BONNEVILLE POWER ADMINISTRATION

INFORMATION SERVICE

FOR IMMEDIATE RELEASE N-930 December 30, 1946

AUDIT SHOWS BONNEVILLE POWER ADMINISTRATION SURPLUS GROWING

Bonneville Power Administrator Paul J. Raver announced today that an independent audit of the Administration's Pacific Northwest power operations for the year ending June 30, 1946, showed a net surplus of $4,754,895 after payment of all power operation, maintenance, depreciation and interest costs.

The earnings for the year, Administrator Raver said, brought the Administration's cumulative surplus net revenues from power operations since the beginning of operations in 1937 to $16,326,947.

The audit, made by the internationally known firm of Arthur Andersen & Co., public utility accountants, covered the fiscal operations of the Administration, which has the responsibility for repayment of all funds appropriated by Congress for the Bonneville-Grand Coulee transmission system, all costs allocable to power for the Army Engineer's dam at Bonneville, and all costs allocable to power for the Bureau of Reclamation dam at Grand Coulee, as well as a major portion of the cost of the Bureau's Columbia Basin irrigation project.

The Administration's books, the audit report said, are maintained in accordance with standard accounting procedures set up by law for utilities by the Federal Power commission.

"Financial results of the Power Administration's operations to June 30, 1946, clearly demonstrate that the present $17.50 per kilowatt year wholesale rate is paying all costs of power operations in accordance with standard cost accounting principles," Raver said in his report to the Secretary of the

Interior, J. A. Krug, "including interest and depreciation as well as operation and maintenance expenses. In addition the rate is sufficiently high to make substantial contributions to costs allocable to irrigation and will provide for the repayment of a substantial portion of the investment in the irrigation works of the Columbia Basin project."

Demands for power, the Administrator said, are currently running "far ahead of supplies and will continue to do so until additional dams are completed on the Columbia river and its tributaries." With power demand so much greater than supply that some large industrial developments have been discouraged and with all indices pointing to a continuing growth in the Pacific Northwest, it is evident that yearly surpluses in revenues will continue, he added.

"Thus, even with rising costs, the present rate structure will continue to cover all costs of additional power supplies from Grand Coulee dam and will continue to provide a surplus each year until 1952, when additional power supplies should be available from McNary, Foster Creek and Hungry Horse dams," Raver continued. "Surplus from power sales is estimated to reach approximately $50,000,000 in 1952."

In discussing the audit, Administrator Raver said the combined balance sheets for the three projects--the Bonneville-Grand Coulee transmission system, the Bonneville dam project, and the Grand Coulee project--showed total assets of $280,436,248 allocable to power as of June 30, 1946. Electric utility plant of $259,202,473, after deduction of depreciation reserves of $15,672,159, is the principal asset account. Cash receivables, materials inventories, and miscellaneous accounts make up the remainder of the total assets.

Among total liabilities and other credits of $280,436,248 the principal item is the Federal Government's net or unrepaid investment of $253,654,313. The gross Federal investment of $331,955,909 has been reduced by $78,301,596 by the

return of receipts to the treasury. Net surplus of $15,618,815, accounts payable, reserves and miscellaneous credits account for the remainder of the total liabilities.

Administrator Raver said that the gross federal investment of $331,955,909, includes all appropriations, allotments, and WPA expenditures for the power operations of the projects plus $41,799,559 of interest accrued on unrepaid balances of the investment. The interest item includes interest charged to expense and repaid currently and interest charged to plant construction costs and repaid over the useful life of the plant.

Revenues from the sale of Columbia river power during the fiscal year, the audit showed, totaled $19,884,285, only 13½ per cent below the previous war year when war plants were running at capacity, and when more power was available for sale since generators from the Shasta dam plant were then temporarily installed in the Coulee power house. Revenues during the previous year amounted to $22,990,018. Resumption of former war plants on a peacetime basis has removed earlier expectations of further recession in revenues in 1947, Administrator Raver said.

-0-

BONNEVILLE POWER ADMINISTRATION

INFORMATION SERVICE

FOR IMMEDIATE RELEASE

N-946

Released by H.R.Richmond,Jr.,
Manager, Mid-Columbia District
June 4, 1947

MIDWAY-GRANDVIEW LINE ENERGIZED

Columbia river power for pumping on the Roza reclamation project and rural electrification in Yakima and Benton counties flowed into Bonneville Power administration's new Grandview substation for the first time May 29.

H. R. Richmond, Manager of Bonneville's Mid-Columbia district office, announced completion of the new 25-mile power transmission line from BPA's big Midway substation on the south bank of the Columbia river east of Yakima.

Energized at 115,000 volts, the line terminates at the Grandview substation, where transformer capacity totalling 9,000 kva has been installed.

Benton Rural Electric cooperative will take Columbia river power at Grandview for distribution to settlers on the new Roza project, Richmond said. Large quantities of power will also be furnished the U. S. Bureau of Reclamation for irrigation pumping on the project.

Initial pumping on the project is expected next year, when the Reclamation Bureau will have completed feeder line extensions from the Grandview substation to pumphouses in the project area.

Extension of the new line from Grandview to Prosser is planned by the power administration, Richmond said. It may later be extended to Kennewick.

"These extensions will alleviate the present power pinch being suffered by the Benton County Public Utility district and bring an abundance of power to farmers, homeowners and industries of the county," Richmond said.

-0-

79th Congress, much was said on the subject of the Solicitor's opinion. Much light has been thrown on it and this has been all to the good, yet we in the Bureau regret the bitterness that has necessarily been engendered by much of the debate on the question of our power rates. I am convinced that at least some of the apparent anger that is aroused when this subject comes up is caused by a misapprehension. There are those who believe that immediately upon the handing down of the Solicitor's opinion, the Bureau of Reclamation lowered all its power rates. That was not the case. The fact is that in all but one of our projects, having rates governed by or patterned after the provisions of the Reclamation Project Act of 1939, our rates are amply sufficient to return in addition to operation and maintenance costs amounts equal to the power investment, within a reasonable period of years plus interest on the diminishing balance of the power investment, plus the irrigation subsidy.

Even though the airing of issues has cleared the atmosphere, there comes a time when discussions should be terminated and decisions must be made. We are satisfied that time is <u>now</u>. The settlement of issues that would be made by HR 2873 as reported out by the Public Lands Committee of the House should be adopted. What is this settlement? Simply this. That not more than one-fifth of the revenues derived from the interest component of power rates may be applied to help pay off the irrigation costs borne by power and that the capital investment in power features must be returned within a reasonable period of years, not exceeding the useful life thereof or 76 years, whichever period is the shorter.

Commissioner Straus has advised the House Committee on Public Lands that he accepts this solution. Senator Butler of Nebraska, who has introduced S 1608, which is a companion to HR 2873, as reported out, has been advised likewise. I hope that this bill will be taken up promptly during

the next session of the 80th Congress and passed by both Houses, so that it may become law at the earliest opportunity.

Now, of course, HR 2873 is not the panacea for all of our legislative ills. We are anticipating beneficial changes in the Federal Reclamation law that go far beyond the limits set forth by HR 2873. We are thinking, and some members of Congress are thinking about other changes that should be given consideration. Included in liberalization of the Reclamation law is a possible lengthening of the period during which irrigation water users may repay their share of irrigation construction costs. As you know, existing law requires that such costs shall be repaid within a 40-year repayment period. Existing law also provides a development period up to ten years where the Secretary of the Interior determines that such a development period is appropriate. The Congress has lately been faced with several cases where there seemed to be no question about the ability of water users to repay their appropriate share of the irrigation costs of projects, if they could only have a longer period of time in which to do it. The Congress has resolved those cases by special legislation providing for longer repayment periods. In one case the repayment period was extended to 68 years.

Now let us consider this pertinent question:

Should that which the Congress has authorized in certain special instances be made permissible by general law? I am inclined to say yes. However, at this time I cannot commit the Bureau or the Department on that point. I ask you to give the problem your best thought, so that such sound proposals for legislation as we may present to the Second Session of the 80th Congress will have your enlightened support.

I have enjoyed the opportunity of meeting with you and discussing our mutual problems. We have a big job ahead of us if we are to achieve our seven-year construction goals. This is a billion and a half dollar program which

requires construction appropriations exclusive of 1948, up to a billion and a third dollars.

Because you live in the West and know its needs, I believe you will agree with me that our seven-year objectives of water for 40,000 farms where veterans and others can make a good living and of additional hydro-electric power to serve homes and industries, as well as the other benefits from resource development, are worth our best efforts.

The legislative matters which I have discussed with you are vital to our endeavors. Your help is needed as never before in forwarding the Reclamation program which is an investment in national economy that will be paying dividends for many years to come. Let us resolve to make this first 100 years of Reclamation a firm and level groundwork in which to root many hundreds of years of American prosperity.

- - - -

BONNEVILLE POWER ADMINISTRATION

INFORMATION SERVICE

October 8, 1946

N-917 Released by Glenn H. Bell
Manager, Upper Columbia
District Office

FOR IMMEDIATE RELEASE

Northeastern Washington can in the next decade become one of the more important zinc-lead producing areas in the United States, according to a survey "The Economic Base for Power Markets in Ferry, Stevens and Pend Oreille counties, Washington" just published by the Bonneville Power administration. The report was prepared by Mr. Peter F. Palmer of Bonneville's Industrial and Resources Development division.

The survey indicates that continued growth in the beef cattle, dairying, food processing, and lumber remanufacturing industries will also make substantial contributions to the economic development of Northeastern Washington during the next 10 years. A population of over 38,000 would be possible by 1955 if the mineral, agricultural and forest industries follow the lines of development described in the report. This would be an increase of about 23 per cent over the 1940 population.

Employment in the mineral industries (zinc, lead, gold, silver, copper, magnesite, lime, cement, brick, silica and fluorspar) should be the main factor stimulating this population growth. Estimated employment increase in this group is in excess of 300, or 32 per cent higher than the 1940 figure. Agriculture, led by the beef cattle and dairy industries, should show an employment increase of about 250, or six per cent over the 1940 total of 4,014. Growth of the dairy industry should increase employment in the processing of milk products to about 115 in 1955, not far from double the 1940 figure of 69.

In forest industries, the logging of ponderosa pine will show a decline in employment during the next decade because of depletion of stands and the limitations imposed by sustained-yield management. The survey shows that this could be more than offset by the expansion of (1) remanufacturing, pole-treating operations, (2) forest management practices. The service industries in the area would expand in proportion to the growth of the basic industries. Proper attention to the tourist industry could add about 150 employees in this field.

The report suggests a number of enterprises which would contribute much to employment and population growth. Foremost is an electrolytic zinc plant at some tidewater point on the Northwest Pacific coast. This would result in a substantial increase in the zinc-lead mining and concentrating operations of northern Pend Oreille and Stevens counties. A new sawmill at Republic, equipped to furnish box shooks and orchard lumber to the Wenatchee area, is a promising project. The present and anticipated shortage of poles should make a pole-treating plant at Colville profitable. Colville is also the logical location for a cheese plant. This plant would draw upon the abundant milk supply of the Colville valley.

A new agricultural industry with good prospects is the raising of seed, especially onion seed. Experiments in southern Ferry county have shown gratifying results; and it seems likely that this area will not only produce onion and other seed, but will in the future raise melons, cucumbers and lettuce for the early season market.

Irrigation has for long been necessary in this semi-arid area, but fortunately plenty of water is available from the Columbia river and the streams which feed it. Recent experiments with sprinkler irrigation warrant the conclusion that its use will be greatly expanded during the next decade, as the soil and topography of the area is generally suited to this type of irrigation.

This 47-page analysis of Ferry, Stevens and Pend Oreille counties is supplemented with 20 appendix tables for the more critical reader, and contains 17 photographs and a 5-color map of the three counties. Copies may be obtained from the Division of Industrial and Resources Development of the Bonneville Power administration at Portland, and from the Administration's Upper Columbia district office at Spokane.

-0-

RELEASE FOR P.M. DAILIES

FRIDAY, JANUARY 13

BONNEVILLE POWER ADMINISTRATION

INFORMATION SERVICE

PACIFIC NORTHWEST
NEEDS MORE POWER
DURING NEXT DECADE

Bonneville Power Administration Forecast Indicates Present Loads to Double by 1965

Pacific Northwest power requirements, excluding new large industrial loads, will reach 65 billion kilowatt hours by 1965, Bonneville power administration said today in issuing its 1955 Advance Program. The annual 10-year power outlook, compiled in cooperation with northwest pool utilities, indicates present loads of about 37 billion kilowatt hours will approximately double during the next decade.

All available hydro resources of the region, including high-cost steam generation and imports of surplus power from Utah, Idaho, Montana, and British Columbia systems, will be required to meet firm loads under critical water conditions beginning with 1961-62 under presently scheduled generation, the report points out.

Without new hydro projects, the area could experience a rapidly rising power deficiency beginning in 1961-62, reaching 1,335,000 kilowatts by 1965-66 should critical water conditions prevail. However, 45 projects where planning or site investigations are under way could provide 8,100,000 kilowatts of new generation if all proved feasible. Additional steam-electric plants are proposed by the Washington State Power Commission and other groups as a means of increasing firm power supplies.

A population growth of about 42 percent during the period 1940-54 increased the number of domestic customers in the Pacific Northwest from

MORE MORE MORE

less than 700,000 to more than 1,200,000. Almost complete urban and rural electrification and concurrent expansion of the number of customers and use per customer is expected to nearly treble residential requirements during the next ten years.

Major utilities of the region, the report said, indicate about three-fourths of their customers own electric ranges and about two-thirds electric hot water heaters, with the average consumer using 6,700 kilowatt hours a year compared with 2,685 for the country as a whole. Predicted higher and more stable personal incomes are expected to boost purchase of heavy-use appliances such as electric dryers and home freezers, now in use by less than 20 percent of the customers. The market for domestic air-conditioners has hardly been touched.

Construction of many new suburban shopping centers and widespread modernization of stores have been important factors in tripling commercial use of electricity in the region since 1940. Power loads of the average commercial and small industrial establishments are expected to double during the coming decade.

An increase from 18.4 billion to at least 27.2 billion in large industrial loads during the next 10 years is forecast, based on announced plans for expansion by existing companies. If the region's hydroelectric potential is developed fast enough to insure an adequate supply, electroprocess and other heavy power-using industries would require at least double the 27 billion kilowatt hours estimated by 1965.

The new advance program cited the proposed plan for interchange and transmission of nonfederal power over the federal grid on a long-term

basis. Present northwest pooled operations whereby the federal system, privately owned utilities, and publicly owned systems are integrated electrically and hydraulically, result in a net gain to the region's peaking capability of between 600,000 and 1,000,000 kilowatts.

When generation from proposed new projects is connected to the northwest pool, BPA grid facilities would be used under the plan to interchange federal and nonfederal generation and transmit the power to load centers whenever most economical and feasible to do so. Joint studies on the "wheeling" proposal have been made with the City of Tacoma on the Cowlitz projects, Grant County PUD for the Priest Rapids project, and Pacific Northwest Power company for Mountain Sheep and Pleasant Valley dams.

Contemplated arrangements will enable new projects to market their power throughout the Pacific Northwest by taking advantage of integration with the existing grid system. Due to facility charges established, the transmission of nonfederal generation over the BPA grid will pay its way and will be no burden on the administration's customers receiving power from federal generating sources.

An estimated 9,000,000 kilowatts of additional installed capacity will be needed in the Pacific Northwest within the next 20 years to satisfy the region's minimum demands, the report said.

Capital investment needed to meet these requirements would include $4.5 billion in multipurpose river projects and related transmission facilities in addition to about $1 billion to complete federal and nonfederal projects now under construction. Another $1.5 billion to insure sufficient projects under way by 1975 to keep pace with load growth will be required, making a total capital investment of $7 billion.

BPA-16
Rev. 3-14-42

U.S. DEPARTMENT OF THE INTERIOR

Date _____

ROUTING SLIP

- ☐ FILE
- ☐ NECESSARY ACTION
- ☐ APPROVAL
- ☐ COMMENT
- ☐ NOTE AN RETURN

DELIVER TO

News Editor

For release Friday P.M., March 2.

Fold here for return

FROM WALLA WALLA DISTRICT OFFICE

ADDRESS 19 EAST POPLAR STREET
P. O. BOX 1021
WALLA WALLA, WASHINGTON

Spec. A153-49T)

		Hole Dia.	Outside Dimensions	Center Thick.
49-5850*	Washer, Bevel	9/16"	1-1/4"sq.	1/4"
49-5851	" "	11/16"	1-1/2" "	5/16"
49-5852	" "	13/16"	1-1/2" "	3/8"

*Stock Item

RELEASE FRIDAY P.M. DAILIES
MARCH 2, 1956

BONNEVILLE POWER ADMINISTRATION

INFORMATION SERVICE

POWER REVENUES

SET RECORD HIGH

FOR FEDERAL DAMS

Bonneville Power Administration Annual Report Shows 14.9 Increase For Fiscal Year

Gross power revenues of $52,066,482, largest since inception of the United States Columbia river system, were recorded by Bonneville power administration for the fiscal year ending June 30, 1955, according to the annual report released today. Net revenues of $8,591,305 showed a decrease of $46,405 as higher cost projects were added to the system and power sales were curtailed during low streamflows from March to May 1955.

Addition of 10 generator units, four at McNary, three at Lookout Point, two at Albeni Falls and one at Dexter accounted in a large part for the 14.9 percent increase in gross revenues and made possible sale of 21.8 billion kilowatt-hours of electrical energy during the fiscal year. Favorable water conditions during most of the year, boosted sales of interruptible power to industrial customers by 16.7 percent to a total of three billion kilowatt-hours for the year.

Bonneville power administration had 119 customers at the end of fiscal year 1955 including 80 publicly owned distributors of power, 18 industries, 12 federal agencies and nine privately owned utilities.

MORE MORE MORE

Service was initiated during the year to the city of Port Angeles, Kennewick irrigation district, California-Pacific Utilities company, Idaho Power company, and the Anaconda Aluminum company. Pend Oreille County PUD service was discontinued as the district's Box Canyon plant was placed in service.

During the 17 years of operation ending June 30, 1955, the administration has sold 164.5 billion kilowatt-hours of energy at a composite rate of 2.39 mills per kilowatt-hour. The aluminum industry accounted for 32.48 percent of gross revenues for the 1955 fiscal year, other industries 13.10, publicly owned utilities 33.81, private utilities 19.06 and miscellaneous 1.55 percent.

Generator additions to the United States Columbia river power system during the year had a nameplate rating of 443,400 kilowatts. All units with a combined capacity of 135,000 kilowatts were installed at Lookout Point project on the middle fork of the Willamette river, including the Dexter re-regulating dam. Four additional units with a capacity of 280,000 kilowatts were added at McNary, and the first two units with a capacity of 28,400 kilowatts at Albeni Falls project.

Federal plants supplied 62 percent of the total energy generated by the major utilities of the region in fiscal year 1955, and provided 5.9 billion kilowatt-hours of energy for use by other members of the northwest power pool, in addition to requirements of industries and nonpool utilities served through the BPA transmission system.

MORE MORE MORE

BPA's transmission grid was increased during the year to 6,702 circuit miles of transmission lines, and 174 substations with 7,327,416 kilovolt amperes of transformer capacity. Principal facilities placed in service to integrate new generation into the transmission grid included a 90-mile section of the McNary-J. D. Ross 345,000 volt transmission line temporarily energized at 230,000 volts; an additional 125-mile 230,000 volt Maupin-Albany circuit, and a second 115,000 volt line between Lookout Point dam and J. P. Alvey substation.

As of June 30, 1955, repayments on gross federal power investment in generation projects, related transmission facilities, operation, maintenance and interest, totaled $390,040,963, leaving an unpaid balance of $978,754,256, including unexpended appropriations of $47,879,481. The total repaid represents $197,852,576 in current expenses and $192,188,387 on the capital investment.

---30---