

**(h) Omitted**

**(i) Contract provisions**

In each contract of the Administrator that provides for the Administrator to sell electric power, transmission, or related services, and that is in effect after September 30, 1996, the Administrator shall offer to include, or as the case may be, shall offer to amend to include, provisions specifying that after September 30, 1996—

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

(A) the principal amount of an old capital investment shall be no greater than the new principal amount established under subsection (b) of this section;

(B) the interest rate applicable to the unpaid balance of the new principal amount of an old capital investment shall be no greater than the interest rate established under subsection (c) of this section;

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

(D) any payment of interest on the unpaid balance of the new principal amount of an old capital investment shall be a credit against the appropriate interest account in the amount of the payment at the time the payment is tendered;

(2) apart from charges necessary to repay the new principal amount of an old capital investment as established under subsection (b) of this section and to pay the interest on the principal amount under subsection (c) of this section, no amount may be charged for return to the United States Treasury as repayment for or return on an old capital investment, whether by way of rate, rent, lease payment, assessment, user charge, or any other fee;

(3) amounts provided under section 1304 of title 31 shall be available to pay, and shall be the sole source for payment of, a judgment against or settlement by the Administrator or the United States on a claim for a breach of the contract provisions required by this Part;<sup>1</sup> and

(4) the contract provisions specified in this Part<sup>1</sup> do not—

(A) preclude the Administrator from recovering, through rates or other means, any tax that is generally imposed on electric utilities in the United States, or

(B) affect the Administrator's authority under applicable law, including section 839e(g) of this title, to—

- (i) allocate costs and benefits, including but not limited to fish and wildlife costs, to rates or resources, or
- (ii) design rates.

**(j) Savings provisions**

**(1) Repayment**

This section does not affect the obligation of the Administrator to repay the principal associated with each capital investment, and to

pay interest on the principal, only from the "Administrator's net proceeds," as defined in section 838h(b) of this title.

**(2) Payment of capital investment**

Except as provided in subsection (e) of this section, this section does not affect the authority of the Administrator to pay all or a portion of the principal amount associated with a capital investment before the repayment date for the principal amount.

(Pub. L. 104-134, title III, §3201, Apr. 26, 1996, 110 Stat. 1321-350.)

CODIFICATION

Section was enacted as part of the Omnibus Consolidated Recissions and Appropriations Act of 1996, and not as part of the Federal Columbia River Transmission System Act which comprises this chapter.

Section is comprised of section 3201 of Pub. L. 104-134. Subsec. (h) of section 3201 of Pub. L. 104-134 amended section 6 of Pub. L. 103-436, which is not classified to the Code.

**CHAPTER 12H—PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION**

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- 839d. Conservation and resource acquisition.
  - (a) Conservation measures; resources.
  - (b) Acquisition of resources.
  - (c) Procedure for acquiring major resources, implementing conservation measures, paying or reimbursing investigation and preconstruction expenses, or granting billing credits.
  - (d) Acquisition of resources other than major resources.
  - (e) Effectuation of priorities; use of customers and local entities.
  - (f) Agreements; investigation and initial development of renewable resources other than major resources; reimbursement of investigation and preconstruction expenses.

<sup>1</sup> So in original. Probably should be "section;" or "section".

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- (g) Environmental impact statements.
- (h) Billing credits.
- (i) Contracts.
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- (l) Investigations.
- (m) Offering of reasonable shares to each Pacific Northwest electric utility.

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839e.Federal projects in Pacific Northwest.  
Rates.

- (a) Establishment; periodic review and revision; confirmation and approval by Federal Energy Regulatory Commission.
- (b) General application of rates to meet general requirements.
- (c) Rates applicable to direct service industrial customers.
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- (f) Basis for rates.
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- (j) Cost figures to be indicated on rate schedules and power billings.
- (k) Statutory basis for procedures used in establishing rates or rate schedules.
- (l) Rates for sales outside United States; negotiations.
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Administrative provisions.

- (a) Contract authority.
- (b) Executive and administrative functions of Administrator of Bonneville Power Administration; sound and businesslike implementation of chapter.
- (c) Limitations and conditions on contracts for sale or exchange of electric power for use outside Pacific Northwest.
- (d) Disposition of power which does not increase amount of firm power Administrator is obligated to provide to any customer.
- (e) Judicial review; suits.
- (f) Tax treatment of interest on governmental obligations.
- (g) Review of rates for sale of power to Administrator by investor-owned utility customers.
- (h) Companies which own or operate facilities for the generation of electricity primarily for sale to Administrator.
- (i) Electric power acquisition or disposition.
- (j) Retail rate designs which encourage conservation and efficient use of electric energy, installation of consumer-owned renewable resources, and rate research and development.
- (k) Executive position for conservation and renewable resources.

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Savings provisions.

- (a) Rights of States and political subdivisions of States.
- (b) Rights and obligations under existing contracts.
- (c) Statutory preferences and priorities of public bodies and cooperatives in sale of federally generated power.
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- (e) Treaty and other rights of Indian tribes.
- (f) Reservation of electric power for Montana; Hungry Horse and Libby Dams and Reservoirs.
- (g) Rights of States to prohibit recovery of resource construction costs through retail rates.
- (h) Water appropriations.
- (i) Existing Federal licenses, permits, and certificates.

839h.

Separability.

## CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 838i, 838k, 839d-1 of this title; title 26 section 149; title 33 section 2286.

**§ 839. Congressional declaration of purpose**

The purposes of this chapter, together with the provisions of other laws applicable to the Federal Columbia River Power System, are all intended to be construed in a consistent manner. Such purposes are also intended to be construed in a manner consistent with applicable environmental laws. Such purposes are:

(1) to encourage, through the unique opportunity provided by the Federal Columbia River Power System—

- (A) conservation and efficiency in the use of electric power, and
- (B) the development of renewable resources within the Pacific Northwest;

(2) to assure the Pacific Northwest of an adequate, efficient, economical, and reliable power supply;

(3) to provide for the participation and consultation of the Pacific Northwest States, local governments, consumers, users of the Columbia River System (including Federal and State fish and wildlife agencies and appropriate Indian tribes), and the public at large within the region in—

- (A) the development of regional plans and programs related to energy conservation, renewable resources, other resources, and protecting, mitigating and enhancing fish and wildlife resources,
- (B) facilitating the orderly planning of the region's power system, and
- (C) providing environmental quality;

(4) to provide that the customers of the Bonneville Power Administration and their consumers continue to pay all costs necessary to produce, transmit, and conserve resources to meet the region's electric power requirements, including the amortization on a current basis of the Federal investment in the Federal Columbia River Power System;

(5) to insure, subject to the provisions of this chapter—

- (A) that the authorities and responsibilities of State and local governments, electric utility systems, water management agencies, and other non-Federal entities for the regulation, planning, conservation, supply, distribution, and use of electric power shall be construed to be maintained, and
- (B) that Congress intends that this chapter not be construed to limit or restrict the ability of customers to take actions in ac-