

AUGUST 18, 1955

## PUGET SEEKS LICENSE FOR EXPANSION

### Upper Baker To Provide 85,000 KW's Added Power

Puget Sound Power & Light Company expects to apply by early September for a federal power commission license to develop its Upper Baker river hydroelectric site. Pres. Frank McLaughlin announced this week.

This project would cost about 35 million dollars, provide 85,000 kilowatts of additional power and enable installation of a further 55,000 kilowatts of added capacity on Puget's present Lower Baker station.

The Baker power development would account for nearly half of cash needs—79 million dollars in all—during the 1955-59 period. Hoped for completion date of the Upper Baker development is 1959.

McLaughlin said the company had made a credit agreement with nine local and nine eastern and midwestern banks to borrow up to 20 million dollars in the next three years, subject to approval of regulatory bodies.

Also scheduled for the late summer or early fall, between Sept. 1 and Oct. 31, is a stockholders' meeting to elect directors, treasurer and clerk and act on other business.

The big improvement program would be taken care of through the bank loans and funds generated within the company, with the bank loans later to be refinanced by sale of bonds, McLaughlin said in a letter to stockholders accompanying Aug. 15 dividend checks. He said construction expenditures previously estimated at seven million dollars for 1955 are now placed at about nine millions due to increased volume of new business and inclusion this year of some \$750,000 of the cost of the company's new buildings.

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abreast of flood growth and almost two millions for new office and service buildings.

Puget's kilowatt-hour sales during the first half of 1955 increased by 12.7 per cent over the 1954 period and average residential customer use hit a new high of 6189 kilowatt-hours for the 12 months ended June 30, 1955. Operating revenues in the first six months of this year were up 11.5 per cent and net income was \$2,479,229, or \$1.14 a common share, up 13.8 per cent over the first half of 1954, McLaughlin reported.

"Based upon a continuation of favorable earnings," McLaughlin added, "Puget expects to increase the next quarterly dividend following the proposed 50 per cent distribution of additional shares to stockholders so that the total amount received in dividends on the 1½ shares of stock will be more than is now paid per share of stock presently outstanding. The August dividend, 43 cents a share, represents \$1.72 a share on an annual basis.