February 1997

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BPA ends the year with net revenues of $96 million

BPA met its financial targets for fiscal year 1996 by ending the year with net revenues of $96 million. Increased surplus and nonfirm energy sales due to the best water year since 1974 contributed to the year-end results. Revenues from publicly owned utilities and direct-service industries were down substantially from the previous year. A 4 percent rate increase for 1996 only, helped to make up for the reduced firm power sales. Reserves were at $278 million, including cash and deferred borrowing authority. Reserves at the end of 1995 were $195 million. The increase in 1996 is due to BPA’s continued efforts to manage its costs as well as strong surplus and nonfirm sales. BPA plans to cut costs in the future by reducing planned expenses for 1997 through 2001 by an average of $600 million a year.

Blue ribbon panel agrees with BPA

A panel of 14 industry experts agreed with BPA’s methodology and analysis of the Aug. 10 power outage after reviewing studies prepared by BPA’s engineering and operations staff. The experts, known as the blue ribbon panel, met in Portland on Jan. 27-28. The panel also reinforced the Western System Coordinating Council policy to avoid uncontrolled cascading disturbances for the most severe disturbances, and asked BPA to monitor the amount of voltage support in reserve both for planning and real-time needs, to work with power generators to increase the amount of support produced, and to maximize the amount available under automatic control. The panel endorsed BPA’s proposal of a 600-megavar reactive margin for a single outage and a 400-megavar reactive margin for two outages. (A megavar is a measure of voltage support on a transmission system.) The Western System Coordinating Council’s operating capability study group met with BPA to review the proposal on Jan. 31. The proposal next goes to WSCC’s board of trustees for final approval in early February. The combined alternating-current and direct-current interties have a rated capacity of 7900 megawatts. Since the Aug. 10 outage, they have been limited to a total of 5200 megawatts.

BPA will hold retail wheeling scoping meeting

BPA will hold a scoping meeting on Feb. 4 to discuss development of a retail wheeling policy for the Federal Columbia River Transmission System. The public meeting will address several issues of policy development including impacts on system reliability, potential for differing state approaches and technical constraints related to scheduling and coordination. The scoping meeting will be held at the Red Lion Columbia River Hotel in Portland.
Above average runoff forecasted

Precipitation levels in many locations in the Pacific Northwest for 1996 were among the highest ever recorded. The January forecast for the volume runoff (water and snowpack that runs off the land into streams) at The Dalles Dam on the Columbia River is 130 percent of normal. At Lower Granite Dam on the Snake River, the volume runoff forecast is for 153 percent of normal. The January volume runoff forecast is the first forecast of the water year to include snowpack. As a result of high water levels, Bonneville has been selling power in the short-term markets.

BPA helps city of Ashland

BPA sent a flight crew and helicopter to Ashland, Oregon, to help the city after major flooding. Ashland’s water filtration plant was damaged and left the city without running water. BPA’s helicopter and crew flew Ashland city workers and equipment up a mountain to clear debris at Hosler Dam and make repairs at the water plant.

Power lines damaged by storm

Two of BPA’s 500-kilovolt transmission lines in Washington snapped on Jan. 17 because of heavy ice build-up from a storm. The ice pulled down nearly five miles of the Raver-Schultz lines in the Cascade foothills about 25 miles southeast of Seattle. BPA was able to re-route power so the downed lines did not cause power outages to customers. The damage was so extensive that six line crews and support staff worked to repair the lines. Workers were hampered by rough terrain and ice build-up on the transmission towers. BPA purchased power from BC Hydro for one day to meet customer requirements. BC Hydro only sells power in emergency situations. The Raver-Schultz line remained out of service at press time but was expected to be back in service within a couple of days.

BPA and Puget reach settlement on exchange

BPA and Puget Sound Power & Light have agreed to settle Puget’s participation in the Residential Exchange Program through June 30, 2001. BPA will pay Puget a total of $236.8 million over the next five years. The money will be used to reduce costs of power to Puget’s residential and small-farm customers. The Residential Exchange Program was established under the Northwest Power Act of 1980. It is intended to give all Northwest residences and small farms access to low-cost federal hydro power regardless of which utility serves them. Last year, Congress directed BPA to try to phase out the program by 2001. All publicly owned utilities and all but two of the region’s investor-owned utilities, PacifiCorp and Portland General Electric, have reached agreement with BPA to settle out of the program.
General Accounting Office audits BPA

Rep. John Kasich of Ohio, chairman of the House Budget Committee, has asked the General Accounting Office to audit BPA, Tennessee Valley Authority and Rural Utilities Service. In a Dec. 13, 1996, letter, Kasich asked the GAO to “examine the cost of electricity-related activities” and “the magnitude of future subsidies and exposure of the Federal government to financial loss from these activities.” Kasich asked the GAO to submit a report to him by June 30, 1997.

Northwest delegation asks Kasich not to sell BPA

In a Jan. 24, 1997, letter, 16 Northwest members of the House of Representatives urged Representative Kasich “not to include the sale of BPA in this year’s budget.” The representatives gave several reasons for not selling BPA, including: the potential of burdening taxpayers with the Northwest’s salmon recovery costs and the nuclear debt of the Washington Public Power Supply System’s three nuclear plants now borne by the region’s ratepayers; impacts to the Columbia River Treaty with Canada requiring the U.S. government to supply federal power to Canada; and BPA does not receive low-cost funds from the U.S. Treasury because BPA’s debt to Treasury has been refinanced at market rates and included a $100 million payment from BPA to the Treasury. The representatives asked that the Comprehensive Review of the Northwest Energy System be allowed to determine what can be done at the state level and what would require legislation in terms of BPA’s future. The letter was signed by Representatives Bob Smith, Peter DeFazio, Jennifer Dunn, Michael Crapo, Norm Dicks, Elizabeth Furse, Doc Hastings, Adam Smith, George Nethercutt, Helen Chenoweth, Jack Metcalf, Darlene Hooley, Linda Smith, Jim McDermott, Earl Blumenauer and Rick White.

Energy board meets with public to discuss Comprehensive Review recommendations

The four-member Northwest Energy Review Transition Board conducted a public meeting on Jan. 30 to discuss implementation of recommendations from the Comprehensive Review of the Northwest Energy System. The board members, appointed by the four Northwest governors, are John Etchart of Montana, Todd Maddock of Idaho, Mike Kriedler of Washington and Roy Hemmingway of Oregon. Administrator Randy Hardy met with the board to address the Comprehensive Review’s proposed changes to BPA. One of the Comprehensive Review recommendations is a subscription process for BPA to sell power after 2001. Other recommendations include customer choice of electricity supplier by July 1, 1999; regional funding of about $210 million a year for conservation, renewable energy and low-income energy assistance programs; and creation of an independent electricity transmission system operator in the Northwest.

Columbia River facts

The Columbia River originates at Columbia Lake on the west slope of British Columbia’s Rocky Mountain Range and is 1,214 miles (1,954 kilometers) long. The average runoff at the mouth of the Columbia is about 198 million-acre feet or 244 cubic kilometers (A million-acre foot is the volume of...
water needed to cover one million acres of land one foot deep.) The Columbia River watershed encompasses Idaho, Montana west of the Continental Divide, a large portion of British Columbia, and all of Oregon and Washington except for coastal watersheds. Small portions of California, Nevada, Utah and Wyoming also lie in the Columbia River watershed. The Columbia River system is the largest source of hydro-electric power in the United States. BPA markets power from 29 federal dams on the U.S. portion of the Columbia and its tributaries. The U.S. Army Corps of Engineers and the Bureau of Reclamation operate and maintain the federal dams.

**Public Involvement**

**Status Reports**

**Anderson Ranch Wildlife Management Plan/EA.** Southeast Idaho — Environmental analysis will now be included in the Wildlife Mitigation Program EIS.

**Billy Shaw Dam and Reservoir Resident Fish Project EA.** Duck Valley Indian Reservation, Nevada — Partial mitigation for the loss of anadromous fish. The final EA will be available in February. Call to request a copy.

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

**Business Plan EIS.** A Supplement to the Firm Non-Requirements Products and Services ROD is available. The supplement clarifies BPA’s role in developing the energy efficiency market. Call for a copy.

**Columbia Windfarm #1.** The final EIS has been completed. The ROD is on hold.

**Four Mile Hill Geothermal Project EIS (Glass Mountain).** Northern California — A geothermal power plant and 30 miles of new transmission line have been proposed on Forest Service lands in the Klamath and Modoc Forests. The Forest Service has the lead; BPA is a cooperating agency. The draft EIS is being prepared. Call to be added to the mail list.

**Grande Ronde River Spring Chinook Project.** Oregon — Captive broodstock program. The preliminary EA is being prepared. Call to be added to the mail list.

**Kootenai River White Sturgeon Conservation Aquaculture Project.** Northern Idaho, Montana and Canada — Captive broodstock program. A preliminary EA will be available in February. Call for a copy. See Close of Comment.

**Methow Valley Irrigation District EA.** Northern Washington — An EA is being prepared on a proposal to convert the open canal irrigation system to pressurized pipes and wells. Call to be added to the mailing list.

**Nez Perce Tribal Hatchery EIS.** Idaho — Supplementation of anadromous salmonids. The draft EIS is being prepared. Call to be added to the mail list.
Northwest Regional Power Facility. Washington — To construct a combustion turbine near Creston. The final EIS (#2887) is available. Call for a copy.

Upper Snake River Fish Culture Facility. Idaho — BPA plans to purchase a tribal hatchery for domestic rainbow trout and develop an experimental hatchery for Yellowstone cutthroat and redband trout.

Watershed Management Program. Region-wide — Guidelines for funding watershed improvement projects. The draft EIS (#2945) is available. Call to receive a copy.

Wildlife Mitigation Program EIS. Region-wide — Guidelines for funding wildlife mitigation projects. The final EIS is being prepared. Call to get on the mail list.

Yakima River Basin Water Enhancement Project Programmatic EIS. Washington — The Bureau of Reclamation is taking the lead on this project. BPA is a cooperating agency. A draft programmatic EIS is expected in March 1997. Delayed schedule due to reexamination of river flows and hydrology issues in overall implementation of the EIS. For further information or to be put on the mailing list, contact John Tiedeman, BOR, at (509) 575-5848 ext. 238.

Calendar of Events

Management Program Draft EIS:
Feb. 10, Yakima Area Arboretum, Yakima, Wash.;
Feb. 11, Ramada Inn, Lewiston, Idaho;
Feb. 12, 5 - 8 pm, Grande Ronde Model Watershed Office, LaGrande, Ore.;
Feb. 13, BPA Redmond Regional Office, Redmond, Ore.;
Feb. 19, BPA Offices, Portland, Ore.;
Feb. 20, Red Lion Inn -- Downtown, Boise, Idaho;
March 3, Holiday Inn Express, Spokane, Wash.;
March 4, BPA Regional Office, Kalispell, Mont.;
March 5, Value Inn, Missoula, Mont.;
March 6, County Commissioners Room Annex #2, Salmon, Idaho.
All except the LaGrande meeting will be held from 4 - 7 pm.

Click here for a region-wide listing of energy industry meetings and events.

Close of Comment

FERC Standards of Conduct Procedures Filing: Feb. 3
Kootenai River White Sturgeon Conservation Aquaculture: Feb. 28
Watershed Management Program Draft EIS: March 25

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

For More Information or To Get Involved:

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