

*in the news*[home](#) [site search](#) [org chart](#) [contact us](#) [web comments](#)

BPA Calls Public Meeting on Proposed Industrial Contracts

Bonneville Power Administration

FOR IMMEDIATE RELEASE: Wednesday, September 13, 1995

PORTLAND, Ore. -- The Bonneville Power Administration invites the public to a meeting on Friday, Sept. 22, starting at 9:30 a.m., to express their views on BPA's proposed 5-year contracts with its existing aluminum and other large industrial customers. The meeting will be held in the Rogue Room at the Columbia River Red Lion, 1401 N. Hayden Island Dr., in Portland.

"The issue for us is whether BPA's industrial customers will commit to buy enough power from us over the next few years to help recover the investment we have made in the power system," BPA Deputy Administrator Jack Robertson said. "If they do not, then BPA must address other mechanisms for recovering that investment."

BPA sells power directly to 15 large Northwest industries, primarily aluminum plants. This summer, BPA asked for public comment on new generic industrial contracts. In August, BPA sent new 5-year generic contracts and long-term transmission agreements to the direct-service industrial customers. The contracts call for the industries to specify how much power they will buy from BPA for 5 years if BPA can meet or beat a rate target, now set at 2.26 cents per kilowatthour. The DSIs have until Sept. 20 to make a load commitment offer to BPA at this price level. BPA must decide whether to accept the offer and enter into the contracts early in the week of Sept. 25. If BPA accepts, deliveries under the contracts would begin on Oct. 1, 1996. The actual price will be determined in BPA's current rate-setting process. If the final rate is higher than the target, the DSIs can terminate the contracts and not take power service from BPA.

"We seek comments on whether or not BPA should sign the 5-year contracts, given the load the DSIs are willing to commit to us," Robertson said. "If the DSIs commit to buy enough power from us, then we expect we will recover our costs. But, we have heard from a number of parties throughout the region who are concerned that we're not covering our costs, or that we're offering a special deal to the industries, and we want to listen to those concerns."

Before recent changes in regulation of the U.S. wholesale electric power industry, utilities made investments of 20 years or more to build new power plants. Now, large utility and industrial power customers have many choices of suppliers, and can leave their existing supplier. When this happens, long-term investments made by a wholesale utility can be stranded, with the utility no longer serving the customer for whom the investments were made.

Persons wishing to make comments at the meeting should contact BPA at 503-230-3478 or toll-free at 1-800-622-4519.

###

For more information, contact BPA Media Relations, 503-230-5131.
