



Department of Energy

OFFICIAL FILE COPY

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JAN 09 2001

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510-3704

Dear Senator Smith:

Thank you for your letter of December 8, 2000. I sincerely appreciate your kind words of support and your offer of assistance. As you note, this winter will present some challenges for the Northwest power system. Bonneville Power Administration (BPA) and other Pacific Northwest electricity suppliers are prepared to take decisive action to meet loads and maintain reliability. We may have to make some tough decisions to balance fish operations and power generation on the Columbia River, and your support for our efforts is important.

Since you wrote, the Winter Energy Emergency Plan has already been tried and performed soundly. When an Arctic cold front headed towards the Northwest December 8, the Emergency Response Team came together quickly to issue a warning of a level 2 alert. The region's energy community worked together with unprecedented cooperation, and the Northwest governors helped by getting a consistent message to the public throughout the region.

The effort was phenomenally successful. According to a measurement taken by the Northwest Power Pool during the hour (5 p.m. to 6 p.m.) of peak electricity use on December 11, approximately 835 megawatthours of load relief was achieved through end users voluntarily conserving or curtailing power usage. According to this measurement, the combination of load reductions and increased generation during the peak hour made a total of an additional 1,600 megawatts or more of electricity available to the region. This is the equivalent of supplying an entire city slightly larger than Seattle for one hour.

The winter is just beginning, and we may have more occasions when we will have to call on the winter preparedness plan. And, as you note, this winter's emergencies are part of the larger issue of energy shortages and high prices on the west coast. I am hopeful that, working together, we can come up with constructive solutions that provide for competitive markets, a reliable power system, and lower costs for consumers.

Thank you again for your continued leadership and support.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

FEB 01 2001

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510-3704

Dear Senator Smith:

This is in response to your letter of January 5 expressing concern about the five Oregon public utilities that are suffering financial burdens because of the Bonneville Power Administration (BPA) contracts they signed in June 1998. As you note, the contracts are indexed to the spot market prices at the Mid-Columbia trading hub and today these utilities are suffering the consequences of exposure to unprecedented power market prices.

You may be aware that in 1998 the customers requested that we convert their fixed rate contract to an index, and that BPA at the time expressed our misgivings about the conversion. We urged the customers to actively manage the risk associated with this kind of purchase. At the time the contracts were signed, we offered risk management services and access to BPA's credit to enable them to hedge the purchases. We have continued to encourage them to manage the risk in various ways.

Last summer, we changed the contracts to defer payment of the indexed portion, spreading payments over five years. At that time, we also offered to fix the price of the contract, but the customers decided to remain with the indexed price.

After receiving your letter, I met with several of the utility General Managers to discuss ways that BPA could partially address their financial exposure. As a result of that meeting, BPA agreed to purchase a monthly "cap," or maximum price, for the remainder of the utilities' contract term in the current fiscal year. BPA absorbed 90 percent of the \$5 million cost of the cap, and the index customers paid the balance.

These caps, while much higher than BPA fixed prices, provide the customers budget certainty by defining the maximum possible prices they might pay in the next six-nine months. They also allow for the customers to get lower prices if the market falls. In return, BPA has taken appropriate actions to protect its other, non-index customers by hedging against even higher prices to this category of market-priced sales. Thus, BPA was able to insulate the index customers from further price spikes while still protecting BPA finances should prices go higher.

The utilities have publicly expressed their gratitude and appreciation for the help we have given them. Unfortunately, BPA has limited flexibility to provide any more. In 1998, we swapped a portion of the deal in our own hedging program, and we have obligations to the counter party. As you know, we too have been paying extremely high prices for power on the open market ourselves. In January, BPA declared a power emergency under the Biological Opinion in order to operate the hydro system more aggressively and meet Northwest loads.

BPA is very concerned about the future of public utilities and their customers in this region as we grapple with the huge challenges of the west coast energy crisis. I am very thankful for the leadership and involvement of you and other members of the Northwest congressional delegation as we work together toward solutions.

Thank you for your letter. If I can be of further help, please contact me or have your staff contact John Lebens, at (503) 230-3965.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

FEB 27 2001

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510

Dear Senator Smith:

Thank you for your letter of February 12, 2001, expressing support for Bonneville Power Administration (BPA) paying irrigators to reduce their water and/or electricity demands by not pumping water this growing season.

We agree that this is a good idea. This week, BPA offered a Load Reduction Program for Irrigated Agriculture (Program) to our public utilities who serve irrigators. We are also pursuing an arrangement with the three irrigation districts associated with the Columbia Basin project. This arrangement has huge potential. We can realize energy savings that otherwise would be used to pump water out of Grand Coulee reservoir into Banks Lake, pump water from Banks Lake into the Columbia Basin canal system, and, finally, pump water out of the canals into the irrigators' fields. In addition, we receive the value of keeping the water in the river at Grand Coulee.

These are two of several near-term actions we are taking to address the high-market prices and shortage of electricity supply. Others include purchasing short and long-term reductions from energy intensive customers and introducing a range of aggressive new conservation initiatives. Because, as you say, the situation is likely to get worse before it gets better, BPA has also proposed contingency hydro operations for this spring and summer. These contingency operations would be triggered by agreed-upon indicators such as the level of BPA's financial reserves and/or market power prices. They would involve re-prioritizing some of the objectives under the 2000 Biological Opinion for salmon recovery. We are discussing these operations with the other Federal agencies involved in managing the Federal Columbia River Power System and Endangered Species Act compliance.

The Load Reduction Program for Irrigated Agriculture is expected to help reduce BPA's load requirements this spring and summer, while keeping more water in the Columbia River Basin for power generation. We are setting the price for buying back load from the irrigators at below the current market price for power. The price takes into account the fact that BPA will bear all of the risks under this program such as weather variations and the uncertainty of savings occurring.

You ask about the costs and the expected savings from the irrigation load buydown. In fact, because BPA is paying less than the price we expect to pay to meet that load through purchases in the wholesale power market, the program should represent a savings to BPA. It is difficult to project what level of participation we will get from irrigators, but optimistic projections are that we could receive in excess of 100 average megawatts in irrigation load reductions this spring and summer.

I am hopeful that this package of near-term measures will be effective in managing BPA's situation this year such that our rate increase is manageable, the Pacific Northwest economy is stable, and power system reliability is maintained. I appreciate your support during these challenging times for BPA. I look forward to working with you on these and the longer term solutions to the west coast energy crisis.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer

cc:
The Honorable Larry Craig
United States Senate
Washington, DC 20510



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

FEB 21 2001

In reply refer to: KR-7C

The Honorable Gordon Smith
One World Trade Center
121 SW Salmon Street, Suite 1250
Portland, OR 97204

Dear Senator Smith:

This is in response to your letter of February 1, 2001, conveying your constituent concerns about Bonneville Power Administration (BPA) practice of re-hiring BPA retirees under contract.

I appreciate the concern expressed by _____ It may appear as if re-hiring annuitants is costing BPA more money than hiring a new replacement for that retiree. However, while relatively unusual (probably less than 10 percent of the time), this practice does occur in circumstances that make good business sense for BPA. Let me explain.

Once an employee reaches a certain age along with the requisite number of years of federal experience, that employee is eligible for optional retirement, fully at their discretion. Sometimes, employees do not provide much advance notice that they intend to retire. That leaves BPA with a difficult choice. BPA can seek to hire a new employee to fill behind. This usually involves an extended period of time to advertise the vacancy, recruit, and interview candidates, leaving a vacancy in the job for several months. Occasionally, BPA must also pay for the relocation of the selected candidate. Usually the new employee also needs time to learn the demands of the job, so productivity usually suffers when compared with the work of the experienced worker who chose to retire. In certain cases, the far better choice may be to hire back the recently retired employee. This is true for certain critical positions where project work cannot be delayed, or occasionally in circumstances where qualified replacement personnel are extremely difficult to find. The retiree can finish work on a project or perform the work while efforts can be expended to hire and train the replacement.

Again, this is a relatively unusual circumstance where we find it necessary to do this. More commonly, we are able to redeploy a worker from another part of our agency to take over the work of the retiree or reprioritize work to allow an extended vacancy to occur while the recruitment and selection process takes place.

For the most part, federal retirees are not prohibited from working for a federal contractor, or as an individual service provider, immediately after they retire from the government. And because

some BPA retirees have highly specialized knowledge and skills and are familiar with BPA systems and processes, contractors are very interested in hiring them. Thus, while it is not a "routine practice," BPA does on occasion use contractors who employ BPA retirees.

Not all types of BPA work can be assigned to a contractor. Our Bonneville Purchasing Instructions preclude contractors from doing work for BPA that is considered "inherently governmental." This includes work such as establishing BPA's policies. In addition, under the Standards of Ethical Conduct, all federal employees are subject to certain restrictions when they leave federal service. For your reference, I am enclosing material from the annual ethics training that BPA employees are required to attend that addresses these post employment restrictions.

A former BPA employee may also collect a federal pension at the same time that the former employee earns salary from a company doing business with BPA. The former employee may or may not be making a similar wage with the contractor as they were with the Federal Government. Our purchasing staff review all proposed contract billing rates and contractor costs to ensure that BPA does not pay excessively for the services rendered. The contractor billing rates are generally in line with what a private sector company might pay for same services.

Finally, BPA is fully aware and concerned about how our personnel and purchasing practices affect our financial condition. As [redacted] notes, BPA is facing a significant rate increase in the upcoming rate period. However, our personnel costs have very little to do with this rate increase. Before last summer's dramatic escalation in the price of wholesale power on the west coast, in fact, BPA was proposing low and stable rates for the 2002-06 rate period. This proposal took into account projected staffing levels and existing personnel practices—including the practice of using former BPA employees returning as BPA contractors.

I trust this is responsive to your request. If you have any further questions, please have your staff contact our manager of corporate purchasing, Ken Berglund, at (503) 230-5498.

Sincerely,

(Sgd.) S.G. Hickok

 Stephen J. Wright
Acting Administrator and
Chief Executive Officer

Enclosure

cc:
The Honorable Gordon Smith
United States Senate
Washington, DC 20510



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

DEC 07 2000

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510

Dear Senator Smith:

Thank you for your letter of October 26 expressing support for the project that McCook Metals is pursuing with the Longview aluminum smelter. You urge Bonneville Power Administration (BPA) to find ways to support and implement it without impacting Northwest ratepayers.

As you know, McCook wants to modernize the Longview smelter and keep it operating competitively in the world market. BPA and McCook are discussing a conceptual approach for a power exchange that could help McCook secure financial backing to purchase the Longview smelter from Alcoa. This approach is intended to provide McCook with a stable power supply for part of the plant's load for a 10-year period.

McCook is proposing to develop its own combustion turbine (CT) to serve the smelter. BPA and McCook are discussing a concept in which McCook would offer BPA the output from the CT in the 2004-2006 timeframe in exchange for the equivalent amount of power in later years. We believe this approach could potentially benefit the Northwest by helping preserve jobs for some of the region's aluminum workers. At the same time, it could result in a larger supply of power being delivered to BPA in the 2004-2006 period, when the region will likely still be energy deficit.

This approach would lead to ending BPA power sales to Longview, freeing up 280 megawatts of cost-based Federal power for use by other Northwest energy consumers. If successful, this could introduce a new paradigm to the region, which would eventually move direct service industry (DSI) loads off the Federal system.

BPA is interested in exploring creative solutions with the DSIs that would help preserve jobs for Northwest aluminum workers without increasing costs to other BPA customers. BPA and McCook, along with BPA's customers and constituents, will continue to explore the proposal in

the context of the findings of the Northwest aluminum industry study, as well as BPA's overall strategy for augmenting its power supply.

BPA is committed to keeping the region informed about these discussions. We will share information with you, as it develops, through our Washington, DC office.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

DEC 01 2000

In reply refer to: KR-7C

The Honorable Gordon Smith
One World Trade Center
121 SW Salmon, Suite 1250
Portland, OR 97204

Dear Senator Smith:

This is in response to your letter of November 20 conveying the concerns of your constituent, [redacted] has asked what "immunities" Congress has granted Bonneville Power Administration (BPA) that relieve the agency of the need to obtain property easements for installing fiber-optic cable on existing transmission lines.

In our August 24, 2000, response to [redacted] earlier letter, we said that Congress has affirmed its support of BPA's efforts to replace outdated microwave communications systems with fiber optics. We did not assert that Congress has provided BPA with any immunity from acquiring easements, as it appears [redacted] has inferred. As we have stated to [redacted] in other responses, the original easement that we acquired over his property when we built the transmission line provides us with the necessary rights to install fiber-optic cable along our rights-of-way. BPA is installing fiber-optic cable to ensure the continued reliability of the transmission system, as you are aware. We are using economies of scale, just as any other utility would, to acquire the fiber-optic cable capacity that we need now and in the future.

BPA owns and maintains the cable. [redacted] assertion that somehow private telecommunications providers "give it [the cable] to BPA" is erroneous. Nothing about the business transaction of a third party paying for the construction affects our ownership in any way.

We currently have no third party-owned fiber-optic cable on our rights-of-way. Third parties have shown very limited interest in pursuing third party or joint ownership options with BPA. Nevertheless, BPA has stated that it will assist interested third parties in obtaining transmission rights-of-way information, but we continue to be very clear that potential third-party owners would have to obtain their own easements.

Enclosed for your records is our response to October 8, 2000, letter. At this point, we believe that we have supplied all of the information that we can to We cannot provide legal advice to him. If he has additional questions about real property law, we have suggested that he contact an attorney.

I hope this is responsive to your request. If you have any additional questions, please feel free to have your staff contact Ms. Sonya Baskerville of BPA's legal staff. Thank you for your letter.

Sincerely,

(Sgd.) S.G. Hickok

 Stephen J. Wright
Acting Administrator and
Chief Executive Officer

Enclosure

cc:

The Honorable Gordon Smith
United States Senate
Washington, DC 20510

bcc:

Adm. Chron. File - A
ECC - A (00-0507)
BPA - KN (2)
K. Hunt - KR-7
R. Roach - L-7
S. Baskerville - LT-7
M. Maher - T/Ditt2
R. Ferrera - TRF-3
Official File - KR (EX-15-12-2)

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Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JAN 03 2001

In reply refer to: KR-7

The Honorable Greg Walden
U.S. House of Representatives
Washington, DC 20515

Dear Representative Walden:

I am in receipt of your letter of December 12, 2000, requesting an update on the situation with your constituents, and their request to be relocated due to federal funding for acquisition of the home they are renting.

You ask for a timeline projecting when this relocation will take place. The schedule is contingent on our reaching a mutually acceptable resolution with the Bonneville Power Administration (BPA) legal staff are in communication with the attorney. We have tentatively scheduled a meeting with all parties for Monday, January 29, 2001, with the hopes that this will move us closer to resolution.

Certainly BPA would like to resolve this in a timely fashion. In the meantime, as you know, the are free to remain in their rented residence.

I will keep you informed through staff of any significant progress on this issue. If you have any questions, please contact me or have your staff contact BPA Legal Counsel Ernie Estes, at 503-230-4023.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Wright".

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

February 15, 2002

In reply refer to: KR-7C

The Honorable Peter DeFazio
U.S. House of Representatives
Washington, DC 20515

Dear Representative DeFazio:

Thank you for your letter of January 31, 2002, in which you describe your concerns about altering the current process for reviewing and selecting fish and wildlife projects in the Columbia River Basin. I understand that the Northwest Power Planning Council (Council) has looked at some ideas along these lines. However, since the Council has not yet developed any specific proposals, Bonneville Power Administration (BPA) is not in a position to comment on those ideas. If and when the Council does propose any changes to the fish and wildlife project selection process, I certainly anticipate that those changes will be subject to a public review process as is the Council's practice. In that event, BPA will review the proposal and comment on it through the public process.

BPA is very supportive of the regional view that the Council provides with its fish and wildlife efforts, as well as in its power and conservation plan. We have also been impressed with the contribution that independent scientific reviews of fish and wildlife proposals have made to the credibility and effectiveness of the Council's program. As the Council proceeds with its subbasin planning efforts, a primary goal for BPA remains the integration of the Council's fish and wildlife plan with BPA's Endangered Species Act responsibilities. We are encouraged by the progress that has been made so far to integrate the Council's program with the off-site mitigation actions that are described in the National Marine Fisheries Service and U.S. Fish and Wildlife Service 2000 Biological Opinions.

Thank you for your letter. Should the Council announce proposed changes in its process, I will keep you apprised of any input BPA provides to the Council regarding the changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Wright".

Stephen J. Wright
Administrator and
Chief Executive Officer

Cc:

The Honorable Greg Walden
U.S. House of Representatives
Washington, D.C. 20515



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

May 13, 2002

In reply refer to: KR-7C

The Honorable Peter DeFazio
U.S. House of Representatives
612 SE Jackson Street, #9
Roseburg, OR 97470

Dear Representative DeFazio:

This is in response to your letter to Bonneville Power Administration (BPA) of April 25, 2002. The letter forwarded the concerns of your constituents, _____, who believe that problems they have had on their dairy farm are due to "stray voltage" from a nearby BPA substation.

BPA has conducted several tests and investigations at BPA's facilities on the _____ property. We did not find that BPA equipment, transmission lines, or structures were inducing stray voltages onto the _____ property. I am enclosing our most recent measurements made at our substation as well as some measurements around the dairy (letter from Ricardo Ortega, dated 3/7/00). Our transmission line and substation at the _____ property reflect our present design standards as they are carried out throughout our transmission system.

As we describe in an earlier letter I sent to Senator Ron Wyden (enclosed), stray voltage is neutral-to-earth voltage and it is normally referred to in regard to animal contacts. When _____ first complained about stray voltage, _____ local electric utility, Coos Curry Electric Cooperative, isolated the dairy facility from the utility's system-neutral. For all practical purposes, this eliminated any interaction between the dairy's neutral system and the utility's neutral. BPA later made a measurement at his milking parlor on February 15, 2000, and sent a copy of those measurements to him on March 7 of that same year. The data documents there are no harmful stray voltages at his milking parlor. Because of the Coos Curry's modifications at the dairy facility, any changes BPA makes at its substation should have no effect on stray voltage within the Wagner's milking parlor.

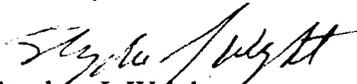
On behalf of _____, the Oregon Public Utility Commission recently requested BPA, Coos Curry Electric Cooperative and Verizon (the local telephone provider) to review all the actions we've individually taken and see if there is anything more that we think will actually help the situation. The three utilities have met and BPA has concluded there is nothing that we can do.

To date, it appears _____ has done his own tests for "stray voltage". He has done his own analysis and come to his own conclusions based on those measurements. Although Bonneville has supplied information under a Freedom of Information Act (FOIA) request to an engineering

firm that was investigating claim, we encourage to continue working with qualified specialists who will use the appropriate methods and know how to interpret the findings. As stated in our letter to Senator Wyden, we believe that should consult with an expert to review and evaluate his farm for conformance with National Electric Code standards.

I am very sorry that the are not satisfied with what the utilities have done for them, but we do not believe that BPA's transmission facilities are causing any problems. We trust this fully responds to your inquiry.

Sincerely,


Stephen J. Wright
Administrator and
Chief Executive Officer

2 Enclosure's

United States Government

Department of Energy
Bonneville Power Administration

memorandum

DATE: 3/7/00

REPLY TO
ATTN OF: Ricardo C. Ortega, SPC Electrical Engineer – TFEI
Chemawa Headquarters
2715 Tepper Lane N.E.
Keizer, OR 97303
(503) 393-2231

SUBJECT: Elk River Dairy Farm voltage measurements.

TO: Federated Rural Electric Insurance Corp.
ATT: John Connor

At the request of _____ of the Elk River Dairy farm, I am writing this letter to explain what I witnessed on his property.

I arrived at the Elk River Dairy farm the morning of February 15, 2000 at approximately 11:30 AM. _____ had called the North Bend Maintenance headquarters and requested we come out and investigate the stray voltage problem at his dairy farm. Upon my arrival, _____ informed me that Coos Curry Electric had already been there and had disconnected the neutral bond between the primary and secondary of the distribution transformer serving his dairy. I could not visually verify this from the ground.

I proceeded to conduct voltage measurements around a small portion of the dairy. I measured the following voltages:

Location	Voltage Measured
At transformer pole	3.0 – 5.0
At service/meter pole	0.3 – 0.5
At service mast near vacuum pump	0.05
At vacuum pump muffler	0.05

The readings were made using a ground rod driven into the ground several feet from the object being measured. The instrument used was a Beckman 310 digital multi-meter.

Sincerely,

Ricardo C. Ortega
Electrical Engineer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

AUG 31 2001

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

This is in response to your letter of July 27 requesting that Bonneville Power Administration (BPA) investigate a complaint from your constituents, [redacted]. The [redacted] believe that their personal health, the health and production problems they have had with their dairy cows, and electrical shocks they and their cows have received are due to "stray voltage" from a nearby BPA substation.

The [redacted] letter identifies four distinct issues that we will address. These issues are stray voltage, electrostatic induction, livestock death, and electric field health risks.

Between February and July 2000, BPA conducted extensive tests and measurements on the [redacted] property in Elk River Valley. The test results were negative. We did not find that BPA equipment, transmission lines, or structures were inducing stray voltages onto the property.

To clarify, stray voltage does not leak from a substation. It is common and normal that some of the local distribution utility's line current returns in the earth back to the substation through ground electrodes connected to the utility's system neutral. This can cause low (less than ten volts) 'neutral-to-earth' voltage differences (referred to as *stray voltage*) between the soil and metallic objects connected to the utility neutral. Since electricity takes the path of least resistance, an animal or human body would only know of, or 'feel' this voltage difference if that body is a better ground than the ground (earth) itself.

The 40-to-50 volt measurements taken in the [redacted] dry cow fields between their vehicle and earth is not due to stray voltage, but is a different electrical phenomenon referred to as *electrostatic induction*, normally expected under transmission lines. As we understand that item O.1. in the [redacted] list occurred under a transmission line, electrostatic induction is most likely implicated.

Electrostatic induction is caused when a metallic object (such as a vehicle or an irrigation pipe) is located within an electric field (such as the electric field created by the overhead transmission

line). Since a vehicle is insulated from the ground by rubber tires, a human, animal, or any other conductive substance will physically create the path to ground when simultaneously contacting the vehicle and the ground (earth). This would feel much like a shock from rubbing one's feet on carpet then touching a doorknob. Although we would not normally expect shock conditions on the property, it is possible with large trucks or trailers full of pipe. A very simple shock prevention tool the may consider for their farm vehicles and irrigation pipe trailers are a metallic grounding tape that connects to the body of the vehicle and/or pipe and hangs to the earth. These are quite common and can be found at most automotive stores.

In regard to the *livestock deaths*, BPA is aware of only one incident in January 1999. A cow was found dead next to a BPA transmission line structure. Investigation revealed that a down lead, a wire used for grounding the metallic components on transmission line structures, had been severed. The cow could have come into contact with this down lead. BPA has fixed the severed down lead, and installed shields on all of the BPA transmission line structures to physically prevent any future livestock contact. The were paid \$1,000 for the loss of the cow.

In the June 29, 2001, letter, they attribute personal health problems and dairy cow health and production problems to stray voltage. BPA is not aware of any studies that suggest this. Over the last 20 years, many scientific studies on *electric field health risks* have been evaluated and continue today. Electric fields are not only present in the direct vicinity of transmission facilities, but also to varying degrees with computer screens, electric blankets, and other electrical devices. Since the electric fields rapidly decrease with distance, human exposure to electric fields are actually much higher in everyday household electrical devices, such as televisions and computers, than underneath most transmission lines. Although there is some scientific uncertainty, no adverse health effects have been confirmed.

You ask what can be done to alleviate the problems. The most important thing for them to do is to inspect and upgrade the wiring on their property. When people or animals receive electric shocks as the letter describes, the likely origin of the problem is household and farm wiring. A recent paper titled "*Stray Voltage Update 97*," presented at the 1997 Rural Electric Power Conference, identified that the major source of stray voltage on farms in this country are due to the neutral voltage drop within the farm's wiring system, caused by the farms own loads and wiring methods. According to the literature, solutions typically involve repairing the dairy electrical wiring and/or upgrading its grounding scheme using equipotential planes within the dairy facility (National Electric Code, NEC Article 547).

Some of the incidents specified in the letter, or observed by BPA employees, illustrate the need to inspect and upgrade their wiring. In one case that BPA investigated, the had a failing irrigation pump in which the pump casing had been bonded to ground. The pump was supplied by a three-phase ungrounded system; there was no grounded neutral supplying the pump. Because this setup was injecting ground current, it was likely the voltage source that has caused some of the shock incidents. In another case, a farm worker received a shock while repairing a metallic roof that had not been grounded. In addition, BPA workers noted that the

electric fence conductor was attached to a roof rafter near the metallic roof. During wet conditions, there likely was some leakage current from the electric fence circuit.

Literature suggests that other solutions to stray voltage problems are for the local distribution to improve customer load balance on the three-phase network, make improvements to the neutral connections or grounding, and possibly isolate the farm's neutral system from the utility's. As we understand, the local distribution utility, Coos Curry Electric Coop, has diligently been addressing all of these issues with the

I am very sorry that the [redacted] are experiencing the problems they are having with their dairy cow farm, but after a thorough investigation, we do not believe that BPA's transmission facilities are causing them. If there is anything else we can do to be responsive to your request, please let me know.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

AUG 29 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senator
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174

Dear Senator Cantwell:

This is in response to your letter of July 22, 2002 regarding Bonneville Power Administration (BPA) employee [redacted]. I am sorry that we cannot provide more information about this situation at this time. Without the prior written consent of [redacted], BPA is prohibited under the Privacy Act (5 U.S.C. § 552a) from disclosing the type of information that would be responsive to your inquiry. Upon receipt of a request for information regarding this issue, accompanied by [redacted] written consent for disclosure of the requested information, the Agency will be happy to comply.

Until then, let me assure you that BPA is aware of its responsibilities to its employees as established by federal statute and regulation and will comply with them in this and every case.

Thank you for your letter.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

OCT 30 2002

In reply refer to: DR-7C

The Honorable Maria Cantwell
United States Senate
Foley Federal Courthouse
West 920 Riverside, Suite 697
Spokane, WA 99201

Dear Senator Cantwell:

This is in response to the letter forwarded from your constituents, dated September 9, 2002. are angry about the prospect of further rate increases and ask for clearer information about Bonneville Power Administration's (BPA) financial situation.

I can understand frustration when they see their electric bills increase so dramatically and they do not believe they have any control over the situation. BPA, too, is challenged by many external factors over which we have little or no control – factors such as deregulation, market price fluctuations and customer power requirements. We have tried hard, through our letters to the region and public meetings, to explain the situation. Through our Financial Choices public process, we have also asked our stakeholders for their input on what to do. We recently concluded a series of public meetings throughout the region and have received more than 13,000 individual letters, including over 2000 from Benton Rural Electric Association customers like These are powerful testimonials from the public and we are taking each and every one seriously as we consider our decisions on BPA costs and rates through 2006.

It is clear that, for rate increases are to be avoided. Throughout our Financial Choices public process, I have heard from many who agree with this viewpoint. Ratepayers, utility managers, and boards have told me that their local economies, home and business owners are already suffering and cannot absorb more electricity rate increases. I assure you that I've heard those concerns and that I, too, am very concerned about the impact of further electricity rate increases on the Pacific Northwest economy.

We are doing everything we can to control our rates. We have challenged ourselves to maintain BPA's net internal expenses at or below fiscal year 2001 levels. We have already cut over \$100 million of costs in fiscal year 2002. We will continue to be aggressive in taking all

of the cost cuts that we can before we raise rates. All of our budget line items are on the table and no expenditure is too small to be looked at critically.

One issue that point out specifically is BPA's fish and wildlife expenditures. Congress has directed BPA to balance the use of the hydro system to meet both fish and power needs. This can be expensive during certain times of the year and during very dry years when there is not a lot of water in the system. At the same time, test results are yielding better information about the effectiveness of some of these operations in aiding salmon survival. BPA is working with the appropriate Federal agencies to identify potential hydrosystem operations that would provide the same or better survival rates for endangered fish, while reducing our operational costs.

BPA's programs are subject to internal and external audit and we are always willing to respond to specific questions. Please extend to an invitation to sit down with Ed Brost, our Account Executive for Benton Rural Electric Association, at 509-372-5771. He would be happy to talk with them about BPA's costs, expenses, and rate-setting process, or to provide any related information that might be helpful.

I trust this responds to your inquiry. If you or your staff has other questions, you may call our Washington Constituent Account Executive in BPA's Spokane office, Rob Swedo, at 509-358-7445.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

NOV 22 2002

In reply refer to: DR-7C

The Honorable Maria Cantwell
United States Senate
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174

Dear Senator Cantwell:

This is in response to your letter to me of October 15, 2002, forwarding the concerns of your constituent, _____ is concerned about Bonneville Power Administration's (BPA) proposal to build the Southwest Washington/Northwest Oregon Reinforcement transmission line. BPA has identified five alternate routes for this project. One of these alternates runs near _____ property.

The Southwest Washington/Northwest Oregon Reinforcement project is on hold. There is a great deal of uncertainty in energy markets today regarding both transmission and generation, and as a result, we have decided to postpone the project. As _____ states, she has received e-mails from BPA staff describing the situation. (Copies of these e-mails are enclosed for your review.)

The Project would move electricity from new generating plants that were planned for the Satsop, Centralia, Chehalis and Longview, Washington areas. Some of these plants are now on hold. Developers made plans to build two years ago when prices for wholesale power were very high and generation was not adequate to meet demand. Since then, some new generation plants have come on line in the Northwest and power prices have collapsed. In addition, the economic downturn in the Pacific Northwest has led to a reduced demand for electricity. Developers have made decisions to delay their generating plants because they would not be profitable in today's market.

BPA will not proceed with scoping or building this transmission line until we get funding commitments from these developers or other third party financiers. To date, we have not received commitments from any of them.

Should economic conditions change and BPA secure funding, the project would proceed. At that point, there would be many opportunities for _____ other community member groups, environmental groups, local Tribes, and any other interested parties to provide input. There will be a year-long public involvement process to discuss the need for the line and the

alternatives being considered (including not building a line). After hearing from the public and thoroughly evaluating potential environmental impacts, BPA will determine the preferred alternative in a draft environmental impact statement. The public will again have an opportunity to give BPA input on the environmental analysis and the preferred alternative.

Only after that extensive public process will BPA develop a final EIS that describes in detail the preferred alternative. Once the final EIS is completed, BPA will issue a record of its decision. If BPA's preferred alternative impacts property, BPA will work very hard with her to negotiate a fair and reasonable approach. As we have communicated to earlier, Eminent Domain is an action we use as a very last resort.

I hope this information is helpful to you and If there is anything else BPA can do to address your concerns, please contact me or have your staff contact Cindy Custer at 360-943-5375 or Jamae Hilliard Creecy in our Transmission Business Line's public affairs department, at 360-418-8367.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer

Enclosures

View e:\emailobj\200210\1012144807.txt

From:
Date: 10/12/2002 2:46:05 PM
To: webmail@cantwell-iq.senate.gov
Subject: www_email

SSN: 540-50-5241

Senator Cantwell

I have a major concern regarding Bonnaville Power Admin. My home is possibly located within one of the routes of the SW Washington/NW Oregon Reinforcement Project. The bottom line is I do not want to lose my house. As I am getting very close to retirement age, I had planned to retire in this house. I cannot start over again, I have put in many long hours in home improvement and repair. I have been having contact with Bonnaville Power-three e-mails to be exact. With this last communication a person named Christine M Kimball- states the following-the project has been put on hold, a specific route has not been decided. She then futher states that if the project is taken off hold "you will be notified by letter." Futher-Eminent Domain is a action we use as a very last result and BPA works hard with the landowner before resorting to this process. The above general statement implies that I have be dismissed and that futher communication on my part, is not welcome. The above reply from is asking me to put my life on hold for a undertermed amount of time, which daily is causing me great concern. I would appreciate any help you or your office could provide.

Sincerely,

==== Original Formatted Message Starts Here ====

Senator Cantwell

I have a major concern regarding Bonnaville Power Admin. My home is possibly located within one of the routes of the SW Washington/NW Oregon Reinforcement Project. The bottom line is I do not want to lose my house. As I am getting very close to retirement age, I had planned to retire in this house. I cannot start over again, I have put in many long hours in home improvement and repair. I have been having contact with Bonnaville Power-three e-mails to be exact. With this last communication a person named Christine M Kimball- states the following the

Zimmer, Pat - DR-7C

From: Kimball, Christine M - TRT-TPP-4
Sent: Tuesday, October 29, 2002 10:51 AM
To: Zimmer, Pat - DR-7C; Hilliard Creecy, Jamae - T-DITT2
Subject: E-mail Responses to

The following are my responses to

-----Original Message-----

From: Kimball, Christine M - TRT-TPP-4
Sent: Thursday, October 17, 2002 8:33 AM
To:
Subject: RE: ? new energy line instillation

I apologize for the inconsistent info. The following information is what I tried to explain in more detail:

This is specific details about the current status of Southwest Washington/Northwest Oregon Reinforcement Project.

At this moment, the entire project has been postponed. The Notice of Intent was released mid August 2002, in addition to some media coverage. BPA wanted to insure early involvement with stakeholders was important and had begun to plan twelve public scoping meetings in Oregon and Washington. The meetings, to be held in September and October have been cancelled and will not be rescheduled until BPA has received financing from the generators.

If project is taken off of "postponed" status, your property will possibly be involved in one of the alternative routes that parallels an existing line. There are five proposed alternatives under consideration. All alternative routing locations start at a new substation site located north of Longview, Washington and approximately five miles west of Castle Rock, Washington. An exact substation site has yet to be determined, but there are several options under consideration. All alternative transmission line options require new 150-foot wide right-of-way except alternative D, which is located almost entirely on existing vacant right-of-way. Other alternatives may be identified through the scoping process.

BPA has not identified a preferred route.

The project has been delayed due to the lack of financial commitments from generators who have requested transmission. All activities are on hold and will begin as soon as these generators have made a financial commitment to BPA.

New generation is still needed to meet increasing demands for energy. Without the new generation there could be a shortage of energy during cold winter peak load conditions. This project is designed to create a transmission system flexible enough to meet Oregon and Washington's growing demand for reliable and affordable electrical service.

The public can visit TBL Web site at www.transmission.bpa.gov, to access updated project information, check the status of a project, and view project documents/handouts. In addition, the Political Strategy and Public Affairs group is commitment to keeping all interest parties involved

and informed about the progress of this project.

This is all the information I can give to you at this time.

-----Original Message-----

From:
Sent: Friday, October 11, 2002 9:40 AM
To: Kimball, Christine M - TRT-TPP-4
Subject: Re: ? new energy line instillation

Christine,

As a concerned property owner/tax payer-and a person who is soon to retire, I need more information about what "on hold" means. As I want to stay on my land till the day I die.

In your last response you state the project has been put on hold then in your next sentence you state the route has not been decided. That to me says my property is still under consideration.

I need "on hold" information as soon as possible and do not want to wait to be notified by letter at some point in time.

----- Original Message -----

From: Kimball, Christine M - TRT-TPP-4
Sent: Thursday, October 10, 2002 9:50 AM
To: '
Subject: RE: ? new energy line instillation

The location of your property is possibly within one of routes of the SW Washington/NW Oregon Reinforcement Project, which to date has been put on hold. A specific route had not been decided. If they take this project off hold and pursue a route that will effect your property BPA will notify you by a letter. Eminent Domain is a action we use as a very last result and BPA works as hard as they can to negotiate with landowners before resorting to this process.

-----Original Message-----

From:
Sent: Wednesday, October 09, 2002 6:52 PM
To: Kimball, Christine M - TRT-TPP-4
Subject: Re: ? new energy line instillation

Janet

I do not know what a section,township,range might be. The county is Clark county. The major streets are hwy 99 and St. Johns Rd. Thanks

----- Original Message -----

From: Kimball, Christine M - TRT-TPP-4
Sent: Wednesday, October 09, 2002 9:26 AM
To: '
Subject: RE: ? new energy line instillation

In order to process you request, I'll need the Section, Township, Range, and County of your property as well as any major streets near by. Thanks.

-----Original Message-----

From: Dahlheim, Janet - TRFS-TPP-4
Sent: Wednesday, October 09, 2002 9:06 AM
To: Kimball, Christine M - TRT-TPP-4
Subject: FW: ? new energy line instillation
Importance: High

Please respond to request below!

Janet Dahlheim
TRFS-TPP-4
360-619-6474

-----Original Message-----

From: BPA Public Involvement
Sent: Wednesday, October 09, 2002 9:05 AM
To: Dahlheim, Janet - TRFS-TPP-4
Subject: FW: ? new energy line instillation

-----Original Message-----

From:
Sent: Tuesday, October 08, 2002 9:55 PM
To: comment@bpa.gov
Subject: ? new energy line instillation

I heard a rumor that BPA may be putting in a new energy line that may be coming close to my property and extending out to Sandy Oregon.

My question is will my property be coming under the eminent domain policy and also when can I expect this to happen, I heard approx two years.

Please respond asap

My address is



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUL 1 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senate
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174

Dear Senator Cantwell:

This is in response to your letter of May 15, 2002, concerning the request from your constituent, [redacted] is an employee of Longview Aluminum LLC who has been laid off and is asking for your help in securing severance benefits.

I am enclosing a copy of my June 25, 2002, letter to you on the same subject. I believe it adequately addresses the issue with Longview Aluminum and its performance under the curtailment agreement with Bonneville Power Administration (BPA.) As I say in this letter, BPA is concerned about reports from the United Steelworkers of America (USWA) that Longview may not be complying fully with its commitment in this Agreement, or with its obligations under agreements reached between the USWA and Longview or its affiliates.

We will continue to work with Longview to ensure that proceeds from the Agreement are used toward approved purposes.

Thank you for your concern. Please contact me if I can answer other questions or have your staff contact Mark Miller, Longview Account Executive, at (503) 230-4003.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer

1 Enclosure



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

June 25, 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senate
Washington, D.C. 20510

Dear Senator Cantwell:

The Secretary of Energy has forwarded your letter to him of May 20, 2002, to the Bonneville Power Administration (Bonneville) for a reply. In the letter, you express concerns about McCook Metals' plans for the Longview Aluminum Plant.

Bonneville entered into the Curtailment Agreement with Longview Aluminum, LLC (Longview) in the spring of 2001. Bonneville was seeking to reduce its exposure to the wholesale power market at a time of record high power prices and severe Northwest drought. The agency paid Longview \$226 million to forego its Bonneville power supply through June 30, 2002.

Bonneville understands from the United Steelworkers of America (USWA) that Longview stopped paying "at least some" of its workers as of April 1, 2002. While we are not familiar with the rationale or circumstances surrounding Longview's decision to stop paying some of its employees, Bonneville is very concerned about reports that Longview may not be complying fully with its commitments. Section 9 of the Curtailment Agreement requires Longview to provide compensation and benefits through June 30, 2002, to employees who were laid off due to the curtailment. In addition, at the time the Curtailment Agreement was executed, Bonneville and USWA representatives jointly determined that the details of Longview's compensation obligations to its laid-off workers would be specified in agreements between Longview and the USWA. Bonneville is not a party to those agreements.

Your letter asks whether McCook (or Longview) "accurately represent[ed] its intentions to restart the plant" when negotiating its current power contract with Bonneville. As part of the negotiations leading to the Agreement, Longview did state its intention to restart the plant at the end of the curtailment. However, the Power Sales Agreement (which extends through September 30, 2006) does allow the facility to curtail production, as long as Bonneville is made whole for any power not used by Longview. Bonneville did not conduct an extensive financial review prior to execution of the Power Sales Agreement, primarily because Bonneville did not have a policy at that time limiting service to Direct Service Industrial customers based on a financial review.

At the time the Curtailment and Power Sales Agreements were signed, Longview did indicate that it intended for some of the curtailment proceeds to be used to develop its own sources of generation to meet the smelter's power needs after 2006. Our contract with Longview lists spending on new generation as one of the allowed uses of the funds, but does not require any particular amount to be spent in that way. We are not aware of any such spending by Longview to date. Largely because of the expectation that Longview would become energy-independent, the Power Sales Agreement specifies very clearly that federal power service to the plant will not continue past September 2006.

Consistent with the Curtailment Agreement, Bonneville is in the process of reviewing Longview's use of the proceeds from the Agreement to ensure those proceeds were used for approved purposes. Longview has been very slow to respond to Bonneville's requests for information. We will do everything possible to make the findings public.

Bonneville has tried, with the curtailment agreements, to help preserve the long-term operation of the Northwest's aluminum plants. A key part of this strategy was to retain a skilled workforce and to help make plant operations more efficient. Unfortunately, with current power prices and low aluminum prices, the future of the Longview plant remains unclear.

I trust this is responsive to your concerns. If I can answer other questions, please contact me or have your staff contact Mark Miller, Longview Account Executive, at 503-230-4003.

Sincerely,



Stephen J. Wright
Administrator and
Chief Executive Officer

cc:

The Honorable Patty Murray
United States Senate
Washington, DC 20510

The Honorable Brian Baird
United States House of Representatives
Washington, DC 20515



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUL 17 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senate
Seattle District Office
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174

Dear Senator Cantwell:

Thank you for forwarding letters from
and concerning Bonneville Power Administration's (BPA) Kangley/Echo
Lake Project.

We have also received the comments from these individuals and want to assure you that their comments are being considered and will be included in the record for the Supplemental Draft Environmental Impact Statement (DEIS). The DEIS analyzes potential impacts of the alternatives considered and, when appropriate, identifies mitigation measures.

BPA plans to issue the supplemental DEIS for public review and comment this winter with a final EIS in the spring. BPA proposes to make a decision on the project following the completion of its environmental review. In the interim, we will keep your office advised of project milestones as they occur.

Again, thank you for forwarding your constituents' concerns. We appreciate your continued interest in BPA.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUL 17 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senate
Foley Federal Courthouse
West 920 Riverside, Suite 697
Spokane, WA 99201

Dear Senator Cantwell:

Thank you for forwarding your letter concerning Bonneville Power Administration's (BPA) Kangley/Echo Lake Project.

We have also received the comments and want to assure you that their comments are being considered and will be included in the record for the Supplemental Draft Environmental Impact Statement (DEIS). The DEIS analyzes potential impacts of the alternatives considered and, when appropriate, identifies mitigation measures.

BPA plans to issue the supplemental DEIS for public review and comment this winter with a final EIS in the spring. BPA proposes to make a decision on the project following the completion of its environmental review. In the interim, we will keep your office advised of project milestones as they occur.

Again, thank you for forwarding your constituents' concerns. We appreciate your continued interest in BPA.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

In reply refer to: CHM-1

The Honorable Maria Cantwell
United States Senate
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174-1003

Dear Senator Cantwell:

This is in response to your letter of March 12, 2002, on behalf of your constituent, [redacted] disabled and is seeking employment with Bonneville Power Administration. His parents have written to you asking whether you can help.

Federal regulations allow severely physically handicapped persons who meet certain criteria to be referred and appointed to federal jobs without competition with other job candidates. Accordingly, [redacted] vocational rehabilitation officer has worked through BPA's personnel specialist responsible for non-competitive hiring. BPA's personnel specialist has referred [redacted] to BPA management on two job opportunities at BPA. While he was not selected for either position, BPA jobs will continue to be made available through this process, so noncompetitive selection remains an option for him.

[redacted] may also apply for jobs at BPA through competitive procedures. We currently have an announcement posted on our website (www.bpa.gov) for Electrical Engineer at multiple grade levels. He may wish to check the site periodically for other employment opportunities.

I believe that [redacted] parents have a misunderstanding regarding the federal government doing any "preferential hiring" of disabled persons. Both the Rehabilitation Act of 1973 and Title I of the Americans with Disabilities Act require employers to provide qualified individuals with disabilities an equal opportunity to benefit from the full range of employment-related opportunities available to others. However, neither Act grants hiring preference to applicants with disabilities.

There may also be a misunderstanding about the Career Information Open House referred to in the letter written by [redacted] parents. This was simply an information sharing session; it was not a recruiting session or a job fair. Applications were not solicited or accepted at the open house, and jobs were not filled as a result of the open house.

BPA is doing more hiring now than we have in some time, and I encourage _____ to continue to pursue the avenues I've mentioned. I appreciate the opportunity to respond to _____ concerns, and I appreciate his interest in employment with BPA. We wish him well in his future career endeavors.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Wright". The signature is written in a cursive style with a large, stylized initial "S".

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUN 13 2002

In reply refer to: KR-7C

The Honorable Maria Cantwell
United States Senate
Washington, D.C. 20510

Dear Senator Cantwell:

Enclosed is a response that Bonneville Power Administration (BPA) sent to your constituent, regarding security at Grand Coulee Dam. As you will note from the letter, the Bureau of Reclamation operates Grand Coulee Dam and is responsible for security there. If I can answer any questions, please contact me or have your staff contact our BPA Security Manager, Mr. Bob Windus, at (503) 230-5148.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer

1 Enclosure:
Letter to :



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUN 13 2002

In reply refer to: KR-7C

Dear

Thank you for your interest in security at the Grand Coulee Dam. Senator Maria Cantwell forwarded your letter to me, and I welcome the opportunity to respond.

You may be interested to know that while Bonneville Power Administration (BPA) markets the hydroelectricity produced at the Grand Coulee Dam, the Bureau of Reclamation is actually responsible for the overall operations of the facility. I assure you that both BPA and the Bureau of Reclamation have undertaken a number of measures to improve security at all of the dams included in the Federal Columbia River Power System. Unfortunately, in the interest of safety, we are unable to publicly discuss our joint efforts in this critical area. For additional information, you may want to contact Mr. Mark Albl, Security, U.S. Bureau of Reclamation, 1150 North Curtis, Boise, ID 83706l.

Again, thank you for your attention to this important security matter.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

APR 24 2002

In reply refer to: KR-7C

The Honorable Patty Murray
United States Senator
601 West Main, Suite 1213
Spokane, WA 99201-0613

Dear Senator Murray:

Thank you for your letter dated March 13, 2002, regarding Bonneville Power Administration's (BPA's) proposed Grand Coulee-Bell 500-kV Transmission Line Project (Eastern Washington Reinforcement). The BPA Project Manager, Mark Korsness, has contacted your constituent, in response to her letter on behalf of the Five Mile Prairie Neighborhood Association. The Association is concerned about proposals to build this line on BPA's existing right of way in Spokane near their homes. Mr. Korsness will be attending a meeting with and other homeowners on April 26, 2002. We will give full consideration to all their comments, and answer all their questions, along with all the other questions we have received from the public, in the Draft Environmental Impact Statement due out early this summer.

Thank you for bringing their concerns to our attention. If you have any questions, please contact me or have your staff contact Mr. Korsness, at 360-619-6326.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 16 2002

In reply refer to: KR-7C

The Honorable Patty Murray
United States Senator
601 West Main, Suite 1213
Spokane, WA 99201-0613

Dear Senator Murray:

Thank you for your letter dated March 13, 2002, forwarding the concerns of your constituent, _____ is concerned about Bonneville Power Administration's (BPA's) proposed Grand Coulee-Bell 500-kV Transmission Line Project (Eastern Washington Reinforcement). The BPA Project Manager, Mark Korsness, has contacted your _____ to discuss his concerns. BPA will give full consideration to his comments and answer all his questions – along with the other questions we have received from the public – in the Draft Environmental Impact Statement due out early this summer.

Thank you for bringing these concerns to our attention. If you have any questions, please contact me or have your staff contact Mr. Korsness, at 360-619-6326.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

APR 22 2002

In reply refer to: KR-7C

The Honorable Patty Murray
United States Senator
601 West Main, Suite 1213
Spokane, WA 99201-0613

Dear Senator Murray:

Thank you for your letter of April 3, 2002, endorsing a fish and wildlife habitat acquisition sponsored by the Rocky Mountain Elk Foundation. The South Fork Asotin Creek proposal is one of many projects the Northwest Power Planning Council (Council) is considering as part of the Blue Mountain Provincial Review. We expect the Council to provide its recommendations to Bonneville Power Administration (BPA) for our funding in the Blue Mountain Province sometime in April or May. BPA will announce its funding decision after receiving the Council's recommendations.

BPA weighs several factors in our funding decisions on individual projects in the Council's Provincial Review Process. In addition to our fish and wildlife mitigation responsibilities under the Northwest Power Planning Act, we consider our Endangered Species Act responsibilities under the National Marine Fisheries Service 2000 and the U.S. Fish & Wildlife Service Biological Opinions on the operation of the Federal Columbia River Power System. We also highly value the Independent Scientific Review Panel's (ISRP) assessment of a project's scientific merits. Finally, for projects such as the South Fork Asotin Creek, which are designed to meet our wildlife mitigation responsibilities, BPA uses our wildlife crediting policy. All of these will be important considerations in our ultimate funding decision on the South Fork Asotin Creek proposal.

BPA has worked effectively with the Council, the ISRP, and the Columbia Basin Fish and Wildlife Authority to solicit for and to select the projects that can best meet these objectives in the provincial reviews that have been completed to date. I would certainly expect that the pattern of collaboration we have established would continue into our work on the Blue Mountain Province.

Thank you for your interest and support of BPA's fish and wildlife mitigation and recovery efforts. If I can answer any questions for you, please contact me or have your staff contact Mark Shaw, at (503) 230-5239.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

FEB 20 2001

In reply refer to: KR-7C

The Honorable Patty Murray
United States Senate
Washington, DC 20510

Dear Senator Murray:

This is in response to your letter of January 18, 2001, forwarding some ideas from the Northwest Energy Coalition (NVEC) for Bonneville Power Administration (BPA) to consider in developing its conservation acquisition efforts.

As the letter notes, this last year has seen unprecedented changes in the west coast electricity market. At the same time, BPA's load obligations under the subscription contracting process have increased dramatically. To help meet those obligations, we are augmenting the federal hydro system through power purchases for the upcoming 2002-2006 rate period, in a very high-priced power market.

One of the ways we are augmenting the federal system is through conservation, demand-side management, and renewable resource initiatives. In the next rate period, we have already budgeted \$200 million for our Conservation and Renewable Resources Discount (C&RD) Program, \$60 million for market transformation through contributions to the Northwest Energy Efficiency Alliance, and \$15 million for low-income weatherization. In addition, we are designing a broad range of new conservation augmentation efforts (collectively referred to as ConAug) to aggressively go after all cost-effective conservation in our customers' service areas. We are also accelerating our efforts to improve energy efficiency in Federal buildings and hydroelectric facilities in the region. This is an ambitious program that will take an incredible amount of hard work, cooperation, and commitment from our customers and others in the region.

Through these efforts, BPA plans on achieving at least 215 average megawatts (aMW) of conservation by the end of 2006. This is well beyond the 166-aMW target in the Council's current power plan. We agree with NVEC that the next power plan (due in 2003) is very likely to call for a substantial increase, and we are developing our new demand-side initiatives in anticipation of this increase. BPA is going after all the cost-effective conservation and will be more than pleased to exceed the 215-aMW estimate if we can. We continue to look forward to the 2003 Council Plan for guidance on achievable conservation potential.

As part of the ConAug effort, BPA has issued an invitation to reduce load through conservation (ConAug bids). NVEC conveys some specific suggestions about this ConAug bidding. First, it proposes that BPA acquire conservation under the ConAug bidding regardless of the corresponding load reduction. Without the assurance of load reduction, though, BPA may find itself paying twice—once for conservation and once more for system purchases to meet BPA's load obligation in those situations where conservation does not reduce BPA's load. Asking BPA to pay for conservation without realizing any energy savings will simply drive our rates up when we pay twice for the same energy.

Many of BPA's larger customer utilities that purchase only part of their power requirements from BPA are purchasing power themselves in this volatile energy market. We believe these utilities should have the choice of funding their own conservation and realizing the market value of the energy savings or asking BPA to fund their conservation and passing the energy savings back to BPA to reduce our augmentation purchases. BPA, in its regional role, can work collaboratively with utilities, private sector service providers, and other stakeholders in the region to realize economies of scale in region-wide conservation initiatives.

I also want to respond to the NWECC concern that BPA will get limited response unless it commits to a "standard offer" of market price plus 10 percent for the ConAug bids. We are taking several steps to make it easy for our customers to submit proposals. We have streamlined the ConAug bidding process. In addition to a straightforward prescriptive path for many conservation measures, BPA also offers a custom approach. Customers can design the program that works best for them and then ask for BPA funding. There are no minimum or maximum bid restrictions. Bids do not compete with each other; they stand on their own merit.

The ConAug bidding process is designed to provide a level of conservation funding flexibility and stability never before offered to our customers. It has no predetermined budget ceiling. If a ConAug bid makes good economic sense to BPA, we will do it. The term of the ConAug contract can match the term of the BPA customers' new power sales contract (i.e., up to ten years).

Finally, we have provided a window of opportunity early this spring to make adjustments in ConAug bidding if needed. If at that time the current ConAug bids do not appear to have us on a path to achieve our conservation savings objectives, we will give full consideration to a standard offer approach.

Given the potential costs we are likely to incur next year for resource acquisition and potentially large rate increases we are forecasting, we do believe it is appropriate to assess whether there is more BPA can do to promote energy conservation. We are currently talking with opinion leaders in the region about this matter and expect to take further actions in the coming months.

We look forward to continuing to work with NWECC and the Northwest congressional delegation toward effective and expeditious solutions to the current west coast energy crisis. Conservation is a very important part of this package. Any encouragement you or NWECC can provide to our potential ConAug participants will go a long way toward achieving success.

Thank you for your letter.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAR 22 2001

In reply refer to: KR-7C

The Honorable Patty Murray
ATTN: Ed O'Neill
2988 Jackson Federal Building
915 2nd Avenue
Seattle, WA 98174-1003

Dear Senator Murray:

This letter is in response to your request dated February 26, 2001, regarding concerns raised by your constituent, [redacted] requested assistance in clarifying a determination of "doesn't meet minimum qualifications" for the position of Facilities Maintenance Worker, BB-4749, announcement #000076-01-DE.

[redacted] did not meet minimum qualifications because Bonneville Power Administration (BPA) did not receive the supplemental questionnaire with his application. To determine minimum qualification for specific trade/craft positions, BPA developed a rating guide and supplemental questionnaire. The rating guide sets the minimum qualification requirements for evaluating applicants, and establishes benchmarks for quality of experience. The supplemental questionnaire identifies specific tasks required to perform the duties of the position. Applicants are requested to complete the questionnaire and assess the skill levels that indicate how well they are able to perform the duties of the position. The experience indicated by applicants on the supplemental application form is compared to the benchmarks established to meet minimum qualifications.

The vacancy announcement for Facilities Maintenance Worker advised applicants that along with a resume or application, they should submit the supplemental questionnaire attached to the vacancy announcement. While submission of the supplement is not an absolute requirement, failure to do so may result in not receiving full credit. Unfortunately, the information submitted by [redacted] was insufficient to determine if his experience met the minimum qualification requirements of the position. [redacted] employment in a similarly titled position does not confirm his qualifications.

is welcome to apply for future positions. When he does, BPA recommends that he complete the supplemental questionnaire to receive full consideration of his experience.

Please contact Ms. Susan Custard, Manager, Acquiring and Positioning Human Resources for additional information. Ms. Custard can be reached at 503-230-3056.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and Chief Executive Officer

cc:
The Honorable Patty Murray
United States Senator
Washington, DC 20510-4704



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 16 2001

In reply refer to: KR-7C

The Honorable Patty Murray
United States Senate
Washington, DC 20510

Dear Senator Murray:

This is in response to your letter of April 27, 2001, inquiring on behalf of your constituent, [redacted] wrote to you about a specific incident involving Bonneville Power Administration (BPA) hiring practices.

[redacted] applied for and was referred for employment consideration for permanent Carpenter positions on April 6, 2001. The certificate of eligibles was issued to fill two vacancies. Prior to making selections, management submitted a request to fill a third vacancy from the certificate.

The top four candidates referred were all veterans. [redacted] was referred at the top of the certificate; his score was adjusted by 10 points based on his preference as a compensable veteran. His compensable veteran's preference entitled him to be placed at the top of the register for referral. Another compensable veteran was listed immediately below [redacted] on the certificate. This veteran's score was also adjusted by 10 points, but he was listed below [redacted] as his adjusted score was lower than [redacted] score.

The third and fourth applicants referred for consideration were both veteran preference eligibles; however, they were not compensable veterans. Their scores were adjusted by 5 points. Although both of them received higher scores than [redacted] and the other compensable veteran, they were not entitled to placement on the certificate above [redacted] and the other veteran because they were not compensable veterans.

The selecting official selected the three veterans listed below [redacted] to fill his jobs. Section 8.12.E of the Delegated Examining Operations Handbook (A Guide for Federal Agency Examining Units) published by the Office of Personnel Management permits the selection of a lower standing preference eligible even if the selectee has a lesser category of preference. The example used is that a 5-point veteran may be selected instead of a higher-ranking compensable veteran as long as selection occurs within the Rule of Three. This rule, as described in Section 8.12.C of the Handbook, states that an eligible who has been within reach for selection and nonselected three times when other eligibles were selected instead may be eliminated from further consideration. Since this is [redacted] situation, if BPA fills additional Carpenter

vacancies, _____ is entitled to no further consideration for such vacancies, unless he recompetes in the Carpenter examination and obtains a higher rating.

_____ also expresses concern about his numerical rating. Subject matter experts in the carpentry occupation rated the applicants who applied for the Carpenter announcement.

_____ score is based on the subject matter experts' assessment of his experience as described in his application. A higher score would not have provided _____ with a higher level of preference or consideration for Carpenter jobs.

A review of the delegated examining file for Carpenter shows that _____ received the preference and the consideration to which he is entitled in accordance with the Code of Federal Regulations and the Delegated Examining Operations Handbook. _____ is not, however, entitled to receive a job offer on the basis of his veteran's preference.

We appreciate the opportunity to provide _____ with an explanation of veteran's preference in the Federal hiring process, and we appreciate his interest in employment with Bonneville Power Administration.

Sincerely,

(Sgd.) S.G. Hickok



Stephen J. Wright
Acting Administrator
and Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JAN 09 2001

In reply refer to: KR-7

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter of December 7, 2000, expressing your interest in Bonneville Power Administration's (BPA) plans for constructing a fiber optic link between McNary and LaGrande.

As you know, BPA reported to Congress on its fiber-optic construction program in its May 24, 2000, report "Power Marketing Administrations' Fiber-Optics Executive Summary Report to Congress." In the report, we described how fiber-optic cable provides the communications technology BPA needs for reliability and control of the system, particularly as analog microwave systems grow obsolete. As you recall, the report was written as a result of efforts by members of the House Appropriations Committee to substantially downsize BPA's fiber-optics program. We committed to Congress that we would install fiber only on routes where we had a long-term operational need.

The McNary to La Grande route does not present such a need at this time. That route is equipped with a comparatively up-to-date radio system and may not need upgrading for another 10 years. Our plan does call for several other fiber installations in your state. We just completed a build from our Keeler Substation in Portland down to Tillamook. We also plan a short build later this year from our Carlton Substation down to McMinnville. In FY 2003, we plan to string fiber between Pearl Substation (near Oregon City) to Troutdale and in FY 2004, we plan to build from Alvey Substation (Eugene) to Marion Substation (near Stayton) to Pearl Substation.

BPA shares your interest in helping rural communities access the information superhighway, as well as providing public benefits in Northwest communities as a whole through use of temporarily excess fiber capacity. Our policy is to reserve a minimum of four fibers in our fiber installations for public purposes. Just last month, Northwest Open Access Network (NoaNet) lit fiber for public benefits purposes on BPA's system from The Dalles to McNary. NoaNet is a nonprofit corporation with members from community-owned electric and water utilities. Umatilla Electric Cooperative and several other Oregon co-ops are planning to make use of those fibers to provide benefits to their communities. NoaNet has exercised its option to light the remainder of the public benefits fibers on BPA's transmission system in Oregon over the next two years.

BPA will review the needs for fiber on specific routes in its system each year. Included in that review will be an assessment of the needs on the McNary to LaGrande route. I will keep you apprised of our findings.

I trust this is responsive to your inquiry. If I can be of any further assistance, please contact me or have your staff contact Bob Lahmann, Transmission Business Line Account Executive, at 360-418-2092.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

APR 26 2001

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter of March 28, 2001, regarding the Bonneville Power Administration's (BPA) role in addressing the Northwest's energy supply problems.

BPA is very concerned about the impact of the current electricity shortage on the citizens and businesses of the Pacific Northwest. Electricity demand is outstripping supply, and this has led to skyrocketing prices for electricity. In the short term, we are experiencing one of the worst droughts in the last 70 years. Longer term, the Western United States and the Northwest face an imbalance in supply and demand exacerbated by a failed deregulation experiment in California.

The fundamental solution to our long-term problem is for the region to develop new conventional and renewable generation, increase delivery and storage capacity of natural gas, and build needed electric power transmission facilities. We also need increased investments in conservation and other demand-side management measures.

I appreciate your suggestion that BPA work with developers willing to invest their own funds in generation development, and I agree that BPA can play an important role in that respect. We are already facilitating development of generating resources in several ways. BPA has signed agreements with two of its direct-service industrial (DSI) customers in recent months that encourages the development of combustion turbines to help serve their aluminum plants. We will certainly work with other DSIs and generation developers who come forward, providing their proposals do not result in increased costs for our other customers. We are also working with developers to buy the output of planned new facilities in the region in order to meet our firm obligations in the next rate period. These contracts will provide a strong price signal and momentum for new generation in the Pacific Northwest.

BPA is also developing wind energy. In February, the agency issued a request for proposals for new large-scale wind power projects. The 1,000 megawatts (MW) BPA is soliciting would supply the needs of about 150,000 households. We are buying or have under consideration nearly 300 MW of power from 3 existing wind projects in Wyoming and 4 projects under development in Oregon, Washington, and Montana. We have also signed an agreement with

Calpine Corporation to buy up to 49.9 MW of electricity from the Fourmile Hill geothermal project in Northern California.

The market is responding to the shortages, and much new generation is being planned and built. BPA's Transmission Business Line has received requests to integrate more than 25,000 MW of new generating capacity that could be sited in the Northwest. Each new generation site will require transmission to integrate the generation into the system and assure that its power can be transported to load centers.

Since BPA owns and operates about 75 percent of the Pacific Northwest transmission grid, building transmission is a critical way for BPA to help solve the region's energy problems. While not all of the proposed generating capacity will come on line, BPA is planning strategic reinforcements of the grid that can flexibly accommodate from 8,000 to 12,000 MW of new generation over the next 5 years. This work covers three major areas. First, we are conducting studies to see how or whether new generation can be integrated into the existing system. Each proposed generation site must be studied to determine how this generation will affect the system and how this power will get to the appropriate load center. Second, we are building new lines in areas such as Seattle that have seen extraordinary load growth and require new lines to accommodate that growth or for reliability purposes. Finally, we are reinforcing or adding lines to constrained paths that limit the grid's ability to move power from generation sites to load centers. This effort will stress our human and fiscal resources but we believe we must be successful in order to assure a safe, reliable system for the region.

The region is operating at or near its full transmission capacity, so these improvements are substantial, and they are crucial. BPA's capital budget for fiscal years 2002-06 was developed before the current energy crisis occurred. BPA forecasts that it will need about \$775 million more over the 2002-06 fiscal year period to carry out the above-mentioned improvements in its transmission program.

The infrastructure improvements I have discussed so far will generally require three to five years to complete. Consumers and businesses need help now. And, as you note, the West Coast energy shortage has been exacerbated by this year's severe drought in the Pacific Northwest. This has increased BPA's already significant exposure to the high-priced electricity market. Without dramatic action, BPA is facing a significant rate increase beginning October 1. We are very focused right now on managing the size of this rate increase. Since supply side options require lead time, the only way we can reduce loads in any meaningful way is to reduce demand. I have recently called on all of our customers—DSIs, public and private utilities alike—to find ways to reduce their take on BPA in the next rate period.

This will not be an easy time for any of us, but we must all share in the solution to this problem. I hope that I can count on your ideas and support for what are likely to be some difficult actions and decisions over the next couple of months.

Thank you for your continued leadership and commitment to energy issues and to BPA's mission and efforts. If there are any other concerns or questions you want to discuss, please contact me or have your staff contact our Washington, D.C., office.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUN 26 2001

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter of May 31, 2001, urging Bonneville Power Administration (BPA) to address specific issue in the curtailment agreements we are now negotiating with Northwest aluminum companies.

To date, we have negotiated continued curtailments of up to two years at four Northwest aluminum smelters: Alcoa Ferndale (Intalco); McCook Metals in Longview; Columbia Falls Aluminum Company (CFAC) in Kalispell, Montana; and Golden Northwest in Goldendale, Washington, and The Dalles, Oregon. In negotiating these agreements, BPA is keeping in mind the long-term economic needs of the Pacific Northwest. The aluminum industry has historically provided thousands of family wage jobs and economic stability to rural communities in the Pacific Northwest.

The curtailment agreements we have arranged will enable these smelters to keep their plants poised to operate when the price of electricity declines. They provide for sufficient funds to ensure that workers that would have been employed absent the curtailment of BPA power get full pay and benefits during the curtailments. Alcoa's agreement also provides for the plant communities to receive compensation for decreased tax revenues. This should help sustain the local economies through these difficult times.

Once the West Coast power supply comes back into balance, power prices should come down enough to allow smelters to operate profitably. Though there are no guarantees, indications are that this should happen in the next two years.

Consistent with your recommendation, we have included a six-month review of the curtailment arrangement in our agreement with Alcoa and CFAC. The agreement with McCook lasts only until June 2002. We will pursue such a provision in any additional direct-service industrial (DSI) agreements.

We are also encouraging our DSI customers to develop their own sources of power, so that they no longer have to rely on direct purchases from BPA to operate economically. Golden

Northwest, under its current curtailment agreement, will invest in new generating facilities or purchase of power from sources other than BPA. As you suggest, we are offering assistance to Golden Northwest in its resource development efforts. McCook is working with developers to build a 500-megawatt combustion turbine. BPA fully supports the DSIs' becoming energy self-sufficient by 2006.

I believe that these provisions will help to protect the viability of the aluminum industry and local economies and get the Northwest through this energy crisis. I look forward to working with you to find ways to continue providing for reliable electric service, a healthy Northwest economy and a cleaner environment.

Thank you for your letter.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

AUG 31 2001

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

This is in response to your letter of July 27 requesting that Bonneville Power Administration (BPA) investigate a complaint from your constituents, [redacted]. The [redacted] believe that their personal health, the health and production problems they have had with their dairy cows, and electrical shocks they and their cows have received are due to "stray voltage" from a nearby BPA substation.

The [redacted] letter identifies four distinct issues that we will address. These issues are stray voltage, electrostatic induction, livestock death, and electric field health risks.

Between February and July 2000, BPA conducted extensive tests and measurements on the [redacted] property in Elk River Valley. The test results were negative. We did not find that BPA equipment, transmission lines, or structures were inducing stray voltages onto the [redacted] property.

To clarify, stray voltage does not leak from a substation. It is common and normal that some of the local distribution utility's line current returns in the earth back to the substation through ground electrodes connected to the utility's system neutral. This can cause low (less than ten volts) 'neutral-to-earth' voltage differences (referred to as *stray voltage*) between the soil and metallic objects connected to the utility neutral. Since electricity takes the path of least resistance, an animal or human body would only know of, or 'feel' this voltage difference if that body is a better ground than the ground (earth) itself.

The 40-to-50 volt measurements taken in the [redacted] dry cow fields between their vehicle and earth is not due to stray voltage, but is a different electrical phenomenon referred to as *electrostatic induction*, normally expected under transmission lines. As we understand that item O.1. in the Wagners' list occurred under a transmission line, electrostatic induction is most likely implicated.

Electrostatic induction is caused when a metallic object (such as a vehicle or an irrigation pipe) is located within an electric field (such as the electric field created by the overhead transmission

line). Since a vehicle is insulated from the ground by rubber tires, a human, animal, or any other conductive substance will physically create the path to ground when simultaneously contacting the vehicle and the ground (earth). This would feel much like a shock from rubbing one's feet on carpet then touching a doorknob. Although we would not normally expect shock conditions on the property, it is possible with large trucks or trailers full of pipe. A very simple shock prevention tool the may consider for their farm vehicles and irrigation pipe trailers are a metallic grounding tape that connects to the body of the vehicle and/or pipe and hangs to the earth. These are quite common and can be found at most automotive stores.

In regard to the *livestock deaths*, BPA is aware of only one incident in January 1999. A cow was found dead next to a BPA transmission line structure. Investigation revealed that a down lead, a wire used for grounding the metallic components on transmission line structures, had been severed. The cow could have come into contact with this down lead. BPA has fixed the severed down lead, and installed shields on all of the BPA transmission line structures to physically prevent any future livestock contact. The were paid \$1,000 for the loss of the cow.

In the June 29, 2001, letter, they attribute personal health problems and dairy cow health and production problems to stray voltage. BPA is not aware of any studies that suggest this. Over the last 20 years, many scientific studies on *electric field health risks* have been evaluated and continue today. Electric fields are not only present in the direct vicinity of transmission facilities, but also to varying degrees with computer screens, electric blankets, and other electrical devices. Since the electric fields rapidly decrease with distance, human exposure to electric fields are actually much higher in everyday household electrical devices, such as televisions and computers, than underneath most transmission lines. Although there is some scientific uncertainty, no adverse health effects have been confirmed.

You ask what can be done to alleviate the problems. The most important thing for them to do is to inspect and upgrade the wiring on their property. When people or animals receive electric shocks as the letter describes, the likely origin of the problem is household and farm wiring. A recent paper titled "*Stray Voltage Update 97*," presented at the 1997 Rural Electric Power Conference, identified that the major source of stray voltage on farms in this country are due to the neutral voltage drop within the farm's wiring system, caused by the farms own loads and wiring methods. According to the literature, solutions typically involve repairing the dairy electrical wiring and/or upgrading its grounding scheme using equipotential planes within the dairy facility (National Electric Code, NEC Article 547).

Some of the incidents specified in the letter, or observed by BPA employees, illustrate the need to inspect and upgrade their wiring. In one case that BPA investigated, the had a failing irrigation pump in which the pump casing had been bonded to ground. The pump was supplied by a three-phase ungrounded system; there was no grounded neutral supplying the pump. Because this setup was injecting ground current, it was likely the voltage source that has caused some of the shock incidents. In another case, a farm worker received a shock while repairing a metallic roof that had not been grounded. In addition, BPA workers noted that the

electric fence conductor was attached to a roof rafter near the metallic roof. During wet conditions, there likely was some leakage current from the electric fence circuit.

Literature suggests that other solutions to stray voltage problems are for the local distribution to improve customer load balance on the three-phase network, make improvements to the neutral connections or grounding, and possibly isolate the farm's neutral system from the utility's. As we understand, the local distribution utility, Coos Curry Electric Coop, has diligently been addressing all of these issues with the

I am very sorry that the are experiencing the problems they are having with their dairy cow farm, but after a thorough investigation, we do not believe that BPA's transmission facilities are causing them. If there is anything else we can do to be responsive to your request, please let me know.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 10 2002

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510-3704

Dear Senator Smith:

Thank you for your letter of April 18, 2002, endorsing the work of the Earth Conservation Corps' Salmon Corps and supporting their request for \$100,000 in funding from Bonneville Power Administration (BPA) in 2002.

BPA has been impressed with the work that the Salmon Corps has accomplished to mitigate and recover fish and wildlife. This organization provides great opportunities for young Native Americans to learn about and help preserve the environment, and this makes an important contribution to the future of the Pacific Northwest.

Our tribal relations staff recently authorized a \$30,000 grant from its budget for the Salmon Corps Education Program for 2002. I understand that this amount is less than the Salmon Corps was hoping to receive from BPA for those purposes. Unfortunately, BPA is struggling to manage its costs. As you probably have heard, BPA expects to lose money this year for the second year in a row. We must carefully prioritize our expenditures.

I have another avenue to suggest. The Northwest Power Planning Council (Council), in connection with BPA, currently has a solicitation open for fish and wildlife projects in the mainstem Columbia and the mainstem Snake Rivers. The Mainstem/Systemwide solicitation is open through June 3, 2002. Projects that are submitted for the Council's Fish and Wildlife Program are reviewed by the Independent Scientific Review Panel for clear biological objectives and scientific merits. While the Salmon Corps has historically worked with our tribal staff, obviously their efforts are germane to mitigation and recovery of fish and wildlife as well as the more general issues and goals for Native Americans. The Salmon Corps may want to consider this option for seeking BPA funding through the fish and wildlife program. The Council has information about the Mainstem/Systemwide solicitation on the internet at <http://www.cbfwa.org/reviewforms/systemwide>.

In addition, as you state in your letter, the Salmon Corps is a partnership. It receives funding from other federal and private sources, and they should be encouraged to match our award. BPA has encouraged the Salmon Corps to expand its program and include Native American youth

from Tribes throughout the Pacific Northwest, which might be helpful in garnering broader support for this project.

While I understand that the current BPA funding for the Salmon Corps may not completely meet their needs, we certainly encourage the Salmon Corps to seek supplemental funding, including through the Council's Mainstem/Systemwide solicitation. Thank you for your continued support and assistance.

Sincerely,

(Sgd.) Stephen J. Wright
Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 09 2002

In reply refer to: KR-7C

The Honorable Senator Gordon Smith
One World Trade Center
121 SW Salmon Street, Suite 1250
Portland, OR 97204

Dear Senator Smith:

This is in response to your letter to Bonneville Power Administration (BPA) of April 9, 2002. The letter forwarded the concerns of your constituents, _____ who believe that problems they have had on their dairy farm are due to "stray voltage" from a nearby BPA substation.

BPA has conducted extensive tests and investigations at BPA's facilities on the property. We did not find that BPA equipment, transmission lines, or structures were inducing stray voltages onto the _____ property. I am enclosing our most recent measurements made at our substation. Our transmission line and substation at the _____ property reflect our present design standards as they are carried out throughout our transmission system.

As we describe in an earlier letter I sent to Senator Ron Wyden (enclosed), stray voltage is neutral-to-earth voltage and it is normally referred to in regard to animal contacts. When _____ first complained about stray voltage, _____ local electric utility, Coos Curry Electric Cooperative, isolated the dairy facility from the utility's system-neutral. For all practical purposes, this eliminated any interaction between the dairy's neutral system and the utility's neutral. BPA later made a measurement at his milking parlor on February 15, 2000, and sent a copy of those measurements to him on March 7 of that same year. The data documents that there are no harmful stray voltages at his milking parlor. Because of the Coos Curry's modifications at the dairy facility, any changes BPA makes at its substation should have no effect on stray voltage within the _____ milking parlor.

On behalf of _____, the Oregon Public Utility Commission recently requested BPA, Coos Curry Electric Cooperative and Verizon (the local telephone provider) to review all the actions we've individually taken to see if there is anything more that we think will actually help the situation. The three utilities have met and BPA has concluded there is nothing that we can do.

To date, it appears _____ has done his own tests for "stray voltage." He has done his own analysis and come to his own conclusions based on those measurements. Bonneville has

supplied information to an engineering firm that _____ apparently hired to help with his situation under a Freedom of Information Act (FOIA) request. We encourage _____ to continue working with qualified specialists who will use the appropriate methods and know how to interpret the findings. As stated in our letter to Senator Wyden, we believe that _____ should consult with an expert to review and evaluate his farm for conformance with National Electric Code standards.

I am very sorry that the _____ are not satisfied with what the utilities have done for them, but we believe that BPA's transmission facilities are not causing any problems. We trust this fully responds to your inquiry.

Sincerely,
(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer

1 Enclosure



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

APR 15 2002

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senate
Washington, DC 20510-3704

Dear Senator Smith:

This is in response to your letter of April 2, 2002, conveying concerns from your constituent, [redacted] believes that Bonneville Power Administration (BPA) owes him money from his time of employment with this agency.

[redacted] retired from BPA service in September 2001. He states in his letter that he was told he would receive a \$25,000 payment upon retiring from BPA. He says that he did not receive this payment. In fact, BPA records show that on October 18, 2001, [redacted] included with his final BPA paycheck. [redacted] received a \$25,000 voluntary separation incentive. This amount was paid to [redacted] through automatic deposit with his bank.

[redacted] did not receive the fiscal year 2001 team share award that other members of his unit in Internal Audit received because he did not achieve the requisite performance rating in FY 2001. Internal Audit's recognition policy limits eligibility for these awards to those employees attaining a specified performance rating.

BPA works very hard to treat and compensate its employees fairly, to address employee performance problems and to recognize and reward successful performance. Our record is very good, and we are always working to improve. I am sorry if [redacted] does not feel he had a good experience in his employment with BPA.

If I can answer any questions for you, please contact me, or have your staff contact Leanne Cesario, staff manager, at 503-230-4195.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUL 2 2002

In reply refer to: KR-7C

The Honorable Senator Gordon H. Smith
One World Trade Center
121 S.W. Salmon Street, Suite 1250
Portland, OR 97204

Dear Senator Smith:

This is in response to your letter of June 12, 2002, relaying the concerns of your constituent, [redacted] asks that Bonneville Power Administration (BPA) work with Northwest Natural Gas to site the Mist Pipeline Extension along an existing BPA transmission right-of-way, rather than near her Sherwood neighborhood.

BPA wants to make the best use of our valuable right-of-ways for the public good. However, we must also balance this with our fundamental mission to maintain a reliable bulk power system. The Northwest has already experienced several catastrophic gas pipeline explosions. The potential for such an explosion occurring under our transmission lines poses a considerable risk to the reliability of the Northwest power system.

The BPA right-of-way [redacted] references is part of a transmission corridor that runs under BPA's 500 kilovolt Pearl-Keeler No. 1 transmission line. BPA's 500 kV lines are the largest in our system. They are the backbone of the region's power system, carrying thousands of megawatts of power over long distances. The steel lattice towers they are strung on are not easy or quick to replace. Should this 500-kV line be severely damaged by a catastrophic pipeline explosion, we are very concerned with the possible devastating impacts such an event could create to the region in terms of extended electrical service disruption.

In the case of the Mist Pipeline Extension, we have tried to help Northwest Natural Gas where we can, and we have approved at least one limited crossing of our right-of-way. We cannot, however, approve extended parallel occupancy because of the concerns I have described.

We regret that this does not solve [redacted] problem. However, it is our judgment that the potential of a massive power outage and the harm it could cause to the Northwest outweighs the public benefits of common right of way usage.

If we can answer any other questions, please contact me or have your staff contact Rick Stearns of my staff, at (360) 619-6334.

Sincerely,

(Sgd.) **Stephen J. Wright**

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

AUG 06 2002

In reply refer to: KR-7C

The Honorable Gordon Smith
United States Senator
One World Trade Center
121 SW Salmon Street, Suite 1250
Portland, Oregon 97204

Dear Senator Smith:

This responds to your July 18, 2002, inquiry on behalf of [redacted] is seeking payment of interest from Bonneville Power Administration (BPA) under the requirements of the Prompt Payment Act.

We have thoroughly reviewed the request from [redacted] concerning his contract and the work performed for BPA. Our determination is that [redacted] is entitled to an interest payment of \$3.97. This amount is based on 5.5 percent interest on his \$4,325 payment during the 6-day period of May 15 through May 21, 2002. The second payment of \$59.87 would not be due interest because the calculated interest was less than \$1.00 and we are not required to pay interest less than \$1.00. A check in the amount of \$3.97 was mailed to [redacted] on August 1, 2002.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

DEC 07 2000

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter of October 26 expressing support for the project that McCook Metals is pursuing with the Longview aluminum smelter. You urge Bonneville Power Administration (BPA) to find ways to support and implement it without impacting Northwest ratepayers.

As you know, McCook wants to modernize the Longview smelter and keep it operating competitively in the world market. BPA and McCook are discussing a conceptual approach for a power exchange that could help McCook secure financial backing to purchase the Longview smelter from Alcoa. This approach is intended to provide McCook with a stable power supply for part of the plant's load for a 10-year period.

McCook is proposing to develop its own combustion turbine (CT) to serve the smelter. BPA and McCook are discussing a concept in which McCook would offer BPA the output from the CT in the 2004-2006 timeframe in exchange for the equivalent amount of power in later years. We believe this approach could potentially benefit the Northwest by helping preserve jobs for some of the region's aluminum workers. At the same time, it could result in a larger supply of power being delivered to BPA in the 2004-2006 period, when the region will likely still be energy deficit.

This approach would lead to ending BPA power sales to Longview, freeing up 280 megawatts of cost-based Federal power for use by other Northwest energy consumers. If successful, this could introduce a new paradigm to the region, which would eventually move direct service industry (DSI) loads off the Federal system.

BPA is interested in exploring creative solutions with the DSIs that would help preserve jobs for Northwest aluminum workers without increasing costs to other BPA customers. BPA and McCook, along with BPA's customers and constituents, will continue to explore the proposal in

the context of the findings of the Northwest aluminum industry study, as well as BPA's overall strategy for augmenting its power supply.

BPA is committed to keeping the region informed about these discussions. We will share information with you, as it develops, through our Washington, DC office.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 01 2001

In reply refer to: KR-7C

The Honorable Peter DeFazio
U.S. House of Representatives
Washington, DC 20515

Dear Representative DeFazio:

This is in response to your letter of April 3, 2001, suggesting that Bonneville Power Administration (BPA) exercise its audit rights under contracts with the direct-service industry (DSI) customers for their use of remarketing revenues.

BPA has remarketing or curtailment agreements in place with several DSI customers. Three of these agreements include provisions that require the companies to use remarketing revenues for specific purposes that will benefit their workers, the community, or the region. These agreements give BPA rights to obtain information from the company about its performance under the contract, including the company's use of these revenues and to ensure that they are used for the purposes specified.

BPA is collecting information from some of the companies now. We intend to collect all of the data that we have contractual rights to and that we believe will be useful in enforcing the provisions of the DSI agreements, and to collect it on a timely basis. Kaiser Aluminum and Chemical Corporation, unfortunately, has so far ignored BPA's requests for an accounting of their use of remarketing proceeds. If a company fails to use remarketing proceeds as specified in the contract, BPA can reduce the amount of power delivered to the company.

Negotiations with the DSIs concerning extended shutdowns will certainly be very sensitive and important to the region's future going into this next rate period. I join with you in seeking a mutually beneficial outcome that will benefit ratepayers and the region as well.

Thank you for your letter.

Sincerely,

(Sgd.) **Stephen J. Wright**

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

JUN 29 2001

In reply refer to: KR-7C

The Honorable Peter DeFazio
U.S. House of Representatives
Washington, DC 20515

Dear Representative DeFazio:

Thank you for your letter of June 8, 2001, expressing concerns about the Morgan Stanley purchase of transmission capacity on the AC Intertie from the Bonneville Power Administration (BPA). While I understand your concerns about the potential for market manipulation, our analysis found no persuasive evidence that Morgan Stanley is "hoarding" transmission capacity.

You ask several specific questions, which are answered below:

- What statutory or regulatory authority allowed Morgan Stanley to lock up all available BPA capacity for one year?

BPA's sale of AC Intertie firm transmission rights was made according to the terms of the Federal Energy Regulatory Commission (FERC) *pro forma* open access tariff, on which BPA's own transmission tariff is based. The FERC *pro forma* tariff is designed to provide free and open and equal access to transmission for all power suppliers. Under the tariff, transmission capacity is available on a first-come, first-served basis. Although BPA is not technically subject to FERC jurisdiction, since 1996 we have operated under an open access tariff and voluntarily complied with FERC Orders 888 and 889.

Morgan Stanley purchased 1,145 megawatts (MW) of capacity on the AC Intertie for the period March 2001 through February 2002 and 340 MW of capacity for the period March 2002 through February 2003. As a result, for the period March 2001 to February 2002 Morgan Stanley owns 31 percent of the full intertie capacity and 100 percent of BPA's portion. For the period March 2002 through February 2003, it owns 10 percent of the total capacity and 30 percent of BPA's portion.

A significant amount of AC Intertie capacity remains with other parties. In addition, Morgan Stanley has not purchased any capacity on the DC Intertie, which is an alternative route for south-to-north power transfers. With so much capacity in the hands of other purchasers, Morgan Stanley's ability to block transactions between California and the Northwest through withholding its share is limited.

- What, if any, conditions was BPA able to put on the sale of the capacity to Morgan Stanley?

The open access tariff does provide some restrictions on the use of transmission capacity. For example, as discussed below, the tariff includes a restriction on the price at which a purchaser can resell its capacity. Generally, however, a purchaser can decide on its own how best to utilize its capacity. The *pro forma* tariff does not permit additional restrictions.

- What statutory or regulatory obligations, if any, does Morgan Stanley have with respect to utilizing the capacity they purchased? Under what terms do they have to make the capacity available? Under what conditions can they withhold it?

We know of no statutory or regulatory obligations that Morgan Stanley has to use or make available the capacity it purchased. Under Section 22.2(a) of BPA's current transmission tariff, however, Morgan Stanley may not resell its transmission rights for a higher price than the price it paid BPA for the rights.

In Order 888 FERC acknowledged the potential for customers to withhold transmission in a way that has an anticompetitive effect. However, FERC concluded that a generic remedy for this situation was unnecessary because the market provides even stronger incentives for parties to release unneeded capacity. FERC has said that it will investigate allegations of hoarding and may order parties to return capacity rights if they are misused in an anticompetitive manner.

- Is it true that if Morgan Stanley is not utilizing the capacity it purchased, BPA can provide it to someone else, with the stipulation that Morgan Stanley can reclaim its rights up to 20 minutes before the top of the hour? Is that an efficient way to optimize the transmission system in the Northwest? Doesn't this last minute deal-making tend to drive up prices?

It is true that if Morgan Stanley does not schedule use of its capacity, BPA may sell it to someone else on an hourly nonfirm basis. In this case, Morgan Stanley can reclaim its rights up to 20 minutes before the hour. This provision is also included in FERC's *pro forma* tariff. Morgan Stanley or any other purchaser of transmission capacity must pay for the firm transmission rights it has purchased whether it uses them or not. Therefore, firm rights holders may reclaim unscheduled capacity under this provision.

This provision probably increases the efficiency of the transmission system. It provides an opportunity for transmission capacity to be used (as nonfirm) if the owner of the firm transmission rights is not able to use it. At the same time it maximizes the utilization of firm transmission rights. The purchaser's ability to reclaim its transmission allows it to protect its investment to the greatest extent possible. At some point in the process of scheduling hourly transmission, changes become infeasible—thus the 20-minute rule. We are unaware of any evidence that this system drives up prices.

- It is my understanding that a new generator coming online in Klamath Falls wanted to utilize south-north transmission capacity, but Morgan Stanley refused to sign any long-term commitments to provide it. Is this true? Does that then mean that the new Klamath Falls facility would essentially have to obtain capacity on an hourly basis?

I am not privy to any of the negotiations that may have gone on between the Klamath Falls facility and Morgan Stanley, so I do not know what was said or what the outcome was. There is firm transmission available on the AC Intertie beginning next March, though, so it appears that the Klamath Falls facility could acquire long-term firm transmission beginning at that time. In the meantime, it appears that there is substantial nonfirm capacity on the AC Intertie likely to be available to other purchasers, including the Klamath Falls facility.

- What can BPA do to set up a robust monitoring mechanism? Would BPA consider modifying its tariff or business practices to protect against gaming?

While Morgan-Stanley's use of the transmission capacity they have bought does not appear to be causing any problems, this purchase has caused us to consider the potential problems that could be caused by transmission purchases by entities that do not have either generation or a load to serve. Consequently, we are establishing a market monitoring function to track whether transmission rights are being used to manipulate power prices in any measurable way. If complaints arise, BPA will investigate them. As I noted above, FERC also has committed to investigating charges of hoarding. BPA would consider proposing a tariff change to FERC if sufficient evidence of hoarding surfaced.

I believe that it is very important for BPA to provide open access to the transmission system in a way that promotes healthy, competitive markets and reduces prices for end-users. By voluntarily complying with FERC's Orders 888 and 889 and adopting its *pro forma* tariff provisions, we are demonstrating our commitment to these objectives.

I hope that this reply is helpful in responding to your inquiry. If I can answer any further questions, please feel free to contact me personally, or have your staff contact our Washington, D.C., office, at (202) 586-5640.

Sincerely,

(Sgd.) **Stephen J. Wright**

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

July 12, 2001

In reply refer to: KR-7C

The Honorable Darlene Hooley
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Hooley:

Thank you for your letter of June 22, in support of the Willamette Molalla River Greenway project. On July 2, David Sill of the Bonneville Power Administration (BPA) fish and wildlife staff toured the property with Suzanne Kunse of your staff. We are now in the process of reviewing the proposal and collecting all the needed documentation. BPA expects to make a decision sometime this month on whether to fund a share of this project. We will notify your staff in person once a decision is made.

Thank you for your interest and support of BPA's habitat preservation efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Wright".

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

SEP 28 2001

In reply refer to: KR-7C

The Honorable George Nethercutt, Jr.
U.S. House of Representatives
Washington, DC 20515-4705

Dear Representative Nethercutt:

This is in response to your letter to me of August 20, 2001, in which you ask that Bonneville Power Administration (BPA) provide mitigation to Columbia Basin farmers and ranchers who face high hay prices and general lack of forage for livestock this year.

When BPA paid farmers not to irrigate this spring and summer, the West Coast electricity industry was experiencing skyrocketing wholesale electricity rates, electricity shortages, and dramatic retail rate increases. The Northwest was coping with the second worst water year on record. The irrigation buyback was one of several programs BPA initiated in order to meet regional power needs. The program reduced our irrigation pumping loads by over 100 average megawatts. It helped reduce our dependence on a hugely volatile wholesale power market. Most importantly, while California had rolling blackouts, these programs helped ensure the continued reliable operation of the Northwest power system.

The irrigation buyback benefited farmers, too. The program put almost \$30 million in the hands of farmers in the Columbia Basin – many of whom would have otherwise lost money or even gone bankrupt growing crops. It must also be noted that BPA's program was entirely voluntary. The decision to idle land or plant an alternative crop was up to the individual farmer. BPA staff has heard directly from farmers in your district about the value of our program. I hope you will too.

While it is most unfortunate that high hay prices and general lack of forage are hurting livestock producers in Eastern Washington, BPA has not seen any evidence that its program has caused this problem. I am attaching some statistics provided by the USDA National Agricultural Statistics Service (NASS) and information about our irrigation buyback program that I hope put this issue in perspective. Please have your staff contact Rick Itami at (509) 358-7410 for more information.

I trust this responds to your concerns. I am available if you have other questions.

Sincerely,

(Sgd.) Stephen J. Wright

Stephen J. Wright
Acting Administrator and
Chief Executive Officer



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

MAY 10 2002

In reply refer to: KR-7C

The Honorable Ron Wyden
United States Senate
Washington, DC 20510-3704

Dear Senator Wyden:

Thank you for your letter of April 18, 2002, endorsing the work of the Earth Conservation Corps' Salmon Corps and supporting their request for \$100,000 in funding from Bonneville Power Administration (BPA) in 2002.

BPA has been impressed with the work that the Salmon Corps has accomplished to mitigate and recover fish and wildlife. This organization provides great opportunities for young Native Americans to learn about and help preserve the environment, and this makes an important contribution to the future of the Pacific Northwest.

Our tribal relations staff recently authorized a \$30,000 grant from its budget for the Salmon Corps Education Program for 2002. I understand that this amount is less than the Salmon Corps was hoping to receive from BPA for those purposes. Unfortunately, BPA is struggling to manage its costs. As you probably have heard, BPA expects to lose money this year for the second year in a row. We must carefully prioritize our expenditures.

I have another avenue to suggest. The Northwest Power Planning Council (Council), in connection with BPA, currently has a solicitation open for fish and wildlife projects in the mainstem Columbia and the mainstem Snake Rivers. The Mainstem/Systemwide solicitation is open through June 3, 2002. Projects that are submitted for the Council's Fish and Wildlife Program are reviewed by the Independent Scientific Review Panel for clear biological objectives and scientific merits. While the Salmon Corps has historically worked with our tribal staff, obviously their efforts are germane to mitigation and recovery of fish and wildlife as well as the more general issues and goals for Native Americans. The Salmon Corps may want to consider this option for seeking BPA funding through the fish and wildlife program. The Council has information about the Mainstem/Systemwide solicitation on the internet at <http://www.cbfwa.org/reviewforms/systemwide>.

In addition, as you state in your letter, the Salmon Corps is a partnership. It receives funding from other federal and private sources, and they should be encouraged to match our award. Federal appropriations could also help cover more of the Salmon Corps costs. BPA has encouraged the Salmon Corps to expand its program and include Native American youth from

Tribes throughout the Pacific Northwest, which might be helpful in garnering broader support for this project.

While I understand that the current BPA funding for the Salmon Corps may not completely meet their needs, we certainly encourage the Salmon Corps to seek supplemental funding, including through the Council's Mainstem/Systemwide solicitation. Thank you for your continued support and assistance.

Sincerely,
(Sgd.) Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

May 17, 2002

In reply refer to: A-7

The Honorable Ron Wyden
United States Senate
Washington, D.C. 20510

Dear Senator Wyden:

Thank you for your letter regarding the recent testimony of Enron Vice President, Richard Sanders. You asked whether BPA has sold any non-firm power products or non-firm transmission services to Enron.

We are deeply disturbed about the kind of practices described by former Enron officials in the Wednesday hearing. Power markets are dependent upon a certain amount of trust. The reliability of the entire power system, and, therefore, public health and safety, requires that electricity products in fact have the characteristics that are claimed. To misrepresent such products compromises the electric power system upon which we all depend.

BPA's secondary, or surplus power, products are sold as "firm," in that they are non-interruptible as defined by North American Electric Reliability Council (NERC) standards. Some parties in the market may erroneously refer to certain BPA sales of energy as "non-firm" because BPA frequently includes the right to recall the power on 60 days' notice for Northwest use, but this provision does not make a power transaction non-firm.

BPA's Transmission Business Line (TBL), however, sells both firm and non-firm transmission service. Enron has made frequent purchases of non-firm transmission service. We are not privy to the manner in which Enron combines and markets products purchased separately from BPA's business lines and from other parties, but it is certainly possible that a firm BPA power product could have been delivered with a non-firm transmission product and the package mischaracterized as having a higher quality than it actually has.

You also asked for estimated savings to Northwest ratepayers should BPA be able to void its contracts with Enron. If BPA's existing contracts with Enron could be terminated without any further consideration, then BPA could realize a savings of approximately \$240 million over the next 5 years, based on the cost of replacing those transactions in the current forward power markets.

Sincerely,

A handwritten signature in black ink that reads "Stephen J. Wright".

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

June 4, 2002

In reply refer to: A-7

The Honorable Ron Wyden
United States Senate
Washington, D.C. 20510

Dear Senator Wyden:

This is in response to your letter of May 24, 2002, asking what steps Bonneville Power Administration (BPA) plans to take to terminate its contracts with Enron Corporation.

Earlier today, BPA responded to a motion filed by the City of Tacoma at the Federal Energy Regulatory Commission (FERC) to reopen the Northwest Refund Proceeding. In that filing, BPA urged FERC to separately and aggressively investigate wrongful conduct, including illegal market manipulation, and to provide meaningful and appropriate relief. FERC must assure market participants that such conduct will be punished. BPA suggested to FERC that an appropriate remedy for improper or illegal manipulation of markets that results in unjust, unreasonable or unduly discriminatory rates would be for FERC to provide blameless and aggrieved counter-parties the option to either terminate the contracts or renegotiate them.

In the filing, BPA stated that it believed, for a number of reasons, that re-opening the Northwest Refund Proceeding would not be the most efficacious way to address the concerns raised by the City of Tacoma and other parties. We believe that the issue of utilities' contracts with Enron needs to be treated comprehensively – not as an add-on to another proceeding that had a different focus. BPA will cooperate fully in the Commission's investigation. We are also considering additional FERC filings specifically related to our Enron contracts.

We also are pursuing other actions. Earlier this year, BPA unilaterally terminated two Enron contracts where we believed we had an unequivocal right to do so. The value of those terminations to our ratepayers was over \$100 million at current market prices. We have been closely monitoring the Enron situation since December and preparing for a wide range of possible outcomes.

Please be assured that BPA is aggressively pursuing all options related to its Enron contracts. We will do the best thing for the Northwest ratepayers.

Thank you for your concern and attention to this issue. If I can answer other questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen J. Wright".

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

March 27, 2002

In reply refer to: KR-7C

The Honorable George Nethercutt, Jr.
U.S. House of Representatives
Washington, DC 20515-4705

Dear Congressman Nethercutt:

Thank you for your letter of March 7, 2002, endorsing a fish and wildlife habitat acquisition sponsored by the Rocky Mountain Elk Foundation. The South Fork Asotin Creek proposal is one of many projects the Northwest Power Planning Council (Council) is considering as part of the Blue Mountain Provincial Review. We expect the Council to provide its recommendations to Bonneville Power Administration (BPA) for our funding in the Blue Mountain Province sometime in April or May. BPA will announce its funding decision after receiving the Council's recommendations.

BPA weighs several factors in our funding decisions on individual projects in the Council's Provincial Review Process. In addition to our fish and wildlife mitigation responsibilities under the Northwest Power Planning Act, we consider our Endangered Species Act responsibilities under the National Marine Fisheries Service 2000 and the U.S. Fish & Wildlife Service Biological Opinions on the operation of the Federal Columbia River Power System. We also highly value the Independent Scientific Review Panel's (ISRP) assessment of a project's scientific merits. Finally, for projects such as the South Fork Asotin Creek, which are designed to meet our wildlife mitigation responsibilities, BPA uses our wildlife crediting policy. All of these will be important considerations in our ultimate funding decision on the South Fork Asotin Creek proposal.

BPA has worked effectively with the Council, the ISRP, and the Columbia Basin Fish and Wildlife Authority to solicit for and to select the projects that can best meet these objectives in the provincial reviews that have been completed to date. I would certainly expect that the pattern of collaboration we have established would continue into our work on the Blue Mountain Province.

Thank you for your interest and support of BPA's fish and wildlife mitigation and recovery efforts. If I can answer any questions for you, please contact me or have your staff contact Mark Shaw, at (503) 230-5239.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Wright".

Stephen J. Wright
Administrator and
Chief Executive Officer



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

FEB 15 2002

In reply refer to: KR-7C

The Honorable Greg Walden
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Walden:

Thank you for your letter of January 31, 2002, in which you describe your concerns about altering the current process for reviewing and selecting fish and wildlife projects in the Columbia River Basin. I understand that the Northwest Power Planning Council (Council) has looked at some ideas along these lines. However, since the Council has not yet developed any specific proposals, Bonneville Power Administration (BPA) is not in a position to comment on those ideas. If and when the Council does propose any changes to the fish and wildlife project selection process, I certainly anticipate that those changes will be subject to a public review process as is the Council's practice. In that event, BPA will review the proposal and comment on it through the public process.

BPA is very supportive of the regional view that the Council provides with its fish and wildlife efforts, as well as in its power and conservation plan. We have also been impressed with the contribution that independent scientific reviews of fish and wildlife proposals have made to the credibility and effectiveness of the Council's program. As the Council proceeds with its subbasin planning efforts, a primary goal for BPA remains the integration of the Council's fish and wildlife plan with BPA's Endangered Species Act responsibilities. We are encouraged by the progress that has been made so far to integrate the Council's program with the off-site mitigation actions that are described in the National Marine Fisheries Service and U.S. Fish and Wildlife Service 2000 Biological Opinions.

Thank you for your letter. Should the Council announce proposed changes in its process, I will keep you apprised of any input BPA provides to the Council regarding the changes.

Sincerely,

A handwritten signature in black ink, reading "Stephen J. Wright".

Stephen J. Wright
Administrator and
Chief Executive Officer

Cc:
The Honorable Peter DeFazio
U.S. House of Representatives
Washington, D.C. 20515



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

APR 29 2002

In reply refer to: KR-7C

The Honorable Greg Walden
Second Congressional District of Oregon
District Office
843 East Main Street, Suite 400
Medford, OR 97504

Dear Congressman Walden:

Thank you for forwarding the inquiry from your constituent, Thomas E. Bailey, of the Board of Directors for The Dalles Irrigation District (District). The District's power is generated at the Corps of Engineers' (Corps) The Dalles Dam. The District purchases this power from the Bureau of Reclamation (BOR) via contract. Mr. Bailey is concerned because the District's 2002 rates for power at the project have nearly doubled.

Bonneville Power Administration (BPA) responded to an initial letter, which you forwarded from Mr. Bailey, on December 7, 2001. In that letter, I explained the methodology for calculating the rate and the reasons that the rate has gone up significantly this year. We offered to meet with the District and your staff; however I understand that the District has declined the offer.

Mr. Bailey's second letter simply asks whether follow-up meetings with the BOR have occurred and, if so, what the outcome was. In fact, BPA, Corps, and BOR staff have been meeting over the past couple of months to clarify the costs that were allocated to the rate and decide on the next steps. The result of our investigation is that the costs included in the rate are properly allocable to irrigation pumping power and energy.

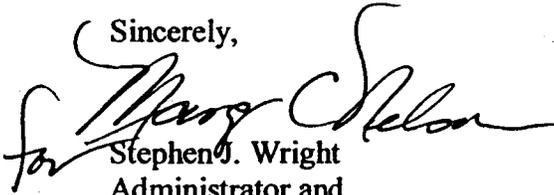
Part of the problem here is that the rate is recalculated only once every five years or more. Costs can change and accumulate significantly over that period of time. Unfortunately, it appears that the District was not aware that it's rate would be significantly affected by changing circumstances, and apparently got a rude shock when they did discover it.

We would like to avoid these surprises in the future. To that end, I understand that BOR has suggested a billing approach to the District that would allow for annual updates. We will be working with BOR to find an acceptable approach to providing regular information on cost recovery and billing adjustments for each season.

I regret that this does not solve the economic problem the District is now facing. BPA is working very hard to help shield its customers from the impacts of last year's drought and West Coast energy crisis, but all of our customers are struggling with power costs right now. We are doing everything we can to reduce our costs so that our own rates can be lower.

I hope this is responsive to your request. Should you have any further questions, please contact me or have your staff contact Anne Morrow, Oregon Constituent Account Executive, at (503) 230-3100. Thank you for your letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen J. Wright". The signature is written in black ink and is positioned to the left of the typed name.

Stephen J. Wright
Administrator and
Chief Executive Officer

NEWHOUSE NEWS SERVICE

1101 Connecticut Ave. N.W. Suite 300 Washington D.C. 20036
(202) 383-7800

Freedom of Information Act Request

Jan. 2, 2003

By mail, E-mail and FAX

RECEIVED BY BPA FOIA OFFICE THIS DATE: 1-6-03
DUE DATE: 2-4-03
LOG # 03-015

Joseph Bennett
Office of the General Counsel
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208

Mr. Bennett:

This is a request under the Freedom of Information Act (5 U.S.C. §552 as amended) for the following records:

(1) All written or electronic communications between BPA and the following Northwest members of Congress during the period from Dec. 31, 2000 to present:

Sens. Gordon Smith and Ron Wyden; Sens. Patty Murray and Maria Cantwell; Reps. Peter DeFazio, Earl Blumenauer, Greg Walden, Darlene Hooley and David Wu; and Reps. George Nethercutt, Norm Dix and Doc Hastings.

Please include any documents, reports, fact sheets or other information generated by your agency to accompany the requested communications.

(2) Copies of any BPA audits, internal or external, that examine energy trading practices, including the agency's use of options or other derivatives.

If you regard any of these records as exempt from disclosure, I request that you exercise your discretion to release them nevertheless.

I also request expedited processing of this request. Please disclose the requested documents as they are available, without waiting until all of them are assembled.

I am a journalist for The Oregonian newspaper and Newhouse News Service and have an urgent need to inform ratepayers and the public about BPA's operations. Given this public purpose, I request a waiver of fees as allowed under the FOIA.

Should you decline waiver, please notify me if you expect fees to exceed \$100.

Please call me at 202-383-7814 if you have questions about my request, or e-mail me at tom.detzal@newhouse.com.

/s/ Tom Detzel

Tom Detzel
The Oregonian