

JOURNAL

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1876 Grist Mill, Woodland, Wash.

Photo by Tony Morrell

TBL rate case update

BPA's Transmission Business Line's (TBL) formal proceeding to develop the fiscal year 2002-2003 transmission and ancillary service rates and the transmission terms and conditions will officially begin in mid-March. This process follows the publication of the TBL's notice of Initial Rate Proposal and proposed Open Access Tariff in the Federal Register in early March.

The TBL is currently finalizing its proposals in order to have them ready for internal review and publication. Effective Jan. 24, 2000, the development of BPA's rates, terms and conditions are subject to the ex parte rule. This rule requires that all communications with BPA regarding the merits of an issue in the case must be on the record or occur after reasonable advance notice has been provided to all parties. Some of the exceptions to the rule include communications relating to matters of procedure; exchanges of data in the ordinary course of

business; and communications related solely to requests for supplemental information or data necessary for an understanding of factual materials contained in a filing. Because BPA's Power Business Line (PBL) will be a party to the TBL case, PBL employees, their witnesses and attorneys representing the PBL in the case may engage in such communications with outside parties but may not communicate with any other BPA employee outside of the PBL, except PBL witnesses, about the merits of any issue in the case.

In February, additional information will be available from the TBL about this formal proceeding. You may also follow the case on our Web site at www.transmission.bpa.gov/tblib/RateCase/default.htm. The TBL estimates that the draft record of decision (ROD) will be published in late August 2000, with the final ROD published about a month later. We will keep all parties informed as the process moves forward. If you have any questions, please contact Steve Larson at (503) 230-4999.





Johansen meets with industry leaders on RTO issues

BPA Administrator Judi Johansen met on Jan. 14 with several leaders from Northwest investor-owned utilities to discuss Northwest regional transmission organization (RTO) issues. The meeting was organized in response to the Federal Energy Regulatory Commission's publication of Order 2000, calling for the formation of RTOs across the country. Many areas of the country have already set up RTOs. They are designed to enhance fair and open competition and eliminate the opportunity for discriminatory practices. This should result in lower prices for consumers; improved efficiencies in operating and maintaining transmission systems; and increase reliability by forming a single regional entity responsible for planning, expansion and reliability enforcement.

The group discussed options for potential geographic areas and possible end-states for an RTO. BPA's preferred geographic scope for an RTO would encompass most of the U.S. portion of the Northwest Power Pool. That includes Washington, Oregon, Idaho, most of Montana and Wyoming, and northern Nevada and Utah. Johansen proposed a flexible RTO model, one that allows the RTO to buy, lease or sign a control agreement. BPA and other participants could continue to own their assets. Entities could transition functions or assets to such an RTO over time. BPA's transmission system would remain federal. BPA's preferred end-state for an RTO would be a nonprofit private corporation organized under state laws that would operate the transmission assets of BPA and other participating transmission providers. Federal legislation would be needed for BPA to participate in an RTO.

Johansen also presented a set of BPA principles that address objectives for an RTO. BPA would like to work with regional interests to achieve an RTO that reflects the region's needs and values. An RTO filing is due to the Federal Energy Regulatory Commission on Oct. 15, 2000. The principles, preferred RTO structure and a map of the geographic scope are available on BPA's Web site at http://www.bpa.gov/Corporate/KC/regionalization/draft_rto_principles.htm


Federal Caucus to hold public meetings on All-H paper

The Federal Caucus will hold 13 public meetings in the region to take comment on the caucus' recent draft All-H Paper. The draft All-H Paper shows a range of options for improving survival of endangered fish within each life stage of the species — habitat, hydrosystem, hatcheries, and harvest, collectively referred to as the four Hs. The paper then combines options from each H into four integrated alternatives that, taken together, should lead to recovery. Regional dialogue on the range of options will guide decisions on the Biological Opinion and the final All-H paper in spring of 2000 on what actions to take to recover Columbia Basin fish. The Federal Caucus includes National Marine Fisheries Service, U.S. Army Corps of Engineers, Environmental Protection Agency, Bureau of Indian Affairs, Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Forest Service, Bureau of Reclamation and BPA. A list of the public meetings may be found on the Web at <http://www.bpa.gov/power/pl/federalcaucus/fcmeetings.shtml> — Please note the Feb. 3 Portland meeting location has changed to the Holiday Inn Airport at 8439 NE Columbia Blvd., Portland, Ore.

Steelworkers ask for good corporate citizenship clause

In a Jan. 4, 2000, letter, the United Steelworkers of America asked that BPA include a "good corporate citizenship clause" in Subscription power sales contracts. The request was submitted as part of the Subscription contract review process. BPA has agreed to consider including the clause in its firm power sales contracts. BPA's Power Business Line is issuing a letter to customers and regional constituents inviting comments by Feb. 25, 2000.

The Steelworkers went on strike at Kaiser Aluminum and Chemical Corporation in September 1998. In January 1999 Kaiser locked out about 2,900 union workers.



In its letter to customers and constituents, BPA is asking for comments on a number of questions:

- Should BPA include a good corporate citizenship contract clause in its Subscription contracts? If so, how should this provision be structured? If not, why not?
- What legal and public policy issues should BPA consider before making a decision on whether to include a good corporate citizenship clause in its power sales contracts?
- How should the enforcement mechanism work? Should BPA establish a complaint system? For complaints that appear to have merit should an adjudication process as proposed by the Steelworkers be established? What role should local, state and Federal regulatory agencies play in this process? How will this process work with the judicial process?
- What penalties should be imposed if a purchaser of BPA power is found to be in violation?
- Should a good corporate citizenship contract clause be included in all contracts for BPA power or should this provision apply only to some power sales or some customers?

BPA plans to issue a Supplemental Subscription Strategy Record of Decision that includes resolution of this and other outstanding power contract issues in late March 2000.

Reliability conference planned for Feb. 28 in Portland

A “Keep the Lights On” conference is planned in Portland for public utility managers and board members, state regulators and energy office representatives, managers of investor-owned utilities, and representatives of consumer and environmental organizations. Topics to be discussed at the conference include reliability, power supply, market forces and how they affect reliability, regional transmission organizations and other power and transmission issues affecting

reliability in the Northwest. Kevin Kelly, deputy director for the office of electric power regulation at the Federal Energy Regulatory Commission, will discuss regional transmission organizations and how they affect reliability.

The conference will be held at the DoubleTree Jantzen Beach in Portland on Feb. 28 from 8 a.m. to 4 p.m. The conference is sponsored by BPA, Northwest Power Planning Council, Northwest Regional Transmission Association, Northwest Power Pool, Pacific Northwest Utilities Conference Committee, Oregon Office of Energy, Oregon Public Utilities Commission and the Public Power Council. For more information and to register for the conference, visit the Web site at <http://www.boa.gov/Corporate/KCC/lightson/conference.htm>

Stephen Oliver leads new BPA organization

Stephen Oliver has been named vice president for the new Bulk Marketing and Transmission Services organization of BPA's Power Business Line. Oliver's assignment became effective in January, when the power marketing organization split and the new Bulk Marketing and Transmission Services unit was created. Oliver will oversee the BPA Trading Floor, Pricing and Transaction Analysis, Account Services, and Transmission and Reserve Services. Oliver's last position was the manager of Bulk Power marketing at BPA where he was responsible for the organization and design of BPA's Trading Floor. In 1998, Oliver was confirmed as a member of the California Power Exchange Governing Board, and in 1999 he was appointed BPA's representative to the Western System Power Pool Executive Committee.

Editor's note:

The BPA Journal is available on the Internet at <http://www.bpa.gov/Corporate/KCC/jl/00jl/journalx.pdf>

PUBLIC INVOLVEMENT

STATUS REPORTS

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

Fish and Wildlife Implementation Plan. Regionwide — To examine the impacts that may arise from implementing one of the fish and wildlife policy directions being considered in the ongoing regional processes. Scoping is underway. See Calendar of Events and Close of Comment. Call to be added to the mail list.

Fourmile Hill Geothermal Development Project (Calpine). No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Klamath and Modoc forests. BLM has the lead. BPA is a cooperating agency. A final EIS and summary are available. Call to receive a copy.

IDFG Snake River Chinook Captive Rearing. Idaho — To fund Idaho Department of Fish and Game's captive rearing project for Endangered Species Act-listed Snake River spring/summer chinook salmon. The EA is being finalized. A FONSI is anticipated.

Johnson Creek Artificial Propagation Enhancement. Idaho — Development of a native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population. An EA is being prepared. Call to be added to the mail list.

Northwest Regional Power Facility. Wash. — To construct a combustion turbine near Creston. The final EIS (#2887) and a supplement analysis are available. Call to receive a copy.

Tanner Electric Transmission Line. Wash. — To build a 4.5 mile transmission line that would tie a new substation, proposed by Tanner Electric Cooperative, into an existing transmission line (owned by Puget Sound Energy). An EA is being prepared. Call to be added to the mail list.

EA: Environmental Assessment, EIS: Environmental Impact Statement, FONSI: Finding of No Significant Impact, ROD: Record of Decision

FOR MORE INFORMATION OR TO GET INVOLVED: The Journal is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. To order documents, call: 800-622-4520 or (503) 230-3478 (Portland). For questions/comments call: (503) 230-3478 (Portland) or 800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement, Internet, E-mail address comment@BPA.gov, BPA home page:<http://www.bpa.gov>

Telephone Flats Geothermal Project (CalEnergy). No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Modoc Forest. BLM has the lead and BPA is a cooperating agency. The final EIS (#0298) and summary are available. Call to receive a copy.

Tucannon River Spring Chinook Captive Broodstock Program. Wash. — To rear and spawn broodstock, raise their progeny and release smolts into the Tucannon River to quickly rebuild the run. An EA is being prepared. See Close of Comment. Call to be added to the mail list.

Vegetation Management Program. Regionwide — To develop a vegetation management program while maintaining a safe and reliable transmission system. The final EIS is being prepared. Call to be added to the mail list.

CALENDAR OF EVENTS

Fish and Wildlife Implementation Plan Scoping Meeting, **Feb. 3**, 8:30 a.m. to 5 p.m., Governor Hotel, Portland, Ore.

Keep the Lights On Conference, **Feb. 28**, 8 a.m. to 4 p.m., DoubleTree Jantzen Beach, 909 North Hayden Island Drive, Portland, Ore.

CLOSE OF COMMENT

Good Corporate Citizenship Clause — **Feb. 25**

Reliability and the Future of Transmission Costs — **Feb. 25**

Fish and Wildlife Implementation Plan scoping period — **Feb. 29**