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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

# Journal

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The governors of Idaho, Montana, Oregon and Washington have announced a steering committee to review the Northwest's energy system and to provide recommendations for changes to the system. Public comment will be solicited. The governors have each appointed a representative who will serve on the executive committee. Todd Maddock of Idaho, John Etchart of Montana, Roy Hemmingway of Oregon and Mike Kreidler of Washington will represent the governors. Chuck Collins of Seattle, a former chairman of the Northwest Power Planning Council, will chair the steering committee and act as the fifth member of the executive committee. Walt Pollock, vice president of marketing, conservation and production, will represent BPA on an ex-officio basis. The region's Indian tribes and the federal government may also serve as ex-officio members if they choose.

Other members of the steering committee include Al Alexanderson of Portland General Electric, Rick Applegate of Trout Unlimited, Ken Canon of Industrial Customers of Northwest Utilities, Jim Davis of Douglas County Public Utility District, Bill Drummond of Western Montana Generation and Transmission, Jason Eisdorfer of Citizens Utility Board of Oregon, Bob Gannon of Montana Power Co.,

energy consultant K.C. Golden, Chuck Hedemark of Intermountain Gas Co., Sharon Nelson of Washington Utilities and Transportation Commission, John Saven of Full Requirements Group, Rachel Shimshak of Renewable Northwest Project, Brett Wilcox of Northwest Aluminum Company and Gary Zarker of Seattle City Light.

The Northwest Power Planning Council is responsible for ensuring public participation in the review. The steering committee is expected to work with a wide range of participants representing all segments of the power industry, agriculture, labor, low income groups, affected industries such as sport and commercial fishing, transportation and others. The governors have asked that the following issues be addressed: degree of separation of regional generation and transmission assets; who should own and operate these assets; standards to be applied to pricing of products from these assets; how costs and debt related to federal assets should be treated; whether the region should provide for the power system's non-power obligations; and which federal and state laws would require amendment should change be needed.

The regional review will kickoff with a meeting on Jan. 4, 1996, in Seattle. The committee will submit its final proposal to the governors who will then consult with the region's tribes and the federal government. By Dec. 1, 1996, the governors are expected to send the final proposal to the administration and congress for possible legislation.

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#### **Administrator Hardy addresses regional review**

BPA Administrator Randy Hardy outlined three goals for the regional review in a Dec. 7 speech presented at a conference sponsored by the Western Electric Power Institute and Portland State University. The three goals are to educate the public on the issues, maximize benefits to end-use consumers and preserve the public benefits BPA provides. Hardy also suggested seven areas that should be addressed in the regional review. They include separating generation and transmission, examining BPA's marketing flexibility and continuing to eliminate or limit subsidies. An additional area for discussion is whether BPA should be allowed to compete. The regional review should also consider competition in retail and wholesale markets, and determine how conservation, fish and renewables should be addressed. The last area is governance addressing how BPA should be structured. Copies of Hardy's speech are available by calling BPA's document request line listed on the back page.

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#### **Wind storms damage DC and AC interties**

Heavy West Coast wind storms on Dec. 12 knocked out the direct-current intertie in Southern California and one of three lines of the alternate-current intertie. All the damage was south of the Oregon border on non-BPA lines. One DC intertie tower blew down and four others were damaged about one hundred miles north of Los Angeles, Calif. The DC intertie was carrying 1600 megawatts to California when it went down. It returned to service on Dec. 18. Thirty-two towers on a portion of the AC intertie near Redding, Calif., were on the ground. Inspectors found damage to a second AC line on Dec. 14. The AC intertie capacity has been reduced from 4800 megawatts to 2500 megawatts. The AC line is expected to be restored to full service in six to eight weeks. As a result of the damage, BPA has been forced to spill substantial quantities of water that otherwise would be used to generate power. Spills at some projects on the Columbia River went from 2,300 cubic meters per second (80,000 cubic feet per second) to 5,700 cubic meters per second (200,000 cubic feet per second).

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### **Supplemental rate proposal released**

BPA filed its supplemental rate proposal on Dec. 8. The proposal updates the initial rate proposal filed in July 1995. The rates in the supplemental proposal are 22.6 mills for direct-service industry customers and 24.9 mills for preference customers. The residential exchange benefits for fiscal year 1997 are set at \$145 million, with benefits during the remaining four years which are slightly higher than the initial rate proposal at an average of about \$67 million a year. Treasury payment probability for each of the five years in the rate period has increased to about 80 percent from the initial proposal of 71 percent. The increased treasury payment probability is due in large part to the Administration's fish cost agreement. It is also due to the ability to use credits for fish and wildlife costs paid by BPA since 1982 that were not related to power as provided in Section 4(h)(10)(c) of the Northwest Power Act.

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### **Administrator testifies in congressional hearing**

BPA Administrator Randy Hardy testified in Washington, D.C., on Dec. 6 in a hearing before the Energy and Power Subcommittee of the House Commerce Committee. Hardy's testimony focused on competitiveness, cost cutting, transmission access and pricing, and stranded cost recovery. Other parties providing testimony included Direct Service Industries Inc., Idaho Power Co., the Northwest Power Planning Council, the Public Power Council and the Public Generating Pool. Representative Mike Crapo (R-Idaho), a member of the House Commerce Committee, also heads up an Energy and Power Task Force. BPA expects to testify at a hearing called by Crapo tentatively scheduled for this month. Crapo will chair the hearing in Boise, Idaho, to focus on fish and water issues.

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### **FERC approves loop flow plan**

The Federal Energy Regulatory Commission has approved the Western Systems Coordinating Council's unscheduled loop flow plan. Under the plan, utilities will reimburse power companies in places such as Arizona and New Mexico to use phase shifters to keep unwanted electrons from flowing to undesired areas. The phenomenon occurs because electrons follow the path of least resistance. This presents a problem in a system as interconnected as the Western grid. It became an issue for BPA last winter as BPA was buying power from Southern California Edison. Just when the purchased power was to move from California to the Northwest, loop flow caused power to move up the intertie from the interior Southwest. This overloaded the intertie forcing BPA to purchase more expensive power from other locations. Western Systems Coordinating Council's plan calls for splitting the costs of the phase shifters among its member utilities using a formula based on loads, amount of power generated locally and amount of power imported and exported.

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### **Power system update**

Precipitation above The Dalles for the first half of December was 137 percent of average. Precipitation for the month of November was 176 percent of average. The forecast is for more normal precipitation in the second half of December and in January. Mild temperatures and heavy precipitation resulted in extremely high streamflows. Natural flows at The Dalles reached 509 percent of average on Dec. 2. December flows at The Dalles are projected to average 201 percent. The January through July volume runoff forecast is 149 cubic kilometers (121 million acre-feet).

Federal system storage was 87 percent full on Dec. 6 and 50 percent full on the same date in 1994. The surplus and non-firm markets continue to be weak due to mild weather conditions in the Pacific Northwest and California. The system is being operated to position storage reservoirs for the winter firm loads and to make non-firm sales in advantageous market conditions.

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#### **NMFS and NWPPC to form joint scientific committee**

The National Marine Fisheries Service and the Northwest Power Planning Council have forged a historic agreement. They have agreed to have a joint scientific advisory board for fish and wildlife. The council currently has a nine-member Independent Scientific Group. The new panel will be an 11-member Independent Scientific Advisory Board. Dr. Donald Bevin of Seattle, Dr. John Magnuson of the University of Wisconsin and Dr. Lyle Calvin of Oregon State University will nominate the members of the advisory board. The council and NMFS must agree on the selections. The new panel will be appointed in April 1996.

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#### **APAC files lawsuits**

The Association of Public Agency Customers, a group of industrial customers of BPA's preference customers, has filed two lawsuits against BPA in the U. S. 9th Circuit Court of Appeals. One suit challenges BPA's Business Plan Environmental Impact Statement Record of Decision and the other challenges a 15-year extension of BPA's wheeling arrangement with its direct-service industrial customers. The extension gives the DSIs open access to BPA transmission beyond their original five-year contracts with BPA and provides a process for dispute resolution similar to that available in the regional transmission associations. The Public Power Council and the Utility Reform Project have also filed lawsuits challenging the extension of the DSI wheeling arrangement.

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### **Public Involvement**

#### **STATUS REPORTS**

**1996 Rate Case.** BPA has revised its 1996 rate case schedule. The supplemental rate proposal was filed on Dec. 8. The supplemental rate proposal includes additional information and changes to the initial rate proposal that was filed July 10. The filing also includes rebuttal testimony and the rate case parties' direct case on BPA's revised segmentation study and revised rate analysis model. A Keeping Current (#2752) which addresses the supplemental rate case proposal is available. It also identifies related rate case publications.

**Albeni Falls Wildlife Management Plan/EA.** Work on the EA is progressing and the preliminary draft should be available in January. Call to be added to the project mail list.

**Anderson Ranch Wildlife Management Plan/EA.** Initial work on the EA is beginning. Anticipate the preliminary draft in January. Call to be added to the project mailing list.

**Canadian Entitlement.** The final EIS (#2473) will be available in early January. Call if you are not on the mailing list and would like a copy.

**Columbia Windfarm #1 Project.** BPA expects to issue a ROD after the USFWS finalizes the Biological Opinion. Call to be put on the mail list.

**Firm Resource Exhibit Submittals (White Book).** The final 1995 White Book will be issued on Jan. 31, 1996, with final submittal of FREs by utilities on Feb. 15.

**Hood River Fisheries Project.** The draft EIS is expected in February. BPA is planning to hold two public meetings toward the end of the comment period (mid-March). Call the numbers below to be added to the mail list.

**KENETECH/PacifiCorp Windpower Project.** BPA's Record of Decision will be released in February. Call for a copy.

**Lower Red River Meadow Restoration Project.** The EA is on hold until consensus is reached on stream restoration designs.

**Olympia-South Tacoma Reconductor Project.** Deadline for comments on the EA is January 2. A FONSI is expected by mid-February.

**Resource Contingency Program.** The EIS has been divided into two parts: RCP Oregon (Hermiston Power Project) and RCP Washington (Chehalis and Satsop Power Projects). The Oregon RCP (#2685) was printed in September and mailed in early October. The Washington RCP (2 vols., #2756 and #2757) is now available. Call for a copy.

**Sierra Pacific Power Co. Alturas Transmission Line Project.** The ROD will be released in February. Call to reserve a copy.

**System Operation Review.** The Final EIS is being distributed the first week of January. This document concludes BPA's involvement in the EIS process. A Streamline (#2582) addressing the final EIS and its alternatives has also been released. Call to receive a copy. If you have not already requested copies, please call the numbers below to receive the Streamline, final EIS or related appendices.

**Vancouver Lowlands Columbia River Wildlife Mitigation Project EIS.** Originally a draft EA, this project has escalated to the EIS process because the area involved resides within a Cultural Resource District. Work has restarted and the Notice of Intent should be out in January. Call to be added to the mail list.

**Washington Wildlife Mitigation Trust Projects Programmatic EA.** Initial work on the Programmatic EA has begun. Call to be added to the mail list.

**Washington Windplant #1 Project.** BPA's Record of Decision is expected in February.

**Wildlife Mitigation Program EIS.** The draft EIS is scheduled for publication in February 1996. Call to be added to the mail list.

**Yakima Fisheries Project EIS.** The final EIS (#2784) will be available in early January. A summary (#2783) of the final EIS will also be available. Call the numbers below to reserve copies.

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#### CALENDAR OF EVENTS

Governors' Kickoff for the Regional Review: **Jan. 4, 10 a.m. - 3 p.m.**, Wyndham Garden Hotel, Sea-

Tac, Seattle, Wash.

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#### CLOSE OF COMMENT

Olympia-South Tacoma Reconductor Project, **Jan. 2.**

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#### Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement

FONSI: Finding of No Significant Impact

ROD: Record of Decision

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#### Editor's Note

The *Journal* is making every effort to keep you informed of all the issues facing BPA. We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or [enballa@bpa.gov](mailto:enballa@bpa.gov).

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#### 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](mailto:comment@bpa.gov). Address comments to: P.O. Box 12999, Portland, OR 97212.

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