

throughout the region. From August 3 - August 9, BPA held numerous public comment meetings throughout the region. Additionally, BPA held a Draft Business Plan EIS workshop where participants were invited to design their own alternatives and consider the environmental and fiscal results. The draft EIS evaluates BPA's Business Plan proposal and a range of alternatives, including the impacts of the range of potential rate designs for BPA's power and transmission services. It also documents the impact of the current rate proposal for purposes of the National Environmental Policy Act. A supplemental Draft Business Plan EIS, revised in response to comments received, will be available for public comment in February. Comments will be received outside the formal rate hearing process, but will be included in the rate case record and considered by the Administrator in making a final decision establishing BPA's 1995 rates. The Final Strategic Business Plan and the Business Plan EIS that elaborates BPA's strategic action plans will be released in June 1995.

Spending levels are developed as a part of the BPA Strategic Business Plan, with the benefit of a public comment process. They also are determined as a part of the Federal budget process. Consistent with the Business Plan, the Administrator formally announced spending levels for FYs 1996-2001 to the public on January 12, 1995. BPA will continue to refine its strategic business objectives, goals, and spending levels, and inform the public accordingly, as part of its Strategic Business Plan development process. That process is expected to culminate in a Final Strategic Business Plan published in June 1995. Therefore, except for the limited exceptions hereafter noted, spending level decisions will not be addressed in this rate case. Accordingly, pursuant to § 1010.3(f) of the "Procedures Governing Bonneville Power Administration Rate Hearings," 51 FR 7611 (March 5, 1986) (hereinafter Procedures), the Administrator directs the Hearing Officer to exclude from the record any material attempted to be submitted or arguments attempted to be made in the hearing which seek to visit in any way the appropriateness or reasonableness of BPA's decisions on spending levels, as included in BPA's cost evaluation period of FY 1995 through FY 1997 and its test period revenue requirements for FYs 1996 and 1997. If, and to the extent, any re-examination of spending levels is necessary, that re-examination will occur outside of the rate case. The

Revenue Requirement Study will incorporate BPA's spending levels and reflect BPA's risk mitigation, capital funding, and other financial goals in the rates. Excepted from this direction on account of their variable nature, dependency on BPA's rate case models, or timing, are: (1) Forecasts of residential exchange benefits; (2) forecasts of short-term purchase power costs; (3) provision in BPA's revenue requirement for cash working capital or cash lag needs; (4) repayment matters such as interest rate forecasts, scheduled amortization, depreciation, replacements, and interest expense; and (5) updates to forecasts by BPA which may occur in the Spring of 1995 and for which no other review forum has been provided.

III. Procedures Governing Rate Adjustments and Public Participation

Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), requires that BPA's rates be established according to certain procedures. These procedures include, among other things, issuance of a **Federal Register** Notice announcing the proposed rates; one or more hearings; the opportunity to submit written views, supporting information, questions, and arguments; and a decision by the Administrator based on the record. The proceedings for BPA's proposal to adjust transmission rates will be combined with the proceedings for BPA's proposal to adjust wholesale power rates. This proceeding will be governed by BPA's rule for general rate proceedings, § 1010.9 of BPA's Procedures. These Procedures implement the statutory section 7(i) requirements. Section 1010.7 of the Procedures prohibits *ex parte* communications.

BPA distinguishes between "participants in" and "parties to" the hearings. Apart from the formal hearing process, BPA will receive comments, views, opinions, and information from "participants," who are defined in the procedures as any person who may express views, but who does not petition successfully to intervene as a party. Participants' written comments will be made part of the official record of the case and considered by the Administrator. The participant category gives the public the opportunity to participate and have its views considered without assuming the obligations incumbent upon "parties." Participants are not entitled to participate in the prehearing conference, cross-examine parties' witnesses, seek discovery, or serve or be served with documents, and are not subject to the

same procedural requirements as parties.

Written comments by participants will be included in the record if they are received by May 15, 1995. This date follows the anticipated submission of BPA's and all other parties' direct cases. Written views, supporting information, questions, and arguments should be submitted to BPA's Manager of Corporate Communications at the address listed in Section I of this Notice. In addition, BPA will hold several field hearings in the Pacific Northwest Region. Participants may appear at the field hearings and present oral testimony. The transcripts of these hearings will be a part of the record upon which the Administrator makes the rate decision.

The second category of interest is that of a "party" as defined in §§ 1010.2 and 1010.4 of BPA's Procedures. Parties may participate in any aspect of the hearing process.

Persons wishing to become a party to BPA's rate proceeding must notify the Hearing Officer and BPA in writing of their request. Petitions to intervene shall state the name and address of the person and the person's interests in the outcome of the hearing. Petitioners may designate no more than two representatives upon whom service of documents will be made. BPA customers and customer groups whose rates are subject to revision in the hearing will be granted intervention based on a petition filed in conformance with this section. Other petitioners must explain their interests in sufficient detail to permit the Hearing Officer to determine whether they have a relevant interest in the hearing. Intervention petitions will be available for inspection in BPA's Public Information Center, 1st Floor, 905 NE. 11th, Portland, Oregon. Any opposition to a petition to intervene must be raised at the February 13, 1995, prehearing conference. All timely applications will be ruled on by the Hearing Officer. Opposition to an untimely petition to intervene shall be filed and served within 2 days after service of the petition. Interventions are subject to § 1010.4 of the Procedures.

The record will include, among other things, the transcripts of any hearings, any written material submitted by the parties and participants, documents developed by BPA staff, BPA's environmental analysis and comments accepted on it, and other material accepted into the record by the Hearing Officer. The Hearing Officer then will review the record, will supplement it if necessary, and will certify the record to the Administrator for decision.