

6450-01-U

DEPARTMENT OF ENERGY

Bonneville Power Administration

Opportunity for Public Comment

Regarding Issues Arising Under Bonneville Power Administration's

New Large Single Load Policy

AGENCY: Bonneville Power Administration (BPA), Department of Energy.

ACTION: Notice of policy issue review.

SUMMARY: This notice announces an opportunity for public comment on three specific issues relating to BPA's existing policy on New Large Single Loads (NLSL).

BPA's NLSL policy is statutorily based and has been developed and refined over the past twenty years, since enactment in 1980 of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. § 839. This notice limits review to three issues arising under BPA's NLSL policy. These issues are: (1) BPA preference customer service to direct service industrial (DSI) load; (2) the transfer of "contracted for, committed to" (CFCT) load determinations between preference customers; and (3) whether BPA should close the class of CFCT load served by BPA customers.

DATES: Public meeting date: July 10, 2001. Close of comment date: July 27, 2001.

ADDRESSES: If you are interested in commenting on these New Large Single Load Policy issues, you have several options.

1. You may send written comments to Bonneville Power Administration, P.O. Box 12999, Portland, OR 97212, or fax comments to (503) 230-3285. If you wish to send

your comments electronically, email comments to: comment@bpa.gov. Comments must be received by close of business on July 27, 2001.

2. You may also attend a public comment meeting that will be held in Portland, Oregon, on Tuesday, July 10, 2001, at the Sheraton Portland Airport Hotel, 8235 N.E. Airport Way, beginning at 1 p.m. If any additional meetings are scheduled, the information will be posted on the web site listed below:

<http://www.bpa.gov/Power/subscription>

FOR FURTHER INFORMATION CONTACT: Bryan Crawford, Public Involvement and Information Specialist, Bonneville Power Administration, P.O. Box 3621, Portland, Oregon 97208, telephone (503) 230-5130. Information can also be obtained from your BPA Account Executive.

SUPPLEMENTARY INFORMATION:

BPA is directed by section 3(13) of the Northwest Power Act to determine whether large retail loads of consumer facilities served by a public body, cooperative, investor-owned utility, or federal agency customer, whose power requirements increase or are in excess of 10 aMWs in any consecutive 12-month period, fall within the definition of New Large Single Loads. For purposes of BPA's sales of electric power to a utility or Federal agency customer, the designation of a consumer's facility as a NLSL does not affect the amount or quality of electric service which BPA provides. BPA treats these loads as any other load in terms of its supply of power and quality of service obligations under its utility power sales contracts. Designation of a load as a NLSL, however, does affect the price of the electric power sold for service to that load. BPA may not sell electric power at the Priority Firm (PF) rate to utilities for service to NLSLs.

Rather, electric power sold by BPA for utility service to NLSLs is sold at the New Resources (NR) rate, which historically has been a higher rate than the PF rate.

There is an exception to the rate treatment for NLSLs. Any load for which service by the utility customer was “committed to or contracted for” prior to September 1, 1979, is served at the lower PF rate. The BPA Administrator determines whether a consumer facility is a CFCT load and the amount of load that was to be served. The load may be a CFCT if, prior to September 1, 1979, the load was being served under a contract; the BPA customer had made a contract for future service; or a commitment to provide a power supply had been made. This determination is based on customer information and documents contemporaneous to the September 1, 1979, date.

The development and implementation of BPA’s NLSL policy began with BPA’s initial long-term (20-year) power sales contracts offered to BPA’s customers in 1981 in accordance with section 5(g) of the Northwest Power Act. BPA has also made several case-by-case decisions regarding service to new large single loads. In 1991, BPA published and made available to its customers the “Guide to Bonneville Power Administration New Large Single Load Determinations.” DOE/BP-1370 (March 1991). The Guide provided background information on the NLSL policy, an overview of decisions involved in service to new large single loads, and descriptions of the three principal types of BPA determinations affecting those loads: (1) CFCT determinations; (2) facility determinations; and (3) new large single load determinations. In 1993, the Administrator issued a Record of Decision entitled “New Large Single Load Treatment of Utility Service to Direct Service Industry Expansions; Initiating a Northwest Power Act Section 5(d)(3) Process to Increase Direct Service Industry Contract Demand.”

BPA's NLSL policy is a combination of contract and policy decisions recorded in several documents. Those decisions have been consolidated into one document, and it is available on BPA's web site listed below:

<http://www.bpa.gov/Power/subscription>

BPA seeks public comment on only three issues arising under the NLSL policy. The first issue is whether BPA should change its NLSL policy to allow current and former DSI customer production load served at BPA's Industrial Firm (IP) rate, or any other rate, to transfer and receive service from a public body, cooperative, or federal agency customer at BPA's PF rate. BPA's policy has been that if a DSI takes service from a utility for its load, which is or was previously served by BPA, then the load would be served by that utility customer as a NLSL at the NR rate.

The second issue is whether a load at a facility that has previously been determined a CFCT load should be allowed to receive service from a different BPA preference customer and retain its CFCT status. BPA's policy has been that a CFCT load is only eligible for PF service as a CFCT when served by the preference utility that made the contract or commitment before September 1, 1979. Service from a new utility provider would cause the load to lose its CFCT status and thereby be served at the NR rate if the load is more than 10 aMWs over a 12-month period.

The third issue is whether, after twenty years, BPA should close the class of future CFCT loads after providing customers one last opportunity to identify and request, if any, a CFCT load determination by BPA. Current policy enables BPA to perform a CFCT review based on documents contemporaneous to 1979, at any time a utility identifies a load it believes may be eligible.

Responsible Official: Dave Fitzsimmons, Account Executive, Power Business
Line, is the official responsible for the review of these issues arising under BPA's NLSL
policy.

Issued in Portland, Oregon, on June 15, 2001.

/s/ Steven G. Hickok
Steven G. Hickok
Chief Operating Officer