

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4847

To provide for the reconstitution of outstanding repayment obligations of the Administrator of the Bonneville Power Administration for the appropriated capital investments in the Federal Columbia River Power System.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1994

Mr. DEFAZIO (for himself, Mr. SWIFT, Mr. DICKS, Mr. KOPETSKI, Ms. FURSE, Mr. KREIDLER, Mr. McDERMOTT, Ms. CANTWELL, Mrs. UNSOELD, Mr. WYDEN, and Mr. INSLEE) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To provide for the reconstitution of outstanding repayment obligations of the Administrator of the Bonneville Power Administration for the appropriated capital investments in the Federal Columbia River Power System.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bonneville Power Ad-  
5 ministration Appropriations Refinancing Act”.

6 **SEC. 2. DEFINITIONS.**

7 For the purpose of this Act—

1 (1) “Administrator” means the Administrator  
2 of the Bonneville Power Administration;

3 (2) “capital investment” means a capitalized  
4 cost funded by Federal appropriations that—

5 (A) is for a project, facility, or separable  
6 unit or feature of a project or facility;

7 (B) is a cost for which the Administrator  
8 is required by law to establish rates to repay to  
9 the United States Treasury through the sale of  
10 electric power, transmission, or other services;

11 (C) excludes a Federal irrigation invest-  
12 ment; and

13 (D) excludes an investment financed by the  
14 current revenues of the Administrator or by  
15 bonds issued and sold, or authorized to be is-  
16 sued and sold, by the Administrator under sec-  
17 tion 13 of the Federal Columbia River Trans-  
18 mission System Act (16 U.S.C. 838(k));

19 (3) “old capital investment” means a capital in-  
20 vestment whose capitalized cost—

21 (A) was incurred, but not repaid, before  
22 October 1, 1995, and

23 (B) was for a project, facility, or separable  
24 unit or feature of a project or facility, placed in  
25 service before October 1, 1995;

1           (4) “repayment date” means the end of the pe-  
2           riod within which the Administrator’s rates are to  
3           assure the repayment of the principal amount of a  
4           capital investment; and

5           (5) “Treasury rate” for a fiscal year means a  
6           rate that the Secretary of the Treasury determines  
7           as soon as practicable after the beginning of the fis-  
8           cal year and that is equal to the average prevailing  
9           market yield during the preceding fiscal year on in-  
10          terest-bearing marketable securities of the United  
11          States which, at the time the computation is made,  
12          have terms of 15 years or more remaining to matu-  
13          rity. The average yield is computed as the average  
14          during the preceding fiscal year using the daily bid  
15          prices. When the average yield so computed is not  
16          a multiple of one-eighth of one percent, the rate is  
17          the multiple of one-eighth of one percent nearest to  
18          the average yield.

19 **SEC. 3. NEW PRINCIPAL AMOUNTS.**

20          (a) Effective October 1, 1995, an old capital invest-  
21          ment has a new principal amount that is the sum of—

22                (1) the present value, calculated using a dis-  
23                count rate equal to the Treasury rate for fiscal year  
24                1996, of the old payment amounts for the old capital  
25                investment; and

1           (2) an amount equal to \$100,000,000 multi-  
2           plied by a fraction whose numerator is the principal  
3           amount of the old payment amounts for the old cap-  
4           ital investment and whose denominator is the sum of  
5           the principal amounts of the old payment amounts  
6           for all old capital investments.

7           (b) The Administrator shall determine the new prin-  
8           cipal; amounts for old capital investments. The Adminis-  
9           trator shall obtain approval by the Secretary of the Treas-  
10          ury of the Administrator's determination of the new prin-  
11          cipal amounts and the Administrator's assignment of the  
12          interest rate to the new principal amounts, on the basis  
13          of consistency with the provisions of this Act.

14          (c) For the purposes of this section, "old payment  
15          amounts" means, for an old capital investment, the annual  
16          interest and principal that the Administrator would have  
17          paid to the United States Treasury from October 1, 1995,  
18          if this Act were not enacted, assuming that—

19                (1) the principal were repaid—

20                    (A) on the repayment date the Adminis-  
21                    trator assigned before October 1, 1993, to the  
22                    old capital investment, or

23                    (B) with respect to an old capital invest-  
24                    ment for which the Administrator has not as-  
25                    signed a repayment date before October 1,

1           1993, on a repayment date the Administrator  
2           shall assign to the old capital investment in ac-  
3           cordance with paragraph 10(d)(1) of the ver-  
4           sion of Department of Energy Order RA  
5           6120.2 in effect on October 1, 1993; and

6           (2) interest were paid—

7                   (A) at the interest rate the Administrator  
8                   assigned before October 1, 1993, to the old cap-  
9                   ital investment, or

10                   (B) with respect to an old capital invest-  
11                   ment for which the Administrator has not as-  
12                   signed an interest rate before October 1, 1993,  
13                   at the Treasury rate for the fiscal year in which  
14                   construction is initiated on the project, facility,  
15                   or separable unit or feature the old capital in-  
16                   vestment concerns.

17 **SEC. 4. INTEREST RATE FOR NEW PRINCIPAL AMOUNTS.**

18           As of October 1, 1995, the unpaid balance on the  
19           new principal amount established for an old capital invest-  
20           ment under section 3 bears interest annually at the Treas-  
21           ury rate for fiscal year 1996 until the earlier of the date  
22           that the new principal amount is repaid or the repayment  
23           date for the new principal amount.

1 **SEC. 5. REPAYMENT DATES.**

2 As of October 1, 1995, the repayment date for the  
3 new principal amount established for an old capital invest-  
4 ment under section 3 is no earlier than the repayment date  
5 for the old capital investment assumed in section 3(c)(1).

6 **SEC. 6. PREPAYMENT LIMITATIONS.**

7 During the period October 1, 1995, through Septem-  
8 ber 30, 2000, the total new principal amounts of old cap-  
9 ital investments, as established under section 3, that the  
10 Administrator may pay before their respective repayment  
11 dates shall not exceed \$100,000,000.

12 **SEC. 7. INTEREST RATES FOR NEW CAPITAL INVESTMENTS**

13 **DURING CONSTRUCTION.**

14 (a) The principal amount of a capital investment for  
15 a project, facility, or separable unit or feature of a project  
16 or facility, placed in service after September 30, 1995, in-  
17 cludes interest in each fiscal year of construction at a rate  
18 equal to the one-year rate for the fiscal year on the sum  
19 of—

20 (1) construction expenditures that were made  
21 from the date construction commenced through the  
22 end of the fiscal year, and

23 (2) accrued interest during construction.

24 (b) The Administrator is not required to pay, during  
25 construction of the project, facility, or separable unit or

1 feature, the interest calculated, accrued, and capitalized  
2 under subsection (a).

3 (c) For the purposes of this section, “one-year rate”  
4 for a fiscal year means the one-year Treasury agency bor-  
5 rowing rate as determined by the Secretary of the Treas-  
6 ury for use during the first month of the fiscal year taking  
7 into consideration the average of market yields on out-  
8 standing marketable interest-bearing obligations of the  
9 United States with approximate periods to maturity of one  
10 year.

11 **SEC. 8. INTEREST RATES FOR NEW CAPITAL INVESTMENTS.**

12 The unpaid balance on the principal amount of a cap-  
13 ital investment for a project, facility, or separable unit or  
14 feature of a project or facility, placed in service after Sep-  
15 tember 30, 1995, bears interest—

16 (1) from the date it is placed in service until  
17 the earlier of the date the capital investment is re-  
18 paid or the end of the repayment period for the cap-  
19 ital investment,

20 (2) at a rate determined by the Secretary of the  
21 Treasury for use in assigning interest rates to new  
22 capital investments during the month that includes  
23 the date the new capital investment is placed in  
24 service, taking into consideration the average of  
25 market yields on outstanding marketable interest-

1 bearing obligations of the United States with periods  
2 to maturity comparable to the repayment period of  
3 the capital investment.

4 **SEC. 9. CREDITS TO THE ADMINISTRATOR'S PAYMENTS TO**  
5 **THE UNITED STATES TREASURY.**

6 (a) Notwithstanding any other law, the Administrator  
7 shall apply against amounts payable by the Administrator  
8 to the United States Treasury a credit in the amount of  
9 \$15.25 million in fiscal year 1996, \$15.86 million in fiscal  
10 year 1997, \$16.49 million in fiscal year 1998, \$17.15 mil-  
11 lion in fiscal year 1999, \$17.84 million in fiscal year 2000,  
12 and \$4.10 million in each succeeding fiscal year so long  
13 as the Administrator makes annual payments to the  
14 Tribes under the settlement agreement.

15 (b) For the purposes of this section, "settlement  
16 agreement" means that settlement agreement between the  
17 United States of America and the Confederated Tribes of  
18 the Colville Reservation signed by the Tribes on April 16,  
19 1994, and by the United States of America on April 21,  
20 1994, which settlement agreement resolves claims of the  
21 Tribes in Docket 181-D of the Indian Claims Commis-  
22 sion, which docket has been transferred to the United  
23 States Court of Federal Claims; and, "Tribes" means the  
24 Confederated Tribes of the Colville Reservation, a feder-  
25 ally-recognized Indian Tribe.

1 **SEC. 10. CONTRACT PROVISIONS.**

2 In each contract of the Administrator that provides  
3 for the Administrator to sell electric power, transmission,  
4 or related services, and that is in effect after September  
5 30, 1995, the Administrator shall offer to include, or as  
6 the case may be, shall offer to amend to include, provisions  
7 specifying that after September 30, 1995—

8 (1) the Administrator shall establish rates and  
9 charges on the basis that—

10 (A) the principal amount of an old capital  
11 investment shall be no greater than the new  
12 principal amount established under section 3 of  
13 this Act;

14 (B) the interest rate applicable to the un-  
15 paid balance of the new principal amount of an  
16 old capital investment shall be no greater than  
17 the interest rate established under section 4 of  
18 this Act;

19 (C) any payment of principal of an old  
20 capital investment shall reduce the outstanding  
21 principal balance of the old capital investment  
22 in the amount of the payment at the time the  
23 payment is tendered; and,

24 (D) any payment of interest on the unpaid  
25 balance of the new principal amount of an old  
26 capital investment shall be a credit against the

1 appropriate interest account in the amount of  
2 the payment at the time the payment is ten-  
3 dered;

4 (2) apart from charges necessary to repay the  
5 new principal amount of an old capital investment as  
6 established under section 3 of this Act and to pay  
7 the interest on the principal amount under section 4  
8 of this Act, no amount may be charged for return  
9 to the United States Treasury as repayment for or  
10 return on an old capital investment, whether by way  
11 of rate, rent, lease payment, assessment, user  
12 charge, or any other fee;

13 (3) amounts provided under section 1304 of  
14 title 31, United States Code, shall be available to  
15 pay, and shall be the sole source for payment of, a  
16 judgment against or settlement by the Administrator  
17 or the United States on a claim for a breach of the  
18 contract provisions required by this Act; and

19 (4) the contract provisions specified in this Act  
20 do not—

21 (A) preclude the Administrator from recov-  
22 ering, through rates or other means, any tax  
23 that is generally imposed on electric utilities in  
24 the United States, or

1 (B) affect the Administrator’s authority  
2 under applicable law, including section 7(g) of  
3 the Pacific Northwest Electric Power Planning  
4 and Conservation Act (16 U.S.C. 839e(g)), to—

5 (i) allocate costs and benefits, includ-  
6 ing but not limited to fish and wildlife  
7 costs, to rates or resources; or

8 (ii) design rates.

9 **SEC. 11. SAVINGS PROVISIONS.**

10 (a) This Act does not affect the obligation of the Ad-  
11 ministrator to repay the principal associated with each  
12 capital investment, and to pay interest on the principal,  
13 only from the “Administrator’s net proceeds,” as defined  
14 in section 13 of the Federal Columbia River Transmission  
15 System Act (16 U.S.C. 838k(b)).

16 (b) Except as provided in section 6 of this Act, this  
17 Act does not affect the authority of the Administrator to  
18 pay all or a portion of the principal amount associated  
19 with a capital investment before the repayment date for  
20 the principal amount.

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