edge of the ash plume from the May 18 eruption and received one-eighth to one-quarter inch of ash. There was minor impact on WNP-2 which is completely enclosed. Clean-up was completed within three days. The impact on WNP-1 and WNP-4 was slightly greater, although the amount of ash was the same as at WNP-2, because much of the work is not enclosed.



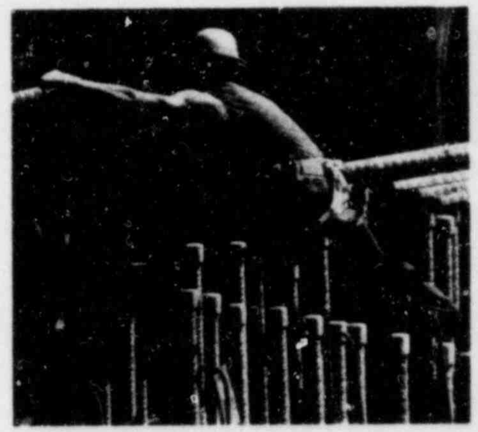
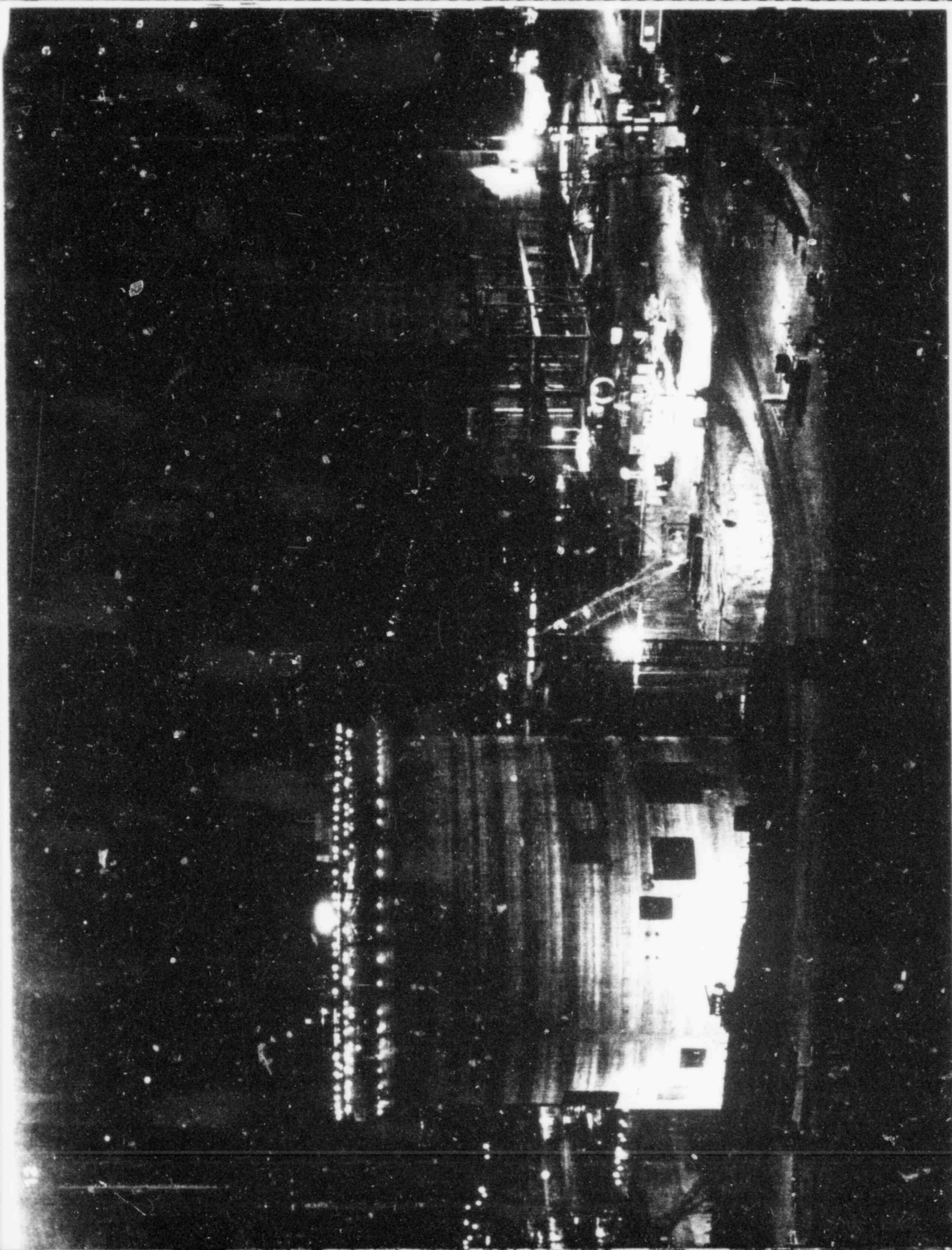


Photo:

(facing page) Fog lends an ethereal quality to a heavy lift.



Work did not return to normal for about a week.

Ash from the May 25 explosion was carried westerly by an unusual wind pattern and was deposited to a depth of three-eighths to one-half inch at the Satsop site. Clean-up was a major activity for about five days.

Three Mile Island: Its Impact

The accident at Three Mile Island in March 1979 has had a continuing impact on the entire nuclear industry. Numerous design and operating changes are being incorporated into all Supply System projects.

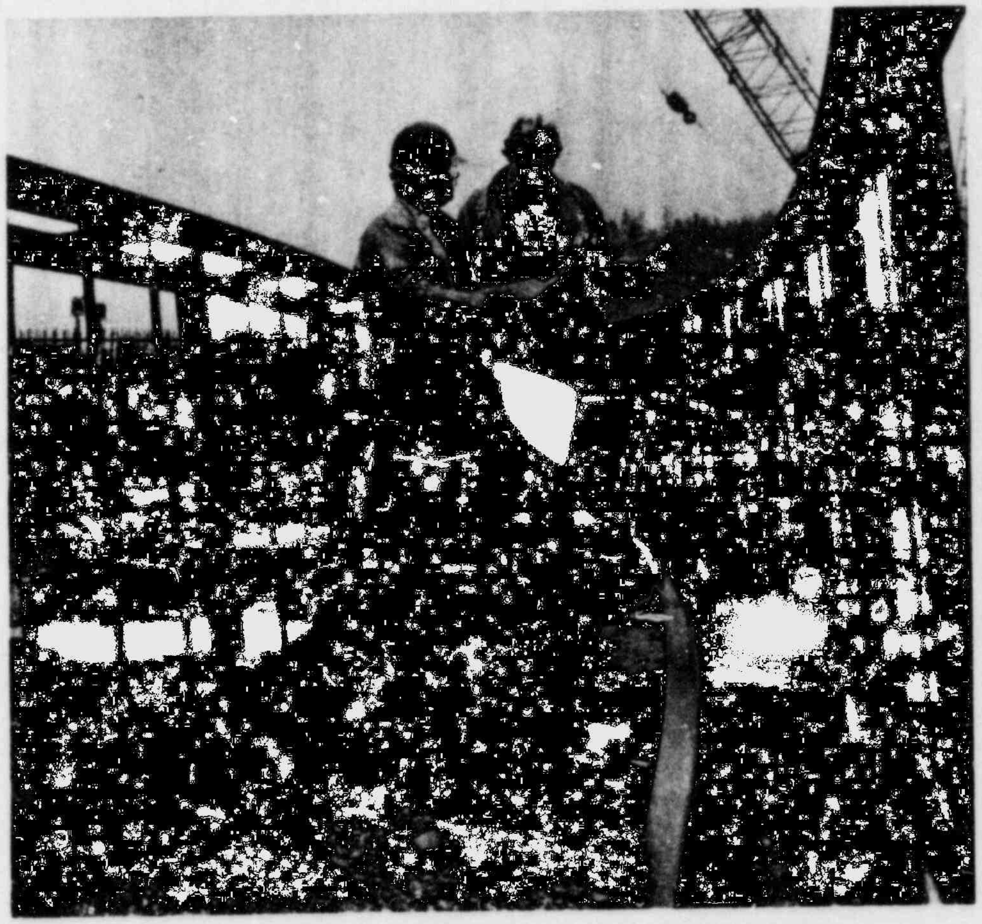
The Supply System is continuing its participation with industry groups in reviewing information derived from the TMI "Lessons Learned" to make certain that the essential changes in design or operation are included in the Supply System plants.

The Nuclear Regulatory Commission also served notice of its rededication to enforcing its regulations concerning quality assurance since TMI with a $61,000 civil penalty against the Supply System for work which did not meet NRC quality assurance standards at WNP-2.

Primarily the violations concerned faulty documentation, but a more serious circumstance was the discovery of faulty welding and concrete work on the sacrificial shield which is a thick concrete and steel cylinder enclosing the reactor. The work was done several years ago.

The Supply system considered the penalty severe and the situation as serious and took immediate action to avoid future occurrences by becoming more deeply involved in day-to-day construction and quality control activities and to develop an action plan for repairing defective work.

At the same time, the Supply System filed a legal action seeking $120 million from five construction contractors, one material supply firm and two bonding firms associated with the work criticized by the NRC.



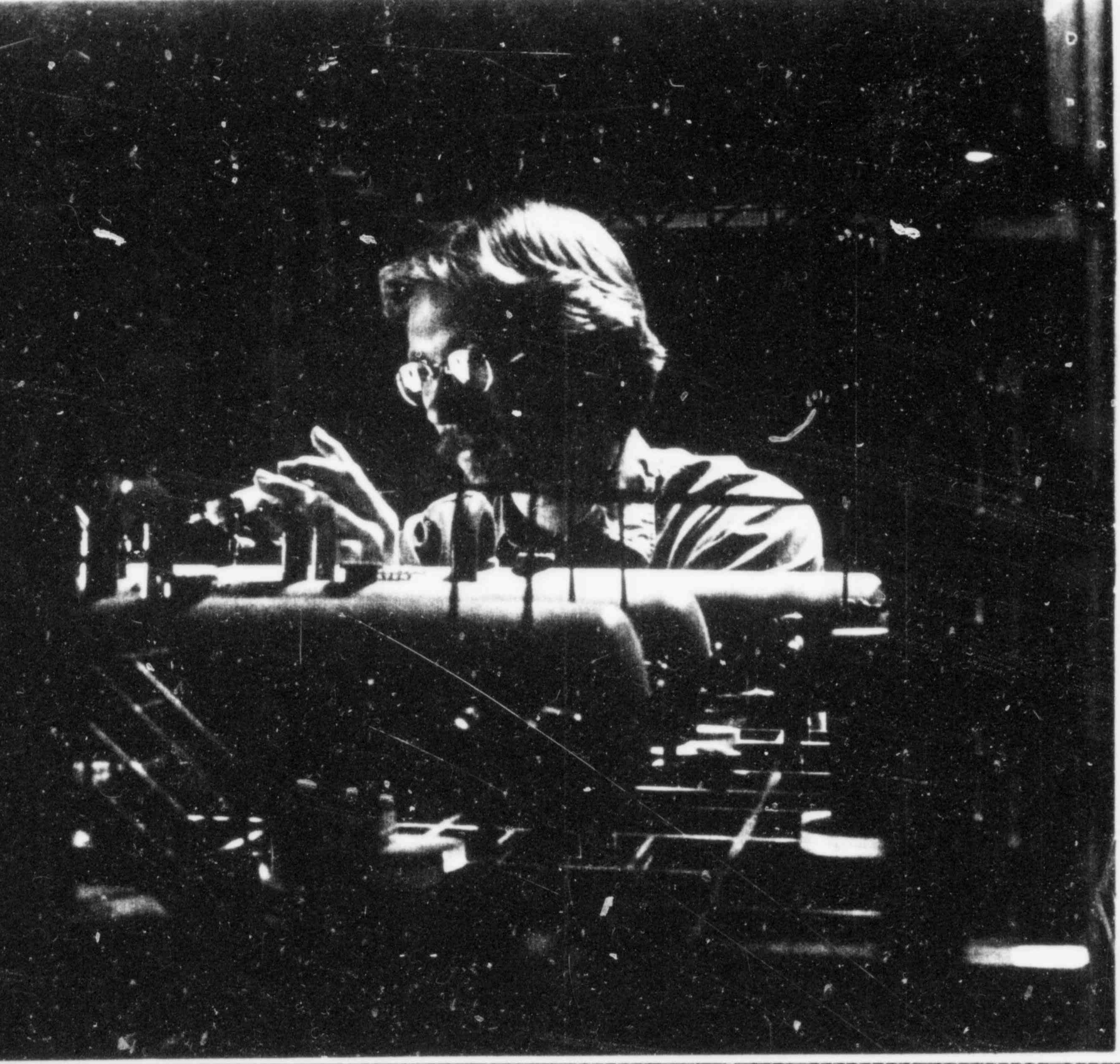
Photos:

(facing page) Floodlights at the Satsop site permit non-stop work.

(left) Engineers check work against the blueprints.

"Our world began in the last-quarter of the nineteenth century. It is almost no exaggeration to say that. With the invention of practical incandescent light, the dynamo, and the electric motor, man's ways of life were irrevocably and massively transformed."

EPRI Journal, March 1979, marking the 100th anniversary of the invention of the light bulb.



"Genius is one percent inspiration and ninety-nine percent perspiration."

Thomas A. Edison

Technology: A System for Simple Order

Our world today is a world of high technology . . . computers, space satellites, transistors, microcircuits, lasers, nuclear power and dozens of other applications of recently developed technologies.

To many, high technology means complexity. With about 50,000 components, such as valves, pumps, motors and control instruments, a nuclear generating station is considered complex.

But, simple order is being brought to the complex array of mechanical and electrical components through an extensive plant reliability program.

A complete history of each component, starting with its manufacture and continuing through installation, operation, in-service inspection, maintenance, repair and failure is recorded and stored in a computer. This will make easier the task of keeping the plants operating safely and reliably.

The Supply System's plant reliability program is keyed into a national data system through which utilities may share their reliability information.

A Search for Fuel

The Supply System is one of many utilities actively engaged in exploring for uranium reserves in the west. The goal of the Supply System exploration program is to identify 10 million pounds of uranium reserves to supplement the supply already purchased under contract previously.

Exploration continued in four states during fiscal 1980 with some encouraging indications of the presence of uranium at some locations.

A Search for Energy

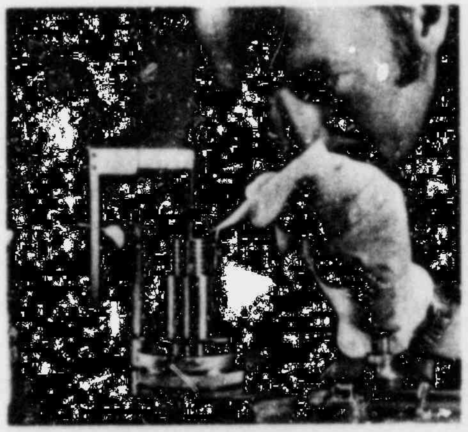
The Supply System is participating on behalf of Northwest public utilities in a joint venture with other regional utilities: The Raft River Geothermal Project in southern Idaho.

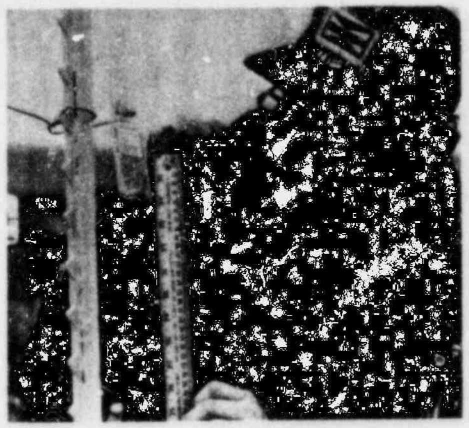
The five megawatt project is a prototype to determine the feasibility and economics of generating electric power from the moderate temperature geothermal resource with a binary system using low-boiling isobutane as the heat-transfer medium. It is expected to go into operation in 1980 and the production testing and economic assessment to be completed in 1983.

Technical support and guidance during startup and engineering testing is being given by the participating utilities under a contract with the federal Department of Energy.

"Tech-no-lo-gy ...the totality of the means employed to provide objects necessary for human sustenance and comfort."

Webster's New Collegiate Dictionary.





Photos:

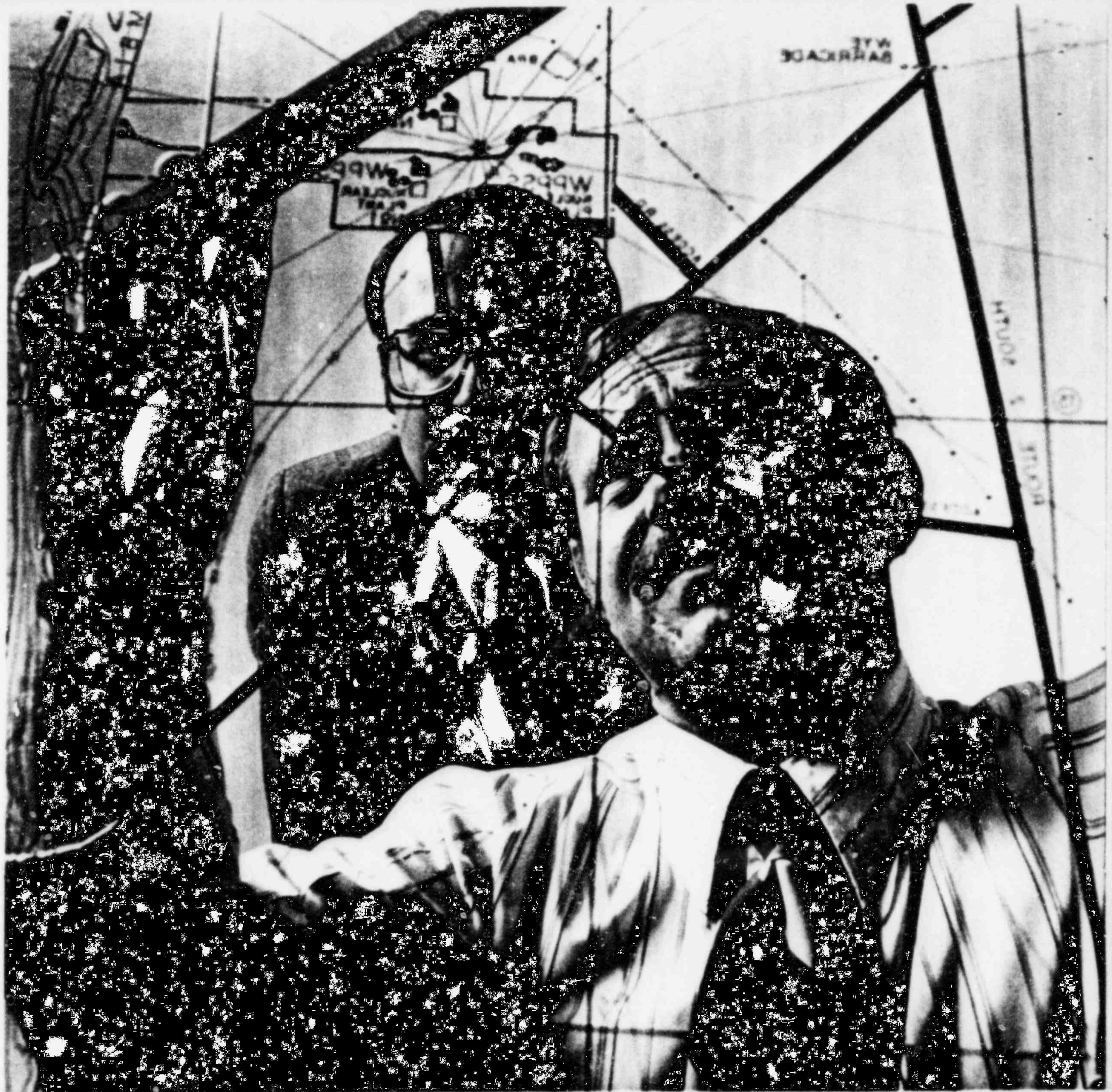
(facing page) A scale model is useful in preventing interferences.

(top left) Instruments are fine tuned in a calibration laboratory.

(bottom left) Atmospheric sampling devices are aligned precisely.

"Tomorrow's frontier is the edge of the human mind."

Howard Chase,
Howard Chase Enterprises, Inc.



Management Services: People Helping People

The concentration of thousands of workers at Supply System construction sites puts heavy demands on neighboring communities.

To assist these communities in coping with increased demand on the available public and social services, the Supply System compensates them for the impact arising out of its projects. The payments began in 1976 in the Hanford region and in 1978 in the Grays Harbor area.

At the end of fiscal year 1980, the Supply System had made payments totaling more than $11 million to school districts, cities and other taxing districts.

In addition to these payments, the Supply System, by state law, must pay sales or use tax on materials and equipment purchased for construction. Most of the tax money goes into the state general fund, but a percentage is also returned to the counties in which the construction is taking place.

At the end of the fiscal year, tax payments by the Supply System totaled more than $97 million.

A Wealth of Talent

Supply System projects provide thousands of job opportunities for skilled craftsmen and create new jobs in secondary support service activities. Apart from this, the Supply System has its own staff of persons with specialized technical and construction management skills to keep pace with its need.

The Supply System has a technical staff of about 570 persons who represent some 4,600 man-years of experience in the nuclear field and 2,700 man-years of non-nuclear experience.

A Concern for All

In addition to the need for improvement in design, instrumentation and operator training, the Three Mile Island accident indicated a need for realistic and functional emergency plans.

Supply System plans were being developed before Three Mile Island, but the work was accelerated and given more emphasis, particularly in the areas of health physics monitoring, radiation dose assessment capability, emergency response and communications facilities and ten-mile resident warning systems. The offsite emergency plan was expanded to meet new requirements for capability to assess conditions in the event of an accident within a 50-mile radius and to take whatever actions are necessary for protection of the public. Planning was coordinated closely with federal, state and local agencies.

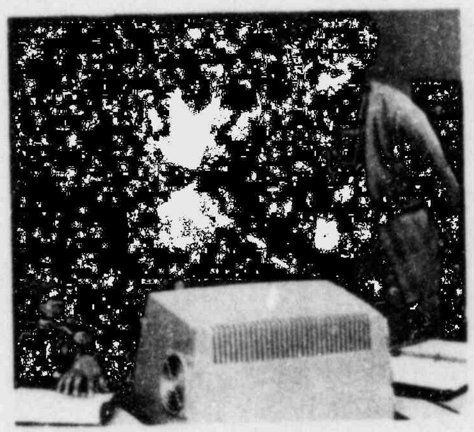
Professional fire marshalls were designated at three of the sites and fire brigade training was conducted for all 195 security force members, more than 60 persons on the operations staff, and enough contractor employees to maintain a qualified fire brigade of at least 20 members at each site.

The value of the fire-fighting training was underscored when security officers saved permanent plant equipment valued at about $100,000 from a fire at WNP-1 in April.

During the year, the security force was expanded to 195 officers to meet increasing needs during construction activities. In addition to the fire training, all were trained in first aid, safety, security procedures, law, communications and loss prevention.

"Who befriends his neighbor befriends himself."

Sophocles, 408 BC.

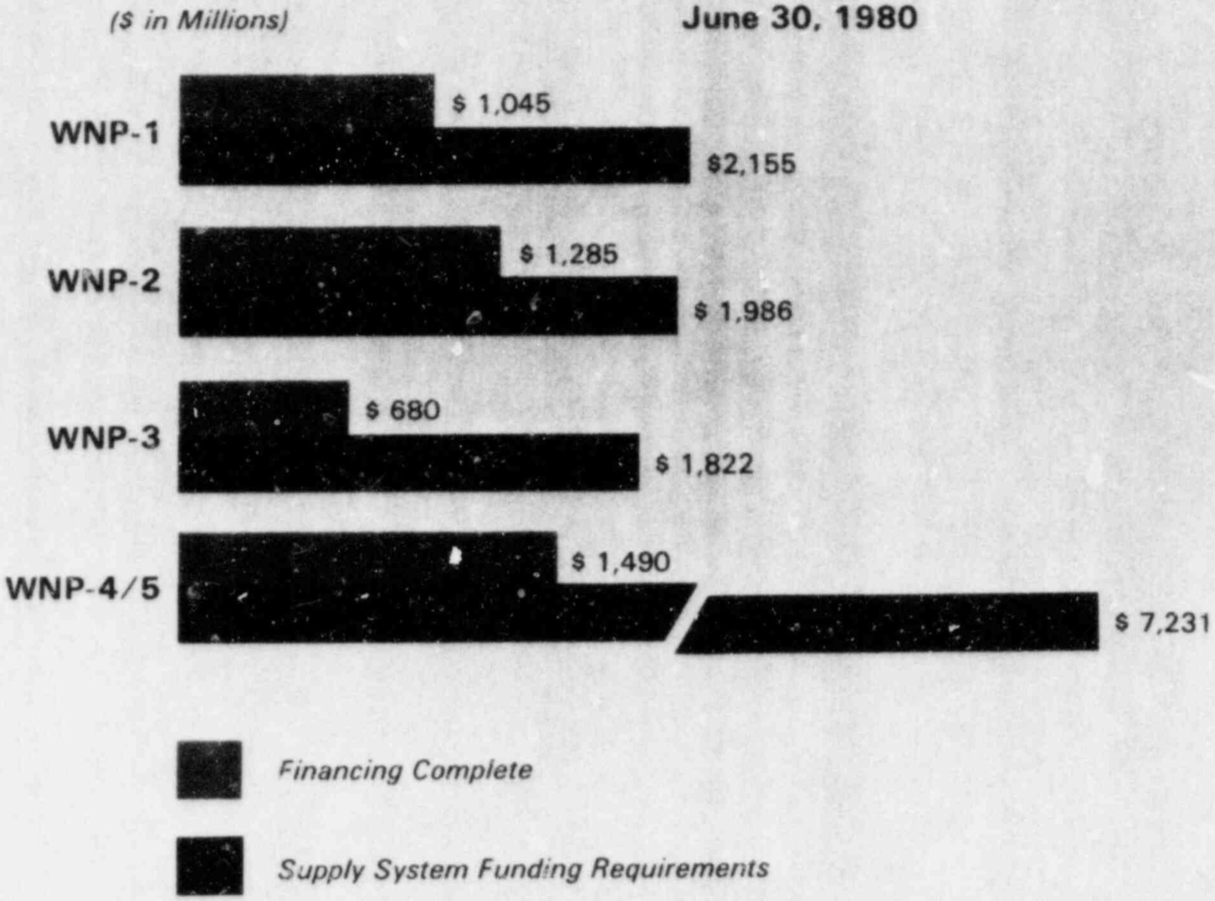


Photos:

(facing page) New requirements call for wide area emergency planning.

(left) Word processing machines speed communications.

Supply System Funding Requirements
June 30, 1980



Finance Group Activities

Essential to the Supply System's primary task—to construct the five nuclear projects—is a successful capital financing program. Our success in the capital financial markets is measured by our ability to issue revenue bonds, at the lowest possible cost.

The Supply System's financial strength lies in its project participants who provide electrical service to the broad and diverse economic base of the Pacific Northwest. This helps make the Supply System's revenue bonds one of the most secure investments one can make.

Fiscal year 1980 was another successful year for the Supply System's financing program. Despite the economic pessimism prevailing in the capital markets, the Supply System's long-term tax-exempt revenue bonds continued to maintain their excellent ratings. A total of $755 million of long-term revenue bonds were sold in five separate trips to the municipal bond market. These sales increased the Supply System's total revenue bonds issued to approximately $4.5 billion at an average weighted borrowing cost of 6.6 percent.

Of the $755 million, two issues totalling $275 million were sold for the net-billed projects (WNP Nos. 1, 2, and 3) bringing our financing program for these projects to approximately 50.5 percent complete on June 30, 1980. Three issues totalling $480 million were sold for WNP-4/5 bringing the financing program for these projects to approximately 20.6 percent complete on June 30, 1980.

The financing highlight for the Supply System during fiscal year 1980 was its first negotiated public offering of revenue bonds in the Supply System's history. The record high interest rates prevailing in the bond market during the scheduled sale for WNP-4/5 in April 1980 created a situation in which the Supply System chose to reject the single bid and enter into a negotiated public offering. This decision and negotiated effort resulted in $3.8 million of additional bond proceeds and $27.5 million in interest cost savings over the life of the issue.

The Supply System's financing schedule for fiscal year 1981 calls for the issuance of approximately $1.5 billion of revenue bonds.

In an effort to protect and enhance the Supply System's access to the municipal revenue bond market and to facilitate the completion of the financing program at the lowest possible cost, the Board of Directors approved the concept of a Balanced Financing Program for Nuclear Projects No. 4 and 5. This action culminated many months of concerted effort by the staff of the Supply System, the Financial Advisor, Consulting Engineer, Bond Counsel and Special Counsel. Of the many financing mechanisms analyzed, the Board of Directors approved the use of short-term and intermediate-term debt, in conjunction with the long-term financing schedule.

The Supply System staff is developing the necessary legal documents to implement the short-term (2—7 year maturities) bond issue segment of the Program. These documents will require the consent of the WNP-4/5 Participants prior to implementation.

Next in importance to the acquisition of funds is the management and control of expenditures. This control includes the annual updating of detailed construction, operating, administrative and special program budgets based on established goals and action plans, followed by issuance of periodic financial measurement reports.

There are numerous approval and concurrence steps and interactions in this total process. The integrated planning, budgeting and reporting sequence, for which the Finance Group has a key role, together with the many accompanying interrelationships is depicted on the chart on page 21.

The extensive annual budgeting cycle ended in late July 1980 with approval by the Board of Directors of new project budgets for fiscal year 1981.

The combined project construction budgets, including all overheads, fuel, cost of financing, and special programs increased to $15.95 billion from $11.75 billion a year earlier. The amount which the Supply System will be required to finance is $13.19 billion.

A number of reasons accounted for the increases, including higher than anticipated inflation, additional regulatory requirements, and plant delays from various causes.

Higher plant costs will influence the future cost of power, as will all other increases related to the delivered cost of power. Similar to recent past and expected future cost of other forms of energy, all phases of electric power are projected to continue to increase. Operating and maintenance costs have steadily advanced, cost of new transmission and distribution facilities has escalated very rapidly, and cost of money has substantially increased.

Analysis based on present project budgets and projects by the publicly-owned project participants, indicate that in 1990:

- Fifty percent more customers will be served, representing an annual increase of 3.9 percent.
- Even after conservation efforts, the average customer (includes industrial and commercial) will use 10 percent more electricity.
- The Supply System projects will provide about one third of their power sales.

- The cost per kwh will increase 4.4 percent a year to 1.9 cents in 1980 constant dollars.
- The cost per kwh, in terms of the inflated 1990 dollars, will be 4.2 cents, which is less than the average residential cost of electricity in the United States today.

Another principal accomplishment was the effective implementation of several check-and-balance functions to improve the level of financial involvement in each of the construction projects. These efforts, initiated in August 1979, included the establishment of a Budget Review Group, consisting of representatives of the Participants Review Board, Participants Committee, Investor-Owned Utilities, BPA and the Board of Directors Budget Committee. This group met approximately once a month during the year to review present construction progress and budget variances, and other related Supply System activities.

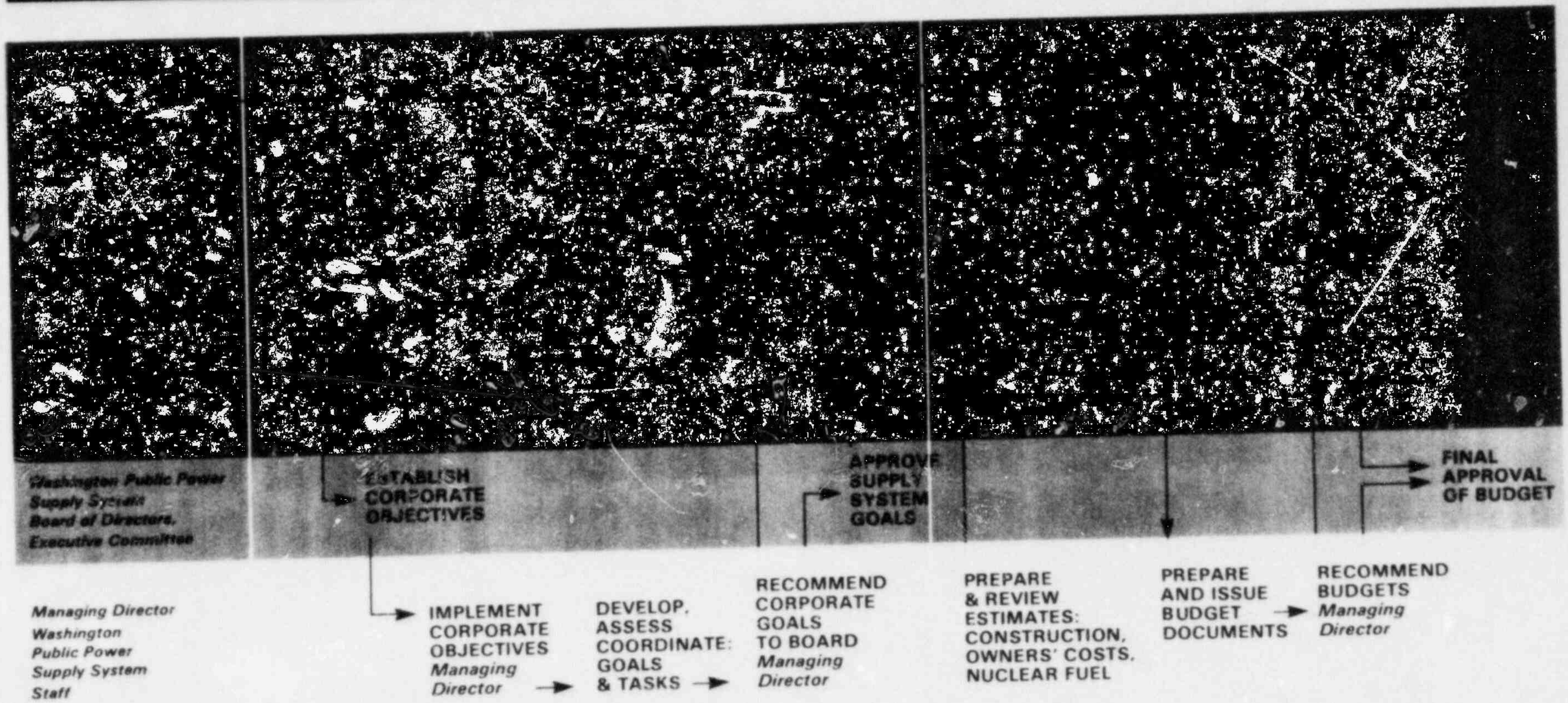
The steadily expanded scope of responsibilities and influence of the Finance Group included the formation of a Financial Management Controls staff charged with independent review, analysis and evaluation of project estimating, cost, and schedule performance; the placing of accounting personnel of the Construction Manager firms under Supply System financial management control, to improve efficiency and cost control; the formation of a Financial Studies and Analysis Staff to concentrate the capabilities of broadly experienced senior staff members on emerging financially related issues throughout the Supply System; and assigning Financial Representatives to each major functional organization to assist managers in budgeting, cost control and financial analysis of the operations.

Also particularly noteworthy is the Treasury Division's sophisticated investment program. Through efforts of the investment staff, who assured that all available funds were continuously invested in authorized money market instruments, approximately $133 million was earned in fiscal year 1980.

The average daily investment balance of $1.17 billion earned an average return of 9.72 percent. This compares with an average cost of 7.77 percent for new funds acquired during the year.

The reader is invited to examine the following financial statements. We also welcome requests for copies of recent financing official statements, which present additional information about the Supply System's projects and financial affairs.

The Budget Planning Process



Supply System Board of Directors


Chairman, Executive Committee
Ed Fischer*(left)*
Commissioner,
Clark County PUD

President, Supply System Board
Glenn C. Walkley
Commissioner,
Franklin County PUD

(Row 2) **Donald R. Clayhold**
Assistant Manager
and Chief Engineer
Benton County PUD
Robert Keiser
Commissioner
Chelan County PUD
A. E. Fletcher
Commissioner
Clallam County PUD
Donald E. Hughes
Manager of Engineering
& Planning
Cowlitz County PUD
Howard Prey
Commissioner
Douglas County PUD
Larry Nickel *(not pictured)*
Councilperson
City of Ellensburg

(Row 3) **William G. Kuehne**
Commissioner
Ferry County PUD
C. K. Jolly
Commissioner
Grant County PUD No. 2
John J. Welch
Commissioner
Grays Harbor County PUD
Harold W. Jenkins
Commissioner
Kittitas County PUD
Marion Babb
Commissioner
Klickitat County PUD

(Row 4) **Arnold James**
Commissioner
Lewis County PUD
Edwin W. Taylor
Commissioner
Mason County PUD No. 3
Stanton H. Cain
Commissioner
Okanogan County PUD
Hal Norman
Commissioner
Pacific County PUD No. 2
Thomas M. Logston
Mayor
City of Richland

(Row 5) **Robert Murray**
Superintendent
Seattle City Light
Rolf E. Jemtegaard
Commissioner
Skamania County PUD
C. Stanford Olsen
Commissioner
Snohomish County PUD
Paul J. Nolan
Director
Department of Public Utilities
Tacoma City Light
Charles F. Emerick
Commissioner
Wahkiakum County PUD

Participants and Members

Public & Peoples Utility Districts

Oregon
Central Lincoln Peoples Utility District
Clatskanie Peoples Utility District
Northern Wasco County Peoples Utility District
Tillamook Peoples Utility District

Washington
Benton County PUD
Chelan County PUD
Clallam County PUD
Clark County PUD
Cowlitz County PUD
Douglas County PUD
Ferry County PUD
Franklin County PUD
Grant County PUD No. 2
Grays Harbor County PUD
Kittitas County PUD
Klickitat County PUD
Lewis County PUD
Mason County PUD
Mason County PUD No. 3
Okanogan County PUD
Pacific County PUD No. 2
Pend Orielle County PUD
Skamania County PUD
Snohomish County PUD
Wahkiakum County PUD
Whatcom County PUD

Cooperatives

California
Surprise Valley Electrification Corp.

Idaho
Clearwater Power Co.
East End Mutual Electric Co., Ltd.
Fall River Rural Electric Cooperative, Inc.
Farmers Electric Co., Ltd.
Idaho County Light & Power Cooperative Association, Inc.
Kootenai Electric Cooperative, Inc.
Lost River Electric Cooperative, Inc.
Northern Lights, Inc.
Prairie Power Cooperative, Inc.
Raft River Rural Electric Cooperative, Inc.
Riverside Electric Co., Ltd.
Rural Electric Co.
Salmon River Electric Cooperative, Inc.
South Side Electric Lines, Inc.
Unity Light & Power Company

Montana
Flathead Electric Cooperative, Inc.
Glacier Electric Cooperative, Inc.
Lincoln Electric Cooperative, Inc.
Missoula Electric Cooperative, Inc.
Ravalli County Electric Cooperative, Inc.
Vigilante Electric Cooperative, Inc.

Nevada
Wells Rural Electric Cooperative, Inc.

Oregon
Blachly-Lane County Cooperative Electric Association
Columbia Basin Electric Cooperative, Inc.
Central Electric Cooperative, Inc.
Columbia Power Cooperative Assn., Inc.
Consumers Power, Inc.
Coos-Curry Electric Cooperative, Inc.
Douglas Electric Cooperative, Inc.
Harney Electric Cooperative, Inc.
Hood River Electric Cooperative, Inc.
Lane County Electric Cooperative, Inc.
Midstate Electric Cooperative, Inc.
Salem Electric
Umatilla Electric Cooperative Assn.
Wasco Electric Cooperative, Inc.
West Oregon Electric Cooperative, Inc.

Washington
Alder Mutual Light Company
Benton Rural Electric Assn., Inc.
Big Bend Electric Cooperative, Inc.
Columbia Rural Electric Assn., Inc.
Elmhurst Mutual Power & Light
Inland Power & Light Co.
Lincoln Electric Cooperative, Inc.
Nespelem Valley Electric Cooperative, Inc.
Ohop Mutual Light
Okanogan County Electric Cooperative, Inc.
Orcas Power & Light Company
Parkland Light & Water Company
Tanner Electric

Wyoming
Lower Valley Power & Light, Inc.

Municipalities

Idaho
Albion
Bonners Ferry
Burley
Declo
Heyburn
Idaho Falls
Minidoka
Rupert

Oregon
Bandon
Canby
Cascade Locks
Drain
Eugene
Forest Grove
McMinnville
Milton-Freewater
Monmouth
Springfield Utility Board

Washington
Blaine
Centralia
Cheney
Coulee Dam
Ellensburg
McCleary
Port Angeles
Richland
Seattle
Steilacoom
Sumas
Tacoma

Irrigation Districts
Consolidated Irrigation District 19
Vera Irrigation District 15

Investor Owned Utilities

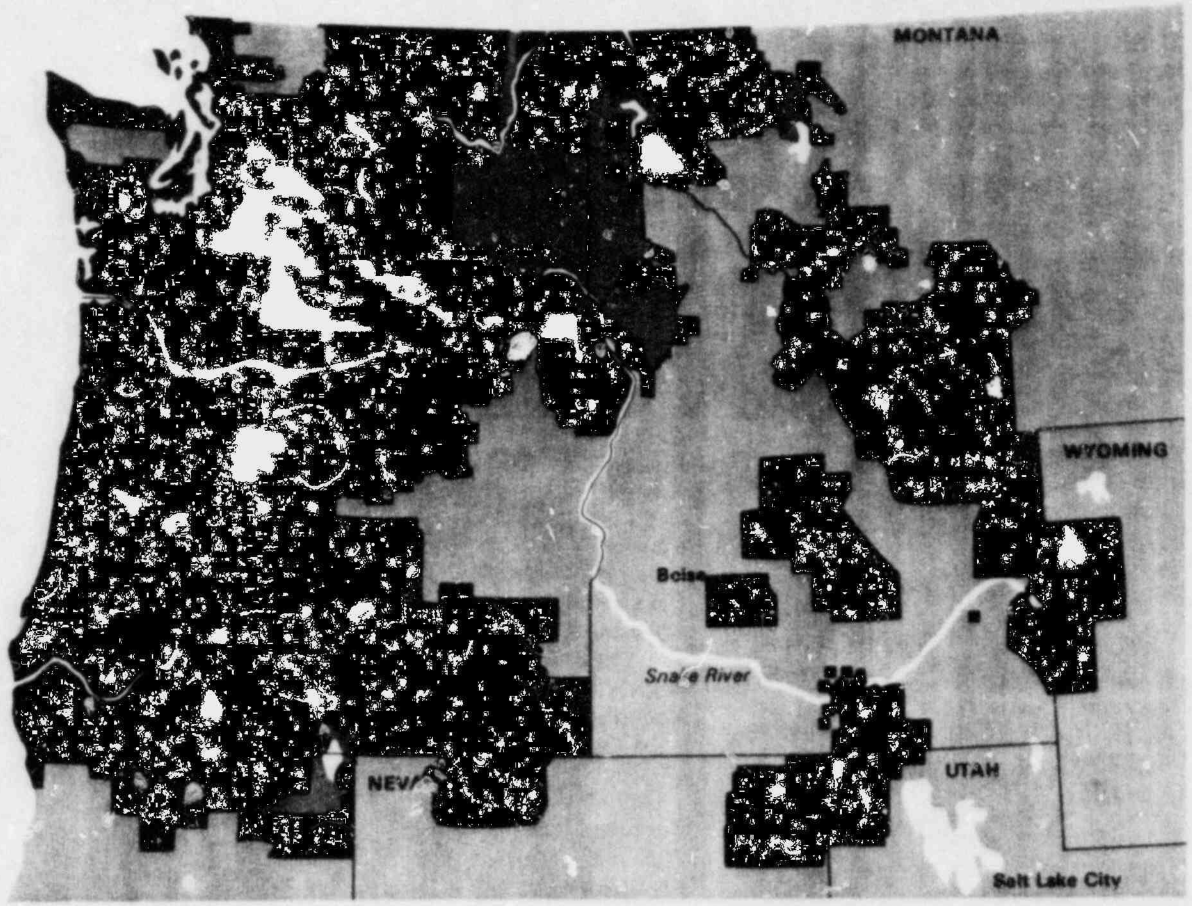
Montana Power Company
Pacific Power & Light Company
Portland General Electric Company
Puget Sound Power & Light Company
The Washington Water Power Company

Total Participants and Members by Classification

Cooperatives: **52**
Municipalities: **32**
Public Utility Districts: **26**
Investor Owned Utilities: **5**
Total: **115**

The Supply System is an energy center for the Pacific Northwest

- Public Agencies
- Private Utilities
- Public & Private Combined
- Municipalities
- ▲ WPPSS Nuclear Projects
- ● Packwood Lake Hydroelectric Project



MAP INSET

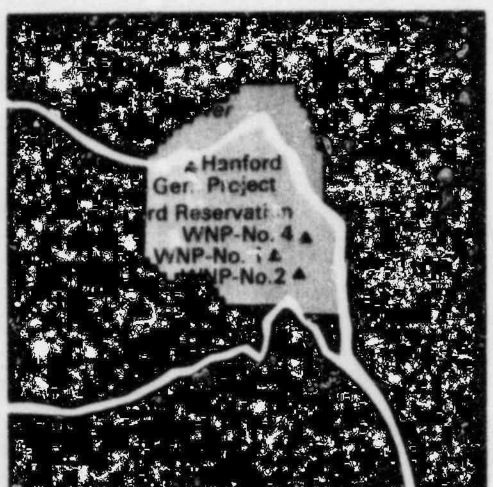


Table of Contents

Washington Public Power Supply System

ANNUAL REPORT

Financial Section

June 30, 1980

WPPSS

Balance Sheets

($ in thousands)

ASSETS	HANFORD PROJECT	PACKWOOD LAKE HYDRO-ELECTRIC PROJECT	NUCLEAR PROJECT NO. 1	NUCLEAR PROJECT NO. 2	NUCLEAR PROJECT NO. 3	NUCLEAR PROJECTS NOS. 4 & 5	INTERNAL SERVICE FUND	COMBINED JUNE 30 1980	COMBINED JUNE 30 1979
CURRENT ASSETS—OPERATING FUND									
Cash and Investments	$ 9,515	$ 168	$ 390	$ 20,049			$4,410	$ 34,532	$ 26,887
Accounts Receivable	303	210		7			218	738	477
Prepaid and Other	304	3					2,191	2,498	1,490
Advances to Internal Service Fund	197	7							
Due from Other Funds	1,277	59		1,206				2,542	2,394
TOTAL CURRENT ASSETS—OPERATING FUND	11,596	447	390	21,262			6,819	40,310	31,248
RESTRICTED ASSETS—NOTES B & C									
Special Funds (Primarily for Construction)									
Cash and Investments	3,347	182	128,741	161,528	$181,815	$ 171,657		647,270	1,017,012
Receivable from Joint Owners and Other Assets		85	594	111	10,837	4,333		15,960	19,420
Due from Other Projects and Internal Service Fund			466		1,440	1,823			
Due from Other Funds—Net		13	3,728		4,065	19,725		27,521	19,184
	3,347	280	133,529	161,639	198,147	197,538		690,751	1,055,616
Debt Service Funds									
Cash and Investments	7,098	719	71,679	42,422	119,480	313,730		555,128	493,411
TOTAL RESTRICTED ASSETS	10,445	999	205,208	204,061	317,627	511,268		1,245,879	1,549,027
UTILITY PLANT AND EQUIPMENT—NOTE B									
In Service	67,013	12,205		2,743			4,783	86,744	84,189
Improvements to U.S. Government Facilities	14,411							14,411	14,411
Less Allowance for Depreciation and Amortization	(44,129)	(4,102)		(394)			(2,280)	(50,905)	(47,730)
	37,295	8,103		2,343			2,503	50,250	50,870
Construction Work in Progress			875,087	1,306,847	594,700	1,142,805		3,919,439	2,723,259
Nuclear Fuel and Prepaid Enrichment Services			55,547	38,052	17,531	58,379		169,509	111,982
Less Amount Charged to Joint Owners					(172,049)	(49,616)		(221,665)	(144,458)
			930,634	1,344,899	440,182	1,151,568		3,867,283	2,690,783
TOTAL UTILITY PLANT AND EQUIPMENT	37,295	8,103	930,634	1,347,248	440,182	1,151,568	2,503	3,917,533	2,741,653
OTHER ASSETS AND DEFERRED CHARGES									
Unbilled Reimbursable Costs	1,822	3,005						4,827	5,077
Preliminary Survey and Investigation Costs						10,550		10,550	7,503
Unamortized Debt Expense	166	31	1,668	1,707	962	3,373		7,907	6,702
TOTAL OTHER ASSETS AND DEFERRED CHARGES	1,988	3,036	1,668	1,707	962	13,923		23,284	19,282
	$61,324	$12,585	$1,137,900	$1,574,278	$758,771	$1,676,759	$9,322	$5,227,006	$4,341,210

LIABILITIES	HANFORD PROJECT	PACKWOOD LAKE HYDRO-ELECTRIC PROJECT	NUCLEAR PROJECT NO. 1	NUCLEAR PROJECT NO. 2	NUCLEAR PROJECT NO. 3	NUCLEAR PROJECTS NOS. 4 & 5	INTERNAL SERVICE FUND	COMBINED JUNE 30 1980	COMBINED JUNE 30 1979
CURRENT LIABILITIES—OPERATING FUND									
Accounts Payable and Accrued Expenses	$ 8,096	$ 331		$ 18,262			$8,833	$ 35,522	$ 23,621
Due to Other Projects		1					148		
TOTAL CURRENT LIABILITIES—OPERATING FUND	8,096	332		18,262			8,981	35,522	23,621
LIABILITIES—PAYABLE FROM RESTRICTED ASSETS—NOTES B & C									
Special Funds (Primarily for Construction)									
Accounts Payable and Accrued Expenses			$ 30,678	25,332	$ 37,733	$ 78,582		172,325	144,313
Retention Withheld from Contractors			30,160	32,450	19,459	34,152		116,221	80,496
Due to Other Projects and Internal Service Fund				2,896	67	821			
Due to Other Funds—Net	847			661				1,508	853
	847		60,838	61,339	57,259	113,555		290,054	225,662
Debt Service Funds									
Accrued Bond Interest Payable	518	146	34,088		21,642	49,680		106,074	86,911
Due to Other Funds—Net	430	72	3,728	545	4,055	19,725		28,555	20,723
	948	218	37,816	545	25,697	69,405		134,629	107,634
TOTAL LIABILITIES—PAYABLE FROM RESTRICTED ASSETS	1,795	218	98,654	61,884	82,956	182,960		424,683	333,296
LONG-TERM DEBT—NOTE C									
Revenue Bonds Payable	48,855	12,028	1,045,000	1,265,500	680,000	1,517,400		4,568,783	3,848,933
Less Unamortized Discount on Bonds—Net	(913)	(114)	(6,144)	(7,146)	(4,185)	(23,601)		(42,103)	(24,535)
TOTAL LONG-TERM DEBT	47,942	11,914	1,038,856	1,258,354	675,815	1,493,799		4,526,680	3,824,398
OTHER LIABILITIES AND DEFERRED CREDITS									
Unearned Revenue				192,530				192,530	113,106
Deferred Gain on Revenue Bonds	2,091	121						2,212	2,344
Advances from Members and Participants	1,400		390	43,248			341	45,379	44,445
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	3,491	121	390	235,778			341	240,121	159,895
COMMITMENTS AND CONTINGENCIES—NOTE D									
	$61,324	$12,585	$1,137,900	$1,574,278	$758,771	$1,676,759	$9,322	$5,227,006	$4,341,210

See accompanying notes to financial statements

Statements of Operations

($ in thousands)

Hanford and Packwood Projects

	HANFORD PROJECT	PACKWOOD PROJECT	COMBINED YEAR ENDED JUNE 30 1980	COMBINED YEAR ENDED JUNE 30 1979
OPERATING REVENUES	$37,577	$ 864	$38,441	$36,650
OPERATING EXPENSES:				
Reactor Availability	32,063		32,063	29,695
Depreciation and Amortization	2,546	256	2,802	2,814
Power Production and Transmission	1,184	143	1,327	1,265
Maintenance	865	101	966	883
Administrative and General	566	48	614	963
	37,224	548	37,772	35,620
Net Operating Revenue	353	316	669	1,030
OTHER INCOME AND EXPENSE:				
Interest and Other Income	1,357	161	1,518	1,130
Interest Expense and Discount Amortization	(1,710)	(477)	(2,187)	(2,160)
	(353)	(316)	(669)	(1,030)
NET REVENUE	$ —0—	$ —0—	$ —0—	$ —0—

See accompanying notes to financial statements.

Statements of Changes in Financial Position

($ in thousands)

Hanford and Packwood Projects

	HANFORD PROJECT	PACKWOOD PROJECT	COMBINED YEAR ENDED JUNE 30	
			1980	1979
SOURCE OF FUNDS:				
Operations				
Net Revenue	$—0—	$—0—	$—0—	$—0—
Items Not Affecting Working Capital:				
Depreciation and Amortization	2,613	260	2,873	2,873
Decrease (Increase) in Costs Reimbursable from Power Purchasers	309	(58)	251	147
Less Gain on Redemption of Revenue Bonds	(129)	(65)	(194)	(193)
Total from Operations	2,793	137	2,930	2,827
Contributions for Improvements	149		149	4,214
Advances from Participants for Working Capital	500		500	618
Decrease in Unbilled Reimbursable Costs				434
Increase in Liabilities Payable from Restricted Assets				237
TOTAL SOURCE OF FUNDS	$3,442	$ 137	$3,579	$8,330
APPLICATION OF FUNDS:				
Net Improvements	$ 149		$ 149	$4,214
Cost of Revenue Bonds Purchased and Retired	2,710	$ 137	2,847	2,774
Increase in Restricted Assets	83		83	724
	2,942	137	3,079	7,712
Changes in Working Capital				
Cash and Investments	3,541	11	3,552	(1,643)
Receivables and Other	385	95	480	324
Payables and Other	(3,426)	(106)	(3,532)	1,937
Net Increase in Working Capital	500	—0—	500	618
TOTAL APPLICATION OF FUNDS	$3,442	$ 137	$3,579	$8,330

See accompanying notes to financial statements.

Statements of Source and Use of Funds

($ in thousands)

Nuclear Projects Nos. 1 through 5

	NUCLEAR PROJECT NO. 1	NUCLEAR PROJECT NO. 2	NUCLEAR PROJECT NO. 3	NUCLEAR PROJECTS NOS. 4 & 5	COMBINED YEAR ENDED JUNE 30 1980	COMBINED YEAR ENDED JUNE 30 1979
SOURCE OF FUNDS:						
Collected Under Net Billing		$ 86,918			$ 86,918	$ 81,377
Bond Proceeds	$149,884	122,700		$466,306	738,890	1,078,971
Interest Income	29,135	25,813	$ 30,310	47,085	132,343	104,573
Charged to Joint Owners			56,542	20,713	77,255	68,415
Decrease in Restricted Funds	147,816	102,464	148,808		399,088	84,694
Revaluation of Investments		1,361		(369)	992	955
Other	3,590				3,590	3,439
TOTAL SOURCE OF FUNDS	$330,425	$339,256	$235,660	$533,735	$1,439,076	$1,422,424
USE OF FUNDS:						
Construction Costs	$257,439	$244,376	$192,307	$369,549	$1,063,671	$ 919,091
Interest Expense	68,177	79,899	43,285	89,192	280,553	217,838
Nuclear Fuel	4,036	69		42,874	46,979	16,297
Financing Expense	384	359	68	892	1,703	2,165
Bonds Redeemed		6,500		25,740	32,240	30,670
Increase in Restricted Funds				2,853	2,853	229,360
Increase in Amounts Due Participants		7,494			7,494	3,689
Preliminary Survey and Investigation Costs (Energy and Uranium Programs)				2,635	2,635	3,233
Other	389	559			948	81
TOTAL USE OF FUNDS	$330,425	$339,256	$235,660	$533,735	$1,439,076	$1,422,424

See accompanying notes to financial statements.

Notes to Financial Statements

Note A—Organization

The Washington Public Power Supply System was organized in 1957 as a municipal corporation and joint operating agency of the State of Washington. Its membership consists of 19 public utility districts and 4 municipalities that own and operate electric systems within the State of Washington. It is empowered to acquire, construct and operate facilities for the generation and transmission of electric power and energy.

The Supply System has constructed and is now operating the Packwood Lake Hydroelectric Project (Packwood) and the Hanford Generating Project and has five nuclear electric generating plants under construction (Nuclear Projects Nos. 1, 2, 3, 4 and 5). In addition, the Supply System has an Internal Service Fund (formerly General Fund) to account for the central procurement of certain common goods and services for the projects on a cost-reimbursement basis.

Nuclear Projects Nos. 1, 2, and 4 are owned by the Supply System.

Nuclear Project No. 3 is jointly owned by the Supply System (70%) and four investor-owned utilities (30%). Nuclear Project No. 5 is also jointly owned by the Supply System (90%) and one investor-owned utility (10%).

Each joint owner is responsible for its own financing costs, providing its share of the costs of construction and operation and will be entitled to its ownership share of the projects' capability.

In accordance with the covenants of the bond resolutions, the Supply System is authorized to recover its cost of operation and debt service over the life of the plant or bonds outstanding. Accordingly, the Supply System realizes no income or loss and equity is not accumulated.

Note B—Summary of Significant Accounting Policies

The Supply System has adopted accounting policies and practices that are in accordance with generally accepted accounting principles applicable to the utility industry. Separate books of account are maintained for each project except for Nuclear Projects Nos. 4 and 5, which are accounted for as a single entity.

Principles of Combination

The individual and combined financial statements have been prepared to facilitate an understanding of the financial position and results of operations of each project, the Internal Service Fund and, because of common management control, the Supply System as a whole. All significant interproject due to and from balances have been eliminated from the combined columns.

Restricted Funds

In accordance with project bond resolutions and certain related agreements, separate restricted funds are required to be established for each of the projects. The assets held in these funds are restricted for specific uses including construction, debt service and other special reserve requirements. Restricted funds currently include the following:

Special Funds
- Construction
- Construction Revolving or Trust
- Construction Fuel
- Fuel Development-Uranium Program
- Development-Energy Program
- Reserve and Contingency

Debt Service Funds
- Bond Fund Principal
- Bond Fund Retirement
- Bond Fund Reserve
- Bond Fund Interest
- Construction Interest

Current Assets and Current Liabilities

Assets and liabilities shown as current in the accompanying balance sheets exclude current maturities on revenue bonds and accrued interest thereon because Debt Service Funds are provided for their payment.

Investments

Investments include time certificates of deposit, repurchase agreements (secured by U.S. Government securities) and United States Government and Government Agencies securities. Investments are stated at cost or amortized cost as appropriate and include accrued interest.

Notes to Financial Statements (continued)

Investments held in the Bond Fund Reserve Accounts (included in Debt Service Funds) and Reserve and Contingency Funds (included in Special Funds) are stated at the lower of amortized cost or market as provided by their respective bond resolutions.

The market values of investments held in Debt Service and Special Funds and in Current Assets (Operating Fund) approximate amortized cost as of June 30, 1980 and June 30, 1979.

Income Earned on Investments

Income earned on investments includes gains and losses from the sale of investments. Income earned on investments held by projects under construction is recorded as a reduction in construction costs. Income earned on investments held by operating projects accrues to the applicable project's Operating Fund.

Capitalization of Construction Costs and Overhead Expenses

During the construction phase of a project, the Supply System will capitalize all costs of the project including general, administrative, interest, certain depreciation and other overhead expenses. The overhead expenses of the Supply System are allocated from the Internal Service Fund to the various projects primarily on the basis of direct labor cost or direct usage.

The cost of the abandoned plant site, carried as a deferred charge in Nuclear Project No. 1 at June 30, 1979, has been retroactively reclassified to Construction Work in Progress.

Utility Plant and Equipment—At Cost

Provisions for depreciation are computed by the straight-line method based on the estimated useful lives of the projects, which approximate the term of the related revenue bonds.

Provisions for amortizaton of improvements to U.S. Government owned facilities are being amortized over the period covered by the contract for dual-purpose operation of the Department of Energy's New Production Reactor.

Contributions Used for Purchase of Equipment—Packwood and Hanford Projects

Monies provided by participants to acquire equipment since completion of the Project are recorded and accounted for as a reduction of the carrying value of such equipment included in Utility Plant.

Debt Discount, Premium and Expenses

Debt discount or premium and expenses relating to the issuance of revenue bonds are amortized by the straight-line method over the terms of the respective issues.

Revenues

Member purchasers of power are contractually obligated to pay project annual costs including debt service (excluding depreciation and amortization). The Supply System records these reimbursable annual costs as operating revenues for the Hanford and Packwood Projects. In addition to recovery of project annual costs, the Supply System records as revenue each year an amount equal to the provisions for depreciation and amortization, less the recorded gains on bond redemption. This accounting policy is used in order to spread such revenues equally over the full term of the bonds.

Cumulative reimbursable annual costs, less payments by member purchasers for bond redemption, are reflected as Unbilled Reimbursable Costs in the accompanying balance sheets.

For Project No. 2, payments received from member purchasers for bond redemption and interest, less the annual amortization of debt discount, are shown as Unearned Revenue in the accompanying balance sheets.

Retirement Plan

The Supply System participates in the Washington State Public Employees' Retirement System that provides retirement benefits to eligible employees. Cost of the plan to the Supply System is determined by the Retirement System's Board. The actuarially computed value of pension benefits exceeds the fund assets for the Retirement System. However, because the Retirement System is a multi-employer system, the amount of such excess, if any, that relates to the Supply System is not available. The Supply System's required contributions were $2,307,523 in 1980 and $1,847,063 in 1979.

Note C—Long-Term Debt

Except for Nuclear Projects Nos. 4 and 5, which are being financed together as one utility system, all Supply System projects are financed separately. The revenue bonds issued with respect to each project are payable solely from the revenues of that project.

Outstanding revenue bonds of the various projects as of June 30, 1980 and 1979 are presented on Pages 11 through 14.

Security—Agreements and Contracts

The United States of America, Department of Energy (DOE), acting by and through the Bonneville Power Administration (BPA) has purchased the entire capability of the Hanford Project and the Supply System's ownership share of the projects' capability in Nuclear Projects Nos. 1, 2 and 3 from its statutory preference customers and, in addition, with respect to Project No. 1, five of its private utility customers. Each of these customers has, in turn, purchased such capability from the Supply System, all under the Net Billing and Exchange Agreements. BPA is obligated to pay the participants, and the participants are obligated to pay the Supply System its pro rata share of the total annual costs of the projects including debt service on the bonds, whether or not the projects are completed, operable or operating and notwithstanding the suspension, reduction or curtailment of the projects' output.

The Supply System's Packwood Project revenue bonds are secured by Power Sales Contracts between the Supply System and each of its 12 member purchasers. Pursuant to these agreements, member purchasers pay for their percentage allocation of power specified therein at rates sufficient to operate and maintain the project, including debt service on the bonds. Such payments continue until the bonds are paid or provision is made for their payment or retirement.

As security for the Generating Facilities revenue bonds for Nuclear Projects Nos. 4 and 5, the Supply System has entered into Participants' Agreements with 88 utilities operating principally in the western United States. Pursuant to the Participants' Agreements, the participants are obligated to pay their respective share of project annual costs, including debt service on the bonds, whether or not the projects are completed, operable or operating and notwithstanding the suspension, reduction or curtailment of the projects' output. Billings to the participants for Nuclear Projects Nos. 4 and 5 will begin on July 1, 1988 or the date of commercial operation for the respective projects, whichever is earlier.

Advances from Members and Participants and Unearned Revenue

As of September 1, 1977, the participants in Nuclear Project No. 2 were required to fund debt service, working capital and reserve requirements as provided in the Net Billing Agreements.

The debt service portion of this funding was previously recorded as a reduction in Construction Work in Progress. This portion of the advance funding has been reclassified as Unearned Revenue, a deferred credit, which will be recognized as earned revenue during the operating period of the plant.

Note D—Commitments and Contingencies

Contracts

The Supply System has entered into substantial contracts covering a portion of total estimated costs for certain major equipment and material, and for services relating to financing, design and the supply of nuclear fuel for the projects under construction.

Hanford Project and its Relationship to Nuclear Project No.1

The Department of Energy owns and operates a nuclear reactor, the New Production Reactor. This reactor provides by-product steam to the Hanford Project. The Supply System's current agreement with DOE provides for the continuation of this dual-purpose operation of the reactor through June 1983.

Notes to Financial Statements (continued)

It was initially intended that Nuclear Project No. 1 would be constructed adjacent to the Hanford Project and would provide the energy source to operate the project when DOE ceased operation of the New Production Reactor. Because studies indicated that generating resources in the Pacific Northwest would be inadequate in the late 1970's and early 1980's, the Supply System determined that the Hanford Project should be kept available for power production. Therefore, the Nuclear Project No. 1 Net Billing, Exchange and Project Agreements were amended to provide for the seperation of Nuclear Project No. 1 from the Hanford Project and to provide that Hanford Project costs, to the extent not otherwise provided for, will be treated as Nuclear Project No. 1 costs having a first claim on the revenues of that project.

The amended agreements provide for the payment by Nuclear Project No. 1 participants of all debt service costs of the Hanford Project, commencing July 1, 1980, regardless of continued operation of the reactor. If the plant ceases operations, revenues arising from the aforementioned payments will nevertheless be recorded each year thereafter in amounts that will result in full realization of the carrying value of the plant.

The U.S. Government has an option to acquire ownership of the Hanford Project upon obtaining Congressional approval. If the Government exercises its option, it must assume all rights and obligations of the project, including the obligation to pay all revenue bonds.

Litigation

The Supply System is involved in various legal actions as both a plaintiff and a defendant and in certain claims arising in the normal course of business for a large construction program. Although some suits and claims are significant in amount, final disposition is not determinable. In the opinion of management and legal counsel, the outcome of any such litigation or claims will not have a material effect on the financial positions of the projects. The estimated cost of the projects may either be increased or decreased as a result of the outcome of these matters.

Net Billing Agreements

On November 14, 1977, the City of Portland, Oregon and five residents of the City commenced a lawsuit against Bonneville and the Secretary of the Department of Energy. The Supply System and the participants have been added as defendants in this lawsuit. The action is brought under the National Environmental Policy Act of 1969 (NEPA) and alleges, among other things, that Bonneville did not prepare, publish, circulate and file detailed environmental impact statements concerning each of its Net Billing Agreements entered into after NEPA became effective on January 1, 1970. The Supply System projects involved are Nuclear Projects Nos. 1, 2 and 3. The complaint seeks, among other things, (1) a declaratory judgement declaring the Net Billing Agreements null and void; (2) an order enjoining the performance of the Net Billing Agreements; and, (3) an order requiring the defendants to prepare, publicly circulate, file and consider a final and adequate environmental impact statement for each such Net Billing Agreement.

Legal counsel for the Supply System have advised that there is a possibility that the court might find noncompliance with NEPA in some respect and that in such event the court might enter an order designed to enforce compliance. However, counsel are of the opinion that even if the court should decide that Bonneville has not fully complied with the provisions of NEPA, under applicable legal principles the Net Billing Agreements will not be declared null and void nor will performance of the obligations thereunder of the participants to make payments and Bonneville to make credits or make payments be enjoined. Accordingly, legal counsel are of the opinion that the lawsuit is without substantial merit insofar as it deals with the Net Billing Agreements.

Outstanding Long-Term Debt

($ in thousands)

Project	Series	Date of Sale	Effective Interest Rate	Offering Prices	Coupon Rate	Serial or Term Maturities	June 30 1980	June 30 1979
Hanford Project								
Revenue Bonds ($2,810,000 and $2,710,000 due within one year at June 30, 1980 and 1979 respectively)	1963	5-8-63	3.26%	(A)	2.90—3.10%	9-1-80/1986	$ 21,270	$ 23,980
				98	3.25	9-1-1996	27,585	27,585
							$ 48,855	$ 51,565
Packwood Lake Hydroelectric Project ($140,000 and $101,250 due within one year at June 30, 1980 and 1979 respectively)								
Revenue Bonds	1962	3-20-62	3.66	99.425	3.625	3-1-2012	$ 9,153	$ 9,278
Revenue Bonds	1965	11-4-65	3.76	100.5	3.75	3-1-2012	2,875	2,950
							$ 12,028	$ 12,228
WPPSS Nuclear Project No. 1								
Revenue Bonds	1975	9-18-75	7.73	(A)	5.75—7.40	7-1-81/2000	$ 42,000	$ 42,000
				100	7.70	7-1-2010	58,300	58,300
				100	7.75	7-1-2017	74,700	74,700
							175,000	175,000
Revenue Bonds	1976A	2-4-76	6.84	(A)	6.00—6.25	7-1-81/1998	37,020	37,020
				100	6.90	7-1-2010	66,485	66,485
				100	7.00	7-1-2017	76,495	76,495
							180,000	180,000
Revenue Bonds	1976B	8-31-76	6.37	(A)	5.00—5.90	7-1-81/1998	41,825	41,825
				100	6.50	7-1-2010	66,940	66,940
				99.50	6.50	7-1-2017	71,235	71,235
							180,000	180,000
Revenue Bonds	1978A	3-21-78	5.69	(A)	5.00—5.50	7-1-84/2002	64,270	64,270
				100	5.80	7-1-2010	50,920	50,920
				100	5.875	7-1-2017	64,810	64,810
							180,000	180,000
Revenue Bonds	1978B	12-5-78	6.61	(A)	5.50—6.00	7-1-84/1998	38,355	38,355
				100	6.35	7-1-2003	22,305	22,305
				100	6.60	7-1-2009	38,190	38,190
				99.50	6.80	7-1-2017	81,150	81,150
							180,000	180,000
Revenue Bonds	1979	6-19-79	6.64	(A)	6.00	7-1-84/1998	29,385	
				100	6.40	7-1-2003	18,560	
				100	6.70	7-1-2009	32,370	
				100	6.80	7-1-2017	69,685	
							150,000	
							$1,045,000	$ 895,000

(A) Various Prices

Outstanding Long-Term Debt (continued)

($ in thousands)

Project	Series	Date of Sale	Effective Interest Rate	Offering Prices	Coupon Rate	Serial or Term Maturities	June 30 1980	June 30 1979
WPPSS Nuclear Project No. 2								
Revenue Bonds ($3,000,000 due July 1, 1980 and 1979)	1973	6-26-73	5.66%	(A)	5.00—6.10%	7-1-80/2010	$ 16,600	$ 19,600
				100	5.70	7-1-2012	124,400	124,400
							141,000	144,000
Revenue Bonds ($2,500,000 due July 1, 1980 and 1979)	1974	7-23-74	7.21	(A)	6.50—6.90	7-1-80/1994	20,500	23,000
				100	7.00	7-1-1999	15,000	15,000
				100	7.375	7-1-2012	37,000	37,000
							72,500	75,000
Revenue Bonds ($1,000,000 due July 1, 1980 and 1979)	1974A	11-26-74	7.67	(A)	7.20	7-1-80/1994	29,000	30,000
				100	7.40	7-1-1999	15,000	15,000
				100	7.75	7-1-2012	78,000	78,000
							122,000	123,000
Revenue Bonds	1975A	3-6-75	6.71	(A)	6.60	7-1-82/1994	32,000	32,000
				100	6.50	7-1-1999	15,000	15,000
				100	6.875	7-1-2012	78,000	78,000
							125,000	125,000
Revenue Bonds	1976	6-3-76	6.63	(A)	5.40—6.25	7-1-82/1998	27,840	27,840
				99.25	6.625	7-1-2006	42,300	42,300
				100	6.75	7-1-2012	49,860	49,860
							120,000	120,000
Revenue Bonds	1976A	11-18-76	5.87	(A)	5.50—5.875	7-1-82/2002	94,195	94,195
				100	6.00	7-1-2007	44,815	44,815
				99.50	6.00	7-1-2012	60,990	60,990
							200,000	200,000
Revenue Bonds	1978	7-11-78	6.71	(A)	5.50—6.60	7-1-82/2000	68,250	68,250
				100	6.80	7-1-2006	45,520	45,520
				100	6.875	7-1-2012	66,230	66,230
							180,000	180,000
Revenue Bonds	1979	3-13-79	6.49	(A)	5.50—6.00	7-1-82/1999	62,905	62,905
				100	6.40	7-1-2004	33,490	33,490
				100	6.75	7-1-2012	83,605	83,605
							180,000	180,000
Revenue Bonds	1979A	10-17-79	7.69	(A)	6.40—7.30	7-1-82/1999	44,950	
				100	7.60	7-1-2004	23,050	
				100	7.75	7-1-2012	57,000	
							125,000	
							$1,265,500	$1,147,000

(A) Various Prices

Project	Series	Date of Sale	Effective Interest Rate	Offering Prices	Coupon Rate	Serial or Term Maturities	June 30 1980	June 30 1979
WPPSS Nuclear Project No. 3								
Revenue Bonds	1975	12-3-75	7.87%	(A)	5.40—7.25%	7-1-83/1998	$ 26,145	$ 26,145
				100	7.875	7-1-2010	52,695	52,695
				100	7.875	7-1-2018	71,160	71,160
							150,000	150,000
Revenue Bonds	1976	4-13-76	6.48	(A)	5.50—6.00	7-1-83/1998	19,605	19,605
				99.625	6.50	7-1-2010	35,100	35,100
				100	6.60	7-1-2018	45,295	45,295
							100,000	100,000
Revenue Bonds	1977	9-12-77	5.71	(A)	5.00—5.30	7-1-85/2000	59,305	59,305
				99.50	5.70	7-1-2009	63,535	63,535
				99.50	5.80	7-1-2018	107,160	107,160
							230,000	230,000
Revenue Bonds	1978	9-12-78	6.27	(A)	5.90—6.00	7-1-85/2004	66,385	66,385
				100	6.375	7-1-2010	42,985	42,985
				99	6.40	7-1-2018	90,630	90,630
							200,000	200,000
							$ 680,000	$ 680,000
WPPSS Nuclear Projects Nos. 4 and 5								
Revenue Bonds ($27,400,000 and $25,740,000 due within one year at June 30, 1980 and 1979)	1975	7-24-75	7.04%	(A)	6.75—6.90%	6-1-80/1981	$ 27,400	$ 53,140
Revenue Bonds	1977A	2-3-77	5.93	(A)	5.50—5.75	7-1-89/2001	42,105	42,105
				100	5.90	7-1-2008	40,605	40,605
				100	6.00	7-1-2015	62,290	62,290
							145,000	145,000
Revenue Bonds	1977B	5-24-77	6.32	(A)	6.00—6.20	7-1-89/2001	33,485	33,485
				100	6.40	7-1-2012	56,515	56,515
							90,000	90,000
Revenue Bonds	1977C	9-13-77	5.96	(A)	5.20—5.70	7-1-89/2001	20,480	20,480
				100	6.00	7-1-2018	109,520	109,520
							130,000	130,000
Revenue Bonds	1978A	1-31-78	6.07	(A)	5.50—5.75	7-1-88/2000	27,700	27,700
				99.75	6.00	7-1-2010	43,900	43,900
				100	6.125	7-1-2018	78,400	78,400
							150,000	150,000

Outstanding Long-Term Debt (continued)

($ in thousands)

Project	Series	Date of Sale	Effective Interest Rate	Offering Prices	Coupon Rate	Serial or Term Maturities	June 30 1980	June 30 1979
Revenue Bonds	1978B	5-23-78	6.86	(A)	6.00—6.60	7-1-89/2003	37,785	37,785
				100	6.80	7-1-2010	32,960	32,960
				100	6.90	7-1-2018	79,255	79,255
							150,000	150,000
Revenue Bonds	1978C	10-12-78	6.81	(A)	6.00—6.50	7-1-89/2003	45,225	45,225
				99.50	6.75	7-1-2010	42,970	42,970
				100	7.00	7-1-2018	81,805	81,805
							170,000	170,000
Revenue Bonds	1979A	2-14-79	7.16	(A)	6.30—6.90	7-1-89/2003	47,515	47,515
				100	7.125	7-1-2010	43,140	43,140
				100	7.25	7-1-2018	84,345	84,345
							175,000	175,000
Revenue Bonds	1979B	8-28-79	7.69	(A)	7.00—7.10	7-1-89/1999	25,505	
				100	7.40	7-1-2003	14,600	
				100	7.60	7-1-2010	37,425	
				99	7.625	7-1-2018	72,470	
							150,000	
Revenue Bonds	1979C	12-11-79	8.30	(A)	7.90—8.75	7-1-89/2002	39,145	
				100	8.50	7-1-2010	54,020	
				99.50	8.50	7-1-2017	89,185	
				71.47	5.75	7-1-2018	17,650	
							200,000	
Revenue Bonds	1980A	5-9-80	9.23	(A)	7.90—8.70	7-1-89/1995	7,000	
				100	9.30	7-1-2003	17,575	
				99.25	9.375	7-1-2010	75,425	
				93.50	8.50	7-1-2016	30,000	
							130,000	
							$1,517,400	$1,063,140

(A) Various Prices

Report of Independent Accountants

Board of Directors
Washington Public Power Supply System
Richland, Washington

We have examined the individual and combined financial statements, as listed in the financial statements section of the table of contents, of Washington Public Power Supply System's Hanford Project, Packwood Lake Hydroelectric Project, Nuclear Project No. 1, Nuclear Project No. 2, Nuclear Project No. 3, Nuclear Projects Nos. 4 and 5, and the Internal Service Fund for the years ended June 30, 1980 and 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements listed in the aforementioned table of contents present fairly the respective individual and combined financial positions of Washington Public Power Supply System's Hanford Project, Packwood Lake Hydroelectric Project, Nuclear Project No. 1, Nuclear Project No. 2, Nuclear Project No. 3, Nuclear Projects Nos. 4 and 5, and the Internal Service Fund at June 30, 1980 and 1979, and the respective individual and combined results of operations and changes in financial position of the operating projects and sources and uses of funds of the construction Projects Nos. 1, 2, 3, and 4 and 5 for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Whinney

Seattle, Washington
August 29, 1980

Statement of the State Auditor

To Whom It May Concern:

The Washington State Auditor's Division of Municipal Corporations conducts a continuous examination of all the operations of the Washington Public Power Supply System, including each and every project. Reports are issued covering each fiscal year and are public documents.

On every such examination, state law requires that inquiry shall be made as to the financial condition and resources of the Supply System, whether the Constitution and laws of the state, the resolutions and orders of the Supply System, and the requirements of the Division of Municipal Corporations have been properly complied with; and into the methods and accuracy of the accounts and reports.

Very truly yours,

Robert V. Graham, State Auditor

Richard L. Husk
Chief Examiner
Division of Municipal Corporations

Statements of Debt Service Requirements *June 30, 1980*

($ in thousands)

	Hanford			Packwood			WNP-1		
Year	Principal	Interest	Annual Debt Requirements	Principal	Interest	Annual Debt Requirements	Principal	Interest	Annual Debt Requirements
1981	$ 2,810	$ 1,483	$ 4,293	$ 140	$ 440	$ 580	$ 3,695	$ 68,177	$ 71,872
1982	2,915	1,393	4,308	145	434	579	3,815	67,972	71,787
1983	2,915	1,303	4,218	155	429	584	4,045	67,761	71,806
1984	3,010	1,210	4,220	160	424	584	9,245	67,537	76,782
1985	3,125	1,114	4,239	170	418	588	9,785	67,032	76,817
1986	3,240	1,014	4,254	175	411	586	10,355	66,495	76,850
1987	3,255	913	4,168	180	405	585	10,970	65,923	76,893
1988	3,360	806	4,166	190	398	588	11,615	65,315	76,930
1989	3,485	693	4,178	195	391	586	12,310	64,668	76,978
1990	3,455	580	4,035	265	384	649	13,045	63,977	77,022
1991	5,065	425	5,490	275	375	650	13,835	63,238	77,073
1992	5,585	246	5,831	290	365	655	14,675	62,449	77,124
1993	5,835	58	5,893	300	354	654	15,575	61,605	77,180
1994	800	4	804	315	343	658	16,535	60,700	77,235
1995				330	332	662	17,560	59,726	77,286
1996				340	319	659	18,665	58,681	77,346
1997				360	307	667	19,845	57,559	77,404
1998				380	294	674	21,110	56,358	77,468
1999				400	280	680	22,455	55,075	77,530
2000				465	265	730	23,940	53,630	77,570
2001				490	248	738	25,530	52,084	77,614
2002				515	230	745	27,235	50,422	77,657
2003				540	212	752	29,065	48,643	77,708
2004				565	192	757	31,030	46,726	77,756
2005				590	171	761	33,135	44,652	77,787
2006				615	150	765	35,380	42,435	77,815
2007				640	127	767	37,780	40,068	77,848
2008				665	104	769	40,345	37,537	77,882
2009				690	80	770	43,085	34,834	77,919
2010				715	55	770	46,015	31,945	77,960
2011				618	28	646	49,145	28,836	77,981
2012				155	6	161	52,505	25,494	77,999
2013							56,100	21,923	78,023
2014							59,940	18,104	78,044
2015							64,050	14,021	78,071
2016							68,445	9,656	78,101
2017							73,140	4,989	78,129
2018									
	$48,855	$11,242	$60,097	$12,028	$8,971	$20,999	$1,045,000	$1,806,247	$2,851,247

Statements of Debt Service Requirements (continued)

($ in thousands)

WNP-2

Year	Principal	Interest	Annual Debt Requirements
1981	$ 6,500	$ 82,601	$ 89,101
1982	14,130	82,217	96,347
1983	15,010	81,353	96,363
1984	15,940	80,437	96,377
1985	16,925	79,464	96,389
1986	17,975	78,431	96,406
1987	19,085	77,335	96,420
1988	20,215	76,217	96,432
1989	21,415	75,032	96,447
1990	22,690	73,770	96,460
1991	24,045	72,422	96,467
1992	25,495	70,984	96,479
1993	27,060	69,428	96,488
1994	28,730	67,769	96,499
1995	30,515	65,991	96,506
1996	32,425	64,085	96,510
1997	34,475	62,044	96,519
1998	36,665	59,853	96,518
1999	39,005	57,512	96,517
2000	41,515	55,003	96,518
2001	44,240	52,266	96,506
2002	47,160	49,328	96,488
2003	50,280	46,194	96,474
2004	53,615	42,842	96,457
2005	57,170	39,266	96,436
2006	60,995	35,415	96,410
2007	65,075	31,305	96,380
2008	69,445	26,902	96,347
2009	74,110	22,202	96,312
2010	79,095	17,183	96,278
2011	84,410	11,826	96,236
2012	90,090	6,107	96,197
Total	$1,266,500	$1,812,784	$3,078,284

WNP-3

Year	Principal	Interest	Annual Debt Requirements
1981		$ 43,284	$ 43,284
1982		43,285	43,285
1983	$ 1,680	43,285	44,965
1984	1,785	43,193	44,978
1985	6,175	43,094	49,269
1986	6,530	42,759	49,289
1987	6,900	42,403	49,303
1988	7,300	42,024	49,324
1989	7,725	41,620	49,345
1990	8,175	41,191	49,366
1991	8,655	40,734	49,389
1992	9,165	40,247	49,412
1993	9,710	39,727	49,437
1994	10,295	39,170	49,465
1995	10,925	38,571	49,496
1996	11,600	37,929	49,529
1997	12,315	37,239	49,554
1998	13,090	36,501	49,591
1999	13,910	35,711	49,621
2000	14,815	34,843	49,658
2001	15,785	33,912	49,697
2002	16,830	32,908	49,738
2003	17,945	31,837	49,782
2004	19,135	30,695	49,830
2005	20,405	29,475	49,880
2006	21,755	28,152	49,907
2007	23,200	26,740	49,940
2008	24,745	25,233	49,978
2009	26,390	23,625	50,015
2010	28,140	21,909	50,049
2011	30,025	20,068	50,093
2012	32,040	18,096	50,136
2013	34,190	15,991	50,181
2014	36,485	13,744	50,229
2015	38,940	11,343	50,283
2016	41,555	8,780	50,335
2017	44,350	6,044	50,394
2018	47,335	3,121	50,456
Total	$680,000	$1,188,483	$1,868,483

WNP-4&5

Year	Principal	Interest	Annual Debt Requirements
1981	$ 27,400	$ 106,084	$ 133,484
1982		104,193	104,193
1983		104,193	104,193
1984		104,193	104,193
1985		104,193	104,193
1986		104,193	104,193
1987		104,193	104,193
1988		104,194	104,194
1989	16,560	104,194	120,754
1990	17,530	103,142	120,672
1991	18,565	102,027	120,592
1992	19,665	101,314	120,979
1993	20,830	99,589	120,419
1994	22,070	98,259	120,329
1995	23,390	96,847	120,237
1996	23,805	95,344	119,149
1997	25,320	93,825	119,145
1998	26,940	92,200	119,140
1999	28,680	90,483	119,163
2000	30,550	88,634	119,184
2001	32,560	86,648	119,208
2002	34,725	84,505	119,230
2003	54,640	82,190	136,830
2004	39,570	78,055	117,625
2005	42,290	75,343	117,633
2006	45,195	72,441	117,636
2007	48,305	69,337	117,642
2008	51,635	66,015	117,650
2009	55,195	62,462	117,657
2010	134,435	58,651	193,086
2011	63,100	47,503	110,603
2012	67,520	43,093	110,613
2013	72,255	38,369	110,624
2014	77,295	33,335	110,630
2015	82,705	27,945	110,650
2016	118,465	22,172	140,637
2017	94,740	13,386	108,126
2018	101,445	6,695	108,140
Total	$1,517,400	$2,969,439	$4,486,839

Construction Projects Expenditures

($ in thou ands)

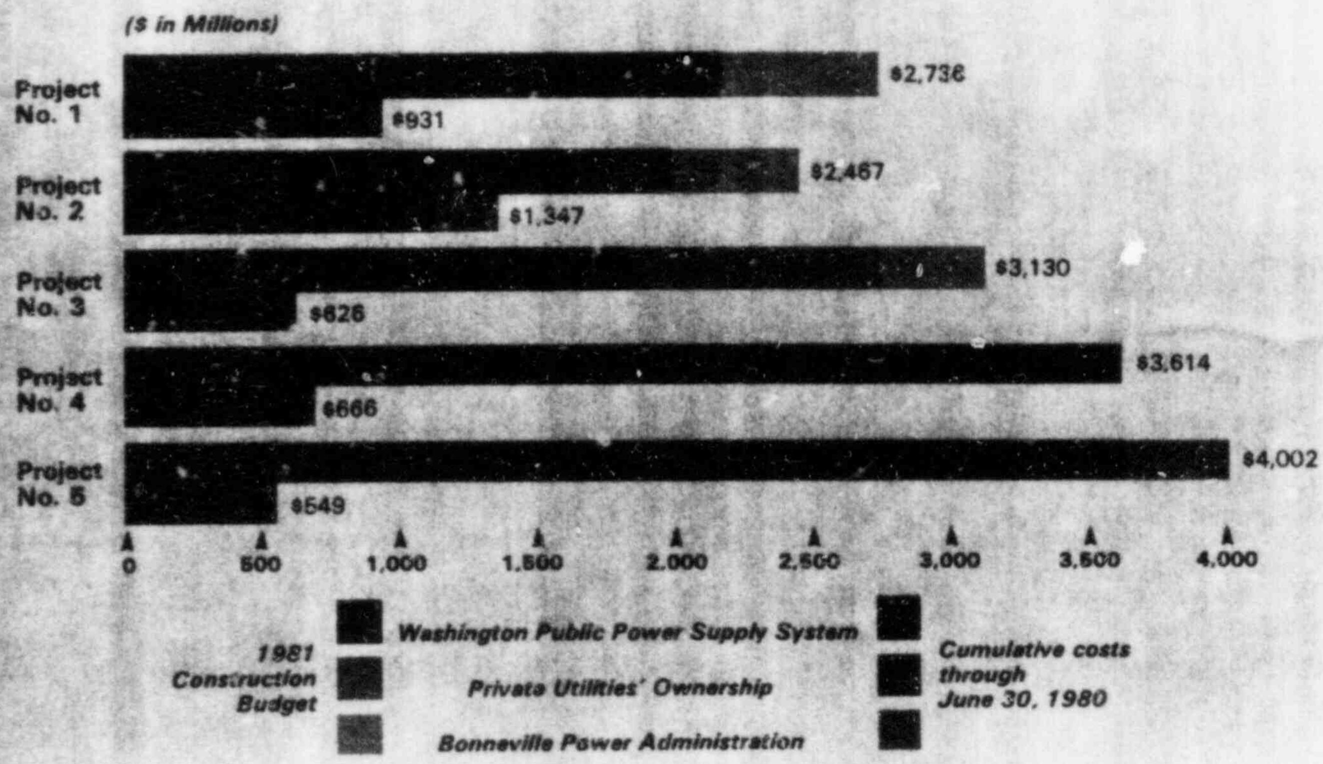
	Cumulative Costs Thru June 30, 1980	1981 Construction Budget	Percent Expended
NUCLEAR PROJECT NO. 1			
Construction & Fuel	$ 723,928	$1,653,160	43.8
Engineering & Construction Management	85,953	178,948	48.0
Owner's Cost	38,223	168,720	22.7
Net Interest, Financing & Reserves	82,530	734,816	11.2
Total Funding Requirements	930,634	2,735,644	34.0
Less: Interest, Financing & Reserves Funded by BPA		(580,960)	
Total WPPSS Funding Requirements	$ 930,634	$2,154,684	43.2
NUCLEAR PROJECT NO. 2			
Construction & Fuel	$ 915,932	$1,516,835	60.4
Engineering & Construction Management	153,473	219,808	69.8
Owner's Cost	97,632	214,531	45.5
Net Interest, Financing & Reserves	180,211	515,791	34.9
Total Funding Requirements	1,347,248	2,466,965	54.6
Less: Interest, Financing & Reserves Funded by BPA	(235,778)	(480,854)	49.0
Total WPPSS Funding Requirements	$1,111,470	$1,986,111	56.0
NUCLEAR PROJECT NO. 3			
Construction & Fuel	$ 470,775	$1,941,329	24.2
Engineering & Construction Management	80,799	215,096	37.6
Owner's Cost	28,872	172,983	16.7
Net Interest, Financing & Reserves*	45,407	800,315	5.7
Total Funding Requirements	625,853	3,129,723	20.0
Less: Interest, Financing & Reserves Funded by BPA		(389,662)	
Private Utilities' Funded Ownership*	(185,671)	(918,388)	20.2
Total WPPSS Funding Requirements	$ 440,182	$1,821,673	24.2
NUCLEAR PROJECT NO. 4			
Construction & Fuel	$ 482,529	$2,039,509	23.7
Engineering & Construction Management	85,953	178,948	48.0
Owner's Cost	38,223	168,720	22.7
Net Interest, Financing & Reserves	54,489	1,218,642	4.5
Other Authorized Cost	5,275	8,081	65.3
Total WPPSS Funding Requirements	$ 666,469	$3,613,900	18.4

* *Assumes that net financing costs applicable to the private utilities' ownership shares are proportionally the same as the Supply System's.*

Construction Projects Expenditures (continued)

($ in thousands)

	Cumulative Costs Thru June 30, 1980	1981 Construction Budget	Percent Expended
NUCLEAR PROJECT NO. 5			
Construction & Fuel	$ 393,775	$2,260,249	17.4
Engineering & Construction Management	80,798	215,097	37.6
Owner's Cost	28,873	172,984	16.7
Net Interest, Financing & Reserves*	40,604	1,345,095	3.0
Other Authorized Cost	5,275	8,081	65.3
Total Funding Requirements	549,325	4,001,506	13.7
Less: Private Utility's Funded Ownership*	(53,676)	(384,378)	14.0
Total WPPSS Funding Requirements	$ 495,649	$3,617,128	13.7



* *Assumes that net financing costs applicable to the private utilities' ownership shares are proportionally the same as the Supply System's.*

ROUTING AND TRANSMITTAL SLIP

Date 12/29/81

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Jim Peterson - SP		
2. AR-2016		
3.		
4.		
5.		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

Since you may ultimately get involved in one or both of these plants, I thought you may find the enclosed WPPSS document of value.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg. 149
Ron Hernan, DL/LB4	Phone No. 28395

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
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