

Utility financing swells state debt

SEATTLE (AP) — With each sale of bonds to finance construction of five nuclear power plants, hundreds of thousands of Washington state residents go deeper into debt.

Washington Public Power Supply System officials contend the debt will cause utility bills to increase by only a few dollars each month by 1990. But consumer groups predict that electricity rates will skyrocket.

The debt mounts with each sale of bonds by WPPSS, which uses the money to finance construction of the plants at Hanford and Satsop.

Many an early investor has lost money with WPPSS bonds, the first of which sold at 5.65 percent interest. Investors often buy the bonds for resale, but once the prevailing interest rate goes up, bonds at lower rates are hard to dispose of.

The impact of WPPSS intricate financing on ratepayers' pocketbooks is difficult to determine and varies widely from one part of the state to another.

One way to compute the dollars and cents is to take the share of WPPSS debt incurred by a given utility and divide that by the number of the utility's customers.

Using that formula, Seattle City Light's 8 percent share of three of the plants comes to a debt of more than \$700 million. With about 250,000 customers, the average burden comes to about \$2,800 over 30 years, the term of most of the bonds.

That breaks down to about \$93 a year, or less than \$8 a month, but the utility's rate structure dictates that businesses will pay more of the costs than residential users.

The Light Brigade, a citizen-activist group that monitors City Light operations, warns that WPPSS means a \$31,000 "mortgage" facing every household in the state.

Puget Sound Power & Light Co.'s share of the debt puts the

average additional cost to customers at slightly more than \$8 a month, under the formula for the percentage of debt incurred per utility.

Customers of the Snohomish County Public Utility District, which has about a 15 percent share in the five plants, would face average monthly hikes of about \$47.

However, all those figures are based on the latest WPPSS cost estimate of \$17.3 million for the five plants, more than four times the original figure. The state Senate Energy and Utilities Committee recently said the costs could exceed \$19 million.

When completed — if completed — the five power plants will serve six million to 10 million customers in six western states.

By issuing about \$1 billion in bonds a year, WPPSS has come to dominate some parts of the tax-exempt bond market. The supply system now offers about half of all the electrical-revenue and joint-operating agency bonds sold in the entire country.

making the news

From Associated Press Reports

LIMA, Peru — Peruvian troops were ordered Sunday to cease fire unless "under attack" in the country's border conflict with Ecuador, the government announced.

The official news agency ESI-Peru said the decision was communicated to the embassies of the four guarantor countries of the Rio de Janeiro Protocol — the United States, Argentina, Brazil and Chile. The protocol established a 1942 boundary line between Peru and Ecuador, but Ecuador claims it signed the agreement under duress and is therefore not bound by it.

"The government of Peru informed the embassies of the guarantor countries accredited in Lima that orders have been given to our forces to the effect of ceasing fire when not under attack," the agency reported.

Ecuadorian President Jaime Roldos, who declared a state of emergency Wednesday, met with his military commanders at the Defense Ministry in Quito Sunday but no statement was issued.

Earlier, Peruvian President Fernando Belaunde Terry told reporters in Lima that Peru would accept a cease-fire when Ecuadorian forces were ousted from a third and final outpost that he said was on Peruvian territory.

ZURICH, Switzerland — Police used water cannons, tear gas and rubber bullets to disperse some 500 discontented youths who threw rocks and tear gas bombs in hit-and-run raids, authorities said Sunday.

They said several demonstrators were injured in the clashes Saturday night and three were arrested.

Police said one young woman was hit in the face by a rubber bullet and may lose sight in one eye. With temperatures at 25 degrees, the water sprayed by police froze immediately, coating sections of downtown streets with ice.

The youths were protesting a series of trials begun last week of scores of youths facing various charges in connection with civil disturbances last spring calling for more youth centers and low-cost housing.

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