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## **WANTED: Sale or Lease of BPA Low Voltage Substations**

### **Bonneville Power Administration**

**FOR IMMEDIATE RELEASE: THURSDAY, March 6, 1997**

PR 12 97

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**PORTLAND, Ore--Bonneville Power Administration today announced it has completed negotiations on the first of what could be several deals to sell or lease its low-voltage substations to customer utilities. The transaction fulfills a commitment made in an April 1996 agreement between BPA and its customers.**

BPA sold equipment at Parker Substation northwest of Eugene, Ore., to Eugene-based Blachly-Lane Electric Cooperative. Equipment includes a 115-to-12.5 kilovolt transformer, a circuit switcher and disconnect switches. BLEC already owns the Parker property. BPA expects to complete the contract and bill of sale for the equipment to BLEC by March 31.

Thirty-seven customers have sent requests to BPA to buy 126 substations that they use. All stations are less than 34.5 kv in voltage. The sale offers do not affect BPA's high voltage system. The industry term for these low voltage stations is "delivery facilities." Most requests to purchase facilities came from customers to BPA since November. Customers, BPA and other members of the public had earlier approved a process for negotiating sale of facilities. Customers had asked for an alternative to paying BPA's delivery segment charge.

Facilities fall into two groups. The "simple" facilities serve only one customer on a radial line. "Complicated" facilities may serve more than one customer through the station, are part of a network substation or may require extensive environmental clean-up. Customers would set operations and maintenance standards and assume costs.

BPA sent suggested prices to customers for 32 simple facilities in late December. BLEC was among the first to respond with an application fee, triggering negotiations for Parker Substation. BPA is preparing for negotiations on 18 other facilities for which it has received application fees.

BPA in late February sent suggested prices to requesting utilities on 42 additional simple facilities. Utilities have 180 days to respond. BPA will offer suggested prices on the remaining facilities over the next four months.

Prices negotiated ensure that the federal investment is fully recovered and that costs or liabilities are not shifted from one group of ratepayers to another. Facilities sold do not affect system reliability.

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