



Department of Energy

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

FREEDOM OF INFORMATION ACT/PRIVACY PROGRAM

November 30, 2020

In reply refer to: FOIA #BPA-2021-00039-F

Michael Deckert

(b) (6)

Dear Mr. Deckert,

This communication is the Bonneville Power Administration's (BPA) response to your request for agency records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). BPA received your records request on October 8, 2020, and formally acknowledged your request on October 13, 2020.

Request

"The agreement between BPA and [Public Utility District No. 1 of Lewis County] in re providing service to Alder Mutual Light Company."

Response

BPA has searched for and collected responsive records from its Customer Contract Management (CCM) records database. BPA is herein releasing 13 pages of responsive records, with no redactions applied.

Fee

There are no fees applicable to the agency's response to your FOIA request.

Certification

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the records search and release described above. Your FOIA request is now closed with all available responsive agency records provided.

Appeal

The adequacy of the search may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director, Office of Hearings and Appeals
HG-1, L'Enfant Plaza
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal by e-mail to OHA.filings@hq.doe.gov, including the phrase "Freedom of Information Appeal" in the subject line. (The Office of Hearings and Appeals prefers to receive appeals by email.) The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where DOE's records are situated, or (4) in the District of Columbia.

You may contact BPA's FOIA Public Liaison, Jason Taylor, at 503.230.3537, jetaylor@bpa.gov, or the address on this letter header for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail: ogis@nara.gov
Phone: 202-741-5770
Toll-free: 1-877-684-6448
Fax: 202-741-5769

Questions about this communication may be directed to James King, CorSource Technology Group LLC, at jjking@bpa.gov or 503.230.7621.

Sincerely,



Candice D. Palen
Freedom of Information/Privacy Act Officer

[Enclosures: A release of responsive agency records accompanies this communication.](#)

USE OF FACILITIES AGREEMENT

executed by the

BONNEVILLE POWER ADMINISTRATION

and

LEWIS COUNTY PUD NO. 1

for providing electric service to

ALDER MUTUAL LIGHT COMPANY

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This USE OF FACILITIES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and the PUBLIC UTILITY DISTRICT NO. 1 OF LEWIS COUNTY, WASHINGTON (Lewis), a public utility district organized under the laws of the State of Washington. BPA and Lewis are sometimes referred to individually as "Party," and jointly as "Parties."

RECITALS

BPA and Lewis on September 25, 2000, entered into Power Sales Contract No. 00PB-12052, as amended or replaced (Lewis Power Sales Contract), which provides for firm power purchase by Lewis.

BPA sells power to Alder Mutual Light Company (Alder) under Power Sales Contract No. 00PB-12009, as amended or replaced (Alder Power Sales Contract), which provides for delivery of firm power purchased by Alder to a point of delivery on Alder's electric system.

Alder is currently served via a 12.5 kV distribution circuit, owned and operated by Tacoma Public Utilities, which is in imminent danger of failure from active slides in the Nisqually canyon.

As an alternative, Lewis agrees to use of certain Lewis facilities necessary for BPA to provide service to Alder, which facilities are located in or near Lewis' Elbe 115 kV-24.9 kV substation.

Lewis and BPA agree as follows:

1. **TERM**

This Agreement shall be effective at 2400 hours on the date of commercial operation of the BPA 24.9 kV facilities serving Alder (Effective Date) and shall terminate on the earlier of:

- (a) twenty years from the Effective Date;
- (b) termination by Lewis upon eighteen (18) months' written notice to BPA, pursuant to section 11, Notices;
- (c) termination by BPA, no sooner than October 1, 2010, upon one-year's written notice to Lewis, pursuant to section 11, Notices; or
- (d) upon sixty (60) days written notice by BPA to Lewis, pursuant to section 11, Notices, of the expiration or termination without replacement of the Alder Power Sales Contract.

All financial liabilities incurred under this Agreement shall be preserved until satisfied.

2. **USE OF FACILITIES**

BPA shall make use of Lewis' facilities located in Lewis' Elbe substation, that are set forth in Exhibit C (Lewis Facilities), to transfer electric power and energy to serve the load of Alder. The amounts of BPA electric power and energy that utilize the Lewis Facilities shall be metered pursuant to Exhibit A, Point of Metering, and shall not exceed two (2) megawatt of capacity and 9,000 megawatt-hours on an annual basis.

3. QUALITY OF SERVICE

- (a) Lewis agrees to provide a quality of service regarding the Lewis Facilities comparable to the firm service provided to its similarly situated retail customers served from Lewis' Elbe substation.
- (b) In the event of an outage of the Lewis Facilities, Lewis shall make reasonable efforts to restore service to such facilities in substantially the same time and manner that Lewis restores service to its own customers served from Lewis' Elbe substation. In such event Lewis may, but shall not be required, to provide alternate service from Lewis' Morton substation.
- (c) Lewis shall maintain records, in accordance with its standard practices, of dispatching, switching, and outages. These records shall be made available for examination on request by BPA at the Lewis' main office during normal business hours.

4. PAYMENT FOR USE OF FACILITIES AND REVISIONS TO EXHIBIT C

- (a) BPA shall pay Lewis, each month pursuant to section 5 below, for the use of Lewis' facilities under this Agreement, at the charges specified in Exhibit B, Use of Facilities Charges.
- (b) The Parties will revise Exhibit C whenever: (1) there has been a change in either the load served by Lewis from Lewis' Elbe substation or the Alder load served by BPA by the Lewis Facilities that would result in a change in the Load Ratio Share, or (2) there has been additional investment to the facilities by Lewis for such things as replacements, renewals, betterments and/or improvements. Such revisions will not occur more frequently than once every twelve (12) months. To the extent that such revision to Exhibit C will result in an increase of more than twenty percent (20%) to the charges paid by BPA, Lewis shall provide documentation to BPA to justify said increase.

5. PAYMENT PROCEDURES

- (a) BPA shall make payments to Lewis by placing on the bill sent to Lewis pursuant to Lewis' Power Sales Contract (Contract No. 00PB-12052) a credit equal to the then current Use of Facilities Charge set forth on Exhibit B.
- (b) Section 10, Billing and Payment of the Lewis Power Sales (Contract No. 00PB-12052) is incorporated into this Agreement by reference.
- (c) Whenever a successor agreement to the Lewis Power Sales Contract No. 00PB-12052) is executed, the Parties shall have the opportunity to incorporate into this Agreement any modifications to the Billing and Payment section made in the successor agreement. If both Parties find the modifications acceptable the Parties shall amend the terms of this Agreement to reflect the modifications.

6. MEASUREMENTS

- (a) Amounts of electric energy, integrated demands for energy, and varhours that BPA provides to Alder by use of the Lewis Facilities shall be determined from measurements made by meters at the locations and in the circuits specified in Exhibit A, Point of Metering. These measurements shall be adjusted for transmission losses pursuant to Exhibit A, Point of Metering, to determine the values to be used in section 2 of Exhibit C for calculations used to update Exhibit C, Calculation of Use of Facilities Charges.
- (b) BPA agrees that energy and capacity delivered at Lewis' Elbe substation pursuant to this Agreement to provide service to Alder shall not be included for any purpose in calculating payments due from Lewis to BPA pursuant to Lewis' BPA Power Sales Contract (Contract No. 00PB-12052) or Network Integration Transmission Agreement (Contract No. 96MS-96091).

7. ADDITIONAL CAPACITY

- (a) The Parties shall exchange any necessary information and confer from time to time to determine the necessity for installation of additional facilities and for removal of existing facilities to enable the Parties to fulfill their obligations under this Agreement.
- (b) If Lewis determines that additional capacity at the Lewis Facilities is necessary to serve Alder's load growth, then Lewis shall provide a written notice to BPA, pursuant to section 8. Upon such written notice, the Parties shall negotiate in good faith the revisions to this Agreement necessary for the construction, operation and payment for such additional capacity.

8. NOTICES

Any notice required under this Agreement shall be in writing and shall be delivered: (a) in person; (b) by a nationally recognized delivery service; or (c) by United States Certified Mail. Notices are effective when received. Either Party may change its address for notices by giving notice of such change consistent with this section.

If to Lewis:

Public Utility District No. 1 of Lewis
 County, Washington
 321 NW Pacific Avenue
 P.O. Box 330
 Chehalis, Washington 98532-0330
 Attn: David J. Muller
 General Manager
 Phone: 360-748-9261
 FAX: 360-740-2455
 E-Mail: davem@lcpud.org

If to Bonneville:

Bonneville Power Administration
 905 NE 11th Ave
 P. O. Box 3126
 Portland, Oregon 97208
 Attn: Robert A. (Joe) Rogers
 Manager, Transfer Services PSS-6
 Phone: 503 230-3843
 FAX: 503 230-3242
 E-Mail: rarogers@bpa.gov

9. TEMPORARY SUSPENSION OF DELIVERIES

Either Party may temporarily interrupt or reduce the availability of electric power and energy, provided for in this Agreement, if the Party determines that an interruption or reduction is necessary or desirable in order to perform maintenance work on its system. Such Party shall give notice, pursuant to section 8, to the other Party of any such interruption or reduction, the reason, and the probable duration. Each Party shall use temporary facilities or equipment to minimize the effect of any such interruption or outage to the extent reasonable or appropriate.

10. UNCONTROLLABLE FORCES

- (a) Neither Party shall be in breach of its obligations hereunder to the extent the failure to fulfill that obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force that impairs that Party's ability to perform its contractual obligations under this Agreement and which, by exercise of that Party's reasonable diligence and foresight, such Party could not be expected to avoid and was unable to avoid. Uncontrollable Forces include, but are not limited to:
- (1) any unplanned curtailment or interruption for any reason of firm transmission used to deliver electric power and energy to the Lewis Facilities or Lewis distribution system, including but not limited to, unplanned maintenance outages;
 - (2) any unplanned curtailment or interruption, failure or imminent failure of BPA's facilities or the Lewis Facilities used to deliver electric power and energy to Alder's facilities, including but not limited to, unplanned maintenance outages;
 - (3) any planned transmission or distribution outage that affects either Lewis or BPA which was provided by a third-party transmission or distribution owner, or by a transmission provider;
 - (4) strikes or work stoppage, including the threat of imminent strikes or work stoppage;
 - (5) floods, earthquakes, or other natural disasters; and
 - (6) orders or injunctions issued by any court having competent subject matter jurisdiction, or any order of an administrative officer which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.
- (b) Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable

Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

- (c) The Party claiming the Uncontrollable Force shall notify the other Party as soon as practicable of that Party's inability to meet its obligations under this Agreement due to an Uncontrollable Force. The Party claiming the Uncontrollable Force also agrees to notify any control area involved in the scheduling of a transaction which may be curtailed due to an Uncontrollable Force.
- (d) The Party claiming the Uncontrollable Force shall be excused from its obligations, other than from payment obligations, without liability to the other, for the duration of the Uncontrollable Force and the period reasonably required for the Party claiming the Uncontrollable Force, using due diligence, to restore its operations to conditions existing prior to the occurrence of the Uncontrollable Force.

11. GOVERNING LAW AND DISPUTE RESOLUTION

- (a) Section 14, Governing Law and Dispute Resolution of the Lewis Power Sales Contract No. 00PB-12052 is incorporated into this Agreement by reference.
- (b) Whenever a successor agreement to the Lewis Power Sales Contract No. 00PB-12052 is executed, the Parties shall have the opportunity to incorporate into this Agreement any modifications to the Governing Law and Dispute Resolution section made in the successor agreement. If both Parties find the modifications acceptable the Parties shall amend the terms of this Agreement to reflect the modifications.

12. AMENDMENTS

No oral or written amendment, rescission, waiver, modification, or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

13. ASSIGNMENT

This Agreement is binding on any successors and assigns of the Parties. BPA may assign this Agreement to another Federal agency to which BPA's statutory duties have been transferred. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. BPA's refusal to consent to assignment shall not be considered unreasonable if as a result of the assignment BPA's performance of this Agreement or any term thereof will violate any applicable statute. Lewis may not transfer or assign this Agreement to any of its retail customers.

14. INFORMATION EXCHANGE

The Parties shall provide each other with any information that is reasonably required, and requested by either Party in writing, to operate under and administer

this Agreement, including load forecasts for planning purposes, information needed to resolve billing disputes that is not otherwise available to the requesting Party.

15. ENTIRE AGREEMENT

This Agreement, including all provisions, exhibits incorporated as part of this Agreement, and documents incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.

16. EXHIBITS

The exhibits listed in the table of contents are incorporated into this Agreement by reference. Exhibits may be revised only upon mutual agreement between the Parties. In the event of a conflict, the body of this Agreement shall prevail over the exhibits to this Agreement.

17. NO THIRD-PARTY BENEFICIARIES

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Agreement.

18. WAIVERS

Any waiver at any time by either Party to this Agreement of its rights with respect to any default or any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

19. HOLD HARMLESS

Each Party assumes all liability for injury or damage to persons or property arising from the act or negligence of its own employees, agents, members of governing bodies, or contractors. Each Party shall indemnify and hold the other Party harmless from any liability arising from such act or negligence.

20. SIGNATURES

The signatories represent that they are authorized to enter into this Agreement on behalf of the Party for whom they sign.

PUBLIC UTILITY DISTRICT NO. 1 OF
LEWIS COUNTY, WASHINGTON

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By 
Name DAVID J. Muller
(Print/Type)
Title Manager
Date 3/4/08

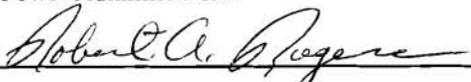
By 
Name Robert A. (Joe) Rogers
(Print/Type)
Title Manger, Transfer Services
Date 2/6/08

Exhibit A
POINT OF METERING

ALDER POINT OF METERING

1. **Metering:** The meter will be adjacent to Lewis' Elbe 115 kV - 24.5 kV substation, at the point where Lewis's 24.5 kV system and BPA's 24.5 kV system interconnect.
2. **Adjustments:** for transmission losses between the Point of Metering and Lewis' Elbe 115 kV Facilities.

Exhibit B
USE OF FACILITIES CHARGES

| <u>Point of Delivery</u> | <u>Transferor</u> | <u>BPA Customer</u> | <u>Use Of Facilities Charge</u> |
|--------------------------|-------------------|---------------------|---------------------------------|
| Elbe substation | Lewis | Alder | \$1,147.00/month |

The Parties will revise this Exhibit B whenever required to reflect the then current Use Of Facilities Charge calculated in accordance with Exhibit C.

Exhibit C
CALCULATION OF USE OF FACILITIES CHARGES

1. TRANSFER FACILITIES PLANT INVESTMENT

| | | | |
|-----|--|------|---------------|
| (a) | Transmission investment | | |
| (1) | Total transmission system | | \$21,908,783 |
| (b) | Transfer facilities investment | | |
| (1) | Elbe substation | 1986 | \$138,783 |
| (2) | Elbe substation 25 kV conversion | 2000 | \$368,962 |
| (3) | New breaker position - Elbe substation | 2008 | \$70,100 |
| (4) | New position substation getaway | 2008 | \$25,000 |
| | Total transfer facilities | | \$602,845 |
| (c) | Distribution | | \$91,847,328 |
| (d) | General plant | | \$16,908,468 |
| (e) | Total plant investment (excluding production) | | \$130,664,579 |
| (f) | General plant allocable to transfer facilities | | |
| (1) | Ratio of transfer facilities to total plant | | 0.461% |
| (2) | General plant allocable transfer facilities | | \$78,010 |

**2. TRANSFER FACILITY DEMAND IN KILOWATTS
ELBE SUBSTATION FACILITY USE**

| | | | |
|-----|--|-------|----|
| (a) | Alder demand (fiscal year (FY) 2005 – FY 2007 3-year average annual maximum demand) | 1,089 | kW |
| (b) | Lewis Elbe demand (FY 2005 – FY 2007 3-year average annual maximum demand) | 5,046 | kW |
| (c) | Combined demand (FY 2005 – FY 2007 3-year average annual maximum demand) | 6,135 | kW |

3. ANNUAL COST RATIO (ACR)

| | | |
|-----|---|-------------|
| (a) | Annual fixed cost component | |
| (1) | Interest rate (cost of money - tax exempt) | 4.90% |
| (2) | Facility life (years) | |
| (A) | Substation | 50 |
| (B) | General plant | 25 |
| (3) | ACR (capital recovery factor) | |
| (A) | Substation | 5.39% |
| (B) | General plant | 7.02% |
| (b) | Annual variable cost component | |
| (1) | Operating expenses | |
| (A) | T&DO and M (3-year average) ^{1/} | \$4,033,543 |
| (B) | Administrative and general (3-year average) | \$1,103,376 |
| (2) | Annual cost ratio | |
| (A) | T&DO and M (3-year average) ^{1/} | 3.09% |
| (B) | Administrative and general (3-year average) | 0.84% |
| (c) | Total annual cost ratio | |
| (1) | Substation | 9.32% |
| (2) | General plant | 7.87% |

^{1/} T&D, O and M = transmission & distribution, operation and maintenance.

4. **CALCULATION OF ANNUAL USE OF FACILITIES CHARGE**

(a) Plant investment per kW of peak demand

| | | |
|-----|---|-------------|
| (1) | Elbe substation transfer facilities investment from sections 1(b)(1) and 1(b)(2) divided by combined substation demand section 2(c) | |
| (A) | Elbe substation | \$22.62 /kW |
| (B) | Elbe substation 25 kV conversion | \$60.14 /kW |
| (C) | Elbe substation total | \$82.76 /kW |
| (2) | Alder feeder position investment from sections 1(b)(3) and 1(b)(4) divided by Alder transfer facility demand section 2(a) | |
| (A) | New breaker position Elbe substation | \$64.35 /kW |
| (B) | New position substation getaway | \$22.95 /kW |
| (C) | Total for Alder feeder | \$87.31 /kW |
| (3) | General plant use | \$12.71 /kW |

(b) Calculation of annual transfer charge

| | | |
|-----|--|---------|
| (1) | Alder demand for Elbe substation section 2(a), multiplied by Elbe substation investment per kW of peak demand 4(a)(1)(c) multiplied by the substation ACR section 3(c)(1) | |
| | Elbe substation total | \$8,406 |
| (2) | Alder demand for Elbe substation section 2(a), multiplied by Alder feeder investment per kW of peak demand section 4(a)(2)(C), multiplied by the total substation ACR section 3(c)(1) less substation ACR capital recovery factor section 3(a)(3)(A) | |
| | New Alder Feeder (O&M, Admin & General) | \$3,739 |
| (3) | Alder demand for Elbe substation section 2(a) multiplied by general plant use investment per kW of peak demand section 4(a)(3) multiplied by the total general plant ACR section 3(c)(2) | |
| | General plant | \$1,090 |

| | | |
|-----|---|-----------------|
| (4) | Total of all components | \$13,234 |
| (5) | Public utility tax (3.873%) ^{2/} | \$532 |
| (6) | Annual Use of Facilities Charge | \$13,767 |
| (7) | Monthly Use of Facilities Charge | \$1,147 |

^{2/} Effective tax rate is tax on tax, currently 4.02%.

S: transfer service H:\Jack\Lewis PUD BPA Alder UFT Agmt 020508.doc