Bonneville Power Administration Budget

For Fiscal Year 1993

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Bonneville
POWER ADMINISTRATION

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DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION

DOE/BP--1639

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DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
(in thousands of dollars)

LEAD TABLE a/

	FY 1991	FY 1992	FY 1993	FY 1993	Program Change
	Actuals	Estimates	Base b/	Request	Request vs. Base Dollar Percent
Capital Investment Obligations					
1 Energy Resources	50,677	74,100	74,100	81,800	7,700 10%
2 Transmission System Development	128,979	194,300	194,300	225,700	31,400 16%
3 System Replacements	67,169	68,900	68,900	78,100	9,200 13%
4 Fish and Wildlife	11,815	15,500	15,500	24,300	8,800 57%
5 Capital Equipment	6,346	8,900	8,900	7,200	(1,700) -19%
6 TOTAL CAPITAL OBLIGATIONS	264,986	361,700	361,700	417,100	55,400 15%
Expensed and Reimbursable Obligations					
7 Expensed	2,351,563	2,611,800	2,611,800	2,797,800	186,000 7%
8 Reimbursable	25,108	98,500	98,500	83,000	(15,500) -16%
9 TOTAL OBLIGATIONS (lines 6+7+8)	2,641,657	3,072,000	3,072,000	3,297,900	225,900 7%
10 Capital Transfers (Cash)	175,177	246,400	246,400	246,400	0 0%
11 BPA TOTALS (lines 9+10)	2,816,834	3,318,400	3,318,400	3,544,300	225,900 7%
12 Staffing (FTE)	3,399	3,550	3,550	3,550	

a/ BPA's FY 1993 budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to the discretionary caps included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories such as domestic discretionary, or defense discretionary which have their own legal dollar caps. The FY 1993 budget does not include a request for any new legislative authorization. Because BPA operates within existing legislative authority, BPA is not subject to a Budget Enforcement "pay-as-you-go" test regarding its revision of funding estimates.

b/ BPA does not receive appropriations. All required pay increases, or increases in FTS charges, standard level user charges, etc., are covered by revenue/Treasury borrowings deposited in the BPA Fund. Therefore, BPA has assumed that the FY 1993 base is the same as FY 1992.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES

(in thousands of dollars)

	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
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BP-1 SUMMARY

TOTAL OBLIGATIONS/OUTLAYS

	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays
1 Residential Exchange	892,067	888,338	912,200	952,800	927,600	927,600	1,206,300	1,326,500	1,391,000			
2 System Operations	29,865	28,237	33,300	33,300	34,700	34,700	35,400	38,000	41,400			
3 Power Marketing	48,736	48,101	58,800	58,800	61,400	61,400	64,600	67,600	74,700			
4 Power Scheduling	38,047	38,000	80,800	80,800	102,300	102,300	124,600	130,400	143,400			
5 Planning Council	7,288	7,580	7,900	7,900	8,000	8,000	8,300	8,600	8,900			
6 Interest	306,896	306,896	301,600	301,600	321,800	321,800	334,400	336,300	340,100			
7 Associated Project Costs 1/	109,401	109,401	125,800	125,800	130,700	130,700	180,500	177,700	158,800			
8 Energy Resources	802,948	765,171	977,900	966,500	1,090,100	1,090,100	1,131,600	1,183,500	1,267,000			
9 Transmission System Development	150,039	115,718	221,800	157,300	227,800	227,800	194,300	203,800	265,000			
10 System Maintenance	103,744	94,123	101,900	101,900	105,300	105,300	111,600	116,600	128,200			
11 System Replacements	67,169	67,100	68,900	74,600	76,200	76,200	66,400	77,900	81,000			
12 Fish & Wildlife	54,003	50,379	73,700	70,800	79,800	79,800	105,600	88,600	91,300			
13 Capital Equipment	6,346	6,300	8,900	8,500	7,200	7,200	9,900	9,000	9,800			
14 Reimbursable	25,108	25,108	98,500	98,500	83,000	83,000	82,700	85,900	94,000			
15 TOTAL OBLIGATIONS/OUTLAYS	2,641,657	2,551,452	3,072,000	3,038,100	3,297,900	3,255,900	3,657,300	3,787,100	4,094,600			

REVENUES AND REIMBURSEMENTS

	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash
16 Revenues 2/	2,905,165	2,905,165	2,949,100	2,949,100	3,045,200	3,045,200	3,511,800	3,664,200	3,811,400	3,962,700		
17 Reimbursements	24,263	24,263	98,500	98,500	83,000	83,000	82,700	85,900	89,800	94,000		
18 TOTAL REVENUES & REIMBURSE	2,929,428	2,929,428	3,047,600	3,047,600	3,128,200	3,128,200	3,594,500	3,750,100	3,901,200	4,056,700		

BUDGET AUTHORITY (NET)/OUTLAYS (NET)

	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash	Accrued	Cash
19 BUDGET AUTHORITY (NET) 3/	89,809	(377,976)	93,900	(8,500)	126,400	127,700	142,100	111,600	110,700	149,900		
20 OUTLAYS (NET)												

1/ The Associated Project Costs amount in line 7 includes the amortization of Bureau of Reclamation appropriations, which is treated as an obligation and outlay. Bureau amortization is as follows (\$ in thousands): \$1,141 in FY 1991, \$100 in FY 1992, \$0 in FY 1993, \$46,700 in FY 1994, \$38,100 in FY 1995, \$75,000 in FY 1996, and \$5,700 in FY 1997.

2/ FY 1992-93 revenues reflect the 1991 Final Rate Filing, except that FY 1993 revenues have been increased by \$44.3 million to reflect the assumption in the President's budget that payments will be received from non-Federal participants in the Third AC Interline. FY 1994-97 revenues reflect expensed obligations in this budget, less amortization of Bureau appropriations, plus depreciation estimates in BPA's Final Rate Filing and net revenue targets each year of \$100 million.

3/ BPA's FY 1993 budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to the discretionary caps included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories such as domestic discretionary, or defense discretionary which have their own legal dollar caps. The FY 1993 budget does not include a request for any new legislative authorization. Because BPA operates within existing legislative authority, BPA is not subject to a Budget Enforcement "pay-as-you-go" test regarding its revision of funding estimates.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES

(in thousands of dollars)

BP-2

EXPENSED OBLIGATIONS/OUTLAYS

	FY 1991		FY 1992		FY 1993		FY 1994	FY 1995	FY 1996	FY 1997
	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays	Obligations	Obligations	Obligations	Obligations
1 Residential Exchange	892,067	888,338	912,200	952,800	927,600	927,600	1,206,300	1,263,200	1,326,500	1,391,000
2 System Operations	29,865	29,237	33,300	33,300	34,700	34,700	36,400	38,000	39,700	41,400
3 Power Marketing	48,736	48,101	58,800	58,800	61,400	61,400	64,600	67,600	71,000	74,700
4 Power Scheduling	38,047	38,000	80,800	80,800	102,300	102,300	124,600	130,400	136,700	143,400
5 Planning Council	7,288	7,580	7,900	7,900	8,000	8,000	8,300	8,600	8,900	8,900
6 Interest	306,896	306,896	301,600	301,600	321,800	321,800	334,400	336,300	326,900	340,100
7 Associated Project Costs	109,401	109,401	125,800	125,800	130,700	130,700	180,600	177,700	220,800	158,800
8 Energy Resources	752,271	719,381	903,800	903,800	1,008,300	1,008,300	1,046,200	1,096,800	1,145,700	1,175,200
9 Transmission System Development	21,060	22,252	27,500	27,500	28,900	28,900	30,400	31,500	33,000	34,100
10 System Maintenance	103,744	94,123	101,900	101,900	105,300	105,300	111,600	116,600	122,200	128,200
11 Fish & Wildlife	42,188	32,699	58,200	58,200	68,800	68,800	60,100	63,000	68,500	72,200
TOTAL EXPENSED OBLIGATIONS/OUTLAYS	2,351,563	2,296,008	2,611,800	2,652,400	2,797,800	2,797,800	3,203,500	3,328,700	3,498,900	3,588,000
TOTAL REIMBURSABLE OBLIGATIONS/OUTLAYS	25,108	25,108	98,500	98,500	83,000	83,000	82,700	85,900	89,900	94,000

CAPITAL OBLIGATIONS/OUTLAYS

	FY 1991		FY 1992		FY 1993		FY 1994	FY 1995	FY 1996	FY 1997
	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays	Obligations	Obligations	Obligations	Obligations
14 Energy Resources	50,677	45,790	74,100	62,700	81,800	81,800	85,400	86,700	85,200	91,800
15 Transmission System Development	128,979	93,466	194,300	129,800	225,700	198,900	163,900	172,300	163,700	230,900
16 System Replacements	67,169	67,100	68,900	74,600	78,100	76,200	66,400	77,900	76,900	81,000
17 Fish & Wildlife	11,815	17,680	15,500	12,600	24,300	11,000	45,500	25,600	25,100	19,100
18 Capital Equipment	6,346	6,300	8,900	8,500	7,200	7,200	9,900	9,000	9,400	9,800
TOTAL CAPITAL INVESTMENTS	264,986	230,336	361,700	288,200	417,100	375,100	371,100	371,500	360,300	432,600
BORROWING AUTHORITY	264,986	2/	340,300	3/	372,800		371,100	371,500	360,300	432,600
FINANCED WITH RESERVES	0	0	21,400	4/	44,300	5/	0	0	0	0

CAPITAL TRANSFERS

Amortization:

- 22 BPA Bonds
- 23 BPA Appropriations
- 24 Corps Appropriations

25 TOTAL CAPITAL TRANSFERS

FY 1991		FY 1992		FY 1993		FY 1994		FY 1995		FY 1996		FY 1997	
Payments		Payments		Payments		Payments		Payments		Payments		Payments	
132,926		239,300		228,600		214,600		255,100		245,700		282,700	
0		0		0		0		0		0		0	
42,251		7,100		17,800		14,400		4,800		3,900		0	
175,177		246,400		246,400		229,000		259,900		249,600		282,700	

STAFFING

26 FULL-TIME EQUIVALENT EMPLOYMENT (FTE) 6/	3,399	3,550	3,550	3,550	3,550	3,550
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- 1/ BPA's FY 1993 budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to the discretionary caps included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories such as domestic discretionary, or defense discretionary which have their own legal dollar caps. The FY 1993 budget does not include a request for any new legislative authorization. Because BPA operates within existing legislative authority, BPA is not subject to a Budget Enforcement "pay-as-you-go" test regarding its revision of funding estimates.
- 2/ In accordance with the conference committee report language accompanying the FY 1991 Energy & Water Appropriations Act, BPA revenue financed approximately \$44 million of its capital program obligations during FY 1991.
- 3/ This estimate is consistent with the House and Senate report language accompanying the recently passed Energy and Water Development Appropriations Act.
- 4/ BPA would use reserves (if available) generated by revenues from customers to finance these investments.
- 5/ In the President's Budget BPA borrowing authority has been reduced by \$44.3 million in FY 1993 on the assumption that non-Federal participants in the Third AC Interim will provide up front funding. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.
- 6/ Seasonal construction work will be accomplished in FYs 1992-97 by a mix of contractor and temporary Federal FTE. Additional Federal FTE may be required in these years.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION
BPA STATUS OF BORROWING

06-Jan-92

(in thousands of dollars)

BP-4A

FY 1991		FY 1992	
Annual	Annual	Annual	Annual
Capital Obligations	Capital Obligations	Capital Obligations	Capital Obligations
2,035,840	2,035,840	2,167,900	2,167,900
264,986	264,986	361,700	361,700
132,926	132,926	239,300	239,300
132,060	132,060	122,400	122,400
2,167,900	2,167,900	2,290,300	2,290,300
1,582,100	1,582,100	1,481,100	1,481,100
3,750,000	3,750,000	3,750,000	3,750,000
2,078,427	2,078,427	2,317,727	2,317,727
110,000	110,000	0	0
1,694,499	1,694,499	1,953,374	1,953,374
1,855,964	1,855,964	2,167,900	2,167,900
230,336	230,336	288,200	288,200
132,926	132,926	239,300	239,300
97,410	97,410	48,900	48,900
1,953,374	1,953,374	2,002,274	2,002,274
1,671,573	1,671,573	1,432,273	1,432,273
2,078,427	2,078,427	2,317,727	2,317,727
3,750,000	3,750,000	3,750,000	3,750,000

Cumulative - Start-of-Year
 Plus:
 Annual Increase
 Treasury Borrowing (Cash)
 Less:
 Amortization of BPA Bonds
 Net Increase/(Decrease)
 Cumulative - End-of-Year
 Remaining Legislated
 Borrowing Authority
 Total Legislated
 Borrowing Authority

FY 1993		FY 1994	
Annual	Annual	Annual	Annual
Capital Obligations	Capital Obligations	Capital Obligations	Capital Obligations
2,290,300	2,290,300	2,478,800	2,478,800
417,100	417,100	371,100	371,100
228,600	228,600	214,600	214,600
188,500	188,500	156,500	156,500
2,478,800	2,478,800	2,635,300	2,635,300
1,336,900	1,336,900	1,180,400	1,180,400
2,173,328	2,173,328	2,096,128	2,096,128
3,750,000	3,750,000	3,750,000	3,750,000
372,999	372,999	291,800	291,800
228,600	228,600	214,600	214,600
146,500	146,500	156,500	156,500
2,148,774	2,148,774	2,305,274	2,305,274
1,576,672	1,576,672	1,653,872	1,653,872
2,173,328	2,173,328	2,096,128	2,096,128
3,750,000	3,750,000	3,750,000	3,750,000

Cumulative - Start-of-Year
 Plus:
 Annual Increase
 Treasury Borrowing (Cash)
 Less:
 Amortization of BPA Bonds
 Net Increase/(Decrease)
 Cumulative - End-of-Year
 Remaining Legislated
 Borrowing Authority
 Total Legislated
 Borrowing Authority

Note: BPA's policy is to limit cumulative Treasury borrowing to the lower of: 1) estimated cumulative capital expenditures or 2) cumulative annual borrowing authority that has been apportioned and obligated.

DEPARTMENT OF ENERGY
*** FY 1993 CONGRESSIONAL BUDGET**
BONNEVILLE POWER ADMINISTRATION
BPA STATUS OF BORROWING

10-Jan-92

BP-4B

(in thousands of dollars)

Cumulative - Start-of-Year
 Plus:
 Annual Increase
 Treasury Borrowing (Cash)
 Less:
 Amortization of BPA Bonds
 Net Increase/(Decrease)
 Cumulative - End-of-Year
 Remaining Legislated
 Borrowing Authority
 Total Legislated
 Borrowing Authority

FY 1995				FY 1996			
Annual		Annual		Annual		Annual	
Capital Obligations	Borrowing Authority	Capital Expend.	Treasury Borrowing	Capital Obligations	Borrowing Authority	Capital Expend.	Treasury Borrowing
2,635,300	2,569,600	2,305,274	1,653,872	2,751,700	2,686,000	2,421,674	1,695,672
371,500	371,500	371,500	296,900	360,300	360,300	360,300	298,400
255,100	255,100	255,100	255,100	245,700	245,700	245,700	245,700
116,400	116,400	116,400	41,800	114,600	114,600	114,600	52,700
2,751,700	2,686,000	2,421,674	1,695,672	2,866,300	2,800,600	2,536,274	1,748,372
	1,064,000		2,054,328		949,400		2,001,628
	3,750,000		3,750,000		3,750,000		3,750,000

Cumulative - Start-of-Year
 Plus:
 Annual Increase
 Treasury Borrowing (Cash)
 Less:
 Amortization of BPA Bonds
 Net Increase/(Decrease)
 Cumulative - End-of-Year
 Remaining Legislated
 Borrowing Authority
 Total Legislated
 Borrowing Authority

FY 1997			
Annual		Annual	
Capital Obligations	Borrowing Authority	Capital Expend.	Treasury Borrowing
2,866,300	2,800,600	2,536,274	1,748,372
432,600	432,600	432,600	320,600
282,700	282,700	282,700	282,700
149,900	149,900	149,900	37,900
3,016,200	2,950,500	2,686,174	1,786,272
	799,500		1,963,728
	3,750,000		3,750,000

Note: BPA's policy is to limit cumulative Treasury borrowing to the lower of: 1) estimated cumulative capital expenditures or 2) cumulative annual borrowing authority that has been apportioned and obligated.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION

BPA CASH FLOW
(in thousands of dollars)

06-Jan-92
9:05 AM

BP-5

<i>BPA Cash From Current Year Operations</i>	FY 1990 1/	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
1. Net Revenues 2/	276,707	425,067	8,800	(35,900)	100,000	100,000	100,000	100,000
2. Expenses Not Requiring Cash	204,219	201,777	225,100	237,500	255,000	272,600	286,500	300,400
3. Adjustments to a Cash Basis	(84,788)	(8,205)	52,000	0	0	0	0	0
4. Cash Provided by Operating Activities	396,136	618,639	285,900	201,700	355,000	372,600	386,500	400,400
5. Amortization of BPA Bonds	(150,000)	(132,926)	(239,300)	(228,600)	(214,600)	(255,100)	(245,700)	(282,700)
6. Amortization of Appropriations	(12,796)	(52,587)	(7,200)	(17,800)	(61,100)	(42,900)	(78,900)	(5,700)
7. Current Year Cash Surplus/(Deficit)	233,342	433,126	39,400	(44,700)	79,300	74,600	61,900	112,000
<i>BPA Cash Balance</i>								
8. Beginning Cash Balance	172,088	282,811	595,601	346,801	300,000	300,000	300,000	300,000
9. Current Year Cash Surplus/(Deficit)	233,342	433,126	39,400	(44,700)	79,300	74,600	61,900	112,000
10. Cash Used for Investment Activities 3/	(172,629)	(230,336)	(288,200)	(375,100)	(371,100)	(371,500)	(360,300)	(432,600)
11. Cash From Borrowing 4/	50,000	110,000	0	372,999	291,800	296,900	298,400	320,600
12. Ending Cash Balance 4/	282,811	595,601	346,801	300,000	300,000	300,000	300,000	300,000
13. Deferred Borrowing Available 4/	161,466	281,801	570,001	572,102	651,402	726,002	787,902	899,902
14. Total Reserves 4/	444,277	877,402	916,802	872,102	951,402	1,026,002	1,087,902	1,199,902

1/ Reflects BPA portion of Federal Columbia River Power System (FCRPS) final audited results.

2/ FY 1991 reflects unaudited actual results. FY 1992-93 based on the Final Rate Filing revenues less expenses in this budget. Net revenues are very uncertain and include customer firm loads and aluminum prices; volume runoff and constraints on operations of hydroelectric facilities in the Columbia basin; fossil fuel prices; thermal plant performance and costs; etc. BPA has committed to developing a 10-year financial plan in consultation with its customers. Outyear net revenue estimates are subject to changes as the financial plan is developed.

3/ Represents capitalized expenditures. Includes capitalized bond premiums and actual retirements.

4/ BPA's policy is to limit Treasury borrowing to the lower of 1) cumulative capital expenditures or 2) cumulative annual borrowing authority that has been apportioned and obligated. "Deferred Borrowing Available" (line 13) reflects the amount that BPA could borrow under these limits. Actual Treasury borrowing (line 11) and Ending Cash Balance (line 12) will be different depending on net revenues, Treasury interest rates and other cash management factors. Cash From Borrowing (line 11) could be higher such that cash balances at the end of each year equal Total Reserves (line 14).

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

TREASURY PAYMENTS
Impact of Repayment Proposal
(\$ in millions)

REPAYMENT REFORM COLUMNS INCLUDE:

AMORTIZATION-TYPE, "COMPOUND INTEREST" REPAYMENT METHOD

AVERAGE SERVICE LIFE OF 50 YEARS, WHICHEVER IS LESS

HISTORICAL INTEREST AT GOVERNMENT SECURITY RATE IN EFFECT AT TIME INVESTMENT PLACED IN SERVICE

FUTURE INTEREST RATES PER DATA RESOURCES INC. LONG-TERM REVIEW (SUMMER 1991)

	FY 1993			FY 1994			FY 1995			FY 1996			FY 1997		
	Current Services	Repymt Proposal	Diff.	Current Services	Repymt Proposal	Diff.	Current Services	Repymt Proposal	Diff.	Current Services	Repymt Proposal	Diff.	Current Services	Repymt Proposal	Diff.
A. INTEREST ON BONDS & APPROPRIATIONS															
1 BPA Bond Interest	85.6	62.7	(22.9)	92.2	109.4	17.2	95.7	128.5	32.8	89.0	140.0	51.0	107.4	151.1	43.7
2 AFUDC	11.9	11.9	0.0	9.4	9.4	0.0	6.2	6.2	0.0	6.4	6.4	0.0	6.6	6.6	0.0
3 BPA	59.0	82.8	23.8	59.0	80.4	21.4	59.0	78.0	19.0	59.0	75.4	16.4	59.0	72.7	13.7
4 Corps	129.1	294.2	165.1	131.4	284.2	152.8	132.0	273.8	141.8	131.7	260.5	128.8	131.3	251.9	120.6
5 LSRCP	12.7	17.3	4.6	13.0	17.7	4.7	13.2	17.9	4.7	13.2	17.8	4.6	13.2	17.8	4.6
6 Bureau Interest	35.5	84.8	49.3	38.6	85.6	47.0	36.4	86.3	49.9	34.1	86.0	51.9	29.2	84.7	55.5
7 Total Bond and Approp. Interest	333.8	553.7	219.9	343.6	586.7	243.1	342.5	590.7	248.2	333.4	586.1	252.7	346.7	584.8	238.1
B. ASSOC. PROJECT COST															
8 Bureau Amortization	0.0	23.2	23.2	46.8	15.6	(31.2)	38.1	18.5	(19.6)	75.0	21.3	(53.7)	5.7	58.2	52.5
9 Bureau O&M	43.3	43.3	0.0	42.2	42.2	0.0	44.0	44.0	0.0	45.4	45.4	0.0	46.7	46.7	0.0
10 Corps O&M	75.8	75.8	0.0	79.6	79.6	0.0	83.3	83.3	0.0	88.1	88.1	0.0	93.9	93.9	0.0
11 LSRCP O&M	11.6	11.6	0.0	12.1	12.1	0.0	12.3	12.3	0.0	12.3	12.3	0.0	12.5	12.5	0.0
12 Total Assoc. Project Costs	130.7	153.9	23.2	180.7	149.5	(31.2)	177.7	158.1	(19.6)	220.8	167.1	(53.7)	158.8	211.3	52.5
C. CAPITAL TRANSFERS															
Amortization															
13 BPA Bonds	228.6	84.2	(144.4)	214.6	125.5	(89.1)	255.1	131.6	(123.5)	245.7	184.9	(60.8)	282.7	162.3	(120.4)
14 Corps	17.8	152.6	134.8	14.4	147.2	132.8	4.8	152.6	147.8	3.9	115.6	111.7	0.0	98.6	98.6
15 LSRCP	0.0	0.4	0.4	0.0	0.4	0.4	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.6	0.6
16 BPA Appropriations	0.0	54.7	54.7	0.0	57.0	57.0	0.0	59.5	59.5	0.0	62.1	62.1	0.0	64.8	64.8
17 Total Capital Transfers	246.4	291.9	45.5	229.0	330.1	101.1	259.9	344.2	84.3	249.6	363.1	113.5	282.7	326.3	43.6
18 TOTAL TREASURY PAYMENTS	710.9	999.5	288.6	753.3	1,066.3	313.0	780.1	1,093.0	312.9	803.8	1,116.3	312.5	788.2	1,122.4	334.2

(LINES 7 + 12 + 17)

1/ This interest cost is capitalized and included in BPA's Transmission System Development program and financed through the sale of bonds.

2/ Includes interest on construction funding for Corps fish bypass facilities at Corps dams in the Columbia River Basin, including Lower Monumental, Ice Harbor, and the Dalles dams, as called for in the Fish Spillway Memorandum of Agreement approved on April 10, 1989.

* Proprietary Receipts: For Reclamation Fund this represents O&M, interest, and amortization payments to Account #895000.26. They are FY 1993, \$78.8; FY 1994, \$127.6; FY 1995, \$118.5; FY 1996, \$154.5; FY 1997, \$81.6. For Corps and LSRCP this represents O&M payments to Account #892889. They are FY 1993, \$87.4; FY 1994, \$91.7; FY 1995, \$95.6; FY 1996, \$100.4; FY 1997, \$106.4.

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FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

SUMMARY OF CHANGES IN CAPITAL COMMITMENTS AND BORROWING AUTHORITY, FY 1992 TO FY 1993
(in thousands of dollars)

FY 1992 New Borrowing Authority	340,300
Revenue Financed Reserves used to Fund Capital Investments 1/	21,400
FY 1992 Capital Investments	361,700
Energy Resources:	
- Increased funding to acquire planned energy savings from Residential Conservation Programs	6,000
- Increased funding to acquire planned energy savings from Commercial Conservation Programs	600
- Continue Energy Savings Plan and subsequent industrial conservation programs, as well as agricultural programs, to acquire planned energy savings	1,100
Transmission System Development:	
- Addition of the Kittitas Substation to address Puget Sound voltage needs	43,800
- Continuing work on the Third AC Intertie and reduced Transmission development in Puget Sound area	(31,300)
- Increased level of area and customer service activity	20,600
- Increased AFUDC due to higher level of construction work in progress	2,500
- Miscellaneous changes	(4,200)
System Replacements:	
- Reduced non-electric plant replacements	(7,400)
- Increased substation replacement activity	14,600
- Miscellaneous Replacements	2,000
Fish and Wildlife:	
- Continue construction on the Yakima Hatchery and Umatilla Artificial Reproduction facility at an increased level	8,800
Capital Equipment:	
- Reduced capital software development needs	(1,700)
FY 1993 Capital Investments	417,100
Funding from non-Federal participants in the Third AC Intertie 2/	44,300
FY 1993 New Borrowing Authority	372,800

1/ BPA would use reserves (if available) generated from customers to finance these investments.

2/ In the President's Budget BPA borrowing authority has been reduced by \$44.3 million in FY 1993 on the assumption that non-Federal participants in the Third AC Intertie will provide up front funding. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.

DEPARTMENT OF ENERGY
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BONNEVILLE POWER ADMINISTRATION

BUDGET PREFACE AND PROGRAM OVERVIEW

MISSION

Bonneville Power Administration (BPA) is one of five Federal power marketing administrations. It serves a 300,000-square-mile area including Oregon, Washington, Idaho, western Montana, and parts of northern California, Nevada, Utah, and Wyoming. BPA markets about one-half of the electric energy produced in the Pacific Northwest and provides about four-fifths of the region's electric power transmission capacity.

BPA's program conforms to the mandates of the Bonneville Project Act of 1937, the Federal Columbia River Transmission System Act of 1974 (Transmission Act) and the requirements of the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Pacific Northwest Power Act).

BPA was created in 1937 to market and transmit the power produced by Bonneville Dam on the Columbia River. Since then, Congress has directed BPA to sell at wholesale the power produced at a total of 30 Federal dams in the Pacific Northwest, and to acquire non-Federal power and conservation resources sufficient to meet the growing needs of BPA's customer utilities.

The Transmission Act placed BPA under provisions of the Government Corporation Control Act. It also provided BPA with authority to use its revenues from electric ratepayers to fund all programs directly, and allowed BPA to sell bonds to the U.S. Treasury to finance the region's high voltage transmission requirements.

The 1980 Pacific Northwest Power Act expanded BPA's utility obligations and increased BPA's responsibilities to encourage conservation and the development of renewable resources, and to protect, mitigate and enhance the fish and wildlife, particularly anadromous fish, of the Columbia River and its tributaries. In support of these responsibilities, BPA's borrowing authority was expanded to allow the sale of bonds to finance conservation and other resources and carry out fish and wildlife capital improvements. The Act also required regional energy plans and programs, and created the Northwest Power Planning Council.

FUNDING

BPA receives no appropriations. Operating under the 1974 Transmission System Act, BPA funds the expense portion of its budget and repayment of the Federal investment with revenues from rates. BPA's revenues fluctuate in response to market prices for fuels and commodity metals, and to weather conditions affecting streamflows in the Columbia River system. For its capital programs, BPA is authorized to sell bonds to the Treasury up to a cumulative outstanding total of \$3.75 billion. Through FY 1991,

Budget Preface and Program Overview (cont'd)

BPA has returned \$8.9 billion to the U.S. Treasury in interest, amortization, and repayment of Federal power generation, operation, maintenance, and construction costs. During FY 1993, BPA plans to pay the Treasury \$710.9 million, of which \$246.4 million is to repay principal.

BPA's FY 1993 Budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to limitations included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories such as domestic discretionary, or defense discretionary, which have their own legal dollar caps. The FY 1993 budget does not include a request for any new legislative authorization. Because BPA operates within existing legislative authority, BPA is not subject to a BEA "pay-as-you-go" test regarding its revisions of funding estimates.

The President's National Energy Strategy (NES) envisions that the power marketing administrations will move to more effectively realize the full potential of the Federal Hydropower system. The NES proposes that the Corps and Bureau work with the Department of Energy's Power Marketing Administrations to develop memorandums of understanding to improve coordination between the generating and marketing agencies by establishing a planning and budgeting process to identify and fund hydropower operations and maintenance activities and efficiency improvement projects.

As in previous years this budget supports the performance of beneficial work for others activities that are performed on a fully reimbursable basis including costs associated with the use of facilities and staff resources.

BORROWING AUTHORITY

Due to high levels of debt, BPA finds itself in a position where approximately 85 percent of BPA's program consists of fixed costs. BPA believes that continued 100 percent debt financing of capital investments could impair its ability to respond to unforeseen financial risks and new opportunities. A critical factor to BPA's success in the next decade will be its ability to respond in a timely and flexible manner to such risks and opportunities while also providing for program and rate stability. In order to meet the load growth in the region and demands on the BPA transmission system, BPA's needs for capital investment are expected to rise dramatically in the 1990s, challenging rate and program stability.

BPA is developing a 10-Year Financial Plan. This plan will consider, among other issues, BPA's potential use of non-Treasury sources of financing for some portion of the planned capital additions BPA plans to make to the Federal Columbia River Power System. The 10-Year Financial Plan will be completed in mid-1992 in order to propose financial goals to be incorporated into the next general BPA rate case in 1993. In the meantime, the BPA budget indicates that BPA intends to obligate the Treasury borrowing authority shown for its capital program, but may defer the actual borrowing. If revenue financing becomes a component of the 10-year plan, BPA might reduce its use of Treasury borrowing authority accordingly.

Budget Preface and Program Overview (cont'd)

REPAYMENT

The President's FY 1993 budget proposes legislation that would modify BPA's repayment of the appropriated investment in the Federal power system. This Congressional Budget includes program levels on a current services basis. The financial impact of the proposed legislation is shown on the Treasury Payments, Impact of Repayment Proposal table and on the Program and Financing Summary, Impact of Repayment Proposal.

POWER SUPPLY

The energy surplus which existed in the Pacific Northwest and, specifically, on the BPA system throughout the 1980s is being consumed by load growth and system operating changes. Given BPA's contractual commitments to meet load-growth, there is a need to accelerate the acquisition of new resources. BPA, through public consultation, has developed a resource acquisition program which defines BPA's near-term resource acquisition needs. Over the next several months, BPA will be completing an environmental impact statement which considers the environmental implications of BPA's proposed resource acquisitions.

SYSTEM RELIABILITY (VOLTAGE COLLAPSE)

The dynamic electricity market in the western United States poses unprecedented financial challenges for BPA. After a decade of electric energy surplus, BPA and the Northwest now face a shift to load/resource balance and the need to acquire low-cost energy resources and reinforce transmission facilities to serve Northwest rate payers by the mid-1990s. BPA has a legal obligation to serve the net requirements of its regional utility customers who request such service. BPA's challenge is to provide long-term reliable service at predictable rates without the cushion of energy surplus that the region experienced during the 1980s.

In February 1989, bitter cold weather led to the heaviest demands ever on the BPA system. The cold snap dramatized a special problem around Puget Sound in western Washington. The large power lines which carry electricity from generation on the east side of the Cascade Mountains to the Seattle area were loaded close to their limits while local generation was stretched to full use. If a critical transmission line into the Puget Sound area had been taken out of service for any reason, the result could have been voltage collapse and an area-wide blackout.

This potential has led BPA, along with local utilities, to adopt a contingency plan which requires dropping industrial load in an emergency situation. For the long-term BPA has initiated a public involvement environmental review process which is designed to identify an optimal solution which increases reliability with the lowest economic and environmental cost.

Budget Preface and Program Overview (cont'd)

SYSTEM RELIABILITY (MAINTENANCE/REPLACEMENTS)

Due to concerns about rate increases, BPA deferred numerous maintenance activities during the 1980s. In 1989, the DOE Inspector General (IG) criticized BPA for having a significant backlog of over 11,000 items in its substation maintenance alone. Since the IG report, BPA, in consultation with its customers, has developed a 10-year plan for reducing the maintenance backlog. Implementation of the plan has begun.

ENDANGERED SPECIES

Prior to the passage of the 1980 Pacific Northwest Power Act, some Pacific Northwest fishery interests had threatened to file petitions to list several Columbia Basin salmon stocks for protection under the Endangered Species Act (ESA). The 1980 Act attempted to address these concerns by charging the Northwest Power Planning Council (Council) to develop a Columbia Basin Fish and Wildlife program to be funded and implemented by BPA. By the end of FY 1991, BPA will have invested over \$1 billion on fish and wildlife mitigation. (This figure includes foregone revenues during the spring and summer runoff months because of changes in system operations. Estimates this spring for FY 1991 projected foregone revenues due to fishery operations are in the range of \$13-\$17 million.) This budget contains an average annual increase of over 75 percent for FYs 1991-1993 when compared to BPA's FY 1992 budget. Preliminary budget estimates for actions relating to the Endangered Species Act for FY 1991-1993 are \$8.0 million, \$19.5 million, and \$25.7 million.

While these investments have increased the number of salmon and steelhead stocks in the Columbia Basin, some stocks continue to decline. In the spring of 1990, the National Marine Fisheries Service (NMFS) received petitions to list five stocks of salmon as threatened or endangered under the ESA. On November 14, 1991, NMFS listed on stock--Snake River sockeye--as endangered. NMFS has proposed listing Snake River spring/summer, and fall chinook salmon as threatened, and a final NMFS decision is expected before May, 1992. NMFS declined to list the fifth stock, coho salmon.

BPA is participating in a number of regional activities guided by the ESA and the Northwest Power Act to address the listed species and other critical wild salmon stock. Under the Northwest Power Act, the Council is in the process of adopting a series of comprehensive amendments to its Fish and Wildlife Program that address hydro operations, hatcheries, habitat and fish harvest. In amendments approved in December, 1991, the Council called for increasing river flows in the spring months as juvenile salmon migrate downstream. Over the long term the Council called for altering the way the four Lower Snake Federal projects will operate. BPA is working with the U.S. Army Corps of Engineers and the Bureau of Reclamation to implement the near-term flow measures, and to conduct environmental impact statements to determine if and how to implement the long-term measures. Preliminary analyses of the Council's program amendments indicate that, in the near-term, they may require a 4 to 8 percent increase in BPA's wholesale power rates.

Budget Preface and Program Overview (cont'd)

The Council's Program is intended to serve as a foundation for NMFS which, under the ESA, must develop recovery plans for any species it lists. NMFS has indicated that a proposed recovery plan for Snake River sockeye may be completed as early as April 1992. In addition, Federal agencies, including BPA, must consult with NMFS to ensure that their actions do not jeopardize the continuing existence of any listed species. BPA has worked closely with NMFS and expects to complete the consultation process before the 1992 juvenile spring migration begins.

ENERGY RESOURCES

Working closely with the Northwest Power Planning Council (Council), BPA is preparing to meet the future power needs of its customers. BPA's 1990 Resource Program outlines a flexible and environmentally sound plan for responding to a range of possible load-growth rates in the 1990s. According to 1990 forecasts (assuming medium regional load-growth), demand for electricity from BPA could grow by 1,200 average megawatts over the next 20 years. BPA is beginning to enter into new agreements to acquire new generating resources to meet growing Northwest power demands. For the past 10 years, BPA has relied primarily on its conservation programs to meet growth in power needs. To meet its requirements customers' future needs, BPA is accelerating its acquisition of conservation and is beginning to contract for a mix of new hydroelectric efficiency improvements, cogeneration, and small new generation resources.

BPA's FY 1993 budget reflects the planning levels in the 1990 Resource Program. Conservation is a desired resource acquisition because it can be brought on in small, manageable increments, is reliable, and is generally less expensive than other energy resources. BPA's Energy Resources Program and the FY 1993 budget emphasize conservation program activities which are stable and steadily increasing through the FY 1993-1997 period. The 1990 Resource Program also recommends capturing all cost-effective, "lost opportunity" resources (limited in availability, lost if not captured in a timely fashion).

THIRD AC INTERTIE

On August 16, 1991, BPA and PacifiCorp Electric Operations reached an agreement that will provide for the construction of the final major phase of the Third AC Intertie Project in the Northwest. This agreement will ensure that the Third AC Intertie Reinforcement will be completed by its current target completion date of November 1993.

CUSTOMER WORKING RELATIONSHIPS

BPA owns approximately 80 percent of the intertie connecting the Pacific Northwest to California. Prior to 1984 BPA provided access to requesting utilities on a first-come, first-serve basis. Beginning in the early 1980s electricity surpluses in the Northwest led to requests for access which exceeded available capacity. As a result BPA implemented an intertie access policy. This controversial policy was opposed by California and Canadian utilities. Several lawsuits were filed attempting to overturn or modify the policy.

Recently, the courts have issued rulings which have supported BPA's actions and indicate that the lengthy legal battles may be coming to an end. In addition, BPA has completed the development of one new intertie facility to relieve congestion and is

Budget Preface and Program Overview (cont'd)

prepared to begin construction on another. In light of these developments, BPA has entered into discussions with Canadian and California utilities that are intended to encourage the development of a cooperative approach to West Coast electricity resource and transmission development.

Another area that will absorb the attention of BPA and the Pacific Northwest in FYs 1992 and 1993 is contract renewals. There are several contracts which together form the foundation for the Northwest hydroelectric system. They all expire around the year 2000. These include the Pacific Northwest Coordination Agreement, which is the basis for the interutility and interagency coordination of the Columbia River power system; BPA's power sales contracts with its utility and industrial customers; and the "Canadian Entitlement" power sold to the United States by Canada for 30 years when the Columbia River Treaty was signed in 1961. These contracts form the Northwest's mutually dependent and coordinated power system. For the system to continue, the contracts must be renewed or replaced during the 1990s.

BUDGET SUBMISSION

The FY 1993 Congressional Budget emphasizes BPA's capital program, the five components of which are planned to be funded through sale of bonds to the Treasury: (i) Energy Resources, (ii) Transmission System Development, (iii) System Replacements, (iv) Fish and Wildlife, and (v) Capital Equipment. During FY 1993, BPA's capital programs will require budget obligations of \$417.1 million. In keeping with the President's budget, these obligations will be financed by \$372.8 million of new borrowing authority and \$44.3 million provided in up-front funding from the non-Federal participants in the Third AC Inter tie. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.

The FY 1993 Congressional Budget reports an actual FTE usage of 3,399 in FY 1991 and estimates of staffing at levels of 3,550 in FY 1992 and subsequent years.

SYSTEM STATISTICS
(continued)

	FY 1991	FY 1992	FY 1993
<u>Substations</u>			
Number of energized substations	387	388	389
kVA capacity	67,447,730	67,522,730	69,299,730
<u>Transmission lines energized</u>			
Total circuit-miles	14,780.80	14,780.80	14,793.60
<u>Investments (\$ million) 6/</u>			
Transmission facilities (BPA)	3,871	4,034	4,299
USCE & USBR hydroelectric facilities	5,585	5,691	5,760
Fish and Wildlife (BPA)	64	81	104
Conservation	780	855	937
TOTAL	10,300	10,661	11,100

1/ Hanford has not been generating since 1987. Approximately 2000 MWH is needed for station service.

2/ Centralia share being scheduled by the participant.

3/ Federal share only. Trojan has been on an extended shutdown due to repairs, therefore, these numbers may change in the future.

4/ Includes resource acquisitions from the 1990 Resource Program.

5/ Includes, but not limited to, public agency shares of Priest Rapids, Wanapum, Wells.

6/ Includes, but not limited to, Pacific Northwest Coordination Agreement transactions, storage, uncontrolled, peaking, and reserved energy.

7/ Investment estimates include long-term debt and Federal appropriations. CWIP (Construction Work-In-Progress) is not included.

This treatment is consistent with other Congressional presentations.

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FY 1993 OMB BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

FINANCIAL PERFORMANCE INDICATORS

In March 1988, the Office of Management and Budget requested that the Department of Energy (DOE) prepare a study of the financial management practices of the five Power Marketing Administrations (PMA). Among several financial practices addressed in the study, 20 financial performance indicators were analyzed, four of which were recommended as useful information for evaluating PMA financial performance. These performance indicators are best suited for use as management tools to monitor and track financial performance against internally developed financial plans.

The study recommended that each PMA report a 5-year historical summary of the four most useful indicators as part of DOE's annual budget. These financial performance indicators include:

- o Debt service coverage ratio
- o Cumulative principal payments as a percent of total Federal investment
- o Percent variance of actual from planned annual principal payments
- o Net cash flow to the U.S. Government

The debt service coverage ratio is viewed as the most useful of the indicators studied as it measures the adequacy of annual cash flow to cover annual payments of both principal and interest, a primary concern of PMAs. However, the appropriate level of debt service coverage for one PMA may not be suitable for another PMA or its individual systems, depending on the unique circumstances and characteristics of each. For example, BPA's large current cash reserves provide great assurance of Treasury payments but would not be reflected in the debt service coverage ratio because they represent past, and not current year income. Therefore, BPA's financial health from a Federal perspective is best represented through a review of the direction of change of all the four indicators rather than any single one.

The indicator measuring cumulative principal payments as a percent of total Federal investment provides a useful measure of the progress toward repayment. The indicator measuring percent variance of actual from planned annual principal payments provides information with respect to the variability in planned versus actual financial performance. The measure of net cash flow to the U.S. Treasury takes into consideration all cash inflows and outflows to and from the U.S. Treasury for the Federal Columbia River Power System. A complete description of all of the financial performance indicators analyzed is included in "A Study of Power Marketing Administration Selected Financial Management Practices" (October 1988 DOE/BP-1096).

The following graphs present an updated 7-year historical record of each of four recommended financial performance indicators for the period FY 1985 through FY 1991.

Bonneville Power Administration

DEBT SERVICE COVERAGE RATIO

Measures annual revenues in excess of annual operating expenses requiring cash as an indicator of BPA's ability to cover annual debt service payments. A ratio of 1.0 indicates that revenues generated during the year were just sufficient to cover annual principal and interest payments on outstanding debt, in addition to meeting all other cash expenses. FY1985-1991 are based on audited actuals.

Bonneville Power Administration

CUMULATIVE PRINCIPAL PAYMENTS AS A PERCENT OF TOTAL FEDERAL INVESTMENT

Measures cumulative progress toward repayment of the Federal investment in the Federal Columbia River Power System. During a period of capital expansion, this indicator would tend to decrease, whereas increases in cumulative payments over time would be expected for a mature system. Throughout the period FY 1985 - FY 1991, BPA has steadily made progress toward repayment of the Federal investment. FY 1985-1991 are based on audited actuals.

PERCENT VARIANCE OF ACTUAL FROM PLANNED IN PRINCIPAL PAYMENTS

Measures the variance between actual and planned annual principal payments to the U.S. Treasury. The higher the percentage, the greater the actual payment than planned. Planned financial data is based on data derived from the relevant studies performed for establishing rates for each of the fiscal years. The timing of payments on BPA's outstanding deferral in FY 1984 and principal in 1985 result in total amortization payments over the FY 1984-1985 period exceeding planned by 2.6%. Over the seven-year period FY 1985-1991, BPA paid more amortization to the Treasury than it had planned. FY 1985-1991 are based on audited actuals.

NET CASHFLOW TO THE GOVERNMENT FROM THE FCRPS

Measures the actual net cashflow (the sum of all inflows less all outflows) to the Government from the Federal Columbia River Power System's financial performance. This indicator focuses on cashflows as opposed to accrual accounting results, and excludes Federal cash transactions, such as amortization of appropriations and BPA bonds and receipts from power sales to Federal agencies. Because of its cash nature, this indicator may vary from year to year depending on actual financial performance as well as the magnitude of capital expenditures. In each of the FY's 1985-1991, BPA net cashflows to the Government have been positive despite losses (annual expenses in excess of annual revenues) in FY 1986 and FY 1987. FY 1985-91 are based on audited actuals.

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FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

OVERVIEW OF KEY ACTIVITY SUMMARIES

BPA's Key Activity Summaries are divided into two sections, reflecting their economic character and source of funding.

The first section, Capital Programs, includes BPA's five capital budget programs providing for capital investments in electric utility and general plant associated with the Federal Columbia River Power System's (FCRPS) transmission system, energy resources, and capital investments in fish and wildlife. During FY 1993, BPA's capital programs will require budget obligations of \$417.1 million. In keeping with the President's budget, these obligations will be financed by \$372.8 million of new borrowing authority and \$44.3 million provided in up-front funding from the non-Federal participants in the Third AC Intertie. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.

BPA's second section of Key Activity Summaries, entitled Annual Operating Expenses, includes BPA's 12 expensed and capital transfer programs financed by power sales and transmission services revenues and BPA reimbursable activities funded by benefitting entities. For FY 1993, BPA's revenue funded programs will require budget obligations of \$2,797.8 million. Reimbursable activities are budgeted at \$83.0 million, and capital transfers are estimated at \$246.4 million in FY 1993.

Budget levels for the Capital Programs are tabulated, and expenses are shown, on page 4 of this budget proposal. Since four of BPA's capital programs have expense components or complementary operating programs (Transmission System Development, System Replacements, Energy Resources, and Fish and Wildlife), the capital and expense elements must be combined for total budget requirements. The total requirements of all BPA programs are shown on page 3, and will include budget obligations of \$3,297.9 million in FY 1993.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Energy Resources - Capital

The Pacific Northwest Electric Power Planning and Conservation Act of 1980 requires BPA to treat conservation as the region's highest priority resource in planning to meet the Administrator's load-serving obligations. The Energy Resources Program provides for acquisition of cost-effective conservation measures for existing homes, and provides incentives to increase efficiencies for new residential and commercial construction, industrial technology, commercial equipment, and residential appliances. The energy produced by the measures is based on the acquisition component in each of the program areas and energy use impacts from pilot or demonstration programs.

In formulating the FY 1993 Energy Resources Program, BPA examined program levels in the context of current load forecasts, levels of program participation, and the emphasis placed on conservation measures in new construction; pilot and demonstration programs; and evaluation efforts called for by the Northwest Power Planning Council's (Council) Northwest Conservation and Electric Power Plan (Power Plan). BPA also examined the financial impact of all its program proposals on its wholesale power rates.

Increases in the program reflect the fact that BPA has reached resource balance and plans to meet its most likely load growth with energy conservation. This resource takes time to acquire. If loads grow faster than expected, then renewables and other generation resources will provide flexibility to respond to higher loads. BPA also plans to shift from total reliance on centrally-designed programs to a mix of centrally-designed and utility-designed programs and other vehicles.

II. A. Summary Table: Energy Resources - Capital

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Residential.....	\$ 30,022	\$ 46,200	\$ 52,200	+ 13
Commercial.....	16,679	15,600	16,200	+ 4
Industrial.....	3,976	9,800	10,800	+ 10
Agricultural.....	0	2,500	2,600	+ 4
Total, Energy Resources - Capital	\$ 50,677	\$ 74,100	\$ 81,800	+ 10

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Energy Resources - Capital			
Residential			
Residential sector programs will acquire 8.6 average megawatts during FY 1991. This is accomplished by continuing incentive payments for weatherization of existing homes plus payments for water heater efficiency, Super Good Cents and the Northwest Energy Code programs		Residential sector programs to acquire 14.5 average megawatts during FY 1992. This is accomplished by continuing activities as described in FY 1991 plus long-term Super Good Cents.	Residential sector programs to acquire 18.4 average megawatts during FY 1993. This is accomplished by continuing activities as described in FY 1992.
	\$ 30,022	\$ 46,200	\$ 52,200
Commercial			
Continue the Energy Smart Design program, producing 3.0 average megawatts of electric energy savings in FY 1991.		Energy Smart Design Program continues and expands to option three utilities. This program develops flexible capability to acquire savings when needed in the future. The Energy Smart Design Program and acquisition incentives produce 3.0 average megawatts of savings in FY 1992.	Energy Smart Design and enhancements will continue, producing 3.0 average megawatts of savings in FY 1993.
	\$ 16,679	\$ 15,600	\$ 16,200
Industrial			
Industrial programs continue to acquire savings through site-specific energy efficiency projects as part of the Energy Savings Plan. These activities produce 3.3 average megawatts of savings in FY 1991. Contracts obligated in this fiscal year produce additional energy savings in FY 1992 and FY 1993.		Industrial programs continue to acquire savings through site-specific energy efficiency projects as part of the Energy Savings Plan. Contracts obligated in this fiscal year will produce additional energy savings of 4.5 average megawatts.	Industrial programs will continue as outlined. Contracts obligated in this fiscal year will produce additional energy savings of 5.0 average megawatts.
	\$ 3,976	\$ 9,800	\$ 10,800

III. Energy Resources - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Agricultural	The agricultural sector programs consist of irrigation pump efficiency and other measures to reduce energy requirements of irrigation. Funding for Agriculture in FY 1991 is part of the Industrial line item.	Agricultural programs continue (acquire 0.8 MW). In previous budgets, these programs were included in the industrial sector line item.	Agricultural programs continue.
	\$ 0	\$ 2,500	\$ 2,600
Energy Resources - Capital	\$ 50,677	\$ 74,100	\$ 81,800

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Transmission System Development - Capital

The Transmission System Development Program provides for planning, design, and construction of transmission line, substation and control system additions, and enhancements for the transmission system of the Federal Columbia River Power System (FCRPS) in the Pacific Northwest. System replacements are included in the System Replacements Program.

The major focus of the FY 1993 Transmission System Development Program is to provide facilities required to satisfy system reliability in light of incremental load growth at a number of locations. The Puget Sound Reinforcement transmission option previously scheduled for energization in FY 1997 has been deferred 3 years and a switching and reactive facility (Schultz Substation) is now included in the budget to begin serving short-term Puget Sound Area needs by early FY 1995. The South Seattle-Olympia System Reinforcement will provide additional transmission support to the lower Puget Sound area. In addition, transmission facilities previously proposed are included to serve growing loads in the Port Angeles area of western Washington by FY 1993. Obligational authority for work on the Alvey-Meridian transmission line in southern Oregon and the Third AC Intertie between the Pacific Northwest and the Pacific Southwest is included in all fiscal years. The August 16, 1991, agreement between BPA and Pacificorp will ensure that the Alvey-Meridian line will be completed by its current target completion date of November 1993.

During FY 1993, BPA plans to continue engineering and construction on substation and line facilities currently underway. The Third AC Intertie will be fully energized in FY 1994. Facilities will include Captain Jack Substation and additional facilities at existing intertie stations. The upgrade of the series capacitors at the existing intertie capacitor stations will also have been completed. In the Puget Sound Area, Echo Lake Switching and Reactive Station will be completed. A variety of upgrades and additions to existing substation and line facilities are scheduled for energization in FY 1992.

II. A. Summary Table: Transmission System Development - Capital

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Main Grid.....	\$ 88,660	\$ 145,700	\$ 158,200	+ 9
Area and Customer Service.....	7,890	10,100	30,700	+204
Preliminary Engineering.....	55	2,800	2,700	- 4
Miscellaneous Line and Substation Additions.....	6,465	11,400	7,300	- 36
System Controls.....	25,700	19,600	19,700	+ 1
Miscellaneous Completions.....	209	200	100	- 50
Allowance for Funds used During Construction and Bond Premiums.....	0	9,500	12,000	+ 26
Capital to Expense Adjustments.....	0	-5,000	-5,000	0
Total, Transmission System Development - Capital	\$ 128,979	\$ 194,300	\$ 225,700	+ 16

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Transmission System Development - Capital			
Main Grid	<p>On August 16, 1991, BPA and PacifiCorp Electric Operations reached an agreement that will provide for the construction of the final major phase of the Third AC Intertie. This agreement will ensure that the Third AC Intertie Reinforcement will be completed by its current target completion date of November 1993. Continue construction of Port Angeles System Additions. Conduct environmental and scoping activities for the Bellingham Area Reinforcement. Begin design on the Keeler and Maple Valley static var capacitors. Begin environmental activities for the NW Montana/N Idaho support. Begin design material and construction for Echo Lake Switching and Reactive Station. Begin construction to replace existing series capacitors at the Intertie Compensation Stations and remove PCB-contaminated equipment per agreement with the Environmental Protection Agency.</p>	<p>Complete BPA's construction activities for the Alvey- Meridian 500-kV facilities. Continue with the construction of the Third AC Intertie facilities. Complete construction of the Port Angeles System additions. Continue environmental activities for the NW Montana/N Idaho support. Continue work on the Echo Lake Switching and Reactive Station. Begin design and material procurement for Schultz switching and reactive station. Complete work on the replacement of PCB-contaminated capacitor equipment at the Intertie compensation stations per agreement with the Environmental Protection Agency. Begin design and materials procurement for the Longview Reinforcement, Olympic Peninsula Reinforcement and Transmission System Efficiency Improvements. Continue with design and material procurement activities for Keeler and Maple Valley static var systems.</p>	<p>Continue construction activities for the Third AC Intertie facilities, Olympic Peninsula Reinforcements and Bellingham Area Reinforcement. Complete construction of Echo Lake Switching and Reactive station, and the Longview Reinforcement. Begin engineering and material procurement for the S. Seattle-Olympia System Reinforcement. Complete design and material procurement and begin construction on Schultz switching and reactive station for the Puget Sound Reinforcement, and the N. Seattle Transformer Reinforcement. Continue design and material procurement activities for NW Montana/N. Idaho, Transmission System Efficiency Improvements, and for Keeler and Maple Valley static var systems.</p>
Area and Customer Service	<p>Begin design and material procurement for Sno-King Transformer Addition and Gig Harbor Area Reinforcement. Continue design and construction for various customer service additions. Continue with design and procurement of E. Minidoka Support. Complete Lapine Area Service.</p>	<p>Continue design and material procurement for Gig Harbor Area Reinforcement. Complete the East Minidoka Support and the Sno-King Transformer Addition. Begin design and material procurement of the Albany Transformer Support, and Snohomish Transformer Support. Continue design and construction for various customer service additions. Begin design of Wells Area Service and Hungry Horse line rebuild.</p>	<p>Complete construction of the Albany Transformer Support. Continue design and material procurement of the Gig Harbor Area Reinforcement, Snohomish Transformer Support, Wells Area Service, and Hungry-Horse Line Rebuild. Continue design and construction for various customer service additions. Budget forecasts in FY 1993 are significantly increased over FY 1992 due to the need to procure major materials for the Gig Harbor Area</p>

III. Transmission System Development - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Area and Customer Service (Cont'd)			Reinforcement and the Wells Area Service projects.
Preliminary Engineering	\$ 7,890	\$ 10,100	\$ 30,700
	Perform preliminary engineering including planning, reconnaissance survey and design for main grid, customer service, system controls, miscellaneous line and substation additions.	Perform preliminary engineering including planning, reconnaissance survey and design for main grid, customer service, system controls, miscellaneous line and substation additions.	Perform preliminary engineering including planning, reconnaissance survey and design for main grid, customer service, system controls, miscellaneous line and substation additions.
Miscellaneous Line and Substation Additions	\$ 55	\$ 2,800	\$ 2,700
	Complete construction work to correct bonding and grounding on the Bell-Boundary 230-kV Line No. 3, and add a disconnect switch at the Maple Valley Substation. Begin design and material procurement for a 230-kV power circuit breaker at Tacoma Substation, construct Allston Switching Station, add a 500-kV power circuit breaker at Monroe Substation, and reconductor the Raver-Covington 500-kV Line No. 1. Continue design and construction activities on various transmission line capacity upgrades and substation grounding grids.	Complete construction work at Monroe, Wenden, Tacoma Substations, and the Raver-Covington Line No. 3. Continue construction at Murray Substations and Allston Switching Station. Continue design and construction activities on various transmission line capacity upgrades and substation grounding grids.	Begin design and material procurement for the 230-kV power circuit breaker addition at the McKary Substation and reconduction of the Raver-Covington 500-kV line to Structure 6/2. Continue construction at the Murray Substation. Complete the Allston Switching Station. Continue design and construction activities on various transmission line capacity upgrades and substation grounding grids.
	\$ 6,465	\$ 11,400	\$ 7,300

III. Transmission System Development - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
System Controls	<p>Continue design and construction of Dittmer Enhanced Network Security Applications, System Events Monitor, Database Management Systems, RF Replacement Phase VIII, and the Southern Idaho Communication Network. Design and construct new system control facilities including: Breaker Failure Protection Retrofit Phase V, Design Dispatcher Training Facility Phase I, Back-up AGC System for Eastern Control Center and Dittmer Control Center. Integration of Dittmer Control Center Real Time Operation Dispatch System and the Eastern Control Center Transmission Control and Dispatch System. Complete Dittmer SCADA I Master Installation, and Stability Control Upgrade Phase II, and Microwave RF Replacements Phase VI. Begin design and material procurement for Western Montana Remedial Action Scheme. Complete design and construction of system control facilities started in prior years.</p>	<p>Continue design and material procurement for projects including Dittmer Control Center Dispatcher Training Facility Phase I, Back-up AGC System for Eastern Control Center, and the Western Montana Remedial Action Scheme. Complete the integration of RDDS and TDS at the Dittmer Control Center, System Events Monitor Phase I, II, and III, Dittmer Control Center Enhanced Network Security Applications, Database Management Systems, RF Replacement Phase VI and VIII, ECC transmission system control and dispatch, Breaker Failure Protection Retrofit Phase VI, and Southern Idaho Communications. Begin design and material procurement for Breaker Failure Retrofit Phase VII, Celilo HVDC Master Controller, Dispatcher Training Facility Phase II. Complete design and construction of other system control facilities started in prior years.</p>	<p>Begin design and material acquisition for the microwave RF replacement Project Phase IX. Complete construction of Breaker Failure Retrofit Phase V, Back-up AGC system for ECC. Complete the Dispatcher Training Facility Phase I, Western Montana Remedial Action Scheme. Continue with design and material purchasing for Celilo Upgrade HVDC Master Controller, Dispatcher Training Facility Phase II, and Breaker Failure Retrofit Phase VII. Complete design and construction of other systems control facilities started in prior years.</p>
Miscellaneous Completions	\$ 25,700	\$ 19,600	\$ 19,700
	Miscellaneous charges and adjustments for completed facilities and for which work orders have been closed.	Miscellaneous charges and adjustments for completed facilities and for which work orders have been closed.	Miscellaneous charges and adjustments for completed facilities and for which work orders have been closed.
Allowance for Funds used During Construction and Bond Premiums	\$ 209	\$ 200	\$ 100
	Allowance for Funds Used During Construction (AFUDC) represents capitalized interest cost on construction work-in-progress. AFUDC of \$10,729 has been allocated to specific projects for a net effect of \$0.0 in this category.	Allowance for Funds Used During Construction (AFUDC) represents capitalized interest costs on construction work-in-progress.	Allowance for Funds Used During Construction (AFUDC) represents capitalized interest costs on construction work-in-progress.

III. Transmission System Development - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Allowance for Funds used During Construction and Bond Premiums (Cont'd)	\$ 0	\$ 9,500	\$ 12,000
Capital to Expense Adjustments	At the end of each fiscal year, BPA analyzes its outstanding work orders to assess whether they should be expensed. No capital to expense adjustments were booked in FY 1991.	At the end of each fiscal year, BPA analyzes its outstanding work orders to assess whether they should be expensed. At this time, BPA estimates that about \$5 million of work orders are to be expensed.	At the end of each fiscal year, BPA analyzes its outstanding work orders to assess whether they should be expensed. At this time, BPA estimates that about \$5 million of work orders are to be expensed.
	\$ 0	-\$ 5,000	-\$ 5,000
Transmission System Development - Capital	\$ 128,979	\$ 194,300	\$ 225,700

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: System Replacements - Capital

This program provides for planning, design, materials, and construction work to replace transmission line, substation, system protection, control system, tools and equipment, and general facilities for the transmission system of the Federal Columbia River Power System (FCRPS) in the Pacific Northwest. After 12 years of BPA-imposed funding constraints limiting replacements and other system maintenance, a "catch-up" program has been developed. The Replacement Program has begun implementing the actions called for in the new BPA Operations, Maintenance and Replacement 10-Year Plan, which was completed August 1990. The main objective of the plan is to bring all scheduled maintenance and replacements current by the year 2000. Proposed funding for replacements is for critical portions of the power system which have a high risk of failure or excessive maintenance due to age and deterioration, and to update and improve system facilities. Much of this equipment is 30 to 50 years old, is beyond its useful life, and lacks spares and factory parts support. To a significant degree, year-to-year funding changes reflect workload balancing in accordance with the 10-year replacement plan.

Capital additions and enhancements to the transmission system are found in the Transmission System Development Program.

II. A. Summary Table: System Replacements - Capital

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Nonelectric Plant Replacements.....	\$ 11,464	\$ 19,000	\$ 11,600	- 39
Transmission Line Replacements.....	3,087	3,000	2,900	- 3
Substation Replacements.....	31,661	22,200	36,800	+ 66
System Protection Replacements.....	5,372	4,900	9,400	+ 92
Power System Control Replacements.....	4,910	10,100	7,400	- 27
Tools and Equipment.....	10,675	9,700	10,000	+ 3
Total, System Replacements - Capital	\$ 67,169	\$ 68,900	\$ 78,100	+ 13

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
System Replacements - Capital			
Nonelectric Plant Replacements	<p>This activity is a continuing one, and it includes major maintenance facilities as well as numerous nonelectric improvement projects each year. Major accomplishments include the Ross Services Bldg. roof replacement; Dittmer heating, ventilating, air-conditioning (HVAC) replacement; and the Celilo oil spill lagoon. Major work in progress includes the contract award for the Olympia Maintenance Headquarters, design and planning for Kalispell and Longview Maintenance Facilities, and various other roof and HVAC replacements; underground storage tank removal, and road and yard renovations.</p>	<p>Continue with standard replacements. Planned accomplishments include the Olympia Maintenance Building and roof replacements at the Ross Complex; and various small O&M buildings, roof and HVAC replacements. Significant work in progress includes the Kalispell and Longview Maintenance Facilities; continued work on oil spill containment facilities; underground storage tank removal; and road and yard renovations. Funding increases due to the construction of two major maintenance facilities; increases in planned small O&M building replacements, roof replacements, and oil spill containment facilities.</p>	<p>Continue with standard replacements. Major planned accomplishments include the Kalispell and Longview Maintenance Facilities, and roof and HVAC replacements. Significant work in progress includes oil spill containment; underground storage tank removal; and road and yard renovations. Funding decreases due to the completion of the two major maintenance facilities and reduced levels of planned roof replacements.</p>
	\$ 11,464	\$ 19,000	\$ 11,600
Transmission Line Replacements	<p>This activity is a continuing one, and it includes various small transmission line projects. Major accomplishments include pole replacements, and grounding platform additions.</p>	<p>Planned accomplishments will be scheduled pole replacements and various line replacements.</p>	<p>Planned accomplishments will be scheduled pole replacements and various line replacements.</p>
	\$ 3,087	\$ 3,000	\$ 2,900

III. System Replacements - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Substation Replacements	<p>This activity is a continuing one, and it includes both major and minor electrical equipment required for the transmission of power through substations. Major accomplishments include the acquisition of spare transformers; 500-kV breaker replacements at Raver, John Day and Ashe; smaller breaker replacements at various facilities; and a major program to begin replacing polychlorinated biphenyls (PCB) containing capacitors throughout the system. Significant work in progress included the 500-kV transformer replacement at Big Eddy; a second set of 500-kV breakers at Raver; replacement of 500-kV breakers at Custer; and other breaker and switch replacements throughout the system.</p>	<p>Continue with standard replacements. Major planned accomplishments include 500-kV transformer replacements at Big Eddy; 500-kV breaker replacements at Raver and Custer; and PCB capacitor replacements at Longview, Bell, Pearl, and Alcoa. Significant work in progress includes; 500-kV breaker replacements at Paul, Allston, Vantage, and a third set at Raver; continuing PCB capacitor replacements including the four compensation stations; and other breaker and switch replacements throughout the system. Funding decreases due to the number of scheduled transformer, and capacitor equipment purchases for future year replacements.</p>	<p>Continue with standard replacements. Major planned accomplishments include 500-kV breakers at Paul, Pearl, and Raver; and removal of PCB capacitors at the four compensation stations. Major work in progress includes purchase of 500-kV transformer at Covington; an additional system 500-kV shunt reactor; 500-kV breaker replacements at Lower Monumental and Paul; continuing PCB capacitor replacements; and other breaker and switch replacements throughout the system. Funding increases due to the number of scheduled capacitor equipment purchases for future year replacements and 500-kV transformer purchases.</p>
	\$ 31,661	\$ 22,200	\$ 36,800
System Protection Replacements	<p>This activity is a continuing one, and it includes hundreds of small electronic projects including protective relays, oscillographs, meters, etc. Major accomplishments of work in progress included the annunciator and relay replacements with additional emphasis on oscillograph replacements. Substation Integrated Control System (SICS) replacement began this year.</p>	<p>Continue with standard replacements. Planned accomplishments or work in progress include annunciator, relay and oscillograph replacement. Funding decreases due to scheduled levels of equipment purchases for future year replacements.</p>	<p>Continue with standard replacements. Planned accomplishments or work in progress include annunciator, relay and oscillograph replacements with continued emphasis on SICS replacement. Funding increase is due to scheduled levels of equipment purchases for future year replacements.</p>
	\$ 5,372	\$ 4,900	\$ 9,400

III. System Replacements - Capital (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Power System Control Replacements	<p>This activity is a continuing one, and included over 100 small electronic control projects including multiplex, microwave, communication equipment, etc. Major accomplishments or work in progress include microwave transfer trip, multiplex and radio equipment with additional emphasis on SCADA replacements this year.</p>	<p>Continue with standard replacements. Planned accomplishments or work in progress will include microwave transfer trip, SCADA, multiplex, and radios, communication batteries and chargers, and telemetering equipment. Funding increases due to microwave transfer trip equipment and multiplexing purchases for future year replacements.</p>	<p>Continue with standard replacements. Major planned accomplishments or work in progress include microwave transfer trip, SCADA, antenna, multiplex, radios and telemetering equipment. Funding decreases due to reduced microwave transfer trip, SCADA, multiplex, and communication battery and charger equipment purchases for future year replacements.</p>
	\$ 4,910	\$ 10,100	\$ 7,400
Tools and Equipment	<p>This activity is a continuing one of replacing capital tools and work equipment including, but not limited to, special purpose transportation equipment, power operated and material handling equipment, laboratory and power system control equipment.</p>	<p>Continue with standard replacements. This year includes replacement of two aging helicopters.</p>	<p>Continue with standard replacements. This year includes replacement of two more aging helicopters.</p>
	\$ 10,675	\$ 9,700	\$ 10,000
System Replacements - Capital	\$ 67,169	\$ 68,900	\$ 78,100

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Fish and Wildlife - Capital

Provides for resource protection, enhancement, and loss mitigation of Columbia River Basin fish and wildlife affected by the development and operation of hydroelectric projects on the Columbia River and its tributaries pursuant to Section 4(h) of the Pacific Northwest Power Act. BPA discharges a major portion of its fish and wildlife responsibilities by funding projects designed to carry out the intent of the Northwest Power Planning Council's (Council) Fish and Wildlife Program. The proposed FY 1993 program reflects BPA's continued commitment to: 1) its responsibilities under the Pacific Northwest Power Act, and 2) supporting the Council's Fish and Wildlife Program. The FY 1993 program will fund continuation of projects begun in FY 1992 or before with increases largely attributable to projects reaching the design and construction stages (or continuation of construction) in FY 1993.

There are three new capital projects scheduled to begin final design or construction in FY 1993. They are the Bonneville Fish Sampling Facility, Dryden Dam Fish Screens, and Hungry Horse Resident Fish Hatchery. A fourth project, the Springfield Hatchery Facilities, an existing hatchery in Springfield, Oregon, is expected to be acquired during FY 1993.

II. A. Summary Table: Fish and Wildlife - Capital

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Anadromous Fish.....	\$ 9,255	\$ 14,800	\$ 23,600	+ 59
Resident Fish.....	1,179	0	200	>999
Preengineering Design.....	1,381	700	500	- 29
Total, Fish and Wildlife - Capital	\$ 11,815	\$ 15,500	\$ 24,300	+ 57

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Fish and Wildlife - Capital			
Anadromous Fish	Continue construction of Passage Improvements on the Umatilla River and on the Yakima and Umatilla Artificial Production Facilities. Initiate construction on Yakima Basin Screens Facilities Phase II. Continue pre-design work on the Mez Perce Artificial Production Facilities.	Continue construction on Yakima Basin Screen Facilities Phase II, the Yakima Artificial Production Facilities, and the Umatilla Artificial Production Facilities. Complete construction on Passage Improvement on the Umatilla River. Continue pre-design work on the Mez Perce Artificial Production Facilities. Initiate pre-design work on the Northeast Oregon Spring Chinook Facility.	Continue construction on Umatilla River Artificial Production Facilities, Yakima Artificial Production Facilities, Yakima Screens Facilities Phase II. Initiate construction on the Mez Perce hatchery. Continue design work on the Northeast Oregon hatchery and initiate design on the Bonneville Dam Fish Sampling Facility and Dryden Dam Fish Screens. Acquire the Springfield Hatchery Facilities.
Resident Fish	\$ 9,255 Complete construction on Galbraith Springs Hatchery.	\$ 14,800 No funding is planned.	\$ 23,600 Initiate final design on Hungry Horse Resident Fish Hatcheries.
Preengineering Design	\$ 1,179 Fund early pre-design work on future projects and fund ongoing engineering analysis as required/necessary.	\$ 0 Fund early pre-design work on future projects and fund ongoing engineering analysis as required/necessary.	\$ 200 Fund early pre-design work on future projects and fund ongoing engineering analysis as required/necessary.
	\$ 1,381	\$ 700	\$ 500
Fish and Wildlife - Capital	\$ 11,815	\$ 15,500	\$ 24,300

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION FUND
 (dollars in thousands)

KEY ACTIVITY SUMMARY
 BONNEVILLE POWER ADMINISTRATION

I. Preface: Capital Equipment

Provides for general and dedicated special purpose ADP equipment, capital software development, and special-use furniture and equipment in support of all BPA programs. Over this budget period the program reflects the decision to accelerate migration agency-wide to new local area network (LAN) oriented personal computer and word processing standards and the gradual completion of software now under development.

II. A. Summary Table: Capital Equipment

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
ADP Equipment.....	\$ 4,409	\$ 7,000	\$ 6,000	- 14
Software Development.....	1,505	1,300	800	- 38
Office Equipment.....	432	600	400	- 33
Total, Capital Equipment	\$ 6,346	\$ 8,900	\$ 7,200	- 19

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Capital Equipment			
ADP Equipment			
This activity provides for purchase of general and special purpose automatic data processing (ADP) hardware for mainframe computing, technical computing, voice and data communication, and ADP-based office automation. Continue to upgrade mass storage in support of the mainframe. Provide ADP equipment to support mass storage in production mode. Upgrade office systems computers and technical computers.		Continue upgrades and acquire and enhance central and supported systems' peripherals and equipment. Increased funding provides for a higher level of replacements and additions, data center consolidation, and upgrade of VAX computer system, and installation of LAN network infrastructure.	Continue upgrades, acquire and enhance central and supported systems' peripherals and equipment, and continue installation of LAN networks.
	\$ 4,409	\$ 7,000	\$ 6,000
Software Development			
Provides for costs of in-house and contract development of ADP software that is capitalized. Continue development of approved management information systems (MISs): Financial Management Information Systems Integration (FMIS-I), System Maintenance Information System (SMIS), and Wholesale Power Billing (WPB).		Continue development of approved MISs (FMIS-I, SMIS, and WPB). Complete SMIS and WPB development.	Continue development of approved MIS (FMIS-I).
	\$ 1,505	\$ 1,300	\$ 800
Office Equipment			
Provides for acquisition of office and related capital equipment for office operations and communication, printing and reproduction, photography, records management, etc. Acquire printing, audio/visual and duplicating equipment, furniture, etc.		Acquire printing, audio-visual and duplicating equipment, furniture, etc.	Acquire printing, audio-visual and duplicating equipment, furniture, etc.
	\$ 432	\$ 600	\$ 400

III. Capital Equipment (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Capital Equipment	\$ 6,346	\$ 8,900	\$ 7,200

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Residential Exchange - Operating Expense

The Pacific Northwest Power Act created the residential exchange program to extend the benefits of low-cost Federal Power to the residential and small farm customers of investor-owned and publicly owned utilities. Although it appears to be primarily a power transaction and is so treated in BPA's rate proceedings, the residential exchange is not a power transaction in the conventional sense. In effect, the program acts to lower the rates paid by the residential and small farm customers of exchanging utilities. No power is transferred to or from BPA. The gross cost of the exchange is partially offset by exchange revenues from participating utilities.

The Residential Exchange consists of the Residential Purchase and Sale Agreement (RPSA) and the Exchange Transmission Credit Agreement (ETCA). For the RPSA, the paper transaction operates as follows: BPA acquires certain amounts of power offered for sale by participating Pacific Northwest electric utilities. That power is acquired at each utility's "average system cost" which includes both generation and transmission costs. In exchange, BPA must sell an equivalent amount of electric power to the participating utilities for resale to the utilities' residential and small farm customers in the region. The power is sold at BPA's Priority Firm (PF) Rate, which is generally lower than the utilities' ASC. Since the same amount of power is involved, the "sale" of power is an accounting procedure used to determine the amount of benefit to be received by customers of exchanging utilities. In practice, only dollars are exchanged. Purchases at utilities' average system cost are shown below as "Gross Cost"; sales to utilities at the PF rate as "Revenue from Residential Exchange"; the difference, net expense (or Operating Expense) is the amount that is passed through to qualifying ratepayers.

The ETCA, a much smaller element of the residential exchange gross cost, is available to BPA's public utility and cooperative customers and limits their benefit payments to the cost of their transmission facilities. The payments, however, cannot be greater than the amount that the utility would have received if it had participated in the RPSA.

Changes from year to year in exchange costs are due to combinations of factors including increases in utilities' ASC, load growth, the number of utilities participating in the program, and the level of BPA's own rates.

II. A. Summary Table: Residential Exchange - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Residential Exchange - Gross Cost.....	\$ 892,067	\$ 912,200	\$ 927,600	+ 2
Revenue from Residential Exchange.....	-702,122	-704,300	-711,600	- 1
Total, Residential Exchange - Operating Expense	\$ 189,945	\$ 207,900	\$ 216,000	+ 4

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Residential Exchange - Operating Expense			
Residential Exchange - Gross Cost	Exchange 3,333 average megawatts of energy with 22 utilities in the region as mandated in the Pacific Northwest Power Act in order to extend the benefits of low-cost Federal power to residential and small farm customers.	Exchange 3,298 average megawatts of energy with 24 utilities in the region as mandated in the Pacific Northwest Power Act in order to extend the benefits of low-cost Federal power to residential and small farm customers.	Exchange 3,336 average megawatts of energy with 24 utilities in the region as mandated in the Pacific Northwest Power Act in order to extend the benefits of low-cost Federal power to residential and small farm customers.
Revenue from Residential Exchange	Proceeds from selling 3,333 average megawatts of energy to 22 utilities in the region. These revenues partially offset the gross cost of the residential exchange. The net cost reveals the real benefit to residential and small farm customers of participating utilities.	Proceeds from selling 3,298 average megawatts of energy to 24 utilities in the region. These revenues partially offset the gross cost of the residential exchange. The net cost reveals the real benefit to residential and small farm customers of participating utilities.	Proceeds from selling 3,336 average megawatts of energy to 24 utilities in the region. These revenues partially offset the gross cost of the residential exchange. The net cost reveals the real benefit to residential and small farm customers of participating utilities.
	\$ 892,067	\$ 912,200	\$ 927,600
	-\$ 702,122	-\$ 704,300	-\$ 711,600
Residential Exchange - Operating Expense	\$ 189,945	\$ 207,900	\$ 216,000

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: System Operations - Operating Expense

The System Operations Program operates and controls the BPA high-voltage transmission system to provide safe, reliable, efficient, and cost-effective service to the Pacific Northwest region's customers and to the interconnected transmission system. This is accomplished through three main functions: substation operations, power system control and dispatching, and operations standards and engineering. This program is almost entirely composed of staff-related costs. The program is essentially stable and no significant new initiatives are contemplated. The System Operations Program has begun implementing the strategies of the new BPA Operations, Maintenance and Replacement 10-Year Plan. The plan, completed in 1990, implements a strategic objective of levelized operations, maintenance, and replacement keyed to high system reliability.

II. A. Summary Table: System Operations - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Substation Operations.....	\$ 18,611	\$ 20,700	\$ 21,500	+ 4
Power System Control & Dispatching.....	8,054	8,600	9,000	+ 5
Operations Standards & Engineering.....	3,200	4,000	4,200	+ 5
Total, System Operations - Operating Expense	\$ 29,865	\$ 33,300	\$ 34,700	+ 4

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
System Operations - Operating Expense			
Substation Operations	<p>Perform operation functions necessary to provide electric service to customers and to protect the Government's investment in electric equipment. Substation operations include making equipment adjustments to maintain loads and voltages within acceptable limits, switching to deenergize lines and equipment during emergencies or scheduled maintenance, isolating damaged equipment, restoring service to customers, visually inspecting equipment, reading meters recording line and equipment loading and voltages. In FY 1991, this activity provides for the operation of 387 substations and 14,780 circuit miles of transmission lines.</p>	<p>The FY 1992 activities continue as stated for FY 1991. The increased funding is due to further enhancement of the Substation Operator Apprentice Program in anticipation of increased retirements; development of system operations training programs; and, higher employee relocation costs.</p>	<p>The FY 1993 activities continue as stated for FY 1992.</p>
	\$ 18,611	\$ 20,700	\$ 21,500
Power System Control & Dispatching	<p>This activity includes central dispatching, control, and monitoring of the electric operation of the Federal transmission system. Also includes load, frequency, and voltage control of Federal generating plants; the operation of the system control and data computers at the Dittmer and Eastern Control Centers; modification and maintenance of the operation-related computers.</p>	<p>The FY 1992 activities continue as in FY 1991. Increased funding is due to increased dispatching positions in order to maintain minimum staffing levels while providing a comprehensive dispatcher training program including dispatching training simulator.</p>	<p>The FY 1993 activities continue as in FY 1991 and FY 1992.</p>
	\$ 8,054	\$ 8,600	\$ 9,000

III. System Operations - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Operations Standards & Engineering	<p>This activity includes analyzing the following: system loads, voltage levels, outage information, stability levels and other data, and making policy recommendations for system operations, planning operations, practices, restoration plans and disturbance ports. Provides for development of control center requirements for centralized automation of substations and generation. Also includes BPA participation with other utilities in developing utility operating standards and guides.</p>	<p>The FY 1992 activities continue as stated for FY 1991.</p>	<p>The FY 1993 activities continue as stated for FY 1992.</p>
	\$ 3,200	\$ 4,000	\$ 4,200
System Operations - Operating Expense	\$ 29,865	\$ 33,300	\$ 34,700

DEPARTMENT OF ENERGY
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BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Power Marketing - Operating Expense

Provides for electric utility power marketing efforts, interregional intertie policy development and negotiation, wholesale power and transmission rates development, contract development, administration of power and transmission agreements supporting environmental review and analysis, and public involvement support of power marketing activities. Program trends emphasize firm surplus power and capacity marketing and Long-Term Intertie Access Policy (LTIAP) implementation. Major environmental analysis will be performed to comply with the National Environmental Protection Act (NEPA) for work associated with non-Federal participation on the Third AC line, the Columbia River System Operation Review (in support of negotiations on the Canadian Entitlement Allocation Agreements), and the Pacific Northwest Coordination Agreement.

II. A. Summary Table: Power Marketing - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Wholesale Power & Transmission Rate.....	\$ 4,989	\$ 4,300	\$ 4,500	+ 5
Power Contracts & Customer Service.....	8,725	10,500	11,000	+ 5
Special Coordination.....	5,110	7,400	7,100	- 4
Wheeling.....	29,912	33,000	35,000	+ 6
Marketing, Environmental, and Rate Analysis.....	0	3,600	3,800	+ 6
Total, Power Marketing - Operating Expense	\$ 48,736	\$ 58,800	\$ 61,400	+ 4

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Power Marketing - Operating Expense			
Wholesale Power & Transmission Rate	<p>The Wholesale Power and Transmission Rate function develops the rates that customers pay BPA for electric power on and for wheeling their own power on BPA's transmission system. Rates are established through a ratemaking process required by the Pacific Northwest Power Act. Rates must be adequate to ensure sufficient revenues to pay BPA's operating expenses, debt repayment, and amortization of the Federal investment in the Federal Columbia River Power System. BPA extended rates that were in effect for the period FY 1990-1991. Rate activities include workshops that lead to rate case simplification, as well as development and submission of rate studies and supporting documentation to FERC for rate extension approval.</p>	<p>BPA has filed new power and transmission rates to be effective October 1, 1991, for the FY 1992-1993 period. Funding in FY 1992 continues prior year activities with emphasis on design and analyses to evaluate short- and long-term effects of rates and charges that support BPA policy study, and prepare documentation goals. Conduct rate evaluations studies, in preparation for a possible new rate development process.</p> <p>Funding changes reflect workload associated with BPA's 2-year rate period within a dynamic operating environment.</p>	<p>Maintain prior year activities with continued emphasis on preparation of rate evaluation studies in support of future rate development. Review the rates process to improve BPA's flexibility to meet obligations and enhance marketability of BPA's power and transmission products.</p> <p>Funding changes reflect workload associated with BPA's 2-year rate period within a dynamic operating environment.</p>
Power Contracts & Customer Service	<p>The Power Contract function negotiates, executes, and administers contracts for power sales, power exchanges, conservation, wheeling, transmission, and resource services. This function coordinates economic and operational information for the sale of surplus energy, performs market research and determines economic value of power products. The Customer Service function analyzes, processes, and issues all customer power bills for more than 150 customers, performs major role in developing and implementing evolving and existing BPA transmission policies including the Long-Term Intertie Access Policy, Regional Transmission and Transfer Service</p>	<p>Maintain activities from previous year with emphasis on contracting activities related to resource acquisitions (including billing credits), the return of the Canadian entitlement, and support for the Pacific Northwest Coordination Agreement. Activity increases are due primarily to the changes associated with automated data processing related to power sales market and economic analysis.</p>	<p>Continue prior year activities with special emphasis on development of principles for new power contracts scheduled for negotiations beginning in FY 1993.</p>

III. Power Marketing - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Power Contracts & Customer Service (Cont'd)			
Policies, and the Customer Service Policy. Emphasis is on increasing revenues through long-term sales to Pacific Northwest Utilities.	\$ 8,725	\$ 10,500	\$ 11,000
Special Coordination	Special Coordination provides specialized support to the Power Marketing Program in surplus power marketing efforts, intertie policy development and analysis, and increased public involvement support in all phases of policy development. It provides environmental analysis in support of BPA's Fish and Wildlife Program, the Intertie Access Policy, the acquisition of resources options, and in various rate options considered by BPA. This activity also serves to coordinate and manage all BPA environmental analysis work associated with the Interagency Columbia River System Operations Review, a 3 to 4-year effort to evaluate the multiple uses of 14 Federal dams. The Study will support decisions on two sets of agreements that will affect how the Columbia River is managed--the Canadian Entitlement Allocation Agreements and the PNW Coordination Agreement. Work began on environmental mitigation associated with implementation of the Long-Term Intertie Access policy.	Maintain prior year activities including environmental analyses and implementation of public involvement procedures for power marketing fish and wildlife programs. Specific efforts include EISs for SOR, flow options, and the PP&L capacity sale. Continued ESA efforts.	Maintain prior year activities, including environmental analyses and implementation of public involvement procedures for power marketing and fish and wildlife programs. Specific efforts include nearing completion of SOR; ramping up efforts to renegotiate power sales contract; continued ESA efforts.
	\$ 5,110	\$ 7,400	\$ 7,100

III. Power Marketing - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Wheeling	Wheeling Services includes three types of costs. First, it funds payments to other utilities to transmit Federal power where no Federal transmission exists. Second, it funds leases with other utilities when those facilities are required for delivering Federal power. Third, it funds payments to BPA customers for maintaining BPA facilities when it is in BPA's economic interest to do so.	Wheeling activities continue as in FY 1991.	Continue prior year's activities. Funding increase are due to contractual commitments.
	\$ 29,912	\$ 33,000	\$ 35,000
Marketing, Environmental, and Rate Analysis	During FY 1991, this function was a work- and rate-related part of Resource Planning under Energy Resources Operating Expense.	Support for marketing efforts, environmental work, and rate-related activities. Encompasses multi-agency Columbia System Operation Review, NEPA documents related to "Share the shortage," System Operation Review (SOR), and Endangered Species Act analyses.	Maintain prior year activities with greater planning efforts as BPA's loads grow, requiring additional planning to maintain load/resource balance.
	\$ 0	\$ 3,600	\$ 3,800
Power Marketing - Operating Expense	\$ 48,736	\$ 58,800	\$ 61,400

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BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Power Scheduling - Operating Expense

Power scheduling activities provide for forecasting, on a short-term basis, the hourly power requirements of BPA utility, industrial and governmental customers and the interchange of power with the region's interconnected electric utilities and with utilities in the Southwest and Canada. These requirements are met by scheduling the power to be generated at each Federal plant. Power scheduling activities also include weather and streamflow forecasting, controlling the storage and use of water in the reservoirs, power purchases for resale, the efficient operation of the power system, coordinating power production with the multipurpose operation of the Federal Columbia River Power System (FCRPS), seasonal load resources planning activities, current short-term operating plans, and the short-term marketing of BPA's surplus firm energy. This program is becoming increasingly complex due to the evolving mix of BPA's hydro and thermal generating resources, constraints on hydro operations (including Endangered Species Act requirements) and BPA emphasis on power marketing during a period when the region is approaching a load/resource energy balance.

II. A. Summary Tables: Power Scheduling - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Power Scheduling.....	\$ 6,651	\$ 9,800	\$ 10,200	+ 4
Power Purchases.....	28,008	46,700	66,700	+ 43
Upstream Benefits.....	1,322	1,800	1,900	+ 6
PNCA Interchange.....	2,066	22,500	23,500	+ 4
Total, Power Scheduling - Operating Expense	\$ 38,047	\$ 80,800	\$ 102,300	+ 27

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Power Scheduling - Operating Expense			
Power Scheduling	<p>Schedule and market an estimated 162.5 million megawatt hours (MWh) of electric energy to 150 BPA customers and Pacific Northwest's interconnected utilities. Major emphasis placed on scheduling and supporting implementation of intertie access policy and streamflow coordination with the water budget of the Fish and Wildlife program.</p>	<p>Schedule and market an estimated 161 million MWh of electric energy. Major emphasis will be scheduling and support implementation of intertie access policy and streamflow coordination with the water budget of the Fish and Wildlife program.</p>	<p>Continue activities as described for FY 1992.</p>
	\$ 6,651	\$ 9,800	\$ 10,200
Power Purchases	<p>BPA purchases power for resale or for the efficient operation of the power system. Changing assumptions of purchase from the members of the Northwest Coordination Agreement, variation in the terms of the Service and Exchange Agreements, BPA rates, weather conditions, and river regulation affect the amount budgeted for Power Purchases. FY 1991 requirement for power purchases reflect near normal streamflows within Columbia River Basin.</p>	<p>BPA will purchase power for resale or for the efficient operation of the power system. Changing assumptions of purchase from the members of the Northwest Coordination Agreement, variation in the terms of the Service and Exchange Agreements, BPA rates, and river regulation affect the amount budgeted for Power Purchases. The FY 1992 estimate for power purchases reflects assumptions tied to the shift in load/resource balance in BPA's firm energy load deficit and other short-term resource acquisitions. Funds for storage return are included in this activity beginning in FY 1991.</p>	<p>BPA will purchase power for resale or for the efficient operation of the power system. Changing assumptions of purchase from the members of the Northwest Coordination Agreement, variation in the terms of the Service and Exchange Agreements, BPA rates, and river regulation affect the amount budgeted for Power Purchases.</p>
	\$ 28,008	\$ 46,700	\$ 66,700

III. Power Scheduling - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Upstream Benefits	BPA pays non-federal parties with reservoirs upstream of Federal reservoirs to meet contractual obligations pursuant to the Pacific Northwest Coordination Agreement (PNCA). The PNCA requires Federal payment to non-federal reservoir operators for benefits derived from water storage at the non-federal upstream reservoirs.	Continue activities as described for FY 1991.	Continue activities as described for FY 1992.
	\$ 1,322	\$ 1,800	\$ 1,900
PNCA Interchange	Under terms of the Pacific Northwest Coordination Agreement (PNCA), BPA makes payments to other generating utilities for power received as interchange energy. Interchange energy is energy transferred between utilities either to supply all or a part of any deficiency between a utility's actual energy capability and its Firm Energy Load Carrying Capability or to return such energy to the supplying utility. Due to the load/resource energy balance in the region, expenditures in this activity are expected to increase substantially resulting in the decision to develop a separate budget forecast for the activity. This activity was previously not identified as a Program activity in the budget but was instead reflected as a decrease in the revenue estimate.	Continue activities as described for FY 1991.	Continue activities as described for FY 1992.
	\$ 2,066	\$ 22,500	\$ 23,500
Power Scheduling - Operating Expense	\$ 38,047	\$ 80,800	\$ 102,300

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BONNEVILLE POWER ADMINISTRATION FUND
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KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Planning Council - Operating Expense

This budget program provides funding for operation of the Pacific Northwest Power and Conservation Planning Council (Council). The Council of PNW State members was established pursuant to the Pacific Northwest Power Act of 1980. Its major activities center around the periodic preparation of a Northwest Conservation and Electric Power Plan (a 20-year electric energy demand and resource forecast and energy conservation program) and a Columbia River Basin Fish and Wildlife Program of loss mitigation and resource enhancement actions. The Council will monitor implementation of its Power Plan and Fish and Wildlife Program and revise them as changing conditions require. Major revisions will be undertaken every 5 years if no significant changes cause a major revision in the interim. The Power Plan Program was amended in FY 1991 and adoption of an amended Fish and Wildlife Program is scheduled in FY 1992.

Funding for the Council is provided by BPA and is recovered through BPA rates. The Pacific Northwest Power Act directs that expenses of the Council (subject to certain limits based on forecasted BPA power sales) shall be included in BPA's annual budget submitted to Congress pursuant to the Transmission Act of 1974.

II. A. Summary Table: Planning Council - Operating Expense

	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Program Activity				
Planning Council.....	\$ 7,288	\$ 7,900	\$ 8,000	+ 1
Total, Planning Council - Operating Expense	\$ 7,288	\$ 7,900	\$ 8,000	+ 1

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Planning Council - Operating Expense			
Planning Council			
Funding for Planning Council activities.			
	\$ 7,288	\$ 7,900	\$ 8,000
Planning Council - Operating Expense			
	\$ 7,288	\$ 7,900	\$ 8,000

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KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION:

I. Preface: Reimbursable

BPA enters into written agreements with Federal and non-Federal entities that have work or services to be performed by existing BPA staff at the expense of the benefitting utilities. The projects must be beneficial, under the one-utility concept, to BPA operations and to the Federal or non-Federal entity involved. Additionally, these activities contribute to more efficient or reliable construction, operation and maintenance of the Federal transmission system or otherwise enhance electric service to the region. This program consists of commodities, work or services furnished by BPA to Federal and non-Federal entities for which funds are received and credited to the Bonneville Fund. The majority of the program is for funding reimbursable power purchases. The FERC Coordination Agreement payment is a reimbursable activity in which BPA serves as an agent for non-Federal hydro operators for the collection of funds due to the U.S. Treasury pursuant to Section 10(f) of the Federal Power Act and the Pacific Northwest Coordination Agreement.

II. A. Summary Table: Reimbursable

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Short-Term Power Purchases.....	\$ 14,500	\$ 62,300	\$ 65,000	+ 4
Work Done for Others.....	7,474	32,600	14,400	- 56
Federal Energy Regulatory Commission (FERC) Coordination Agreement.....	3,134	3,600	3,600	0
Total, Reimbursable	\$ 25,108	\$ 98,500	\$ 83,000	- 16

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Reimbursable			
Short-Term Power Purchases	Reimbursable short-term power purchases for the Service and Exchange Agreement and the Industrial Replacement Energy (IRE) Agreement.	Reimbursable short-term power purchases for the Service and Exchange Agreement and the IRE Agreement. The increase over FY 1991 is due to higher level of reimbursable energy purchases under all the agreements.	Reimbursable short-term power purchases for the Service and Exchange Agreement and the IRE Agreement.
	\$ 14,500	\$ 62,300	\$ 65,000
Work Done for Others	Perform reimbursable work for others. This includes construction, operation and maintenance of transmission system facilities and related utility and general support for customers and other entities.	The activities remain the same as in FY 1991 but at an increased level. Transmission System Development work is substantially increased for FY 1992 only, to support work on the Third AC.	The activities remain the same as in FY 1992 but at a reduced level of effort.
	\$ 7,474	\$ 32,600	\$ 14,400
Federal Energy Regulatory Commission (FERC) Coordination Agreement	This item covers payments to the General Fund of the Treasury which the FERC determines are due the Federal Government pursuant to Section 10(f) of the Federal Power Act for downstream benefits realized at non-Federal hydroelectric projects as a result of storage releases from upstream Federal reservoirs. BPA will make payments on behalf of the non-Federal operators and in accordance with the Pacific Northwest Coordination Agreement. These Treasury payments offset a portion of the amount BPA owes for O&M expenses at the relevant Corps of Engineers and Bureau of Reclamation projects.	Continue FERC Coordination payments.	Continue FERC Coordination payments.
	\$ 3,134	\$ 3,600	\$ 3,600

III. Reimbursable (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Reimbursable	\$ 25,108	\$ 98,500	\$ 83,000

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(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Interest - Operating Expense

The Federal Columbia River Transmission System Act, as amended by the Pacific Northwest Power Act and replenished by Public Law 98-50, provided borrowing authority of \$3.75 billion to assist in financing the construction, acquisition, and replacement of the transmission system and to implement the Administrator's authority pursuant to the Pacific Northwest Power Act, including his authority to provide financial assistance for conservation measures, renewable resources, and fish and wildlife. This item covers the payment of interest to the U.S. Treasury on those borrowings. Interest estimates are a direct function of capital investment program levels and estimates of new plant-in-service for the FCRPS estimates.

II. A. Summary Table: Interest - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
BPA Bond Interest (Net).....	\$ 88,860	\$ 71,900	\$ 85,600	+ 19
BPA Appropriation Interest.....	56,065	59,000	59,000	0
Corps of Engineers Appropriation Interest.....	136,030	138,600	141,700	+ 2
Bureau of Reclamation Appropriation Interest....	25,941	32,100	35,500	+ 11
Total, Interest - Operating Expense	\$ 306,896	\$ 301,600	\$ 321,800	+ 7

III. Activity Descriptions:			
Program Activity	FY 1991	FY 1992	FY 1993
Interest - Operating Expense			
BPA Bond Interest (Net)	<p>Payment made to the U.S. Treasury of net interest due on outstanding bonds issued to finance construction, acquisition, and replacement of the transmission system, conservation measures, fish and wildlife projects and capital equipment. The amounts paid is net of Allowance for Funds Used During Construction (AFUDC) and of interest income.</p> <p>\$ 88,860</p>	<p>Continue payment to the U.S. Treasury of net interest due on outstanding bonds.</p> <p>\$ 71,900</p>	<p>Continue payment to the U.S. Treasury of net interest due on outstanding bonds.</p> <p>\$ 85,600</p>
BPA Appropriation Interest	<p>Interest payments on BPA appropriations debt incurred before self-financing.</p> <p>\$ 56,065</p>	<p>Interest payments on BPA appropriations debt incurred before self-financing.</p> <p>\$ 59,000</p>	<p>Interest payments on BPA appropriations debt incurred before self-financing.</p> <p>\$ 59,000</p>
Corps of Engineers Appropriation Interest	<p>This item covers payment to the Treasury for interest due on appropriated funds used to finance Corps of Engineers power generation facilities of the FCRPS. Also includes payments to the Treasury for interest due on appropriated funds used to finance Corps of Engineers' construction of mitigation hatchery facilities on the Lower Snake River authorized by the Water Development Act of 1976.</p> <p>\$ 136,030</p>	<p>Slight increase reflects change in interest costs of continued appropriations.</p> <p>\$ 138,600</p>	<p>Slight increase reflects change in interest costs of continued appropriations.</p> <p>\$ 141,700</p>
Bureau of Reclamation Appropriation Interest	<p>This item covers payments to the Reclamation Fund for the power share of the operation and maintenance costs of Bureau of Reclamation hydroelectric projects.</p>	<p>Interest costs on continued appropriations.</p>	<p>Interest costs on continued appropriations.</p>

III. Interest - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Bureau of Reclamation Appropriation Interest (Cont'd)	\$ 25,941	\$ 32,100	\$ 35,500
Interest - Operating Expense	\$ 306,896	\$ 301,600	\$ 321,800

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KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Associated Project Costs - Operating Expense

This program provides funding FCRPS for power related costs and liabilities of the U.S. Army Corps of Engineers and U.S. Bureau of Reclamation hydroelectric projects, in the Pacific Northwest which serve many purposes including flood control, navigation, irrigation, recreation and water supply. The projects supply about 87 percent of BPA's firm energy needs. Both agencies are emphasizing efficient power production from existing facilities and improvement of the performance and availability of power units. BPA is improving its oversight function and is currently working with both agencies to identify opportunities to reduce costs. BPA repays additional financing costs of FCRPS facilities through its Interest Expense and Capital Transfer budget programs. Pursuant to the Lower Snake River Compensation Plan (LSRCP), BPA is also responsible for the actual operations and maintenance (O&M) expenditures incurred as part of the LSRCP, and repays the Treasury accordingly.

II. A. Summary Table: Associated Project Costs - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Bureau of Reclamation O&M.....	\$ 32,688	\$ 41,900	\$ 43,300	+ 3
Bureau of Reclamation Amortization.....	1,141	100	0	-100
Corps of Engineers O&M.....	66,939	72,700	75,800	+ 4
Lower Snake River Compensation Plan O&M.....	8,633	11,100	11,600	+ 5
Total, Associated Project Costs - Operating Expense	\$ 109,401	\$ 125,800	\$ 130,700	+ 4

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Associated Project Costs - Operating Expense			
Bureau of Reclamation O&M	This item is for payments to the Reclamation Fund covering the costs of operation and maintenance of Bureau of Reclamation hydroelectric projects that are part of the FCRPS allocated to be repaid from BPA revenues.	Continue Bureau project cost support.	Continue Bureau project cost support.
	\$ 32,688	\$ 41,900	\$ 43,300
Bureau of Reclamation Amortization	Amortization of high interest rate Bureau of Reclamation debt.	Amortization of high interest rate Bureau of Reclamation debt.	No scheduled amortization.
	\$ 1,141	\$ 100	\$ 0
Corps of Engineers O&M	This item covers payments to the Treasury for the power share of the operation and maintenance costs of Corps of Engineers generating projects repayable from BPA revenues.	Continue Corps project cost support.	Continue Corps project cost support.
	\$ 66,939	\$ 72,700	\$ 75,800
Lower Snake River Compensation Plan O&M	Includes payments to the Treasury for the operation and maintenance of the Lower Snake River hatcheries pursuant to the LSRCP authorized by the Water Resources Development Act of 1976. In total, 22 hatchery facilities are planned. LSRCP stipulates that 100 percent of the anadromous fish and 83.8 percent of resident fish mitigation costs be repaid to the Treasury from power sales. The Corps of Engineers is constructing the hatchery facilities through direct appropriations. The Fish and Wildlife Service manages the	Increase reflects completion of the Clearwater hatchery construction and commencement of O&M.	Continue LSRCP payments.

III. Associated Project Costs - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Lower Snake River Compensation Plan O&M (Cont'd)	\$ 8,633	\$ 11,100	\$ 11,600
Associated Project Costs - Operating Expense	\$ 109,401	\$ 125,800	\$ 130,700

DEPARTMENT OF ENERGY
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BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Energy Resources - Operating Expense

The Energy Resource Program includes all BPA energy resource planning and contractual acquisition for conservation and generation. It also includes the annual costs for previously-contracted resources and associated oversight. The Energy Resources Program identifies the Administrator's load obligations, plans for the development of resources, and acquires resources as needed. The Pacific Northwest Electric Power Planning and Conservation Act of 1980 requires BPA to treat conservation as the region's highest priority resource in planning to meet the Administrator's load-serving obligations.

In FY 1991, BPA and the Washington Public Power Supply System (Supply System) continued refinancing the high-interest debt that funded construction of Washington Nuclear Project (WNP)-1, -2, and -3. Six bond sales have been completed. Lower debt-service estimates in FY 1991 and FY 1992 reflect additional up-front savings from the advance refunding of these Supply System bonds and the freeing-up of bond reserve funds. These one-time reserve funds reduce FY 1991 and FY 1992 expenses. Debt-service estimates in FY 1993 appear higher due to the prior year being abnormally low. The complete refinancing effort will reduce BPA's total debt service by an average of \$70 to \$80 million a year through the life of the bonds.

In formulating the FY 1993 Energy Resources Program expense funding levels, BPA examined program levels in the context of a changes in loads and resources since 1990, changes in program activities, the resource deficit, supply obligations, and the emphasis placed on acquiring all cost-effective resources as called for by the Northwest Power Planning Council's (Council) new 1991 Northwest Conservation and Electric Power Plan (Power Plan). Planned acquisitions include acquiring 64 average megawatts (aMW) of billing credits in FY's 1992-93 and 300 aMW of competitive acquisition in FY's 1992-97. Additionally, a prototype contract will be developed for the major plants pilot program, targeting 100 of the largest industrial plants served by BPA's customers.

Over eighty-five percent of the FY 1993 expense funding for this program is essentially fixed. It consists of generating plants' debt service of \$519.4 million, generating plants operations, maintenance, and preservation costs of \$354.9 million (including investor-owned utility (IOU) settlement costs for WNP-3), and the contractually committed costs for Eugene Water & Electric Board (EWEB) residential weatherization of \$1.9 million and Aluminum Smelters Conservation/Modernization of \$7.7 million. The remainder of the program that is subject to direct BPA control has been constrained to minimize adverse effects on wholesale power rates while still meeting essential program requirements.

Remaining budget requirements for this program are found in the capital program's Key Activity Summary for Energy Resources.

II. A. Summary Table: Energy Resources - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Residential Sector.....	\$ 23,504	\$ 33,700	\$ 31,900	- 5
Commercial Sector.....	7,021	16,100	21,000	+ 30
Industrial Sector.....	8,005	13,500	15,200	+ 13
Generation.....	11,328	15,300	20,000	+ 31
Trojan.....	78,748	77,200	75,600	- 2
Washington Nuclear Plant-1/Hanford Generating Project.....	154,399	158,400	183,800	+ 16
Washington Nuclear Plant-2.....	354,838	414,200	457,400	+ 10
Washington Nuclear Plant-3.....	86,591	134,600	152,200	+ 13
Large Thermal Oversight and Legal Services.....	8,361	20,400	16,000	- 22
Resource Planning.....	19,476	0	0	0
All Sources Acquisitions.....	0	20,400	35,200	+ 73
Total, Energy Resources - Operating Expense	\$ 752,271	\$ 903,800	\$ 1,008,300	+ 12

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Energy Resources - Operating Expense			
Residential Sector	Reimburse Eugene Water and Electric Board (EWEB) for residential weatherization. Reimburse local governments and utilities for enforcement of Model Conservation Standards (MCS). Continue the Super Good Cents marketing program. Conduct marketing and education activities for improved energy efficiencies for appliances and manufactured homes. Continue the State Technical Assistance Program to encourage efficient use of electrical energy and renewable resources.	Continue activities as described in FY 1991. Initiate offer of statewide MCS enforcement payments in Oregon. MCS support activities acquire 1.8 aMW. Increase due to support of manufactured homes incentive program.	Continue activities as described in FY 1992. MCS support activities acquire 2.6 aMW. Decrease is due to transition from Northwest Energy Code (NNEC) program to long-term MCS enforcement program in the state of Washington and reduction by one-half of the utilities participating in the Model Conservation Program.
	\$ 23,504	\$ 33,700	\$ 31,900

III. Energy Resources - Operating Expense (Cont'd):			
Program Activity	FY 1991	FY 1992	FY 1993
Commercial Sector	<p>Continue payments for the Purchase of Energy Savings (PES) Program. Study and carry out education activities for energy efficiency improvements in the commercial sector buildings. Develop a program to implement the Public Power Council's revised Model Conservation Standards for new commercial buildings. Continue support for Lighting Design Lab. Complete Commercial Retrofit End-use Study (CREUS). Support Electric Ideas Clearing House at full operational level.</p>	<p>Continue activities as described in FY 1991. Complete report on CREUS. Develop and implement second generation commercial demo projects to explore new technology and construction techniques. Implement the targeted commercial acquisition mechanism necessary as BPA nears load/resources balance (acquires 4 aMW). Increase due to increased technical and support activities and the targeted commercial acquisition mechanism.</p>	<p>Continue activities as described in FY 1992. Targeted commercial acquisition mechanism acquires 6 aMW. Increase due to higher level of technical and support activities and the targeted commercial acquisition mechanism.</p>
	\$ 7,021	\$ 16,100	\$ 21,000
Industrial Sector	<p>Includes payments for the Con/Mod Program to encourage installation of more efficient processes in smelters. Continue the Electric Ideas and DesignWise programs. Enhance the reliability of industrial conservation as a resource through R&D projects such as conservation and voltage reduction. Although the majority of aluminum plant efficiencies were brought on line in FY 1991, the payments for these efficiencies will continue for the next 10 years.</p>	<p>Continue activities as described in FY 1991. Increase in funding is due to additional payments for conservation measures implemented by major industrial facilities in the region. Industrial sector programs acquire 2.5 aMW.</p>	<p>Continue activities as described in FY 1992. Industrial sector programs acquire 4.0 aMW.</p>
	\$ 8,005	\$ 13,500	\$ 15,200

III. Energy Resources - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
<p>Generation</p> <p>Provide engineering support and continue generating resource R&D efforts in areas such as geothermal and hydropower. Conduct demonstrations, and institute programs to develop the most promising hydro system efficiency improvements. Acquire 100 percent of the Idaho Falls hydroelectric project capabilities. Provide oversight of the Idaho Falls and Cowitz Falls hydroelectric projects, Corps of Engineers budgets, Bureau of Reclamation budgets, and the Hydro Options contracts. Provide oversight for billing credits projects. Complete evaluations, begin negotiations and complete contract offers (contingent upon successful completion of the NEPA process) for competitive acquisitions. Put out solicitation and begin evaluations on contingency plan.</p> <p>The Columbia River Treaty between the U.S. and Canada is requiring greater attention as it nears its termination. New agreements between BPA and PMW parties are necessary to obligate Treaty beneficiaries to participate in the return of the Canadian benefits that accrue at U.S. generating projects. Treaty-related issues such as development of a method for limiting the Canadian Capacity Entitlement are also being analyzed.</p>		<p>Continue activities as described in FY 1991. Hydro system efficiency projects acquire 25 average megawatts (aMW). Billing credits acquire 12 aMW. Additional work is undertaken by the U.S. and Canada to better coordinate the MW power system with the western Canadian power system, resulting in significant efficiencies for both systems. Discussions with Canada to develop mutually beneficial arrangements are also underway.</p>	<p>Continue activities as described in FY 1991 and 1992. Increase due to greater generation acquisition through billing credits (27 aMW) and all-sources competitive acquisition activities (50 aMW).</p>
Trojan	\$ 11,328	\$ 15,300	\$ 20,000
	Continue to acquire capabilities of 30 percent of the Trojan Nuclear Plant. include costs of advance purchase of nuclear fuel.	Continue to acquire capabilities of 30 percent of the Trojan Nuclear Plant.	Continue to acquire capabilities of 30 percent of the Trojan Nuclear Plant.

III. Energy Resources - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Trojan (Cont'd)			
Washington Nuclear Plant-1/Hanford Generating Project	\$ 78,748	\$ 77,200	\$ 75,600
	Continue to fulfill contractual obligations for WNP-1 and Hanford Generating Project (HGP). Reflects up-front savings from advance bond refunding.	Continue to fulfill contractual obligations for WNP-1 and HGP. Additional up-front debt service savings from advance bond refunding are reflected.	Continue to fulfill contractual obligations for WNP-1 and HGP.
Washington Nuclear Plant-2	\$ 154,399	\$ 158,400	\$ 183,800
	Continue to acquire full capability of WNP-2. Reflects up-front debt service savings from advance bond refunding.	Continue to acquire full capability of WNP-2. Includes Megawatt Improvement Project, fuel and debt service. Additional up-front debt service savings from advance bond refunding are reflected.	Continue to acquire full capability of WNP-2. Apparent increase due to end of up-front savings from advance bond refunding.
Washington Nuclear Plant-3	\$ 354,838	\$ 414,200	\$ 457,400
	Continue to fulfill contractual obligations for WNP-3. Reflects up-front debt service savings from advance bond refunding.	Continue to fulfill contractual obligations. Apparent increases due to end of up-front savings from advance bond refunding.	Continue to fulfill contractual obligations.
Large Thermal Oversight and Legal Services	\$ 86,591	\$ 134,600	\$ 152,200
	Provide oversight of large thermal generating plants from which BPA purchases capability to insure that all BPA approval rights are protected; coordinate, communicate, and administer agreements, issues, and programs between BPA and the project owners. Provide litigation support to the Department of Justice relating to BPA's large thermal acquisitions such as the Supply System. Includes costs to document cost sharing litigation on WNP-4 and WNP-5.	Continue legal and oversight activities including preparation for cost sharing litigation on WNP-4 and WNP-5. Includes costs for full scale discovery in cost sharing case and MDL-551.	Continue legal and oversight activities as previously described.

III. Energy Resources - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Large Thermal Oversight and Legal Services (Cont'd)			
Resource Planning	\$ 8,361	\$ 20,400	\$ 16,000
	Supports BPA's efforts to meet load growth by first determining load growth and possible resource shortfalls and then developing least-cost path to meet load growth.	Beginning in FY 1992, Resource Planning will be moved to the individual acquisition programs and reflected in those amounts.	Activity moved to individual acquisition programs. (See FY 1992 narrative.)
All Sources Acquisitions	\$ 19,476	\$ 0	\$ 0
	Beginning in FY 1992 reflects BPA's expenditures to acquire both generation and conservation. Programs include billing credits and competitive acquisition solicitation which was begun in FY 1991.	Beginning in FY 1992 reflects BPA's expenditures to acquire both generation and conservation. Programs include billing credits and competitive acquisition solicitation which was begun in FY 1991.	Continue activities as in FY 1992.
Energy Resources - Operating Expense	\$ 0	\$ 20,400	\$ 35,200
	\$ 752,271	\$ 903,800	\$ 1,008,300

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Transmission System Development - Operating Expense

Provides support to the Transmission System Development and System Maintenance and Replacements programs through in-house power transmission research and development (R&D) efforts. Other support activities, such as planning, budget and project scheduling are provided to the Transmission System Development Program. In-house R&D is primarily applications development for specific program needs of the BPA Power System. FY 1992 in-house efforts will focus on: 1) developing improved, reduced cost alternatives for meeting power transmission and analysis needs, particularly the unique needs of the Pacific Northwest-Pacific Southwest interties; 2) extending the useful life and capacity of existing facilities; 3) increasing the effectiveness of BPA's system operations and maintenance program; 4) assuring the safety and reliability of the power transmission system; 5) investigating the impacts of BPA's program, technologies, and facilities to assure environmental compatibility; and 6) investigating emerging technologies, such as superconductivity and artificial intelligence, to determine possible applications on the BPA System.

This program also includes accounting adjustments resulting from an analysis of outstanding capital work orders to determine whether they should be expensed.

The planned capital investments for the Transmission System Development Program are found in a separate key activity summary.

II. A. Summary Table: Transmission System Development - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Transmission R&D and Program Support.....	\$ 21,060	\$ 22,500	\$ 23,900	+ 6
Capital to Expense Adjustments.....	0	5,000	5,000	0
Total, Transmission System Development - Operating Expense	\$ 21,060	\$ 27,500	\$ 28,900	+ 5

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Transmission System Development - Operating Expense			
Transmission R&D and Program Support	<p>Conduct in-house transmission system research and development. Conduct studies on electro-magnetic fields and HVDC outage reduction. Develop methods to uprate existing facilities and reduce maintenance costs. Investigate artificial intelligence/expert systems. Provide general program support activities, such as planning, budgeting, scheduling, etc.</p> <p>\$ 21,060</p>	<p>Conduct in-house Transmission System research and development. Conduct studies on electro-magnetic fields and the uprating of existing transmission lines. Investigate long-range transmission system requirements. Improve tools for system planning and analysis. Provide general program support activities, such as planning, budgeting, scheduling, etc.</p> <p>\$ 22,500</p>	<p>Conduct in-house Transmission System research and development. Conduct studies on electro-magnetic fields and the uprating of existing transmission lines. Investigate long-range transmission system requirements. Improve tools for system planning and analysis. Provide general program support activities, such as planning, budgeting, scheduling, etc.</p> <p>\$ 23,900</p>
Capital to Expense Adjustments	<p>Annually, BPA analyzes its outstanding capital work orders to assess whether they should be expensed. No capital to expense adjustments were booked in FY 1991.</p> <p>\$ 0</p>	<p>Approximately \$5 million of work orders is estimated to be expensed.</p> <p>\$ 5,000</p>	<p>Approximately \$5 million of work orders is estimated to be expensed.</p> <p>\$ 5,000</p>
Transmission System Development - Operating Expense	\$ 21,060	\$ 27,500	\$ 28,900

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: System Maintenance - Operating Expense

The System Maintenance Program provides for the preventive and corrective maintenance of BPA's electric power transmission system including: high-voltage transmission lines, substations and related equipment, control system, BPA-owned or leased real property, and non-electric facilities.

For several years, BPA has constrained its maintenance program due to overall cost pressures on its rates. A backlog of about 11,000 maintenance tasks has resulted. BPA has begun a "catch-up" drive to reduce the maintenance backlog and increase its preventive maintenance. In August 1990, BPA completed the Operations, Maintenance and Replacement 10-Year Plan. The Plan's objective is to achieve a leveled program assuring high system reliability over the next 10 years. The System Maintenance Program has begun implementing the strategies called for in the Plan.

II. A. Summary Table: System Maintenance - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Transmission Line Maintenance.....	\$ 24,664	\$ 23,700	\$ 25,900	+ 9
Substation Maintenance.....	28,411	27,600	29,100	+ 5
System Protection Maintenance.....	9,433	9,600	9,800	+ 2
Power System Control Maintenance.....	13,785	13,500	14,100	+ 4
Nonelectric Plant Maintenance.....	7,301	6,300	6,600	+ 5
Maintenance Standards & Engineering.....	8,250	8,600	8,900	+ 3
Pollution Control/Abatement.....	11,890	12,600	10,900	- 13
Total, System Maintenance - Operating Expense	\$ 103,734	\$ 101,900	\$ 105,300	+ 3

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
System Maintenance - Operating Expense			
Transmission Line Maintenance	<p>The Transmission Line Maintenance activity maintains BPA's transmission system. This element's mission is to maintain and repair high voltage transmission lines, thereby assuring safe, reliable, and economical delivery of electric power to the region's customers and interconnected systems.</p> <p>The Transmission Line Maintenance Program serves 14,780 circuit miles of line which is a combination of both wood and steel lines. Over 4,000 of these circuit miles are 500-kV transmission (EHV) which is two and one-half times more labor intensive than lower transmission voltages, although it is more efficient in transmission of power.</p>	<p>Activities are the same as in FY 1991. Decrease reflects adjustments in forecasts for brush cutting and wood pole treatments.</p>	<p>Activities remain the same as in FY 1992. Increase is for adjustments in brush cutting and wood pole treatment forecasts.</p>
Substation Maintenance	<p>The Substation Maintenance activity provides for service and repair of the transmission system power equipment located at 387 substations and other related facilities. Activities involve more than 25,000 pieces of equipment, occur at more than 400 work sites annually, and consume more than 200 FTE. The mechanical nature of the equipment which includes circuit breakers, transformers, capacitors, and switches, requires that it receive regular preventive maintenance to perform with dependability and as intended. Unanticipated equipment problems require corrective maintenance to restore system operation to normal as quickly as possible.</p>	<p>The activities remain the same as in FY 1991. The decrease from FY 1991 is a temporary reduction in the spare parts program.</p>	<p>The activities remain the same as in FY 1992. The increase over the FY 1992 level is due to restoration of spare parts to required levels.</p>
	\$ 24,664	\$ 23,700	\$ 25,900

III. System Maintenance - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Substation Maintenance (Cont'd)	\$ 28,411	\$ 27,600	\$ 29,100
System Protection Maintenance	System Protection Maintenance provides for the maintenance of relaying and metering equipment used to control and protect the electrical transmission system and meter energy transfers for the purpose of revenue billing. Key elements of this activity are preventive and corrective maintenance of all control systems, including digital-based systems and power system relays to insure no increase in customer outage rates or major equipment damage. Additionally, field engineering services provide technical advice and assure the correct operation of power system relaying and special control systems used to support inter-regional energy transmission capabilities.	The activities remain the same as stated for FY 1991.	The activities remain the same as stated for FY 1992.
Power System Control Maintenance	\$ 9,433	\$ 9,600	\$ 9,800
	The maintenance responsibilities of the Power System Control (PSC) function covers the testing, repair, and field engineering support (in both the corrective and preventive modes) of BPA's highly complex equipment, communications and control systems. Included within the PSC area of responsibility are seven major microwave systems; two major control centers; two SCADA systems; RDDS; and other critical communications and control systems that support the power system.	The activities remain the same as in FY 1991.	The activities remain the same as in FY 1992.
	\$ 13,785	\$ 13,500	\$ 14,100

III. System Maintenance - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Nonelectric Plant Maintenance	<p>The Non-Electric Maintenance activity provides for the preventive and corrective maintenance of BPA's non-electric facilities. This activity includes site; building and building utility maintenance; custodial services; station utility; transportation maintenance; and other maintenance service activities on BPA-owned or leased non-electric facilities. The program is implemented by three Areas through the Area Operations organizations and the Facilities Manager in the Lower Columbia Area.</p>	<p>The activities continue as in FY 1991. The reduction from FY 1991 reflects completion of remedial actions at various facilities in that year.</p>	<p>The activities continue as in FY 1992.</p>
Maintenance Standards & Engineering	<p>This activity provides for establishing, monitoring, and updating system maintenance standards, policies, and procedures. It provides for the review and update of long-range plans for maintenance of the electric power transmission system emphasizing increased productivity and preventive maintenance.</p>	<p>Increased technical support for management of the Transmission Line Maintenance, Substation Maintenance programs.</p>	<p>Activities remain the same as in FY 1992.</p>
Pollution Control/Abatement	<p>The environmental activity provides for a full range of environmental and pollution abatement planning and management actions of the Bonneville power system. The scope includes: 1) program evaluation and development, 2) environmental planning and review, 3) environmental inventory and investigation, 4) prevention/remedial actions, 5) certification training, 6) monitoring, and 7) waste management/minimization guidance. The purpose of the activity is to support</p>	<p>The activities remain the same as FY 1991. Includes completion of interim remedial actions at the Ross complex and other facilities.</p>	<p>The activities remain the same as FY 1992. Reduction reflects completion of interim remedial actions at the Ross complex and other facilities.</p>

III. System Maintenance - Operating Expense (Cont'd):

Program Activity	FY 1991	FY 1992	FY 1993
Pollution Control/Abatement (Cont'd)			
and sustain prudent facility maintenance and to accommodate compliance with environmental protection and pollution control statutes. These activities are performed on an ongoing basis and are likely to include occasional pollution incident response activities on the power system.	\$ 11,890	\$ 12,600	\$ 10,900
System Maintenance - Operating Expense	\$ 103,734	\$ 101,900	\$ 105,300

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Fish and Wildlife - Operating Expense

Provides for protection, enhancement, and loss mitigation of Columbia River Basin fish and wildlife affected by the development and operation of hydroelectric projects on the Columbia River and its tributaries pursuant to Section 4(h) of the Pacific Northwest Power Act. BPA discharges a major portion of its fish and wildlife responsibilities, and reduces the Administrator's obligation, by funding projects and activities designed to carry out the intent of the Northwest Power Planning Council's (Council) Fish and Wildlife Program. BPA's fish and wildlife expense funds are directed at activities that increase numbers of Columbia River Basin fish and wildlife resources. There include projects designed to improve juvenile fish passage at mainstem dams, resource studies and evaluation, facility planning, and facility operation and maintenance, as well as minor construction (i.e., a facility costing less than \$1 million, with an economic life of less than 15 years). Funding priority is afforded salmon and steelhead runs, particularly wild/natural stocks originating above Bonneville Dam. Some of these stocks are being reviewed for possible listing under the Endangered Species Act.

Remaining budget requirements for this program are found in the capital program's Key Activity Summary for Fish & Wildlife.

II. A. Summary Table: Fish and Wildlife - Operating Expense

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
Anadromous Fish.....	\$ 34,124	\$ 44,700	\$ 50,400	+ 13
Resident Fish.....	2,825	2,600	1,900	- 27
Wildlife.....	3,743	7,800	12,400	+ 59
Operations and Maintenance.....	1,496	3,100	4,100	+ 32
Total, Fish and Wildlife - Operating Expense	\$ 42,188	\$ 58,200	\$ 68,800	+ 18

III. Activity Descriptions:			
Program Activity	FY 1991	FY 1992	FY 1993
Fish and Wildlife - Operating Expense			
Anadromous Fish	<p>Continue Pacific Northwest Power Act responsibilities and Council Fish and Wildlife Program funding based on measures installed in FY 1990 and before. Increase over FY 1990 reflects implementation activities associated with proposed listings under the Endangered Species Act (ESA). Continue development of habitat/passage, downstream migration, and disease and artificial production improvements methods.</p>	<p>Continue efforts initiated in FY 1991 and prior years. A major focus will be ESA with initiation of priority projects from the Corvallis Phase II Amendment. No projects, stemming from completion of the System and Subbasin Planning Process, will be initiated in those areas deemed highest priority.</p>	<p>Continue efforts initiated in FY 1991 and prior years. Increases due to ESA with initiation of priority projects from the Corvallis Phase II Amendment. New projects, stemming from completion of the System and Subbasin Planning Process, will be initiated in those areas deemed highest priority.</p>
	\$ 34,124	\$ 44,700	\$ 50,400
Resident Fish	<p>Continue ongoing studies of reservoir operation effects on fish. Continue in-stream flow studies and white sturgeon habitat requirements.</p>	<p>Continue efforts initiated in FY 1991 and prior years. Activity reflects completion of measures outlined in the Council's 1987 amendment to the Fish and Wildlife Program priorities.</p>	<p>Continue efforts initiated in FY 1991 and prior years. Decrease reflects completion of measures outlined in the Council's 1987 amendment to the Fish and Wildlife Program priorities.</p>
	\$ 2,825	\$ 2,600	\$ 1,900
Wildlife	<p>Continue wildlife loss assessments and further development of wildlife mitigation plans and initiate wildlife mitigation actions. Continue mitigation efforts in Montana for Libby and Hungry Horse dams under the Montana Wildlife Trust. Increase reflects initiation of actions resulting from Council's amendments to the Fish and Wildlife Program in 1990 for wildlife enhancement.</p>	<p>Continue the FY 1991 program including funding for the Montana Wildlife Trust and initiation of further wildlife actions resulting from Council Fish and Wildlife Program amendments in 1990 for wildlife mitigation.</p>	<p>Continue the FY 1991 program including funding for the Montana Wildlife Trust and initiation of further wildlife actions resulting from Council Fish and Wildlife Program amendments in 1990 for wildlife mitigation.</p>
	\$ 3,743	\$ 7,800	\$ 12,400

III. Fish and Wildlife - Operating Expense (Cont'd):			
Program Activity	FY 1991	FY 1992	FY 1993
Operations and Maintenance	Funding reflects completion of fish capital projects funded by BPA.	Increase reflects schedule of completed projects entering the O&M phase in implementation.	Increase reflects schedule of completed projects entering the O&M phase in implementation.
	\$ 1,496	\$ 3,100	\$ 4,100
Fish and Wildlife - Operating Expense	\$ 42,188	\$ 58,200	\$ 68,800

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND
(dollars in thousands)

KEY ACTIVITY SUMMARY

BONNEVILLE POWER ADMINISTRATION

I. Preface: Capital Transfers

Capital Transfers are funds conveyed to the U.S. Treasury for repayment of certain Federal Columbia River Power System (FCRPS) costs not included in Interest and Associated Project Costs budgets. Capital transfers are cash transactions and, as such, are not considered budget obligations.

II. A. Summary Table: Capital Transfers

Program Activity	FY 1991 Actual	FY 1992 Estimate	FY 1993 Request	% Change
BPA Bond Amortization.....	\$ 132,926	\$ 239,300	\$ 228,600	- 4
Corps Appropriation Amortization.....	42,251	7,100	17,800	+151
Total, Capital Transfers	\$ 175,177	\$ 246,400	\$ 246,400	0

III. Activity Descriptions:

Program Activity	FY 1991	FY 1992	FY 1993
Capital Transfers			
GPA Bond Amortization			
This item covers repayments to the U.S. Treasury for Federal investment in transmission facilities since 1974. This item also covers repayment of bonds issued in support of conservation and fish and wildlife since the passage of the PNW Power Act in 1980.		This item covers repayments to the U.S. Treasury for Federal investment in transmission facilities since 1974. This item also covers repayment of bonds issued in support of conservation and fish and wildlife since the passage of the PNW Power Act in 1980.	This item covers repayments to the U.S. Treasury for Federal investment in transmission facilities since 1974. This item also covers repayment of bonds issued in support of conservation and fish and wildlife since the passage of the PNW Power Act in 1980.
	\$ 132,926	\$ 239,300	\$ 228,600
Corps Appropriation Amortization			
This item covers repayments to the Treasury for unpaid appropriations on the power segment of Corps of Engineers projects in the Federal Columbia River Power System.		This item covers repayments to the Treasury for unpaid appropriations on the power segment of Corps of Engineers projects in the Federal Columbia River Power System.	This item covers repayments to the Treasury for unpaid appropriations on the power segment of Corps of Engineers projects in the Federal Columbia River Power System.
	\$ 42,251	\$ 7,100	\$ 17,800
Capital Transfers	\$ 175,177	\$ 246,400	\$ 246,400

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION FUND

PROPOSED APPROPRIATIONS LANGUAGE

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for the Springfield Hatchery Production Facility, Dryden Dam Fish Screens, Bonneville Fish Sampling Facility, and Hungry Horse Resident Fish Hatchery; and 1/ the purchase, operation and maintenance of two rotary-wing aircraft for replacement only; 2/ and for official reception and representation expenses in an amount not to exceed [\$3,000] \$10,000. 3/

During fiscal year [1992] 1993, no new direct loan obligations may be made.

- 1/ Proposed language provides approval to construct fish and wildlife facilities in accord with the Pacific Northwest Electric Power Planning and Conservation Act (PL 96-501).
- 2/ Proposed language provides authority to purchase two rotary-wing aircraft for replacement only. An A-76 cost comparison study, which updates the cost portion of the full A-76 analysis completed last year, has been performed indicating that the purchase of these aircraft is in the Government's best interest.
- 3/ Proposed language increases annual limitation of BPA use of the BPA Fund for official reception and representation expenses to allow BPA more flexibility to meet its expanded public involvement and electric utility responsibilities with its customers and interested parties. Both the immediate objects of expenditure and general purposes to be served thereby are consistent with the Administrator's statutory authorities under Sections 2(f) and 9(b) of the Bonneville Project Act, 16 U.S.C. §§ 832a(f) and 832h(b), Section 11 of the Federal Columbia River Transmission System Act, 16 U.S.C. §§ 838(i), and Section 9 of the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839(f). BPA official reception and representation expenses will be paid out of the BPA Fund and recovered through revenues from BPA's power sales and services.

**DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES**

PROGRAM & FINANCING SUMMARY

(in thousands of dollars)

24-Dec-91

Identification Code: 89-4045-0-3-271

Program by activities:

Operating expenses:

0.01 Residential Exchange
0.02 System Operations
0.03 Power Marketing
0.04 Power Scheduling
0.05 Planning Council
0.06 Interest
0.07 Energy Resources
0.08 Trans. System Development
0.09 System Maintenance
0.10 Fish & Wildlife

Associated Project Costs:

0.20 Bureau of Reclamation
0.21 Corps of Engineers
0.23 U.S. Fish & Wildlife Service

0.91 Total operating expenses 1/

Capital investment:

01.01 Energy Resources
01.02 Trans. System Development
01.03 System Replacements
01.04 Capital Equipment
01.05 Fish & Wildlife

01.07 Total capital investment 2/

02.01 Reimbursable program

10.00 Total obligations

	1991 act.	1992 est.	1993 est.	1994 est.	1995 est.	1996 est.	1997 est.
0.01 Residential Exchange	892,067	912,200	927,600	1,206,300	1,263,200	1,326,500	1,391,000
0.02 System Operations	29,865	33,300	34,700	36,400	38,000	39,700	41,400
0.03 Power Marketing	48,736	58,800	61,400	64,600	67,600	71,000	74,700
0.04 Power Scheduling	38,047	90,800	102,300	124,600	130,400	136,700	143,400
0.05 Planning Council	7,288	7,900	8,000	8,300	8,600	8,900	8,900
0.06 Interest	306,896	301,600	321,800	334,400	336,300	326,900	340,100
0.07 Energy Resources	752,271	903,800	1,008,300	1,046,200	1,096,800	1,145,700	1,175,200
0.08 Trans. System Development	21,060	27,500	28,900	30,400	31,500	33,000	34,100
0.09 System Maintenance	103,744	101,900	105,300	111,600	116,600	122,200	128,200
0.10 Fish & Wildlife	42,188	58,200	68,800	60,100	63,000	68,500	72,200
0.20 Bureau of Reclamation	33,829	42,000	43,300	88,900	82,100	120,400	52,400
0.21 Corps of Engineers	66,939	72,700	75,800	79,600	83,300	88,100	93,900
0.23 U.S. Fish & Wildlife Service	8,633	11,100	11,600	12,100	12,300	12,300	12,500
0.91 Total operating expenses 1/	2,351,563	2,611,800	2,797,800	3,203,500	3,329,700	3,499,900	3,568,000
01.01 Energy Resources	50,677	74,100	81,800	85,400	86,700	85,200	91,800
01.02 Trans. System Development	128,979	194,300	225,700	163,900	172,300	163,700	230,900
01.03 System Replacements	67,169	68,900	78,100	66,400	77,900	76,900	81,000
01.04 Capital Equipment	6,346	8,900	7,200	9,900	9,000	9,400	9,800
01.05 Fish & Wildlife	11,815	15,500	24,300	45,500	25,600	25,100	19,100
01.07 Total capital investment 2/	264,986	361,700	417,100	371,100	371,500	360,300	432,600
02.01 Reimbursable program	25,108	98,500	83,000	82,700	85,900	89,900	94,000
10.00 Total obligations	2,641,657	3,072,000	3,297,900	3,657,300	3,787,100	3,950,100	4,094,600

1/ Reflects expensed obligations, not accrued expenses.

2/ Reflects capital obligations, not capital expenditures.

Program and Financing (continued)

	1981 act.	1982 est.	1983 est.	1984 est.	1985 est.	1986 est.	1987 est.
21.47 Unobligated balance available, start of year: Authority to borrow	0	0	(318,300)	(321,801)	(401,101)	(475,701)	(537,501)
21.90 Unobligated balance available, start of year: Treasury balance 3/	(185,664)	(430,899)	(182,099)	(135,298)	(135,298)	(135,298)	(135,298)
24.47 Unobligated balance available, end of year: Authority to borrow	0	318,300	321,801	401,101	475,701	537,501	649,501
24.90 Unobligated balance available, end of year: Treasury balance 3/	430,899	182,099	135,298	135,298	135,298	135,298	135,298
25.00 Unobligated balance lapsing 4/	132,345	0	0	0	0	0	0
39.00 Budget authority (gross)	3,019,237	3,141,500	3,254,600	3,736,600	3,861,700	4,011,900	4,206,600
Budget Authority:							
67.15 Permanent Authority: Authority to borrow (Indefinite) 5/	264,986	340,300	372,800	371,100	371,500	360,300	432,600
68.00 Spending authority from off-setting collections 6/	2,929,428	3,047,600	3,128,200	3,594,500	3,750,100	3,901,200	4,056,700
68.47 Portion applied to debt reduction 7/	(175,177)	(246,400)	(246,400)	(229,000)	(259,900)	(249,600)	(282,700)
68.90 Spending authority from offsetting collections (adjusted)	2,754,251	2,801,200	2,881,800	3,365,500	3,490,200	3,651,600	3,774,000
Relation of obligations to outlays:							
71.00 Total obligations	2,641,657	3,072,000	3,297,900	3,657,300	3,787,100	3,950,100	4,094,600
Obligated balance, start of year:							
72.47 Authority to borrow	175,546	198,187	231,087	273,087	273,087	273,087	273,087
72.90 Treasury balance 3/	97,097	164,661	164,661	164,661	164,661	164,661	164,661
Obligated balance, end of year:							
74.47 Authority to borrow	(198,187)	(231,087)	(273,087)	(273,087)	(273,087)	(273,087)	(273,087)
74.90 Treasury balance 3/	(164,661)	(164,661)	(164,661)	(164,661)	(164,661)	(164,661)	(164,661)
87.00 Outlays (gross)	2,551,452	3,039,100	3,255,900	3,657,300	3,787,100	3,950,100	4,094,600
Adjustments to budget authority and outlays:							
Deductions for offsetting collections:							
88.00 Federal funds	(41,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
88.40 Non-Federal sources	(2,888,428)	(3,002,600)	(3,083,200)	(3,549,500)	(3,705,100)	(3,856,200)	(4,011,700)
88.90 Total, offsetting collections	(2,929,428)	(3,047,600)	(3,128,200)	(3,594,500)	(3,750,100)	(3,901,200)	(4,056,700)
89.00 Budget authority (net)	89,809	93,900	126,400	142,100	111,600	110,700	149,900
90.00 Outlays (net)	(377,876)	(8,500)	127,700	62,800	37,000	48,900	37,900

Financing:

- 21.47 Unobligated balance available, start of year: Authority to borrow
- 21.90 Unobligated balance available, start of year: Treasury balance 3/
- 24.47 Unobligated balance available, end of year: Authority to borrow
- 24.90 Unobligated balance available, end of year: Treasury balance 3/
- 25.00 Unobligated balance lapsing 4/
- 39.00 Budget authority (gross)

Budget Authority:

- 67.15 Permanent Authority: Authority to borrow (Indefinite) 5/
- 68.00 Spending authority from off-setting collections 6/
- 68.47 Portion applied to debt reduction 7/
- 68.90 Spending authority from offsetting collections (adjusted)

Relation of obligations to outlays:

- 71.00 Total obligations
- Obligated balance, start of year:
- 72.47 Authority to borrow
- 72.90 Treasury balance 3/
- Obligated balance, end of year:
- 74.47 Authority to borrow
- 74.90 Treasury balance 3/
- 87.00 Outlays (gross)

Adjustments to budget authority and outlays:

- Deductions for offsetting collections:
- 88.00 Federal funds
- 88.40 Non-Federal sources
- 88.90 Total, offsetting collections
- 89.00 Budget authority (net)
- 90.00 Outlays (net)

3/ FY 1993-96 Treasury balance and unobligated balance estimates assume that BPA will limit borrowing to the amount needed to achieve a minimum working capital balance of \$300 million. Actual Treasury borrowing and cash balances will be different, depending on net revenues, Treasury interest rates, and other cash management factors. Borrowing could be higher such that cash balances at the end of each year could equal total reserves (shown on BP-5).

4/ Bonneville's budget authority (line 39.00) includes borrowing authority and offsetting collections. Offsetting collections (primarily revenues from the sale of electrical power) are subject to large swings, and are normally planned to be higher than the sum of BPA's expensed and reimbursable obligations (lines 0.91 and 02.01) and debt reduction (line 68.47, referred to as capital transfers on BP-3). For BPA, lines 21.47, 24.47 and 25.00 reflect the difference between budgetary resources made available and obligations.

5/ FY 1993 Borrowing authority has been reduced by \$44,300 to reflect the assumption in the President's budget that non-Federal participants in the Third AC Interline will provide up-front funding. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.

6/ FY 1993 Spending Authority from Offsetting Collections has been increased by \$44,300 to reflect the assumption in the President's budget that payments will be received from non-Federal participants in the Third AC Interline.

7/ Includes amortization of BPA and Corps of Engineers appropriations and amortization of BPA bonds. Line 68.47 is referred to as capital transfers on BP-3.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

A-11-32C

PROGRAM & FINANCING SUMMARY
Impact of Repayment Proposal
(in thousands of dollars)

Identification Code: 89-4045-2-3-271		1991 est.	1992 est.	1993 est.	1994 est.	1995 est.	1996 est.	1997 est.
10.00	Total obligations	-	-	-	-	-	-	-
68.00	Spending Authority from Offsetting Collections	-	-	288,600	313,000	312,900	312,500	334,200
68.47	Portion applied to Debt Reduction 1/	-	-	(45,500)	(101,100)	(84,300)	(113,500)	(43,600)
68.90	Spending Authority from Offsetting Collections (adjusted)	-	-	243,100	211,900	228,600	199,000	290,600
88.40	Non-Federal sources	-	-	288,600	313,000	312,900	312,500	334,200
88.90	Total, Offsetting Collections	-	-	288,600	313,000	312,900	312,500	334,200
89.00	Budget Authority, net	-	-	(288,600)	(313,000)	(312,900)	(312,500)	(334,200)
90.00	Outlays, net	-	-	(288,600)	(313,000)	(312,900)	(312,500)	(334,200)

NOTE: Legislation is being proposed that will change BPA's repayment methodology beginning in FY 1993. The proposal would require that all appropriated debt, excluding irrigation debt, 1) be refinanced at the average long-term Treasury rates that were in effect at the time each project, addition, or replacement went into service and 2) be put on a regular schedule of annual payments based on a mortgage-type schedule. BPA believes it would be required to raise its rates to finance increases in payments to the US Treasury totaling \$288,600 in FY 1993, \$313,000 in FY 1994, \$312,900 in FY 1995, \$312,500 in FY 1996, and \$334,200 in FY 1997. In order to simplify the presentation of repayment reform, BPA has been asked to show in this table the full benefits from reform for the government as a whole (both increased principal and interest payments). In reality, accounts for the Treasury, the Bureau of Reclamation, and the Corps of Engineers would all be credited with the portion of repayment reform that pertains to them. The true impact on BPA's budget would be the change in line 68.47: Portion applied to Debt Reduction.

1/ Reflects change in amortization for Corps and BPA appropriations and for BPA bonds.

A-11-15A

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION FUND
 CURRENT SERVICES

ANALYSIS OF RESOURCES

(in thousands of dollars)

Budget Account: 89-4045-0-3-271

Budget Authority (net)

Outlays (net)

Full-time equivalent employment (workyears): Total

FY 1993
Agency Request
126,400
127,700
3,550

FY 1992
93,900
(8,500)
3,550

FY 1991
89,809
(377,976)
3,399

FY 1997
149,900
37,900

FY 1996
110,700
48,900

FY 1995
111,600
37,000

FY 1994
142,100
62,800

Budget Authority (net)

Outlays (net)

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES

A-11-33B

STATUS OF DIRECT LOANS
(in thousands of dollars)

Budget Account: 89-4045-0-3-271

Position with respect to appropriations act
limitation on obligations:

1111 Limitation on direct loans to the public

1112 Unobligated direct loan limitation

1150 Total, direct loan obligations

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year

Disbursements:

1231 Direct loan disbursements

Repayments:

1251 Repayments and prepayments

1290 Outstanding, end of year

	1991 actual	1992 est.	1993 est.	1994 est.	1995 est.	1996 est.	1997 est.
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,632	3,434	3,200	2,900	2,600	2,300	2,000
	0	0	0	0	0	0	0
	(198)	(234)	(300)	(300)	(300)	(300)	(300)
	3,434	3,200	2,900	2,600	2,300	2,000	1,700

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

PROGRAM AND PERFORMANCE

The Bonneville Power Administration (BPA) is the Federal electric power marketing agency in the Pacific Northwest. BPA markets hydroelectric power from 21 multipurpose water resource projects of the U.S. Army Corps of Engineers and 9 projects of the U.S. Bureau of Reclamation, plus some energy from non-Federal generating projects in the region. These generating resources and BPA's transmission system, planned by the end of FY 1993 to consist of an estimated 14,794 circuit-miles of high-voltage transmission lines and 389 substations, are operated as an integrated power system with operating and financial results combined and reported as the Federal Columbia River Power System. BPA is the largest power wholesaler in the Northwest and provides about four-fifths of the region's electric power transmission capacity.

BPA is responsible for meeting the net firm power requirements of its requesting customers through a variety of means, including energy conservation programs, acquisition of renewable and other resources, and power exchanges with utilities both in and outside the region.

BPA will finance its operations on the basis of the self-financing authority provided by the Federal Columbia River Transmission System Act of 1974 (Transmission Act) (Public Law 93-454) and the new borrowing authority provided by the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act) (Public Law 96-501) for energy conservation, renewable energy resources, and capital fish facilities. Authority to borrow is available to the BPA on a permanent, indefinite basis. The amount of borrowing outstanding at any time cannot exceed \$3.75 billion.

Operating Expenses:

Energy Resources: Provides for the orderly planning, contractual acquisition, and oversight of reliable, cost-effective, environmentally acceptable resources, including resources purchased prior to the Pacific Northwest Power Act, as well as cost-effective conservation measures, including home energy efficiency, commercial energy efficiency, industrial technology transfers, solar energy applications, and conservation measures for new home and commercial building construction. These resources are needed to serve BPA's portion of the region's forecasted net electric load requirements.

Reimbursable: Provides for reimbursable power purchases, and for services such as construction, operation and maintenance of transmission facilities when requested and financed by other entities. Also includes the coordination agreement payments to the Federal Energy Regulatory Commission.

Residential Exchange: Provides for extending the benefits of low-cost Federal power to the residential and small farm customers of investor-owned and publicly-owned utilities in accordance with the Pacific Northwest Power Act.

Transmission System Development: Provides funding from revenues for electric transmission research and development and program support of the capital investment program described below for transmission system development.

System Operations: Provides for operating an estimated 14,794 miles of line and 389 substations of the BPA transmission system in 1993.

Power Marketing: Provides for forecasting regional demand; negotiating power sales and wheeling, billing, and servicing these contracts; reviewing and establishing wholesale power and wheeling rates; and encouraging public participation in the formation of BPA policies and programs.

Power Scheduling: Provides for the scheduling of power.

Fish and Wildlife: Provides funding from revenues in support of the capital investment program described below for fish and wildlife.

Planning Council: Provides for activities of the Pacific Northwest Electric Power and Conservation Planning Council required by the Pacific Northwest Power Act.

Interest: Provides for payments to the U.S. Treasury for interest on borrowings to finance BPA's transmission system development, system replacements, conservation related costs previously capitalized, capital equipment, and fish and wildlife programs under \$3.75 billion borrowing authority provided by the Transmission Act as amended by the Pacific Northwest Power Act and replenished by Public Law 98-50. This category also includes interest on Corps of Engineers, BPA, and U.S. Bureau of Reclamation appropriated debt.

Associated Project Costs: Provides for repayment of the operation and maintenance (O&M) costs of the 30 U.S. Army Corps of Engineers and U.S. Bureau of Reclamation power generating projects, and amortization on the U.S. Bureau of Reclamation capital investment in power generating facilities.

Capital Investments:

Energy Resources: Provides for funding conservation measures, including home and commercial energy efficiency, industrial technology transfers, solar energy applications and conservation measures for new home and commercial building construction.

Transmission System Development: Provides for the planning, design and construction of transmission lines, substation and control system additions, and enhancements to the FCRPS transmission system for a reliable, efficient and cost-effective regional transmission system. During FY 1993, BPA plans to energize one additional substation, along with a variety of upgrades and additions to existing facilities.

System Replacements: Provides for planning, design, and construction work to repair or replace existing transmission lines, substations, control systems, and general facilities of the FCRPS transmission system.

Capital Equipment: Provides for general purpose ADP equipment, office furniture and equipment, and software development in support of all BPA programs.

Fish and Wildlife: Provides for protection, mitigation and enhancement of fish and wildlife affected by hydroelectric facilities on the Columbia River and its tributaries, in accordance with the Pacific Northwest Power Act.

Contingencies: Although contingencies are not specifically funded, the need may arise to provide for purchase of power in low-water years; for repair and/or replacement of facilities affected by natural and man-made emergencies, including the resulting additional costs for contracting, construction, and operation and maintenance work; for unavoidable increased costs for the planned program due to necessary but unforeseen adjustments, including engineering and design changes, contractor and other claims and relocations; or for payment of a retrospective premium adjustment in excess nuclear property insurance.

Financing: The Transmission Act provides for the use by BPA of all receipts, collections, and recoveries in cash from all sources, including the sale of bonds, to finance the annual budget programs of BPA. These receipts result primarily from the sale of power and wheeling services. The Transmission Act also provides for authority to borrow from the U.S. Treasury at rates comparable to open market rates for similar issues. As amended by the Pacific Northwest Power Act and replenished by Public Law 98-50, it allows for \$3.75 billion of borrowing to be outstanding at any time. During FY 1993, BPA's capital programs will require budget obligations of \$417.1 million. In keeping with the President's budget, these obligations will be financed by \$372.8 million of new borrowing authority and \$44.3 million provided in up-front funding from the non-Federal participants in the Third AC Inter tie. In the event non-Federal participants do not provide funds in a timely fashion, BPA would need to access its permanently appropriated borrowing authority to ensure timely completion of the line.

In 1991, BPA made payments to the Treasury of \$604.2 million and also expects to make payments of \$683.3 million in 1992 and \$710.9 million in 1993, on a current services basis. The 1993 payment will be distributed as follows: U.S. Army Corps of Engineers, U.S. Bureau of Reclamation, and U.S. Fish and Wildlife Service O&M (\$130.7 million), interest expense on bonds and appropriations (\$321.8 million), allowance for funds used during construction--capitalized interest (\$12.0 million), and amortization (\$246.4 million).

The Administration is proposing that BPA modify its debt repayment practices so that the full cost of providing power is borne by the power customers. Beginning in 1993, \$288.6 million in revenues would be used by BPA to eliminate past debt financing subsidies and place power repayment practices on a more business-like basis. The proposal provides a mortgage-type amortization approach to Federal investment with interest on unpaid debt balances accruing at the historic Treasury interest rates in effect at the time each investment was placed in service. Long term Treasury interest rates would be applied to all future investments with the exception of construction loans which would be granted at the appropriate shorter term Treasury interest rates.

Direct loans: There will be no direct loans in 1993.

Operating results: Total revenues and reimbursements are forecast at approximately \$3,128.2 million in 1993.

It should be noted that BPA's revenue forecasts are based on several critical assumptions about both the supply of and demand for Federal energy. Deviation from the assumed conditions may result in variation in actual revenues of several hundred million dollars from the forecast.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION FUND
CURRENT SERVICES

OBJECT CLASSIFICATION STATEMENT
(in thousands of dollars)

IDENTIFICATION CODE: 89-4045-0-3-271
DIRECT OBLIGATIONS

	1991 ESTIMATES	1992 ESTIMATES	1993 ESTIMATES
11.1 Full-time permanent	110,985	120,800	126,000
11.3 Other than full-time permanent	3,941	4,300	4,500
11.5 Other personnel compensation	8,563	9,300	9,700
11.8 Special personal service payments	22,629	24,600	25,700
11.9 Total personnel compensation	146,118	159,000	165,900
12.1 Civilian personnel benefits	32,072	34,900	36,400
13.0 Benefits to former personnel	0	0	0
21.0 Travel and transportation of persons	9,626	10,500	11,000
22.0 Transportation of things	6,090	6,600	6,900
23.1 Rental payments to GSA	8,939	9,700	10,300
23.3 Communications, utilities and misc. charges	5,569	5,800	6,000
24.0 Printing and reproduction	1,197	1,200	1,300
25.0 Other services	2,116,266	2,415,800	2,625,100
26.0 Supplies and materials	39,688	41,400	43,100
31.0 Equipment	85,542	89,100	92,800
32.0 Lands and structures	9,584	10,000	10,400
41.0 Grants, subsidies, contributions	56,215	58,600	61,100
42.0 Insurance claims and indemnities	47	0	0
43.0 Interest and dividends	99,592	130,900	144,600
44.0 Refunds	4	0	0
99.0 Subtotal obligations	2,616,549	2,973,500	3,214,900
99.0 Reimbursable obligations	25,108	98,500	83,000
99.9 Total obligations	2,641,657	3,072,000	3,297,900

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION

A-11-30A

CURRENT SERVICES

PERSONNEL SUMMARY

Identification Code: 89-4045-0-3-271

Direct:

Total number of full-time permanent positions
 Total compensable work years:
 Full-time equivalent employment
 Full-time equivalent of overtime and holiday hours

Reimbursable:

Total number of full-time permanent positions
 Total compensable work years:
 Full-time equivalent employment

FY 1991 Actual	FY 1992 Estimate	FY 1993 Estimate
3,266	3,369	3,369
3,371	3,515	3,515
111	75	70
28	35	35
28	35	35

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES

REVENUE AND EXPENSE
(in thousands of dollars)

	1991 act 1/	1992 est. 1/	1993 est. 1/
0101 Revenue	2,203,065	2,244,800	2,289,300
0102 Expense	(1,777,998)	(2,236,000)	(2,325,200)
0109 Net income, total	425,067	8,800	(35,900)

1/ FY 1991 reflects final unaudited actual amounts. FY's 1992-1993 reflect the 1991 Final Rate Filing. They are stated as they would appear in the Federal Columbia River Power System financial statements, i.e. they are stated net of Residential Exchange revenues and include BPA, Corps of Engineers and Bureau of Reclamation depreciation.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
BONNEVILLE POWER ADMINISTRATION
(in thousands of dollars)

REVENUE AND RECEIPT REPORT

	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Gross Revenues 1/							
Federal	41,000	45,000	45,000	45,000	45,000	45,000	45,000
Non-Federal Sources	2,888,428	3,002,600	3,083,200	3,549,500	3,705,100	3,856,200	4,011,700
Proprietary Receipts							
Reclamation Fund, all other, sale of electric energy (Reclamation Fund) 2/	59,770	74,100	78,800	127,600	118,500	154,500	81,600
Repayments on misc. recoverable costs, not otherwise classified (COE & LSRCP) 3/	75,572	83,800	87,400	91,700	95,600	100,400	106,400
Power Marketed (thousands of gigawatt/hours sold)	89	88	88	87	87	87	87

1/ FY 1991 revenues reflect unaudited actuals. FY 1992-93 revenues reflect the 1991 Final Rate Filing. FY 1994-97 revenues reflect expensed obligations in this budget, less amortization of Bureau appropriations, plus depreciation estimates in BPA's Final Rate Filing and net revenue targets each year of \$100 million. Does not include Reimbursements.

2/ Includes amortization of appropriations, as well as O&M and interest costs for the Bureau of Reclamation. Represents transfers to Account #895000.26

3/ Includes O&M costs only for the Corp of Engineers and the Lower Snake River Compensation Plan activities. Represents transfers to Account #892889.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
CURRENT SERVICES

FINANCIAL CONDITION
(in thousands of dollars)

	1990 actual	1991 actual	1992 est.	1993 est.
Assets:				
1099 Fund balance with Treasury and cash	282,811	595,601	346,801	300,000
1199 Accounts receivable (net)	101,822	77,255	104,786	109,086
1299 Advances and prepayments	1,372	1,591	1,500	1,500
1399 Inventories (net)	41,304	48,624	41,000	41,000
1599 Loans receivable (net)	3,632	3,434	3,200	2,900
1699 Property, plant, and equipment (net)	2,521,173	2,638,940	2,751,840	2,934,140
1799 Other assets (net)	777,513	830,004	767,704	815,504
1999 Total assets	3,729,627	4,195,449	4,016,831	4,204,130
Liabilities:				
2099 Accounts payable	70,962	82,832	83,000	83,000
2199 Interest payable	30,179	31,104	31,000	31,000
2299 Accrued payroll and benefits	21,809	24,476	25,000	25,000
2499 Unearned revenue (advances)	5,045	3,749	4,000	4,000
2699 Debt issued under borrowing authority	1,694,499	1,671,573	1,432,273	1,576,672
2899 Other liabilities	54,480	62,886	13,400	13,300
2999 Total liabilities	1,876,974	1,876,620	1,588,673	1,732,972
Equity:				
3299 Revolving fund balance	1,852,653	2,318,829	2,428,158	2,471,158
3999 Total equity	1,852,653	2,318,829	2,428,158	2,471,158

**DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION**

Credit Management Level of Effort

Agency Contact: Mike Palmer
Phone: 429-5029

TOTAL FULL TIME EQUIVALENT EMPLOYMENT				TOTAL OBLIGATIONS (\$000)			
	1991 Actuals	1992 Estimate	1993 Estimate	1991 Actuals	1992 Estimate	1993 Estimate	
Credit extension	NA	NA	NA	NA	NA	NA	
Account servicing	2	2	2	70	70	70	
Delinquent debt collection	1	1	1	50	50	50	
Other	0	0	0	0	0	0	
TOTAL	3	3	3	120	120	120	

**DELINQUENT DEBT COLLECTION
BY PRIVATE COLLECTION AGENCIES (\$000)**

	1991 Actuals	1992 Estimate	1993 Estimate
Amount of delinquent/defaulted receivables referred to private collection agencies	8	10	10
Amount collected	0	0	0
Obligations for contractor collections	0	0	0
Net Amount retained by Government	0	0	0

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
REPORT ON OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS
BONNEVILLE POWER ADMINISTRATION

OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS

(in thousands of dollars)

	FY 1991	FY 1992	FY 1993
1. Capital Investments (\$000)			
A. Purchase of Hardware	4,517	7,000	8,000
B. Purchase of Software	1,333	1,200	700
C. Site or Facility	0	0	0
Subtotal	5,850	8,200	8,700
2. Personnel			
A. Compensation, benefits, and travel (\$000)	5,838	5,733	6,020
B. Workyears (FTE)	116	120	120
Subtotal (\$000)	5,838	5,733	6,020
3. Equipment, rental space, and other operating costs (\$000)			
A. Lease of hardware	0	0	0
B. Lease of software	464	468	491
C. Space	725	760	798
D. Supplies and other	1,337	1,401	1,471
Subtotal	2,526	2,629	2,760
4. Commercial Services (\$000)			
A. ADPE time	25	25	25
B. Voice communications	3,489	2,790	2,830
C. Data communications	200	200	210
D. Operations and Maintenance	5,650	5,509	5,784
E. Systems analysis, programming, design, and engineering	2,858	2,405	2,525
F. Studies and other	1,661	1,400	1,470
G. Significant use of information technology	0	0	0
Subtotal	13,883	12,329	12,919

Obligations for Information Technology System (cont'd)

5. Interagency Services (\$000)			
A. Payments	0	0	0
B. Offsetting collections	(16)	(250)	(250)
Subtotal	(16)	(250)	(250)
6. Intra-agency Services (\$000)			
A. Payments	0	0	0
B. Offsetting collections	0	0	0
Subtotal	0	0	0
7. Other Services (\$000)			
A. Payments	0	0	0
B. Offsetting collections	0	0	0
Subtotal	0	0	0
TOTALS			
Total Obligations (\$000)	28,081	28,641	30,149
Workyears	116	120	120

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

RESEARCH AND DEVELOPMENT ACTIVITIES NARRATIVE

BPA's research and development (R&D) activities include in-house R&D, cooperative customer projects, cooperation with DOE in several of DOE's R&D projects, participation in projects jointly funded by a consortium of utilities, and financial participation in the utility industry's Electric Power Research Institute (EPRI). These activities directly support major programs and reflect BPA's diverse range of responsibilities under the Bonneville Project Act, the Federal Columbia River Transmission Act, and the Pacific Northwest Power Act.

Transmission R&D supports BPA's requirement that the transmission system be competitively designed, constructed, operated and maintained in terms of cost and service reliability to support BPA marketing policies. This activity reflects the cost of energy and the region's current and projected energy supply. R&D emphasizes AC and DC intertie support and enhancement, gas-insulated substation technology, advanced power system control, diagnostic methods, advanced tools for system operation and maintenance, expert systems, artificial intelligence, electric & electro-magnetic field effects and studies for the emerging high temperature superconductivity technology. Transmission R&D budgets for FY 1992 and 1993 are approximately \$6.4 and \$6.6 million respectively.

Financial participation with EPRI is planned at \$8.4 million for FY 1992 and \$9.1 million for FY 1993.

Energy conservation and marketing R&D also reflects the region's energy situation and priorities and thus has evolved toward a long-term R&D perspective. The success of past R&D on residential, commercial, industrial, and agricultural conservation technologies is recognized internationally. The market promotes installation of rapid conservation payback measures. As a result, BPA's efforts are now concentrating on conservation methods to be developed and available "off the shelf" for use when needed and toward the implementation of "energy efficient" design standards for new homes. The FY 1992 and 1993 budgets include approximately \$1.8 million each year for conservation related research.

Generation Resource R&D focuses on technologies of alternate and renewable sources of electric energy production in the Pacific Northwest. Applications under investigation include geothermal reservoir confirmation, hydropower efficiency improvement devices, electronic control of power factors in wind turbines, variable speed generators, tracking of long-term trends, and various aspects of increased yield for biomass energy generation. This R&D activity is funded at approximately \$2.0 million for both FY 1992 and FY 1993. In addition, BPA administers a project for DOE for a regional biomass program.

RESEARCH AND DEVELOPMENT (cont'd)

Fish and Wildlife R&D is an area of widespread interest in the region as a result of BPA's authorities for these resources under the Pacific Northwest Power Act. With maturity of the regional Fish and Wildlife Program, the funding for R&D was reduced to a little over \$1.4 million for both FY 1992 and FY 1993. Focus of R&D efforts includes disease prevention, mitigation of fish mortality at regional hydroelectric facilities, habitat improvement, and various monitoring and evaluation studies.

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Assistant Secretary: Michael Davis
Program: BPA Fund

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
RESEARCH AND DEVELOPMENT ACTIVITIES
(dollars in millions)

DRBF:slh

Dec-91

		FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
line								
code								
	Conduct of R&D by activity							
	Basic research							
101 BA		0.4	0.4	0.4	0.4	0.4	0.4	0.4
Obs		0.4	0.4	0.4	0.4	0.4	0.4	0.4
BO		0.4	0.4	0.4	0.4	0.4	0.4	0.4
	Applied research							
102 BA		6.2	6.8	6.8	6.8	6.8	6.8	6.8
Obs		6.2	6.8	6.8	6.8	6.8	6.8	6.8
BO		5.8	6.2	6.8	6.8	6.8	6.8	6.8
	Total research (lines 101 + 102)							
103 BA		6.6	7.2	7.2	7.2	7.2	7.2	7.2
Obs		6.6	7.2	7.2	7.2	7.2	7.2	7.2
BO		6.2	6.6	7.2	7.2	7.2	7.2	7.2
	Development							
104 BA		11.6	12.6	12.8	12.8	12.8	12.8	12.8
Obs		11.6	12.6	12.8	12.8	12.8	12.8	12.8
BO		11.6	12.6	12.8	12.8	12.8	12.8	12.8
	Total conduct of R&D (lines 103 + 104)							
199 BA		18.2	19.8	20.0	20.0	20.0	20.0	20.0
Obs		18.2	19.8	20.0	20.0	20.0	20.0	20.0
BO		17.8	19.2	20.0	20.0	20.0	20.0	20.0
	Conduct of R&D performed by colleges and universities							
201 BA		-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.6
Obs		-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.6
BO		-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.6
	Capital Equipment							
301 BA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Obs		0.0	0.0	0.0	0.0	0.0	0.0	0.0
BO		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Construction							
302 BA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Obs		0.0	0.0	0.0	0.0	0.0	0.0	0.0
BO		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total Facilities (lines 301 + 302)							
303 BA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Obs		0.0	0.0	0.0	0.0	0.0	0.0	0.0
BO		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Program Direction							
401 BA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Obs		0.0	0.0	0.0	0.0	0.0	0.0	0.0
BO		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL (excludes line 201)							
900 BA		18.2	19.8	20.0	20.0	20.0	20.0	20.0
Obs		18.2	19.8	20.0	20.0	20.0	20.0	20.0
BO		17.8	19.2	20.0	20.0	20.0	20.0	20.0

DEPARTMENT OF ENERGY

FY 1993 CONGRESSIONAL BUDGET REQUEST

BONNEVILLE POWER ADMINISTRATION
(Dollars in Thousands)

SUPERCONDUCTIVITY CROSSCUT

<u>Decision Unit</u>	<u>Program or Technology</u>	<u>Activity</u>	<u>Location</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Bonneville Power Admin.	High Temp Super-Conductivity	Assess the Impact of Hi Tc Super-Conductivity on the BPA System	BPA Hqtrs. Portland, Oregon	\$10.0	\$10.0	\$10.0

Research in High Temperature Superconductivity is conducted to keep the organization abreast of the State-of-the-Art so that it is in a position to utilize the technology as it matures and products utilizing the technology enter the market. This activity is coordinated with other Government Agencies through Quarterly meetings of the "Superconductivity Coordination Committee for Electric Power" and the Biennial "Interagency Research Coordination Conference". An escalation in activities in FY 94 is anticipated as new Hi-Tc superconducting devices reach the market.

Activities in the High Temperature Superconductivity area have been directed toward determining whether or not this technology will be beneficial to the Utility Industry. A report titled "Superconductivity Applications on an Electric Power System: A System Engineering Study" was published in August 1988.

Point of Contact: Jim Pachot
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16170

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
(Dollars in Thousands)

SUPERCONDUCTIVITY CROSSCUT

Decision Unit	Program or Technology	Activity	Location	FY 1991	FY 1992	FY 1993
Bonneville Power Admin.	Low Temp Super-Conductivity	Define SDI SMES System Application at Hanford	BPA Hqtrs. Portland, Oregon	\$60.0	\$60.0	\$60.0

Activities in Low Temperature Superconductivity are directed toward Obtaining, Designing, Installing, Operating and Monitoring a Superconducting Magnetic Energy Storage System - Engineering Test Model (SMES-ETM). This program initially began with the Strategic Defense Initiative (SDI). However, preliminary studies indicate that there is a positive cost/benefit ratio for the installation of such a system on an electric utility grid.

The majority of the effort in the Low Temperature Superconductivity has been directed toward the studies and meetings that precede the final site selection for the SDI SMES-ETM. Additional studies are needed to obtain a more precise determination of the cost/benefit ratio for utility application and to generate additional utility support for a non-SDI SMES-ETM. The above budget figures do not include any of the costs associated with the integration of the SDI SMES on the utility system because it has not been determined who will pay these costs. These costs are addressed in a separate Crosscut.

The new initiatives in the 1993 request consist of those activities that are involved with the studies of a non-SDI SMES-ETM. However, due to delays in selecting the actual site for the SDI installation and the lack of a target date for this decision, the amounts shown indicate our best guess.

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DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
(Dollars in Thousands)
SUPERCONDUCTIVITY CROSSCUT

<u>Decision Unit</u>	<u>Program or Technology</u>	<u>Activity</u>	<u>Location</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Bonneville Power Admin.	Low Temp Super-Conductivity	Develop an Inter-connection System for SMES-ETM at Hanford	Portland, Oregon Richland, Wash.	\$00.0*	\$00.0*	\$350.0*

The Department of Defense, through its contractors, has been assessing several possible locations for its prototype Superconducting Magnetic Energy Storage - Engineering Test Module (SMES-ETM). This prototype system is a scaled down version of a high energy power supply for several possible applications in the Strategic Defense Initiative (SDI) program. One of the critical design parameters for the power supply is that it must be compatible with the electric utility system from which it obtains its power. Because such a device also has potential benefits for the host utility, BPA is cooperating with the USDOE Richland Operations Office in proposing a location for the SMES-ETM on the Hanford Nuclear Reservation in the State of Washington. Recently the number of candidate sites has been pared to five locations. Hanford is one of those sites.

The above budgeted costs would be incurred if the Department of Defense selects the Hanford Reservation as the actual site for the installation of this prototype. Should this occur BPA would become the host utility for the SMES-ETM. While most of the costs for integrating the SMES-ETM are expected to be borne by the Department of Defense, engineering and design costs for the interconnection of the Power System are expected to be incurred by the host utility.

* - Does not include material and construction costs for integration of the SMES-ETM on the utility system.

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16170

Dept. Crosscut Activity: Educational Activities
Budget Contact: Steve Dunne 429-3496

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
(dollars in thousands)

PROGRAM	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996
Electrical Engineering	0	0	0	0	0	0
BA*	1,700	2,000	2,000	2,000	2,000	2,000
OBS	1,700	2,000	2,000	2,000	2,000	2,000
(Outlays) BO	1,700	2,000	2,000	2,000	2,000	2,000

* - BPA uses no borrowing authority (BA) to finance educational activities. BPA uses its revenues to support this type of work.

Estimated Distribution of Funding by R&D Performer

In House Activity	25%
Private Industry	0%
College/Universities	75%
Other Non-Profit	0%
TOTAL	100%

Estimated Distribution of Funding by Type of R&D

Basic	0%
Applied Research	20%
Development	5%
Others (Student Support)	75%
TOTAL	100%

General Purpose/Objective of Program

The funding for this activity is in support of student educational opportunities in the areas of mathematics, science and engineering, especially in electrical engineering and other electric utility related areas. Students are located in colleges and universities, including Historical Black Colleges and Universities (i.e., Howard University), Hispanic universities (i.e., University of Texas at El Paso) and Native American universities (i.e., Northern Arizona University) and in area high schools. At high schools, students will be encouraged to participate in the Federal Junior Fellows and High School Co-op Programs that will promote career opportunities in the areas of mathematics, science and engineering.

Base Program

The activity in support of colleges and universities is on-going and began a number of years ago. There have been about 50 college and university student co-ops supported under this program per year. The Federal Junior Fellows and High School Co-op programs has been implemented with an estimated 24 students participating in these programs since the first year. These programs are expected to enroll about 50 students per year. Funding also includes \$25,000 per year to support minority students at a consortium of colleges lead by the University of Nevada at Las Vegas. The consortium is based on a shared agreement to produce graduates in the areas of electrical engineering and mathematics.

1993 Request

Plans to continue base program at both the college and high school levels as described above.

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION
 (dollars in millions)

TECHNICAL TRAINING ESTIMATES

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
DOE EMPLOYEES 1/	1.4	1.4	1.5	1.6	1.6	1.7	1.7
CONTRACTOR EMPLOYEES	---	---	---	---	---	---	---
TOTAL	1.4	1.4	1.5	1.6	1.6	1.7	1.7

1/ BPA does not pay directly for training of contractor personnel.

12/20/91 DRBF:sh

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU'S) ESTIMATES
(in thousands of dollars)

<u>Decision Unit</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Bonneville Power Administration			
Borrowing Authority 1/	N/A	N/A	N/A
Revenue-Financed Obligations for Electrical Engineering	158.0	266.0	270.0
TOTAL	158.0	266.0	270.0

1/ As this table indicates, BPA uses no borrowing authority (BA) to finance work done by Historically Black Colleges and Universities. BPA uses its revenues for such work.

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Site Code BPA
 Ops. Off. Code HQ
 Decision C RRO1
 M4 Org. Code BPA

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

ENVIRONMENTAL SAFETY AND HEALTH CROSSCUT
 (in thousands of dollars)

LINE CODE	ACTIVITY	FY 1991 Oblige.	FY 1992 Oblige.	FY 1993 Oblige.	FY 1994 Oblige.	FY 1995 Oblige.	FY 1996 Oblige.	FY 1997 Oblige.
10	ENVIRONMENT							
10 10	BASE ACTIVITY	6401	6718	7049	7401	7772	8153	8552
10 20	CORRECTIVE ACTIONS	3	4	4	4	4	4	4
10 20 10	Air	1246	2345	712	1470	1047	1098	1152
10 20 20	Water (Surface only)	10144	5922	11819	7942	7329	7688	8065
10 20 30	Solid Waste	11393	8271	12535	9416	8380	8790	9221
	Subtotal, Corrective Actions	2503	2504	2611	1571	1051	1102	1156
10 20 91	Non Add-(OE)	0	0	0	0	0	0	0
10 20 92	-(Cap. Equip.)	0	0	0	0	0	0	0
10 20 93	-(GPP)	0	0	0	0	0	0	0
10 20 94	-(Line Item Construction)	8890	5767	9924	7845	7329	7688	8065
10 30	ENVIRONMENTAL RESTORATION							
10 30 10	CERCLA	5035	4465	2912	1792	1860	1951	2046
10 30 20	RCRA (3004 (U)	0	0	0	0	0	0	0
10 30 30	RCRA/CERCLA	0	0	0	0	0	0	0
10 30 40	Dec.and Decom.	NA	NA	NA	NA	NA	NA	NA
10 30 50	UMTRAP	NA	NA	NA	NA	NA	NA	NA
10 30 60	FUSRAP	NA	NA	NA	NA	NA	NA	NA
10 30 70	Grand Junction	NA	NA	NA	NA	NA	NA	NA
10 30 80	West Valley	NA	NA	NA	NA	NA	NA	NA
10 30 85	Haz. Waste & Comp. Techn.	0	0	0	0	0	0	0
	Subtotal Restoration	5035	4465	2912	1792	1860	1951	2046
10 30 91	Non Add-(OE)	0	0	0	0	0	0	0
10 30 92	-(Cap. Equip.)	0	0	0	0	0	0	0
10 30 93	-(GPP)	0	0	0	0	0	0	0
10 30 94	-(Line Item Construction)	0	0	0	0	0	0	0

Site Code BPA
 Ops. Off. Code HQ
 Decision C RRO1
 M4 Org. Code BPA

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION

ENVIRONMENTAL SAFETY AND HEALTH CROSSCUT
 (in thousands of dollars)

LINE CODE	ACTIVITY	FY 1991 Obligs.	FY 1992 Obligs.	FY 1993 Obligs.	FY 1994 Obligs.	FY 1995 Obligs.	FY 1996 Obligs.	FY 1997 Obligs.
10 40	WASTE MANAGEMENT	850	850	850	850	850	850	850
10 40 10	Continuity of Operations	NA	NA	NA	NA	NA	NA	NA
10 40 20	Waste Research, Development, and Demonstration	120	175	175	184	193	202	212
10 40 25	Waste Minimization	NA	NA	NA	NA	NA	NA	NA
10 40 30	Changes in Inventory	NA	NA	NA	NA	NA	NA	NA
10 40 40	Treatment	NA	NA	NA	NA	NA	NA	NA
10 40 50	Storage	NA	NA	NA	NA	NA	NA	NA
10 40 60	Disposal	NA	NA	NA	NA	NA	NA	NA
10 40 70	Program Support	NA	NA	NA	NA	NA	NA	NA
10 40 80	Waste Isolation Pilot Plant	NA	NA	NA	NA	NA	NA	NA
10 40 85	Hanford Waste Vitrification Plant Project (HWVP)	970	1025	1025	1034	1043	1052	1062
	Subtotal Waste Management	970	1025	1025	1034	1043	1052	1062
10 40 91	Non Add-(OE)	0	0	0	0	0	0	0
10 40 92	-(Cap. Equip.)	0	0	0	0	0	0	0
10 40 93	-(GPP)	0	0	0	0	0	0	0
10 40 94	-(Line Item Construction)	0	0	0	0	0	0	0
	SUBTOTAL ENVIRONMENT	23799	20479	23521	19643	19055	19946	20884
	Non Add-(OE)	14909	14712	13598	11798	11726	12258	12820
	-(Cap. Equip.)	0	0	0	0	0	0	0
	-(GPP)	0	0	0	0	0	0	0
	-(Line Item Construction)	8890	5767	9923	7845	7329	7688	8064
20	SAFETY & HEALTH							
20 10 10	Base Activity	1150	1250	1330	1395	1463	1535	1610
20 10 20	Waste Management	NA	NA	NA	NA	NA	NA	NA
	Safety and Health							

Site Code BPA
 Ops. Off. Code HQ
 Decision C RR01
 M4 Org. Code BPA

DEPARTMENT OF ENERGY
 FY 1993 CONGRESSIONAL BUDGET REQUEST
 BONNEVILLE POWER ADMINISTRATION

ENVIRONMENTAL SAFETY AND HEALTH CROSSCUT
 (in thousands of dollars)

LINE CODE	ACTIVITY	FY 1991 Obligs.	FY 1992 Obligs.	FY 1993 Obligs.	FY 1994 Obligs.	FY 1995 Obligs.	FY 1996 Obligs.	FY 1997 Obligs.
20 20	COMPLIANCE ACTIONS							
20 20 10	Nuclear Reactor	NA	NA	NA	NA	NA	NA	NA
20 20 20	Nuclear Non-Reacto	NA	NA	NA	NA	NA	NA	NA
20 20 30	Non-Nuclear	NA	NA	NA	NA	NA	NA	NA
20 20 91	Subtotal Compliance Activities	NA	NA	NA	NA	NA	NA	NA
20 20 92	Non Add-(OE)	NA	NA	NA	NA	NA	NA	NA
20 20 93	-(Cap. Equip.)	NA	NA	NA	NA	NA	NA	NA
20 20 94	-(GPP)	NA	NA	NA	NA	NA	NA	NA
	-(Line Item Construction)	1150	1250	1330	1395	1463	1535	1610
	SUBTOTAL, SAFETY AND HEALTH	1150	1250	1330	1395	1463	1535	1610
	Non Add-(OE)	NA	NA	NA	NA	NA	NA	NA
	-(Cap. Equip.)	NA	NA	NA	NA	NA	NA	NA
	-(GPP)	NA	NA	NA	NA	NA	NA	NA
	-(Line Item Construction)	NA	NA	NA	NA	NA	NA	NA
	TOTAL, ENVIRONMENT, SAFETY & HEALTH	24949	21729	24851	21038	20518	21481	22494
	Non Add-(OE)	16059	15962	14928	13193	13189	13793	14430
	-(Cap. Equip.)	NA	NA	NA	NA	NA	NA	NA
	-(GPP)	NA	NA	NA	NA	NA	NA	NA
	-(Line Item Construction)	8890	5767	9923	7845	7329	7688	8064

A-11-46

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

FEDERAL FACILITIES ENVIRONMENTAL CLEANUP AND COMPLIANCE

(in millions of dollars)

	FY 1991		FY 1992		FY 1993		FY 1994		FY 1995		FY 1996		FY 1997	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
CLEANUP														
RCRA:														
Corrective Actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CERCLA:														
NPL Sites	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-NPL Sites (Fed Doc)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3rd Party Sites	0.5	0.5	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Total, Cleanup	0.5	0.5	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
COMPLIANCE														
RCRA:														
Solid and Hazardous														
Waste Control	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LUST	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TSCA:														
Equipment Replacement	4.4	4.4	5.7	5.7	5.7	5.7	2.4	2.4	6.0	6.0	6.0	6.0	6.0	6.0
CERCLA:														
Site Studies														
NPL Sites	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Non-NPL Sites	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CAA:														
Air Pollution Controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWA:														
Water Pollution Controls	0.9	0.9	1.4	1.4	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9
Total, Compliance	7.8	7.8	9.6	9.6	8.2	8.2	4.9	4.9	8.5	8.5	8.6	8.6	8.6	8.6
TOTAL CLEANUP & COMPLIANCE	8.3	8.3	9.9	9.9	8.4	8.4	5.1	5.1	8.8	8.8	8.9	8.9	8.9	8.9

DATE: December 24, 1991

NAME: D. McPhee

TEL: FTS: 429-5764

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

OCCUPATIONAL SAFETY AND HEALTH CROSSCUT
(in thousands of dollars)

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>Narrative</u>
Part one - OSH Summary				
Indirect Funded				
Compliance Operations BPA	\$1,150	\$1,250	\$1,330	Safety and health services activities to meet OSHA and support safe, efficient, reliable transmission system.
Capital Equipment BPA	-	-	-	
Compliance Construction BPA	-	-	-	
Subtotal, Indirect	\$1,150	\$1,250	\$1,330	
Direct Funded				
Compliance Operations BPA	-	-	-	
Capital Equipment BPA	-	-	-	
Compliance GPP BPA	-	-	-	
Compliance Construction BPA	-	-	-	
Subtotal, Direct	-	-	-	
Total, Occupational Safety and Health	<u>\$1,150</u>	<u>\$1,250</u>	<u>\$1,330</u>	

20-Dec-91
FN: OSH93OMB/SLH

NONE

Part two - Compliance Projects

DEPARTMENT OF ENERGY
FY 1993 OMB BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

SCHEDULE OF ADVISORY AND ASSISTANCE SERVICES

BPA's Advisory, Assistant and Consulting Service obligations for FY 1991 include actual fiscal year costs to date plus an allowance for the balance of the year. FY 1992 and FY 1993 amounts are escalated from the FY 1991 base.

Costs are for advice and assistance from individuals and non-government organizations per OMB Circular A-120, dated January 4, 1988. These services are in support of BPA's actions to implement the Pacific Northwest Power Act, and BPA's other statutory responsibilities, and provide advice and assistance on financial operations, operations management, and power management. BPA's procurement system does not reflect planned awards by contract beyond the current year. The FY 1992 and FY 1993 amounts represent forecasts of the need for these services.

These funding levels reflect BPA's emphasis on public involvement, accelerated resource acquisition and conservation, and system maintenance and reliability as BPA and the region face potential resource shortages in the 1990s.

Advisory and assistance services are obtained by contract because of their highly specialized expertise, because they are needed for only short-term, or peak workload needs, or for other factors that may make contracting more cost-effective than development of in-house capability.

Internal management controls of the use of advisory and assistance contractual services are provided through the budget formulation, allocation and control process and the BPA procurement process, which identify evaluate, and prioritize support service contract for management review and approval to ensure that their use is both necessary and cost-effective. Contracts are monitored and controlled by line officials closest to the point of actual performance.

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION

SCHEDULE OF ADVISORY AND ASSISTANCE SERVICES
(in thousands of dollars)

	FY1991	FY 1992	FY1993
I. Contractual Services			
Individual Experts & Consultants			
B. A. Oblig.	143	150	150
Outlays	143	130	130
Studies, Analyses & Evaluations			
B. A. Oblig.	542	550	560
Outlays	542	470	560
Management & Professional Support Services			
B. A. Oblig.	2,926	3,000	3,000
Outlays	2,926	2,550	3,000
Engineering & Technical Services			
B. A. Oblig.	294	350	390
Outlays	294	300	390
Subtotal			
B. A. Oblig.	3,905	4,050	4,100
Outlays	3,905	3,450	4,100
II. Personnel Appointments			
B. A. Oblig.	0	0	0
Outlays	0	0	0
III. Advisory Committees			
B. A. Oblig.	0	0	0
Outlays	0	0	0
Totals			
B. A. Oblig.	3,905	4,050	4,100
Outlays	3,905	3,450	4,100
	3,319	3,450	3,500

Prepared: 20-Dec-91
D. McPhee
429-5764

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DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
PRELIMINARY OBLIGATIONS BY CONTRACTOR AND LOCATION
(DOLLARS IN THOUSANDS)

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BONNEVILLE POWER ADMINISTRATION FUND
Power Marketing
I. Bonneville Power Admin.

ACTIVITY	EXP	DOE	CITY	STATE	CONG	CONTRACTOR NAME AND CITY	FY 1991 ACTUAL	FY 1992 ESTIMATE	FY 1993 ESTIMATE	REC NO.
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	DC	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 486	\$ 605	\$ 647	19
RR-A -01 OE	CIF -BP90	BP	IDA	ID	02	CITY OF IDAHO FALLS, IDAHO FALLS	\$ 0	\$ 5,300	\$ 5,300	5
RR-A -01 OE	UPL -BP90	BP	BOI	ID	01	UTAH POWER & LIGHT, BOISE	\$ 41,972	\$ 35,008	\$ 34,455	11
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	ID	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 30,295	\$ 37,714	\$ 40,351	20
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	ID	02	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,768	\$ 20,874	\$ 22,333	21
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	ID	99	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 26,499	\$ 36,170	\$ 41,710	39
RR-A -01 OE	CIF -BP90	BP	IDA	ID	02	CITY OF IDAHO FALLS, IDAHO FALLS	\$ 8,186	\$ 12,876	\$ 13,009	44
RR-A -01 OE	IPC -BP90	BP	BOI	ID	01	IDAHO POWER CO., BOISE	\$ 0	\$ 0	\$ 0	47
RR-A -01 OE	MPC -BP90	BP	BUT	MT	01	MONTANA POWER CO., BUTTE	\$ 12,390	\$ 13,413	\$ 13,565	7
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	MT	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 21,871	\$ 27,227	\$ 29,130	22
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	MT	99	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 13,249	\$ 18,085	\$ 20,855	40
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	NY	23	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 81	\$ 101	\$ 108	23
RR-A -01 OE	TNP -BP90	BP	EUG	OR	04	TROJAN NUCLEAR PLANT, EUGENE	\$ 78,748	\$ 77,200	\$ 75,600	1
RR-A -01 OE	ORTL -BP90	BP	BAKE	OR	02	OREGON TRAILS COOP, BAKER	\$ 11,033	\$ 11,028	\$ 11,076	6
RR-A -01 OE	PPL -BP90	BP	POR	OR	01	PACIFIC GAS & ELECTRIC CO., PORTLAND	\$ 220,730	\$ 229,085	\$ 231,281	8
RR-A -01 OE	PGE -BP90	BP	POR	OR	03	PORTLAND GENERAL ELECTRIC, PORTLAND	\$ 248,217	\$ 252,033	\$ 251,775	9
RR-A -01 OE	CEO -BP90	BP	REDM	OR	02	CENTRAL ELECTRIC, REDMOND	\$ 9,988	\$ 8,269	\$ 8,272	13
RR-A -01 OE	COMP -BP90	BP	ZZOTH	OR	04	CONSUMERS POWER CO, UNDESIGNATED	\$ 7,425	\$ 6,994	\$ 7,095	14
RR-A -01 OE	UEC -BP90	BP	ZZOTH	OR	02	UMATILLA ELECTRIC CORP., UNDESIGNATED	\$ 5,952	\$ 6,269	\$ 6,375	17
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	99	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 29,108	\$ 26,471	\$ 23,179	18
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,282	\$ 20,269	\$ 21,686	24
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	02	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 30,781	\$ 38,319	\$ 40,998	25
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	03	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 21,871	\$ 27,227	\$ 29,130	26
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	04	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 28,351	\$ 35,294	\$ 37,762	27
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	05	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,201	\$ 20,168	\$ 21,578	28
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	99	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 474,996	\$ 591,325	\$ 632,668	38
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	99	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 76,846	\$ 104,893	\$ 120,959	41
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	OR	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 34,448	\$ 47,021	\$ 54,223	43
RR-A -01 OE	CCEC -BP90	BP	POR	OR	04	COOS-CURRY ELECTRIC COOP, PORTLAND	\$ 5,389	\$ 5,291	\$ 5,450	45
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	PA	14	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 81	\$ 101	\$ 108	29
RR-A -01 OE	HMP -BP90	BP	RICH	WA	04	HANFORD GENERATING PROJECT/HMP-1, RICHLAND	\$ 154,399	\$ 158,400	\$ 183,800	2
RR-A -01 OE	WPP -BP90	BP	RICH	WA	04	WASHINGTON PUBLIC POWER SUPPLY SYSTEM-2, RICHLAND	\$ 354,838	\$ 414,200	\$ 457,400	3
RR-A -01 OE	WPS -BP90	BP	RICH	WA	04	WASHINGTON PUBLIC POWER SUPPLY SYSTEM-3, RICHLAND	\$ 86,591	\$ 134,600	\$ 152,200	4
RR-A -01 OE	PSP -BP90	BP	BEL	WA	08	PUGET SOUND POWER & LIGHT, BELLEVUE	\$ 270,271	\$ 286,621	\$ 303,085	10
RR-A -01 OE	BCR -BP90	BP	PROS	WA	04	BENTON COUNTY REA, PROSSER	\$ 6,584	\$ 6,305	\$ 6,380	12
RR-A -01 OE	LEWIS-BP90	BP	CHEHA	WA	03	LEWIS COUNTY PWD, CHEHALIS	\$ 8,202	\$ 7,357	\$ 7,392	15
RR-A -01 OE	ZZOTH-BP90	BP	ZZOTH	WA	01	ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,201	\$ 20,168	\$ 21,578	30

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET
PRELIMINARY OBLIGATIONS BY CONTRACTOR AND LOCATION
(DOLLARS IN THOUSANDS)

EDRP10

BONNEVILLE POWER ADMINISTRATION FUND
Power Marketing
I. Bonneville Power Admin.

ACTIVITY	EXP	DOE	CONG	STATE	CITY	CONTRACTOR NAME AND CITY	FY 1991 ACTUAL	FY 1992 ESTIMATE	FY 1993 ESTIMATE	REC NO.
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	02 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,201	\$ 20,168	\$ 21,578	31
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	03 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,201	\$ 20,168	\$ 21,578	32
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	04 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 40,501	\$ 50,420	\$ 53,945	33
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	05 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,201	\$ 20,168	\$ 21,578	34
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	06 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 15,229	\$ 18,958	\$ 20,283	35
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	07 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 15,310	\$ 19,059	\$ 20,391	36
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	08 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 16,120	\$ 20,067	\$ 21,470	37
RR-A -01	OE	ZZOTH-BP90	BP	ZZOTH	WA	09 ALL OTHER CONTRACTORS, UNDESIGNATED	\$ 113,944	\$ 155,531	\$ 179,353	42
RR-A -01	OE	WMP -BP90	BP	SPO	WA	05 WASHINGTON WATER POWER, SPOKANE	\$ 0	\$ 0	\$ 0	46
RR-A -01	OE	LOWA-BP90	BP	AFTON	WY	01 LOWER VALLEY POWER & LIGHT, AFTON	\$ 6,620	\$ 5,180	\$ 5,211	16
TOTAL OE							\$ 2,641,657	\$ 3,072,000	\$ 3,297,900	
TOTAL RR-A -01							\$ 2,641,657	\$ 3,072,000	\$ 3,297,900	
TOTAL RR-A							\$ 2,641,657	\$ 3,072,000	\$ 3,297,900	
TOTAL RR							\$ 2,641,657	\$ 3,072,000	\$ 3,297,900	
GRAND TOTAL							\$ 2,641,657	\$ 3,072,000	\$ 3,297,900	

DEPARTMENT OF ENERGY
FY 1993 CONGRESSIONAL BUDGET REQUEST
BONNEVILLE POWER ADMINISTRATION
PENDING LITIGATION

I. Supply System Litigation

A. Bonneville Power Administration v. Washington Public Power Supply System, No. C82-1252 (W.D. Wash. filed October 26, 1982) originally filed as Washington Public Power Supply System v. Alder Mutual Light.

This case has become a vehicle for several items of litigation not related to the issues in the case as originally filed. Pertinent to this report are: (1) cost-sharing (original case); and (2) Investor-Owned Utilities' (hereafter IOUs) Washington Nuclear Project (hereafter WNP) No. 3 litigation.

1. Cost Sharing

a. Nature of the Case

Washington Public Power Supply System Projects 1 and 4 and Projects 3 and 5 were to be built as two sets of "twins", sharing many common elements, including design and some shared facilities. Costs of constructing twinned plants were to be shared equitably. Chemical Bank, Bond Fund Trustee for terminated plants 4 and 5, now seeks to have the terminated plants' portion of those shared costs retroactively reallocated to their mothballed twins, WNP-1 and WNP-3. Chemical Bank has asserted that such a reallocation, including interest, could amount to \$1 billion. BPA is ultimately responsible, through net-billing, to pay for any reallocation ordered by the Court.

b. Status of the Case

On October 5, 1990, the District Court granted Chemical Bank summary judgment on its claim that costs were improperly allocated to Projects 4 and 5 and certified its order pursuant to Fed.R.Civ.P.54(b) for appeal. BPA and several other parties filed a notice of appeal. The

District Court also certified its order to interlocutory appeal pursuant to 28 U.S.C. § 1292(b). The Ninth Circuit granted the petitions of BPA and the other parties for interlocutory review. Argument on the appeal was heard November 8, 1991.

The District Court also stayed the case.

2. Motiballing Case

a. Nature of the Case

By May 1983, the Supply System was unable to sell bonds to finance the construction of WNP-3. BPA recommended that the Supply System "mothball" or implement an extended construction delay of WNP-3. Because BPA declined to approve proposed Supply System Amended Annual and Construction Budgets providing for BPA to fund completion of WNP-3, the IOU owners of a 30-percent share in WNP-3 filed claims in U.S. District Court for a preliminary injunction to compel BPA to proceed immediately with funding completion of that project.

In September 1985, BPA, the Supply System and the IOUs entered into a settlement agreement as a partial resolution of the case. Certain participants in WNP-3 challenged the settlement agreement, arguing that the settlement violated a number of statutory restrictions on BPA's operating authority, and that it violated various contracts between themselves and BPA. In July 1986 the District Court dismissed the statutory claims against BPA for lack of subject matter jurisdiction, and stayed all other claims..

b. Status of the Case

On January 27, 1989, the Ninth Circuit ruled that BPA did not exceed its authority in settling the WNP Project 3 lawsuit. The Ninth Circuit did not rule on other challenges to BPA's settlement. All of the WNP-3 participants, except those associated with the Washington Utility Group, have filed motions to dismiss their various other contract claims. BPA, the Supply System and the IOU's have filed motions to dismiss, and covenanted not to pursue the litigation against each other. These motions are pending.

PENDING LITIGATION (cont'd)

- B. Benton County PUD v. United States, No. 590-82-C (Ct. Cl. filed November 18, 1982); Clallam and Snohomish PUD v. United States, No. 29-83-C (Ct. Cl. filed January 18, 1983); City of Tacoma v. United States, No. 514-83C (Ct. Cl. filed August 2, 1983).

1. Nature of the Case - U.S. Claims Court Litigation

In the Benton County case, the plaintiffs, 11 public utility districts in the State of Washington, filed to recover damages from their participation in WNP-4 and 5. Plaintiffs allege that BPA induced them to participate in Projects 4 and 5. They contend that BPA oversold power to its DSI customers and, based on anticipated power demands in the region, the power to be generated by the projects would be needed to meet BPA's commitments to deliver firm power to its customers.

Clallam County PUD No. 1, and Snohomish PUD initiated further litigation alleging the same claims stated in the Benton County case, and alleging additional grounds for relief, including a breach by BPA of its oversight duties with respect to Projects 1, 2 and 3.

On August 2, 1983, the City of Tacoma and Nespelam Valley Electric Cooperative, Inc. filed a complaint in U.S. Claims Court alleging substantially the same contentions contained in Benton County. City of Tacoma and Benton County were consolidated August 31, 1983.

2. Status of the Case

The Benton County case will be dismissed as part of the settlement in MDL-551 but remains technically active until all appeals to that settlement are dismissed by the Ninth Circuit.

Claims of Clallam and Snohomish regarding BPA's acts relating to Projects 4 and 5 will also be dismissed as part of the MDL-551 settlement after all appeals to the settlement are dismissed; Clallam's claims of Clallam and Snohomish regarding BPA's oversight of Project 1, 2 and 3, will not be affected by the settlement of MDL-551. Clallam settled its claims on June 22, 1990. Snohomish's claims have been stayed indefinitely by the Claims Court Judge.

- C. Chemical Bank v. PUD No. 1 of Benton County, Washington, et al., No. C83-1080 (W.D. Wash. filed August 3, 1983).

1. Nature of the Case

This action was originally filed against more than 600 organizations and individuals, including:

PENDING LITIGATION (cont'd)

(1) the Supply System; (2) all 23 members of the Supply System; (3) all 88 participants in WNP-4 and 5 (which includes 20 of the 23 Supply System members); (4) individual members of the Supply System Board of Directors between 1976 and 1981; (5) individual members of the WNP-4 and 5 Participants' Committee; (6) individual members of the governing bodies of each of the 88 participants and each of the 23 members; and (7) BPA. Against the non-Federal defendants, Chemical Bank (Bond Fund Trustee for WNP-4 and 5) alleges violations of Federal and Washington State securities statutes, common law fraud and misrepresentation and negligence. The alleged misrepresentations concern the participants' authority to enter into the Participants' Agreements, the need for power from the projects, the ability to market bonds to finance completion of the projects, and the Supply System's inability to construct the projects in accordance with published budgets and schedules.

Chemical Bank alleges that BPA negligently conducted oversight of Supply System construction activities and negligently participated in project financing activities. Chemical also asserted a claim on behalf of the Supply System against the United States in indemnity, to the extent the Supply System is liable to Chemical on Chemical's claims against it. In December 1983, Judge Bilby dismissed the individual utility governing body members as defendants, and denied all other motions to dismiss.

2. Status of Case

This case was consolidated in the MDL-551 litigation, which is discussed immediately below.

D. In re Washington Public Power Supply System Securities Litigation, J.P.M.D.L. No. 551 (W.D. Wash. filed August 23, 1983).

1. Nature of the Case

This is a consolidated proceeding involving 13 separate class actions brought on behalf of those who purchased WNP-4 and 5 bonds prior to the termination of the projects on January 22, 1982. Additional lawsuits have been brought on behalf of those who purchased WNP-4 and 5 bonds during the period from January 22, 1982, until the decision of the Washington Supreme Court on June 15, 1983. The bond purchasers are suing the same defendants as in the Chemical Bank suit as well as the underwriters, attorneys, architect/engineers, financial consultant, consulting engineer, and attorneys involved with the participants in the Supply System WNP-4 and 5.

PENDING LITIGATION (cont'd)

In late 1983, class plaintiffs solicited bondholders to file tort claims against BPA on the alleged grounds that BPA undertook an active role in furthering construction of WNP-4 and 5. Upward of 15,000 tort claims have been filed against BPA for an amount in excess of \$1 billion. Class plaintiffs also filed a claim purporting to represent all similarly situated bond purchasers. In September 1984, after the six-month statutory waiting period passed under the FTCA, class plaintiffs amended their complaint to plead a negligence claim against the United States which is substantially identical to the claim asserted by Chemical Bank and joined as plaintiffs approximately 10,000 individual claimants. Subsequently additional individual plaintiffs have been joined as their six-month statutory waiting period passed.

Utility Tort Claims: In late February and early March 1985, BPA received tort claims from 10 Oregon utilities and 5 Oregon utility managers alleging liabilities arising out of the construction and financing of WNP-4 and 5. Each claim alleges damages of \$2.25 billion. Those claims are not yet connected with the MDL 551 litigation, however, they arise from the same factual situation. These utilities and managers have not sued the United States since filing these claims. If the settlement is approved, these claims would be barred.

2. Status of the Case

All parties in this litigation have now settled. The settlement agreement has been approved by Judge Browning. However, the case will remain technically active until all appeals to the settlement agreement have been resolved. Oral arguments on the appeals were held in February 1991.

E. M.G.I.C. Indemnity Corporation v. PUD No. 1 of Benton County, Washington, et al., No. C84-690, consolidated with MDL No. 551.

The plaintiff insured the holders of some of the WNP-4 and 5 bonds. Upon the Supply System's default on those bonds, the plaintiff paid the insured bondholders for losses. It now seeks to recover those payments from the United States. The complaint is virtually identical to the one filed in MDL 551. BPA was dismissed from this case by Judge Browning in January 1986. Plaintiff did not seek to amend its complaint. Technically the case remains pending subject to entry of the final judgment dismissing the case.

PENDING LITIGATION (cont'd)

F. Other Supply System Litigation1. Nature of the Case

The "Chinese wall" cases, are lawsuits brought by contractors regarding claims for goods and services provided for WNP-4 and 5. In some cases, these contractors also worked on other Supply System projects (WNP 1, 2, or 3), raising issues as to which project(s) received the benefit of the materials and services. These litigants have asserted a right to execute on all the assets of the Supply System, including WNP-1, 2 and 3 to satisfy any judgments in their favor for WNP 4/5 debts.

a. Nature of the Case

Case is not mentioned elsewhere. The term "Chinese Wall" derives from the Supply System's legal position that each project is a separate legal entity, and one project cannot assume responsibility for debts of any other project. Each of these lawsuits has resulted in money judgments against the Supply System.

1. Guy F. Atkinson Company/Wright-Schuchart-Harbor v. Washington Public Power Supply System. No. 89-2-10883-6, King County Superior Ct., Washington.

a. Nature of the Case

"Chinese Wall."

b. Status of the Case

On June 1, 1991, the Superior court Judge ruled from the bench, allowing the plaintiff to "set-off", or deduct an amount it owed to WNP-1 from an amount owed the plaintiff by WNP-4/5. This case is on appeal to the state Court of Appeals.

2. MPPSS v. J.A. Jones, Federal Dist. Ct. East. Dist. of Wash. (1991)

a. Nature of case

"Chinese Wall"

PENDING LITIGATION (cont'd)

b. Status of the Case

The case was recently filed.

G. PACIFICORP, dba PACIFIC POWER & LIGHT, et al v. WASHINGTON PUBLIC POWER SUPPLY SYSTEM, Circuit Court of the State of Oregon for Multnomah County, Case No. A8910-06298 (October 27, 1989)

1. Nature of the Case

Bonneville, the Washington Public Power Supply System and five regional investor owned utilities, Pacific Power & Light, Portland General Electric, the Washington Water Power Company, Puget Sound Power & Light and Montana Power Company, (the Companies), under a contract known as the Project 1 Exchange Agreements, agreed to exchange capability from Project 1 for delivery of power from Bonneville. The Exchange Agreements govern the price each Company will pay for the capability it exchanges with Bonneville. The Agreements require a change in the payment formula beginning July 1, 1990, and through June 30, 1996, when the contract expires. The parties have been negotiating regarding the price to be charged to the Companies under the Agreement.

On October 27, 1989, the Companies filed a complaint against the Supply System in Oregon Circuit Court in Multnomah County. The complaint asserts, among other things, that Project 1, has been effectively terminated and the Supply System has materially breached the Project 1 Exchange Agreements by: (1) failing to complete Project 1 by September 1980; (2) notifying the Project 1 Companies that the Supply System intends to bill them for costs alleged to be in excess of those permitted under the Project 1 Exchange Agreements; (3) failing to declare Project 1 terminated and to dispose of the assets thereof; (4) improperly incurring costs in connection with Project 1; and (5) entering into an amendment to the Project 1 Bond Resolution which allegedly adversely affects the interest of the Project 1 Companies. The complaint seeks: (1) a declaration of the rights and obligations and amounts to be paid by the Project 1 companies; (3) permission for the Project 1 Companies to elect to be excused from further performance under the Project 1 Exchange Agreements; and (3) damages in an unspecified amount.

PENDING LITIGATION (cont'd)

On November 22, 1989, the Supply System filed a Notice of Removal, removing the case from the Circuit Court of Multnomah County of Oregon to the United States District Court of Oregon. On November 24, 1989, Snohomish County Public Utility District (Snohomish) filed with the Circuit Court of Multnomah County a motion to intervene in the Project One Exchange litigation and a motion to dismiss the claims filed by the Project One Companies, asserting, among other things, that the Multnomah County court lacks jurisdiction to adjudicate the claim, that the Project One Companies were dilatory in filing the claims and that the Project One Companies waived, in the Project One Exchange Agreements, any performance or nonperformance by the Supply System.

2. Status of the Case

Bonneville, the IOU's, and the Supply System entered into a Settlement Agreement. The stipulation to dismiss was filed by the parties and was signed by the judge February 28, 1990.

H. Snohomish County Public Utility District No. 1 v. Bonneville Power Administration, (Petition for Review in the Ninth Circuit), No. 90-70257.

1. Nature of the Case

Snohomish filed a Petition for Review under the Northwest Power Act (the Regional Act) on May 29, 1990. The Petition seeks a review of the Settlement Agreement entered into between Bonneville, the IOUs, and the Supply System in the Project One Exchange litigation described above. In the Petition Snohomish claims that the Settlement Agreement is unlawful and void because: 1) it is beyond Bonneville's statutory authority to execute and perform; 2) it was adopted without conducting the required administrative procedure; 3) it constitutes a major action significantly affecting the quality of the environment; and in three contract claims that Bonneville by entering the Settlement Agreement, 4) breached §10(b) of the Project One Exchange Agreement; 5) breached its fiduciary duties to Snohomish under the Project One Net-Billing Agreements; and 6) impaired its contractual obligations to Snohomish under the Project One Net-Billing Agreement.

2. Status of Case

On January 22, 1991, the United States Department of Justice, on behalf of BPA, filed a motion to dismiss Snohomish's fourth, fifth, and sixth claims on the basis that the Ninth circuit does not

PENDING LITIGATION (cont'd)

have jurisdiction to review contract claims under the Pacific Northwest Electric Power Planning and Conservation Act. The Ninth circuit granted BPA's motion and dismissed those three claims. The balance of Snohomish's claims have been briefed before the Ninth Circuit, and the parties are awaiting the Court's decision.

II. Rates Litigation

- A. Washington Utilities and Transportation Commission v. FERC, No. 91-70619 (9th Cir.); Puget Sound Power & Light Company v. FERC, No. 91-70628 (9th Cir.)

1. Nature of the Case

The WUTC and Puget challenge BPA's average system cost determination regarding the exchangeability of costs related to WNP-3.

2. Status of the Case

The Ninth Circuit issued an order December 5, 1991, granting the interventions of the Public Power Council and the Direct Service Industrial Customers. A Motion to set briefing schedules has been filed. It is expected that the Motion will be granted.

III. Power Sales Contracts Litigation and Intertie Litigation

- A. Public Utility District No. 1 of Clark County v. Johnson, No. 82-7567 (9th Cir. filed October 1, 1982)

1. Nature of the Case

Clark County PUD No. 1 originally brought suit against Peter Johnson, BPA Administrator, on October 1, 1982. On February 23, 1983, the PUD filed an amended complaint alleging, inter alia, that (1) BPA violated the Northwest Power Act § 6 by refusing to acquire a cogeneration resource that the PUD had jointly developed with Great Western Malting Co., (2) BPA breached an oral contract to acquire the cogeneration resource, and (3) BPA's decision not to acquire the resource was arbitrary and capricious under the Federal Administrative Procedure Act.

The PUD seeks declaratory and injunctive relief requiring BPA to acquire the resource, or pay accrued money damages of ten million dollars and future damages approximating five million dollars a year for the ensuing ten years.

2. Status of the Case

The Government has filed motions for dismissal and for summary judgment in the case, which is now Claims Court No. 623-88C.

B. Public Utility District No. 1 of Douglas County, and Public Utility District No. 1 of Chelan County, and Public Utility District No. 2 of Grant County vs. James Jura, Administrator of the BPA. (Case No. 89-70382, ___F.2d___ 9th Cir. October 17, 1991).

1. Nature of the Case

A Petition for Review of the Administrator's Fish and Wildlife Compensation Policy, published in the Federal Register on July 26, 1989 at 54 Fed. Reg. 31074 has been filed. The Compensation Policy interprets section 4(h)(11)(A)(ii) of the Northwest Power Act.

Petitioners and Intervenor-Petitioners (Puget, PP&L and PGE) filed briefs. Both briefs argue that BPA's Final Policy is inconsistent with section 4(h)(11)(A)(ii) of the Northwest Power Act. Petitioners argued that all "measures", including the release of water, which are taken by Federal agencies and which are consistent with the Pacific Northwest Power and Conservation Planning Council's Fish and Wildlife Program may be compensable and, any action which causes non-Federal projects to incur costs or power losses are impositions. Intervenor, in addition to these arguments, made arguments about the application of procedural provisions of the BPA's final Policy to them.

The Ninth Circuit Court of Appeals overturned a portion of the Policy by finding that "measures" used in the Act is not limited to "measures" in the fish and wildlife program of the Pacific Northwest Power and Planning Council. The Court agreed with other portions of the Policy when it held that "impose," as used in the Act, refers to a Federal agency requiring by order, law or regulation obligations or restrictions in operating non-Federal projects. The Court also upheld procedural challenges to the Policy. A Certiorari Petition is expected from Petitioners.

PENDING LITIGATION (cont'd)

- C. Northwest Environmental Defense Center v. Jura, (9th Circuit Court of Appeals, No. 90-70548, filed October 5, 1990)

1. Nature of the Case

Petitioner for review of BPA final action under the Northwest Power Act and NEPA. Petitioners allege that BPA did not provide fish and wildlife "equitable treatment" when BPA executed the Non-Treaty Storage Agreement, and that BPA should have prepared an Environmental Impact Statement (EIS) under NEPA, rather than an Environmental Analysis (EA).

2. Status of the Case

A briefing schedule has not yet been set.

IV. Miscellaneous Litigation

- A. Puget Sound Power & Light Co. v. Bonneville Power Administration. No. 91-70295 (9th Cir.)

1. Nature of the Case

In Puget Sound Power & Light Co. v. United States of America, 23 Cl. Ct. 46 (1991), Puget alleged that BPA breached the regional preference provisions in Puget's power sales contracts with BPA. Puget alleged that BPA: (1) failed to guarantee Puget "first call" on its electric power, (2) disposed of electric power outside the Northwest which was not surplus to the needs of the Northwest and Puget, (3) disposed of power outside the Pacific Northwest for which there is a market and demand in the Northwest, (4) refused to sell electric power to Puget at established rates power that BPA was marketing outside the Northwest, (5) wrongly priced power it offered to Puget at market rates BPA could obtain outside the Northwest, and (6) marketed power first outside the Northwest before marketing it in the Northwest. Puget sought damages of 20 million dollars and a declaration that BPA may not in the future sell or exchange power in violation of the regional preference provisions in Puget's power sales contracts. The Claims court transferred the case to the Ninth Circuit, where it is now pending.

2. Status of the Case

On April 30, 1991, the Claims court issued a decision finding that it lacked jurisdiction and

PENDING LITIGATION (cont'd)

transferred the case to the United States Court of Appeals for the Ninth Circuit. Puget Sound, 23 Cl. Ct. 42 (1991). On May 17, 1991, Puget's appeal of the Claims Court's order was docketed in the United States Court of Appeals for the Federal Circuit as No. 91-5094. On June 12, 1991, BPA filed a motion to dismiss the appeal for lack of jurisdiction. On August 1, 1991, the Federal Circuit issued an order dismissing the appeal. Puget Sound Power & Light Co. v. United States, No. 91-5094 (Fed. Cir. Aug. 1, 1991). On October 29, 1991, Puget filed a petition for writ of certiorari with the Supreme Court to review the Federal Circuit's decision. BPA's responding brief will be filed in January. Puget will then file a reply and the petition will be pending before the Court.

On May 6, 1991, the Ninth Circuit docketed the transferred case as No. 91-70295. Puget filed a motion to retransfer the case to the Claims Court on October 11, 1991. On the same date, BPA filed a motion to stay the case pending completion of BPA's ongoing administrative proceeding or in the alternative to dismiss. Puget and BPA filed answers to the respective motions on November 1, 1991. Puget and BPA replied to the respective answers on November 12, 1991. The motions are currently pending before the Ninth Circuit.

B. TRI-O v. United States, No. 90-C-253 J, U.S. District Court, Central District of Utah, filed March 16, 1990

1. Nature of the Case

Plaintiff Tri-O, Inc., a Utah corporation, is seeking declaratory relief regarding a Final Decision of BPA's Contracting Officer dated October 11, 1989. The Final Decision of the Contracting Officer involves a refund alleged to be due from Tri-O to BPA in the amount of \$34,117.72 plus interest. There is a dispute regarding the interpretation of the "State of Montana Gross Receipts Tax on Public Contractors" clause contained in the subject contract between Tri-O and BPA.

2. Status of the Case

Case was transferred to the Claims Court.

C. United States v. Timmerman, U.S. District Court, Dist. of Oregon, Civ. No. 91-525-PA

PENDING LITIGATION (cont'd)

1. Nature of the Case

Complaint for Ejectment, Injunction and damages filed by U.S. on June 4, 1991 to remove plaintiff from land owned by U.S. in fee.

2. Status of the Case

Answer and Counterclaim filed June 17, 1991. Case is in discovery process.

D. Rodriguez & Associates, Certified Public Accountants v. Bonneville Power Administration, GAO File No. 245882.2

1. Nature of the Case

Bid protest before the General Accounting Office (GAO) to contest award of financial analysis and accounting support services contract awarded to Price Waterhouse.

2. Status of the Case

The protest was filed on September 26, 1991. Bonneville filed a Demand for Arbitration based on a mandatory Arbitration Clause contained in the solicitation. The Case has been accepted for arbitration.

END

DATE
FILMED

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