



# Proposed Power Sales Agreement with Columbia Falls Aluminum Company

The Bonneville Power Administration is proposing to enter into a power sales agreement that would provide power service to Columbia Falls Aluminum Company in Columbia Falls, Mont., beginning April 1, 2012. You can read the draft agreement at [www.bpa.gov/go/cfacpowersales](http://www.bpa.gov/go/cfacpowersales).

Under the proposal, BPA would provide 140 average megawatts. This much power could allow two of the smelter's five potlines to operate. The smelter has been shut down because of economic factors. Reopening the smelter would create significant renewed opportunities for employment in the Flathead Valley.

Before BPA decides to enter into such an agreement, the agency must complete two analyses. The first is an Equivalent Benefits Test, which determines whether the benefits of providing power service to CFAC equal or exceed the costs of such service. This test was developed in response to two decisions by the

U.S. Court of Appeals for the Ninth Circuit, which dealt with BPA's authority to offer power sales contracts to Direct Service Industries customers, including CFAC. BPA has completed a draft of this EBT determination, and the results show benefits will exceed the cost of service for four years and six months. Second, BPA will prepare an environmental document consistent with the National Environmental Policy Act before making a decision on the proposed agreement.

BPA will accept comments on the proposed power sales agreement and on possible environmental effects through Aug. 31, 2011, at [www.bpa.gov/comment](http://www.bpa.gov/comment).

The BPA administrator and his staff will review all public comments and other pertinent information before making a final decision. The administrator's decision on providing power service to CFAC is expected this fall.

For more information, call 800-622-4519.

## Summary of the Columbia Falls proposed power sales agreement

TERM	DESCRIPTION
Amount of sale	140 average megawatts
Duration of power sale	Four years and six months
Start of power sale period	April 1, 2012
Power rate	Industrial Firm Power Rate
Power reserves	10 percent of the power sale (14 megawatts) is available to provide operating reserves to BPA
Performance assurance	BPA may request a letter of credit up to \$13 million
Must-run period	Nine months, beginning April 1, 2012

