

When BPA holds public field hearings, written transcripts are made and included in the official record. A notice of the dates and times of the field hearings also will be published in the **Federal Register**.

**ADDRESSES:** Written comments by participants must be received by May 15, 1995, to be considered in the Draft Record of Decision (ROD). Written comments should be submitted to the Manager; Corporate Communications—CK; Bonneville Power Administration; 905 NE. 11th; P.O. Box 12999; Portland, Oregon 97212.

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael Hansen, Public Involvement and Information Specialist, at the address listed above, (503) 230-4328 or call toll-free 1-800-622-4519.

Information also may be obtained from: Mr. Steve Hickok; Group Vice President, Sales and Customer Service; P.O. Box 3621; Portland, OR 97208, (503) 230-5356.

Mr. George Eskridge; Manager, SE Sales and Customer Service District; 1101 W. River, Suite 250; Boise, ID 83702, (208) 334-9137.

Mr. Ken Hustad; Manager, NE Sales and Customer Service District; Crescent Court, Suite 500; 707 Main; Spokane, WA 99201, (509) 353-2518.

Ms. Ruth Bennett; Manager, SW Sales and Customer Service District; 703 Broadway; Vancouver, WA 98660, (360) 418-8600.

Ms. Marg Nelson; Manager, NW Sales and Customer Service District; Suite 400, 201 Queen Anne Ave. N.; Seattle, WA 98109-1030, (206) 216-4272.

*Responsible Official:* Mr. Geoff Moorman, Manager for Pricing, Marginal Cost and Ratemaking, is the official responsible for the development of BPA's rates.

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##### **I. Introduction**

After the 1993 Rate Case, BPA conducted a series of workshops on subjects relevant to BPA's ratemaking. The purpose of the workshops was to identify, simplify, and reduce the number of issues that might become part of the 1995 rate case and to reduce the amount of discovery normally required during the formal rate proceedings. Opportunity was provided to address

the impacts of reinvention, transmission issues, risk mitigation, forecasted revenue requirements, and rate design issues. The workshops provided opportunity for informal public comment on issues prior to the formal hearing process.

On December 28, 1994, BPA published in the **Federal Register** a Notice of "Intent to Revise Transmission Rates to Become Effective October 1, 1995," 57 FR 66946, in order to satisfy contractual provisions between BPA and its customers. Since then, BPA has continued to study the adequacy of its current rates and has concluded that current rates must be adjusted for the FY 1996 and FY 1997 rate period.

In order to assess its current rates, BPA first determined the amount of revenues required to meet its financial obligations in FY 1996 and FY 1997. BPA has determined that the revenues it would expect to collect from projected sales under its current rates will not recover these revenue requirements. Therefore, BPA proposes to revise its current transmission rates. At the conclusion of this rate proceeding, BPA will file its rates with FERC for confirmation and approval.

The proposed transmission rates were prepared in accordance with BPA's statutory authority to develop rates, including the Bonneville Project Act of 1937, as amended, 16 U.S.C. 832 (1982); the Flood Control Act of 1944, 16 U.S.C. 825s (1982); the Federal Columbia River Transmission System Act (Transmission System Act), 16 U.S.C. 838 (1982); the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. 839 (1982); and the Energy Policy Act of 1992, Pub. L. No. 102-486, 106 Stat. 2776 (1992).

In the Energy Policy Act of 1992, Congress approved amendments to the Federal Power Act that allow FERC to order access to transmitting utilities' systems. As a result, FERC has developed standards for providing comparable access including guidelines for pricing such access. This rate proposal includes two new rate schedules (the Network Integration and Point-to-Point Firm rates) to be used for FERC-ordered transmission access and which are designed to allow comparable access to BPA's transmission system. BPA's Energy Transmission rate schedule will be used to price comparable service for nonfirm uses of the transmission system. In a process concurrent with the 1995 rate case, BPA is proposing terms and conditions for these new services for FERC approval. For further information about the terms and conditions process, please contact Mr. Dennis Metcalf, Transmission Team

Lead, (503) 230-3410 or Mr. Michael Hansen, Public Involvement and Information Specialist, (503) 230-4328.

BPA proposes that its transmission rate schedules, including the adjustments, charges and special rate provisions, and the General Rate Schedule Provisions (GRSPs) associated with these rate schedules, become effective upon interim approval or upon final confirmation and approval by FERC. (BPA's proposal combines the general rate schedule provisions for wholesale power rates and transmission rates into one document—the GRSPs.) BPA currently anticipates that it will request FERC approval effective October 1, 1995, or at the same time as its revised power rates. The 1995 transmission rate schedules and the GRSPs shall supersede BPA's 1993 rate schedules and General Transmission Rate Schedule Provisions (which became effective October 1, 1993) to the extent stated in the Availability section of each 1995 rate schedule.

BPA is proposing extension of the Townsend-Garrison Transmission rate and the Use of Facilities rate with no changes. The Market Transmission rate is being revised only to the extent that the Reactive Power Charge is being included in the rate schedule. Three new rates are proposed: the Network Integration Transmission rate; the Point-to-Point Firm Transmission rate; and the Advance Funding rate. The proposed Southern Intertie Annual Costs rate is substantially changed to reflect the outcome of contract negotiations. In addition, a Reservation Charge for Transmission Capacity and a Reactive Power Charge are included in many of the transmission rate schedules. BPA also has provided for charging opportunity costs in the firm transmission rates for new requests for transmission capacity.

In developing the proposed transmission rates, BPA considered many factors, including revenue requirements, ease of administration, revenue stability, rate continuity, comparability, ease of comprehension, contract provisions, and BPA's statutory obligations. The studies that have been prepared to support the proposed preliminary transmission rates will be mailed to all parties in BPA's 1993 rate case and will be available for examination on February 13, 1995, at BPA's Public Information Center; BPA Headquarters Building; 1st Floor; 905 NE. 11th; Portland, and will be available at the prehearing conference, to the extent they are available. The preliminary studies and documents that relate to transmission rates are: