

[in the news](#)[home](#) [site search](#) [org chart](#) [contact us](#) [web comments](#)

A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

[Click here for past Journals.](#)

January 1998



Teton River in eastern Idaho ([Click here for details.](#))

Table of contents

News stories:

- [PGE refuses BPA's residential exchange settlement offer](#)
- [Subscription process underway](#)
- [Cost Review management team to release draft](#)
- [BPA exceeds conservation target in fiscal year 1997](#)
- [BPA and Supply System save almost \\$24 million by refinancing bonds](#)
- [BPA helps fish below Bonneville Dam](#)
- [Cultural resource management conference planned](#)
- [Man arrested in federal building adjacent to BPA headquarters](#)

Public involvement

- [Status reports](#)
- [Calendar of Events](#)

[How you can get involved](#)

PGE refuses BPA's residential exchange settlement offer

[Portland General Electric](#) rejected BPA's settlement offer to phase out the residential exchange. The settlement included a cash payment of \$20.5 million and a sale of 125 megawatts of power over the next four years, increasing to 300 average megawatts after 2001. The power sale would be enough to serve 50 percent of PGE's residential customers. If PGE had accepted BPA's offer and taken actions suggested by BPA, PGE could have nearly eliminated the 11.7 percent rate increase it is now applying for at the Oregon Public Utility Commission. PGE is blaming BPA for the rate increase.

The residential exchange was established by the Northwest Power Act of 1980 to give residential and small farm customers of higher cost utilities (mostly investor-owned utilities) access to the benefits of the federal hydro system. Essentially, BPA traded its lower cost power for the exchanging utility's higher cost power. It was a paper transaction that involved BPA making a payment to the utility based on the difference between BPA's priority firm exchange rate and the exchanging utility's average system costs. The exchanging utility passed on the resulting savings to its residential and small farm customers. With competition, the difference between BPA's rate and other utilities' average system costs has shrunk. Noting the market changes, the conference committee for the 1996 Energy and Water Development Appropriations Act called for a gradual phase-out of the residential exchange by October 2001. The Comprehensive Review of the Northwest Energy System concurred with this direction and concluded that the goals of the exchange would best be met after 2001 by giving residential and small farm customers of IOUs access to federal power rather than providing a cash payment. BPA's offer to PGE reflected this direction.

[\(return to table of contents\)](#)

Subscription process underway

The Comprehensive Review of the Northwest Energy System recommended that BPA introduce a subscription process to sell power in the Northwest after 2001 when at least 75 percent of BPA's current power sales contracts expire. The existing contracts represent nearly 8,000 megawatts of federal power. Multi-year contracts provide revenue stability for BPA and assure customers of long-term power at a fixed cost. Utility customers are willing to pay more for multi-year power products in return for price stability. But in recent years, a large surplus of power throughout the West Coast has brought electric prices down. If the surplus continues, wholesale electricity prices could remain low beyond 2001, making it a buyer's market with continued competition. BPA continues to reduce its costs to keep its rates down.

BPA is conducting public meetings on subscription throughout the region and encouraging the participation of interested parties. The next meeting is tentatively scheduled for mid-February. The location and time have not yet been determined. The meeting will be listed on the Public Involvement page of the February Journal.

[\(return to table of contents\)](#)

Cost Review management team to release draft

On Jan. 15, 1998, the Management Committee of the [Bonneville Cost Review](#) will release its draft recommendations at a press conference held in Olympia, Wash., at the Urban Onion Restaurant, 116 Legion Way S.E. The press conference, conducted by both the [Northwest Power Planning Council](#) and BPA, will begin at 2:00 p.m. A workshop to explain in greater detail the committee's cost management recommendations and to answer questions will be held immediately following the press conference. On Jan. 15, the draft recommendations and related information can be found on both the NWPPA and BPA web sites. The respective web site addresses are www.nwppc.org and www.bpa.gov

In September, NWPPC and BPA began conducting a review of the Federal Columbia River Power System's future cost projections. The review is being led by a management committee composed of representatives of the NWPPC, BPA and five executives who have presided over downsizing or other significant change in their industries. The Cost Review covers costs of the FCRPS, BPA business lines and BPA corporate functions for fiscal years 1998 - 2006 and focuses particularly on FYs 2002 - 2006. The committee's final recommendations will be forwarded to the BPA administrator in late February.

The objectives of the Cost Review are to ensure that BPA's near- and long-term power and transmission costs are as low as possible, consistent with sound business practices, enabling full cost recovery with cost-based power rates. Accomplishing this will: 1) give confidence to BPA customers, tribes and constituents that future FCRPS costs are being managed effectively; 2) ensure that the subscription process results in a very high level of customer load commitment to BPA; 3) minimize, if not avoid, transition or stranded costs; and 4) ensure that obligations to the U.S. Treasury, third party bondholders, and fish and wildlife recovery are at least as secure as they are currently.

The announcement on Jan. 15 begins a public comment period that will include two public meetings. They will be on Feb. 5 in Spokane and Feb. 9 in Portland. At the time the Journal went to press, the locations and times for both public meetings were not finalized, but they will be made available as soon as possible on both the NWPPC and BPA web sites. In addition to the public comment meetings, NWPPA and BPA will jointly be providing briefing opportunities to interested parties throughout the region during the comment period that concludes on Feb. 13. Written comments also will be taken until close of business on Feb. 13. You can send your written comments to Cost Review, Northwest Power Planning Council, 851 S.W. Sixth Avenue, Suite 1100, Portland, OR, 97204. You may also e-mail your comments to www.nwppc.org/cost_rev.htm or fax them to (503) 795-3370. If you have any questions about the Cost Review public process, please contact Jim Middaugh at the Northwest Power Planning Council at (503) 795-3322 or Mike Hansen at BPA at (503) 230-4328.

[\(return to table of contents\)](#)

BPA exceeds conservation target in fiscal year 1997

BPA sponsored conservation programs achieved 55 average megawatts of new energy savings for BPA customers, almost doubling the target set for the year. Most of the savings are in the commercial, industrial and multi-sector programs. The total energy savings accomplished since 1982, through BPA-sponsored programs and conservation efforts, is about 690 aMWs. BPA will soon publish its Conservation and Generation Resource Energy Data, known as the Red Book. The Red Book provides more information on costs and savings from fiscal years 1982 to 1997.

[\(return to table of contents\)](#)

BPA and Supply System save almost \$24 million by refinancing bonds

The [Washington Public Power Supply System](#) and BPA took advantage of low interest rates and refinanced Supply System bonds resulting in net present value savings of \$23.8 million over the life of the bonds. The bonds were sold at a true interest cost of 5.1 percent, replacing bonds that had interest rates ranging from 6 to 7.5 percent. It was the nineteenth refinancing since 1989 for a total of \$1.74 billion in gross debt service savings.

([return to table of contents](#))

BPA helps fish below Bonneville Dam

As a public benefit, BPA has agreed to temporarily maintain minimum flows at Bonneville Dam. The action comes as a result of indications that fall chinook may be spawning just below the dam. The minimum flow, requested by the states and tribes, is intended to ensure that redds are kept watered. The fish are not endangered fish, thought to be hatchery strays that now are naturally spawning in the area. While information on the redds and the impact of flows is scarce at this point, BPA opted to operate within the flow levels as a public service. If the economic impacts become too great without supporting science to justify the action or if biological opinion operations are compromised, BPA will re-evaluate the flow levels. It appears that for the December — January period, barring major weather deviations, the economic impacts will be minimal.

([return to table of contents](#))

Cultural resource management conference planned

BPA is planning a conference to discuss cultural resource management at Federal Columbia River Power System reservoirs. BPA, the U.S. Army Corps of Engineers and the Bureau of Reclamation collaborate with Columbia Basin tribes and other interests to plan and implement cultural resource management at the reservoirs. The conference provides an opportunity for all parties working on cultural resource management at the reservoirs to collectively discuss challenges they have found and solutions they have developed; others are welcome to participate. Topics expected to be discussed include site surveys, oral histories and traditional cultural sites, law enforcement and site stabilization. The conference will be held Feb. 24 and 25 in Spokane, at a site to be determined. To register, please call Yvonne Boss at (503) 230-3596, or Carlene Stenehjem at (503) 230-5109.

([return to table of contents](#))

Man arrested in federal building adjacent to BPA headquarters

The Portland Eastside Federal Complex was evacuated about 4 p.m. on Dec. 30 when a man carrying a small suitcase was arrested in the building lobby. Several federal agencies including BPA have offices in the two buildings. The man had expressed hatred of federal workers and admiration for the unabomber while riding public transportation. Police had been alerted by transportation workers and were in pursuit of the suspect when he got off the train and ran into the federal building. Police acted on the assumption that the suspect had a bomb in the suitcase. He was arrested at gun point in the building adjacent to BPA headquarters.

Police, concerned about the welfare of the employees, ordered the evacuation of both buildings until they determined that there was no bomb in the suitcase. Employees were allowed to return to the

buildings at 4:45 p.m.

(return to table of contents)

Public Involvement

Status Reports

BPA/Lower Valley Transmission Project. Idaho and Wyoming — To resolve a voltage stability problem in the Jackson and Afton, Wyo. areas; new 115-kV line proposed on existing right-of-way. A final EIS is being developed. Call to be added to the mail list.

Big Eddy-Ostrander Vegetation Management EA. Oregon — To control vegetation on two segments of the 500-kV transmission line right-of-way. One segment is from Lolo Pass to near Parkdale. The other segment is east of Parkdale. The Forest Service is a partner. An EA is being prepared. Call to be added to the mail list.

Bonneville-Hood River Vegetation Management EA. Oregon — To control vegetation on the 115-kV transmission line right-of-way between Bonneville Dam and Hood River in the Columbia Gorge Scenic Area. The Forest Service is a partner. An EA is being prepared. Call to be added to the mail list.

Columbia Windfarm #1. Washington — The final EIS (#2682) is available. Call to receive a copy.

Fourmile Hill Geothermal Development Project EIS (Calpine). Northern California — A geothermal power plant and new transmission line have been proposed on Forest Service land in the Klamath and Modoc forests. BLM has the lead and BPA is a cooperating agency. A summary of the draft EIS is available. Call to be added to the mail list.

Grande Ronde River Spring Chinook Project. Oregon — Spring chinook supplementation program. An EA is being prepared. Call to be added to the mail list. **Grizzly Substation Fiber Optic Line Project EA.** Oregon — To string fiber optic cable along BPA's John Day-Grizzly No. 1 transmission line into the Grizzly Substation. Also to acquire a 50-foot easement along existing county roads on the Crooked River National Grasslands from the Grizzly Substation to the Big Eddy-Redmond No. 1 transmission line. The EA is available. Call to receive a copy.

Methow Valley Irrigation District EA. Northern Washington — BPA will help fund one or two alternatives in the EA. One would include conversion of the open canal system to a pipeline and compensation to those who leave the District and convert to groundwater use. The other would dissolve MVID and all members would convert to groundwater use, with BPA providing money to assist members in obtaining necessary equipment. The decision between alternatives will be made by MVID. The EA/FONSI (#3027) is available. Call to receive a copy.

Northwest Regional Power Facility. Washington — To construct a combustion turbine near Creston. The final EIS (#2887) and a Supplement Analysis is available. Call to receive a copy.

Telephone Flats Geothermal Project EIS (Calenergy). Northern California — A geothermal power plant and new transmission line have been proposed on Forest Service land in the Modoc Forest. BLM has the lead and BPA is a cooperating agency. The draft EIS is being prepared. Call to be added to the mail list.

Upper Snake River Fish Culture Facility. Idaho — A proposal to purchase a tribal hatchery for redevelopment of Yellowstone cutthroat and redband trout. An EA is being prepared. Call to be added to the mail list.

Vegetation Management Program EIS. Regionwide — To develop a vegetation management program that is cost-effective, consistent, efficient and environmentally sensitive while maintaining a safe and reliable transmission system. The Forest Service and BLM are cooperating agencies. The draft EIS is being prepared. Call to be added to the mail list.

Yakima River Basin Water Enhancement Project Programmatic EIS. Washington — The Bureau of Reclamation is taking the lead on this project. BPA is a cooperating agency. The draft programmatic EIS is being prepared. For further information, contact John Tiedeman, BOR, at (509) 575-5848 ext. 238.

(return to table of contents)

CALENDAR OF EVENTS

IndeGO Public Forums: **Jan. 6**, Spokane, Wash.; **Jan. 7**, Missoula, Mont.; **Jan. 8**, Pasco, Wash.; **Jan. 13**, Seattle, Wash.; **Jan. 14**, Portland, Ore.; **Jan. 15**, Medford, Ore.

For additional information, contact Mike Hansen, (503) 230-4328.

(return to table of contents)

Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement

FONSI: Finding of No Significant Impact

NOI: Notice of Intent

ROD: Record of Decision

Visit the BPA home page at <http://www.bpa.gov>.

An archive of past *Journals* is available on the Internet at <http://www.bpa.gov/Corporate/KC/home/journal/>.

We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or enballa@bpa.gov.

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 or to subscribe to a "hard copy" version of the *Journal*: 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.

BPA Offices:

Boise - 208-334-9137

Missoula - 406-329-3060

Seattle - 206-216-4272

Spokane - 509-353-2515

Walla Walla - 509-527-6225

Washington, D.C. - 202-586-5640

Vancouver, Wash. - 360-418-8600

BPA Public Involvement, Internet, E-mail address: Comment@BPA.gov

[\(return to table of contents\)](#)

The *Journal* is edited by Nicia Balla, BPA Corporate Communications, enballa@bpa.gov.

The Public Involvement section is compiled by Jean Pennington, BPA Corporate Communications, japennington@bpa.gov.

The Web page version of the *Journal* is maintained by BPA Communication Services, intcomm@bpa.gov.
