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Journal

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Hatfield and Gore Announce Fish Funding Agreement

In a Washington, D.C., press conference on Oct. 23, Vice President Al Gore and Oregon Senator Mark Hatfield announced a six-year agreement that protects Northwest fish and wildlife and ensures BPA adequate financial stability to provide for long-term fish and wildlife needs under the National Marine Fisheries Service biological opinion and the Northwest Power Planning Council fish and wildlife program. BPA will provide an annual \$435 million fish recovery budget based on average water years. A Fish Cost Contingency Fund of \$325 million will be established that Bonneville may draw on only under specific and limited conditions, including poor water years and additional court-ordered ESA fish and wildlife obligations. The fund will be in the form of credits to BPA's payment to the U.S. Treasury. The fund will be derived from the retroactive moneys BPA ratepayers have already paid out for fish mitigation that was required due to nonpower impacts of federal dams -- flood control, irrigation, navigation and recreation.

Congressional Subcommittees Propose BPA Legislation

The House and Senate Energy and Water Appropriations Committees agreed to legislative language designed to strengthen BPA to allow it to continue providing public benefits to the Pacific Northwest. The language must be approved by the full House and Senate. The legislative proposals include regional preference, residential exchange and voluntary separation incentives. Current law requires energy sales to have a 60-day callback and capacity sales to have a five-year callback. Under the new proposed legislation, both energy and capacity callbacks would be extended to seven years. Prohibitions on selling power for resale would be repealed, allowing BPA to sell to others who will package power for resale. BPA would still be required to offer all power within the region first.

The level of the residential exchange would be frozen for one year (1997) at \$145 million. This one-year freeze will give the region time to address this issue in the regional review. The BPA administrator would be given the flexibility to offer targeted voluntary separation incentives of up to \$25,000 over the

next five years. This will enable BPA to downsize more efficiently and further reduces the likelihood of disruptive involuntary reductions in force. At this time, it is not known when Congress will vote on the proposed legislation.

BPA Pays Almost \$1 Billion to Treasury

BPA paid the U.S. Treasury \$998 million on Oct. 1, the largest annual payment in its 58-year history. BPA's payment is the return on the federal government's investment in Columbia River Basin hydroelectric projects. Of the total payment, \$478 million was applied to the payment of principal, \$396 million to interest and \$124 million to operations and maintenance of the federal dams operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation. The payment marks the twelfth consecutive year BPA has met its end-of-the-year obligation on time and in full.

This year's Treasury payment is up sharply from the previous year due to an increase in pay-off of bonds and a lump-sum payment of \$156 million from a consortium of utilities for capacity purchased on the AC intertie. The AC intertie is an "energy highway" connecting northern and southern portions of the West Coast.

BPA Requests Rate Case Extension

Bonneville filed a motion requesting a four-week extension in the 1996 rate case to allow rate case parties and Bonneville more time to prepare for the next phase of evidence. If the extension is approved by the hearings officers, Bonneville would file its supplemental case and rebuttal testimony on Nov. 22 instead of Oct. 25. At the same time, the rate case parties will file their direct case on the revised segmentation study and revised rates analysis model. The extension would move the conclusion of the rate case to May 31, 1996, rather than April 30, 1996.

NRC Evaluates Supply System Performance

The Nuclear Regulatory Commission has evaluated the Washington Public Power Supply System's Washington Nuclear Plant 2 performance from April 1, 1994, to Sept. 2, 1995. The NRC rated performance in the plant support and maintenance areas as good. Performance in the operations and engineering areas was adequate. The NRC found that overall observed performance at WNP-2 declined late in the rating period largely due to problems in operations and with the radiation protection component of the plant support area. The NRC and the Supply System met on Oct. 24 to discuss methods to improve performance. WNP-2 averaged 30.7 mills per kilowatt-hour between Oct. 1, 1994, through Sept. 30, 1995. The plant operated at a record 75 percent capacity factor during that time. Bonneville plans to release its evaluation of the economics of WNP-2's continued operations in late November.

RODs Will No Longer Be Mailed

BPA's Records of Decision supported by the Business Plan Environmental Impact Statement will no longer be mailed to all parties on the BPA Business Plan mailing list. In the future, as RODs are available, they will be noted on the Public Involvement page of the *Journal*. Copies of the RODs may be ordered by calling BPA's toll-free document request line (800) 622-4520.

Power System Update

Precipitation for the Columbia River Basin above The Dalles was 189 percent of average for the first 17 days in October, compared to 76 percent of average for the month of September. Although additional

precipitation is expected in the second half of October, amounts are expected to be lighter than earlier in the month. The National Weather Service forecasts normal temperatures and precipitation for November.

Natural streamflows have responded dramatically to the heavy rainfall so far this month. October flows are expected to average 136 percent of average at The Dalles. Flows for November are forecast to be 109 percent at The Dalles. Federal system storage was 84 percent full on Oct. 16 and 64 percent full on the same date in 1994.

Squawfish Program Sets Record

Preliminary numbers for BPA's 1995 sport reward squawfish program show a catch of 199,600. This is 35 percent more fish than last year. Squawfish prey on juvenile salmon and steelhead as they swim downstream in the Snake and Columbia rivers. Early estimates indicate that about 16 percent of the total population of predator-sized squawfish were caught this year compared to 8 to 12 percent in previous years. Biologists project a 36 percent reduction in predator-caused salmon deaths because of the squawfish program. The program ran from May 1 through Sept. 24. Anglers were paid \$3 to \$5 for each squawfish at least 11 inches in length.

Westside Northern Intertie to Be Upgraded

The Bonneville Power Administration and Puget Sound Power & Light have agreed to carry out a joint project to increase the transfer capability of the Westside Northern Intertie.

The intertie links the U.S. Northwest and British Columbia transmission systems permitting U.S. and Canadian utilities to exchange electricity. BPA will build a 12-mile double-circuit 230-kilovolt transmission line between BPA's Custer and Bellingham, Wash., substations and a 25-mile double-circuit 230-kilovolt line between the Bellingham Substation and Puget's Sedro Woolley Substation. BPA will own, operate and maintain the new lines, which will replace existing single-circuit 230-kilovolt lines.

The total cost of the project will be \$33 million with BPA covering about 35 percent and Puget the remaining 65 percent. The project will increase the maximum capability of the Westside Northern Intertie south of the U.S.-Canada border by about 850 megawatts. BPA and Puget will share the increased capacity equally. Construction will begin later this month and is expected to be completed in September 1997.

BPA and EPA Cosponsor Lighting Efficiency Program

The AmeriCorps Green Lights Project in Oregon and Washington has surveyed lighting systems in over 160 schools and public buildings and has made recommendations to increase lighting efficiency. By reducing energy use, the schools will save taxpayers money by decreasing their demand for electricity generation. This will also diminish adverse environmental impacts. The recommendations are expected to save about 30 million kilowatt-hours annually. AmeriCorps, a domestic version of the Peace Corps, is designed to give education awards to students in exchange for community service. BPA and the Environmental Protection Agency cosponsor the program in the Northwest. Other partners include local public and private utilities in Oregon and Washington, the Washington State Energy Office, the Oregon Department of Energy and the superintendents of public instruction in Oregon and Washington. The project will expand to Montana this month.

BPA to Exchange Power With California

BPA has signed three-year power sale and energy exchange agreements with the cities of Vernon and Azusa, Calif. These agreements add to the Northwest winter power supply and make better use of power generated as a byproduct of spring fish migration. Vernon will send BPA 80 megawatts of electricity during nighttime hours from October through December 1995-97. In return, BPA will send Vernon 40 megawatts of electricity during all hours in May to July of 1996-98. In addition to the energy exchange, Vernon will pay a retainer to enlist BPA as a source of seasonal surplus firm energy each August and September. Vernon will pay BPA a fee when it wants energy. The fee and potential sale will net BPA \$120,000 to \$2 million a year in revenue.

Under the agreement with Azusa, BPA will receive about 25 megawatts of energy during daytime hours from October through December 1995-97. BPA will return the energy round-the-clock in May to July 1996-98, at rates of 32 megawatts during daytime hours and 15 megawatts during low-load night hours. Azusa is also buying a small amount of surplus power. Revenues to BPA from this sale will total about \$80,000.

Public Involvement

Status Reports

1996 Rate Case. On November 22, BPA will file its supplemental testimony in the 1996 Rate Case. The supplemental testimony will identify what has changed since the initial proposal was released last June. Please see the upcoming Keeping Current (#2752), also to be released in late Nov., for additional information.

Albeni Falls Wildlife Management Plan/EA. BPA is proposing to fund the development of this interagency project. It would guide implementation of wildlife mitigation projects in the Pend Oreille Lake vicinity of Idaho. Initial work on the EA is beginning. Call to be added to the project mail list.

Anderson Ranch Wildlife Management Plan/EA. BPA is proposing to fund this interagency project. It would guide the implementation of wildlife mitigation projects in the Camas Prairie vicinity of Idaho. Initial work on the EA is beginning. Call to be added to the project mail list.

BPA/Puget Power NW Washington Transmission Project. A decision was made in September to proceed with the Proposed Plan N Option 1. Please call for a copy of the Record of Decision (#2690).

BPA's Business Plan. A Record of Decision on BPA's decision to offer DSI wheeling is ready. Call to receive copies.

Canadian Entitlement. BPA is preparing the final EIS for release in December. Call to be placed on the mail list.

Columbia Windfarm #1 Project. BPA and the USFWS continue to consult regarding bald eagles and peregrine falcons. BPA expects to issue a ROD after the USFWS finalizes the Biological Opinion. Call to be put on the mail list.

Hood River Fisheries Project. The draft EIS is expected in November. BPA is planning to hold two public meetings toward the end of the comment period. Call the numbers below to be added to the mail list.

Lower Red River Meadow Restoration Project. An interagency team is reviewing technical stream restoration designs and analyzing resulting water quality effects. Anticipate the preliminary EA in early November. Call to be added to the mail list.

Olympia-South Tacoma Reconductor Project. The EA will be available in November. Please call for a copy.

Resource Contingency Program. The EIS has been divided into two parts: RCP Oregon and RCP Washington. The Oregon RCP (#2685) was released in October. Anticipate the Washington RCP in November. Call to be put on the mail list.

South Fork Snake River Wildlife Management Plan EA. The final EA and FONSI (#2670) were sent out in October. The Idaho Department of Fish and Game will begin to identify mitigation opportunities soon. The draft EIS should be available in January. Call for copies or to be added to the mail list.

System Operation Review. The project is drawing to a close. We anticipate release of the Final EIS and the Summary in November. If you aren't on the mail list, call to add your name.

Washington Wildlife Mitigation Trust Projects Programmatic EA. In cooperation with the Wash. Dept. of Fish & Wildlife, BPA is proposing to fund that portion of the Mitigation Agreement pertaining to habitat. The action would allow the sponsors to secure property and conduct wildlife management for multiple projects located in central Wash. Initial work on the Programmatic EA has begun. Call to be added to the mail list.

Washington Windplant #1 Project. BPA's ROD is expected in November.

Wildlife Mitigation Program EIS. A fact sheet on the EIS (#2653) is available, and another fact sheet (#2698) reporting on scoping comments is also available; call for copies. Scheduled publication of the draft EIS has been postponed to January 1996.

Calendar of Events

Industrial Power Factor Analysis: Nov. 14-15, Everett, Wash. Registration deadline: Nov. 7. For details, contact Barry Kennedy, (503) 230-3463.

Close of Comment

No items this month.

For More Information or To Get Involved:

The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. **To order documents:** call 800-622-4520 or 230-3478 (Portland) or [click here](#).

For questions/comments: call 230-3478 (Portland) or 800-622-4519, or E-mail to comment@bpa.gov. Address comments to: P.O. Box 12999, Portland, OR 97212.

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