

JOURNAL

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION

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Web site: www.bpa.gov/corporate/pubs/Journal

Rate case agreement is signed

BPA signed the 2006 transmission rate case settlement agreement on Jan. 11. "This represents a win-win for both BPA and the customers," said Chuck Meyer, vice president of Marketing and Sales in transmission. "This settlement should expedite the rate case and save the region a lengthy, costly formal rate case," Meyer said. BPA signed the agreement after more than 120 customers and other parties signed the settlement by the deadline of Jan. 7.

Terms of the agreement entail an overall 12.5 percent increase for the rate period Oct. 2005-Sept. 2007. This equates to less than \$1 per megawatt hour (or about 1 to 2 percent) of the total delivered wholesale power cost of about \$30 to \$40 per megawatt hour. TBL customer rates will vary depending on what type of transmission service is purchased such as network, point-to-point, southern intertie.

Even with the settlement, a formal rate-setting process is required to adopt the rates. But it will be a shorter process. For more information, visit BPA's Web site at http://www.transmission.bpa.gov/Business/Rates_and_Tariff/2006RateCase.cfm.

BPA privatization opposed in D.C.

Energy Secretary nominee Samuel Bodman opposes privatizing BPA. During his confirmation hearing on Jan. 20 before the Senate Energy and Natural Resources Committee, he said, "I am personally opposed to the privatization of Bonneville, and to the best of my knowledge, that's also the position of this administration. Bodman was responding to a question from Sen. Ron Wyden of Oregon, who said that privatization would "just be poison for our part of the world."

Sen. Gordon Smith of Oregon asked Bodman for written responses to several questions. They include ensuring voluntary participation in regional transmission organizations and seeking to ensure that, in the event of tight electricity supplies on the West Coast, Northwest Rivers, ratepayers and generators will not be harmed to ensure sales into California.

BPA supports student science bowls

For the past 14 years, BPA has been holding the high school science bowl for Oregon and western Washington in the nationwide program that the U.S. Department of Energy sponsors. Other federal agencies hold the quiz-

show type competitions between school teams in other areas. The annual program focuses on math, science and technology fields and encourages students to pursue careers in these fields.

A few years ago, DOE and BPA began holding middle school science bowls as well. The top two teams from the high school event go to Washington, D.C., to compete in the national finals April 28 to May 2. The winning middle school team goes to Golden, Colo., to compete in the national finals for middle schools in June.



The winning team in BPA's Middle School Science Bowl on Jan. 22 was Village Middle School of Portland, Ore., a consortium of home-schooled students.

The schools and individual students on the top three teams in each science bowl receive trophies. The high school participants on the top three teams also get scholarship offers from 14 colleges and universities in the Northwest. BPA holds its events at Portland in Franz Hall on the University of Portland campus.

The high school science bowl was taking place Jan. 29 as this Journal edition was being mailed. More than 300 students on 64 teams from 37 high school in the region were to compete. The middle school science bowl took place Jan. 22 with 36 teams from 19 schools. The first place team was Village Middle School of Portland, Ore., a consortium of home-schooled students. Second place was Winterhaven Middle School of Portland. Third place was Excel Middle School of Vancouver, Wash., another home-schooled group.



Winter storms damage two lines

Two large 500-kilovolt transmission lines were damaged Jan. 17 from heavy ice coating 50 miles northwest of Ellensburg, Wash. About a mile of a conductor on each side of the towers holding double circuit 500-kV lines drooped over tower crossarms or dropped to the ground. Both lines went out of service but there were no customer interruptions.

The damage happened near the crest of 3,750-foot Stampede Pass. Line maintenance crews were unable to reach the site immediately because of adverse weather conditions. Four line crews did get to the site by mid-week, and both lines were returned to service by the weekend. During the outage of the two lines, BPA was able to route power over other lines and maintain service.

BPA to move lines for interstate

Towers and conductors on portions of six BPA transmission lines will soon be moved to accommodate building a new freeway interchange north of Spokane, Wash. The work will start this summer and will be completed

by December 2006. All the lines converge on Bell Substation and the new freeway interchange is planned within several hundred yards of these. BPA will have to move 10 structures from a mile of right-of-way.

BPA and the Washington state Department of Transportation are finalizing agreements. The project could cost an estimated \$5.8 million. The state will reimburse BPA for its costs. The state will move part of U.S. Highway 395 where it intersects with U.S. Highway 2 north of Spokane, Wash., as part of a 10-mile freeway project.

Line upgrade improves reliability

At the end of 2004, BPA finished rebuilding the Anderson Ranch-Mountain Home 115-kilovolt transmission line in southwestern Idaho. The line, located 40 miles southeast of Boise, will provide more reliable service for irrigators in that area. All of the wood poles on the 18-mile line, most of which were installed about 50 years ago, were replaced with new steel poles.

PUBLIC INVOLVEMENT Updates and Notices

NEW PROJECTS

Annual Review of the Conservation and Renewables Discount (C&RD) Program

The annual review process is prescribed in the C&RD Manual. BPA's Energy Efficiency group is accepting comments for improvements to the fiscal year 2006 program until March 31, 2005. Following the close of comment, all recommendations will be compiled and made available for specific review and comment in April. Comments will be accepted for the manual or technical components of the C&RD. For more information call (503) 230-7669. Copies of the C&RD Manual are on the Web at http://www.bpa.gov/Energy/N/projects/cr_discount/. This site also provides a link to the Regional Technical Forum, which has a list of the current approved efficiency measures. (See close of comment.)

Klondike III Wind Project Interconnection - Sherman County, Ore.

BPA has been asked by PPM Energy Inc. to interconnect 300 MW of the output of the proposed Klondike III Wind Project. Interconnection would require BPA to build and operate a new 230-kV transmission line, approximately 12-miles long, and two substations. The new facilities would be built near the towns of Wasco and Rufus, Ore. BPA plans to analyze the effects of the BPA action and the PPM Wind Project in an EIS. A scoping meeting will be held in March 2005, time and place to be announced. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

White Bluffs-Richland Relocation - Benton, Wash.

BPA is proposing to relocate a portion of its White Bluffs-Richland 115-kilovolt transmission line that is currently located in private homeowner backyards of the 1800 block of Stevens and Mahan drives in Richland, Wash. BPA plans to relocate its transmission line to the city of Richland's power line located on the east side of Stevens Drive so that both lines would be located within the city's right-of-way. Construction began in fall 2004 and two concrete pier foundations were installed. Construction will be completed during the spring of 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=WBRR for more information.

AGENCY - ONGOING PROJECTS

Supplement Analysis to the Business Plan EIS - Regionwide

BPA will prepare an SA to its Business Plan EIS. The 1995 EIS analyzed the environmental impacts of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development, and fish and wildlife mitigation activities. The impacts analyzed included effects on the natural, economic and social environments. Public letters announcing and outlining the SA to the Business Plan EIS went out in December. As part of the SA process, BPA invites all interested parties to submit comments on the Business Plan EIS, specifically on any perceived changes in BPA's business activities since 1995 that are relevant to environmental concerns. Close of comment is March 1, 2005. For additional information about the SA and how to comment, see BPA's Web site at http://www.bpa.gov/efw/Environmental_Planning_and_Analysis/Business_Plan_SA/. (See close of comment.)

CONSERVATION - ONGOING PROJECTS

Post-2006 Conservation Work Group

The Post-2006 Conservation Work Group held the last meeting of the Phase I process to set the approach and direction of a conservation plan for the next rate period. Notes from previous meetings can be reviewed online at <http://www.bpa.gov/Energy/N/Post2006Conservation/>. Phase II is scheduled to start in early 2005 and will refine the proposal and include public review. For more information, contact Becky Clark at (503) 230-3158.

FISH AND WILDLIFE - ONGOING PROJECTS

Grande Ronde and Imnaha Spring Chinook Project EIS - Wallowa and Union counties, Ore.

Fish trapping, incubation, rearing and release hatchery facilities are proposed to help boost spring chinook salmon populations in the Grande Ronde and Imnaha river basins of Northeast Oregon. Planned facilities would modify and augment existing Lower Snake River Compensation Plan facilities. The FEIS is available online at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/Granderonde>. A ROD is scheduled for publication in early 2005.

Kootenai River Ecosystem/Fisheries Improvement Study – Boundary and Bonners counties, Idaho, and Lincoln County, Mont.

The Kootenai Tribe of Idaho (in coordination with Idaho Fish and Game; Montana Fish, Wildlife and Parks; and British Columbia Ministry of Environment, Land and Parks) plans to initiate a controlled nutrient restoration effort in the mainstem Kootenai River near the Montana-Idaho border. A public scoping open house was held Dec. 13, 2004, in Bonners Ferry, Idaho. Close of comment was Jan. 28, 2005. More information is available online at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects>.

Salmon Creek EIS – Okanogan County, Wash.

BPA proposes to fund a project to enhance fish habitat, fish passage and instream flows in 4.3 miles of lower Salmon Creek, a tributary of the Okanogan River. The project would rehabilitate the stream channel, revegetate stream banks and increase streamflows. A DEIS was released in September 2004 and is available at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/SalmonCreek>. A public meeting was held Sept. 28, 2004, and the comment period closed Nov. 9, 2004. Further environmental analysis and comment on this project is delayed until summer 2005 and will continue only if given approval for funding by the Northwest Power and Conservation Council.

South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program EIS – Flathead National Forest, Mont.

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South Fork of the Flathead drainage. A DEIS was released and the comment period closed Aug. 20, 2004. A FEIS is being prepared. Additional information is available at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/MountainLakesTrout>.

POWER – ONGOING PROJECTS

BPA's Power Supply Role after 2006 (Regional Dialogue) – Regionwide

The Regional Dialogue final policy and the administrator's ROD regarding BPA's power supply role for fiscal years 2007-2011 will be issued in early 2005. Additional information or updates to this schedule will be posted on BPA's Web site at <http://www.bpa.gov/power/regionaldialogue>.

Power Function Review – Regionwide

BPA's Power Business Line's Power Function Review begins January 2005. This process is designed to provide interested parties opportunities to examine, understand and provide input on the cost projections, including fish and wildlife costs, that will form the basis for the FY 2007 wholesale power rate case. Input received will be considered in establishing program costs for the FY 2007 rate case initial proposal, which is expected in the fall of 2005.

The PFR will provide a broad spectrum of involvement opportunities. A number of technical workshops, management discussions and regional public meetings have been scheduled. A public comment period will close on April 29, 2005. Additional information or updates to the schedule below will be posted on BPA's Web site at www.bpa.gov/power/review. (See *calendar of events and close of comment*.)

TRANSMISSION – ONGOING PROJECTS

Anderson Ranch 115-kV Rebuild – Elmore County, Idaho

Construction on the Anderson Ranch Transmission Line was completed in January 2005. BPA replaced five wood pole structures located in rough terrain with two steel dead-end towers on the Boise River crossing. With the rebuild of this line BPA maintains line reliability and ensures public safety. All of the aged and decaying wood poles on this 18-mile line were replaced with steel poles. For additional project information, see BPA's Web site at http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=AR.

Arlington CEP Wind Project Interconnection – Gilliam County, Ore.

Columbia Energy Partners (CEP) has requested to integrate up to 200 MW of power generated from the Arlington CEP Wind Project into the Federal Columbia River Transmission System. CEP would interconnect to the proposed Jones Canyon BPA substation adjacent to the 230-kV McNary-Santiam line. BPA's proposed project would involve building Jones Canyon Substation adjacent to the CEP collector substation and an access road from the county road to

the BPA substation. Construction of the substation would involve clearing approximately six acres of grassland to build a short access road and a substation. A tiered ROD to the Business Plan EIS was issued in January 2005. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Combine Hills Wind Project Interconnection – Umatilla County, Ore.

Eurus Energy America Corporation has requested to integrate up to 63 MW of power generated from the Combine Hills Wind Project into the Federal Columbia River Transmission System. BPA would need to upgrade 5.8 miles of the Walla Walla-Pendleton transmission line. The upgrade of the transmission line would involve replacing the wood poles within the same right-of-way and stringing new conductor. This request is an expansion of an existing 41 MW interconnection to PP&L's transmission system. A public letter describing the proposal was sent out in December 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Hanford Reach National Monument CCP/EIS – Benton, Franklin and Grant counties, Wash.

BPA is participating as a cooperating agency in a land management planning process led by the U.S. Fish and Wildlife Service. The USFWS seeks to develop a comprehensive conservation plan as required by the Refuge System Improvement Act of 1997. BPA is providing information and writing sections of the plan that pertain to transmission facilities, roads, energy facilities and river flow management within the monument. A DEIS is scheduled for release in 2005.

Hopkins Ridge Wind Project Interconnection – Columbia County, Wash.

BPA was asked by RES America Developments to interconnect 150 MW of the output of the proposed Hopkins Ridge Wind Project, which will require constructing a BPA switching substation adjacent to an existing BPA transmission line. BPA decided to offer contract terms for interconnection in a ROD tiered to BPA's Business Plan EIS and the Business Plan ROD. The tiered ROD was finalized on Dec. 20, 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information, including the ROD.

Leaning Juniper Wind Project Interconnection (Formerly Arlington PPM Wind Project Interconnection) – Gilliam County, Ore.

Pacific Power Marketing has requested to integrate up to 200 MW of power generated from the Leaning Juniper Wind Project into the Federal Columbia River Transmission System. PPM would interconnect at the same substation as proposed for the Arlington CEP Wind Project described above (Jones Canyon). A tiered ROD, under the Business Plan EIS, is expected soon after Gilliam County's environmental review in early 2005. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Nisqually Transmission Line Relocation Project EA – Thurston County, Wash.

BPA is proposing to relocate two miles of transmission line corridor off the Nisqually Indian Reservation in Thurston County, Wash. BPA has an existing transmission line corridor across the reservation and a portion of the Fort Lewis military base just north of State Route 510. This corridor contains two transmission lines: the Olympia-Grand Coulee 287-kV line and the Olympia-South Tacoma 230-kV line. This relocation is being proposed because the 50-year easement for one of the lines on the reservation has expired. The public comment period ended Nov. 26, 2004. It is anticipated that the FONSI will be signed in early 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

Programs in Review – Regionwide

TBL has completed seven Programs in Review meetings throughout the region. These meetings were held to discuss TBL proposed program levels for 2006 and 2007. As customers requested, additional technical workshops were held on debt optimization, corporate and shared services programs, TBL capital and expense programs, and staffing. End of comment period was Sept. 15, 2004, with the close-out letter recently posted to the Web site at http://www.transmission.bpa.gov/Business/Customer_Forums_and_Feedback/Programs_in_Review/pir2004.cfm.

Schultz-Wautoma Area 500-kV Line Project – near Ellensburg to near the Hanford Reservation, Wash.

BPA is building a new 500-kV line from Schultz Substation to the new Wautoma Substation southwest of the Hanford Monument. An FEIS was released in February 2003. The ROD was released in March 2003. Construction on the new Wautoma Substation began May 5, 2003, and is halfway complete. Construction of the Sickler-Schultz portion of the line began February 2004. A construction update letter was sent in December 2004. Fiber construction began in late January 2004. Ninety-eight transmission towers were flown into place the week of Jan. 24 and stringing is underway. The project will be completed by December 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

Wanapa Energy Center Generation Project EIS – Umatilla County, Ore.

The Confederated Tribes of the Umatilla Indian Reservation requested interconnection of the Wanapa Energy Center, a proposed 1,300-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs released the DEIS in October 2003. BPA is participating as a cooperating agency. Two public meetings were held in December 2003. The comment period ended Dec. 29, 2003. BIA recently published the FEIS. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

SUPPLEMENT ANALYSES

Watershed Management Program EIS:

- SA-193 Idaho Model Watershed Habitat Projects – Philips Slough Fence. Custer County, Idaho
- SA-194 Idaho Model Watershed Habitat Projects – Gini Canal-Garden Creek Crossing Structure. Lemhi County, Idaho
- SA-195 Upper Salmon Basin Watershed Projects – Goddard Stockwater Project. Lemhi County, Idaho
- SA-196 Upper Salmon Basin Watershed Projects – Implementation of Holistic Restoration, Custer Soil and Water Conservation District. Custer County, Idaho
- SA-197 Idaho Model Watershed Habitat Projects – Hayden Creek Fence Crossing. Lemhi County, Idaho
- SA-198 Sandy River Delta Habitat Restoration. Multnomah County, Ore.
- SA-199 Pine Creek Ranch Wildlife Habitat and Watershed Management Plan Projects. Wheeler County, Ore.

Yakima/Klickitat Fisheries Project EIS:

- SA-09 Tillman Creek Wetland Mitigation – Kittitas County, Wash.

CALENDAR OF EVENTS

POWER FUNCTION REVIEW:

Technical Workshops:

All technical workshops will be held in the Rates Hearing Room located at 911 N.E. 11th Ave. in Portland.

- **Feb. 1** – 8:30 a.m. to noon. Topic: Transmission acquisition costs
- **Feb. 8** – 8:30 a.m. to 4 p.m. Topic: Conservation & renewables program costs
- **March 1** – 8:30 a.m. to 4 p.m. Topic: Internal operations costs charged to power rates, federal and nonfederal debt service and debt management
- **March 15** – 8:30 a.m. to 4 p.m. Topic: Columbia Generating Station, U.S. Army Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investments

- **April 5** – 8:30 a.m. to 4 p.m. Topic: Fish & wildlife program costs, both expense and capital
- **April 6** – 8:30 a.m. to 4 p.m. Topic: Risk mitigation packages and tools

Management-Level Discussions:

- **Feb. 15** – 8:30 a.m. to 4 p.m., BPA Headquarters, 905 N.E. 11th Ave., Room 122 Topic: Transmission acquisition costs
- **March 16** – 8:30 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Columbia Generating Station, Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investment
- **March 17** – 8:30 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Internal operations costs charged to power rates, federal and non-federal debt service and debt management
- **April 12** – 8:30 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Risk mitigation packages and tools, and fish & wildlife program costs, both expense and capital
- **April 27** – 8:30 a.m. to 11:30 a.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Summary of what we've heard, outstanding issues, and discussion with the administrator

Regional Meetings:

- **April 13** - Registration: 4:30 p.m., Meeting: 5 to 9 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.
- **April 14** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Mountaineers Headquarters, 300 Third Ave. W., Seattle, Wash.
- **April 19** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Red Lion, 475 River Parkway, Idaho Falls, Idaho
- **April 21** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., WinGate Inn, 5252 Airway Blvd., Missoula, Mont.
- **April 26** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Airport Ramada Inn, 8909 Airport Rd., Spokane, Wash.

Fish and Wildlife Program Costs – Public Review Meetings

- **Feb. 4** – 1 to 4 p.m. Portland Airport Sheraton, 8235 N.E. Airport Way, Portland, Ore. Topic: Policy-level discussion of fish and wildlife cost components from Jan. 28 meeting.
- **Feb. 11** – 10 a.m. to 2 p.m., BPA's Spokane office, 707 W. Main St., Suite 500, Spokane, Wash. Topic: Policy-level discussion of fish and wildlife cost components from Jan. 28 meeting.

Record of Decision signed by administrator

- **Dec. 20, 2004** – Electrical Interconnection of the Hopkins Ridge Wind Energy Project tiered ROD to the Business Plan EIS (DOE/EIS-0183)
- **Dec. 22, 2004** – Proposed Contract with Transfer Service Customers Regarding the Initial Rate Treatment of Certain Transfer Service Costs and Other Issues Related to Transfer Service
- **Jan. 7, 2005** – November 2004 NOAA Fisheries revised Biological Opinion on the operation of the FCRPS and 19 U.S. Bureau of Reclamation Projects
- **Jan. 14, 2005** – Electrical Interconnection of the Arlington CEP Wind Project tiered ROD to the Business Plan EIS (DOE/EIS-0183)

CLOSE OF COMMENT

- **March 1** – Supplement Analysis to the Business Plan EIS
- **March 31** – Annual Review of the Conservation and Renewables Discount (C&RD) Program
- **April 29** – Power Function Review

If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.

To order copies of documents, call: 1-800-622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. E-mail address: www.bpa.gov/comment. BPA home page: <http://www.bpa.gov>. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects>. **Process Abbreviations:** EA-Environmental Assessment, EFSEC-Washington Energy Facility Site Evaluation Council, EFSC-Oregon Energy Facility Siting Council, EIS-Environmental Impact Statement, DEIS-Draft Environmental Impact Statement, FEIS-Final Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.

