

103^D CONGRESS
2^D SESSION

S. 2332

To amend the Federal Columbia River Transmission System Act 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.

IN THE SENATE OF THE UNITED STATES

JULY 28 (legislative day, JULY 20), 1994

Mr. HATFIELD (for himself and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Federal Columbia River Transmission System Act 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 Refinancing Act”.

1 **SEC. 2. DEFINITIONS.**

2 Section 3 of the Federal Columbia River Trans-
3 mission System Act (16 U.S.C. 838a) is amended—

4 (1) by redesignating paragraphs (b) and (c) as
5 paragraphs (c) and (d), respectively;

6 (2) by inserting after paragraph (a) the follow-
7 ing new paragraph (b):

8 “(b) The term ‘capital investment’ means a
9 capitalized cost funded by Federal appropriations
10 that—

11 “(1) is for a project, facility, or separable
12 unit or feature, of a project or facility;

13 “(2) is a cost for which the Administrator
14 is required by law to establish rates to repay to
15 the United States Treasury through the sale of
16 electric power, transmission, or other services;

17 “(3) excludes a Federal irrigation invest-
18 ment; and

19 “(4) excludes an investment financed by
20 the current revenues of the Administrator or by
21 bonds issued and sold, or authorized to be is-
22 sued and sold, by the Administrator under sec-
23 tion 13 of this Act.”; and

24 (3) by adding after paragraph (d), as redesi-
25 gnated by paragraph (1), the following:

1 “(e) The term ‘old capital investment’ means a
2 capital investment whose capitalized cost—

3 “(1) was incurred, but not repaid, before
4 October 1, 1995; and

5 “(2) was for a project, facility, or sepa-
6 rable unit or feature, of a project or facility
7 placed in service before October 1, 1995.

8 “(f) The term ‘repayment date’ means the end
9 of the period within which the Administrator’s rates
10 are to ensure the repayment of the principal amount
11 of a capital investment.

12 “(g) The term ‘Treasury rate’, for a fiscal year,
13 means a rate that the Secretary of the Treasury de-
14 termines as soon as practicable after the beginning
15 of the fiscal year and that is equal to the average
16 prevailing market yield during the preceding fiscal
17 year on interest-bearing marketable securities of the
18 United States which, at the time the computation is
19 made, have terms of 15 years or more remaining to
20 maturity. The average yield is computed as the aver-
21 age during the preceding fiscal year using the daily
22 bid prices. When the average yield so computed is
23 not a multiple of one-eighth of 1 percent, the rate
24 is the multiple of one-eighth of 1 percent nearest to
25 the average yield.”.

1 **SEC. 3. RECONSTITUTION OF OUTSTANDING PAYMENT OB-**
2 **LIGATIONS.**

3 The Federal Columbia River Transmission System
4 Act (16 U.S.C. 838 et seq.) is amended by adding at the
5 end the following:

6 “NEW PRINCIPAL AMOUNTS

7 “SEC. 14. (a) Effective October 1, 1995, an old cap-
8 ital investment has a new principal amount that is the
9 sum of—

10 “(1) the present value, calculated using a dis-
11 count rate equal to the Treasury rate for fiscal year
12 1996, of the old payment amounts for the old capital
13 investment; and

14 “(2) an amount equal to \$100,000,000 multi-
15 plied by a fraction whose numerator is the principal
16 amount of the old payment amounts for the old cap-
17 ital investment and whose denominator is the sum of
18 the principal amounts of the old payment amounts
19 for all old capital investments.

20 “(b) The Administrator shall determine the new prin-
21 cipal amounts for old capital investments. The Adminis-
22 trator shall obtain the approval of the Secretary of the
23 Treasury of the Administrator’s determination of the new
24 principal amounts and the Administrator’s assignment of
25 the interest rate to the new principal amounts, on the

1 basis of consistency with the provisions of section 14 and
2 15 of this Act.

3 “(c) For the purposes of this section, the term ‘old
4 payment amounts’, in the case of an old capital invest-
5 ment, means the annual interest and principal that the
6 Administrator would have paid to the United States
7 Treasury from October 1, 1995, if the Bonneville Power
8 Administration Refinancing Act were not enacted, assum-
9 ing that—

10 “(1) the principal were repaid—

11 “(A) on the repayment date the Adminis-
12 trator assigned before October 1, 1993, to the
13 old capital investment; or

14 “(B) in the case of an old capital invest-
15 ment for which the Administrator has not as-
16 signed a repayment date before October 1,
17 1993, on a repayment date the Administrator
18 shall assign to the old capital investment in ac-
19 cordance with paragraph 10(d)(1) of the ver-
20 sion of Department of Energy Order RA
21 6120.2 in effect on October 1, 1993; and

22 “(2) interest were paid—

23 “(A) at the interest rate the Administrator
24 assigned before October 1, 1993, to the old cap-
25 ital investment; or

1 “(B) in the case of an old capital invest-
2 ment for which the Administrator has not as-
3 signed an interest rate before October 1, 1993,
4 at the Treasury rate for the fiscal year in which
5 construction is initiated on the project, facility,
6 or separable unit or feature the old capital in-
7 vestment concerns.

8 “INTEREST RATE FOR NEW PRINCIPAL AMOUNTS

9 “SEC. 15. As of October 1, 1995, the unpaid balance
10 on the new principal amount established for an old capital
11 investment under section 14 of this Act bears interest an-
12 nually at the Treasury rate for fiscal year 1996 until the
13 earlier of the date that the new principal amount is repaid
14 or the repayment date for the new principal amount.

15 “REPAYMENT DATES

16 “SEC. 16. As of October 1, 1995, the repayment date
17 for the new principal amount established for an old capital
18 investment under section 14 of this Act is no earlier than
19 the repayment date for the old capital investment provided
20 for under section 14(b)(1) of this Act.

21 “PREPAYMENT LIMITATIONS

22 “SEC. 17. During the period beginning on October
23 1, 1995, and ending on September 30, 2000, the total new
24 principal amounts of old capital investments, as estab-
25 lished under section 14 of this Act, that the Administrator

1 may pay before their respective repayment dates shall not
2 exceed \$100,000,000.

3 “INTEREST RATES FOR NEW CAPITAL INVESTMENTS
4 DURING CONSTRUCTION

5 “SEC. 18. (a) The principal amount of a capital in-
6 vestment for a project, facility, or separable unit or fea-
7 ture, of a project or facility placed in service after Septem-
8 ber 30, 1995, includes interest in each fiscal year of con-
9 struction of the project, facility, or separable unit or fea-
10 ture the capital investment concerns at a rate equal to
11 the 1-year rate for the fiscal year on the sum of—

12 “(1) construction expenditures that were made
13 from the date construction commenced through the
14 end of the fiscal year; and

15 “(2) accrued interest during construction.

16 “(b) The Administrator is not required to pay, during
17 construction of the project, facility, or separable unit or
18 feature the interest calculated, accrued, and capitalized
19 under subsection (a).

20 “(c) For the purposes of this section, the term ‘1-
21 year rate’, for a fiscal year, means the 1-year Treasury
22 agency borrowing rate as determined by the Secretary of
23 the Treasury for use during the first month of the fiscal
24 year taking into consideration the average of market yields
25 on outstanding marketable interest-bearing obligations of

1 the United States with approximate periods to maturity
2 of 1 year.

3 “INTEREST RATES FOR NEW CAPITAL INVESTMENTS

4 “SEC. 19. The unpaid balance on the principal
5 amount of a capital investment for a project, facility, or
6 separable unit or feature, of a project or facility placed
7 in service after September 30, 1995, bears interest—

8 “(1) from the date the project, facility, or sev-
9 erable unit or feature the investment concerns is
10 placed in service until the earlier of the date the cap-
11 ital investment is repaid or the end of the repayment
12 period for the capital investment; and

13 “(2) at a rate determined by the Secretary of
14 the Treasury for use in assigning interest rates to
15 new capital investments during the month that in-
16 cludes the date the project, facility, or separable unit
17 or feature the new capital investment concerns is
18 placed in service, taking into consideration the aver-
19 age of market yields on outstanding marketable in-
20 terest-bearing obligations of the United States with
21 periods to maturity comparable to the repayment pe-
22 riod of the capital investment.

23 “CREDITS TO ADMINISTRATOR’S PAYMENTS TO THE

24 UNITED STATES TREASURY

25 “SEC. 20. (a) Notwithstanding any other law, the Ad-
26 ministrator shall apply against amounts payable by the

1 Administrator to the United States Treasury a credit in
2 the amount and for a fiscal year as follows:

3 “(1) \$15,250,000 in fiscal year 1996.

4 “(2) \$15,860,000 in fiscal year 1997.

5 “(3) \$16,490,000 in fiscal year 1998.

6 “(4) \$17,150,000 in fiscal year 1999.

7 “(5) \$17,840,000 in fiscal year 2000.

8 “(6) \$4,100,000 in each succeeding fiscal year
9 so long as the Administrator makes annual pay-
10 ments to the tribes under the settlement agreement.

11 “(b) For purposes of this section:

12 “(1) The term ‘settlement agreement’ means
13 the agreement between the United States of America
14 and the Confederated Tribes of the Colville Reserva-
15 tion signed by the tribes on April 16, 1994, and by
16 the United States of America on April 21, 1994,
17 which agreement resolves claims of the tribes in
18 docket 181–D of the Indian Claims Commission,
19 which docket has been transferred to the United
20 States Court of Federal Claims.

21 “(2) The term ‘tribes’ means the Confederated
22 Tribes of the Colville Reservation, a federally recog-
23 nized Indian tribe.

24 “CONTRACT PROVISIONS

25 “SEC. 21. In each contract of the Administrator that
26 provides for the Administrator to sell electric power, trans-

1 mission, or related services and that is in effect after Sep-
2 tember 30, 1995, the Administrator shall offer to include
3 or shall offer to amend to include, as the case may be,
4 provisions specifying that after September 30, 1995—

5 “(1) the Administrator shall establish rates and
6 charges on the basis that—

7 “(A) the principal amount of an old capital
8 investment shall be no greater than the new
9 principal amount established under section 14
10 of this Act;

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

16 “(C) any payment of principal of an old
17 capital investment shall reduce the outstanding
18 principal balance of the old capital investment
19 in the amount of the payment at the time the
20 payment is tendered; and

21 “(D) any payment of interest on the un-
22 paid balance of the new principal amount of an
23 old capital investment shall be a credit against
24 the appropriate interest account in the amount

1 of the payment at the time the payment is ten-
2 dered;

3 “(2) apart from charges necessary to repay the
4 new principal amount of an old capital investment as
5 established under section 14 of this Act and to pay
6 the interest on the principal amount under section
7 15 of this Act, no amount may be charged for return
8 to the United States Treasury as repayment for or
9 return on an old capital investment, whether by way
10 of rate, rent, lease payment, assessment, user
11 charge, or any other fee;

12 “(3) amounts provided under section 1304 of
13 title 31, United States Code, shall be available to
14 pay, and shall be the sole source for payment of, a
15 judgment against or settlement by the Administrator
16 or the United States on a claim for a breach of the
17 contract provisions required by sections 14 through
18 21 of this Act; and

19 “(4) the contract provisions specified in sections
20 14 through 21 of this Act do not—

21 “(A) preclude the Administrator from re-
22 covering, 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 “SAVINGS PROVISIONS

10 “SEC. 22. (a) Sections 14 through 21 of this Act do
11 not affect the obligation of the Administrator to repay the
12 principal associated with each capital investment, and to
13 pay interest on the principal, only from the ‘Administra-
14 tor’s net proceeds,’ as defined in section 13 of this Act.

15 “(b) Sections 14 through 21 of this Act do not affect
16 the authority of the Administrator to pay all or a portion
17 of the principal amount associated with a capital invest-
18 ment before the repayment date for the principal
19 amount.”.

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