

JOURNAL

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION

December 2004

Web site: www.bpa.gov/corporate/pubs/Journal

BPA ends FY 2004 in the black

BPA ended fiscal 2004 in the black despite another year of low water and less-than-projected power and transmission sales revenues. Discounting certain accounting adjustments and proceeds from refinancing nonfederal debt, BPA earned \$66 million on total income of \$3.2 billion, compared to \$37 million the previous year. Because BPA is a not-for-profit agency, any new revenue is applied to financial reserves for use in the event that low water reduces hydropower sales in future years.

"Even though we ended the year in the black, our power and transmission revenues were significantly lower than expected," said BPA Administrator Steve Wright. "But by cutting costs and aggressively managing long-term debt, we were able to avoid dropping below the break-even line." Compared to projections made as the fiscal year began, BPA revenues fell short by more than \$200 million, Wright said. He emphasized that BPA would continue stringent cost management.

Fish returns continue high

Adult chinook salmon returns counted at Bonneville Dam this year totaled 845,656, the fourth highest on record. Counting of adult returns began on Mar. 15 and ended Nov. 15. The record-breaking 2003 total of 914,876 was the highest since counts began in 1938. This year's return came in fourth overall just behind 2002 and 2001 at 870,833 and 867,822 respectively. Recent years' counts have all nearly doubled the 10-year average of 463,809.

The steelhead count at Bonneville Dam this year was 310,847 between Mar. 15 and Nov. 15, slightly above the 10-year average of 296,552. The all-time record count for this stock was in 2001 at 632,969.

Spillway weir will save fish

A massive steel structure under construction has been termed a fish friendly slide. The removable spillway weir is designed to help salmon smolts slide more safely through dams on the Columbia River system. In February, tugs will tow the weir upriver for the U.S. Army Corps of Engineers to install at Ice Harbor Dam on the Snake River.



Officials got a look at a giant dam spillway fish weir under construction at Vancouver in mid-November.

"With the installation of the removable spillway weir, we will be able to improve fish survival," BPA Administrator Steve Wright said. "At the same time, we will be able to use less water and save Northwest ratepayers money." This is consistent with BPA's goal of accomplishing its mission at the least possible cost.

The weir provides a more efficient way for the juvenile salmon to pass the dam because the fish don't spend time trying to find the spillway opening. The Ice Harbor weir will cost about \$13 million to build and install. The Columbia River operators are considering additional weirs for other dams as part of fish mitigation measures proposed under the new biological opinion slated for release by the NOAA Fisheries at the end of November.

BPA non-wires pilot grant

BPA received 28 proposals this fall for non-wires pilot projects. After careful evaluation and review of all offers, BPA awarded a grant to Quantec, LLC. The grant is for an innovative irrigation load curtailment pilot project. The expected peak load curtailment is five megawatts. The project will be tested next summer. The perfor-



mance period of the grant is effective Dec. 1, 2004, through Nov. 1, 2005. David Le, BPA's Energy Efficiency non-wires program manager, said BPA wants projects that can meet customer transmission reliability needs while at the same time deferring line construction.

New Web site has BPA RODS

BPA put a new Web site online in November that has most Records of Decision by the agency dating back to 1984. This single source makes it easier for the public to find RODs. Some RODs weren't put online in the past and will still be available from the Public Information Office at (503) 230-7334. But, when you need to find a BPA ROD, start your search online at www.bpa.gov/corporate/pubs/rods/.

Land swap gets OK

President George Bush signed the Defense Authorization Act on Oct. 28 that contained a provision to allow a land swap among the Nisqually Indian Tribe, Fort Lewis, and Thurston County in Washington. BPA will now be able to relocate portions of two transmission lines from land owned by the Nisqually tribe to land in Fort Lewis, a U.S. Army base.

The relocation also allows BPA to resolve easement issues with the tribe and to respond positively to a request from the tribe to relocate the lines. The tribe wants to move the lines to make its property more suitable for commercial uses. The Nisqually are paying part of the relocation costs.

Albany-Eugene line upgraded

BPA and Blachly-Lane County Electric Cooperative of Eugene completed the upgrade of the Albany-Eugene 115-kilovolt transmission line Nov. 1 in Eugene. The line was one of BPA's oldest, and the upgrade improves service and reduces maintenance. BPA Administrator

Steve Wright presented a plaque to Bud Tracy, general manager for Blachly-Lane acknowledging the partnership developed during the construction of the Line.

BPA replaces line spacers while DC intertie is down

In two weeks flat this fall, BPA transmission line maintenance teams replaced more than 7,500 line spacers along 156 miles of the 1,000-kilovolt direct-current intertie between The Dalles, Ore., and the Oregon-California border. The opportunity came because the DC line out of commercial service between October and the end of this year to allow for a major upgrade at Sylmar, Calif.

Line spacers physically connect the pairs of conductors that make up each of the two phases of the DC line. The connection prevents the conductors from slapping together in the wind, which can damage the wires and shorten their life. Work on the remaining 108 miles of line will be completed by Dec. 10. Total cost is \$2.1 million.

Raymond-Cosmopolis line energized

On Nov. 2, BPA energized the newly rebuilt 115-kilovolt transmission line between the western Washington communities of Raymond and Cosmopolis. The 18-mile line was one of the oldest in the BPA system and was frequently affected by outages, many of which were caused by falling trees.

The \$12.3 million project was completed on time and on budget, a feat that was helped by the local support of public utility officials and county commissioners, according to Gary Beck, project manager. The new line has more capacity to serve growth in the area and can better withstand the winter storms that are common in Pacific and Grays Harbor counties.

PUBLIC INVOLVEMENT Updates and Notices

AGENCY – ONGOING PROJECTS

Supplemental Analysis to the Business Plan EIS – Regionwide
BPA will prepare an SA to its Business Plan EIS. The 1995 EIS analyzed the environmental, economic and social effects of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development, and fish and wildlife mitigation activities. Public letters announcing and outlining the SA to the Business Plan EIS will go out in early December. BPA invites all interested parties to submit comments on the SA, the Business Plan EIS, or specifically on any perceived changes in BPA's business activities since 1995 that are relevant to environmental concerns. For additional information about the SA and how to comment see BPA's Web site at http://www.bpa.gov/efw/Environmental_Planning_and_Analysis/Business_Plan_SA/.

CONSERVATION – ONGOING PROJECTS

Post-2006 Conservation Work Group
The Post-2006 Conservation Work Group is halfway through the Phase I process to set the approach and direction of a conservation plan for the next rate period. Notes from the Nov. 9 meeting in Kennewick, Wash., can be reviewed online at <http://www.bpa.gov/Energy/N/Post2006Conservation/>. The next meeting will be held Dec. 2 at BPA's headquarters building in Portland. The final meeting scheduled for Jan. 11, will be held in Seattle. Phase II is scheduled to start in early 2005 and will refine the proposal and include public review. For more information, contact Becky Clark at (503) 230-3158. (*See calendar of events.*)

FISH AND WILDLIFE – ONGOING PROJECTS

Grande Ronde and Imnaha Spring Chinook Project EIS – Wallowa and Union counties, Ore.

Fish trapping, incubation, rearing and release hatchery facilities are proposed to help boost spring chinook salmon populations in the Grande Ronde and Imnaha river basins of Northeast Oregon. Planned facilities would modify and augment existing Lower Snake River Compensation Plan facilities. The FEIS is available online at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/Granderonde>. A ROD is scheduled for publication in December 2004.

Kootenai River Ecosystem/Fisheries Improvement Study – Boundary and Bonners counties, Idaho and Lincoln County, Mont.

The Kootenai Tribe of Idaho (in coordination with Idaho Fish and Game; Montana Fish Wildlife and Parks; and British Columbia Ministry of Environment, Land and Parks) plans to initiate a controlled nutrient restoration effort in the mainstem Kootenai River near the Montana-Idaho border. A public scoping open house is scheduled for Dec. 13, 2004, in Bonners Ferry, Idaho at the Boundary County Extension office from 4 to 8 p.m. Close of comment is Jan. 28, 2005. More information is available online at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/Projects>. (See close of comment and calendar of events.)

Salmon Creek EIS – Okanogan County, Wash.

BPA proposes to fund a project to enhance fish habitat, passage and instream flows in 4.3 miles of lower Salmon Creek, a tributary of the Okanogan River. The project would rehabilitate the stream channel, revegetate stream banks and increase streamflows. A DEIS was released in September and is available at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/SalmonCreek>. A public meeting was held Sept. 28, 2004, and the comment period closed Nov. 9, 2004.

South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program EIS – Flathead National Forest, Mont.

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South Fork of the Flathead drainage. A DEIS was released and the comment period closed Aug. 20, 2004. A FEIS is being prepared. Additional information is available at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/MountainLakesTrout>.

POWER – ONGOING PROJECTS

BPA's Power Supply Role after 2006 (Regional Dialogue) – Regionwide

The public comment period on BPA's Regional Dialogue policy proposal concluded Sept. 22. A second window for discussion and comments on four specific issues closed on Nov. 2. BPA is now in the process of reviewing all of the comments received during the Regional Dialogue process. It is anticipated the Administrator will sign the Regional Dialogue ROD in mid-December. Additional information or updates to this schedule will be posted on BPA's Web site at <http://www.bpa.gov/power/regionaldialogue>.

TRANSMISSION – ONGOING PROJECTS

Anderson Ranch 115-kV Rebuild – Elmore County, Idaho

BPA is replacing five wood pole structures located in rough terrain with two steel dead-end towers on the Boise River crossing. The purpose of the rebuild is to maintain line reliability and ensure public safety. All of the aged and decaying wood poles on the remaining portion of the 18-mile line will be replaced with steel poles. Construction began July 2004 and is scheduled to be completed by December 2004. Additional project information is available on BPA's Web site at http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=AR.

Arlington CEP Wind Project Interconnection – Gilliam County, Ore.

Columbia Energy Partners (CEP) has requested to integrate up to 200 MW of power generated from the Arlington CEP Wind Project into the Federal Columbia River Transmission System. CEP would

interconnect to the proposed Jones Canyon BPA substation adjacent to the 230-kV McNary-Santiam line. BPA's proposed project would involve building Jones Canyon substation, adjacent to the CEP collector substation and an access road from the county road to the BPA substation. Construction of the substation would involve clearing approximately six acres of grassland to build a short access road and a substation. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Arlington PPM Wind Project Interconnection – Gilliam County, Ore.

Pacific Power Marketing (PPM) has requested to integrate up to 200 MW of power generated from the Arlington PPM Wind Project into the Federal Columbia River Transmission System. PPM would interconnect at the same substation as proposed for the Arlington CEP Wind Project described above (Jones Canyon). See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

BP Cherry Point Cogeneration Project Interconnection – Whatcom County, Wash.

BP West Coast Products, LLC, has requested interconnection of its proposed 720-MW combustion turbine project at its Cherry Point Refinery near the community of Birch Bay, Wash. The project requires rebuilding an existing single-circuit 230-kV transmission line to double-circuit from Cherry Point to Custer Substation and is subject to the Washington state energy facility siting process. BPA and Washington EFSEC developed a joint SEPA/NEPA EIS, and BPA recently issued a ROD to offer contract terms for the interconnection. The EIS and ROD are posted at <http://www.transmission.bpa.gov/PlanProj/Wind/>.

Combine Hills Wind Project Interconnection – Umatilla County, Ore.

Eurus Energy America Corporation has requested to integrate up to 63 MW of power generated from the Combine Hills Wind Project into the Federal Columbia River Transmission System. BPA would need to upgrade 5.8 miles of the Walla Walla-Pendleton transmission line. The upgrade of the transmission line would involve replacing the wood poles within the same right-of-way and stringing new conductor. This request is an expansion of an existing 41 MW that connects to PP&L's transmission system. A public letter was sent out in November 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Grand Coulee-Bell 500-kV Transmission Line – Spokane and Lincoln counties, Wash.

Construction of the new Grand Coulee-Bell 500-kV Transmission Line Project is complete and energization is scheduled for Dec. 1. The project replaced 84 miles of 115-kV wood pole line with a new steel lattice 500-kV line between Grand Coulee Dam and Spokane. BPA contracted the assembly and erection of all 412 steel towers and the stringing of the wire between those towers. Other project work just completed includes the substation expansion and equipment installation at the Bureau of Reclamation's switching station in Grand Coulee and at BPA's Bell substation in Spokane. This project allows BPA to continue to transmit reliable, low cost power to ratepayers in the Pacific Northwest. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

Hanford Reach National Monument CCP/EIS – Benton, Franklin and Grant counties, Wash.

BPA is participating as a cooperating agency in a land management planning process led by the U.S. Fish and Wildlife Service. The USFWS seeks to develop a comprehensive conservation plan as required by the Refuge System Improvement Act of 1997. BPA is providing information and writing sections of the plan that pertain to transmission facilities, roads, energy facilities and river flow management within the monument. A DEIS is scheduled for release in 2005.

Nisqually Transmission Line Relocation Project EA – Thurston County, Wash.

BPA is proposing to relocate two miles of transmission line corridor off the Nisqually Indian Reservation in Thurston County, Wash. BPA has an existing transmission line corridor across the reservation and a portion of the Fort Lewis military base just north of State Route 510. This corridor contains two transmission lines: the Olympia-Grand Coulee 287-kV line and the Olympia-South Tacoma 230-kV

line. This relocation is being proposed because the 50-year easement for one of the lines on the reservation has expired. The public comment period ended Nov. 26, 2004. A decision on the project is expected this winter. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

Hopkins Ridge Wind Project Interconnection - Columbia County
BPA has been asked by RES America Developments to provide transmission services for 150 MW of the output of the proposed Hopkins Ridge Wind Project Interconnection. As a Federal Agency, BPA must consider the environmental impacts of its interconnection decision under the National Environmental Policy Act. The proposed interconnection project involves constructing a switching substation adjacent to an existing BPA transmission line near the wind project. The switching substation would be located on a five acre parcel of land currently used for wheat farming, immediately east of the intersection of Hartsock Grade Rd. and Highland Rd. BPA would construct the substation in the summer and fall of 2005.

BPA is conducting site visits and studies to assess the impacts of the proposed interconnection on various resources. A decision to interconnect will be made by January 2005. The public comment period closes Dec. 15, 2004. BPA will accept comments at the county conditional use permit hearing for the Hopkins Ridge Wind Project Interconnection on Dec. 14. (*See close of comment and calendar of events.*)

Programs in Review - Regionwide

TBL has completed seven Programs in Review meetings throughout the region. These meetings were held to discuss TBL proposed program levels for 2006 and 2007. As customers requested, additional technical workshops were held on debt optimization, corporate and shared services programs, TBL capital and expense programs, and staffing. End of comment period was Sept. 15 with the close-out letter expected to be posted to the Web. For more information, visit the Web site at http://www.transmission.bpa.gov/Business/Customer_Forum_and_Feedback/Programs_in_Review/pir2004.cfm.

Raymond-Cosmopolis 115-kV Transmission Line EA - Grays Harbor and Pacific counties, Wash.

BPA is rebuilding an existing 115-kV transmission line between Raymond and Cosmopolis, roughly parallel to Highway 101. Most of the 18-mile-long line will remain in the existing right-of-way. The preliminary EA was released for public review in February. Public meetings were held in February and the comment period ended Feb. 26, 2003. The final EA and FONSI were released Sept. 5, 2003. Line construction began in June 2004 and was energized on Nov. 3, 2004. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

Schultz-Wautoma Area 500-kV Line Project - near Ellensburg to near the Hanford Reservation, Wash.

BPA is building a new 500-kV line from Schultz Substation to the new Wautoma Substation southwest of the Hanford Monument. An FEIS was released in February 2003. The ROD was released in March 2003. Construction on the new Wautoma Substation began May 5, 2003, and is halfway complete. Construction of the Sickler-Schultz portion of the line began February 2004. Fiber construction began in late January 2004. The project will be completed by November 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

Transmission Rate Case Workshops

BPA's TBL has held several rate case workshops in Portland as part of its process to develop its transmission rates for fiscal years 2006 and 2007. Four workshops have been held. See <http://www.transmission>

http://www.transmission.bpa.gov/Business/Rates_and_Tariff/default.cfm?page=2006RC for more information.

Wanapa Energy Center Generation Project EIS - Umatilla County, Ore.

The Confederated Tribes of the Umatilla Indian Reservation requested interconnection of the Wanapa Energy Center, a proposed 1,300-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs released the DEIS in October 2003. BPA is participating as a cooperating agency. Two public meetings were held in December 2003. The comment period ended Dec. 29, 2003. An FEIS is scheduled for December 2004, with a ROD to follow. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

SUPPLEMENTAL ANALYSES

Watershed Management Program EIS:

- SA-188 Umatilla Habitat Improvements/Sears Creek Culvert Replacement. Umatilla County, Ore.
- SA-189 Tucannon River Model Watershed - Howard Irrigation Efficiency Project. Garfield County, Wash.
- SA-190 Habitat Projects Lake Roosevelt Tributaries - Bridge Creek Passage/Habitat Improvement Phase II. Ferry County, Wash.
- SA-191 Tucannon River Model Watershed - Tucannon Ranch Irrigation Efficiency Enhancement Project. Columbia County, Wash.
- SA-192 Blind Slough Restoration Project - Addendum (Monitoring Plan). Clatsop County, Ore.

Transmission Vegetation Management Program EIS

- SA-227 Tanner Tap - Snoqualime Lake Tradition #1. King County, Wash.
- SA-228 Reston-Fairview #1 and 2. Douglas and Coos counties, Ore.

CALENDAR OF EVENTS

Post-2006 Conservation Work Group

- Dec. 2 - 9 a.m. to 4:30 p.m., BPA headquarters building, 905 N.E. 11th Ave, Portland, Ore.
- Jan. 11 - 9 a.m. to 4:30 p.m., Comprehensive Health Education Foundation, 22419 Pacific Hwy. South, Seattle, Wash.

Kootenai River Ecosystems/Fisheries Improvement Study

- Dec. 13 - 4 to 8 p.m., Boudry County Extension office, 6447 Kootenai Street, Bonners Ferry, Idaho

Hopkins Ridge Wind Project Interconnection

- Dec. 14 - 7 p.m., Columbia County Fairground, Youth Building 103, Dayton, Wash.

CLOSE OF COMMENT

Dec. 15 - Hopkins Ridge Wind Project Interconnection

Jan. 28 - Kootenai River Ecosystems/Fisheries Improvement Study

If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.

To order copies of documents, call: 1-800-622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. E-mail address: comment@BPA.gov. BPA home page: <http://www.bpa.gov>. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/Projects>. **Process Abbreviations:** EA-Environmental Assessment, EFSEC-Washington Energy Facility Site Evaluation Council, EFSC-Oregon Energy Facility Siting Council, EIS-Environmental Impact Statement, DEIS-Draft Environmental Impact Statement, FEIS-Final Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.

