

# Budget details Western's priorities

## Western emphasizes Y2K preparedness

On March 3, Administrator **Mike Hacskaylo** appeared at a budget oversight hearing held by the U.S. Senate Subcommittee on Water and Power of the Committee on Energy and Natural Resources regarding Western's FY 2000 budget. This was Hacskaylo's first opportunity as Administrator to present Western's budget request to a Senate subcommittee and to discuss the agency's programs, goals and achievements.

As the third largest provider of bulk electricity and the third largest transmission system in the Nation, Western enjoys a considerable presence in the wholesale power market. With that presence, Western provides leadership in shaping the competitive electric utility industry, primarily as an advocate for power system reliability and security.

Hacskaylo's testimony noted that Western is ensuring all its information systems are ready for year 2000 and that the agency is working with hydropower suppliers to make sure they are Y2K-compliant as well. The agency is also participating with the North American Electric Reliability Council and its member regional reliability organizations in industrywide Y2K planning and drills.

FY 2000 budget highlights include:

- \$171.5 million for Construction, Rehabilitation, Operation and Maintenance. This is a decrease of \$52.1 million, or 23.3 percent below our FY 1999 program.
- As in FY 1999, \$5 million for Western's contribution to the Utah Reclamation Mitigation and Conservation Account.
- Obligational authority of \$113.6 million for the Colorado River Basin's Power Marketing Fund. This is an increase of \$12.9 million, or 12.8 percent above our FY 1999 level.
- \$4.2 million for operation and maintenance of the Boulder Canyon Project is excluded from the budget request. Beginning in FY 2000, this amount will be funded directly from Colorado River Dam Fund receipts.

In more detail, we requested:



- \$104.5 million for Program Direction to provide compensation and related expenses for our workforce.
- \$35.1 million to support day-to-day operation and maintenance of electrical communication facilities. Of this, \$19.8 million is for regular operations and maintenance and \$15.3 million is for replacements and additions.
- \$1.3 million for operation and maintenance of the Falcon/Amistad Project.
- \$26.8 million for Construction and Rehabilitation activities that include replacements and upgrades of Western's existing electrical infrastructure necessary to sustain reliable power delivery to our customers, certain annual maintenance expenses, retention of the value of our assets and assurance of employee and public safety.

The significant decrease in Western's overall request is attributed to the proposed elimination of Purchase Power and Wheeling Program appropriations. In FY 2000, Western will continue to finance a portion of its PP&W Program through alternative financing methods. We will work with customers and power suppliers to develop new arrangements that will finance the remaining portion of the program.

Hacskaylo summed up by saying, "Western looks forward to the challenges ahead. We are positioned to be a viable presence in the power industry due largely to the committee's support." ❧

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