



## BPA pays \$775 million to U.S. Treasury

### Bonneville Power Administration

FOR IMMEDIATE RELEASE: MONDAY, October 20th, 1997

PR 45 97

---

FOR MORE INFORMATION CONTACT: Crystal Ball, (503) 230-5133 Reach BPA's Media Relations staff at 503-230-5131 or online at [mediarelations@bpa.gov](mailto:mediarelations@bpa.gov).

---

**PORTLAND, Ore.** – The Bonneville Power Administration has met its annual payment to the U.S. Treasury on time and in full for the 14th consecutive year. As of today, Northwest ratepayers have repaid more than the total federal investments in Bonneville, Grand Coulee, Chief Joseph and John Day dams.

BPA's Treasury payment for fiscal year 1997 totaled more than \$775 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, \$230 million went to principal, \$447 million went to interest and \$97 million went to operations and maintenance on the federal dams operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation.

"This year's payment to Treasury is the direct result of tough decisions made over the last two years," acting BPA Administrator Jack Robertson said. Cost cuts and staff reductions have played a major role in keeping BPA financially sound. To date, BPA has cut more than \$600 million from its expected spending and has reduced its staff by 1,000 workers. The agency currently is in the process of reducing its staff by another 1,000 workers by FY99.

"Our ability to meet our financial commitments depends on our ability to keep BPA costs low and customer satisfaction high. These commitments include providing competitive rates to our customers, repaying the Treasury for its investment in federal hydro projects and the federal transmission system and continuing to pay for fish and wildlife obligations. To the degree that we are successful in doing that, we can continue to preserve the benefits BPA has provided the region for the last 60 years," Robertson said.

Under an agreement with the Bureau of Reclamation, BPA directly funded \$38 million in maintenance projects this year at federal Columbia River dams owned by the Bureau. This first-time agreement allows the Bureau to return generators to service faster than it would had the agency used federally appropriated funds for repair or maintenance.

This year's Treasury payment repaid \$230 million of BPA's outstanding debt to the Treasury. BPA has repaid the U.S. Treasury over \$3.2 billion of the federal investment in the power system. Original federal investments in Bonneville and Grand Coulee dams, which were built in 1938 and 1943

respectively, totaled nearly \$180 million. Additions over the years increased the total federal investment in these projects to \$1.9 billion.

Although BPA is entirely self-financed — it receives no appropriations from Congress — it does have access to federal loans for fish and wildlife restoration and capital improvements on the federal hydroelectric and transmission systems. These loans are being repaid in full through normal amortization schedules at current market interest rates of about 7 percent.

BPA markets power from 29 federal dams and one nuclear plant in the Northwest, as well as operating three-quarters of the region's high-voltage transmission system. 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. If the region decided to replace only the guaranteed output of BPA's power with the cleanest fossil-fuel technology — a modern combustion turbine — the new resources would dump pollution equivalent to 5.7 million more cars on the road in the Northwest.

###