



## BPA keeps the faith with the U.S. Treasury

### Bonneville Power Administration

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*FOR MORE INFORMATION CONTACT: Perry Gruber at 503-230-5131, [plgruber@bpa.gov](mailto:plgruber@bpa.gov).*

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**PORTLAND, Ore. — Thanks to the largest cost-cutting program in its history, the Bonneville Power Administration met its annual payment to the U.S. Treasury on time and in full for the 13th consecutive year.**

BPA's Treasury payment for FY 1996 totaled more than \$801 million. The payment is the return on the federal government's investment in Columbia River Basin hydroelectric projects and BPA's high-voltage transmission system. Of this year's total payment, \$285 million went to the payment of principal, \$387 million went to interest and \$129 million went to operations and maintenance on the federal dams operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation.

"Repaying the Treasury is one of BPA's chief concerns," BPA Administrator Randy Hardy said. "Our ability to make the payment on time and in full depends on the Northwest ratepayers. Our customers pay our bills. That includes world's largest fish and wildlife restoration program, and energy conservation and renewable energy programs. In the newly restructured market, our challenge will be to keep these benefits in the region while giving our customers the rates and services they need to be successful."

In addition to the Treasury payment, Hardy said, BPA's benefits to the Pacific Northwest in fiscal year 1996 included:

- Approximately \$400 million for fish and wildlife protection, including direct costs to help fish and indirect expenses of purchasing replacement power and lost power revenues.
- Roughly \$196 million to reduce power rates to homes and small farms served by the region's investor-owned utilities.

For the third year, BPA used a provision of the Northwest Power Act to pay for non-power related fish protection measures required by the National Marine Fisheries Service and the Northwest Power Planning Council, which resulted in a \$30.4 million credit toward BPA's Treasury payment. This contribution, supported by the Clinton administration, offsets costs incurred by Northwest ratepayers for measures to help mitigate the impacts on salmon of non-power uses of the dams, such as irrigation, navigation, flood control and recreation.

This year's Treasury payment repaid \$285 million of BPA's outstanding debt to the Treasury. Since 1990, BPA has repaid the U.S. Treasury over \$1.8 billion of its outstanding debt, more than twice the original cost of Bonneville Dam.

"The Treasury payment is a good indication of BPA's value to the region and the nation," Hardy said. "At a time when the nation as a whole is focused on balancing the budget, BPA stands out as a positive revenue source." BPA is entirely self-financed, receives no appropriations from Congress and funds its operation through power sales.

There are 29 major power-producing federal dams on the Columbia River and its tributaries. The first to go into service was Bonneville Dam in 1938 and the last, Libby Dam in Montana, in 1975. Together, all 29 dams supply about 40 percent of the

Northwest's electricity. While BPA doesn't own the dams - they are operated by the U.S. Army Corps of Engineers and Bureau of Reclamation - BPA does market the power from the dams.

The Northwest is unique in its reliance on hydropower for electricity. The national average for use of hydropower is less than 10 percent, while hydropower (federal and private) accounts for 60 percent of the electricity in the Northwest. As a result, the Northwest has enjoyed some of the cleanest air in the industrial world. In September, the Natural Resources Defense Council ranked BPA as having the best clean air record of any utility, public or private, in the United States.

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