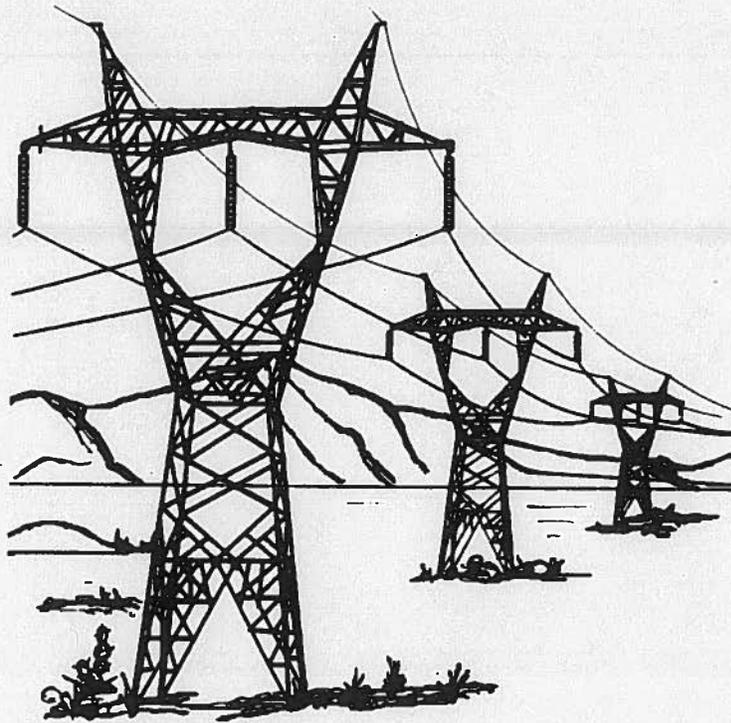


WESTERN AREA POWER ADMINISTRATION

**PACIFIC NORTHWEST - PACIFIC SOUTHWEST
INTERTIE PROJECT**



TRANSMISSION SERVICE RATES BROCHURE

JUNE 2012

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I. INTRODUCTION

The Western Area Power Administration (Western) has initiated a public process to adjust the Pacific Northwest-Pacific Southwest Intertie Project (Intertie) transmission service rates. A copy of the *Federal Register* notice announcing this public process is included in this brochure as Appendix A. This brochure explains the need for the proposed rate adjustment and the methodologies used in developing the proposed transmission service rates.

A public information forum and public comment forum will be held during the consultation period, discussed in Section II, to provide additional information and to receive comments from interested parties. After review of public comments and possible amendments or adjustments, Western will recommend that the Deputy Secretary of Energy approve the proposed rates for transmission service on an interim basis. The decision, and an explanation of the principal factors leading to the decision, will be announced in a *Federal Register* notice. Western expects the proposed rates to go into effect on October 1, 2012, and remain in effect through September 30, 2017.

II. RATE ADJUSTMENT PROCEDURE

A. Proposed Rates

A rate adjustment is necessary because the Final Power Repayment Study (PRS) for Fiscal Year (FY) 2011 indicated that the existing transmission service rates were not sufficient to repay all of the project costs within the prescribed time periods.

The FY 2012 ratebase PRS indicates the need for rates of \$19.68 per kilowatt-year (kW-yr) for firm transmission service and 2.25 mills per kilowatthour (mills/kWh) for nonfirm transmission service. This represents an increase of 29 percent over the existing transmission service rates.

B. Public Process

The published procedures for rate adjustments, as amended, are included in Appendix B of this brochure. The procedures adopted by the U.S. Department of Energy (DOE) give interested parties an opportunity to participate in the development of both power and transmission rates.

A *Federal Register* notice was published on June 11, 2012, announcing the proposed rates and the consultation and comment period. This brochure, along with its appendices, is being provided in conjunction with the *Federal Register* notice. It provides additional information and a discussion on investments, revenues, expenses and the methodologies used to develop the proposed rates for transmission service.

The public consultation and comment period begins on the publication date of the

Federal Register notice and closes 90 days thereafter. During this time, interested parties may consult with and obtain information from Western representatives about the proposed rates. Interested parties may also examine data contained in the PRS as well as data contained in all supporting documents. Copies of the PRS data and other supporting material are available for public review at Western's Desert Southwest Customer Service Regional Office, located at 615 South 43rd Avenue, Phoenix, AZ, 85009.

C. Public Information and Public Comment Forums

A public information forum will be held on June 28, 2012, at 1:00 p.m. MST at Western's Desert Southwest Customer Service Regional Office. At the public information forum, Western representatives will explain the need for the proposed rate increase and answer questions. Questions not answered at the public information forum will be answered in writing before the end of the consultation and comment period. The public information forum will be recorded and transcribed. Copies of the transcript will be available for purchase from the firm providing the service.

A public comment forum will be held on July 10, 2012, at 10:00 a.m. MST at Western's Desert Southwest Customer Service Regional Office. Interested parties may submit written and/or oral comments at the public comment forum. As with the public information forum, the public comment forum will be recorded and transcribed. Copies of the transcript will be available for purchase from the firm providing the service.

D. Written Comments

All interested parties may submit written comments to Western any time during the consultation and comment period. All comments must be received by Western by the end of the comment period. Written comments should be sent to Mr. Darrick Moe, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, e-mail moe@wapa.gov. Written comments may also be faxed to (602) 605-2490, attention: Jack Murray.

E. Revision of Proposed Rates

During and after the consultation and comment period and the review of oral and written comments, Western may revise the proposed rates for transmission service. If Western determines that further public comment on the revised proposed rates for transmission service should be invited, an extension of the consultation and comment period may be initiated and one or more additional public meetings may be convened.

F. Decision on Proposed or Revised Proposed Rates

Following the end of the consultation and comment period, Western may forward the proposed rates for transmission service to the Deputy Secretary of Energy who may confirm, approve, and place these rates into effect on an interim basis. The decision, and an explanation of the principal factors leading to this decision, will be announced in a *Federal Register* notice.

G. Final Decision on Rate Adjustment

The Deputy Secretary of Energy will submit all information concerning the provisional rates for transmission service to the Federal Energy and Regulatory Commission (FERC) and request approval of the provisional rates for a 5-year period beginning October 1, 2012 through September 30, 2017. The FERC will then confirm, approve, and place the provisional rates into effect on a final basis, remand the provisional rates to Western, or disapprove the provisional rates.

H. Rate Adjustment Schedule

The following is Western's schedule for implementing the proposed transmission service rates:

Notice of Proposed Transmission Service Rates	June 11, 2012
Public Information Forum	June 28, 2012
Public Comment Forum	July 10, 2012
Consultation and Comment Period Ends	September 10, 2012

III. PROPOSED RATES FOR TRANSMISSION SERVICE

Based upon the latest data available, the Final PRS for FY 2011 showed that the existing rates for transmission service would not provide sufficient revenue to pay the project costs within the prescribed time periods. The existing rate for long-term and short-term firm point-to-point transmission service is \$15.24 /kW-yr. The existing rate for nonfirm point-to-point transmission service is 1.74 mills/kWh.

The FY 2012 ratebase PRS indicates that the proposed rates for transmission service are necessary to demonstrate that future revenues will satisfy the cost recovery criteria over the remainder of the repayment period. A copy of the FY 2012 ratebase PRS is shown in Appendix C of this brochure. The proposed rate for long-term and short-term firm point-to-point transmission service is \$19.68 /kW-yr. The proposed rate for nonfirm point-to-point transmission service is 2.25 mills/kWh. These proposed rates represent an increase of 29

percent over the existing rates. The following factors have prompted the rate increase. First, the sales of long-term firm 500-kV transmission service were significantly lower than the forecast used to establish the existing rates. The existing rates were based on projected sales of 500-kV transmission service increasing each year during the 5-year evaluation period. The actual demand for transmission capacity was much less than expected and the projected sales did not materialize. As a result, the revenue contribution from 500-kV transmission service over the 5-year evaluation period has been considerably lower than planned. The proposed rates include a significant reduction in the sales forecast for 500-kV transmission service over the next 5-year evaluation period, which is a major factor of the rate increase.

Second, purchase power costs have increased by approximately \$1.85 million per year since the existing rates were developed. This increase is based on the average annual purchase power costs projected through the evaluation period. When the existing rates were developed, purchase power was handled at the power system level and the Intertie, which is a transmission-only system (no generation), had no purchase power costs to recover. Since then, Western's Balancing Authority in the Desert Southwest Customer Service Region (WALC) has initiated power purchases for reliability purposes and the associated costs are distributed to all of the transmission systems within WALC, which includes the Intertie. These annual purchase power costs are subject to recovery and inclusion in the proposed rates.

IV. SUPPORTING DATA

Repayment criteria are based on law and upon policies established by DOE Order RA 6120.2 (RA 6120.2), a copy of which is included in Appendix D of this brochure. According to RA 6120.2, project revenues are required to repay investment costs, including interest.

Generally, the repayment formula is annual revenue equals annual expenses plus debt repayment. Annual revenues are first used to pay annual expenses. These annual expenses include all costs for operation, maintenance, purchase power, transmission service and interest on unpaid debt. Second, all required payments due on capitalized investments are paid. When annual revenues are insufficient to meet annual expenses plus required debt repayment, "loans" are taken out to cover the deficiency. These "loans" are referred to as "capitalized deficits" and are amortized to be repaid over a specified period of time. When annual revenues are sufficient to meet annual expenses plus required debt repayment, any remaining revenue is used to repay capitalized deficits and capitalized investments based upon a hierarchy of repayment. The hierarchy of repayment requires that all capitalized deficits are repaid first followed by capitalized investments, with the highest interest-bearing investments being repaid first.

The ratebase PRS on which the proposed rates are based may be updated or revised prior to final submittal to the Deputy Secretary of Energy for approval. Data sources for the ratebase PRS are discussed below:

A. Firm Transmission Sales

Historical sales of long-term firm 230/345-kV transmission service are based on actual sales as reported in the Annual Report of Deliveries and Income. Future sales of long-term firm 230/345-kV transmission service are based on anticipated contractual obligations with existing and future contractors. The long-term firm 230/345-kV transmission service obligations during the 5-year evaluation period are estimated at 1,093,942 kW.

Historical sales of long-term firm 500-kV transmission service are based on actual sales as reported in the Annual Report of Deliveries and Income. Future sales of long-term firm 500-kV transmission service are based on anticipated contractual obligations with existing and future contractors. The long-term firm 500-kV transmission service obligations during the 5-year evaluation period are estimated at 612,000 kW.

B. Revenues

Historical revenues from sales of firm 230/345-kV transmission service are based on actual revenue reported on the Annual Report of Deliveries and Income. Projections for future revenue are based on future sales of long-term firm 230/345-kV transmission service multiplied by the proposed firm transmission service rate.

Historical revenues from sales of firm 500-kV transmission service are based on actual revenue reported on the Annual Report of Deliveries and Income. Projections for future revenue are based on future sales of long-term firm 500-kV transmission service multiplied by the proposed firm transmission service rate.

Other revenues include nonfirm transmission sales, facilities use charges, transmission line losses and miscellaneous items. Historical other revenues are based on actual other revenue reported on the Annual Report of Deliveries and Income and the Results of Operations. Projections for future other revenue are based on a three-year average of actual other revenue. The table below provides details of the projected other revenues under the proposed rates.

Fiscal Years 2013-2017	
Facilities Use Charges	\$2,167,546
Transmission Line Losses	1,832,408
Nonfirm Transmission Sales	980,823
Miscellaneous	59,788
Total Other Revenues	\$5,040,565

C. Expenses

Historical costs for Operation and Maintenance (O&M) are based on actual expenses reported in the Results of Operations. Projections for future O&M costs during the evaluation period are based on Western’s budget submission documents. Projections for future O&M costs after the evaluation period are based on the last fiscal year of the evaluation period. The table below identifies the elements that make up O&M costs.

Fiscal Year	System Wide	Transmission System		Administrative & General	Total
		Operation	Maintenance		
2013	\$1,389,373	\$2,347,476	\$2,562,104	\$914,282	\$7,213,235
2014	2,410,843	2,011,317	2,837,188	989,420	8,248,768
2015	1,439,059	2,051,543	2,893,932	1,009,208	7,393,744
2016	1,467,841	2,092,574	2,951,911	1,029,393	7,541,618
2017+	1,497,197	2,134,426	3,010,847	1,049,980	7,692,451

Historical costs for Purchase Power and Transmission are based on actual expenses reported in the Results of Operations. Projections for future Purchase Power costs were provided by the Energy Management and Marketing Office at Western’s Desert Southwest Region. Projections for Purchase Transmission costs are based on Western’s contract with the transmission service provider. The table below provides the estimated costs under the proposed rates.

Fiscal Years 2013-2017+	
Purchase Power	\$1,850,000
Purchase Transmission	400,000
Total	\$2,250,000

Historical costs for the Abandoned Project are based on actual expenses reported in the Results of Operations. Projections for future Abandoned Project costs are based on an amortization schedule, which is included in this brochure as Appendix E.

Other costs consist of the unfunded portion of the Civil Service Retirement System and Post-Retirement Health and Life Insurance Benefits (Retirement Benefits) and Multi-Project Costs (MPC). Historical other costs are based on actual expenses reported in the Results of Operations. Projections of future costs for Retirement Benefits are based on the previous year’s actual expense. Projections for future MPC are based on the MPC amortization tables.

Historical costs for Interest are based on actual expenses reported in the Results of Operations. Projections for future Interest costs are calculated annually by the ratebase PRS based on the unpaid debt. The projections also include interest associated with the undepreciated balance of capitalized movable equipment and warehouse stores balance older than one year.

D. Investments

The cumulative investment in the original project totals \$45.6 million and is repayable over a 50-year period at 3% interest. The unpaid balance of the original project investments is \$45.6 million. The unpaid balance is scheduled to be repaid by FY 2023 under the proposed rates.

The cumulative investment in additions to the original project totals \$176.3 million and is repayable over a 50-year period at various interest rates. The unpaid balance of the investment in additions to the original project is \$175.7 million and the interest rates range from 4.125% to 11.375%. The unpaid balance is scheduled to be repaid by FY 2036 under the proposed rates. There is no investment in additions projected during the cost evaluation period.

The cumulative investment in replacements totals \$20.3 million and is repayable over the useful service lives of the replacements at various interest rates. The service lives for transmission facilities vary from 20 to 50 years. The unpaid balance of the investment in replacements is \$18.3 million and the interest rates range from 4.000% to 10.750%. The unpaid balance is scheduled to be repaid by FY 2036 under the proposed rates. The projected investment for replacements during the cost evaluation period is based on the FY 2012 Ten-Year Capital Program. Projected investment for replacements after the cost evaluation period is determined and calculated by the PRS replacement program.

The cumulative capitalized deficits total \$88.5 million and are repayable over a 10-year period at various interest rates. The unpaid balance of capitalized deficits is \$25.0 million and the interest rates range from 4.000% to 5.125%. The unpaid balance is scheduled to be repaid by FY 2016 under the proposed rates. The table below reflects the annual deficits that were incurred under the existing rates.

Fiscal Year	Capitalized Deficit	Interest Rate	Unpaid Balance
2008	\$1,519,057	4.875%	\$1,519,057
2009	9,553,149	4.500%	9,553,149
2010	3,844,595	4.000%	3,844,595
2012(est.)	5,786,352	4.000%	5,786,352

Appendix A

Federal Register Notice – Notice of Proposed Transmission Service Rates

157.205 of the regulations under the NGA (18 CFR 157.205), a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the allowed time for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the NGA.

Dated: June 4, 2012.

Kimberly D. Bose,
Secretary.

[FR Doc. 2012-14018 Filed 6-8-12; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pacific Northwest-Pacific Southwest Intertie Project—Rate Order No. WAPA-157

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed transmission service rates.

SUMMARY: Western Area Power Administration (Western), a power marketing administration within the Department of Energy (DOE), is proposing an adjustment to the Pacific Northwest-Pacific Southwest Intertie Project (Intertie) transmission service rates. The current rates, under Rate Schedules INT-FT4 and INT-NFT3, expire September 30, 2012. The existing rates are being adjusted to provide sufficient revenue to cover all annual costs, including interest expense, and to repay capital investment obligations within the required period. Western will

prepare and provide a brochure detailing information on the proposed rates. The proposed rates, under Rate Schedules INT-FT5 and INT-NFT4, are scheduled to become effective on October 1, 2012, and remain in effect through September 30, 2017. Publication of this Federal Register notice initiates the formal process for the proposed rate adjustment.

DATES: The consultation and comment period ends September 10, 2012. Western will present a detailed explanation of the proposed rates at a public information forum on June 28, 2012, at 1 p.m. MST in Phoenix, Arizona. Western will accept oral and written comments at a public comment forum on July 10, 2012, at 10 a.m. MST in Phoenix, Arizona. Western will also accept written comments any time during the 90 day consultation and comment period.

ADDRESSES: The public information forum and public comment forum will be held at Western's Desert Southwest Customer Service Regional Office, located at 615 South 43rd Avenue, Phoenix, AZ 85009-5313, on the dates cited above. Written comments should be sent to Darrick Moe, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, email moe@wapa.gov. Written comments may also be faxed to (602) 605-2490, attention: Jack Murray. Western will post information about the rate process on its Web site at <http://www.wapa.gov/dsw/pwrmt/Intertie/RateAdjust.htm>. Western will also post official comments received via letter, fax, and email to this Web site. Written comments must be received by the end of the consultation and comment period to be considered in Western's decision

process. As access to Western facilities is controlled, any U.S. citizen wishing to attend any meeting held at Western must present an official form of picture identification such as a U.S. driver's license, U.S. passport, U.S. Government ID, or U.S. Military ID at the time of the meeting. Foreign nationals should contact Western 30 days in advance of the meeting to obtain the necessary form for admittance to Western.

FOR FURTHER INFORMATION CONTACT: Mr. Jack Murray, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2442, email jmurray@wapa.gov.

SUPPLEMENTARY INFORMATION: Rate Schedules INT-FT4 and INT-NFT3 for Rate Order No. WAPA-130 were approved on an interim basis by the Deputy Secretary of Energy on September 28, 2007, for a 5-year period beginning on October 1, 2007, and ending September 30, 2012.¹ The schedules received final approval from the Federal Energy Regulatory Commission (FERC) on March 18, 2008.² Under Rate Schedule INT-FT4, the existing rate for long-term firm and short-term firm point-to-point transmission service is \$15.24 per kilowatt year (kW-year). The proposed rate for long-term firm and short-term firm point-to-point transmission service under Rate Schedule INT-FT5 is \$19.68/kW-year. Under Rate Schedule INT-NFT3, the existing rate for nonfirm point-to-point transmission service is 1.74 mills per kilowatt hour (mills/kWh). The proposed rate for nonfirm point-to-point transmission service under Rate Schedule INT-NFT4 is 2.25 mills/kWh. The following table compares the existing and proposed rates for transmission service:

COMPARISON OF EXISTING AND PROPOSED RATES

Transmission service	Existing rates	Proposed rates	Percent change
Firm Point-to-Point	\$15.24/kW-year	\$19.68/kW-year	29.1
Nonfirm Point-to-Point	1.74 mills/kWh	2.25 mills/kWh	29.3

The proposed rates are expected to become effective October 1, 2012, and remain in effect through September 30, 2017. The proposed rates are designed to recover an annual revenue requirement that includes operation and maintenance, purchase power, purchase of transmission capacity, interest, other

expenses, and capital investment repayment.

The rate increase results primarily from lower-than-projected sales of 500-kilovolt (kV) transmission service and higher-than-projected costs for purchased power that have occurred since the existing rates were established.

The existing rates were based on projected sales of 500-kV transmission service increasing each year during the 5-year evaluation period. The actual demand for transmission capacity was less than expected and the projected sales did not materialize. As a result, the revenue derived from the sales of 500-kV transmission service over the 5-year

¹ 72 FR 57563 (October 10, 2007)

² 122 FERC ¶ 62,236 (March 18, 2008)

evaluation period has been much lower than planned. The proposed rates include a significant reduction in the sales forecast for 500-kV transmission service over the next 5-year evaluation period, which is a major factor of the rate increase.

Another factor of the rate increase is when the existing rates were developed, purchase power was handled at the power system level and the Intertie had no purchase power costs to recover. Since then, Western's Balancing Authority (BA) in the Desert Southwest Customer Service Region has initiated power purchases for reliability purposes and the associated costs are distributed to the applicable transmission systems within the BA, including the Intertie transmission system. These annual purchase power costs are subject to recovery and inclusion in the proposed rates.

Legal Authority

Since the proposed rates constitute a major rate adjustment as defined by 10 CFR part 903, Western will hold both a public information forum and public comment forum. After review of public comments, Western will take further action on the proposed rates consistent with 10 CFR part 903.

Western is establishing transmission service rates for the Intertie under the DOE Organization Act (42 U.S.C. 7152); the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Existing DOE procedures for public participation in power and transmission rate adjustments (10 CFR part 903) were published on September 18, 1985 (50 FR 87835).

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that Western initiates or uses to develop the proposed rates are available for inspection and copying at the Desert Southwest Customer Service

Regional Office, Western Area Power Administration, 615 South 43rd Avenue Phoenix, Arizona 85009-5313. Many of these documents and supporting information are also available on Western's Web site at <http://www.wapa.gov/dsw/pwrnkt/Intertie/RateAdjust.htm>.

Ratemaking Procedure Requirements Environmental Compliance

Western will evaluate this action for compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321-4347), the Council on Environmental Quality Regulations (40 CFR parts 1500-1508), and DOE NEPA Regulations (10 CFR part 1021).

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866. Accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: June 4, 2012.

Anthony H. Montoya,
Acting Administrator.

[FR Doc. 2012-14110 Filed 6-8-12; 8:45 am]

BILLING CODE 6450-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-9682-1]

Meetings of the National Drinking Water Advisory Council—Notice of Public Meetings

AGENCY: Environmental Protection Agency.

ACTION: Notice of a public webinar/conference call and a public meeting.

SUMMARY: The U.S. Environmental Protection Agency (EPA or agency) is announcing one public webinar/conference call and one in-person meeting of the National Drinking Water Advisory Council (NDWAC or Council), established under the Safe Drinking Water Act (SDWA). The Council will consider various issues associated with drinking water protection and public water systems. For the webinar/conference call, the Council will discuss a draft guidance for EPA permit writers relative to hydraulic fracturing using diesel fuels under the SDWA's Underground Injection Control (UIC) Program and also options for assisting small water systems in achieving sustainable practices. For the in-person meeting, the primary focus will be for the Council to discuss the proposed regulation of perchlorate under the

SDWA. Also at this in-person meeting, the Council will discuss assistance to small water systems among other program issues.

DATES: The webinar/conference call will be held on Wednesday, June 27, 2012, from 1:00 p.m. to 4:30 p.m., Eastern Time, and the in-person meeting will be held on September 12, 2012, from 8:30 a.m. to 5:00 p.m., Central Time, and September 13 from 8:30 a.m. to 3:00 p.m., Central Time.

ADDRESSES: The webinar/conference call will be available through Internet access. Instructions for attending will be available to anyone who requests to attend (see FOR FURTHER INFORMATION CONTACT section for procedures for making the request). The in-person meeting on September 12 and 13, 2012, will be held at the EPA's Chicago Regional Office (EPA Region 5) at the Ralph Metcalfe Federal Building, 77 West Jackson Blvd., Chicago, IL 60604-3590 and will also be open to the public.

FOR FURTHER INFORMATION CONTACT:

Members of the public who would like to register and receive pertinent information, present an oral statement or submit a written statement for the June 27 webinar/conference call should contact Roy Simon, by email, Simon.Roy@epa.gov, by phone, 202-564-3868, or by regular mail at U.S. Environmental Protection Agency, Office of Ground Water and Drinking Water (MC 4601M), 1200 Pennsylvania Avenue NW., Washington, DC 20460. Similarly, those members of the public who would like to register and receive information, present an oral statement, or submit a written statement for the September 13 and 14 in-person meeting should contact Roy Simon. Further details about participating in the webinar and the in-person meeting can be found in the SUPPLEMENTARY INFORMATION section.

SUPPLEMENTARY INFORMATION: *Details about Participating in the Webinar:* If you wish to attend the webinar, you can read the presentations only if you provide your email address when you register. If you do not have an email address and would like to attend by phone only, please provide your address so you can be notified by mail of the call-in number. The EPA will provide updated information on the September in-person meeting to registered individuals and organizations as the date of the meeting gets closer.

The Council encourages the public's input and will allocate 30 minutes in the webinar on June 27, 2012 (3:55-4:25 p.m., Eastern Time). Similarly, the Council will allocate one hour for the

Appendix B

Procedures for Public Participation in Power and Transmission Rate Adjustments

§ 971.4 Limitation on redelegation of authority.

The authority delegated in this part may not be redelegated without the prior approval of the Assistant Administrator for National Security.

PART 903—POWER AND TRANSMISSION RATES**Subpart A—Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions for the Alaska, Southeastern, Southwestern, and Western Area Power Administrations**

- Sec.
- 903.1 Purpose and scope; application.
- 903.2 Definitions.
- 903.11 Advance announcement of rate adjustment.
- 903.13 Notice of proposed rates.
- 903.14 Consultation and comment period.
- 903.15 Public information forums.
- 903.16 Public comment forums.
- 903.17 Informal public meetings for minor rate adjustments.
- 903.18 Revision of proposed rates.
- 903.21 Completion of rate development; provisional rates.
- 903.22 Final rate approval.
- 903.23 Rate extensions.

AUTHORITY: Secs. 301(b), 302(a), and 644 of Department of Energy Organization Act, Pub. L. 95-91 (42 U.S.C. 7101 *et seq.*); sec. 5 of the Flood Control Act of 1944 (16 U.S.C. 825e); the Reclamation Act of 1902 (43 U.S.C. 372 *et seq.*), as amended and supplemented by subsequent enactments, particularly sec. 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and the Acts specifically applicable to individual projects or power systems.

SOURCE: 50 FR 37837, Sept. 18, 1985, unless otherwise noted.

Subpart A—Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions for the Alaska, Southeastern, Southwestern, and Western Area Power Administrations**§ 903.1 Purpose and scope; application.**

(a) Except as otherwise provided herein, these regulations establish procedures for the development of power and transmission rates by the Administrators of the Alaska, Southeastern,

Southwestern, and Western Area Power Administrations; for the providing of opportunities for interested members of the public to participate in the development of such rates; for the confirmation, approval, and placement in effect on an interim basis by the Deputy Secretary of the Department of Energy of such rates; and for the submission of such rates to the Federal Energy Regulatory Commission with or without prior interim approval. These regulations supplement Delegation Order No. 0204-108 of the Secretary of Energy, which was published in the FEDERAL REGISTER and became effective on December 14, 1983 (48 FR 55664), with respect to the activities of the Deputy Secretary and the Administrators.

(b) These procedures shall apply to all power and transmission rate adjustment proceedings for the Power Marketing Administrations (PMAs) which are commenced after these regulations become effective or were in process on the effective date of these regulations, but for which the FERC had not issued any substantive orders on or before December 14, 1983. These procedures supersede "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions for the Alaska, Southeastern, Southwestern, and Western Area Power Administrations" published in 45 FR 86983 (December 31, 1980) and amended at 46 FR 6864 (January 22, 1981) and 46 FR 25427 (May 7, 1981).

(c) Except to the extent deemed appropriate by the Administrator in accordance with applicable law, these procedures do not apply to rates for short term sales of capacity, energy, or transmission service.

[50 FR 37837, Sept. 18, 1985; 50 FR 48075, Nov. 21, 1985]

§ 903.2 Definitions.

As used herein—

(a) *Administrator* means the Administrator of the PMA whose rate is involved in the rate adjustment, or anyone acting in such capacity.

(b) *Department* means the Department of Energy, including the PMAs but excluding the Federal Energy Regulatory Commission.

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(c) *Deputy Secretary* means the Deputy Secretary of the Department of Energy, or anyone acting in such capacity.

(d) *FERC* means the Federal Energy Regulatory Commission.

(e) *Major rate adjustment* means a rate adjustment other than a minor rate adjustment.

(f) *Minor rate adjustment* means a rate adjustment which (1) will produce less than 1 percent change in the annual revenues of the power system or (2) is for a power system which has either annual sales normally less than 100 million kilowatt hours or an installed capacity of less than 20,000 kilowatts.

(g) *Notice* means the statement which informs customers and the general public of Proposed Rates or proposed rate extensions, opportunities for consultation and comment, and public forums. The Notice shall be by and effective on the date of publication in the FEDERAL REGISTER. Whenever a time period is provided, the date of publication in the FEDERAL REGISTER shall determine the commencement of the time period, unless otherwise provided in the Notice. The Notice shall include the name, address, and telephone number of the person to contact if participation or further information is sought.

(h) *Power Marketing Administration or PMA* means the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, or Western Area Power Administration.

(i) *Power system* means a powerplant or a group of powerplants and related facilities, including transmission facilities, or a transmission system, that the PMA treats as one unit for the purposes of establishing rates and demonstrating repayment.

(j) *Proposed Rate* means a rate revision or a rate for a new service which is under consideration by the Department on which public comment is invited.

(k) *Provisional Rate* means a rate which has been confirmed, approved, and placed in effect on an interim basis by the Deputy Secretary.

(l) *Rate* means the monetary charge or the formula for computing such a charge for any electric service provided by the PMA, including but not limited

to charges for capacity (or demand), energy, or transmission service; however, it does not include leasing fees, service facility charges, or other types of facility use charges. A rate may be set forth in a rate schedule or in a contract.

(m) *Rate adjustment* means a change in an existing rate or rates, or the establishment of a rate or rates for a new service. It does not include a change in rate schedule provisions or in contract terms, other than changes in the price per unit of service, nor does it include changes in the monetary charge pursuant to a formula stated in a rate schedule or a contract.

(n) *Rate schedule* means a document identified as a "rate schedule," "schedule of rates," or "schedule rate" which designates the rate or rates applicable to a class of service specified therein and may contain other terms and conditions relating to the service.

(o) *Short term sales* means sales that last for no longer than one year.

(p) *Substitute Rate* means a rate which has been developed in place of the rate that was disapproved by the FERC.

[50 FR 37837, Sept. 18, 1985; 50 FR 48075, Nov. 21, 1985]

§ 903.11 Advance announcement of rate adjustment.

The Administrator may announce that the development of rates for a new service or revised rates for an existing service is under consideration. The announcement shall contain pertinent information relevant to the rate adjustment. The announcement may be through direct contact with customers, at public meetings, by press release, by newspaper advertisement, and/or by FEDERAL REGISTER publication. Written comments relevant to rate policy and design and to the rate adjustment process may be submitted by interested parties in response to the announcement. Any comments received shall be considered in the development of Proposed Rates.

§ 903.13 Notice of proposed rates.

(a) The Administrator shall give Notice that Proposed Rates have been prepared and are under consideration. The Notice shall include:

- (1) The Proposed Rates;

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(2) An explanation of the need for and derivation of the Proposed Rates;

(3) The locations at which data, studies, reports, or other documents used in developing the Proposed Rates are available for inspection and/or copying;

(4) The dates, times, and locations of any initially scheduled public forums; and

(5) Address to which written comments relative to the Proposed Rates and requests to be informed of FERC actions concerning the rates may be submitted.

(b) Upon request, customers of the power system and other interested persons will be provided with copies of the principal documents used in developing the Proposed Rates.

§ 903.14 Consultation and comment period.

All interested persons will have the opportunity to consult with and obtain information from the PMA, to examine backup data, and to make suggestions for modification of the Proposed Rates for a period ending (a) 90 days in the case of major rate adjustments, or 30 days in the case of minor rate adjustments, after the Notice of Proposed Rates is published in the FEDERAL REGISTER, except that such periods may be shortened for good cause shown; (b) 15 days after any answer which may be provided pursuant to § 903.15(b) hereof; (c) 15 days after the close of the last public forum; or (d) such other time as the Administrator may designate; whichever is later. At anytime during this period, interested persons may submit written comments to the PMA regarding the Proposed Rates. The Administrator may also provide additional time for the submission of written rebuttal comments. All written comments shall be available at a designated location for inspection, and copies also will be furnished on request for which the Administrator may assess a fee. Prior to the action described in § 903.21, the Administrator may, by appropriate announcement postpone any procedural date or make other procedural changes for good cause shown at the request of any party or on the Administrator's own motion. The Administrator shall maintain, and dis-

tribute on request, a list of interested persons.

§ 903.15 Public information forums.

(a) One or more public information forums shall be held for major rate adjustments, except as otherwise provided in paragraph (c) of this section, and may be held for minor adjustments, to explain, and to answer questions concerning, the Proposed Rates and the basis of and justification for proposing such rates. The number, dates, and locations of such forums will be determined by the Administrator in accordance with the anticipated or demonstrated interest in the Proposed Rates. Notice shall be given in advance of such forums. A public information forum may be combined with a public comment forum held in accordance with § 903.16.

(b) The Administrator shall appoint a forum chairperson. Questions raised at the forum concerning the Proposed Rates and the studies shall be answered by PMA representatives at the forum, at a subsequent forum, or in writing at least 15 days before the end of the consultation and comment period. However, questions that involve voluminous data contained in the PMA records may be answered by providing an opportunity for consultation and for a review of the records at the PMA offices. As a minimum, the proceedings of the forum held at the principal location shall be transcribed. Copies of all documents introduced, and of questions and written answers shall be available at a designated location for inspection and copies will be furnished by the Administrator on request, for which a fee may be assessed. Copies of the transcript may be obtained from the transcribing service.

(c) No public information forum need be held for major rate adjustments if, after the Administrator has given Notice of a scheduled forum, no person indicates in writing by a prescribed date an intent to appear at such public forum.

§ 903.16 Public comment forums.

(a) One or more public comment forums shall be held for major rate adjustments, except as otherwise provided in paragraph (c) of this section,

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and may be held for minor rate adjustments, to provide interested persons an opportunity for oral presentation of views, data, and arguments regarding the Proposed Rates. The number, dates, and locations of such forums will be determined by the Administrator in accordance with the anticipated or demonstrated interest in the Proposed Rates. Notice shall be given at least 30 days in advance of the first public comment forum at each location and shall include the purpose, date, time, place, and other information relative to the forum, as well as the locations where pertinent documents are available for examination and/or copying.

(b) The Administrator shall designate a forum chairperson. At the forum, PMA representatives may question those persons making oral statements and comments. The chairperson shall have discretion to establish the sequence of, and the time limits for, oral presentations and to determine if the comments are relevant and noncumulative. Forum proceedings shall be transcribed. Copies of all documents introduced shall be available at a designated location for inspection, and copies shall be furnished on request for which the Administrator may assess a fee. Copies of the transcript may be obtained from the transcribing service.

(c) No public comment forum need be held for major rate adjustments if, after the Administrator has given notice of a scheduled forum, no person indicates in writing by a prescribed date an intent to appear at such public forum.

§ 903.17 Informal public meetings for minor rate adjustments.

In lieu of public information or comment forums in conjunction with a minor rate adjustment, informal public meetings may be held if deemed appropriate by the Administrator. Such informal meetings will not require a Notice or a transcription.

§ 903.18 Revision of proposed rates.

During or after the consultation and comment period and review of the oral and written comments on the Proposed Rates, the Administrator may revise the Proposed Rates. If the Administrator determines that further public

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comment should be invited, the Administrator shall afford interested persons an appropriate period to submit further written comments to the PMA regarding the revised Proposed Rates. The Administrator may convene one or more additional public information and/or public comment forums. The Administrator shall give Notice of any such additional forums.

§ 903.21 Completion of rate development; provisional rates.

(a) Following completion of the consultation and comment period and review of any oral and written comments on the Proposed Rates, the Administrator may: (1) Withdraw the proposal; (2) develop rates which in the Administrator's and the Deputy Secretary's judgment should be confirmed, approved, and placed into effect on an interim basis (Provisional Rates); or (3) develop rates which in the Administrator's judgment should be confirmed, approved, and placed into effect by the FERC on a final basis without being placed into effect on an interim basis. A statement shall be prepared and made available to the public setting forth the principal factors on which the Deputy Secretary's or the Administrator's decision was based. The statement shall include an explanation responding to the major comments, criticisms, and alternatives offered during the comment period. The Administrator shall certify that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles. The rates shall be submitted promptly to the FERC for confirmation and approval on a final basis.

(b) The Deputy Secretary shall set the effective date for Provisional Rates. The effective date shall be at least 30 days after the Deputy Secretary's decision except that the effective date may be sooner when appropriate to meet a contract deadline, to avoid financial difficulties, to provide a rate for a new service, or to make a minor rate adjustment.

(c) The effective date may be adjusted by the Administrator to coincide with the beginning of the next billing period following the effective

date set by the Deputy Secretary for the Provisional Rates.

(d) Provisional Rates shall remain in effect on an interim basis until: (1) They are confirmed and approved on a final basis by the FERC; (2) they are disapproved and the rates last previously confirmed and approved on a final basis become effective; (3) they are disapproved and higher Substitute Rates are confirmed and approved on a final basis and placed in effect by the FERC; (4) they are disapproved and lower Substitute Rates are confirmed and approved on a final basis by the FERC; or (5) they are superseded by other Provisional Rates placed in effect by the Deputy Secretary, whichever occurs first.

§ 903.22 Final rate approval.

(a) Any rate submitted to the FERC for confirmation and approval on a final basis shall be accompanied with such supporting data, studies, and documents as the FERC may require, and also with the transcripts of forums, written answers to questions, written comments, the Administrator's certification, and the statement of principal factors leading to the decision. The FERC shall also be furnished a listing of those customers and other participants in the rate proceeding who have requested they be informed of FERC action concerning the rates.

(b) If the FERC confirms and approves Provisional Rates on a final basis, such confirmation and approval shall be effective as of the date such rates were placed in effect by the Deputy Secretary, as such date may have been adjusted by the Administrator. If the FERC confirms and approves on a final basis rates submitted by the Administrator without interim approval, such confirmation and approval shall be effective on a date set by the FERC.

(c) If the FERC disapproves Provisional Rates or other submitted rates, the Administrator shall develop Substitute Rates which take into consideration the reasons given by the FERC for its disapproval. If, in the Administrator's judgment, public comment should be invited upon proposed Substitute Rates, the Administrator may provide for a public consultation and comment period before submitting the

Substitute Rates. Whether or not such public consultation and comment periods are provided, the Administrator will, upon request, provide customers of the power system and other interested persons with copies of the principal documents used in the development of the Substitute Rates. Within 120 days of the date of FERC disapproval of submitted rates, including Substitute Rates, or such additional time periods as the FERC may provide, the Administrator will submit the Substitute Rates to the FERC. A statement explaining the Administrator's decision shall accompany the submission.

(d) A Provisional Rate that is disapproved by the FERC shall remain in effect until higher or lower rates are confirmed and approved by the FERC on a final basis or are superseded by other rates placed into effect by the Deputy Secretary on an interim basis: Provided, That if the Administrator does not file a Substitute Rate within 120 days of the disapproval or such greater time as the FERC may provide, and if the rate has been disapproved because the FERC determined that it would result in total revenues in excess of those required by law, the rate last previously confirmed and approved on a final basis will become effective on a date and for a period determined by the FERC and revenues collected in excess of such rate during such period will be refunded in accordance with paragraph (g) of this section.

(e) If a Substitute Rate confirmed and approved on a final basis by the FERC is higher than the provisional rate which was disapproved, the Substitute Rate shall become effective on a subsequent date set by the FERC, unless a subsequent Provisional Rate even higher than the Substitute Rate has been put into effect. FERC confirmation and approval of the higher Substitute Rate shall constitute final confirmation and approval of the lower disapproved Provisional Rate during the interim period that it was in effect.

(f) If a Substitute Rate confirmed and approved by the FERC on a final basis is lower than the disapproved provisional rate, such lower rate shall be effective as of the date the higher disapproved rate was placed in effect.

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(g) Any overpayment shall be refunded with interest unless the FERC determines that the administrative cost of a refund would exceed the amount to be refunded, in which case no refund will be required. The interest rate applicable to any refund will be determined by the FERC.

(h) A rate confirmed and approved by the FERC on a final basis shall remain in effect for such period or periods as the FERC may provide or until a different rate is confirmed, approved and placed in effect on an interim or final basis: *Provided*, That the Deputy Secretary may extend a rate on an interim basis beyond the period specified by the FERC.

§ 903.23 Rate extensions.

(a) The following regulations shall apply to the extension of rates which were previously confirmed and approved by the FERC or the Federal Power Commission, or established by the Secretary of the Interior, and for which no adjustment is contemplated:

(1) The Administrator shall give Notice of the proposed extension at least 30 days before the expiration of the prior confirmation and approval, except that such period may be shortened for good cause shown.

(2) The Administrator may allow for consultation and comment, as provided in these procedures, for such period as the Administrator may provide. One or more public information and comment forums may be held, as provided in these procedures, at such times and locations and with such advance Notice as the Administrator may provide.

(3) Following notice of the proposed extension and the conclusion of any consultation and comment period, the Deputy Secretary may extend the rates on an interim basis.

(b) Provisional Rates and other existing rates may be extended on a temporary basis by the Deputy Secretary without advance notice or comment pending further action pursuant to these regulations or by the FERC. The Deputy Secretary shall publish notice in the FEDERAL REGISTER of such extension and shall promptly advise the FERC of the extension.

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PART 904—GENERAL REGULATIONS FOR THE CHARGES FOR THE SALE OF POWER FROM THE BOULDER CANYON PROJECT

Subpart A—Power Marketing

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904.3	Definitions.
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904.5	Revenue requirements.
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904.10	Excess energy.
904.11	Lay off of energy.
904.12	Payments to contractors.
904.13	Disputes.
904.14	Future regulations.

AUTHORITY: Reclamation Act of 1902 (32 Stat. 388); Boulder Canyon Project Act of 1928 (43 U.S.C. 617 *et seq.*); Boulder Canyon Project Adjustment Act of 1940 (43 U.S.C. 618 *et seq.*); Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*); Colorado River Storage Project Act of 1956 (43 U.S.C. 620 *et seq.*); Colorado River Basin Project Act of 1968 (43 U.S.C. 1501 *et seq.*); and Hoover Power Plant Act of 1964 (96 Stat. 1333 (43 U.S.C. 619 *et seq.*)).

SOURCE: 51 FR 43154, Nov. 28, 1986, unless otherwise noted.

Subpart A—Power Marketing

§ 904.1 Purpose.

(a) The Secretary of Energy, acting by and through the Administrator of the Western Area Power Administration (Administrator), is authorized and directed to promulgate charges for the sale of power generated at the Boulder Canyon Project powerplant, and also to promulgate such general regulations as the Secretary finds necessary and appropriate in accordance with the power marketing authorities in the Reclamation Act of 1902 (32 Stat. 388) and all acts amendatory thereof and supplementary thereto, and the Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*).

(b) In accordance with the Boulder Canyon Project Act of 1928 (43 U.S.C. 617 *et seq.*), as amended and supplemented (Project Act); the Boulder Canyon Project Adjustment Act of 1940 (43

Appendix C

Ratebase Power Repayment Study

PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
POWER REPAYMENT STUDY EXECUTIVE SUMMARY

Fiscal Year	REVENUE										EXPENSES										Revenue After Annual Excesses	Total Principal Payments
	230/245-kV Firm Service	500-kV Firm Transmission	Other Services	Total	Operation & Maintenance	Purchased Transmission	Other	Amortization	Abandoned Project	Interest	Federal Investment	Total	Interest	Amortization	Abandoned Project	Interest	Federal Investment	Total				
1970	91,000	0	0	93,000	479,090	0	0	0	0	0	0	691,817	0	0	0	0	691,817	1,170,907	(1,077,907)	0		
1971	453,633	0	105,664	559,297	451,945	0	0	0	0	0	0	885,800	0	0	0	0	885,800	1,337,745	(778,448)	0		
1972	767,240	0	220,239	987,479	450,264	0	0	0	0	0	0	952,908	0	0	0	0	952,908	1,403,172	(415,683)	0		
1973	699,509	0	98,683	798,192	504,479	0	0	0	0	0	0	979,754	0	0	0	0	979,754	1,484,233	(686,041)	0		
1974	496,000	0	157,773	653,773	521,101	0	0	0	0	0	0	1,399,153	0	0	0	0	1,399,153	1,920,254	(1,286,481)	0		
1975	496,000	0	104,587	600,587	529,881	0	0	0	0	0	0	1,470,393	0	0	0	0	1,470,393	2,000,274	(1,399,687)	0		
1976	809,198	0	152,841	962,039	698,259	0	0	0	0	0	0	1,945,153	0	0	0	0	1,945,153	2,759,021	(1,796,982)	0		
1977	851,539	0	265,374	1,116,913	698,259	0	0	0	0	0	0	1,841,654	0	0	0	0	1,841,654	2,396,098	(1,306,475)	0		
1978	1,319,123	0	191,667	1,510,790	554,444	0	0	0	0	0	0	2,013,487	0	0	0	0	2,013,487	2,396,098	(885,308)	0		
1979	1,899,838	0	225,486	2,125,324	854,939	0	0	0	0	0	0	2,873,026	0	0	0	0	2,873,026	2,868,426	(743,102)	0		
1980	2,011,139	0	476,863	2,488,002	813,940	0	0	0	0	0	0	2,059,186	0	0	0	0	2,059,186	2,873,026	(835,024)	0		
1981	2,011,139	0	892,974	2,904,113	1,334,934	0	0	0	0	0	0	2,101,580	0	0	0	0	2,101,580	3,436,514	(532,401)	0		
1982	2,011,139	0	542,292	2,553,431	1,439,566	0	0	0	0	0	0	2,191,812	0	0	0	0	2,191,812	3,631,378	(1,077,947)	0		
1983	2,100,339	0	1,528,887	3,629,226	1,823,986	0	0	0	0	0	0	2,263,107	0	0	0	0	2,263,107	4,087,093	(857,867)	0		
1984	1,973,972	0	4,748,191	6,722,163	1,109,147	0	0	0	0	0	0	2,150,344	0	0	0	0	2,150,344	3,259,491	3,462,672	2,908,608		
1985	2,011,148	0	4,829,891	6,841,039	1,890,825	0	0	0	0	0	0	2,041,606	0	0	0	0	2,041,606	3,932,431	2,908,608	2,908,608		
1986	1,873,200	0	3,888,150	5,761,350	2,911,212	0	0	0	0	0	0	1,909,465	0	0	0	0	1,909,465	4,820,677	940,673	940,673		
1987	1,972,237	0	2,577,278	4,549,535	2,020,000	0	0	0	0	0	0	1,883,489	0	0	0	0	1,883,489	3,903,489	646,046	646,046		
1988	2,388,920	0	2,433,646	4,822,576	2,130,000	0	0	0	0	0	0	1,844,257	0	0	0	0	1,844,257	3,974,257	848,319	848,319		
1989	3,429,383	0	2,302,585	5,731,968	1,793,000	0	0	0	0	0	0	1,772,873	0	0	0	0	1,772,873	3,365,873	2,166,095	2,166,095		
1990	3,750,666	0	3,415,736	7,166,402	2,221,702	0	0	0	0	0	0	2,106,495	0	0	0	0	2,106,495	4,328,197	2,838,205	2,838,205		
1991	3,683,900	0	1,205,231	4,889,131	2,417,110	0	0	0	0	0	0	1,959,708	0	0	0	0	1,959,708	4,376,818	3,143,313	3,143,313		
1992	4,236,779	0	1,444,487	5,681,266	2,577,759	0	0	0	0	0	0	4,001,251	0	0	0	0	4,001,251	7,817,861	(2,742,335)	0		
1993	3,630,462	0	1,961,201	5,591,663	1,961,201	0	0	0	0	0	0	3,197,010	0	0	0	0	3,197,010	5,774,769	(933,503)	0		
1994	4,081,480	0	1,394,023	5,475,503	1,889,721	0	0	0	0	0	0	3,559,075	0	0	0	0	3,559,075	5,520,276	(44,773)	0		
1995	4,108,681	0	1,423,834	5,532,515	1,889,721	0	0	0	0	0	0	3,001,015	0	0	0	0	3,001,015	4,890,256	641,779	641,779		
1996	6,025,994	13,443	701,669	6,741,106	3,116,237	0	0	0	0	0	0	5,663,911	0	0	0	0	5,663,911	9,538,952	(2,797,846)	0		
1997	6,403,260	467,687	424,284	7,295,231	4,194,894	0	0	0	0	0	0	6,289,677	0	0	0	0	6,289,677	12,363,186	(5,067,955)	0		
1998	5,667,779	504,198	1,003,143	6,675,120	4,372,352	0	0	0	0	0	0	15,869,555	0	0	0	0	15,869,555	22,277,193	(15,606,271)	0		
1999	7,439,779	593,280	6,590,972	16,104,465	4,712,360	0	0	0	0	0	0	16,779,695	0	0	0	0	16,779,695	23,546,709	(14,932,441)	0		
2000	8,920,213	5,146,947	12,274,736	26,341,900	4,555,040	0	0	0	0	0	0	17,463,157	0	0	0	0	17,463,157	34,258,840	(8,154,375)	0		
2001	10,984,576	7,703,620	3,043,809	21,732,005	4,854,668	0	0	0	0	0	0	18,040,069	0	0	0	0	18,040,069	25,068,304	3,337,955	3,337,955		
2002	14,065,745	5,146,947	3,043,809	22,256,501	4,854,668	0	0	0	0	0	0	18,040,069	0	0	0	0	18,040,069	25,068,304	(1,665,086)	0		
2003	13,694,497	8,438,524	4,881,649	26,925,070	5,039,446	0	0	0	0	0	0	19,440,905	0	0	0	0	19,440,905	27,143,642	(2,184,572)	0		
2004	12,724,028	10,018,541	3,900,419	26,642,988	6,216,080	0	0	0	0	0	0	19,297,075	0	0	0	0	19,297,075	27,958,388	(1,315,400)	0		
2005	12,820,630	9,301,771	1,546,684	23,669,085	4,235,402	0	0	0	0	0	0	19,748,487	0	0	0	0	19,748,487	26,375,746	(2,906,660)	0		
2006	12,815,400	10,879,086	6,661,233	30,355,719	7,545,637	0	0	0	0	0	0	19,708,114	0	0	0	0	19,708,114	29,951,845	403,874	403,874		
2007	16,668,387	11,677,846	6,668,387	34,974,620	6,822,695	0	0	0	0	0	0	19,595,410	0	0	0	0	19,595,410	28,727,268	2,402,413	2,402,413		
2008	16,586,912	9,376,034	7,290,680	33,253,626	5,366,082	0	0	0	0	0	0	19,133,178	0	0	0	0	19,133,178	19,139,536	14,114,090	14,114,090		
2009	16,671,681	9,798,552	6,183,222	32,653,455	6,172,564	0	0	0	0	0	0	18,376,880	0	0	0	0	18,376,880	27,274,144	5,379,291	5,379,291		
2010	16,513,924	10,059,802	7,208,317	33,782,043	6,247,548	0	0	0	0	0	0	18,012,601	0	0	0	0	18,012,601	29,381,562	4,400,481	4,400,481		
2011	15,955,518	10,686,180	2,461,106	29,102,804	7,040,888	0	0	0	0	0	0	17,935,932	0	0	0	0	17,935,932	28,126,102	976,702	976,702		
PRIOR YEAR ADJUSTMENT(S)	(5)	0	0	(5)	712,112	0	0	0	0	0	0	2,510,739	0	0	0	2,510,739	3,222,851	(3,222,856)	0			
HISTORICAL SUBTOTAL	243,145,484	104,685,491	107,281,547	455,092,522	123,438,804	2,647,074	11,331,884	6,545,479	11,784,302	325,260,140	480,868,432	85,674,087	(25,895,910)	0	0	0	0	0	0	0		
2012	16,671,676	9,326,880	(1,237,180)	24,761,376	7,663,112	0	0	0	0	0	0	18,025,819	0	0	0	0	18,025,819	29,858,190	(5,096,814)	689,539		
2013	21,528,779	12,044,160	4,615,741	38,188,680	7,213,235	0	0	0	0	0	0	17,993,178	0	0	0	0	17,993,178	29,375,672	8,813,008	8,813,008		
2014	21,528,779	12,044,160	4,615,741	38,188,680	8,248,768	0	0	0	0	0	0	17,611,364	0	0	0	0	17,611,364	30,029,390	8,159,290	8,159,290		

PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
POWER REPAYMENT STUDY EXECUTIVE SUMMARY

Fiscal Year	REVENUE										EXPENSES										Revenue After Annual Expenses	Total Principal Payments			
	2307/45-4V Firm Service	500-4V Firm Service	Other Services	Total	Operation & Maintenance	Purchased Transmission	Other	Amortization	Abandoned Project Interest	Federal Investment Interest	Total	2307/45-4V Firm Service	500-4V Firm Service	Other Services	Total	Operation & Maintenance	Purchased Transmission	Other	Amortization	Abandoned Project Interest			Federal Investment Interest	Total	
2015	21,528,779	12,044,160	4,615,741	38,188,680	7,993,744	2,250,000	730,611	555,192	633,456	17,861,960	29,424,963	8,763,718	8,763,718												
2016	21,528,779	12,044,160	4,615,741	38,188,680	7,541,618	2,250,000	720,711	571,847	616,800	17,541,618	29,246,997	8,941,707	8,941,707												
2017	21,528,779	12,044,160	4,615,741	38,188,680	7,692,451	2,250,000	720,711	589,003	599,645	17,336,946	29,188,755	8,999,925	8,999,925												
2018	21,528,779	12,044,160	4,615,741	38,188,680	7,692,451	2,250,000	716,686	606,673	581,975	18,195,314	30,043,098	8,145,582	8,145,582												
2019	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	689,991	624,873	563,775	17,906,961	29,728,051	8,885,453	8,885,453												
2020	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	677,262	0	0	17,457,370	28,077,083	10,536,421	10,536,421												
2021	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	624,819	0	0	17,397,472	27,964,742	10,648,763	10,648,763												
2022	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	624,819	0	0	16,783,304	27,350,374	11,262,930	11,262,930												
2023	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	16,065,410	26,629,455	11,983,650	11,983,650												
2024	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	15,546,297	26,110,742	12,502,762	12,502,762												
2025	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	14,483,562	25,048,007	13,565,497	13,565,497												
2026	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	13,337,736	23,902,181	14,711,323	14,711,323												
2027	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	12,156,260	22,720,705	15,892,800	15,892,800												
2028	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	11,255,458	21,819,903	16,793,601	16,793,601												
2029	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	10,590,874	21,153,319	17,458,185	17,458,185												
2030	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	9,118,005	19,682,450	18,931,054	18,931,054												
2031	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	8,575,367	19,139,812	19,473,693	19,473,693												
2032	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	7,253,856	17,818,301	20,795,203	20,795,203												
2033	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	5,933,230	16,497,675	22,115,829	22,115,829												
2034	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	4,881,369	15,445,814	23,167,690	23,167,690												
2035	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	621,994	0	0	4,530,622	15,095,067	23,518,438	23,518,438												
2036	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	620,843	0	0	5,089,341	16,459,427	22,154,077	22,154,077												
2037	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	620,843	0	0	4,209,553	14,778,847	23,840,657	23,840,657												
2038	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	3,255,748	13,810,072	24,803,433	24,803,433												
2039	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	2,282,537	12,836,861	25,776,643	25,776,643												
2040	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	1,469,409	12,023,733	26,589,771	26,589,771												
2041	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	747,150	11,301,474	27,312,031	27,312,031												
2042	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	19,967	10,574,291	28,039,214	28,039,214												
2043	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	618,773	0	0	19,967	10,574,291	28,039,214	28,039,214												
2044	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	611,212	0	0	19,967	10,574,291	28,039,214	28,039,214												
2045	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	611,212	0	0	19,967	10,574,291	28,039,214	28,039,214												
2046	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	611,212	0	0	19,967	10,574,291	28,039,214	28,039,214												
2047	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2048	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2049	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2050	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2051	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2052	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2053	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2054	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	392,778	0	0	19,967	10,574,291	28,039,214	28,039,214												
2055	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	391,981	0	0	19,967	10,574,291	28,039,214	28,039,214												
2056	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	391,981	0	0	19,967	10,574,291	28,039,214	28,039,214												
2057	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	391,616	0	0	19,967	10,574,291	28,039,214	28,039,214												
2058	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	386,827	0	0	19,967	10,574,291	28,039,214	28,039,214												
2059	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	377,419	0	0	19,967	10,574,291	28,039,214	28,039,214												
2060	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	368,302	0	0	19,967	10,574,291	28,039,214	28,039,214												
2061	21,528,779	12,044,160	5,040,565	38,613,504	7,692,451	2,250,000	368,302	0	0	19,967	10,574,291	28,039,214	28,039,214												
Future YR SUBTOTAL	1,071,561,647	598,490,720	243,201,573	1,814,274,140	384,220,772	112,500,000	28,139,113	4,518,008	4,981,173	351,411,875	885,780,742	1,028,493,398	1,028,493,398												
STUDY TOTAL	1,314,727,331	704,156,211	350,485,119	2,369,368,662	507,660,376	115,147,074	38,470,947	11,063,487	16,755,474	678,671,615	1,366,766,174	1,602,597,498	1,602,597,498												

PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
POWER REPAYMENT STUDY EXECUTIVE SUMMARY

Fiscal Year	Capitalized Deficits				Replacements				Original Project and Additions			
	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance
1970	0	1,077,907	1,077,907	1,077,907	0	0	0	0	0	28,448,748	28,448,748	28,448,748
1971	0	1,856,355	1,856,355	1,856,355	0	0	0	0	0	29,290,939	29,290,939	29,290,939
1972	0	2,272,038	2,272,038	2,272,038	0	0	0	0	0	29,371,779	29,371,779	29,371,779
1973	0	2,958,079	2,958,079	2,958,079	0	0	0	0	0	42,093,993	42,093,993	42,093,993
1974	0	4,224,560	4,224,560	4,224,560	0	0	0	0	0	42,093,993	42,093,993	42,093,993
1975	0	5,624,247	5,624,247	5,624,247	0	0	0	0	0	42,093,993	42,093,993	42,093,993
1976	0	7,421,229	7,421,229	7,421,229	0	58,820	58,820	58,820	0	42,122,350	42,122,350	42,122,350
1977	0	8,727,704	8,727,704	8,727,704	0	58,820	58,820	58,820	0	42,690,152	42,690,152	42,690,152
1978	0	9,613,012	9,613,012	9,613,012	0	85,420	85,420	85,420	0	46,287,743	46,287,743	46,287,743
1979	0	10,356,114	10,356,114	10,356,114	0	112,295	112,295	112,295	0	46,287,743	46,287,743	46,287,743
1980	0	10,741,138	10,741,138	10,741,138	0	112,295	112,295	112,295	0	46,346,438	46,346,438	46,346,438
1981	0	11,273,539	11,273,539	11,273,539	0	202,997	202,997	202,997	0	46,494,144	46,494,144	46,494,144
1982	0	12,351,486	12,351,486	12,351,486	0	202,997	202,997	202,997	0	46,492,044	46,492,044	46,492,044
1983	0	12,809,353	12,809,353	12,809,353	0	233,691	233,691	233,691	0	46,492,044	46,492,044	46,492,044
1984	3,462,672	9,346,681	12,423,263	12,809,353	0	1,066,811	1,066,811	1,066,811	0	46,855,265	46,855,265	46,855,265
1985	2,908,608	6,438,073	12,423,263	12,809,353	0	1,066,811	1,066,811	1,066,811	0	46,855,265	46,855,265	46,855,265
1986	940,673	5,497,400	12,423,263	12,809,353	0	1,292,020	1,292,020	1,292,020	0	46,855,265	46,855,265	46,855,265
1987	646,046	4,851,354	11,116,788	12,809,353	0	1,460,960	1,460,960	1,460,960	0	46,855,265	46,855,265	46,855,265
1988	848,319	4,003,035	8,434,498	12,809,353	0	1,460,960	1,460,960	1,460,960	0	46,855,265	46,855,265	46,855,265
1989	2,166,095	1,836,940	4,609,245	12,809,353	0	1,460,960	1,460,960	1,460,960	0	51,417,265	51,417,265	51,417,265
1990	1,836,940	0	2,068,215	12,809,353	1,001,267	1,460,960	1,460,960	1,460,960	363,221	52,817,595	53,180,816	53,180,816
1991	0	2,742,335	3,200,202	15,551,688	0	768,476	768,476	768,476	0	58,030,148	58,699,206	58,699,206
1992	0	3,135,838	3,135,838	15,945,191	0	768,476	768,476	768,476	0	66,509,963	67,159,021	67,159,021
1993	0	3,180,611	3,180,611	15,989,964	0	768,476	768,476	768,476	0	67,327,955	67,977,013	67,977,013
1994	637,200	2,543,411	3,180,611	15,989,964	0	768,476	768,476	768,476	0	59,856,634	60,505,692	60,505,692
1995	0	5,341,258	5,978,458	18,787,811	0	13,550,294	16,421,895	16,421,895	0	83,801,643	84,450,701	84,450,701
1996	0	10,409,213	11,046,413	23,855,766	0	15,554,676	16,426,277	16,426,277	0	193,171,441	193,820,499	193,820,499
1997	0	26,015,485	26,652,685	39,462,038	0	14,188,620	15,060,221	15,060,221	0	192,777,674	193,426,732	193,426,732
1998	0	40,947,925	41,585,125	54,394,478	0	14,188,620	15,060,221	15,060,221	0	192,777,674	193,426,732	193,426,732
1999	0	49,739,499	49,739,499	62,548,852	0	14,404,737	15,276,338	15,276,338	0	193,332,990	193,983,048	193,983,048
2000	3,339,109	45,763,190	49,739,499	62,548,852	0	14,404,737	15,276,338	15,276,338	0	216,990,845	217,639,903	217,639,903
2001	0	47,429,431	48,663,405	64,215,095	0	14,404,737	15,276,338	15,276,338	0	216,990,845	217,639,903	217,639,903
2002	0	47,895,365	48,735,836	64,681,027	247,362	14,285,939	15,404,902	15,404,902	0	215,975,539	217,245,974	217,245,974
2003	44,773	49,602,983	50,443,454	66,433,418	217,944	14,285,939	15,404,902	15,404,902	0	215,975,539	217,245,974	217,245,974
2004	0	52,509,643	53,350,114	69,340,078	0	14,420,961	15,712,868	15,712,868	0	216,197,419	216,846,477	216,846,477
2005	0	52,105,769	49,748,357	70,893,580	0	15,529,331	16,821,438	16,821,438	0	217,001,071	217,650,129	217,650,129
2006	1,957,376	49,748,357	35,661,142	75,123,180	45,000	15,796,455	17,133,362	17,133,362	0	217,836,969	218,486,027	218,486,027
2007	5,067,955	30,281,851	25,972,071	88,520,923	26,875	15,806,582	17,443,490	17,443,490	0	217,836,969	218,486,027	218,486,027
2008	15,606,272	30,281,851	25,972,071	88,520,923	90,702	16,134,665	17,871,573	17,871,573	0	218,455,125	219,104,183	219,104,183
2009	8,154,374	25,972,071	25,972,071	88,520,923	0	17,090,081	18,236,989	18,236,989	0	222,683,602	223,332,660	223,332,660
2010	976,702	24,992,369	25,972,071	88,520,923	0	18,316,698	20,129,038	20,129,038	0	221,679,927	222,328,985	222,328,985
PRIOR YEAR ADJUSTMENT(S)	0	0	0	0	0	0	0	0	0	(387,712)	(387,712)	(387,712)
HISTORICAL SUBTOTAL	63,525,554	24,992,369	25,972,071	88,520,923	1,499,494	18,316,698	20,129,038	20,281,915	648,058	221,282,215	221,941,273	221,941,273
2012	689,539	30,092,183	29,626,249	94,307,276	0	20,613,399	22,005,045	22,005,045	0	221,679,927	222,328,985	222,328,985
2013	8,792,647	21,298,536	21,298,536	94,307,276	20,361	22,634,288	23,622,775	24,629,566	0	221,679,927	222,328,985	222,328,985
2014	8,159,290	13,140,246	21,873,858	94,307,276	0	39,782,501	40,770,988	41,777,779	0	221,679,927	222,328,985	222,328,985

PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
POWER REPAYMENT STUDY EXECUTIVE SUMMARY

Fiscal Year	Capitalized Deficits				Replacements				Original Project and Additions			
	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance	Principal Payments	Unpaid Balance	Allowable Unpaid Balance	Cumulative Balance
2015	8,763,718	4,376,528	24,967,198	94,307,276	0	42,296,920	43,283,406	44,292,197	0	221,679,927	221,679,927	222,328,985
2016	0	0	23,413,696	94,307,276	0	46,326,277	47,314,764	48,321,555	4,565,179	217,114,748	222,328,985	222,328,985
2017	0	0	20,703,153	94,307,276	334,305	83,217,671	84,225,758	85,547,254	8,665,620	208,449,129	222,328,985	222,328,985
2018	0	0	19,184,096	94,307,276	2,471,304	83,887,879	87,383,443	88,688,765	5,674,278	202,774,850	222,328,985	222,328,985
2019	0	0	9,630,947	94,307,276	4,383,453	81,543,675	89,415,724	90,730,015	4,500,000	198,274,850	222,328,985	222,328,985
2020	0	0	5,786,352	94,307,276	0	87,999,312	95,874,174	97,185,652	10,536,421	187,738,430	193,792,885	222,328,985
2021	0	0	0	94,307,276	5,306,892	82,913,017	95,914,568	97,406,249	5,341,870	182,396,559	192,950,604	222,328,985
2022	0	0	0	94,307,276	1,569,430	81,343,586	95,914,568	97,406,249	9,693,500	172,703,059	192,869,854	222,328,985
2023	0	0	0	94,307,276	0	83,751,487	98,097,260	99,814,149	11,983,550	160,719,410	180,147,640	222,328,985
2024	0	0	0	94,307,276	0	83,751,487	98,097,260	99,814,149	12,502,762	148,216,647	180,147,640	222,328,985
2025	0	0	0	94,307,276	0	83,895,940	84,825,951	99,985,202	13,538,897	134,677,750	180,147,640	222,328,985
2026	0	0	0	94,307,276	0	83,895,940	84,825,951	99,985,202	101,690,086	119,980,247	180,119,283	222,328,985
2027	0	0	0	94,307,276	0	96,630,273	97,555,903	117,733,356	15,892,800	104,087,448	179,551,481	222,328,985
2028	0	0	0	94,307,276	0	115,672,558	116,598,187	131,775,640	16,793,601	87,293,846	175,955,990	222,328,985
2029	0	0	0	94,307,276	0	150,170	116,597,983	131,991,553	69,985,832	69,985,832	175,955,990	222,328,985
2030	0	0	0	94,307,276	0	141,121,054	141,980,737	157,374,307	18,931,054	51,054,778	175,897,295	222,328,985
2031	0	0	0	94,307,276	0	145,704,724	146,598,103	163,029,848	19,401,821	31,652,957	175,749,589	222,328,985
2032	0	0	0	94,307,276	0	145,704,724	146,511,078	162,029,848	20,708,177	10,944,779	175,749,589	222,328,985
2033	0	0	0	94,307,276	0	10,058,106	135,559,592	146,255,482	0	0	175,749,589	222,328,985
2034	0	0	0	94,307,276	0	22,824,878	116,262,619	149,670,731	0	0	175,386,368	222,328,985
2035	0	0	0	94,307,276	0	23,518,438	160,929,267	216,747,246	0	0	175,386,368	222,328,985
2036	0	0	0	94,307,276	0	22,154,077	140,759,467	218,651,205	235,727,115	0	0	175,386,368
2037	0	0	0	94,307,276	0	22,960,869	118,764,771	219,564,201	256,693,288	0	0	175,386,368
2038	0	0	0	94,307,276	0	23,840,657	94,924,114	219,154,932	256,693,288	0	0	175,386,368
2039	0	0	0	94,307,276	0	24,803,433	70,593,850	218,579,168	237,166,456	0	0	175,386,368
2040	0	0	0	94,307,276	0	26,589,771	46,062,639	238,411,889	0	0	175,386,368	222,328,985
2041	0	0	0	94,307,276	0	22,754,125	218,289,147	231,166,456	0	0	175,386,368	222,328,985
2042	0	0	0	94,307,276	0	24,501,801	23,977,060	243,440,822	0	0	164,453,729	222,328,985
2043	0	0	0	94,307,276	0	4,244	0	223,278,865	243,440,822	0	0	163,543,427
2044	0	0	0	94,307,276	0	4,179,235	0	223,283,110	243,445,066	0	0	155,083,612
2045	0	0	0	94,307,276	0	1,988,108	0	227,462,345	243,445,066	0	0	154,264,620
2046	0	0	0	94,307,276	0	2,356,550	0	229,450,453	247,624,301	0	0	161,744,531
2047	0	0	0	94,307,276	0	231,807,083	0	231,807,083	249,612,409	0	0	137,799,522
2048	0	0	0	94,307,276	0	7,157,967	0	239,564,970	251,968,959	0	0	29,253,651
2049	0	0	0	94,307,276	0	28,258,309	7,096,758	239,564,970	259,726,926	0	0	29,280,017
2050	0	0	0	94,307,276	0	7,096,758	0	274,920,037	295,081,993	0	0	29,280,017
2051	0	0	0	94,307,276	0	695,066	0	275,615,102	295,777,058	0	0	29,136,634
2052	0	0	0	94,307,276	0	1,737,989	0	277,353,091	298,016,706	0	0	5,844,529
2053	0	0	0	94,307,276	0	501,659	0	277,851,386	299,515,047	0	0	5,826,525
2054	0	0	0	94,307,276	0	1,661,966	0	279,513,352	299,678,672	0	0	5,620,656
2055	0	0	0	94,307,276	0	20,318,638	0	279,513,352	299,678,672	0	0	5,407,609
2056	0	0	0	94,307,276	0	20,387,717	0	299,831,990	299,678,672	0	0	4,634,317
2057	0	0	0	94,307,276	0	210,520	0	320,119,707	319,997,310	0	0	4,591,504
2058	0	0	0	94,307,276	0	28,273,668	0	320,119,707	340,285,027	0	0	3,755,606
2059	0	0	0	94,307,276	0	956,663	0	320,330,237	340,495,547	0	0	3,137,450
2060	0	0	0	94,307,276	0	283,224	0	349,560,558	369,552,796	0	0	0
2061	0	0	0	94,307,276	0	0	0	349,717,487	369,725,878	0	0	0
Future YR SUBTOTAL	30,781,721	0	368,034,185	94,307,276	0	0	0	370,009,101	221,679,927	0	0	222,328,985
STUDY TOTAL	94,307,276	0	368,034,185	94,307,276	0	0	0	370,009,101	221,679,927	0	0	222,328,985

Appendix D

Department of Energy Order RA 6120.2

U.S. Department of Energy
Washington, D.C.

ORDER

RA 6120.2

9-20-79

SUBJECT: POWER MARKETING ADMINISTRATION FINANCIAL REPORTING

1. **PURPOSE.** To establish financial reporting policies, procedures, and methodology for all Department of Energy (DOE) power marketing administrations (PMAs) except where deviations, therefrom are specifically approved by the Secretary, authorized by statute, or identified and explained in a transmittal memorandum or in the footnotes to the reports.
2. **CANCELLATION.** Paragraph IV. F of INTERIM MANAGEMENT DIRECTIVE 1701, PRICING OF DEPARTMENTAL SERVICES AND PRODUCTS, OF 9-28-77.
3. **SCOPE.** The provisions of this order apply to the PMAs reporting to the Assistant Secretary for Resource Applications.
4. **REFERENCES.** Proposed procedures for adjustments in power and transmission rates of the PMAs, 44 F.R. 39184 (July 5, 1979), or such finally adopted procedures.
5. **AUTHORITY.** This order is issued pursuant to the authority of the Secretary of Energy under the Department of Energy Organization Act, Public Law 95-91, 42 U.S.C. 7101; the Reclamation laws, particularly Section 9(c) of the Reclamation Project Act of 1939, 53 Stat. 1194, 43 U.S.C. 485h(c); Section 5 of the Flood Control Act of 1944, 58 Stat. 890, 16 U.S.C. 825s; the Bonneville Project Act, 50 Stat. 731, as amended, 16 U.S.C. 832 et seq.; the Federal Columbia River Transmission System Act, Public Law 93-454, 16 U.S.C. 838 et seq.; the Eklutna Project Act, 64 Stat. 382, as amended; Section 204 of the Flood Control Act of 1962, 76 Stat. 1193 (Snettisham Project); Reorganization Plan No. 3 of 1950, 64 Stat. 1262; Section 2 of the Act of June 14, 1966, Public Law 89-448, 80 Stat. 200, as amended; Section 303 of the Federal Power Act, 49 Stat. 855, 16 U.S.C. 825b; and related laws.
6. **POLICY.**
 - a. It is DOE policy to encourage sound businesslike financial management and accounting practices in routine accounting and the preparation of power system financial statements. Power system financial statements will be prepared in

DISTRIBUTION:
Power Marketing Administrations

INITIATED BY:
Office of Power Marketing
Coordination

accordance with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the General Accounting Office, and the Office of Management and Budget, as appropriate. To the extent practicable, the PMAs will maintain their accounts in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for public utilities.

- b. It is also DOE policy that power repayment studies will be prepared annually using sound and consistent financial forecasting techniques. These forecasts should be designed to approximate as closely as possible the results expected to be achieved in the historical power system financial statements.

7. DEFINITIONS.

- a. Assisted Irrigation Investment. "Assisted irrigation investment" means the portion of construction costs of Federal Reclamation projects which are allocated to the irrigation purpose and are assigned pursuant to legal authorization for repayment from the revenues of the power system.
- b. Cost Evaluation Period. "Cost evaluation period" means a period of time during which estimates of future costs and revenues may be modified to reflect changing conditions, normally 5 years.
- c. Cost Recovery Criteria. "Cost recovery criteria" means the criteria set forth in paragraph 12, beginning on page 13.
- d. Investment or Power Investment. "Investment" or "power investment" means unless otherwise indicated in the context, investment allocated to be repaid from power revenues.
- e. Power Marketing Administration. "Power marketing administration" means the Alaska Power Administration, the Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, or the Western Area Power Administration.
- f. Power Repayment Study. "Power repayment study" means a study (previously referred to as an average rate and repayment study or repayment study) portraying the annual repayment of power production and transmission costs of a power system through the application of revenues over the repayment period of the power system. The study shows, among other items, estimated revenues and expenses, year by year, over the remainder of the power system's repayment period (based upon conditions prevailing over the cost evaluation period), the estimated amount of Federal investment amortized during each year, and the total estimated amount of Federal investment remaining to be

amortized. The study does not deal with rate design. Power repayment studies may take two forms as described below:

- (1) Current Power Repayment Study. A power repayment study that utilizes currently established rates for estimating future revenues. The study reflects the same basic power system included at the time rates were approved.
 - (2) Revised Power Repayment Study. A study that utilizes, in whole or in part, proposed or assumed rates for estimating future revenues. Typically, it is designed to demonstrate that potential revenue levels will satisfy the cost recovery criteria over the remainder of the power system's repayment period.
- g. Power System. A system comprised of one project or more than one project hydraulically and/or electrically integrated and therefore treated as one unit for the purpose of establishing rates.
- h. Power System's Repayment Period. A period extending to the final year allowed under the cost recovery criteria for amortization of the original investment in all projects included in the power repayment study.
- i. Secretary. The Secretary of Energy.

8. THE ACCOUNTING SYSTEM.

- a. The Books of Account. The books of account of all the PMAs will be kept in accordance with accounting systems that are approved by the General Accounting Office and any additional guidelines promulgated by the Secretary. The PMAs shall maintain their power systems accounts in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission for public utilities and licensees to the extent practicable. Supporting detailed information shall be maintained in a manner that facilitates a ready retrieval, analysis, and verification of pertinent facts. Books of account shall be kept on a monthly basis and closed at the end of each fiscal year.
- b. Accounting Concepts. Accounting concepts for PMAs shall be developed around, but not limited to, the following generally accepted principles:
- (1) Period Cutoff Accounting. There must be proper cutoff accounting at the beginning and end of the period to ensure that revenues and expenses are not overstated or understated.

- (2) Expenses Matched to Period Revenues. Expenses shall be appropriately matched against the periodic revenues.
 - (3) Current and Fixed Assets. Assets shall be accounted for in a meaningful manner to assure fair presentation of the financial position. Current assets are to be carried at cost or market value, whichever is less; fixed assets are to be carried at cost of acquisition or construction; appropriate charges shall be made for depreciation of fixed assets.
 - (4) Liabilities. All known liabilities shall be recorded.
- c. Specific Power System Accounting Matters. Specific accounting matters which are pertinent to PMA practices include, but are not necessarily limited to, the following:
- (1) Interest Rates. Interest expense on the power investment shall be a required portion of the costs to be recovered by power revenues. Rates to be used in computing interest shall be those rates officially established by law, or for all investment with no rate established by law made through 1-29-70, the rate established administratively for such investment, or for all investment made after 1-29-70, the rate established pursuant to paragraph 11, beginning at page 12, and related implementation guidelines.
 - (2) Unpaid or Deferred Annual Expense. Deficits (or unrecovered expenses) which occur in any year in which revenues fail to recover operation and maintenance, purchased and exchanged power, transmission service and other expenses, and interest expense shall be accrued on the balance sheet as a liability with interest at the rate prescribed in paragraph 11, beginning at page 12, for investment made in the fiscal year in which the loss was incurred.
 - (3) Priority of Revenue Application. Annual revenues will be first applied to the following recovery of costs during the year in which they are incurred: operation and maintenance (O&M), purchased and exchange power, transmission service and other, and interest expense and any appropriation amortization of revenue bonds. Remaining revenues are available for amortization and shall be applied first to unpaid or deferred annual expense, if any, and then to the Federal investment. To the extent possible, while still complying with the repayment periods established for each increment of investment and unless otherwise indicated by legislation, amortization of the investment will be accompanied by application to the highest interest-bearing investment first.

9. FINANCIAL STATEMENTS.

- a. Power System Financial Statements. Power system financial statements shall, to the extent practical, be prepared in accordance with generally accepted accounting principles and concepts. Power system financial results shall be disclosed in a clear, concise, and complete manner. Annual financial statements, accompanied by explanatory footnotes and supporting schedules, shall fairly present the financial position for each PMA power system. Power system reporting requirements shall generally conform to any appropriate standards promulgated by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Federal Energy Regulatory Commission, and the General Accounting Office and shall include, but not necessarily be limited to (1) Statement of Revenues and Expenses or Income Statement; (2) Statement of Assets and Liabilities or Balance Sheet; (3) Statement of Source and Application of Funds or Statement of Changes in Financial Position; (4) Statement of Changes in Proprietary Capital (this statement may be incorporated in either the Statement of Revenues and Expenses or the Statement of Assets and Liabilities); and (5) the appropriate notes to financial statements.
- b. Statement of Revenues and Expenses (Income Statement). The results of operations shall be clearly and fairly reported on a comparative basis for the current and preceding fiscal periods. Net Revenues (or Deficit) presents the results of power system operations on a normal accrual accounting basis for the reporting period, after depreciation expense and interest on the unpaid Federal investment.
- c. Statement of Assets and Liabilities (Balance Sheet). The financial position of the power system for the current and preceding periods shall present the Federal investment in the power system on a cumulative basis and include a schedule of accumulated net revenues.
- d. Statement of Changes in Financial Position (Statement of Source and Application of Funds). A statement of changes in financial position shall be prepared on a comparative basis for the current and preceding fiscal periods to clearly describe the flow of funds of the power system for the reporting period. All power system funds shall be reported according to major source and disposition in a format which is appropriate to conventional regulated-company financial reporting.
- e. Notes to the Financial Statements and Supporting Tables. Power system financial statements shall satisfy professional requirements for adequate, informative disclosure. Notes to the financial statements for each power system

shall address, as a minimum, the following reporting matters (unless this information is provided elsewhere):

- (1) Summary of Significant Accounting Policies. A description of all significant accounting policies of the power system. Policy disclosures shall include, at a minimum: (a) the basis of consolidation, (b) depreciation methods employed, (c) status of allocation of cost varying purposes on multi-purpose projects, and (d) amortization and repayment ; requirements related to the Federal power investment.
 - (2) Subsequent Events. Disclosure of material events and transactions occurring subsequent to the financial reporting period shall be included if necessary for proper interpretation of the financial statements.
 - (3) Interest Rates. Current policy regarding interest rates applicable to the reporting power system.
 - (4) Non-depreciable Assets. The amortization and reporting treatment of the Federal investment in land and other non-depreciable assets.
 - (5) Contingent Liabilities. A discussion of known major contingent liabilities.
- f. Auditor's Opinion. The financial statements and accompanying notes to the financial statements of each power system shall be examined periodically, with the period not to exceed 2 years, by independent auditors, the General Accounting Office, Inspector General, or other acceptable audit organization. The results of this examination shall be reported in a letter which describes the scope of the examination and expresses an opinion on the financial statements.

10. POWER REPAYMENT STUDIES.

- a. General Requirements. Each PMA will prepare and publish annually a power repayment study for each power system. Each power repayment study consists of two parts, historical data and future data (forecasts). The development of future data requires the forecast of revenues, expenses and investment. The annual power repayment study will use sound and consistent forecasting techniques. Those forecasting techniques will be explained in a memorandum included with each forecast. The forecasts will utilize, to the extent possible, the accounting concepts set forth on page 4, paragraph 8. The power repayment study is updated annually to test the continuing adequacy of the existing rates. The annual study is called a Current Power Repayment Study. It reflects the same basic power system included at the time rates were approved, but forecasts current operating results and updated estimates of revenues and costs for the remaining years of the repayment study.

- b. Rate Adjustment Plan. Whenever the current power repayment study shows that repayment requirements are not being met, action will be taken by the PMA to prepare and recommend a plan to be implemented at the next practicable time to satisfy the repayment requirements (or to explain why such requirements cannot be met). Such plan may include increasing rates, decreasing costs, changing contracts, or any other viable means for meeting cost recovery criteria. This plan will be supported by a Revised Power Repayment Study which will meet the cost recovery criteria. The plan will be submitted to the Assistant Secretary for Resource Applications through the Office of Power Marketing Coordination for review and further action. In certain situations the plan could recommend that no action be taken to meet repayment requirements. While a revised power repayment study must be prepared at a minimum when a current power repayment study shows that repayment requirements are not being met, preparation is not limited to that situation.
- c. Cost Evaluation Period. A period of time during which future estimates of costs and revenues may be modified to reflect changing conditions, such as additions to the power systems or inflation. This period of time is normally 5 years. Revenue and cost estimates for the remaining years of the power system's repayment period should reflect price levels, rate levels, and contractual commitments consistent with conditions anticipated during the cost evaluation period.
- d. Allowable Unamortized Investment. Each increment of investment shall be carried as allowable unamortized investment for its repayment period in accordance with the following principles:
- (1) Duration of Repayment Period. Unless otherwise prescribed by law, each dollar of investment is to be repaid with interest within a period not-to-exceed 50 years. Repayment periods of less than 50 years may be established when the facilities involved have useful life expectancies of less than 50 years. Such shorter repayment periods are appropriate for (a) replacement of power facilities and (b) transmission facilities which are developed and managed as transmission systems rather than as adjuncts to generating projects. In such cases, the expected useful life of the facility involved generally will be used as the repayment period. Such repayment periods may be adjusted from time to time, within the 50-year maximum, if changed conditions indicate a different estimated useful life expectancy.
 - (2) Start of the Repayment Period. The first year of the repayment period for both specific and joint investment cost shall be the fiscal year following the fiscal year in which the investment goes into commercial service. After each portion of allocated repayable power investment goes into commercial service, the total joint investment costs for a power generating facility shall,

on a pro rata basis, be associated with the specific investment costs incurred in the initial stage of project development (the initial stage of development includes all power units which are initially constructed in a continuous sequence without a time lag or more than 5 years between generating units).

e. Revenues.

- (1) Power revenues shall be those expected through the power system's repayment period, based on contractual commitments for sales of power and energy that are expected to exist during the cost evaluation period.
- (2) In the absence of specific contractual provisions for increased power sales, the revenue forecast will rely heavily on the past trends of actual customer load growth rates. Where contractual payments for power and/or quantities of such power and energy sales are defined, these shall form the basis for revenue determination.
- (3) Power quantities for forecasting future revenues shall also include purchased and exchange power quantities which are consistent with contractual commitments that are estimated to exist during the cost evaluation period, and only to the extent that related costs are also projected. The revenue forecast shall also consider capacity increases resulting from facility additions which are projected to be commercially operational within the cost evaluation period. A schedule comparing revenue estimates for the previous period with actual revenue realized should be included with the annual submission. Miscellaneous revenues shall be included where appropriate, as well as headwater benefit payments to be made to the Treasury for power benefits to non-Federally owned utility hydroplants.
- (4) Power quantities used for estimating revenues, unless defined by contract, are determined by theoretical reservoir operation studies based on historical stream flows. In preparing these operational studies, hydrological data, current to within 5 years if possible, and available engineering data will be used, recognizing restrictions imposed by other project functions. Input data will be revised and updated whenever new information indicates that a significant change in the forecast can be expected in the future where there is a significant variance between the forecasted and actual results, but in any event not less frequently than once every 5 years unless an accepted explanation is provided concerning why this is not necessary.

f. Operation and Maintenance Costs. Estimates of O&M costs shall be developed with heavy reliance placed on historical cost trends and actual project costs in

the past. The use of various cost indices, developed from and supported by project history is recommended in developing the forecast and testing its reliability. In preparing the estimate, actual costs will be compared to past forecasts to identify sources of variance and previous projection errors. A schedule showing these comparisons will be included with the annual power repayment update. The forecast shall take into account known factors which are expected to affect the future level of such costs during the cost evaluation period.

- g. Purchase and Exchange Power Costs. All costs of planned purchased power during the cost evaluation period shall be included in the power repayment study.
- h. Transmission Service and Other Costs. These costs, to be estimated for the cost evaluation period, include payments to others required by legislation, "wheeling" payments for use of transmission capacity, rental payments for the use of electrical facilities, payments for detriment caused by project facilities or operation, payments for increased benefits furnished by others, credit payments under certain contracts, and interconnection costs for which a payment is made based on contractual commitments.
- i. Interest Rates. Interest rates shall be established as set forth on page 4, paragraph 8c(1) for historical and current rates. Forecasts will utilize the rate established in paragraph 11, beginning on page 12, and related implementation guidelines for the latest available year for all future years.
- j. Interest Expense. Interest expense for each of the years of the study will be the sum of the amounts determined by: (1) applying the applicable interest rate to each estimated unamortized power investment at the beginning of the year; plus (2) applying one-half the applicable interest rate to power investments (i.e., additions and replacements) expected to be added and in service during the year; plus (3) applying the applicable interest rate to capitalized unpaid or deferred annual expense, if any. If the interest credit concept is utilized by the PMA, the interest credit should be offset against interest expense.
- k. Investment Costs. The power repayment studies will include all investment cost allocated to power for the existing systems. Additionally, the allocated power investment costs of all authorized power system facilities for which Congress has appropriated funds for construction and which will be in service within the cost evaluation period will be included. The investment cost will include construction cost of the project as well as interest during construction, computed using the same rate as determined in paragraph 10i.
- l. Replacements. Future replacement costs will be included in repayment studies by adding the estimated capital cost of replacement to the unpaid Federal

investment in the year each replacement is estimated to go into service, and adding it to the allowable unamortized investment. The capital costs of each replacement is determined by estimating the cost at current price levels of the new unit of property, less salvage, if any, at the end of the service life of the unit replaced. The allowable unamortized investment is developed by adding each year's investment as it goes into service and then deducting each increment of investment at the end of its allowable repayment period. Replacements should be accounted for separately from the original investment.

- m. Status of Repayment. For any year of a power system study, the status of repayment can be determined by comparing the allowable unamortized investment with the unamortized investment. For every year that the unamortized investment is equal to or less than the allowable unamortized investment, repayment is on or ahead of schedule. If for any year the unamortized investment exceeds the allowable, the cost recovery criteria are not being met.
- n. Content and Format of Power Repayment Study. Power repayment studies for all power systems shall be accompanied by a statement of pertinent assumptions used in preparing the studies. Further, there should be submitted a schedule which will show significant changes as compared with the previous study and a comparison of the previous forecast to actual performance for the same period. The format of the power repayment studies prepared by the PMAs will be expected to vary to some extent due to differences in conditions among PMAs, e.g., some have transmission systems, while others do not.

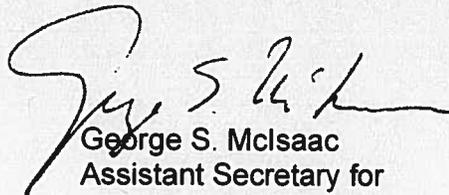
11. INTEREST RATE FORMULA.

- a. Except as otherwise provided by law, the interest rate to be used for computing interest during construction and interest on the unpaid balance of the costs of Federal power facilities, the construction of which is initiated after September 30, 1983, which are financed with appropriations and the cost of which is properly allocated to commercial power development, shall be the yield rate, as hereinafter provided in subparagraph "b" of this paragraph, during the fiscal year in which construction is initiated. For purposes of this paragraph, the facilities for which a separate interest rate is established may be any of the following so long as repayment periods are established for them:
 - (1) A Federal reservoir or canal project which includes the generation of electric power that is marketed by a PMA and which may also include transmission facilities constructed during the same stage of construction;
 - (2) Any unit or separable power feature or groups of such units of features of such Federal reservoir or canal project;

- (3) Any separable features or groups of features of a Federal transmission system, including transmission lines, substations, and appurtenant facilities, which are under the administration of a PMA that are not considered a part of a Federal reservoir or canal project;
 - (4) Annual increments of investment in separable features or groups of features of a Federal transmission system that are placed in service during the same year; or
 - (5) Replacements of or additions or betterments to power facilities.
- b. Each fiscal year the Assistant Secretary for Conservation and Renewable Energy will request the Secretary of the Treasury to provide the computations made as of October 1 of the yield rate for the preceding fiscal year. For purposes of this paragraph, the yield rate is the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which, at the time the computation is made, have terms of 15 years or more remaining to maturity. The average yield shall be computed as the average during the fiscal year of the daily bid prices. Where the average yield so computed is not a multiple of one-eighth of one percent, the yield rate shall be the multiple of one-eighth of one percent nearest to such average yield.
 - c. The Assistant Secretary shall annually notify the PMAs of the yield rate for the current fiscal year.
12. COST RECOVERY CRITERIA. The current rates for a power system will be adequate if, and only if, a power repayment study indicates that:
- a. The expected revenues are at least sufficient to recover annually, except for a possible initial short transition period:
 - (1) All costs of operating and maintaining the power system during the year in which such costs are incurred; plus,
 - (2) The cost of acquiring power through purchase and/or exchange agreements, the costs for transmission services, and other costs during the year in which such costs are incurred; plus,
 - (3) Expensed interest on the unamortized investment in Federal power facilities in the year for which the interest charges are assessed, except that recovery of the annual interest expense may be deferred in unusual circumstances for short periods of time; plus,

- (4) Interest and amortization of revenue bonds where PMAs are authorized to issue such bonds.
- b. In addition to the recovery of the above costs on a year-by-year basis, the expected revenues are at least sufficient to recover:
- (1) Each dollar of power investment at Federal hydroelectric generating plants within 50 years after they become revenue producing, except as otherwise provided by law: plus,
 - (2) Each annual increment of Federal transmission investment within the average service life of such transmission facilities or within a maximum of 50 years, whichever is less; plus,
 - (3) The cost of each replacement of a unit of property of a Federal power system within its expected service life up to a maximum of 50 years; plus,
 - (4) Each dollar of assisted irrigation investment within the period established for the irrigation water users to repay their share of construction costs; plus,
 - (5) Other costs such as payments to basin funds, participating projects or States.
13. **SUBMISSION**. Power system financial statements and power repayment studies will be forwarded to the Assistant Secretary for Resource Applications and shall be accompanied by a statement from the PMA Administrator that the financial statements and power repayment studies are in compliance with this order. Any deviation therefrom shall be disclosed and justified. Copies of power system financial statements and power repayment studies will be provided for policy guidance, evaluation of methodology, and compliance review, and shall be delivered within 180 days of the close of the applicable fiscal year.

FOR THE SECRETARY OF ENERGY:



George S. McIsaac
Assistant Secretary for
Resource Applications

Appendix E

Abandoned Project – Cost Amortization Schedule

**Total Abandoned Project Costs
Amortization Schedule**

\$20,026,721.74	3.00%	23 years
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Year		Interest Expense	Amortization Expense	Total	Unpaid Balance
1996		\$0.00	\$481,064.66	\$481,064.66	\$10,583,422.49
1997	1	862,531.14	326,116.55	1,188,647.69	18,943,379.11
1998	2	852,747.64	335,900.05	1,188,647.69	18,323,032.79
1999	3	842,670.64	345,977.05	1,188,647.69	17,684,076.09
2000	4	832,291.33	356,356.36	1,188,647.69	17,025,950.68
2001	5	821,600.64	367,047.05	1,188,647.69	16,348,081.52
2002	6	810,589.23	378,058.46	1,188,647.69	15,649,876.27
2003	7	799,247.47	389,400.22	1,188,647.69	14,930,724.88
2004	8	787,565.46	401,082.22	1,188,647.69	14,189,998.93
2005	9	775,533.00	413,114.69	1,188,647.69	13,427,051.21
2006	10	763,139.56	425,508.13	1,188,647.69	12,641,215.06
2007	11	750,374.31	438,273.37	1,188,647.69	11,831,803.83
2008	12	737,226.11	451,421.58	1,188,647.69	10,998,110.26
2009	13	723,683.47	464,964.22	1,188,647.69	10,139,405.88
2010	14	709,734.54	478,913.15	1,188,647.69	9,254,940.36
2011	15	695,367.14	493,280.54	1,188,647.69	8,343,940.89
2012	16	680,568.73	508,078.96	1,188,647.69	7,405,611.43
2013	17	665,326.36	523,321.33	1,188,647.69	6,439,132.08
2014	18	649,626.72	539,020.97	1,188,647.69	5,443,658.36
2015	19	633,456.09	555,191.60	1,188,647.69	4,418,320.42
2016	20	616,800.34	571,847.35	1,188,647.69	3,362,222.35
2017	21	599,644.92	589,002.77	1,188,647.69	2,274,441.33
2018	22	581,974.84	606,672.85	1,188,647.69	1,154,026.88
2019	23	563,774.65	624,873.03	1,188,647.69	(0.00)

Appendix F
Project History

PROJECT HISTORY

The Pacific Northwest-Pacific Southwest Intertie Project (Intertie Project) was authorized by Section 8 of the Pacific Northwest Power Marketing Act of August 31, 1964 (16 U.S.C. 837g). The basic purpose of the Intertie Project was to provide, through transmission system interconnections, maximum utilization of the total power resources to meet the nation's growing demands. This purpose was to be accomplished through: (1) the exchange of summer-winter surplus peaking capacity between the Northwest and Southwest to reduce capital expenditures for new generating capacity; (2) the sale of northwest secondary energy to the southwest; (3) the sale of southwest energy to the northwest to "firm" peaking hydroelectric sources during critical water years; (4) conservation of significant amounts of fuel through the use of surplus hydroelectric energy; and (5) increased efficiency in the operation of hydroelectric and thermal resources. As authorized, the Intertie Project was to be a cooperative construction venture by Federal and non-Federal entities, incorporating the capability for both AC and DC transmission service and providing interconnections among certain Federal and non-Federal power systems.

The Lower Colorado Region, Bureau of Reclamation (Reclamation), U.S. Department of the Interior, was assigned construction jurisdiction for: (i) the Celilo-Mead 750-kV DC transmission line from the Oregon-Nevada border to Mead Substation; (ii) Mead Substation; and (iii) all facilities south of Mead Substation. Several delays in congressional construction funding for the Celilo-Mead 750-kV DC transmission line revised its estimated in-service date to the point that potential users withdrew their interest. This, and the subsequent lack of congressional funding, resulted in the May 1969 indefinite postponement of the Celilo-Mead 750-kV DC transmission line construction. Consequently, the facilities constructed were Mead Substation and all facilities south of Mead Substation, which provide AC transmission service.

Pursuant to section 302 of the Department of Energy Organization Act (42 U.S.C. 7152), dated August 4, 1977, these Reclamation constructed facilities were transferred to Western. This transmission service rates brochure applies to the Intertie Project facilities which are administered by Western's Desert Southwest Region.

Appendix G
Project Description

PROJECT DESCRIPTION

Western's portion of the Intertie Project consists of two parts, a northern portion and a southern portion. The northern portion is administered by Western's Sierra Nevada Region and is incorporated, for repayment and operation, with the Central Valley Project. The northern portion consist of a 94-mile (151 km), 500-kV line from Malin Substation (Oregon) to Round Mountain to Cottonwood Substation (California). By agreement, the Central Valley Project has transmission rights for 400 MW of northern Intertie capacity.

The southern portion is administered by Western's Desert Southwest Region and is treated as a separate (stand alone) project for repayment and operational purposes. It consists of a 238-mile, 345-kV transmission line from Mead Substation (Nevada) to Liberty Substation (Arizona); a 19-mile, 230-kV transmission line from Liberty to Westwing Substation (Arizona); a 22-mile, 230-kV transmission line from Westwing to Pinnacle Peak Substation (Arizona); and two segments that came on-line in April 1996: the 260-mile, 500-kV transmission line from Mead to Perkins Substation (Arizona) and the 202-mile, 500-kV transmission line from Mead to Adelanto Switching Substation (California).