



Journal

December 2016

The final print issue of the Journal

This December issue marks the last Journal that will be printed and sent by mail. BPA is unveiling a new Public Involvement web page in January 2017 that will provide the same content from the print issue but allow BPA to update information more frequently as processes change. The move will allow BPA to save labor, printing and mailing expenses associated with sending thousands of copies out every month.

Coming in January, BPA will send an email out at the start of each month on the newest PI opportunities. If you receive a hard copy and wish to be added to the email list, please send a message to Nate Williams at ndwilliams@bpa.gov or return the enclosed postcard.

BPA rate proposal focuses on cost management, maintaining value

BPA released its initial rate proposal, which will support investments in the Federal Columbia River Power System that provides renewable hydropower to 142 Northwest public utilities. The proposed rates for fiscal years 2018 and 2019 will also support investments to sustain and expand the federal transmission system. BPA is proposing a 3.5 percent average wholesale power rate increase and a 1.1 percent average increase to transmission rates for the two-year rate period.

“These rates represent months of work to reduce budgets and focus on cost-management measures to lower expected rate increases,” said Elliot Mainzer, BPA’s administrator and chief executive officer. “The steps we have taken so far for the 2018–2019 rate period have begun to shift BPA onto a



BPA staff leading a rates workshop earlier this year.

more sustainable rate trajectory and demonstrate our commitment to remaining our customers’ wholesale provider of choice.”

BPA started discussions on expense and capital spending levels for fiscal years 2018 and 2019 in June during the Integrated Program Review and Capital Investment Review process.

The average proposed wholesale power rate is \$34.94 per megawatt hour, an increase of 3.5 percent for the rate period, or 1.7 percent annually. About half of the rate increase is due to higher program costs such as the operations and maintenance expenses BPA pays to the Corps of Engineers and the Bureau of Reclamation to run the federal hydro facilities, and increased costs of the fish and wildlife program. The other half of the rate increase is due to lower forecast sales from general regional load loss and a slight reduction in forecast system generation. In addition, many power customers will see a lower proposed rate increase of 2.3 percent due to a one-time credit that was generated from savings created from Regional Cooperation Debt transactions that were initiated in 2014.

Transmission Services was able to minimize spending increases by focusing on mission-critical work and planning investments that provide the greatest benefit to ratepayers, which is reflected in the 1.1 percent average transmission rate increase for the rate period or 0.5 percent annually. BPA believes it will still be able to provide reliable transmission service to its customers and invest in substantial capital projects during the upcoming rate period while delivering a rate increase that is less than the rate of inflation.

BPA is also proposing a new financial reserves policy in this initial rate proposal that will set targets for financial reserves levels. The proposed policy is intended to maintain and strengthen BPA’s financial health, as well as support BPA’s credit rating.

“BPA is committed to working with customers and other constituents to identify additional cost-management alternatives through the IPR 2 process,” said Mainzer.

The rate-setting process begins in November and will culminate with final rate decisions in July 2017; the new rates will take effect on Oct. 1, 2017.



BPA posts 2016 annual report

BPA's new annual report, titled "Investing in the Future," is now available electronically. A limited supply of hard copies will be available from the BPA Library and Visitor Center in December. This year's publication underscores the importance of cost management to BPA and its customers.



proud of my family's history of service to our country and of all natives and non-natives who have served and continue to serve in the military."

The ethic of military service runs deep in Native American culture. When World War I started, American Indians were not considered U.S. citizens; that did not stop nearly 12,000 from volunteering to serve in the U.S. military.

Graves Pyrch's father and stepfather were laid to rest at Willamette National Cemetery in Portland, Oregon.

When you see a tribal blanket, remember that each carries unique significance. Like the "Code Talker" — many have a special story waiting to be told.

Code Talker blanket honors military service of Native American veterans

As part of Native American Heritage Month, BPA's headquarters lobby was filled with tribal blankets loaned by employees and members of the agency's American Indian/Alaskan Native Council. Each of these blankets contains symbols of a proud native heritage and a silent history waiting to be told.

One blanket on display was loaned by AIANC Chair Karen Graves Pyrch, who is BPA's Customer Support Services director. The "Code Talker" blanket, which belongs to Graves Pyrch's mother, honors Graves Pyrch's dad, Gerry Graves, and the history of service by American Indians in the U.S. military and to our nation.



Karen Graves Pyrch with her mother's "Code Talker" blanket in the BPA headquarters lobby.

"My dad and stepfather were both World War II veterans so the blanket has significant meaning to our family," Graves Pyrch explains. "First, because of the recognition later given to the Indian code talkers, but also because native people still have the highest per-capita rates of military service compared to other U.S. population segments. I am

Public Involvement [updates & Notices]

BPA PROJECTS

Integrated Program Review 2 [Regionwide]

BPA will be starting work on the Integrated Program Review 2 process that was announced in the IPR close-out. In IPR 2, BPA will address expense and capital spending for the Bureau of Reclamation and the U.S. Army Corps of Engineers, as well as operations and maintenance expenses for the Columbia Generating Station. The process will also discuss the Commercial Operations Key Strategic Initiative and the workforce initiative. BPA will hold educational webinars on all topics except for the workforce initiative on Dec. 13 and 14. For information, go to www.bpa.gov/goto/ipr.

control area services for FY 2018 and 2019. BPA expects that the formal rate-setting process will culminate in filing a final rate proposal and the administrator's record of decision with the Federal Energy Regulatory Commission in late July 2017. BPA will request approval for the rates to be effective Oct. 1, 2017. For information, go to www.bpa.gov/goto/BP18.

Cost verification for FY 2016 Slice true-up adjustment charge [Regionwide]

BPA is accepting comments through Dec. 9, 2016 on the composite cost pool true-up table and the Slice true-up adjustment, which reflects the pertinent actual expenses and revenue credits for FY 2016. BPA will consider the identification of any Slice true-up adjustment issues for inclusion in the agreed-upon procedures, which are miscellaneous financial services provided contractually to BPA by an external auditor. The FY 2016 composite cost pool savings when compared to the rate case forecast is \$9.25 million. As a result, the FY 2016 Slice true-up adjustment applicable to Slice customers is a credit of \$2.56 million. For more information, go to www.bpa.gov/goto/costverification.

POWER

BP-18 Rate Case [Regionwide]

BPA published notice of its initial rate proposal for the BP-18 Rate Case in the Federal Register on Nov. 10. The BP-18 rate proceeding will set rates for wholesale power, transmission, and ancillary and

TRANSMISSION

Hills Creek-Lookout Point Transmission Line Rebuild Project [Lane County, Oregon]

BPA proposes to rebuild the 26-mile Hills Creek-Lookout Point 115-kilovolt wood-pole transmission line between the cities of Oakridge and Lowell, Oregon. Improvements would involve replacing all wood-pole structures (including poles and other hardware), replacing conductors and ground wires, realigning the line to avoid a rockfall and landslide, and improving access roads. BPA published the draft environmental assessment in August and accepted comments through Sept. 19. The U.S. Forest Service is a cooperating agency with BPA for the EA. If BPA decides to proceed with the project, construction would begin in the summer of 2018. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/HillsCreekLookoutPoint.aspx.

Kalispell-Kerr Transmission Line Rebuild Project [Flathead and Lake counties, Montana]

BPA proposes to rebuild the 41-mile Kalispell-Kerr 115-kV wood-pole transmission line between the cities of Kalispell and Polson, Montana. Improvements would involve replacing all wood-pole structures (including poles and other hardware), replacing conductors and ground wires, and improving access roads. BPA expects to publish the final environmental assessment in 2016. If BPA decides to proceed with the project, construction would begin in the spring of 2017. For information, go to <https://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Kalispell-Kerr-Transmission-Line-Rebuild.aspx>.

Marys Peak BPA Communication Site Project [Benton County, Oregon]

BPA needs to upgrade and maintain its existing communication site on the summit of Marys Peak, located approximately 12 miles southwest of Corvallis, Oregon. The BPA communication network allows for critical information exchange during emergencies, safe and timely power restoration during outages, and supports control of the larger regional BPA power transmission network in the Pacific Northwest. BPA hosted a public meeting Nov. 9 in Philomath, Oregon. BPA is accepting scoping comments through Dec. 2. BPA will prepare an environmental assessment for the proposed project. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Marys-Peak-BPA-Communication_Site_Project.aspx.

Bonneville-Hood River Rebuild Project [Multnomah and Hood River counties, Oregon]

BPA is proposing to rebuild portions of its 23-mile, 115-kV Bonneville-Hood River transmission line and an associated tap line running to Cascade Locks, Oregon. BPA is proposing to replace the aged wood and steel lattice H-frame structures and other components along the line and tap, and to improve its access road and trail system. BPA published the draft environmental assessment on Sept. 29, 2016 and accepted comments through Oct. 31, 2016. If BPA decides to proceed with the project, access road work would begin in the summer of 2017 and structure work would begin in the summer of 2018. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Bonneville_Hood-River_Transmission_Line_Rebuild.aspx.

ENVIRONMENT, FISH AND WILDLIFE

Columbia River System Operations Environmental Impact Statement [Regionwide]

On Sept. 30, 2016, the Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration — known as the Action Agencies — published a notice of intent in the Federal Register notifying the public that the agencies intend to prepare an environmental impact statement on the long-term system operations and configuration of fourteen federal multiple purpose dams and related facilities located throughout the Columbia River Basin. The Action Agencies will use this EIS process to assess and update their approach on hydropower system operations through the analysis of alternatives and evaluation of potential effects to the human and natural environments, including the effects on socioeconomic factors and species listed under the Endangered Species Act. The Action Agencies will serve as joint lead agencies in developing the EIS. Fifteen scoping meetings will be held throughout the region, as well as two online webinars for those that cannot participate in person. A public comment period will run through Jan. 17, 2017. For information, go to www.crso.info.

Middle Entiat River Restoration Project [Chelan County, Washington]

BPA is proposing to provide funding for the Middle Entiat River Habitat Restoration Project along a 4-mile section of the Entiat River, in Chelan County, Washington. The goal of the proposed project is to re-establish natural riverine processes and a properly functioning and self-sustaining riverine floodplain ecosystem that would provide critical spawning, rearing and off-channel refuge habitat for native fish and floodplain-associated wildlife in the Entiat River Basin. Target species would be steelhead, bull trout and other resident fish. A draft environmental assessment is expected to be available for comment this year. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Middle_Entiat_River_Habitat_Restoration.aspx.

Eightmile Ranch Coho Acclimation Site [Okanogan County, Washington]

BPA and the U.S. Forest Service released the final environmental assessment for the Eightmile Ranch Coho Acclimation Site in March 2016. BPA released its finding of no significant impact on Nov. 17. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Eight-Mile-Acclimation.aspx.

Trinity Coho Acclimation Site [Chelan County, Washington]

BPA plans to release a supplemental analysis for the Trinity Coho Acclimation Site in late 2016 or early 2017. This site is part of the Mid-Columbia Coho Restoration Program, an effort to reintroduce self-sustaining populations of coho salmon to the Wenatchee and Methow subbasins. BPA prepared an environmental impact statement for this program in 2012. The Trinity site was later added to the program when other sites proved infeasible. An initial project scoping comment period closed in September 2014. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Mid-Columbia-Coho-Restoration-Project.aspx.

Public Involvement continued [Updates & Notices]

Natapoc Fish Hatchery [Chelan County, Washington]

BPA plans to release a supplemental analysis for the Natapoc Fish Hatchery in early 2017. This site is part of the Mid-Columbia Coho Restoration Program, an effort to reintroduce self sustaining populations of coho salmon to the Wenatchee and Methow subbasins. BPA prepared an environmental impact statement for this program in 2012. The EIS addressed the Natapoc Hatchery, at the time known as George Hatchery; however, the location of the hatchery has since changed. An initial project scoping period closed in December 2014. For information, go to www.bpa.gov/goto/midcolumbiacoho.

Crystal Springs Hatchery Program [Bingham, Lemhi and Custer counties, Idaho]

BPA is proposing to fund the Shoshone-Bannock Tribes of the Fort Hall Reservation's Crystal Springs Hatchery Program. The program would involve the construction of a hatchery in Bingham County, Idaho, to rear Snake River spring/summer chinook salmon and Yellowstone cutthroat trout as well as the construction of two fish-trapping (weir) facilities in Custer and Lemhi counties. BPA, in cooperation with the U.S. Forest Service, National Marine Fisheries Service and the Tribes, plans to release a draft environmental impact statement evaluating the potential impacts of the proposed Crystal Springs Hatchery Program this fall. The public comment period will be open for 45 days. For information, go to www.bpa.gov/goto/midcolumbiacoho.

Bird Track Springs Fish Habitat Enhancement Project [Wallowa County, Oregon]

BPA is proposing to fund the Bird Track Springs Enhancement Project, located in the Wallowa-Whitman National Forest and adjacent private lands in Oregon's upper Grande Ronde River. The project is a partnership between BPA, the Confederated Tribes of the Umatilla Indian Reservation, U.S. Forest Service and the Bureau of Reclamation. The project goals are to benefit ESA-listed Pacific salmonids and their habitat through excavating channel meanders, removing artificial constraints, increasing off-channel connections and in-stream complexity through placement of large wood structures. Initial project scoping concluded in February 2016 and the initial draft of an environmental assessment is underway. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/BirdTrackSprings.aspx.

Upper Columbia Spring Chinook and Steelhead Acclimation Project [Chelan and Okanogan counties, Washington]

BPA released a draft environmental assessment for the Upper Columbia Spring Chinook and Steelhead Acclimation Project in early November for public review and comment. This project would be funded by BPA and implemented by the Confederated Tribes and Bands of the Yakama Nation to improve acclimation of hatchery-bred juvenile steelhead and chinook salmon released into the Methow and Wenatchee river basins in Okanogan and Chelan counties, Washington. BPA is accepting comments on the draft EA through Dec. 5. For information, go to www.bpa.gov/goto/ChinookSteelheadAcclimation.

Kootenai River Lower Meander Project [Boundary County, Idaho]

BPA is preparing an environmental assessment for a river restoration project proposed by the Kootenai Tribe of Idaho along the Kootenai River one-half mile upstream of Bonner's Ferry, Idaho. The project is designed to enhance islands and side channels and to restore streambanks. The work would include pool excavation, island construction, bank grading, revegetation and large wood structure installation along banks and in channels. Initial scoping closed on Oct. 11, 2016. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/KootenaiMeander.aspx.

CLOSE OF COMMENT

- **Dec. 2**, Marys Peak BPA Communication Site Project.
- **Dec. 5**, Upper Columbia Spring Chinook and Steelhead Acclimation Project.
- **Dec. 9**, Cost verification for FY 2016 Slice true-up adjustment charge.

CALENDAR OF EVENTS

For current meeting information, go to www.bpa.gov/goto/calendar.

Columbia River System Operation EIS Scoping

- **Dec. 1**, 4 to 7 p.m., Town Hall, Great Room, 1119 8th Ave., Seattle, Washington.
- **Dec. 6**, 4 to 7 p.m., The Columbia Gorge Discovery Center, River Gallery Room, 5000 Discovery Drive, The Dalles, Oregon.
- **Dec. 7**, 4 to 7 p.m., Oregon Convention Center, 777 NE Martin Luther King Jr. Blvd., Portland, Oregon.
- **Dec. 8**, 2016, 4 to 7 p.m., The Loft at the Red Building, 20 Basin St., Astoria, Oregon.
- **Dec. 13**, 10 to 11:30 a.m. and 3 to 4:30 p.m., webinars.

Coordinated Transmission Agreement

- **Dec. 2**, 10 a.m. to noon, BPA Rates Hearing Room, 1201 Lloyd Building, Suite 200, Portland, Oregon.

IPR 2 Educational Webinars

- **Dec. 13**, 9 to 11 a.m., Columbia Generating Station.
- **Dec. 13**, 1 to 3 p.m., Commercial Operations KSI.
- **Dec. 14**, 9 to 11 a.m., Federal Hydropower.

FOR MORE INFORMATION

Information on other projects under environmental review is available at www.bpa.gov/goto/NEPA.

For information about the National Environmental Policy Act in general, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/References.aspx.

The Journal is a monthly publication of the Bonneville Power Administration. If you have questions or comments, or you want to be added to the mailing list for any project, call toll free 800-622-4519.

To order copies of documents, call: 800-622-4520 or 503-230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. Email address: comment@bpa.gov. BPA home page: www.bpa.gov. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see www.efw.bpa.gov/environmental_services/nepadocs.aspx. Process Abbreviations: EA-Environmental Assessment, EIS-Environmental Impact Statement, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.

