



Lower Snake River Compensation Plan

**A congressionally mandated hatchery program
to mitigate for lost fish harvest opportunities
caused by construction and operation of
the four lower Snake River dams.**

Scott Marshall
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WHY



Why the Lower Snake River Compensation Plan was Created

- Congress required the U.S. Army Corps of Engineers to develop a plan to compensate for the loss of fish and wildlife caused by construction and operation of the four lower Snake River dams.
- In 1976 Congress authorized construction of the LSRCF fish hatcheries and funds to operate the program.
- Costs were determined to be an inherent “power related expense” of operating the four dams.



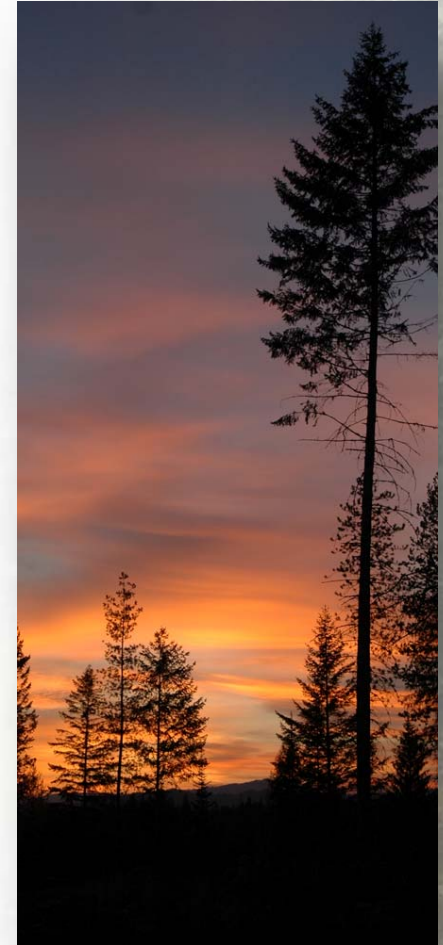


HOW



How the LSRCP Works

- The U.S. Army Corps of Engineers constructed all the facilities.
- The Fish and Wildlife Service (FWS) owns the facilities and administers the program.
- States, tribes and the FWS operate the hatcheries and evaluate the program.
- The Bonneville Power Administration funds the Lower Snake River Compensation Plan through a Memorandum of Agreement.



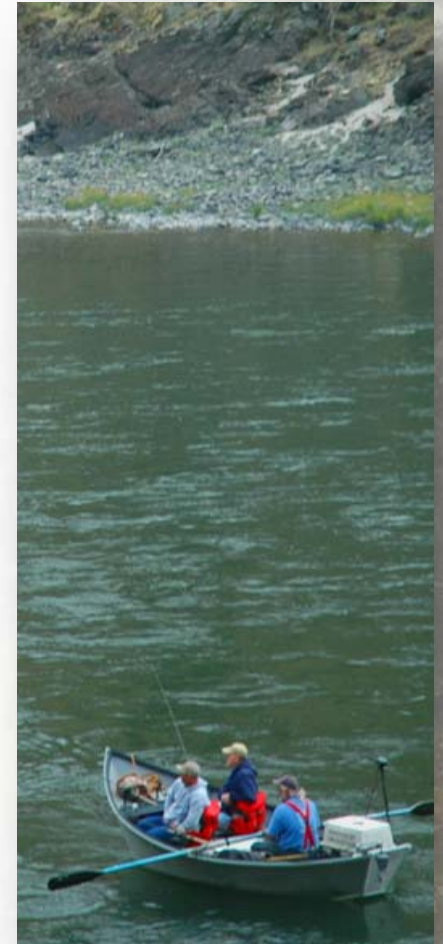


HOW



Goals

- Locating hatcheries guided by the desire to replace lost salmon, steelhead & trout “in place and in kind”.
- Goals for adult return above Lower Granite Dam after lower river & ocean harvest:
 - Fall Chinook Salmon – 18,300
 - Spring Chinook – 58,700
 - Steelhead – 55,100
 - Rainbow Trout: 86,000 lbs (about 215,000 fish)
- Anticipated benefits (COE cost/benefit study):
 - 817,000 days of recreational fishing (150,000 fish harvest),
 - 260,000 fish harvested in coast wide commercial fisheries.



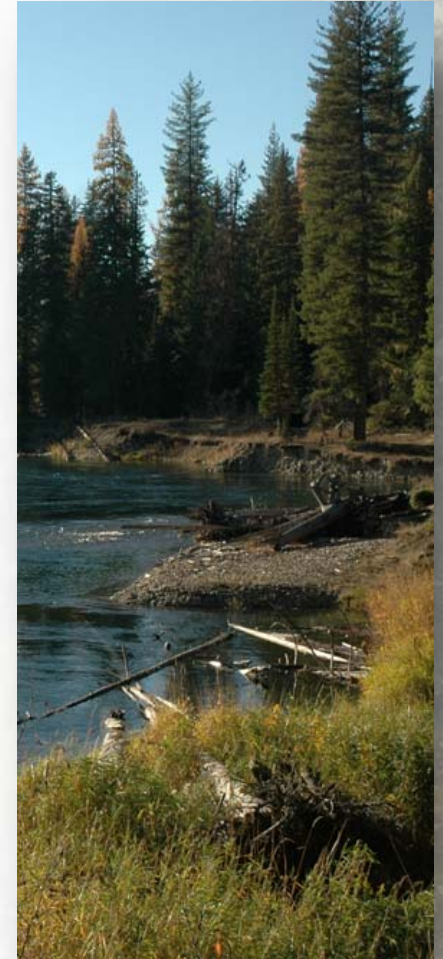


HOW



Doing Our Part to Restore Listed Fish

- Developing endemic local broodstocks:
 - Grande Ronde spring Chinook
 - Tucannon & Touchet steelhead
- Juvenile supplementation strategies – increase natural stock abundance & distribution:
 - Not marked with adipose clip
 - Released in locations where returning adults can spawn naturally
 - 56% of fall Chinook
 - 20% of steelhead
 - 7% of spring Chinook
- Out-planting adults to spawn naturally.





HOW



Lower Snake River Compensation Plan Hatcheries & Labs

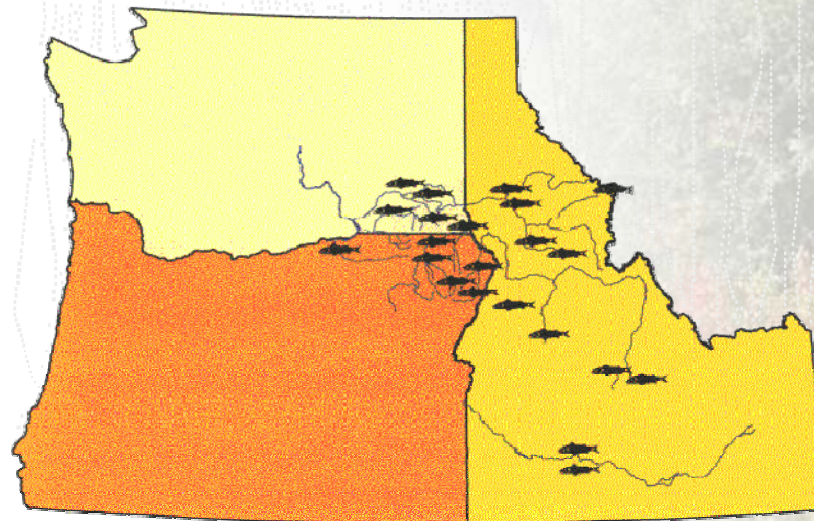
- Oregon
 - Lookingglass (Imnaha)
 - Wallowa (LSC, BC)
 - Irrigon
- Washington
 - Lyons Ferry (Cotton & DP)
 - Tucannon (Curl Lk)
 - Snake River Lab
- Idaho
 - Clearwater (CR, Red, Powell)
 - Magic Valley
 - Hagerman NFH
 - McCall (S. Fork)
 - Sawtooth (E. Fork)
 - Capt J., Pitt. & Big Canyon
 - Dworshak (joint with COE)
 - IDFG Fish Health Lab

26 Facilities located in three states

Present value of assets (less land) is \$265 million

75% built in the 1980's now 20 + years old

Present value of equipment is \$10.4 million

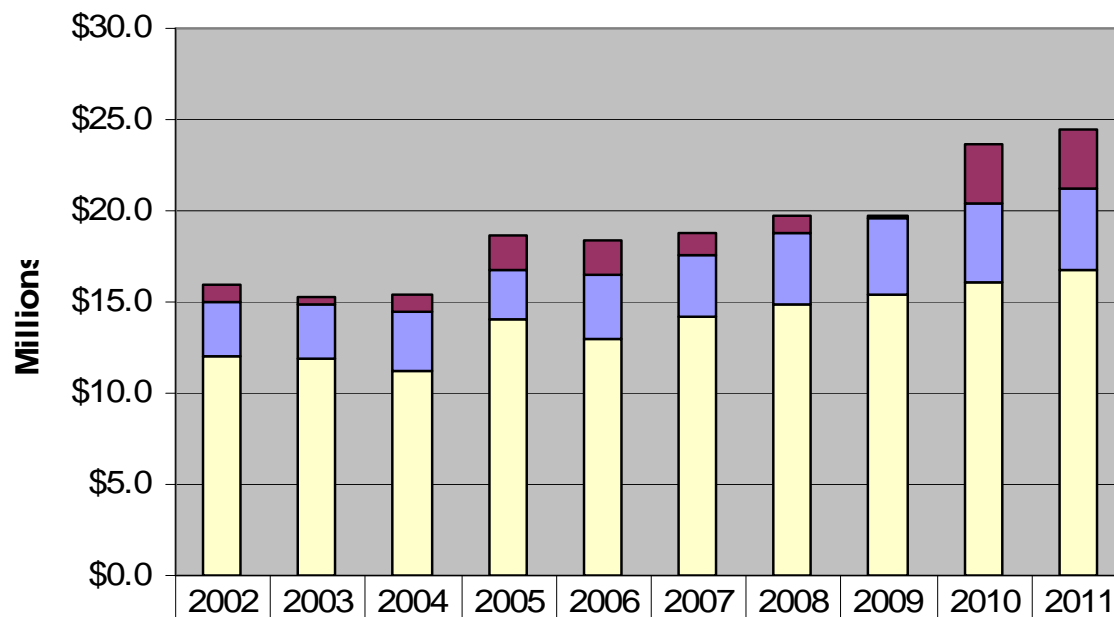




HOW



LSRCP Total Expenses for a Fiscal Year's Obligation



■ NonRecurring Maintenance	\$1.0	\$0.5	\$1.1	\$1.9	\$2.0	\$1.1	\$1.0	\$0.1	\$3.2	\$3.2
■ Evaluation	\$2.9	\$3.0	\$3.2	\$2.7	\$3.5	\$3.5	\$4.0	\$4.1	\$4.3	\$4.5
■ Operations	\$12.1	\$11.9	\$11.2	\$14.1	\$13.0	\$14.1	\$14.8	\$15.4	\$16.1	\$16.8



Summary FY 2010 - 2011

Forecasted Total Expenses for a Fiscal Year's Obligations



Category	FY 2010	FY 2011
Operations	\$16.08 m	\$16.77 m
Evaluation	\$ 4.32 m	\$ 4.51 m
Non-recurring maintenance	\$ 2.56 m	\$ 2.56 m
Equipment	\$ 0.64 m	\$ 0.64 m
Total	\$23.60 m	\$24.48 m

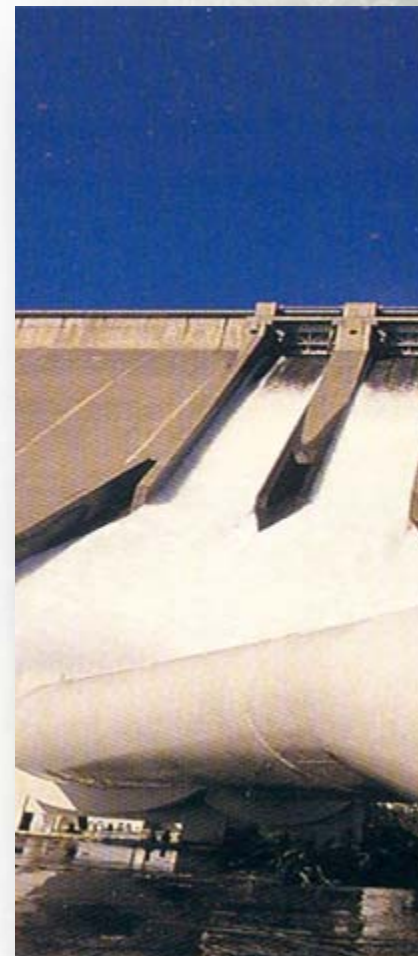


WHAT



What's Included

- **Operations** are those costs to collect broodstock, rear and release healthy fish while meeting local, state and federal standards.
- **Evaluations** are those costs to monitor success in meeting mandated goals and provide data needed to secure ESA permits.
- **Non-recurring maintenance** fixes broken assets, ensures assets comply with regulations, replaces equipment and conducts some limited preventative maintenance.





WHAT



Nonrecurring Maintenance Budget

- Backlog of needs began accumulating three years ago.
- We agreed with BPA to defer these needs to the present rate case period.
- We have a structured approach to assessing needs, including:
 - Onsite inspections, bridge and seismic surveys
 - ESA, NPDES, & environmental compliance audits
 - ADA, & human safety audits
 - All projects ranked through a formal rating process
- General application is to ensure human safety, fish security and legal obligations are met first.
- The budget represents only about 1.1% of net asset value – Long term costs will likely approach industry standard of 2-4%.





WHAT



Action Plan for FY 2010-2011 is Designed to Clear Backlog

- Be set-up in FY 2012 to begin pro-active preventive maintenance program focusing on mission critical assets.
- This strategy will realize additional long-term cost savings.





WHAT



FWS Has Been a Good Steward of Rate Payer Funds

- Annual Savings from Aggressive Cost Containment:
 - Waiver of full FWS overhead – \$0.3 million/yr
 - Aggressive cost containment by purchasing items for state & tribal agencies to save overhead & sales taxes
 - Supplies & utilities – 0.9 million/yr
 - Construction & equipment – \$0.15 million/yr
 - Total annual savings – \$1.35 million/yr
- Expenses for operations in 2007 was the same amount (adjusted for general inflation) as in 2002.





Our Fundamentals



- The law of the land requires us to mitigate for lost fishing opportunity.
- The record demonstrates we are a part of the regional solution to recover ESA listed salmon populations.
- We work hard to be good stewards of ratepayer funds.
- All of us want to succeed in putting fish in the pockets of tribal, commercial, and recreational fishermen.
- This would not be possible without the support of our partners...





Lower Snake River Fish & Wildlife Compensation Plan Partners



**US Army Corps
of Engineers®**



Visit our website for more information <http://www.fws.gov/lsnakecomplan/>

Scott Marshall

**LSRCP Program Manager
US Fish & Wildlife Service**



Ways to Participate



- All forums are open to the public and will be noticed on the IBR external web site at: <http://www.bpa.gov/corporate/Finance/IBR/IPR/> Staff from the Corps of Engineers, Bureau of Reclamation, and Energy Northwest will participate in presentations on costs they manage.
- All Technical and Managerial workshops will be held at BPA Headquarters.
- The comment period for the IPR opens Thursday, May 15, 2008. Close of comment for FY 2009 Power costs is June 19, 2008. Close of comment for all other costs is August 15, 2008. You have several options to provide comments to BPA:
 1. Attend one or more of the scheduled workshops and give BPA your comments.
 2. Discuss your input with your Customer Account Executive, Constituent Account Executive, or Tribal Liaison.
 3. Submit written comments to Bonneville Power Administration, P.O. Box 14428, Portland, OR 97293-4428.
 4. Submit comments via e-mail to: comment@bpa.gov or submit on line at: <http://www.bpa.gov/comment>.
 5. Comments can also be sent via fax to (503) 230-3285.



BPA's Financial Disclosure Information



1. All FY 2008-2013 information was provided in May 2008 and cannot be found in BPA-approved Agency Financial Information, but is provided for discussion or exploratory purposes only as projections of program activity levels, etc. This information is a derived estimate for presentation purposes and cannot be found in BPA-approved Agency Financial Information but is provided for discussion or exploratory purposes only as “projections of program activity levels, etc.”
2. All FY 2007 and earlier information was provided in May 2008 and is consistent with audited actuals that contain BPA-approved Agency Financial Information.