

WESTERN AREA POWER ADMINISTRATION



Sierra Nevada Region
2004 Power Marketing Program



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SIERRA NEVADA CUSTOMER SERVICE REGION

PROPOSED 2004 POWER MARKETING PLAN

Public Information Forum
April 8, 1997

**2004 POWER MARKETING PLAN BROCHURE
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA CUSTOMER SERVICE REGION**

April 1997

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Section I

I. Summary

This brochure supplements the information presented in Western Area Power Administration's (Western) Sierra Nevada Customer Service Region's (SNR) *Federal Register* Notice of Proposed 2004 Power Marketing Plan (Proposed Plan) (62 FR 8710) published on February 26, 1997. A copy of the *Federal Register* is provided as Appendix A.

Under the Proposed Plan, Western proposes to allocate power generated by the Central Valley Project (CVP) and Washoe Project powerplants. Western is developing this Proposed Plan because its existing contracts for long-term CVP power expire on December 31, 2004. At that time, Western's resource integration and transmission service Contract No. 14-06-200-2948A (Contract 2948A) with Pacific Gas and Electric Company (PG&E) will also expire, as will certain contracts referenced in Appendix B.

A. Proposed 2004 Power Marketing Plan Overview

The Proposed Plan sets forth how Western will market its power resources beyond 2004. The Proposed Plan includes information on the following:

- Power resources/products and services;
- Power resource extensions, allocation criteria, general criteria and contract principles;
- First Preference; and
- Transmission service.

A brief overview of the Proposed Plan follows:

1. *Power Resources/Products and Services*

To the extent possible, Western proposes to market its available power resources in a manner that will optimize the power resource and provide Preference Customers with the types of products and services that meet their needs. Preference Customers will be offered some or all of the following:

- **Base Resource:** CVP and Washoe Project power output and existing power purchase contracts extending beyond 2004, determined by Western to be available for marketing, exclusive of Project Use and First Preference entitlements.
- **Optional Purchase:** A purchase made at an existing customer's request that is in addition to the Base Resource under the terms set forth in the Proposed Plan.
- **Custom Product:** A combination of products and services, excluding provisions for load growth, made available by Western per preference customer request, utilizing the preference customer's Base Resource and supplemental purchases made by Western at the preference customer's expense. A Custom Product may include use of the Base Resource as firm

power, ancillary services, reserves, etc., or may include Western purchasing additional resources, including firming energy.

2. *Power Resource Extensions, Allocation Criteria, General Criteria and Contract Principles*

Western is proposing that the power resources be made available to existing and new preference customers for a 20-year contract period. The Proposed Plan calls for extending 96 percent of the power resource to existing customers and establishing an initial 4 percent Resource Pool for new allocations based on Western's evaluation of potential new preference customers. A Resource Pool of up to 2 percent is also proposed for 2015. When calculating the 96 percent power resource extension for existing customers, only the amount of capacity classified as Extension Contract Rate of Delivery (CRD) will be considered. The Proposed Plan sets forth the specific criteria for new and existing customers for applying for the Resource Pool, as well as specific criteria and contract principles that all preference customers will follow.

3. *First Preference*

First Preference customers will be treated in a unique manner, since they are legislated recipients of CVP power. The following two power resource options will be offered to eligible First Preference customers:

- Full requirements service at the Base Resource rate; or
- Individual allocations converted to a percentage of output, similar to other preference customers.

4. *Transmission Service*

Western proposes to provide transmission service separately from power, as an unbundled service. Each preference customer will have an option to purchase transmission service sufficient to deliver its Western power allocation.

B. Incorporation of the Energy Planning and Management Program

On October 20, 1995, Western published the Final Rule for the Energy Planning and Management Program (EPAMP) (10 CFR part 905) at 60 FR 54151. The Final Rule became effective on November 20, 1995 (copies of the Final Rule are available upon request). EPAMP implements section 114 of the Energy Policy Act of 1992 and requires Western's preference customers to prepare Integrated Resource Plans (IRP) or Small Customer Plans. The Power Marketing Initiative (PMI) under EPAMP establishes a framework for extending a major portion of the power currently under contract with existing customers and establishing project-specific Resource Pools. During the public process for EPAMP, it was determined that application of the PMI to

the CVP would be evaluated during the 2004 Power Marketing Program Administrative Procedure Act (APA) process.

Western's Proposed Plan includes application of the PMI principles of EPAMP. In accordance with the PMI, Western is proposing to set aside a portion of its available power resource for new allocations, based on Western's evaluation of potential new loads.

C. Environmental Impact Statement Process

Determining levels of power resources to be marketed and subsequently entering into contracts for the delivery of related products and services could be a major Federal action with potentially significant impacts on the human environment. Therefore, an Environmental Impact Statement (EIS) process was initiated on the 2004 Power Marketing Program with *Federal Register* notices published at 58 FR 42536 and 43105, on August 10 and 13, 1993, respectively. Following several public meetings, a draft EIS was prepared. The draft EIS described the environmental consequences of a range of reasonable marketing plan alternatives and identified no significant impacts. A *Federal Register* notice was published on May 24, 1996 (61 FR 26174) announcing that the draft EIS was available for public review and comment. Western also held a public hearing on June 13, 1996 to receive formal comments on the draft EIS. A final EIS was completed in February 1997 (copies of the final EIS are available upon request), and a Record of Decision is anticipated in April 1997. Utilizing the results of EPAMP's Final Rule and the draft EIS, Western began developing the Proposed Plan.

D. Proposed 2004 Power Marketing Plan Process

Western initiated development of the Proposed Plan with a series of three informal public information meetings held on November 17, 1995, March 7, and May 13, 1996. These meetings began informal discussions to identify pertinent issues and possible marketing options, including products and services and eligibility and allocation criteria, to be included in the Proposed Plan.

A public comment forum will be held at 1:00 p.m. on April 24, 1997. Western will accept written comments on the Proposed Plan through May 27, 1997. After thorough consideration of all public comments, Western will publish a Final 2004 Power Marketing Plan (Final Plan), in the *Federal Register*. Publication is tentatively scheduled for August 1997. With that notice, Western will also announce its decisions regarding power resource extensions to existing customers and will call for applications for new allocations.

Section II

II. Administrative Procedure Act

A. Requirements

The purpose of the APA is to give the public an opportunity to participate in administrative rulemaking. This is important because administrative rules have the force of law, and since administrative rules are created by government agencies, the APA is the public's resource to exercise the rights that they possess as citizens of a democratic society to keep control over the laws by which they are governed. Western's marketing plans are legally enforceable methods for the allocation of its resources. The formulation of a marketing plan is therefore deemed a "rulemaking" under 5 U.S.C. 551(4) and (5). In general, rulemaking must comply with the following minimum, procedural requirements:

- A notice of proposed rulemaking must be published in the *Federal Register*. This notice must include a statement of the time, place, and nature of public rulemaking proceedings; a reference to the legal authority under which the rule is proposed; and either the terms or a description of subjects and issues to be addressed by the proposed rule.
- Interested persons must be given an opportunity to submit written data, views or arguments on the proposal, with or without opportunity for oral presentations.
- A concise general statement of the basis and purpose must accompany the final rule.
- Subject to certain exceptions, publication of the final rule must take place not less than 30 days before its effective date.

The APA is also supplemented by the United States Department of Energy (DOE) Organization Act, which requires DOE entities to take steps in addition to the steps that other Federal agencies must take under the APA as follows:

- The rule itself, as proposed, must be published in the *Federal Register*, accompanied by a description of information in support of the need for, and probable effect of, the proposed rule.
- A 30-day comment period is required.
- An opportunity for oral presentation of comments shall be provided to the public, with a transcription of such comments by a court reporter, unless:
 - no substantial issues of law or fact exist; or
 - the proposed rule will not have a substantial impact on the nation's economy or large numbers of individuals or businesses.
- The final rule may be promulgated only if the rule is accompanied by an explanation responding to the major comments, criticisms, and alternatives offered during the comment period.

B. 2004 Power Marketing Plan Tentative Schedule

In order to comply with the requirements of the APA process, SNR has developed the following tentative schedule as represented in the following Table A:

Table A

2004 Power Marketing Plan Tentative Schedule	
Action	Date
<i>Federal Register</i> - Notice of Proposed Plan	February 26, 1997
Public Information Forum	April 8, 1997
Public Comment Forum	April 24, 1997
End of consultation and comment period	May 27, 1997
<i>Federal Register</i> - Notice of Final Plan, Power Resource Extensions for Existing Customers, and Call for Resource Pool Applications	August 1997
Deadline for receipt of applications	60 days after publication of Final Plan
<i>Federal Register</i> - Notice of Proposed Allocations	90 days after deadline for receipt of applications
Contract amendments executed (extensions)	180 days after publication of Final Plan
End of comment period for proposed allocations	90 days after publication of proposed allocations
<i>Federal Register</i> - Notice of Final Allocations	90 days after comment period
New contracts executed	180 days after publication of final allocations
Commitments to Base Resource due	December 31, 1999
Commitments to Custom Product and Optional Purchase due	December 31, 2001
First Preference Customers' commitments due	December 31, 2002
Begin service under 2004 Power Marketing Plan	January 1, 2005

Section III

III. Proposed 2004 Power Marketing Plan Details

The Proposed Plan for marketing power is set forth in the Notice of Proposed Plan published in the *Federal Register* at 62 FR 8710, dated February 26, 1997. The information provided in this section is intended to supplement the information provided in the Proposed Plan. To help understand the Proposed Plan, a list of acronyms and definitions is provided as Appendix C.

A. Power Resources/Products and Services

1. *Estimated CVP Power Resources*

Expected CVP generation (energy and capacity) for 2005 and beyond will vary annually, monthly, and daily, based on hydrology and other constraints that govern CVP operations. CVP generation will be deemed available at the generator bus and must be adjusted for Project Use, maintenance, reserves, transformation losses, and certain ancillary services before a Base Resource is available for marketing. Transmission and transmission losses will be pursuant to the terms of a transmission service agreement. The power resources will also be adjusted for First Preference customers as described in the Proposed Plan and later in this Section III.

The following Table B provides estimates of CVP power resources and adjustments before any power resources are available to preference customers beyond 2004:

Table B

Estimated CVP Power Resources and Adjustments	Range/Value
Annual energy generation	2,400,000 - 8,600,000 MWh
Monthly energy generation	100,000 - 1,100,000 MWh
Monthly capacity	1,100 - 1,900 MW
Annual Project Use	670,000 - 1,670,000 MWh
Monthly Project Use	10,000 - 180,000 MWh
Monthly on-peak Project Use	30 - 230 MW
Monthly maintenance	0 - 300 MW
Reserves	5 percent of monthly capacity
CVP transmission and transformation losses from the generator bus to a 230-kV load bus	1.8 percent (as of 1995)

The range of annual energy generation represents the possible CVP generation from the driest to wettest years of the 70-year historical hydrologic record from 1922 through 1992. The monthly

energy generation values represent the possible range of CVP monthly generation that could be available in the future, the highest generation occurring during flood conditions and the lowest generation occurring during drought conditions. The monthly capacity available is dependent on the amount of water stored in CVP reservoirs. Flood control requirements on the major reservoirs determine how much water can be stored during the fall and winter months. The range of Project Use energy values is also dependent on hydrologic conditions and water delivery requirements of the United States Department of the Interior (Interior), Bureau of Reclamation (Reclamation).

The monthly maintenance range is determined by Reclamation's work schedule. Normally unit maintenance is scheduled during the fall and winter months so that the powerplants will be at full capability during the high-release summer months. The reserve requirement shown in Table B is the Western Systems Coordinating Council's requirement for hydro only. Another option would be to use the single largest unit requirement, which would be a New Melones unit rated at about 190 megawatts (MW). Western will use the best option under industry requirements. Another option would be for the preference customer to provide the reserves from its Base Resource or another source. First Preference Entitlements and how the power resource may be adjusted are explained below.

Based on the authorizing legislation of the Trinity River Division and New Melones projects of the CVP, preference entities in the counties of origin (Trinity, Calaveras and Tuolumne counties) are entitled to up to 25 percent of the additional energy made available to the CVP as a result of the construction of these projects. In order to insure that sufficient power is available to meet this Entitlement when it is required by the First Preference customers, Western is proposing to adjust the power resource prior to making power available to market to all other preference customers. There are a number of ways that the available power resource can be adjusted to account for the First Preference Entitlements. Two possible methods for this adjustment have been identified to date:

- Reduce the power resource available for sale by the maximum First Preference Entitlements each day, and market the unscheduled portion to others. The annual maximum Entitlements, calculated as described in the Proposed Plan and later in this Section III, would be distributed over the 12 months, based on the monthly distribution of the projected First Preference load, and then converted to a daily quantity by dividing the monthly energy Entitlement evenly over the days of the month.
- Reduce the daily available power resource for sale by only the scheduled First Preference load with the remainder offered as Base Resource.

2. *Estimated Purchase Power Resources*

Western proposes to include any power available from existing power purchase contracts with terms extending beyond 2004 in the Base Resource. Currently, Western has a contract with Portland General Electric Company (PGE) for 65 MW at a 40 percent minimum load factor (about 228,000 megawatthours (MWh)) with a termination date of October 15, 2015.

3. *Estimated Washoe Power Resources*

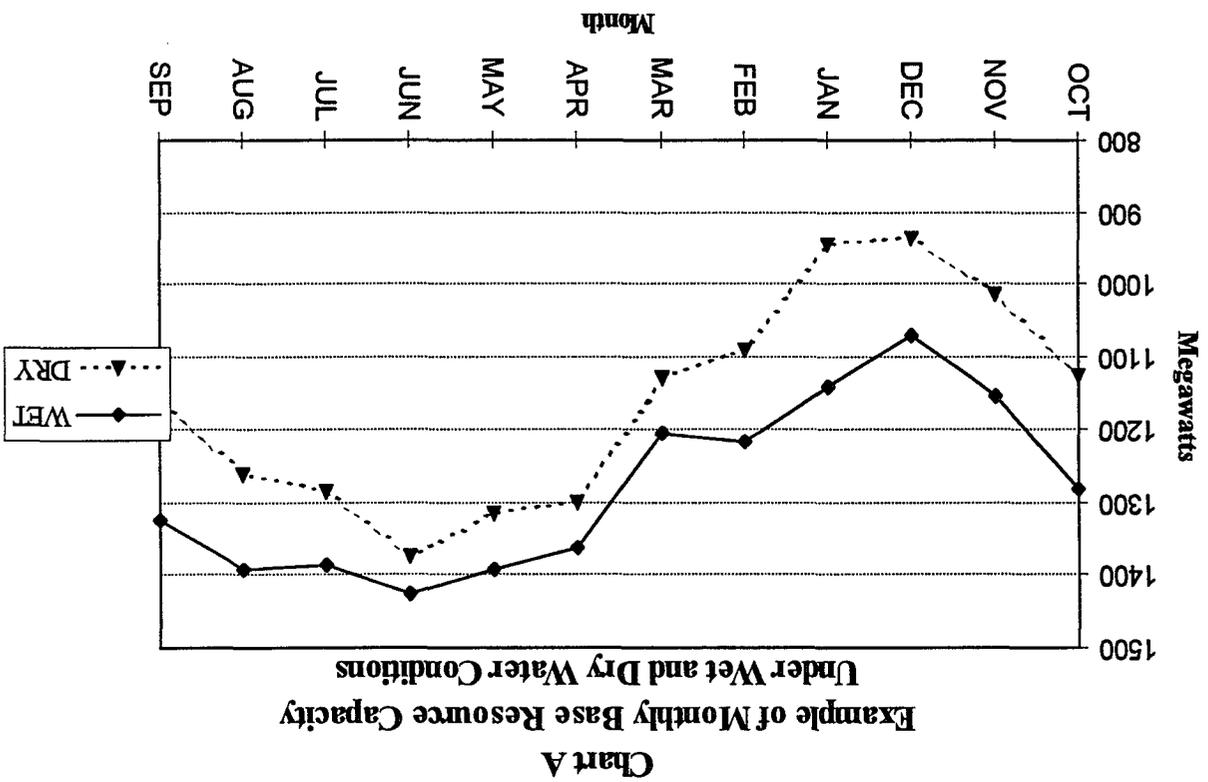
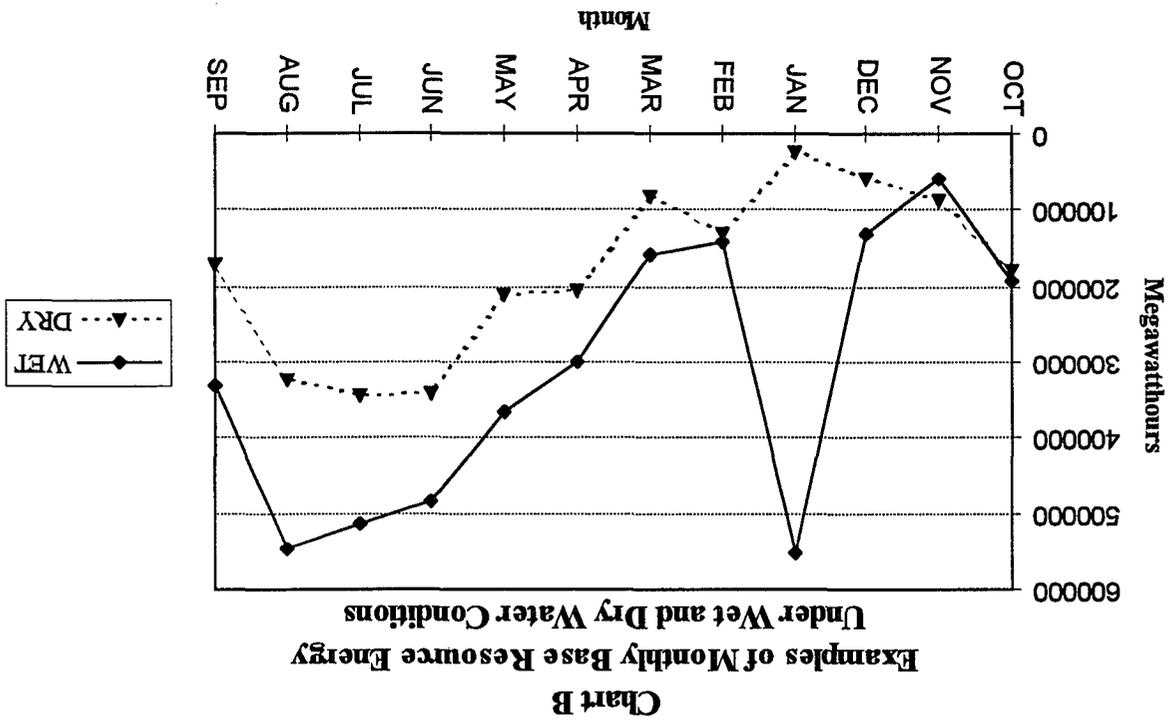
Western also proposes to market part of the 3.65 MW available from the Washoe Project with the CVP power resource on an annual basis. A portion of the energy from the Washoe Project, which is estimated to be about 10,000 MWh annually, is currently being provided to Fish and Wildlife Service's (F&WS) Lahontan National Fish Hatchery and Marble Bluff Fish Facility. These F&WS facilities are Project Use loads of the Washoe Project and have first call on the power resources from the Washoe Project. All costs associated with providing F&WS Project Use service are, by law, nonreimbursable, and are not included in the Washoe Project energy rates. Energy in excess of the F&WS needs will be integrated with the CVP power resources and sold under the Final Plan. Over the last nine years, Washoe Project generation has been less than 0.5 percent of CVP generation.

All of the power resource adjustments and variables mentioned above will influence the amount of Base Resource available to preference customers. During some critically dry months, purchases may be required to meet Project Use and First Preference requirements and only a minimal amount of Base Resource will be available during such months. The useability of the Base Resource for meeting a preference customer's load will be directly related to that preference customer's ability to integrate this power resource into their power resource mix. The Proposed Plan provides each preference customer with the ability to work with Western to customize the Base Resource in a manner that best meets the preference customer's needs.

4. *The Base Resource*

The Base Resource is the power output (capacity and energy) of the CVP and Washoe Project plus existing purchase contracts, adjusted for Project Use, maintenance and First Preference Entitlements. Western proposes to maintain operation reserves, reactive supply, and voltage control from the CVP power resource. As explained earlier, this Base Resource will vary annually, monthly, weekly and daily based on hydrology and other constraints that govern CVP operations.

The Base Resource will be projected annually, monthly and weekly for planning purposes in terms of maximum and minimum capacity and total energy available for the projected period. Charts A and B below provide examples of the variability of monthly Base Resource energy and capacity that could be experienced in the future for wet and dry water year conditions.



The Base Resource will be projected daily in terms of maximum and minimum capacity and total energy available for the purpose of scheduling the next day's generation. The actual Base Resource available to a preference customer will not be known until the day prior to the day of generation. At times, the Base Resource may change during a day due to unforeseen conditions.

Because of the nature of the operations for the CVP, preference customers may be required to schedule a minimum amount of power, during off-peak periods. Also, due to storage limitations in regulating reservoirs, the Base Resource cannot be shifted between days. Western may purchase off-peak power to meet Project Use requirements to make additional power available on peak to preference customers.

The following Table C shows an example of the daily Base Resource and how it is determined:

Table C

Example of Daily Base Resource Determination (Amounts used are for example purposes only)		
	Capacity (MW)	Energy (MWh)
Power Resources:		
CVP generation power resource	1,800	18,000
Existing purchase	65	600
Washoe generation power resource	3	50
Total Power Resource	1,868	18,650
Reductions to Power Resource:		
Maintenance	165	
Operating reserves (if provided by Western)	200	
Project Use	150	4,000
First Preference	65	950
Reactive supply and voltage control	35	
Total Reductions	615	4,950
Base Resource: (Total Power Resource Less Total Reductions)	1,253	13,700
Minimum Off-Peak Requirements:		
CVP minimum generation requirement	500 per hour	
Project Use load off peak	200 per hour	
Minimum off-peak requirement	300 per hour	

5. *Preference Customer Share of Base Resource*

Existing and new preference customers will be allocated a percentage share of the Base Resource. For existing customers, this percentage share will be calculated pursuant to the formulas in the Final Plan. Each preference customer will be responsible for scheduling their use of the Base Resource to meet their needs. This scheduling function may be performed by the preference customer, an agent or Western. Western will aggregate all preference customers' schedules and schedule CVP generation and other power resources to meet the combined preference customers' requirements.

Under normal conditions, the Base Resource energy will not meet the full requirements of most preference customers' loads. For most preference customers, the Base Resource energy will be 50 percent or less of the energy currently being provided by Western. For example, a preference customer that currently has a CRD of 50 MW and a system peak of 75 MW with an annual load factor of 65 percent, would now receive about 285,000 MWh of energy per year from Western. During the period from 2005 through 2014 under the Proposed Plan, this same preference customer, with an Extension CRD of 50 MW, will be eligible for a 3.34 percent share of the Base Resource, or about 134,000 MWh if the annual Base Resource is 4,000,000 MWh.

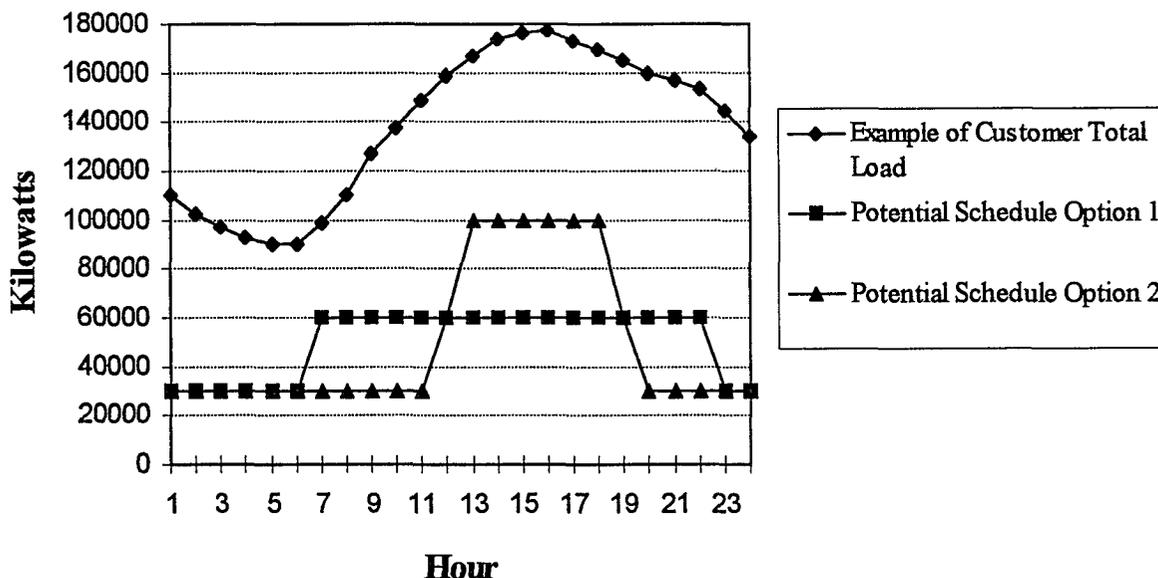
If the projected Base Resource for a day was 1,000 MW and 12,000 MWh, with a minimum capacity requirement of 300 MW, a preference customer with a 10 percent power resource share would be entitled to a maximum of 100 MW during the day with a minimum requirement of 30 MW off peak, and 1,200 MWh of energy. This scenario is shown in Table D as follows:

Table D

Example of Daily Base Resource Use (Amounts used are for example purposes only)			
	Maximum Capacity Available (MW)	Minimum Capacity Required off peak (MW)	Total Energy Available (MWh)
Total power resource	1,000	300	12,000
10 percent preference customer power resource	100	30	1,200

After satisfying the minimum requirement (30 MW X 24 hours = 720 MWh), the preference customer would be able to schedule the remaining energy (480 MWh) to best meet its needs at a rate between 0 and 70 MW for the rest of the day (30 MW for 16 hours or 70 MW for 6 hours and 6 MW for 10 hours, etc.). The following Chart C shows two possible ways this Base Resource might be scheduled to meet a preference customer's load.

Chart C
Example of Potential One Day Base Resource Use



6. *The Custom Product*

A Custom Product is any product Western commits to provide to a preference customer other than the hourly output that is available. Western will work with each preference customer to develop a product to fit the individual preference customer's needs.

If a preference customer wants Western to provide a Custom Product, the preference customer's Base Resource entitlement will be melded with other purchased power resources required to provide the desired Custom Product. The preference customer will be billed for the cost of any purchased power resources in addition to the cost of the Base Resource. Each preference customer will be responsible for scheduling their power resources to meet their needs. This scheduling function may be performed by the preference customer, an agent or Western. Western may aggregate all preference customer schedules and schedule CVP generation and other power resources to meet the combined preference customer requirement.

If the Base Resource exceeds the amount needed by the preference customer on a short-term basis, the preference customer will need to dispose of the excess power resource by scheduling it to meet their remaining load or making it available to Western's Power Exchange Program.

7. *Power Exchange Program*

Because of the daily and seasonal variations in CVP generation, there may be times when a preference customer's percentage allocation exceeds their short-term power needs. Therefore,

Western proposes to establish and manage a Power Exchange Program to allow all preference customers to fully and efficiently use their power allocation. All power allocated to a preference customer that cannot be scheduled to meet its load will first be made available to other preference customers at cost through Western's Power Exchange Program. Power not sold to other preference customers in this manner may be sold by Western or the preference customer, as agreed by Western.

B. Proposed Power Resource Extension and Resource Pool Allocation

When allocating power under the Final Plan, Western proposes to apply the principles of the PMI of EPAMP. In accordance with the PMI, Western proposes to set aside a portion of the Base Resource for new allocations. Western initially proposed to provide 96 percent of the Base Resource to existing customers in 2005, and to establish a Resource Pool for new allocations with the remaining 4 percent. However, for the period from 2005 through 2014, the Sacramento Municipal Utility District (SMUD) due to the SMUD settlement, will have a purchase right of 360/1,152 of the Base Resource. Since SMUD has this purchase right, the initial Resource Pool will be decreased from 4 percent by the amount not set aside from SMUD's portion.

An incremental Resource Pool of up to 2 percent is proposed for service to begin in 2015. However, in 2015, SMUD's purchase right to the Base Resource will be adjusted such that SMUD will be on the same basis as the rest of the existing customers. This will result in an increase to the incremental Resource Pool equivalent to the amount not set aside in the initial Resource Pool during the 2005 through 2014 period due to the SMUD settlement.

Due to the diversity among existing customers' loads, existing customers' total Extension CRD exceeds the 1,152 MW referenced in the SMUD settlement agreement. Thus, SMUD will receive a proportionately greater share of the Base Resource than other existing customers in the years 2005 through 2014. Therefore, Western is also proposing that, during this period, all existing customers, excluding SMUD, be given the option to have Western purchase an additional increment of power, on a pass-through-cost basis, equal to the amount of power unavailable to them as a result of applying the 360/1,152 ratio. This option is separate from the ability to have Western provide a Custom Product.

In determining an existing customer's purchase right to the Base Resource, the lesser of the preference customer's Extension CRD or 104 percent of their maximum demand will be used. For the period 2005 through 2014, the maximum demand for calendar years (CY) 1997 through 2000 will be used; for the period 2015 through 2024, the maximum demand for CY 2009 through 2013 will be used. Extension CRD is exclusive of Diversity and Curtailable Power, peaking/excess capacity, and National Defense Authorization Act (NDA Act) Power not used for military loads. Preference entities receiving NDA Act power for non-military uses will need to apply as new applicants. Extension CRD amounts are set forth in Appendix D. In the calculations below, Western reserves the right to adjust the value used to calculate a preference customer's percentage right to the Base Resource when it is determined that the maximum demand is not reflective of that existing customer's load. Western proposes the following extension formulas to determine an existing customer's purchase right to the Base Resource

during the periods from 2005 through 2014 and from 2015 through 2024, and to the Optional Purchase available from 2005 through 2014. These calculations may be further adjusted for First Preference customers. Any power allocated under the Final Plan but not placed under contract may be marketed by Western at its discretion as provided under Reclamation Law.

1. *Example of Allocations 2005 through 2014*

Assumptions

- Base Resource is 1,000 MW.
- Sum of all existing customers' Extension CRD is 1,349 MW.
- An existing customer's Extension CRD is 100 MW.
- Initial Resource Pool is 4 percent.
- All amounts are rounded.

a. For the period 2005 through 2014, an existing customer's purchase right to a power resource extension will be determined as follows:

$$SMUD's\ purchase\ right = \frac{360}{1,152} X BR$$

$$Existing\ 100\ MW\ customer's\ purchase\ right = \frac{A}{B} X ABR$$

Where

A = Lesser of individual existing customer's (excluding SMUD) Extension CRD as of December 31, 2001; or 104 percent of their maximum demand during CY 1997 through 2000. Western reserves the right to adjust the value of "A" when it is determined that the maximum demand is not reflective of an existing customer's load.

B = The sum of all values for "A".

BR = Base Resource available.

ABR = Adjusted Base Resource.

$$= [BR - (\frac{360}{1,152} X BR)] X (100\% - RP\%).$$

RP% = Resource Pool percentage.

Calculations

SMUD's purchase right is equal to:

$$\begin{aligned} & (360/1,152) \times BR \\ & 0.3125 \times BR \\ & 0.3125 \times 1,000 \\ & 312.5 \text{ MW} \end{aligned}$$

Adjusted Base Resource is equal to:

$$\begin{aligned} & \{BR - [(360/1,152) \times BR]\} \times (100\% - RP\%) \\ & [BR - (0.3125 \times BR)] \times (100\% - 4\%) \\ & 0.6875 \times BR \times 96\% \\ & 0.660 \times BR \\ & 0.660 \times 1,000 \\ & 660 \text{ MW} \end{aligned}$$

An existing 100 MW customer's purchase right is equal to:

$$\begin{aligned} & (A/B) \times ABR \\ & (100/988) \times (0.660 \times BR) \\ & 0.101 \times 0.660 \times BR \\ & 0.0668 \times BR \\ & 0.0668 \times 1,000 \\ & 66.8 \text{ MW} \end{aligned}$$

b. Existing customers' (excluding SMUD) rights to the Optional Purchase will be determined as follows:

$$\text{Individual existing customer's optional purchase} = \frac{A}{B} \times TOP$$

Where

- A = Lesser of individual existing customer's Extension CRD as of December 31, 2001; or 104 percent of their maximum demand during CY 1997 through 2000. Western reserves the right to adjust the value of "A" when it is determined that the maximum demand is not reflective of an existing customer's load.
- B = The sum of all values for "A".
- TOP = Total Optional Purchase
- $$= \left(\frac{360}{1,152} - \frac{361}{C} \right) \times BR \times (100\% - RP\%).$$

C = The sum of all existing customers', including SMUD, Extension CRD.
 BR% = Base Resource available.
 RP% = Resource Pool percentage.

Calculations

Total Optional Purchase is equal to:

$[(360/1,152) - (361/C)] \times BR \times (100\% - RP\%)$
 $[(360/1,152) - (361/1,349)] \times BR \times (100\% - 4\%)$
 $(0.3125 - 0.2676) \times BR \times 96\%$
 $0.0449 \times 96\% \times BR$
 $0.0431 \times BR$
 $0.0431 \times 1,000$
 43.1 MW

An existing 100 MW customer's Optional Purchase is equal to:

$(A/B) \times TOP$
 $(100/988) \times (0.0431 \times BR)$
 $0.101 \times 0.0431 \times BR$
 $0.0044 \times BR$
 $0.0044 \times 1,000$
 4.4 MW

2. *Example of Allocations 2015 through 2024*

Assumptions

- Base Resource is 1,000 MW.
- Sum of all existing customers' Extension CRD is 1,349 MW.
- An existing customer's Extension CRD is 100 MW.
- SMUD's Extension CRD is 361 MW.
- Original Resource Pool is 4 percent.
- Incremental Resource Pool is 2 percent.
- Incremental Resource Pool after adjustment to reflect SMUD contribution is 3.2 percent.
- Total Resource Pool (original plus incremental) is 6 percent.
- An original Resource Pool preference customer's purchase right is 1 percent.
- All amounts are rounded.

a. For the period 2015 through 2024, an existing customer's purchase right to a power resource extension will be determined as follows:

$$SMUD's\ purchase\ right = \frac{A}{B} \times (100\% - ORP\%) \times ABR$$

$$\text{Existing 100 MW customer's purchase right} = \frac{A}{B} \times (100\% - \text{ORP}\%) \times \text{ABR}$$

Where

A = Lesser of individual existing customer's Extension CRD or 104 percent of their maximum demand during CY 2009 through 2013. Western reserves the right to adjust the value of "A" when it is determined that the maximum demand is not reflective of an existing customer's load.

B = The sum of all values for "A".

ORP% = Original Resource Pool percentage.

ABR = Adjusted Base Resource

$$= (100\% - \text{IRP}\%) \times \text{BR}.$$

IRP% = Incremental Resource Pool percentage.

BR = Base Resource available.

Calculation

Adjusted Base Resource is equal to:

$$(100\% - \text{IRP}\%) \times \text{BR}$$

$$(100\% - 2\%) \times \text{BR}$$

$$0.98 \times \text{BR}$$

$$0.98 \times 1,000$$

$$980 \text{ MW}$$

SMUD's purchase right is equal to:

$$(A/B) \times (100\% - \text{ORP}\%) \times \text{ABR}$$

$$(361/1,349) \times (100\% - 4\%) \times (0.98 \times \text{BR})$$

$$0.2676 \times 96\% \times [(100\% - \text{IRP}\%) \times \text{BR}]$$

$$0.2569 \times (100\% - 2\%) \times \text{BR}$$

$$0.2569 \times 98\% \times \text{BR}$$

$$0.2518 \times \text{BR}$$

$$0.2518 \times 1,000$$

$$251.8 \text{ MW}$$

An existing 100 MW customer's purchase right is equal to:

$$\begin{aligned} & (A/B) \times (100\% - \text{ORP}\%) \times \text{ABR} \\ & (100/1,349) \times (100\% - 4\%) \times (0.98 \times \text{BR}) \\ & 0.0741 \times 96\% \times [(100\% - \text{IRP}\%) \times \text{BR}] \\ & 0.0712 \times (100\% - 2\%) \times \text{BR} \\ & 0.0712 \times 98\% \times \text{BR} \\ & 0.0697 \times \text{BR} \\ & 0.0697 \times 1,000 \\ & 69.7 \text{ MW} \end{aligned}$$

b. For the period 2015 through 2024, an original Resource Pool preference customer's purchase right will be determined as follows:

$$\text{Original resource pool customer's purchase right} = \text{ORPC}\% \times \text{ABR}$$

Where

ORPC% = An original Resource Pool preference customer's percentage.
ABR = Adjusted Base Resource
= $(100\% - \text{IRP}\%) \times \text{BR}$.

IRP% = Incremental Resource Pool percentage.
BR = Base Resource available.

Calculation

An original 1% Resource Pool preference customer's purchase right is equal to:

$$\begin{aligned} & \text{ORPC}\% \times \text{ABR} \\ & 0.01 \times (0.98 \times \text{BR}) \\ & 0.01 \times [(100\% - \text{IRP}\%) \times \text{BR}] \\ & 0.01 \times (100\% - 2\%) \times \text{BR} \\ & 0.01 \times 98\% \times \text{BR} \\ & 0.0098 \times \text{BR} \\ & 0.0098 \times 1,000 \\ & 9.8 \text{ MW} \end{aligned}$$

Western may modify the value of B in the extension formulas to reflect any CRD amounts that are not under contract at the time percentages are calculated. Western reserves the right to limit a preference customer's allocation to an amount no greater than the percentage they received prior to 2005.

Based on the examples above, a comparison of the power resource for the periods pre-2005, 2005 through 2014, and 2015 through 2024 is shown in the following Table E:

Table E

Comparison of Base Resource Purchase Right Pre-2005, from 2005 through 2014 and from 2015 through 2024 (Assuming Base Resource is 1,000 MW)			
Preference Customer	Pre-2005 (MW)	Years 2005-2014 (MW)	Years 2015-2024 (MW)
SMUD	361	312.5	251.8
100 MW existing customer	100	66.8	69.7
Original Resource Pool preference customer with 1 percent purchase right	0	10	9.8

3. Resource Pool Amounts

Western is mandated by law to dispose of Federal power in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles. In this context, Western, in an effort to minimize the adverse impacts on existing customers who have come to rely on Federal power, as well as to provide Federal power to new preference customers, is proposing to allocate 96 percent of its power resources to existing customers and reserve 4 percent of its power resources for new preference customers and some existing customers. However, due to the SMUD settlement agreement, which provides for SMUD to receive 360/1,152 or 31.25 percent of all power sold, SMUD will not be contributing to the initial Resource Pool. In 2015, SMUD's purchase right will be adjusted to accommodate the initial 4 percent Resource Pool. Also in 2015, Western has proposed that up to an additional 2 percent of the power resource be made available by adjusting all preference customers' purchase rights for this incremental Resource Pool.

In determining the proposed Resource Pools, Western considered the loads of potential preference customers including Native American loads. Western also considered the loads of existing customers with limited Federal power compared to their demands. Based on this information and after careful consideration, Western determined that a combined Resource Pool of 6 percent would be sufficient to equitably serve these new and existing customers. Western proposes to allocate a percentage of the Resource Pool to individual applicants who meet the eligibility criteria. Allocations will be made in amounts as determined solely by Western in exercise of its discretion under Reclamation Law. The Resource Pool power allocated will be subject to the terms and conditions specified in an electric service contract.

4. *Resource Pool Eligibility*

In order to be eligible for a Resource Pool allocation under the Final Plan, all applicants must meet the preference requirement of the Reclamation Project Act of 1939; must be located within SNR's Marketing Area; and must be ready, willing, and able to receive and use Federal power. Applicants that provide retail electric service must meet the requirements above, and must require the power for electric service to their preference customers and not for resale to others. All applicants must have a load of 1 MW or greater unless Western can aggregate an applicant's load with other loads to schedule and deliver an aggregated 1 MW. A Native American applicant must be a Native American tribe as defined in the Indian Self Determination Act of 1975. All applicants must submit applications in response to the notice calling for applications issued by Western in the *Federal Register* in conjunction with the Final Plan.

5. *Resource Pool Allocation Criteria*

Resource Pool allocations under the Final Plan will be made in amounts as determined solely by Western in exercise of its discretion under Reclamation Law. Allocations will be available to new qualified applicants and to existing customers whose Extension CRD, set forth in Appendix D, is not more than 15 percent of their peak load in CY 1996 and not more than 10 MW. These criteria were proposed in order that Western may allocate meaningful amounts of Federal power, resulting in a tangible benefit to the preference customer; and so that preference customers who currently receive a disparately small amount of power compared to most other preference customers can receive a more equitable share of the power resource. Since the Resource Pool will be relatively small and Western may have new preference customers requesting most of this amount, restricting Resource Pool allocations for existing customers to those who receive less than 10 MW, supporting less than 15 percent of their load, is reasonable and promotes both equity among our preference customers and a worth-while allocation.

Western will use its discretion in allocating power; however, the maximum amount of capacity used to determine a Resource Pool allocation will be the applicant's peak demand during CY 1996 or the amount requested, whichever is less, rounded up to the nearest 100 kilowatts. An allottee will have the right to buy power from Western only upon the execution of an electric service contract between Western and the allottee. Finally, a preference customer receiving power from the initial Resource Pool will be subject to the incremental Resource Pool adjustment of up to 2 percent.

6. *Resource Pool Application Process*

All applicants seeking a Resource Pool allocation under the Final Plan must submit an application in response to the notice calling for applications published in the *Federal Register* in conjunction with the Final Plan. That notice will include the deadline for receipt of those applications. Applicants will be required to submit a form entitled Applicant Profile Data, Office of Management and Budget, Control No. 1910-1200. A copy of the Applicant Profile Data request

form is provided as Appendix E. Applicants will need to supply information including, but not limited to, the following:

- Load information including types of loads, demand, energy use, load factors, forecasts for the next 10 years, and load duration or profile curves.
- Power resource information including power suppliers, types of power resources, and future planned power resources.
- Transmission information including a description of transmission and distribution systems, requested points of delivery at selected voltages and capacities, and transmission arrangements necessary to deliver power to these points.
- Service types and amounts requested and the date when service could start.
- Rates and power costs including existing and proposed schedules and current and estimated costs of power purchases, generation, and transmission.

C. General Criteria and Contract Principles

Western proposes to apply the following criteria and contract principles to all new and existing customers' contracts, except that certain criteria may not apply to First Preference customers' contracts. Contracts entered into under the Final Plan shall provide for Western to furnish electric service effective January 1, 2005 through December 31, 2024. Specific products and services may be provided for periods of time as agreed to in the electric service contract. Western will offer a contract amendment to existing customers and a new contract to new allottees. Contract amendments and contracts shall require commitments to the Base Resource by the preference customers and allottees on or before December 31, 1999, and the Optional Purchase and Custom Product on or before December 31, 2001. This will allow for power resources and products to be developed prior to final commitment by the preference customers.

Withdrawable power marketed under the Final Plan will be subject to withdrawal on a pro-rata basis upon 6-months written notice. Percentage allocations of the Base Resource will be subject to adjustment in the future as provided for in the Final Plan and the electric service contract, including a clause providing for Western to adjust the preference customers' percentage of the power resource for the incremental Resource Pool. All power supplied by Western will be delivered pursuant to a scheduling arrangement on a take-or-pay basis. A commitment must be made to take-or-pay for the service as of the date set forth in the contract. All costs associated with the products and services provided, including ancillary services and Optional Purchases, will be passed on to the preference customer using the product or service.

Upon request, Western shall assist each allottee and existing customer in obtaining third-party transmission arrangements for delivery of power allocated under the Final Plan; nonetheless, each entity is ultimately responsible for obtaining its own delivery arrangements beyond the CVP transmission system. Contracts will include a clause that allows Western to reduce or rescind a

preference customer's power from Western upon 6-months written notice if Western determines that the preference customer is not using this power to serve its own loads, except as otherwise specified in this Section III. Any power not under contract may be allocated by the Administrator at any time, at the Administrator's sole discretion, or sold as deemed appropriate by Western. All contracts and contract amendments will incorporate Western's standard provisions for power sales contracts, IRP, and General Power Contract Provisions (GPCP). A copy of the current GPCP, issued on August 15, 1995, is provided as Appendix F.

1. Scheduling

Scheduling, system control and dispatch service is required to schedule the movement of power through, within, into or out of a control area. Schedules are prepared and submitted on a pre-scheduled basis one day in advance. Scheduling service may be limited to scheduling a single power resource or forecasting and matching loads to power resources on an hourly, weekly, and monthly basis. In most cases, under existing firm power contracts and Contract 2948A, PG&E schedules the CVP power, integrates it with their power resources and provides the power to Western's preference customers on the PG&E system. When Contract 2948A is terminated, the Western power will need to be scheduled with the control area operator. A preference customer can schedule the power, contract with Western for scheduling services or contract with a third-party.

Additionally, under the restructured industry in California, all power resources will likely be scheduled through the Independent System Operator (ISO). The proposal under the ISO is to have scheduling coordinators perform this task. Western is preparing to offer scheduling coordinator services to its preference customers. In addition to scheduling the Western power resource into the control area or ISO on behalf of the preference customer, Western will be able to integrate the Western power with the preference customer's other power resources and match the power resource to load on an hourly basis. Monthly load data for the previous five years will be required to develop monthly forecasts. The preference customer would request this service from Western as part of the Custom Product. The details necessary to provide scheduling will be developed with each preference customer. If necessary, Western also plans to schedule for Project Use loads.

2. 20-Year Power Resource Extension

Western has proposed that contracts entered into under the Final Plan will be effective for a 20-year term, from January 1, 2005 through December 31, 2024. The 20-year term is consistent with EPAMP's Final Rule. A significant amount of analysis, as well as an extensive public involvement process, went into the development of EPAMP. A programmatic EIS which supports the 20-year contract term has been completed. A 20-year term allows preference customers who purchase Federal power greater stability in planning for future power resources than would exist under a short-term contract. Also, 20-year commitments will help assure project repayment during times when market prices for power fluctuate.

D. First Preference Entitlements

Preference customers located within Calaveras and Tuolumne Counties, and Trinity County have been given a first preference under the Flood Control Act of 1962 and the Trinity River Division Act of 1955 (Acts), respectively. Specifically, preference customers located in these Counties are entitled to up to 25 percent of the additional energy made available to the CVP due to construction of the New Melones Project and the Trinity River Division powerplants. Western is proposing to calculate the additional energy separately for the New Melones Project and the Trinity River Division to determine the Maximum Entitlement of First Preference customers (MEFPC).

The Acts do not specify the basis for calculating the MEFPC. Therefore, Western proposes that the most recent 20-year average historical generation or actual years of data available, whichever time period is less, be used to determine the MEFPC. A 20-year average was chosen to provide an accurate generation calculation, accounting for extremely wet or dry years and possible effects on generation due to operational changes made over time in response to changing conditions or legislated mandates.

The formula proposed to determine MW entitlements for First Preference customers under both Acts is as follows:

$$\frac{(Average\ annual\ generation\ X\ 0.25)}{(Load\ factor\ X\ hours\ in\ a\ year)}$$

Under this proposal, if we were to determine the MEFPC available from both projects today, the following calculations would apply:

Using data from the years 1982 through 1996, the average annual generation from the New Melones Project is 420,870 MWh. Therefore, the MEFPC available would be:

$$\frac{(420,870\ X\ 0.25)}{(0.54^{1j}\ X\ 8,760)} = \frac{105,218}{4,730} = 22.2\ MW^{2j}$$

Using data from the years 1977 through 1996, the average annual generation from the Trinity River Division is 1,412,784 MWh. Therefore, the MEFPC available would be:

$$\frac{(1,412,784\ X\ 0.25)}{(0.69\ X\ 8,760)} = \frac{353,196}{6,044} = 58.4\ MW^{2j}$$

The MEFPC will be recalculated every five (5) years, with the initial recalculation pertaining to the 2004 Marketing Plan completed by December 31, 2002.

^{1j} This load factor is a weighted average of the current three First Preference customers located within Calaveras and Tuolumne Counties for fiscal year 1996.

²⁾ Current load factors, transmission losses and any Project Use associated with the projects will be factored into the equation used to determine the MEFPC applicable during the term of the Final Plan.

E. Transmission

The Proposed Plan provides that transmission service will be unbundled, or marketed separately from the power resource. Transmission service may be offered by Western or may be available as part of the proposed California ISO. Since the transmission service will be unbundled, transmission losses will need to be applied to a preference customer's percentage of the power resource to determine the amount of power delivered. Transmission losses associated with delivery of a Federal power allocation will be measured from the generator bus to the preference customer meter. For example, those preference customers who receive their power directly from Western over the CVP transmission system, would be subject to an estimated 1.8 percent adjustment for energy and capacity. This is an estimate of the expected loss from generator bus to a 230-kV preference customer delivery point.

F. Marketing Area

Western proposes to retain its existing marketing area when new allocations are made under the Final Plan. The current marketing area generally encompasses northern and central California, extending from the Cascade Range to the Tehachapi Mountains, and west central Nevada. This has been the existing marketing area; however, marketing has been restricted to a more specific area under Contract 2948A. A map of the marketing area is provided as Map A.

Because a large percentage of the power resource is proposed to remain with existing customers, expanding the marketing area is not likely to be necessary to market the remaining power resource. A smaller marketing area would be unnecessarily restrictive.

Section IV

IV. Other Proposed 2004 Power Marketing Plan Related Issues

A. Rates

Western develops rates under the "Filing Requirements and Procedures for Approving the Rates of Federal Power Marketing Administrations" (18 CFR part 300), as amended, and the "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" (10 CFR part 903) (copies of these procedures are available upon request). Under these procedures, rates are developed through a public process. Following the end of the public process, Western's Administrator submits the rates to the Deputy Secretary of DOE to confirm, approve, and place the rates in effect on an interim basis. The Deputy Secretary submits the rates to the Federal Energy Regulatory Commission (FERC) and requests approval of the rates for up to a 5-year period. FERC will then confirm and approve the rates on a final basis, remand the rates back to Western for further clarification and study or disapprove the rates. FERC does not approve rate design; rather it approves the adequacy of the rates to meet repayment requirements and adherence to the policies and regulations for Western rates. Western may use its discretion in developing rates for services offered by Western, provided that such rates are the lowest possible rates, consistent with sound business principles. Rates must also be adequate to meet repayment requirements. Western will need to develop rates and charges for each service or product provided. Examples of services with unbundled rates and charges are as follows:

- Base Resource
- Purchased power resources
 - Optional Purchase
 - Custom Product
- Scheduling, system control and dispatch
- Changes to schedules if cost incurred
- Operating reserves
 - Spinning
 - Supplemental
- Reactive supply and voltage control
- Energy imbalance
- Regulation and frequency response
- Transmission
- Emergency power

Western is currently undergoing a public process for power and transmission rates for the 5-year period from October 1, 1997 through September 30, 2002, the maximum period for FERC approval. Rates for services beyond September 30, 2002 will be developed during a subsequent public process. Western cannot determine, at this time, rate designs or rates for services being offered under the Proposed Plan. It is Western's intent to provide services at rates that are competitive with the industry. Using cost estimates from the power repayment study, the Base Resource rates for the period 2005 through 2014 may be in the range of 16 to 19 mills per kilowatthour. This rate includes the cost of PGE purchases and the Washoe Project, but, without CVP transmission. Any restoration fund payments would be in addition to the rate for the Base Resource. The rates will decline after termination of the PGE contract.

B. Summary of Impacts or Potential Impacts to Preference Customers by Western's Proposal

- The Base Resource will be "as available". A firm power allocation may be a Custom Product.
- There may be surplus generation available to a preference customer.
- The Western-managed Power Exchange Program will aid preference customers in efficiently using their power resource.
- Less purchased power will result in less available energy and lower cost.
- Ancillary services and transmission will be unbundled from power sales.
- The Custom Product will allow more flexibility for preference customers.
- All power will be delivered on a scheduled basis.
- The Resource Pool will expand the preference customer base, reducing the power resource available to existing customers.
- 20-year contract extensions will aid preference customers' power resource planning.

C. Future Events with Potential Impacts

Potential impacts from future events are not easily defined. The following are potential events that may impact the preference customers after 2004:

- **Industry Restructuring**
 - AB1890 (ISO and Power Exchange)
 - Open transmission access within California
 - ▷ Market access
 - ▷ Pricing Impacts
 - FERC Orders 888 and 889
 - ▷ Open, nondiscriminatory transmission access
 - ▷ Information on transmission availability
- Possible Federal legislation

Section V

V. Background

A. Western Area Power Administration

Western was established as part of DOE in 1977 pursuant to Section 302 of Public Law 95-91, DOE Organization Act, to market Federal hydroelectric power. This function was formerly performed by Reclamation.

Western's service area covers 1.3 million square miles in 15 states. Western operates and maintains over 16,000 circuit miles of transmission lines and 266 substations from Minnesota and Texas in the east to California in the west.

Western has a Corporate Services Office in Golden, Colorado. Four customer service regional offices are located in Billings, Montana; Loveland, Colorado; Phoenix, Arizona; and Folsom, California. A Customer Service Center is located in Salt Lake City, Utah.

As a Federal power marketing agency, Western's primary objective is marketing Federal hydroelectric power resources "... in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles..." (58 Stat. 887,890). By law, Federal power is sold at rates sufficient to recover all costs, including capital investments and interest, with preference in such sales given to nonprofit entities.

B. Sierra Nevada Customer Service Region

Western's SNR currently markets power to 80 preference customers in northern and central California. SNR's current marketing area extends over most of northern and central California and part of Nevada. The CVP power resources have traditionally been used in the northern and central California area, and the region's energy planning has been developed under the assumption that those power resources will remain in the area.

SNR currently markets approximately 1,580 MW of power to preference customers. Sources for this power include:

- Powerplants in the CVP, operated by Reclamation and the United States Army Corps of Engineers (Corps). The CVP is a multipurpose water development project with total maximum operating capability of approximately 2,044 MW. Average annual generation is about 4,600,000 MWh, of which between 670,000-1,670,000 MWh is used for Project Use pumping. A list of CVP powerplants is provided as Appendix G.
- The Washoe Project consists of one powerplant located at the Stampede Dam near Truckee, California, and has a maximum operating capability of approximately 3.65 MW and an average annual output of about 10,000 MWh.
- Purchased power from suppliers in the Pacific Northwest that is transmitted over the Pacific Northwest-Pacific Southwest Intertie (Intertie), of which SNR has a 400 MW entitlement of

transmission capacity, and the California-Oregon Transmission Project, of which SNR currently has a 150 MW entitlement and a 116-MW layoff right-to-use.

- Power obtained from PG&E through purchases, exchanges and banked power withdrawals under Contract 2948A.
- Power purchased from entities belonging to Western Systems Power Pool and Northern California Power Pool.

C. Central Valley Project Description

1. *History and Description*

The CVP is a large water and power system, initially authorized by Congress in 1935, which covers approximately one-third of the State of California. Legislatively defined purposes set the priorities for the CVP as: (1) river regulation; (2) improvement of navigation; (3) flood control; (4) irrigation; (5) domestic uses; and (6) power. In addition, the CVP Improvement Act of 1992 added fish and wildlife habitat as a priority to the list of CVP purposes.

The CVP is located within the Central Valley and Trinity River basins of California. The CVP includes 18 dams and reservoirs with a total storage capacity of 13 million acre-feet. The system includes 615 miles of canals, 5 pumping facilities, 11 powerplants with a maximum operating capability of about 2,044 MW, approximately 948 circuit-miles of high-voltage transmission lines, 15 substations and 23 communication sites. Reclamation operates the water control and delivery system and all powerplants with the exception of the San Luis Unit, which is operated by the State of California for Reclamation. A map of the principal power facilities is provided as Map B.

The Emergency Relief Appropriations Act of 1935 initially authorized the CVP to be constructed by Reclamation to include Shasta Dam on the Sacramento River in the north and Friant Dam on the San Joaquin River in the south. Located between these are the Tracy Pumping Plant; the Delta-Mendota, Contra Costa, Friant-Kern, and Madera Canals; and the Delta Cross Channel. Powerplants at Shasta and Keswick Dams were also included in the initial authorization, along with high-voltage transmission lines designed to transmit power from Shasta and Keswick Powerplants to the Tracy pumps, and to integrate the Federal hydropower into other electric systems.

In 1944, Congress authorized the American River Division, to be constructed by the Corps. This Division included Folsom Dam and Powerplant, Nimbus Dam and Powerplant and the Sly Park Unit, all located on the American River. In 1949, the Division was re-authorized for integration into the CVP.

The Trinity River Division was authorized by Congress in 1955 to include Trinity Dam and Powerplant, Lewiston Dam and Powerplant and the Lewiston Fish Facilities, all located on the Trinity River. The Trinity River Division also includes Judge Francis Carr Powerplant, Whiskeytown Dam and the Spring Creek Powerplant.

The San Luis Unit, including the B.F. Sisk San Luis Dam and San Luis Reservoir, San Luis Canal, Coalinga Canal, O'Neill and Dos Amigos Pumping Plants and William R. Gianelli Pump-Generator, was authorized by Congress in 1960.

In 1965, Congress authorized construction of the Auburn-Folsom South Unit as an addition to the CVP. This Unit included four sub-units, three of which have been constructed: the Foresthill, Folsom-Malby and Folsom South Canal sub-units. Funding to complete construction of the Auburn Dam, Reservoir and Powerplant, which is part of the fourth sub-unit, has not been authorized by Congress.

Congress authorized the San Felipe Division in 1967 and the Allen Camp Unit in 1976.

Three Corps projects, Buchannan, Hidden and New Melones, were authorized for integration into the CVP in 1962. Black Butte, another Corps project completed in the 1960's, was added to the CVP in 1970 by the Black Butte Integration Act.

In 1964, Congress authorized the 500-kilovolt Intertie, of which Western has a 400 MW entitlement of transmission capacity to import power from the Pacific Northwest.

Western, in marketing the Federal hydroelectric power generated from the CVP, has 80 CVP preference and 34 CVP Project Use customers, serving an estimated two million people.

2. Historical Generation

Historical generation of the CVP since the New Melones Powerplant (the most recent generating facility added to the CVP) became operational is an annual average of 4,600,000 MWh. During the period of 1979 through 1995, the maximum annual generation was 8,800,000 MWh in 1983. The minimum annual generation was 2,100,000 MWh in 1992. In 1996, the annual generation was 5,300,000 MWh. Between 670,000 and 1,670,000 MWh is used for Project Use.

3. Integration With the Pacific Gas and Electric Company

PG&E is an investor-owned utility with its service territory in northern and central California. PG&E and Western currently operate under Contract 2948A, executed in 1967, which provides for the sale, interchange and transmission of electric capacity and energy between Western and PG&E. Contract 2948A also includes provisions for the integration of power generated from the CVP facilities with the 400 MW of entitlement on the Intertie and for PG&E to support a maximum simultaneous demand of 1,152 MW for the preference customers. If the CVP power facilities cannot meet their obligations to the preference customers, Contract 2948A provides Western with the right to purchase capacity and energy from PG&E to meet those requirements. Any energy in excess of Western's obligations to preference customers can be sold to PG&E through a banking provision in the contract. The energy made available under this banking arrangement allows Western to supplement CVP generation to meet preference customer load. These arrangements under Contract 2948A terminate on December 31, 2004.

4. Existing CVP Power Allocations

Power generated from the CVP power facilities is first dedicated to meeting the Project Use requirements. The remaining power is allocated to various preference customers in California. A map showing the location of existing customers is provided as Map C. Preference customers consist of the following:

- Irrigation and Water Districts
- Public Utility Districts
- Municipalities
- Federal Agencies
- State Agencies
- Rural Electric Cooperatives
- Local and Suburban Passenger Transportation Entities
- Joint Power Authorities

Each preference customer's CRD is composed of Long-Term Firm power and may include short-term withdrawable power that is currently allocated, but unused by another preference customer. It is assumed that all preference customer withdrawable CRD can be withdrawn in the event the load level of 1,152 MW is exceeded.

5. Marketing History

Power was first generated in the CVP at the Shasta Powerplant in 1944. Formal allocations of 450 MW of CVP power were first made in 1952 and primarily delivered and marketed under contracts between Interior and PG&E. In 1964, with the addition of the Trinity River Division facilities, allocations to preference customers were increased to 925 MW. In 1967, under the terms of Contract 2948A, power imports over the Intertie (Northwest imports) were incorporated along with provisions for load level increases up to 985 MW in 1975, and up to 1,050 MW in 1980.

During the 1964 allocation process, the City of Santa Clara did not receive an allocation of CVP power. However, through an administrative appeal, it received an allocation of 75 MW, which was subject to withdrawal whenever the load level was exceeded. Interior initiated withdrawals of power from Santa Clara in 1971, which Santa Clara contested. In 1975, Santa Clara filed a lawsuit to obtain a nonwithdrawable CVP firm power allocation. This lawsuit was settled in 1980, with Santa Clara receiving a CVP firm power allocation of 65 MW and 60 MW of withdrawable power, and retaining 3.532 MW of the initial allocation of withdrawable power. Also under terms of the settlement, the load level under Contract 2948A was increased by 102 MW to 1,152 MW. This increase in allocations was accomplished under the 1981 Power Marketing Plan (47 FR 4139) dated January 28, 1982. New preference customers received 26 MW of nonwithdrawable power and 42 MW of withdrawable power for a total of 68 MW, with 4 MW of withdrawable power left unallocated. Also, Diversity Power allocations of 30 MW were made to those preference customers who could shed load during SNR's system simultaneous peak.

During the same time period, SMUD challenged Western's right to meld the costs of Northwest imports into CVP power rates charged to SMUD. In a 1983 settlement, it was agreed that SMUD would pay the melded CVP power rates; SMUD's electric service contract, due to expire in 1994, would be extended through 2004; and SMUD would have the right to purchase 100 MW of peaking capacity through 2004. Further, SMUD would have the right to purchase a portion of the power to be marketed from 2005 through 2014.

Under the 1994 Power Marketing Plan (57 FR 45782 and 58 FR 34579) dated October 5, 1992 and June 28, 1993, respectively, SNR had approximately 530 MW of power available for reallocation due to the expiration of certain contracts. This was about one-third of the total power under contract from previous allocations. SNR allocated 379 MW of Long-Term Firm Power, 41 MW of Type III Withdrawable Power, 9 MW of Diversity Power and 80 MW of Curtailable Power. SNR did not allocate 21 MW of Diversity Power. Existing customers with contracts expiring in 1994 were allocated 501 MW, and approximately 8 MW were allocated to new preference customers.

In addition to the power marketed in the 1994 Power Marketing Plan, total power under existing contracts includes approximately 910 MW of Long-Term Firm Power, 100 MW of peaking capacity and 60 MW of withdrawable power, for a total of about 1,580 MW. See Appendix H for existing customers' CRD amounts.

On November 30, 1993, the NDA Act was signed into law. This act provides that, for a 10-year period, the CVP electric power allocations to military installations in the State of California which have been closed or approved for closure shall be reserved for sale through long-term contracts to preference entities which agree to use such power to promote economic development at the military installations closed or approved for closure. On December 1, 1994, Western published the final NDA Act procedures developed to fulfill the requirements of section 2929 of the NDA Act (59 FR 61604). To date, about 42 MW of Long-Term Firm Power and about 9 MW of withdrawable power under contract to military installations being closed has been converted to NDA Act power.

D. Washoe Project Description

1. *History and Description*

The Washoe Project was authorized by Congress in 1956 and is a separate project from the CVP. The Washoe Project, located in west-central Nevada and east-central California, was designed to: (1) regulate runoff from the Truckee and Carson rivers; (2) enhance irrigation, water drainage and municipal, industrial and fisheries uses; (3) provide flood protection; (4) fish and wildlife habitat; and (5) recreation. The Washoe Project includes Prosser Creek Dam and Reservoir; Stampede Dam, Reservoir and Powerplant; Marble Creek Dam; and Pyramid Lake Fishway. The Stampede Powerplant, located in Sierra County, California, was completed in 1987, and has a maximum operating capability of 3.65 MW with an estimated annual generation of 10,000 MWh. Sierra Pacific Power Company (SPPC) owns and operates the only transmission system available for distribution of power generated at the Stampede Powerplant (Stampede).

2. *Historical Generation*

The historical average annual generation of Stampede is 8,500 MWh. Over the last nine years, the generation from Stampede has been less than 0.5 percent of CVP generation. Generation has ranged from 2,500 MWh in 1988 to 18,000 MWh in 1996, which is Stampede's maximum annual generation thus far.

3. *Marketing History*

Pursuant to Final Allocation of Stampede Powerplant Power (50 FR 43456) dated October 25, 1985, Western allocated all the energy generated at Stampede in excess of that needed to serve Project Use requirements (Lahontan Fish Hatchery and Marble Bluff Fish Facility) to Truckee-Donner Public Utility District (Truckee-Donner). Because Truckee-Donner was unable to obtain transmission service, it was unable to enter into a contract with Western to receive Stampede energy. In 1988, Western rescinded the allocation of Stampede energy to Truckee-Donner and began marketing Stampede energy to SPPC under a short-term agreement.

In 1990, Western began conducting a bidding process for the sale of Stampede energy, giving priority to preference entities. Since no preference entity met the bidding criteria, SPPC continued to purchase Stampede energy under short-term agreements.

In April 1994, Western executed agreements with SPPC and F&WS which established a mechanism to provide Project Use service to the F&WS facilities. These agreements also provide Western the option to market and transmit all energy, in excess of that which is required to fulfill the Project Use requirement, outside of SPPC's control area. This arrangement is on a year-to-year basis.

Appendix A

**Federal Register Notice of
Proposed 2004 Power Marketing Plan**

long-term CVP power sales contracts will expire, along with Contract 14-06-200-2948A (Contract 2948A) with the Pacific Gas and Electric Company (PG&E) for the sale, interchange and transmission of electric capacity and energy. Western has developed the Proposed Plan to define the products and services to be offered, and the eligibility and allocation criteria that will lead to allocations of CVP and Washoe Project power beyond the year 2004. This Federal Register notice initiates the Administrative Procedure Act process that gives the public an opportunity to participate in administrative rulemaking for marketing of this power by Western after the year 2004, and requests public comment.

DATES: On April 8, 1997, beginning at 10 a.m., Western will hold a public information forum on the Proposed Plan. At the information forum, Western representatives will present the Proposed Plan and respond to questions from the public. On April 24, 1997, beginning at 1 p.m., Western will hold a public comment forum to receive oral and written comments on the Proposed Plan. Each forum will be held at the Sierra Nevada Regional Office, 114 Parkshore Drive, Folsom, California. Oral or written comments may be presented at the public comment forum. A transcript of oral comments made at this forum will be available from the court reporter. Written comments on the Proposed Plan will be accepted from the date of publication of this Federal Register notice through May 27, 1997.

ADDRESSES: Written comments may be hand-delivered, mailed, or faxed to the address provided below. Comments must be received by 5 p.m. PDT or postmarked on May 27, 1997 to assure consideration. Inquiries and written comments regarding the Proposed Plan should be directed to: James C. Feider, Regional Manager, Western Area Power Administration, Sierra Nevada Region, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4418, (916) 985-1931 FAX.

All documentation developed or retained by Western for the purpose of developing the Proposed Plan will be available for inspection and copying at the address below.

FOR FURTHER INFORMATION CONTACT: Zola M. Jackson, Power Marketing Manager, Western Area Power Administration, Sierra Nevada Region, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4421.

After all public comments have been considered, Western will publish a Final 2004 Power Marketing Plan (Final Plan) in the Federal Register.

Proposed 2004 Power Marketing Plan

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed plan.

SUMMARY: The Western Area Power Administration's (Western) Sierra Nevada Customer Service Region (Sierra Nevada Region) has developed a Proposed 2004 Power Marketing Plan (Proposed Plan). The Proposed Plan provides for marketing power from Central Valley Project (CVP) and Washoe Project powerplants after the year 2004. Western currently markets about 1,580 megawatts (MW) of CVP power under long-term contracts to 80 preference customers in northern and central California. Western also markets 3.65 MW of Washoe Project power. On December 31, 2004, all of Western's

SUPPLEMENTARY INFORMATION:**Authorities**

The Sierra Nevada Region developed this Proposed Plan in accordance with its power marketing authorities in the Federal Reclamation laws, the Act of June 17, 1902 (32 Stat. 388), the Act of August 4, 1939 (53 Stat. 1187); the Act of April 8, 1935 (49 Stat. 115), the Act of June 22, 1936 (49 Stat. 1622), the Act of August 26, 1937 (50 Stat. 844), the Act of October 17, 1940 (54 Stat. 1198), the Act of December 22, 1944 (58 Stat. 887), Act of October 14, 1949 (63 Stat. 852), the Act of September 26, 1950 (64 Stat. 1036), the Act of August 12, 1955 (69 Stat. 719), the Act of August 1, 1956 (70 Stat. 775), the Act of June 3, 1960 (74 Stat. 156), the Act of October 23, 1962 (76 Stat. 1173), the Act of September 2, 1965 (79 Stat. 615), the Act of August 4, 1977 (91 Stat. 565), and the Act of July 16, 1984, including all acts amendatory and/or supplementary to the above listed.

Development of the Proposed Plan

Western is developing the Proposed Plan to define: (1) the products and services to be offered, and (2) the criteria for allocating power resources to be marketed under contracts that will replace those expiring on December 31, 2004.

Development of the Proposed Plan was initiated with a series of three informal public information meetings held on November 17, 1995, March 7, 1996, and May 13, 1996. These meetings began informal discussions to identify pertinent issues and possible marketing options, including products and services and eligibility and allocation criteria, to be included in the Proposed Plan. During the informal process, Western evaluated several options for marketing power after termination of existing contracts. Western's proposal provides each customer a right to customize its power allocation from Western. This will provide a customer the flexibility to optimize the use of Western power.

Western is also proposing to offer a resource extension to existing customers and to offer a portion of the resource to new customers. Western believes its Proposed Plan provides a balance between existing and new customers, while meeting its contractual obligations that continue beyond 2004.

As explained in the DATES section of this notice, Western will hold public information and comment forums on the Proposed Plan. After consideration of all public comments, Western will publish notice of the Final Plan in the Federal Register. With that notice, Western will

also announce its decisions regarding power resource extensions to existing customers and call for applications for new allocations. The deadline for receipt of applications will be set forth in the call for applications. Western will then consider the applications, determine which applications meet the requirements of the Final Plan, and exercise its discretion provided by law in allocating the power to eligible applicants. Proposed and final allocations will subsequently be published in the Federal Register.

To implement the Proposed Plan, the level of power resources to be marketed must be determined. Determining levels of power resources to be marketed and subsequently entering into contracts for the delivery of related products and services could be a major Federal action with potentially significant impacts on the human environment. Therefore, an Environmental Impact Statement (EIS) process was initiated on the 2004 Power Marketing Program with a Federal Register notice published at 58 FR 42536 and 43105, on August 10 and 13, 1993, respectively, in compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, et seq.), as amended, and associated implementing regulations. Following several public meetings, a draft EIS was prepared. The draft EIS described the environmental consequences of a range of reasonable marketing plan alternatives and identified no significant impacts. A Federal Register notice was published on May 24, 1996 (61 FR 26174) announcing that the draft EIS was available for public review and comment. Also, Western held a public hearing on June 13, 1996 to receive formal comments on the draft EIS, with a July 31, 1996 deadline for receipt of written comments. A final EIS is expected to be completed by March 1997, and a Record of Decision is tentatively scheduled to be published in April 1997. The Final Plan will incorporate decisions made as a result of the findings of the final EIS.

The schedule for the Proposed Plan was developed to recognize Western's responsibility to its customers to provide: (1) necessary planning time (approximately 5 years after final contract commitments) for customers to acquire new power resources should their allocation of CVP power change; (2) sufficient time for Western's Sierra Nevada Region or its customers to negotiate contracts for control area services, third-party transmission, and supplemental power supplies; and (3) time to meet with each customer to design a product/service package prior

to the customer making a final commitment.

The Proposed Plan also incorporates the intent of the Final Rule for the Energy Planning and Management Program (EPAMP) (10 CFR part 905), published by Western on October 20, 1995 at 60 FR 54151. The EPAMP Final Rule became effective on November 20, 1995. EPAMP implements Section 114 of the Energy Policy Act of 1992, and requires Western's customers to prepare Integrated Resource Plans (IRP). The Power Marketing Initiative (PMI) of EPAMP provides a framework for extending a major portion of the power available at the time current contracts expire to existing customers, and for establishing project-specific resource pools. During the public process for EPAMP, it was determined that application of the PMI to the CVP would be evaluated during the 2004 Power Marketing Plan public process.

Background

The CVP is a large water and power system, initially authorized by Congress in 1935, which covers approximately one-third of the State of California. Legislatively defined purposes set the priorities for the CVP as: (1) river regulation; (2) improvement of navigation; (3) flood control; (4) irrigation; (5) domestic uses; and (6) power. In addition, the CVP Improvement Act of 1992 added fish and wildlife habitat as a priority to the list of CVP purposes.

The CVP power facilities include 11 powerplants with a maximum operating capability of about 2,044 MW, and an estimated average annual generation of 4.6 million megawatt-hours (MWh). The U.S. Department of the Interior, Bureau of Reclamation (Reclamation) operates the water control and delivery system and all of the powerplants with the exception of the San Luis Unit, which is operated by the State of California for Reclamation. Western markets and transmits the power available from the CVP.

Western owns the 94 circuit-mile Malin-Round Mountain 500-kilovolt (kV) transmission line (an integral section of the Pacific Northwest-Pacific Southwest Intertie (Pacific Intertie)), 803 circuit miles of 230-kV transmission line, 7 circuit miles of 115-kV transmission line and 44 miles of 69-kV and below transmission line. Western also has part ownership in the 342-mile California-Oregon Transmission Project (COTP). Some of Western's existing customers have no direct access to Western's transmission lines and receive service over transmission lines owned by other utilities.

Western has historically combined output from CVP hydroelectric facilities with supplemental power from a number of other power resources. This has enabled Western to enhance the CVP power resources and to market an amount of firm power to its customers that would not be available solely from CVP facilities in all years. A portion of this supplemental power has been transmitted over the COTP and Pacific Intertie.

The Washoe Project was authorized by Congress in 1956 and is a separate project from the CVP. The Washoe Project, located in west-central Nevada and east-central California, was designed to regulate runoff from the Truckee and Carson rivers and to enhance irrigation; water drainage; municipal, industrial, and fisheries uses; and provide flood protection; fish and wildlife habitat; and recreation. The Washoe Project includes Prosser Creek Dam and reservoir; Stampede Dam, reservoir, and powerplant; Marble Creek Dam; and Pyramid Lake Fishway. The Stampede Powerplant, located in Sierra County, California, was completed in 1987, and has a maximum operating capability of 3.65 MW with an estimated annual generation of 10,000 MWh. Sierra Pacific Power Company (SPPC) owns and operates the only transmission system available for distribution of power generated at the Stampede Powerplant.

History of Central Valley Project Power Allocations

Power was first generated in the CVP at the Shasta Powerplant in 1944. Formal allocations of 450 MW of CVP power were first made in 1952. In 1964, with the addition of the Trinity River Division facilities, allocations to preference customers were increased to 925 MW. In 1967, under terms of Contract 2948A, power imports over the Pacific Intertie (Northwest imports) were incorporated along with provisions for load level increases up to 985 MW in 1975 and up to 1,050 MW in 1980.

Later in 1980, the load level was increased by 102 MW to 1,152 MW. This increase in allocations was accomplished under the 1981 Power Marketing Plan (47 FR 4139) dated January 28, 1982. New customers received 26 MW of nonwithdrawable power and 42 MW of withdrawable power for a total of 68 MW, with 4 MW of withdrawable power left unallocated. Also, diversity power allocations of 30 MW were made to those customers who could shed load during Sierra Nevada Region's system simultaneous peak.

During the same time period, SMUD challenged Western's right to meld the

costs of Northwest imports into CVP power rates charged to SMUD. In a 1983 settlement, it was agreed that SMUD would pay the melded CVP power rates; SMUD's electric service contract, due to expire in 1994, would be extended to 2004; and SMUD would have the right to purchase 100 MW of peaking capacity through 2004. Further, SMUD would have the right to purchase a portion of the power to be marketed from 2005 to 2014.

Under the 1994 Power Marketing Plan (57 FR 45782 and 58 FR 34579) dated October 5, 1992 and June 28, 1993, respectively, existing customers with contracts expiring in 1994 were allocated 501 MW, and approximately 8 MW was allocated to new customers.

In addition to the power marketed in the 1994 Power Marketing Plan, total power under existing contracts includes approximately 910 MW of long-term firm power, 100 MW of peaking capacity, and 60 MW of withdrawable power, for a total of about 1,580 MW. See Appendix A of this notice for Existing Customers' CRD Amounts.

On November 30, 1993, the National Defense Authorization Act (NDA Act) was signed into law. This act provides that, for a 10-year period, the CVP electric power allocations to military installations in the State of California which have been closed or approved for closure shall be reserved for sale through long-term contracts to preference entities which agree to use such power to promote economic development at the military installations closed or approved for closure. On December 1, 1994, Western published the final NDA Act procedures developed to fulfill the requirements of section 2929 of the NDA Act (59 FR 61604). To date, about 42 MW of long-term firm power and about 9 MW of withdrawable power under contract to military installations being closed has been converted to NDA Act power.

History of Washoe Project (Stampede Powerplant) Allocations

Pursuant to Final Allocation of Stampede Powerplant Power (50 FR 43456) dated October 25, 1985, Western allocated all the energy generated at Stampede Powerplant in excess of that needed to serve project use (Lahontan Fish Hatchery and Marble Bluff Fish Facility) to Truckee-Donner Public Utility District. Because Truckee-Donner was unable to obtain transmission service, it was unable to enter into a contract with Western to receive Stampede energy. In 1988, Western rescinded the allocation of Stampede energy to Truckee-Donner and marketed

Stampede energy to SPPC under short-term agreements.

In 1990, Western began conducting a bidding process for the sale of Stampede energy, giving priority to preference entities. Since no preference entity met the bidding criteria, SPPC continued to purchase Stampede energy under short-term agreements.

In April 1994, Western executed agreements with SPPC and the Fish and Wildlife Service (F&WS) which established a mechanism to provide project use service to the F&WS facilities. These agreements also provide Western the option to market and transmit all energy, in excess of that which is required to provide project use service, outside of SPPC's control area.

Regulatory Procedure Requirements

Regulatory Flexibility Analysis

Pursuant to the Regulatory Flexibility Act of 1980 (5 U.S.C. 601, et seq.), each agency, when required to publish a proposed rule, is further required to prepare and make available for public comment an initial regulatory flexibility analysis to describe the impact of the proposed rule on small entities. Western has determined that (1) this rulemaking relates to services offered by Western and therefore is not a rule within the purview of the Act, and (2) an allocation of power from Western would not cause an adverse economic impact to such entities. The requirements of this Act can be waived if the head of the agency certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. By his execution of this Federal Register notice, Western's Administrator certifies that no significant economic impact on a substantial number of small entities will occur.

Environmental Compliance

In compliance with NEPA (42 U.S.C. 4321, et seq.), Council on Environmental Quality NEPA implementing regulations (40 CFR parts 1500-1508), and DOE NEPA implementing regulations (10 CFR part 1021), Western completed an environmental impact statement on EPAMP. The Record of Decision was published in the Federal Register on October 12, 1995 (60 FR 53181). Additionally, as described in the Supplementary Information Section of this notice, Western and the Environmental Protection Agency announced the availability of Western's draft EIS on the 2004 Power Marketing Program in Federal Register notices published on May 24, 1996 (61 FR

26174 and 26178, respectively). The draft EIS described the environmental consequences of a range of reasonable marketing plan alternatives and identified no significant impacts. The Proposed Plan falls within the range of alternatives considered. This NEPA review will assure all environmental effects related to Western's Proposed Plan have been identified and analyzed.

CVP and Washoe electrical capacity and energy to be marketed is influenced by available reservoir storage and water releases controlled by Reclamation within the CVP in California. Pursuant to Title 34 of Public Law 102-575, the CVP Improvement Act of 1992, Reclamation is preparing a Programmatic Environmental Impact Statement (PEIS) addressing improvements to fish and wildlife habitat stipulated in Public Law 102-575, and potential changes in CVP operations and water allocations to meet those obligations. The draft PEIS may result in modifications to CVP facilities and operations that would affect the timing and quantity of electric power generated by the CVP. Such changes may, in turn, affect electric power products and services to be marketed by Western. This Proposed Plan is designed to accommodate these changes. Western is a cooperating agency in Reclamation's PEIS.

Review Under the Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980, 44 U.S.C. 3501-3520, Western has received approval from the Office of Management and Budget (OMB) for the collection of customer information in this rule, under control number 1910-1200.

Determination Under Executive Order 12866

DOE has determined that the Proposed Plan is not a significant regulatory action because it does not meet the criteria of Executive Order 12866 (58 FR 51735). Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by OMB is required.

Proposed 2004 Power Marketing Plan

This Proposed Plan addresses: (1) the power to be marketed after 2004; (2) the terms and conditions under which the power will be marketed; and (3) the criteria to determine who will receive an allocation.

Within broad statutory guidelines and operational constraints of the CVP, Western has wide discretion as to whom and on what terms it will contract for

the sale of Federal power as long as preference is accorded to statutorily defined public bodies. Power must be sold in such a manner as will encourage the most widespread use at the lowest possible rates consistent with sound business principles.

I. Acronyms and Definitions

As used herein, the following acronyms and terms, whether singular or plural, shall have the following meanings:

Administrator: The Administrator of Western Area Power Administration.

Allocation: An offer to an entity to purchase power from Western.

Allocation Criteria: Conditions applied to all applicants seeking an allocation.

Allottee: A preference entity receiving an allocation or power resource extension.

Ancillary Services: Those services necessary to support the transfer of electricity while maintaining reliable operation of the transmission provider's transmission system in accordance with good utility practice. Ancillary services are generally described in Federal Energy Regulatory Commission Order No. 888, Docket Nos. RM95-8-000 and RM94-7-001, issued April 24, 1996.

Base Resource: CVP and Washoe Project power output and existing power purchase contracts extending beyond 2004 determined by Western to be available for marketing, exclusive of project use and First Preference entitlements.

Capacity: The electrical capability of a generator, transformer, transmission circuit or other equipment.

Central Valley Project (CVP): A multipurpose Federal water development project extending from the Cascade Range in northern California to the plains along the Kern River south of the City of Bakersfield.

Contract Principles: Provisions made part of the electric service contracts which include the General Power Contract Provisions.

Contract Rate of Delivery (CRD): The maximum amount of capacity made available to a preference customer for a period specified under a contract.

Curtailed Power: Power which may be curtailed on a real-time scheduling basis at Western's sole discretion under certain conditions.

Custom Product: A combination of products and services, excluding provisions for load growth, made available by Western per customer request, utilizing the customer's Base Resource and supplemental purchases made by Western at customer expense.

Customer: An entity with a contract and receiving electric service from Western's Sierra Nevada Region.

Diversity Power: Power made available because of the diversity of customers' peak demands at the time of Sierra Nevada Region's peak demand.

Eligibility Criteria: Conditions that must be met to qualify for an allocation.

Energy: Measured in terms of the work it is capable of doing over a period of time; electric energy is usually measured in megawatt-hours.

Energy Planning and Management Program (EPAMP): Western-wide program developed to encourage customer energy planning (60 FR 54151, dated October 20, 1995).

Existing Customer: A preference customer with a contract to purchase firm power, offered under a previous allocation process or marketing plan, that extends through December 31, 2004.

Extension CRD: Existing customer's CRD exclusive of Diversity and Curtailed Power, peaking/excess capacity, and NDA Act Power not used for military loads.

Final Plan: Western's Final 2004 Power Marketing Plan.

Firm: A type of product and/or service that is available to a customer at the times it is required.

First Preference Customer/Entity: A preference customer and/or a preference entity (an entity qualified to use, but not using preference power) within a county of origin (Trinity, Calaveras and Tuolumne) as specified under the Trinity River Division Act (69 Stat. 719) and the New Melones Act of the Flood Control Act of 1962 (76 Stat. 1180).

General Power Contract Provisions (GPCP): Standard terms and conditions which are included in electric service contracts.

Integrated Resource Plan (IRP): A process and framework within which the costs and benefits of both demand and supply-side resources are evaluated to develop the least total cost mix of utility resource options.

Kilowatt (kW): The electrical unit of capacity that equals one thousand watts.

Load Factor: The ratio of the average load in kW supplied during a designated period to the peak or maximum load in kW occurring in that period.

Long-Term: A designation for a contractual period of time greater than 5 years.

Marketing Area: The area which generally encompasses northern and central California extending from the Cascade Range to the Tehachapi Mountains and west-central Nevada.

Megawatt (MW): The unit by which the rate of production of electricity is

often measured; one megawatt equals one million watts.

NDA Act: Section 2929 of the National Defense Authorization Act, Public Law 103-160, 107 Stat. 1547, 1935 (1993), which provides that, for a 10-year period, the CVP electric power allocations to military installations in the State of California which have been closed or approved for closure shall be reserved for sale through long-term contracts to preference entities which agree to use such power to promote economic development at the military installations closed or approved for closure.

NDA Act Power: Power allocated in accordance with the NDA Act Procedures (59 FR 61604, dated December 1, 1994), which provide for NDA Act power allocations.

Peaking: The operation of electric powerplants for brief periods when demand for electricity is greatest.

Power: Capacity and energy.

Power Marketing Initiative (PMI): A component of Western's EPAMP providing criteria regarding certain Western power marketing programs.

Preference: The requirements of Reclamation law which provide that preference in the sale of Federal power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936

(Reclamation Project Act of 1939, section 9(c), 43 U.S.C. 485h(c)).

Project Use: Power as defined by Reclamation law and/or used to operate CVP and Washoe Project facilities.

Proposed Plan: Western's Proposed 2004 Power Marketing Plan.

Reclamation law: Refers to a series of Federal laws with a lineage dating back to the turn of the century. Viewed as a whole, these laws create the framework under which Western markets power.

Sierra Nevada Region: The Sierra Nevada Customer Service Region of Western Area Power Administration.

Unbundled: Electric service that is separated into its components and offered for sale with separate rates for each component.

Washoe Project: A Federal water project located in the Lahontan Basin in west-central Nevada and east-central California.

Western: Western Area Power Administration, United States Department of Energy, a Federal power marketing administration responsible for marketing the surplus generation from Federal hydroelectric multipurpose projects pursuant to Reclamation law and the DOE Organization Act (91 Stat. 565, 42 U.S.C. 7101, et seq.).

Withdrawable: Power that may be withdrawn under certain conditions.

II. Marketable Power Resource

The primary purpose of the CVP and Washoe Project is water control and

delivery. The water control system consists of storage reservoirs that provide daily, seasonal, and annual flow regulation, and smaller regulating reservoirs for diverting water and smoothing upstream dam and powerplant releases. Power generated from these resources depends on hydrology and water operation requirements. Some of the power generated is used for project use to operate pumping and fishery facilities. Currently, project use power is metered at 181 locations in northern and central California and Nevada.

Expected CVP generation (energy and capacity) for 2005 and beyond will vary annually, monthly, and daily, based on hydrology and other constraints that govern CVP operations. CVP generation is available at generator bus and must be adjusted for project use, maintenance, reserves, transformation losses, and certain ancillary services before a Base Resource is available for marketing. Transmission losses will be pursuant to the terms of a transmission service agreement. The power resources will also be adjusted for First Preference customers as described in this Proposed Plan.

The following Table provides estimates of CVP power resources and adjustments before any power resources are available to customers beyond 2004:

TABLE A.—ESTIMATED CVP POWER RESOURCES AND ADJUSTMENTS

Power resources/adjustment	Range/value
Annual energy generation	2,400,000–8,600,000 MWh.
Monthly energy generation	100,000–1,100,000 MWh.
Monthly capacity	1,100–1,900 MW.
Annual project use	670,000–1,670,000 MWh.
Monthly project use	10,000–180,000 MWh.
Monthly project use (on peak)	30–230 MW.
Monthly maintenance	0–300 MW.
Reserves	5% of monthly capacity.
CVP transmission and transformation losses from the generator bus to a 230-kV load bus	1.8% (as of 1995).

All of the power resource adjustments and variables mentioned above will influence the amount of Base Resource available to customers. During some critically dry months, purchases may be required to meet project use and only a minimal amount of Base Resource will be available during such months. The useability of the Base Resource for meeting customers' loads will be directly related to a customer's ability to integrate this power resource into their power resource mix.

Western proposes to include any power available from existing power

purchase contracts with terms extending beyond 2004 in the Base Resource. Currently, Western has a contract with Portland General Electric Company for 65 MW at a 40 percent minimum load factor that has a final termination date of October 15, 2015.

Western also proposes to market part of the 3.65 MW available from the Washoe Project with the CVP power resource on an annual basis. Energy from the Washoe Project, which is estimated to be about 10,000 MWh annually, is currently being provided to F&WS Lahontan National Fish Hatchery

and Marble Bluff Fish Facility. These F&WS facilities are project use loads of the Washoe Project and have first call on the power resources from the Washoe Project. All costs associated with providing F&WS project use service are, by law, nonreimbursable, and are not included in the Washoe Project energy rates. Energy in excess of the F&WS needs will be sold under the Final Plan.

Western will continue to make every effort to provide the Washoe Project power resource to F&WS. F&WS is currently using approximately 50

percent of Washoe Project generation, and the same percentage of costs is considered nonreimbursable. Western expects that F&WS loads will increase, reducing the amount of power resource to be integrated with the CVP as well as the cost to be repaid from power revenues.

III. Products and Services

Western proposes to market its Base Resource alone or in combination with the option to purchase a Custom Product. The Custom Product will be in addition to the optional purchase described in Section IV.A.2. All costs incurred by Western in providing additional services to customers will be paid by those customers. The degree to which Western continues to purchase power will depend on customer requirements and Federal authorities. All products will be subject to operational requirements and constraints of the CVP, transmission availability, and purchase limitations.

Each allottee will be allocated a portion of the Base Resource. Following execution of a contract pursuant to the Final Plan, Western will work with each individual allottee to determine the best use of the Base Resource for that allottee. All allottees will be required to commit to the Base Resource no later than December 31, 1999.

Upon request, Western will develop a Custom Product for any allottee. A Custom Product may include use of the Base Resource as firm power, ancillary services, reserves, etc., or may include Western purchasing additional resources, including firming energy, to provide some of these services. Final commitments to a Custom Product must be made by December 31, 2001, for a period of no less than five (5) years of service. Thereafter, the Custom Product will be offered for periods of one (1) year or more.

Any unused power resource available will be marketed under terms and conditions and for periods of time determined by Western. Products and services from unused power resources may be made available on a monthly, weekly, daily, hourly, or nonfirm basis.

Western may offer unused First Preference power, subject to withdrawal on a pro-rata basis, upon six (6) months written notice.

Western proposes to establish and to manage an exchange program to allow

all customers to fully and efficiently use their power allocation. Any power allocated by Western to a customer that cannot be used on a real-time basis due to that customer's load profile must first be offered under this program to other customers or Western. Western will not be obligated to exchange or to purchase any surplus power from the customers on its own behalf. If the surplus power is not exchanged with other customers or purchased by Western under this program, it may be offered to others, giving priority to preference entities.

IV. Proposed Resource Extension and Resource Pool Allocation

On December 31, 2004, Western's long-term CVP power sales contracts for 1,580,230 kilowatts (kW) will expire. This Proposed Plan addresses the eligibility for and allocation of CVP and Washoe Project power after these contracts expire. When allocating power under the Final Plan, Western proposes to apply the principles of the Power Marketing Initiative (PMI) of the Energy Planning and Management Program. In accordance with the PMI, Western proposes to set aside a portion of its available power resource for new allocations. Based on Western's evaluation of potential new loads, Western proposes to initially provide 96 percent of its available power resource to existing customers and to establish a resource pool for new allocations with the remaining 4 percent. An additional incremental resource pool of up to 2 percent is proposed for 2014. When calculating the 96 percent resource extension for existing customers, only CRD classified as Extension CRD will be considered. Also, no extensions will be greater than an existing customer's load. Extension CRD amounts are set forth in Appendix A. Contractual extensions to First Preference customers are subject to specific legislation and are addressed in Section VI.

A. Extension for Existing Customers

Western proposes that existing customers will have a right to purchase a percentage of the Base Resource based on the ratio of each existing customer's Extension CRD to the total of all existing customers' Extension CRD under the terms of this Section. However, for the period from 2005 through 2014, Western is proposing that SMUD will have a right to purchase 360/1,152 of the Base

Resource, as referenced in the settlement agreement with SMUD, Contract DE-MS65-83WP59070, dated April 15, 1983. All other existing customers will have a right to purchase the remaining amount of the Base Resource, after it is adjusted to accommodate SMUD's rights and the resource pool. After 2014, SMUD's right to purchase the Base Resource will be adjusted to reflect the ratio of SMUD's Extension CRD (currently 361 MW) to the total of all existing customers' Extension CRD. SMUD's rights will also be adjusted by 4 percent and up to an additional 2 percent to accommodate the resource pool.

Due to the diversity among existing customers' loads, including SMUD, existing customers' total Extension CRD exceeds the 1,152 MW referenced in the SMUD settlement agreement. Western's proposal will result in SMUD receiving a proportionately greater share of the Base Resource than other existing customers if the total Extension CRD remains at a level greater than 1,152 MW. Therefore, Western is also proposing that through 2014, all existing customers, excluding SMUD, be given the option to have Western purchase an additional increment of power, on a pass-through-cost basis, equal to the amount of power unavailable to them as a result of application of the 360/1,152 ratio. Existing customers must commit to the optional purchase for an annual or greater period.

After 2014, each existing customer, including SMUD and those customers that receive a new allocation under the Final Plan, will have a right to purchase a pro-rata amount of the Base Resource, adjusted for the incremental resource pool, based on their long-term purchase right to the Base Resource.

Western proposes the following extension formulas to determine existing customers' purchase right to the Base Resource. Application of these formulas will also determine each existing customer's right to the optional purchase. Examples of the formulas are provided in Appendix B. This calculation may be further adjusted for First Preference customers.

1. For the period 2005 through 2014, existing customers purchase right to an extension resource will be calculated as follows:

$$\text{a. SMUD's purchase right} = \frac{360}{1,152} \times \text{BR}$$

$$\text{b. Other existing customers purchase rights} = \frac{A}{B} \times \text{ABR}$$

Where:

A = Lesser of individual existing customer's Extension CRD as of December 31, 2001; or 104 percent of their maximum demand during

CY 1997 through 2000. Western reserves the right to adjust the value of "A" when it is determined that the maximum demand is not

reflective of an existing customer's load.

B = The sum of all values for "A".
BR = Base Resource available.
ABR = Adjusted Base Resource

$$= \left[\text{BR} - \left(\frac{360}{1,152} \times \text{BR} \right) \right] \times (100\% - \text{RP}\%).$$

RP% = Resource pool percentage.

2. Existing customer's (excluding SMUD) right to the optional purchase will be calculated as follows:

$$\text{individual existing customer's optional purchase} = \frac{A}{B} \times \text{TOP}$$

Where:

TOP = Total Optional Purchase

$$= \left(\frac{360}{1,152} - \frac{361}{C} \right) \times \text{BR} \times (100\% - \text{RP}\%).$$

A = Lesser of individual existing customer's Extension CRD as of December 31, 2001; or 104 percent of their maximum demand during CY 1997 through 2000. Western reserves the right to adjust the value of "A" when it is determined that the maximum demand is not reflective of an existing customer's load.

B = The sum of all values for "A".

BR = Base Resource available.

RP% = Resource pool percentage.

C = The sum of all existing customers', including SMUD, Extension CRD.

Western and SMUD have been negotiating an agreement whereby SMUD would waive its rights to the 360/1,152 ratio in return for additional services through 2004. If such an agreement is reached, these formulas will be appropriately adjusted.

3. For the period 2015 through 2024, the rights of all existing customers, including SMUD and customers receiving a new allocation from the initial resource pool under the Final Plan, will have a right to a resource extension equal to their pro-rata share of the Base Resource. To determine a customer's pro-rata share, each

customer's percentage will first be adjusted based on the change in SMUD's percentage described earlier in this Section. All customers' percentages, including SMUD, will then be adjusted to accommodate the incremental resource pool as determined by Western, up to 2 percent.

B. Resource Pool Allocations:

Western proposes to establish a resource pool by reserving a portion of the power available after 2004 for allocation to eligible new and existing customers. Western will apply the following to determine resource pool allocations.

1. Resource Pool Amount: The resource pool will initially consist of up to 4 percent of the power resources available after 2004. This power will be subject to the terms and conditions specified in an electric service contract. An incremental resource pool is also proposed in the year 2014. The proposed incremental resource pool will consist of up to 2 percent of the power resources available after 2014, plus a portion of the resource that becomes available from adjusting SMUD's percentage. That portion will be equal to

what SMUD would have been required to contribute to the initial resource pool. SMUD will also be subject to the 2 percent resource pool adjustment. Allocations for the incremental resource pool will be determined through a separate public process at a later date.

Western will, at its discretion, allocate a percentage of the initial resource pool to individual applicants that meet the eligibility criteria. This allocation percentage will be multiplied by the resource pool percentage to determine the applicant's percentage of the power resource. Allocations from the resource pool are separate from the resource extension.

2. General Eligibility Criteria: The following general eligibility criteria will be applied to all applicants seeking an allocation under the Final Plan.

a. Applicants must meet the preference requirement under section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), as amended and supplemented.

b. Applicants must be located within Sierra Nevada Region's Marketing Area. (Map of Marketing Area available upon request.)

c. Applicants that require power for their own use must be ready, willing, and able to receive and use Federal power.

d. Applicants that provide retail electric service must meet the requirements of Section IV.B.2.c above, and must require the power for electric service to their customers, not for resale to others.

e. Applicants must submit an application in response to the notice calling for applications issued by Western in the Federal Register in conjunction with the Final Plan. That notice will include the deadline for receipt of those applications.

f. Native American applicants must be a Native American tribe as defined in the Indian Self Determination Act of 1975 (25 U.S.C. 450b, as amended).

g. Applicants must have a load of 1 MW or greater. Western will normally not allocate amounts less than 1 MW; however, smaller allocations may be considered, provided Western can aggregate the applicant's load with other loads to schedule and deliver an aggregated 1 MW.

3. General Allocation Criteria: The following general allocation criteria will be applied to all applicants seeking an allocation under the Final Plan.

a. Allocations will be made in amounts as determined solely by Western in exercise of its discretion under Reclamation law.

b. Allocations under the Final Plan will be available to new qualified applicants and to existing customers whose Extension CRD set forth in Appendix A is not more than 15 percent of their peak load in CY 1996 and not more than 10 MW.

c. The maximum amount of capacity used to determine a resource pool allocation will be the applicant's peak demand during CY 1996 or the amount requested, whichever is less, rounded up to the nearest 100 kW.

d. An allottee will have the right to buy power from Western only upon the execution of an electric service contract between Western and the allottee, and satisfaction of all conditions in that contract.

e. A customer receiving power from the initial resource pool will be subject to the incremental resource pool adjustment in 2014.

V. General Criteria and Contract Principles

Western proposes to apply the following criteria and contract principles to all new and/or existing customers' contracts, except that certain criteria may not apply to First

Preference customers' contracts, under the Final Plan:

A. Electric service contracts shall be executed within six (6) months of a contract offer, unless otherwise agreed to in writing by Western.

B. Percentages shall be subject to adjustment in the future as provided for in the Final Plan and the electric service contract.

C. All power supplied by Western will be delivered pursuant to a scheduling arrangement.

D. All power will be provided on a take-or-pay basis. A commitment must be made to take-or-pay for the service as of the date set forth in the contract. All costs associated with the products and services provided, including ancillary services and optional purchases, will be passed on to the customer(s) using the product or service.

E. Western will offer a contract amendment to existing customers and a new contract to new allottees to implement the Final Plan. Contract amendments and contracts shall require commitments to the Base Resource by the customer on or before December 31, 1999, and the optional purchase, as well as the Custom Product, on or before December 31, 2001. This will allow for power resources and products to be developed prior to final commitment by the customer.

F. Withdrawable power marketed under the Final Plan will be subject to withdrawal on a pro-rata basis upon six (6) months written notice, as determined by Western.

G. Upon request, Western shall assist each allottee and existing customer in obtaining third-party transmission arrangements for delivery of power allocated under the Final Plan; nonetheless, each entity is ultimately responsible for obtaining its own delivery arrangements beyond the CVP transmission system.

H. Contracts entered into under the Final Plan shall provide for Western to furnish electric service effective January 1, 2005 through December 31, 2024.

I. Specific products and services may be provided for periods of time as agreed to in the electric service contract.

J. Contracts entered into as a result of the Final Plan shall incorporate Western's standard provisions for power sales contracts, IRP, and GPCP.

K. Contracts will include a clause that allows Western to reduce or rescind a customer's power from Western upon six (6) months notice if Western determines that the customer is not using this power to serve its own loads, except as otherwise specified in Section III.

L. Any power not under contract may be allocated by the Administrator at any time, at the Administrator's sole discretion, or sold as deemed appropriate by Western.

M. Contracts will include a clause providing for Western to adjust the customers' percentage of the resource for the incremental resource pool.

VI. First Preference Entitlement and Allocation

The Trinity River Division Act (69 Stat. 719) and the New Melones Act of the Flood Control Act of 1962 (76 Stat. 1180) specified that contracts for the sale and delivery of the additional electric energy available from the CVP power system as a result of the construction of the plants authorized by these acts and their integration into the CVP system shall be made in accordance with preferences expressed in Federal Reclamation laws. These acts also provided that a first preference of 25 percent of the additional energy shall be given, under Reclamation law, to preference customers in the counties of origin (Trinity and Tuolumne and Calaveras) for use in those counties who are ready, able and willing to enter into contracts for the energy.

In order to meet the requirements of these acts, Western published the Final Withdrawal Procedures at 51 FR 7702 on March 5, 1986. The Final Plan will supersede the Final Withdrawal Procedures.

Western proposes to calculate and allocate the Maximum Entitlements of First Preference Customers (MEFPC), which is the maximum amount of energy available to First Preference customers/entities, in accordance with the following:

A. The MEFPC will be calculated separately for the New Melones Project, Calaveras and Tuolumne counties, and the Trinity River Division, Trinity County, (First Preference Projects), to determine the 25 percent of the additional energy made available to the CVP as a result of the construction of each of these projects. Since the acts do not specify the basis for calculating the 25 percent of additional energy, Western proposes that a previous 20-year average historical generation or actual years of data available, whichever time period is less, be used to determine the MEFPC. Based on the most current information available, this calculation would result in an estimated MEFPC of 95,766 MWh available to the CVP as a result of construction of the New Melones Project and an estimated MEFPC of 288,285 MWh available to the CVP as a result of construction of the Trinity River Division. The MEFPC will be

recalculated every five (5) years, with the initial recalculation pertaining to this Proposed Plan being completed by December 31, 2002.

B. Upon recalculation, if the MEFPC from a First Preference Project is 10 percent above or below the currently effective MEFPC from that First Preference Project, the MEFPC will be adjusted to reflect that increase or decrease. Western will notify the affected First Preference customer(s) at least six (6) months prior to an adjustment being made to the MEFPC. Upon request, and at its discretion, Western may make purchases necessary to compensate for any power loss experienced by a First Preference customer due to recalculation of the MEFPC. The costs for all purchases made on behalf of a First Preference customer(s) will be passed on to that First Preference customer(s).

C. An allocation made to a First Preference customer under the Final Plan will be based on the power requirements of that First Preference customer. The sum of allocations, including losses, shall not exceed the MEFPC from each First Preference Project, or a county of origin's share of the MEFPC, except as allowed under Section VI.G below.

D. Following execution of a contract amendment or contract pursuant to the Final Plan, Western will work with each First Preference customer/entity to identify its power requirements and the best use of the First Preference entitlement for that First Preference customer. Each First Preference customer/entity may elect one of the options set forth below.

1. *Full Requirements:* Power requirements (capacity and energy), adjusted for project use and transformation and transmission losses from the generation bus to the First Preference customer delivery point, will be at the Base Resource rates. Western will provide the First Preference customer full requirements up to its right to the MEFPC. Adjustment for transmission losses shall include losses for CVP transmission and third-party transmission. The contract between the First Preference customer and Western will include the appropriate losses and the load factor to be used to calculate the First Preference customer's maximum capacity and energy.

2. *Percentage:* A portion of the MEFPC will be converted to a percentage of the Base Resource. This option will be served on a take-or-pay basis. Each First Preference customer selecting this percentage allocation

option will also be subject to the following:

a. A commitment to this option must be made no later than December 31, 2001. If a commitment is not made by December 31, 2001, the full requirements option will be deemed chosen.

b. This option will be applied in a manner similar to that of the other customers receiving a power allocation from the CVP.

c. The percentage allocation made to each First Preference customer under the Final Plan will be applied to the power resource which has been adjusted for project use and transformation and transmission losses from the generation bus to the First Preference customer delivery point, rounded up to the nearest 100 kW. Adjustment for transmission losses shall include losses for CVP transmission and third-party transmission.

d. The percentage calculation will be based on a First Preference customer's load profile for the most recent 12 months preceding the percentage calculation.

e. A First Preference customer may request an increase in its percentage allocation by notifying Western in writing at least seven (7) months in advance of the month in which the increase is to become effective (increases in percentages are effective the first day of a month).

E. A First Preference entity may exercise its rights to use a portion of the MEFPC by providing written notice to Western at least eighteen (18) months prior to the anniversary date of the First Preference Project located in its county. Anniversary date means the successive fifth year anniversary of the date the Secretary of the Interior declared the availability of power from the powerplants in the counties of origin. New applications for services to begin on January 1, 2005 under this Proposed Plan must be received eighteen (18) months prior to January 1, 2002 (i.e., July 1, 2000) for Trinity County and eighteen months prior to April 5, 2002 (i.e., October 5, 2000) for Calaveras and Tuolumne counties. Other anniversary years applicable to this Proposed Plan are 2007, 2012, 2017, and 2022.

F. If the request(s) of First Preference customers/entities for power, including adjustments for project use and losses, becomes greater than the MEFPC from that county's First Preference Project, then Western will allocate the remaining MEFPC to the First Preference customer(s)/entity(ies) first making a request for a power allocation.

G. Power allocated to First Preference customers/entities in Tuolumne and Calaveras counties will be subject to the following additional conditions:

1. Tuolumne and Calaveras counties shall each be entitled to one-half of the New Melones Project MEFPC.

2. If First Preference customers in either Tuolumne County or Calaveras County are not using their county's full one-half share, and a First Preference customer/entity in the other county requests power in an amount exceeding that county's one-half share, then Western will allocate the unused power, on a withdrawable basis, to the requesting First Preference customer/entity. Such power may be withdrawn for use by a First Preference customer/entity in the county not using its full one-half share upon six (6) months written notice from Western.

H. Trinity County is currently the sole recipient of the Trinity River Division's First Preference rights.

I. For planning purposes, First Preference customers may be required to provide forecasts and other information required by Western as set forth in the electric service contract.

J. The general criteria and contract principles set forth in Sections V.A, C, and F through J of this Proposed Plan will apply to First Preference customers.

VII. Transmission Service

The Federal Energy Regulatory Commission (FERC) issued two closely related final rules. The first rule, Order No. 888, issued April 24, 1996 (Docket Nos. RM95-8-000 and RM94-7-001), requires public utilities owning, controlling, or operating transmission lines to file nondiscriminatory open access tariffs that offer others the same transmission service they provide themselves. The second rule, Order No. 889, issued April 24, 1996 (Docket No. RM95-9-000), requires public utilities to implement standards of conduct and an Open Access Same-time Information System (OASIS) to share information about available transmission capacity. Western has agreed to follow the spirit and intent of FERC Orders 888 and 889. Therefore, Western proposes to provide transmission services separately from power services. Sierra Nevada Region's transmission capability will be offered as a separate unbundled service to all preference customers receiving power pursuant to the Final Plan. Each customer will have an option to purchase transmission sufficient to deliver the maximum amount of power it receives under the Final Plan. Surplus transmission will be available to all

preference customers, as well as to other entitles.

Issued in Washington, DC on February 19, 1997.

Joel K. Bladow,
Assistant Administrator.

APPENDIX A.—EXISTING CUSTOMERS' CRD AMOUNTS

Existing customers	CRD ¹ (as of proposed plan publication date) (kW)	Extension CRD ^{1,2} (CRD less excluded types of power) ^{3,4} (kW)
Air Force—Beale	21,575	21,575
Air Force—McClellan	12,000	12,000
Air Force—Onizuka	1,500	1,500
Air Force—Travis	12,651	12,651
Air Force—Travis / David Grant Medical Center	4,000	4,000
Air Force—Travis Wherry Housing	1,400	1,400
Alameda, City of	21,145	21,145
Arvin-Edison Water Storage District	30,000	30,000
Avenal, City of	622	622
Banta-Carbona Irrigation District	3,700	3,700
Bay Area Rapid Transit District	4,000	4,000
Biggs, City of	4,200	4,200
Broadview Water District	500	500
Byron-Bethany Irrigation District	2,200	2,200
Calaveras Public Power Agency	7,000
California State University, Sacramento—Nimbus	40	40
Castle Joint Powers Authority	3,000
Cawelo Water District	500	500
Corrections—California State Prison-Sacramento	2,300	2,300
Corrections—Deuel Vocational Institute	1,700	1,700
Corrections—Northern California Youth Center	1,700	1,700
Corrections—Sierra Conservation Center	3,000
Corrections—Vacaville Medical Facility	1,800	1,800
Defense Logistics Agency—Sharpe Facility	4,000	4,000
Defense Logistics Agency—Tracy Facility	3,800	3,800
Delano-Earlimart Irrigation District	987	987
East Bay Municipal Utility District	1,965	1,965
East Contra Costa Irrigation District	2,000	2,000
East Contra Costa Irrigation District, P.P. #3	500	500
Energy—Lawrence Berkeley National Laboratory	11,000	11,000
Energy—Lawrence Livermore National Laboratory	16,711	16,711
Energy—Site 300	2,500	2,500
Energy—Stanford Linear Accelerator Center	47,403	38,403
Glenn-Colusa Irrigation District	3,343	3,343
Gridley, City of	9,400	9,400
Healdsburg, City of	3,241	3,241
James Irrigation District	987	987
Kern-Tulare Water District	987	987
Lassen Municipal Utility District	3,000	3,000
Lindsay-Strathmore Irrigation District	987	987
Lodi, City of	13,236	13,236
Lompoc, City of	5,197	5,197
Lower Tule River Irrigation District	1,965	1,965
Modesto Irrigation District	10,805	10,805
NASA—Ames Research Center	80,000	80,000
NASA—Moffett Federal Airfield	5,009
Navy—Concord Weapons Station	2,398	2,398
Navy—Dixon Radio Station	915	915
Navy—Lemoore Air Station	18,000	18,000
Navy—Mare Island Shipyard	6,000	6,000
Navy—Oakland Army Base	2,275	2,275
Navy—Oakland Supply Center	7,000	7,000
Navy—Stockton Communications Station	3,700	3,700
Navy—Treasure Island Station	4,000	4,000
Palo Alto, City of	175,000	175,000
Parks & Recreation, California Department of—Folsom	100	100
Parks Reserve Forces Training Area	500	500
Patterson Water District	2,000	2,000
Plumas-Sierra Rural Electric Cooperative	25,000	25,000
Provident Irrigation District	750	750
Rag Gulch Water District	500	500
Reclamation District 2035	1,600	1,600

APPENDIX A.—EXISTING CUSTOMERS' CRD AMOUNTS—Continued

Existing customers	CRD ¹ (as of proposed plan publication date) (kW)	Extension CRD ^{1,2} (CRD less excluded types of power) ^{3,4} (kW)
Redding, City of	116,000	116,000
Roseville, City of	69,000	69,000
Sacramento Municipal Utility District ⁵	361,000	361,000
Sacramento Municipal Utility District	100,000	
San Juan Water District	1,000	1,000
San Luis Water District-Fittje	3,250	3,250
San Luis Water District-Kaljjan	3,400	3,400
Santa Clara, City of	216,532	136,532
Santa Clara Valley Water District	987	987
Shasta Lake, City of	11,450	11,450
Sonoma County Water Agency	1,500	1,500
Terra Bella Irrigation District	987	987
Trinity County Public Utilities District	17,000	
Tuolumne Public Power Agency	7,000	
Turlock Irrigation District	3,941	3,941
Ukiah, City of	8,773	8,773
University of California, Davis	14,682	14,682
West Side Irrigation District	2,000	2,000
West Stanislaus Irrigation District	5,200	5,200
Westlands Water District, Assumed Point of Delivery	6,684	6,684
Westlands Water District, Pumping Plant #7-1	3,200	3,200
Westlands Water District, Pumping Plant #6-1	1,850	1,850
Temporarily unallocated NDA Act power	5,500	5,500
	1,580,230	1,349,221

Notes:

¹ CRD temporarily laid off and reallocated to other existing customers is reflected in this Appendix A, under both CRD and Extension CRD, as being returned to the existing customer who received the original allocation.

² The Extension CRD will be reduced if an existing customer is not using its full CRD (based on the peak demand experienced during CY 1997 through 2000).

³ Exclusions are Diversity and Curtailable Power, peaking/excess capacity, First Preference entitlements, and NDA Act power not used for military loads.

⁴ May be adjusted for conversion from project use power to preference power due to Federal facility transfers to existing project use customers.

⁵ Sacramento Municipal Utility District's Extension CRD will be 360,000 kW if the 360/1,152 ratio is used for resource extension purposes.

Appendix B—Examples of Existing Customers' Resource Extension Proposal 2005 Through 2014

Assumptions:

- An existing customer with an Extension CRD of 100 MW.

- Base Resource after 2004 is 1000 MW.
- Sum of all existing customers' Extension CRD is 1,349 MW.
- Initial resource pool is 4%.
- Incremental resource pool is 2%.

- All amounts are rounded.

1. For the period 2005 through 2014, an existing customer's percentage right to a resource extension will be calculated as follows:

$$SMUD'S \text{ purchase rights} = \frac{360}{1,152} \times BR$$

$$\text{Existing 100 MW customer's purchase rights} = \frac{A}{B} \times ABR$$

Where:

A=Lesser of individual existing customer's (excluding SMUD) Extension CRD as of December 31, 2001; or 104 percent of their

maximum demand during CY 1997 through 2000. Western reserves the right to adjust the value of "A" when it is determined that the

maximum demand is not reflective of an existing customer's load.

B=The sum of all values for "A".

BR=Base Resource available.

ABR=Adjusted Base Resource

$$= BR - \left(\frac{360}{1,152} \times BR \right) \times (100\% - RP\%)$$

RP%=Resource pool percentage.	(A/B)×ABR	(1,000-312.5)×96%
Calculation:	(100/988)×ABR	687.5×96%
SMUD's purchase rights=	0.101×660	67 MW
(360/1,152)×BR	67 MW	660 MW
(360/1,152)×1,000	ABR=	
0.3125×1,000	{BR-[(360/1,152)×BR]}×(100%-RP%)	2. Existing customer's (excluding
312.5 MW	{1,000-[(360/1,152)×1,000]}×(100%-4%)	SMUD) rights to the optional purchase
Existing 100 MW customer's purchase rights=	[1,000-(0.3125×1,000)]×96%	will be calculated as follows:

$$\text{individual existing customer optional purchase} = \frac{A}{B} \times \text{TOP}$$

Where:

A = Lessor of individual existing customer's Extension CRD as of December 31, 2001; or 104 percent of their maximum demand during CY 1997 through 2000. Western

reserves the right to adjust the value of "A" when it is determined that the maximum demand is not reflective of an existing customer's load.

B = The sum of all values for "A".

C = The sum of all existing customers', including SMUD, Extension CRD.

BR = Base Resource available.

RP% = Resource pool percentage.

TOP = Total optional purchase

$$= \left(\frac{360}{1,152} - \frac{361}{C} \right) \times \text{BR} \times (100\% - \text{RP}\%).$$

Calculation:

Individual existing 100 MW customer's optional purchase=

(A/B × TOP)
 (100/988) × TOP
 0.101 × 43.1
 4.4 MW

TOP=

{[(360/1,152) - (361/1,349)] × BR} × (100% - RP%)
 {[(360/1,152) - (361/1,349)] × 1,000} × (100% - 4%)
 [(0.3125 - 0.2676) × 1,000] × 96%
 (0.0449 × 1,000) × 96%
 44.9 × 96%
 43%

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Appendix B

Contracts Expiring December 31, 2004

Western Area Power Administration
 Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
December, 2004 Termination							
Air Force							
	92-SAO-20052	A	Electric Service	10/16/1992	12/31/2004	CVP	Electric Service
	96-SNR-00091	A	Electric Service Scheduling NDA Power	05/31/1996	12/31/2004	CVP	NDA Act Power to McClellan AFB, Onizuka AFB, and David Grant Medical Center (Travis AFB). Amendment 1 provides for Western to schedule power for delivery by SMUD. See NDA Act Binder.
Alameda							
	92-SAO-20054	A	Electric Service	10/22/1992	12/31/2004	CVP	
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
Arvin-Edison							
	14-06-200-3667A	A	Electric Service	06/28/1968	12/31/2004	CVP	
Avenal							
	93-SAO-20062	A	Electric Service	10/27/1993	12/31/2004	CVP	1989 GPCP. Customer beginning in 1994.
Banta-Carbona							
	92-SAO-20048	A	Electric Service	10/15/1992	12/31/2004	CVP	1995 GPCP.
BART							
	93-SAO-20061	A	Electric Service	06/06/1994	12/31/2004	CVP	GPCP: 1/3/89.
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
Bella Vista							
	14-06-200-851A	A	Other	04/03/1964	12/31/2004	CVP	See Bella Vista Water District Binder. Reclamation will provide a supplemental water supply from the CVP, construct a general distribution and lateral system, and provide O&M for the Cow Creek Unit.
Biggs							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder.

* Status: A=Active

C-073232

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Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

C-073233

Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	DE-MS65-84WP59005	A	Electric Service Scheduling	11/06/1984	12/31/2004	CVP	Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89 Amendment 1 provides for scheduling through NCPA.
BILL CREDITING							
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.
BPA							
	DE-MS79-88BP92490	A	Transmission		12/31/2004		Tacoma's contract with BPA to serve Western power purchased from Tacoma.
Broadview							
	92-SAO-20046	A	Electric Service	10/14/1992	12/31/2004	CVP	
Byron-Bethany							
	92-SAO-20047	A	Electric Service	10/20/1992	12/31/2004	CVP	
Cawelo							
	93-SAO-20063	A	Electric Service	01/28/1994	12/31/2004	CVP	
CITIZENS							
	94-SAO-00016	A	Enabling Exchange Capacity & Energy Surplus Power	08/16/1994	12/31/2004		
CJPA							
	96-SNR-00097	A	Electric Service NDA Power	08/22/1996	12/31/2004	CVP	CJPA, located at the old Castle Air Force Base, is promoting economic development and, therefore, qualifies to receive NDA Act Power. See NDA Binder.
CPPA							
	89-SAO-20003	A	Electric Service	11/06/1989	12/31/2004	CVP	First Preference Customer under the Flood Control Act of 1962. Note: On 8/9/94, CPPA requested an increase in their CRD from 7 MW to 9 MW, effective 3/1/95. Although their request was denied, should CPPA exceed its CRD, Western must retroactively increase their CRD by at least the amount in which their CRD was exceeded, up to 9 MW.
CSUS							
	92-SAO-20016	A	Electric Service	10/09/1992	12/31/2004	CVP	

* Status: A = Active

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Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

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Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
Delano-Earlimart							
	92-SAO-20029	A	Electric Service	10/20/1992	12/31/2004	CVP	
Deuel							
	92-SAO-20022	A	Electric Service	10/13/1992	12/31/2004	CVP	GPCP: 1/3/89
DLA							
	92-SAO-20021	A	Electric Service	10/19/1992	12/31/2004	CVP	
DWR							
	CDWR-LOA-1	A	Enabling Power Purchase	11/15/1985	12/31/2004	CVP	Termination: or 30-days notice.
East Bay MUD							
	92-SAO-20026	A	Electric Service	01/15/1992	12/31/2004	CVP	GPCP: 1/3/89
ECCID							
	92-SAO-20030	A	Electric Service	10/15/1992	12/31/2004	CVP	
Glenn-Colusa							
	92-SAO-20031	A	Electric Service	10/09/1992	12/31/2004	CVP	
Gridley							
	90-SAO-20006	A	Electric Service	07/27/1990	12/31/2004	CVP	
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
Healdsburg							
	92-SAO-20055	A	Electric Service	10/23/1992	12/31/2004	CVP	GPCP: 1/3/89
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
James							
	92-SAO-20045	A	Electric Service	10/09/1992	12/31/2004	CVP	GPCP: 1/3/89
Kern-Tulare							
	92-SAO-20032	A	Electric Service	10/13/1992	12/31/2004	CVP	
LBNL							

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Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	<u>92-SAO-20059</u>	A	Electric Service	10/29/1992	12/31/2004	CVP	
	<u>Lindsay-Strathmore</u>						
	<u>92-SAO-20033</u>	A	Electric Service	10/16/1992	12/31/2004	CVP	
	<u>LLNL</u>						
	<u>92-SAO-20050</u>	A	Electric Service	10/29/1992	12/31/2004	CVP	Contract includes power to LLNL Site 300.
	<u>LMUD</u>						
	<u>93-SAO-18002</u>	A	Nonfirm Transmission Scheduling Transmission	09/09/1993	12/31/2004	CVP COTP	Western will act as scheduling agent. Amendment 1 provides for short-term and nonfirm CVP and COTP transmission service.
	<u>93-SAO-20060</u>	A	Electric Service	09/09/1993	12/31/2004	CVP	
	<u>Lodi</u>						
	<u>92-SAO-20056</u>	A	Electric Service	10/13/1992	12/31/2004	CVP	
	<u>94-SAO-00021</u>	A	Load / Metering Data Operational Services	09/01/1994	12/31/2004	COTP	Western to remove its metering equipment from the General Mills cogen plant and transfer 6 transformers to Lodi. Lodi will provide metered data of the GM generation to Western.
	<u>94-SAO-00047</u>	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	<u>Lompoc</u>						
	<u>92-SAO-20057</u>	A	Electric Service	10/13/1992	12/31/2004	CVP	
	<u>94-SAO-00047</u>	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	<u>Lower Tule</u>						
	<u>92-SAO-20034</u>	A	Electric Service	10/19/1992	12/31/2004	CVP	GPCP: 1/3/89.
	<u>MID</u>						
	<u>92-SAO-20053</u>	A	Electric Service Scheduling	05/24/1993	12/31/2004	CVP	Amendment 1 provides for scheduling service.
	<u>NASA-Ames</u>						
	<u>92-SAO-20049</u>	A	Electric Service	10/16/1992	12/31/2004	CVP	GPCP: 1/3/89

* Status: A=Active

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Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	95-SAO-00063	A	Electric Service NDA Power	06/01/1995	12/31/2004	CVP	NDA Act Power to Moffett Federal Airfield. See NDA Binder.
Navy							
	92-SAO-20028	A	Electric Service	10/16/1992	12/31/2004	CVP	
	95-SAO-00053	A	Electric Service NDA Power	03/31/1995	12/31/2004	CVP	NDA Act Power to Treasure Island Naval Support Activity, Mare Island Naval Shipyard, Oakland Naval Supply Center, and Stockton Naval Communications Station. See NDA Binder.
NCPA							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	95-SAO-00067	A	Load Management	09/21/1995	12/31/2004	CVP	Termination: (1) written notice, or (2) termination of 59098.
	DE-MO65-85WP59098	A	Scheduling	03/07/1985	12/31/2004	CVP	GPCP: 1/3/89. Termination: or 1-year notice. Scheduling sevice for NCPA members: Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Ukiah.
	DE-MT65-86WP59042	A	Firm Transmission Nonfirm Transmission Transmission	08/08/1986	12/31/2004	CVP	GPCP: 7/15/85. Termination: or a 6-year notice. Bidirectional wheeling path of up to 50 MW of firm transmission capacity and nonfirm transmission between Eiverta and Roseville Substations in the north and Tracy Substation in the south for delivering NCPA resources to and from Roseville on an as-available basis.
PACIFICORP							
	92-SAO-30006	A	Power Purchase	09/17/1992	12/31/2004	COTP	Western to purchase 75 MW. Note: Term was reduced from 2012 to 2004 per Amd. 1.
Palo Alto							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	DE-MS65-85WP59007	A	Electric Service	04/30/1985	12/31/2004	CVP	GPCP: 4/1/79.
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.

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Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

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Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
Parks & Recreation District							
	92-SAO-20017	A	Electric Service	10/09/1992	12/31/2004	CVP	
Patterson							
	92-SAO-20039	A	Electric Service	10/09/1992	12/31/2004	CVP	GPCP: 1/3/89.
PG&E*							
	14-06-200-2948A	A	Interchange Power Pooling / Coordinati Power Purchase Transmission Purchase	07/31/1967	12/31/2004	CVP	Sale, Interchange, and Transmission of Electric Capacity and Energy.
	14-06-200-2949A	A	Construction Operation & Maintenance	07/31/1967	12/31/2004	PACI	Installation and Operation and Maintenance of Facilities at Round Mountain, and for the Operation and Maintenance of Bureau EHV Line. Termination: Icoextensive with 2947A.
	DE-AC65-80WP59000	A	Transmission Purchase	10/08/1980	12/31/2004	CVP	Transmission Service to Delta Pumping Plant. GPCP: 4/1/79. Effective: FERC acceptance. Termination: 3-year notice, mutually-agreed service under 2948A, or termination of 2948A.
	DE-MS65-83WP59055	A	Transmission Purchase	08/02/1983	12/31/2004	CVP	Provides transmisson service to Healdsburg, Lompoc, & Ukiah. GPCP: 4/1/79. Termination: coincident w/2948A, 4-years notice, or agreement w/another agency.
Plumas-Sierra							
	90-SAO-20008	A	Electric Service	07/26/1990	12/31/2004	CVP	GPCP: 1/3/89.
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
Prison							
	92-SAO-20023	A	Electric Service Scheduling	10/13/1992	12/31/2004	CVP	GPCP: 1/3/89 Amendment 1 provides for Western to schedule the Prison's power with SMUD.
Provident							
	92-SAO-20040	A	Electric Service	10/14/1992	12/31/2004	CVP	GPCP: 1/3/89.
Rag Gulch							
	92-SAO-20035	A	Electric Service	10/13/1992	12/31/2004	CVP	
Reclamation							

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*Note: Not all PG&E Contracts are included here.

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Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	14-06-200-851A	A	Other	04/03/1964	12/31/2004	CVP	See Bella Vista Water District Binder. Reclamation will provide a supplemental water supply from the CVP, construct a general distribution and lateral system, and provide O&M for the Cow Creek Unit.
	94-SAO-00024	A	Energy Services Other	09/22/1995	12/31/2004	CVP	Short-term firm power sales for pumping Warren Act Water transfers.
Reclamation 2035							
	92-SAO-20041	A	Electric Service	10/20/1992	12/31/2004	CVP	GPCP: 1/3/89.
Redding							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	DE-MS65-83WP59008	A	Electric Service Interconnection Scheduling	01/16/1984	12/31/2004	CVP	See Redding Binder #2. Supplement 1 provides for interconnection; Amendment 3 provides for scheduling service. GPCP: 1/3/89.
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.
Roseville							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	DE-MS65-85WP59009	A	Electric Service Interconnection	07/30/1985	12/31/2004	CVP	Amendment 1 provides for direct interconnection.
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.
San Luis							
	92-SAO-20042	A	Electric Service	10/13/1992	12/31/2004	CVP	
Santa Clara							
	89-SAO-50003	A	Emergency	04/24/1989	12/31/2004		Emergency aid and optional permanent repair service of the 60-kV transmission lines on Stony Gorge and Black Butte Hydroelectric Projects.
	92-SAO-20020	A	Electric Service	10/19/1992	12/31/2004	CVP	GPCP: 1/3/89.
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant.

* status: A=Active

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Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	DE-MS65-85WP59010	A	Electric Service Scheduling	03/26/1985	12/31/2004	CVP	GPCP: 1/3/89 1st electric service contract. Also see 92-SAO-20020. Supplement 3 provides for scheduling service.
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.
Santa Clara Valley							
	92-SAO-20043	A	Electric Service	10/20/1992	12/31/2004	CVP	GPCP: 1/3/89.
SCC							
	DE-MS65-86WP59053	A	Electric Service	08/11/1986	12/31/2004	CVP	First Preference Customer in Tuolumne County.
SDG&E							
	93-SAO-19002	A	Enabling Interchange	11/01/1993	12/31/2004		Termination: or 1-year notice.
Shasta Lake							
	94-SAO-00033	A	Firm Transmission Nonfirm Transmission Transmission	11/09/1995	12/31/2004	CVP	Terminates Supplement No. 2 to Contract 59012. Termination: or 4-years notice.
	95-SNR-00082	A	Scheduling	12/18/1995	12/31/2004	CVP	Termination: or 1-year notice.
	95-SNR-00083	A	Scheduling	12/18/1995	12/31/2004	CVP	Western will act as Shasta Lake's Scheduling Agent. Termination: or 1-year notice.
	DE-MS65-84WP59012	A	Electric Service	02/17/1984	12/31/2004	CVP	
SHASTA REWINDS							
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
sjwd							
	DE-MS65-86WP59039	A	Electric Service Transmission Purchase	10/28/1986	12/31/2004	CVP COTP	Amendment 1 provides assigning 1 MW of COTP to SNR.
SLAC							
	92-SAO-20051	A	Electric Service	10/29/1992	12/31/2004	CVP	
SMUD							
	92-SAO-20027	A	Electric Service	12/11/1992	12/31/2004	CVP	GPCP: 1/3/89.

* Status: A=Active

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Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
	92-SAO-20064	A	Contingent Power	04/12/1994	12/31/2004	CVP	GPCP: 1/3/89. Sale of Peaking Capacity.
	93-SAO-10138	A	Other	02/19/1993	12/31/2004	CVP	Changes the effective date of Contract 92-SAO-20027 to 1/01/93.
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
	94-SAO-00048	A	Excess Capacity & Energy	03/07/1995	12/31/2004	CVP	GPCP: 1/3/89. Refusal of Contingent Peaking Capacity during the month of September throughout the term of the Peaking Capacity Contract.
	96-SNR-00103	A	Interchange Scheduling Transmission Purchase	08/30/1996	12/31/2004	CVP	Transmission Service from SMUD to serve SNR power to the Nimbus Fish Hatchery and California State Prison-Sacramento.
	DE-MS65-86WP59048	A	Bill Crediting	02/28/1986	12/31/2004	CVP	Certain customers pay SNR's bills, on behalf of SNR, to be credited against their power bills.
	DE-MT65-85WP59101	A	Transmission Purchase	01/31/1985	12/31/2004	CVP	Transmission service by SMUD of Western power to McClellan AFB. All other points of delivery listed in the contract have expired.
Sonoma							
	92-SAO-20044	A	Electric Service	10/23/1992	12/31/2004	CVP	
Tacoma							
	DE-MS79-88BP92490	A	Transmission		12/31/2004		Tacoma's contract with BPA to serve Western power purchased from Tacoma.
TCPUD							
	DE-MS65-82WP59030	A	Electric Service	09/29/1987	12/31/2004	CVP	GPCP: July 15, 1985, revised April 25, 1987. First Preference Customer under the Trinity River Division Act of 1955.
Terra Bella							
	92-SAO-20036	A	Electric Service	10/13/1992	12/31/2004	CVP	
TID							
	92-SAO-20025	A	Electric Service Scheduling	03/01/1993	12/31/2004	CVP	GPCP: 1/3/89. Amendment 1 provides for scheduling service.
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
TPPA							
	90-SAO-20005	A	Electric Service	11/07/1990	12/31/2004	CVP	GPCP: 1/3/89. First Preference Customer under the Flood Control Act of 1962.

* Status: A=Active

Western Area Power Administration
Power Marketing Contract Termination - Listing by Yr-Mo-Customer for Sierra Nevada Regional Office

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Year/Mo	Entity/Contract No.	Status*	Type of Service	Date of Execution	Date of Termination	Project	Description
							Note: On 12/11/95, TPPA requested an increase in their CRD from 7 MW to 9 MW, effective 7/1/96. Although their request was denied, should TPPA exceed its CRD, Western must retroactively increase their CRD by at least the amount in which their CRD was exceeded, up to 9 MW.
UCD							
	92-SAO-20037	A	Electric Service	10/14/1992	12/31/2004	CVP	GPCP: 1/3/89.
Ukiah							
	92-SAO-20058	A	Electric Service	10/28/1992	12/31/2004	CVP	
	94-SAO-00047	A	Operation & Maintenance	08/10/1995	12/31/2004	CVP	See Shasta Rewinds Binder. Funding of maintenance work at Shasta Powerplant. GPCP: 1/3/89
Vacaville							
	92-SAO-20038	A	Electric Service	10/23/1992	12/31/2004	CVP	
West Side I.D.							
	92-SAO-20018	A	Electric Service	10/20/1992	12/31/2004	CVP	
West Stanislaus							
	92-SAO-20019	A	Electric Service	10/23/1992	12/31/2004	CVP	
Youth Center							
	92-SAO-20024	A	Electric Service	10/14/1992	12/31/2004	CVP	

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* status: A=Active

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Appendix C
Acronyms and Definitions

Acronyms and Definitions

The following acronyms and terms, whether singular or plural, shall have the following meanings:

Administrator: The Administrator of Western Area Power Administration.

Allocation: An offer to an entity to purchase power from Western.

Allocation Criteria: Conditions applied to all applicants seeking an allocation.

Allottee: A preference entity receiving an allocation or power resource extension.

Ancillary Services: Those services necessary to support the transfer of electricity while maintaining reliable operation of the transmission provider's transmission system in accordance with good utility practice. Ancillary services are generally described in Federal Energy Regulatory Commission Order No. 888, Docket Nos. RM95-8-000 and RM94-7-001, issued April 24, 1996.

Base Resource: CVP and Washoe Project power output and existing power purchase contracts extending beyond 2004 determined by Western to be available for marketing, exclusive of project use and First Preference entitlements.

Capacity: The electrical capability of a generator, transformer, transmission circuit or other equipment.

Central Valley Project (CVP): A multipurpose Federal water development project extending from the Cascade Range in northern California to the plains along the Kern River south of the City of Bakersfield.

Contract Principles: Provisions made part of the electric service contracts which include the General Power Contract Provisions.

Contract Rate of Delivery (CRD): The maximum amount of capacity made available to a preference customer for a period specified under a contract.

Curtailed Power: Power which may be curtailed on a real-time scheduling basis at Western's sole discretion under certain conditions.

Custom Product: A combination of products and services, excluding provisions for load growth, made available by Western per customer request, utilizing the customer's Base Resource and supplemental purchases made by Western at customer expense.

Customer: An entity with a contract and receiving electric service from Western's Sierra Nevada Region.

Diversity Power: Power made available because of the diversity of customers' peak demands at the time of Sierra Nevada Region's peak demand.

Eligibility Criteria: Conditions that must be met to qualify for an allocation.

Energy: Measured in terms of the work it is capable of doing over a period of time; electric energy is usually measured in megawatthours.

Energy Planning and Management Program (EPAMP): Western-wide program developed to encourage customer energy planning (60 FR 54151, dated October 20, 1995).

Existing Customer: A preference customer with a contract to purchase firm power, offered under a previous allocation process or marketing plan, that extends through December 31, 2004.

Extension CRD: Existing customer's CRD exclusive of Diversity and Curtailable Power, peaking/excess capacity, and NDA Act Power not used for military loads.

Final Plan: Western's Final 2004 Power Marketing Plan.

Firm: A type of product and/or service that is available to a customer at the times it is required.

First Preference Customer/Entity: A preference customer and/or a preference entity (an entity qualified to use, but not using preference power) within a county of origin (Trinity, Calaveras and Tuolumne) as specified under the Trinity River Division Act (69 Stat. 719) and the New Melones Act of the Flood Control Act of 1962 (76 Stat. 1180).

General Power Contract Provisions (GPCP): Standard terms and conditions which are included in electric service contracts.

Integrated Resource Plan (IRP): A process and framework within which the costs and benefits of both demand and supply-side resources are evaluated to develop the least total cost mix of utility resource options.

Kilowatt (kW): The electrical unit of capacity that equals one thousand watts.

Load Factor: The ratio of the average load in kW supplied during a designated period to the peak or maximum load in kW occurring in that period.

Long-Term: A designation for a contractual period of time greater than 5 years.

Marketing Area: The area which generally encompasses northern and central California extending from the Cascade Range to the Tehachapi Mountains and west-central Nevada.

Megawatt (MW): The unit by which the rate of production of electricity is often measured; one megawatt equals one million watts.

NDA Act: Section 2929 of the National Defense Authorization Act, Public Law 103-160, 107 Stat. 1547, 1993 (1993), which provides that, for a 10-year period, the CVP electric power allocations to military installations in the State of California which have been closed or approved for closure shall be reserved for sale through long-term contracts to preference entities which agree to use such power to promote economic development at the military installations closed or approved for closure.

NDA Act Power: Power allocated in accordance with the NDA Act Procedures (59 FR 61604, dated December 1, 1994), which provide for NDA Act power allocations.

Peaking: The operation of electric powerplants for brief periods when demand for electricity is greatest.

Power: Capacity and energy.

Power Marketing Initiative (PMI): A component of Western's EPAMP providing criteria regarding certain Western power marketing programs.

Preference: The requirements of Reclamation law which provide that preference in the sale of Federal power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 (Reclamation Project Act of 1939, section 9(c), 43 U.S.C. 485h(c)).

Project Use: Power as defined by Reclamation law and/or used to operate CVP and Washoe Project facilities.

Proposed Plan: Western's Proposed 2004 Power Marketing Plan.

Reclamation law: Refers to a series of Federal laws with a lineage dating back to the turn of the century. Viewed as a whole, these laws create the framework under which Western markets power.

Sierra Nevada Region: The Sierra Nevada Customer Service Region of Western Area Power Administration.

Unbundled: Electric service that is separated into its components and offered for sale with separate rates for each component.

Washoe Project: A Federal water project located in the Lahontan Basin in west-central Nevada and east-central California.

Western: Western Area Power Administration, United States Department of Energy, a Federal power marketing administration responsible for marketing the surplus generation from Federal hydroelectric multipurpose projects pursuant to Reclamation law and the DOE Organization Act (91 Stat. 565, 42 U.S.C. 7101, *et seq.*).

Withdrawable: Power that may be withdrawn under certain conditions.

Appendix D

Estimated Extension Percentages

(Based on a Total Contract Rate of Delivery of 1,349 MW)

Estimated Extension Percentages
(Based on Total Contract Rate of Delivery of 1,349 MW)

	CRD ¹ (as of 02/26/97) (kW)	Extension CRD (CRD ^{1,2} less excluded types of power) ^{3,4} (kW)	Percentage of Base Resource (2005-2014)	Percentage of Base Resource (2015-2024)
Existing Customers				
Air Force - Beale	21,575	21,575	1.44%	1.50%
Air Force - McClellan	12,000	12,000	0.80%	0.84%
Air Force - Onizuka	1,500	1,500	0.10%	0.10%
Air Force - Travis	12,651	12,651	0.84%	0.88%
Air Force - Travis/David Grant Medical Center	4,000	4,000	0.27%	0.28%
Air Force - Travis Wherry Housing	1,400	1,400	0.09%	0.10%
Alameda, City of	21,145	21,145	1.41%	1.47%
Arvin-Edison Water Storage District	30,000	30,000	2.00%	2.09%
Avenal, City of	622	622	0.04%	0.04%
Banta-Carbona Irrigation District	3,700	3,700	0.25%	0.26%
Bay Area Rapid Transit	4,000	4,000	0.27%	0.28%
Biggs, City of	4,200	4,200	0.28%	0.29%
Broadview Water District	500	500	0.03%	0.03%
Byron-Bethany Irrigation District	2,200	2,200	0.15%	0.15%
Calaveras Public Power Agency	7,000	---	---	---
California State University, Sacramento ⁶	40	40	0.00%	0.00%
Castle Joint Powers Authority	3,000	---	---	---
Cawelo Water District	500	500	0.03%	0.03%
Corrections - California Medical Facility, Vacaville	1,800	1,800	0.12%	0.13%
Corrections - California State Prison/Sacramento	2,300	2,300	0.15%	0.16%
Corrections - Deuel Vocational Institute	1,700	1,700	0.11%	0.12%
Corrections - Northern California Youth Center	1,700	1,700	0.11%	0.12%
Corrections - Sierra Conservation Center	3,000	---	---	---
Defense Logistics Agency - Sharpe	4,000	4,000	0.27%	0.28%
Defense Logistics Agency - Tracy	3,800	3,800	0.25%	0.26%
Delano-Earlimart Irrigation District	987	987	0.07%	0.07%
East Bay Municipal Utility District	1,965	1,965	0.13%	0.14%
East Contra Costa Irrigation District (2,000 kW)				
East Contra Costa Irrigation District: P.P. #3 (500 kW)	2,500	2,500	0.17%	0.17%
Energy - Lawrence Berkeley Laboratory	11,000	11,000	0.73%	0.77%
Energy - Lawrence Livermore Laboratory	16,711	16,711	1.12%	1.17%
Energy - Site 300	2,500	2,500	0.17%	0.17%
Energy - Stanford Linear Accelerator Center	47,403	38,403	2.56%	2.68%
Glenn-Colusa Irrigation District	3,343	3,343	0.22%	0.23%
Gridley, City of	9,400	9,400	0.63%	0.66%
Healdsburg, City of	3,241	3,241	0.22%	0.23%
James Irrigation District	987	987	0.07%	0.07%
Kern-Tulare Water District	987	987	0.07%	0.07%
Lassen Municipal Utility District	3,000	3,000	0.20%	0.21%
Lindsay-Strathmore Irrigation District	987	987	0.07%	0.07%
Lodi, City of	13,236	13,236	0.88%	0.92%
Lompoc, City of	5,197	5,197	0.35%	0.36%
Lower Tule River Irrigation District	1,965	1,965	0.13%	0.14%
Modesto Irrigation District	10,805	10,805	0.72%	0.75%

Estimated Extension Percentages
(Based on Total Contract Rate of Delivery of 1,349 MW)

	CRD ¹ (as of 02/26/97) (kW)	Extension CRD (CRD ^{1,2} less excluded types of power) ^{3,4} (kW)	Percentage of Base Resource (2005-2014)	Percentage of Base Resource (2015-2024)
Existing Customers				
NASA - Ames Research Center	80,000	80,000	5.34%	5.58%
NASA - Moffett Federal Airfield	5,009	---	---	---
Navy - NWS Concord	2,398	2,398	0.16%	0.17%
Navy - NRS Dixon	915	915	0.06%	0.06%
Navy - NAS Lemoore	18,000	18,000	1.20%	1.26%
Navy - NS Mare Island	6,000	6,000	0.40%	0.42%
Navy - NSC Oakland	7,000	7,000	0.47%	0.49%
Navy - NCS Stockton	3,700	3,700	0.25%	0.26%
Navy - NS Treasure Island	4,000	4,000	0.27%	0.28%
Oakland Army Base	2,275	2,275	0.15%	0.16%
Palo Alto, City of	175,000	175,000	11.69%	12.20%
Parks & Rec. - CA State Parks & Rec., Folsom	100	100	0.01%	0.01%
Parks Reserve Forces Training Area	500	500	0.03%	0.03%
Patterson Water District	2,000	2,000	0.13%	0.14%
Plumas-Sierra Rural Electric Coop.	25,000	25,000	1.67%	1.74%
Provident Irrigation District	750	750	0.05%	0.05%
Rag Gulch Water District	500	500	0.03%	0.03%
Reclamation District 2035	1,600	1,600	0.11%	0.11%
Redding, City of	116,000	116,000	7.75%	8.09%
Roseville, City of	69,000	69,000	4.61%	4.81%
Sacramento Municipal Utility District ⁵	361,000	361,000	31.25%	25.17%
Sacramento Municipal Utility District	100,000	---	---	---
San Juan Water District	1,000	1,000	0.07%	0.07%
San Luis Water District: Fittje (3,250 kW)				
Kaljjan (3,400 kW)	6,650	6,650	0.44%	0.46%
Santa Clara, City of	216,532	136,532	9.12%	9.52%
Santa Clara Valley Water District	987	987	0.07%	0.07%
Shasta Lake, City of	11,450	11,450	0.76%	0.80%
Sonoma County Water Agency	1,500	1,500	0.10%	0.10%
Terra Bella Irrigation District	987	987	0.07%	0.07%
Trinity County Public Utility District	17,000	---	---	---
Tuolumne Public Power Agency	7,000	---	---	---
Turlock Irrigation District	3,941	3,941	0.26%	0.27%
Ukiah, City of	8,773	8,773	0.59%	0.61%
University of California, Davis	14,682	14,682	0.98%	1.02%
West Side Irrigation District	2,000	2,000	0.13%	0.14%
West Stanislaus Irrigation District	5,200	5,200	0.35%	0.36%
Westlands Water District: Assumed Pt. Del. (6,684 kW)				
Pumping Plant #7-1 (3,200 kW)				
Pumping Plant #6-1 (1,850 kW)	11,734	11,734	0.78%	0.82%
Temporarily unallocated NDA Act power	5,500	5,500	0.37%	0.38%
Original Resource Pool			2.75%	2.70%
Incremental Resource Pool				3.22%
	1,580,230	1,349,221	100.00%	100.00%

Estimated Extension Percentages
 (Based on Total Contract Rate of Delivery of 1,349 MW)

Notes:				
¹ CRD temporarily laid off and reallocated to other existing customers is reflected in this Table, under both CRD and Extension CRD, as being returned to the existing customer who received the original allocation.				
² The Extension CRD will be reduced if an existing customer is not using its full CRD (based on the peak demand experienced during CY 1997 through 2000).				
³ Exclusions are Diversity and Curtailable Power, peaking/excess capacity, First Preference entitlements, and NDA Act power not used for military loads.				
⁴ May be adjusted for conversion from project use power to preference power due to Federal facility transfers to existing power use customers.				
⁵ Sacramento Municipal Utility District's Extension CRD will be 360,000 kW if the 360/1,152 ration is used for resource extension purposes.				
⁶ California State University Sacramento is entitled to a percentage of the Base Resource, but it is less than 0.01%.				

Appendix E

Applicant Profile Data Request Form

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Applicant Profile Data

If an entity is applying for power on behalf of another organization which is not a member or subsidiary of applicant, the applicant should provide a statement to that effect which includes the reason(s) why the other organization is not applying for power on its own behalf. All items of information in the applicant profile data should be answered as if prepared by the organization seeking the allocation of Federal power.

A. Applicant Organization

1. Organization name and address.
2. Name, address, title, and telephone number of person(s) who will represent the entity in dealing with Western.
3. Type of organization (municipality, rural electric cooperative, irrigation district, state agency, Federal agency, other.) Parent organization, if applicable. Names of members, if applicable. Applicable law under which organization was established.
4. Organization's geographic service area. If readily available, submit a map of the service area, and indicate the date prepared.
5. Number and types of customers served and percentage of load: residential, commercial, industrial, agricultural, military base, etc.

B. Loads

1. Maximum demand (kW) and energy use (kWh), for each month for each of the last three years.
2. Average annual, seasonal, and monthly load factors for each of the last three years.
3. Projected load forecasts (kW, kWh, and load factors) for the next ten years as follows:
 - a. Monthly forecasts for the next three years.

b. Seasonal forecasts for the following seven years.

Indicate the forecasting method and assumptions. Please provide any factors or conditions which may change your peak demands or load duration or profile curves for the next three years.

4. Load duration curves if readily available, otherwise load profile curves (demand vs. time) for recent typical summer and winter peak days.
5. Daily peak demand for the peak week in each of the two most recent seasons.

C. Resources

1. Operating generating resources, if any, including for each, the year installed, rated capacity, plant factor by month for the last twelve months, type of fuel, and location.
2. If your load is served wholly or partially by purchases from others, for each contract please provide the name of the power supplier, amounts of firm and non-firm capacity and energy supplied under the contract, and the termination date.
3. Future planned resources for the next ten years including the expected in-service dates, rated capacity, type of fuel, location, and estimated bus-bar cost in mills per kWh.

D. Transmission

1. A brief description of your transmission and distribution system including major interconnections. Please provide a single-line drawing of your system, if one is readily available.
2. Requested point(s) of delivery on Western's system, voltage of service required and capacity desired at the points of delivery.
3. Description of the transmission arrangements necessary to deliver power from the requested point(s) of delivery to your load. Please provide a single-line drawing of your service arrangements, if one is readily available.

E. Service Requested

1. The amount(s) and type(s) of service requested, and for each season, if applicable.
2. The date when you can first use the service requested from Western.

F. Rates and Power Costs

1. Your existing and proposed rate schedules, by class of service.
2. Estimated costs of existing and future power purchases and generation and transmission facilities.

G. Any other information the applicant wishes to include.

H. The signature and title of an appropriate official who is able to attest to the validity of the information submitted and who is authorized to submit the application.

Appendix F

**General Power Contract Provisions
(August 15, 1995)**

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

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WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1. These General Power Contract Provisions shall be a part of the contract to which they are attached. These provisions set forth general conditions applicable to the contract. Specific terms set forth in the contract have precedence over any provision herein.

* 1.2. If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with the General Power Contract Provisions, Articles 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Article 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes

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of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

* 6.1. The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or by the Contractor. The Contractor shall ensure that metering equipment furnished and maintained by the Contractor or another power supplier, as provided in the contract, meets the metering standards of Western if such metering equipment will be used for billing or other accounting purposes by Western.

* 6.2. Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the interested parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless another test interval is agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by either party hereto, a supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance. Meters found with broken seals shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Article 6.3 below.

6.3. Except as otherwise provided in Article 6.4 hereof, should any meter that is needed by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during such period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

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6.4. If acceptable inspections and tests of a meter needed by Western for billing or other accounting purposes disclose an error exceeding two percent (2%), then correction based upon the inaccuracy found shall be made of the records of services furnished during the period that such inaccuracy has existed as determined by Western; Provided, That if such period of inaccuracy cannot be determined, correction shall be made for the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.

6.5. Any correction in billing resulting from correction in meter records shall normally be made in the next monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties hereto arising out of inaccuracy of metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. Conditions of Transmission Service.

8.1. When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2. Unless otherwise provided in the contract or attached rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3. Western will endeavor to inform the Contractor from time to time of any changes contemplated on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system because of changes or conditions on the system over which the service is supplied shall not be a charge against or a liability of Western.

8.4. If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days' written notice given to Western prior to making such changes, but not thereafter.

8.5. If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days' written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its loads served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Article shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

13. Billing and Payment.

13.1. Western will issue bills to the Contractor for service furnished during the preceding month within ten (10) days after the end of the billing period.

13.2. If Western is unable to issue a timely monthly bill, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill shall be subject to the same payment provisions as a final bill.

13.3. Payments are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western; Provided, That payments received by mail will be accepted as timely and without assessment of the charge provided for in Article 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4. Whenever the parties agree, payments due Western by the Contractor may be offset against payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

* 14.1. Bills not paid in full by the Contractor by the due date specified in Article 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2. Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

For a fractional part of a billing period at the beginning or end of electric service, at the beginning or end of irrigation pumping service each year, a fractional billing period under a new rate schedule, and for fractional periods due to withdrawals of electric services, the demand or capacity charge and minimum charges shall each be proportionately adjusted in the ratio that the number of hours that electric service is available to the Contractor in such fractional billing period bears to the total number of hours in the billing period involved.

16. Adjustments for Curtailments to Firm Service.

16.1. Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of 1 hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Article 14 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this Article, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

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16.2. The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, for each reduction, of: the number of hours of reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3. The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of 1 hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the provisions of this section; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.

17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

* 18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Article to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13(a) of the Boulder Canyon Project Act of December 21, 1928, (45 Stat. 1057) and the parties to the contract shall observe and be subject to and

* Revised August 15, 1995.

controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the worksite. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1. The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2. If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions of the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning

alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1. The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Western's current "Power Systems Safety Manual," "Construction, Safety, and Health Standards," and "Power System Clearance Procedures" in effect upon the signing of the contract; Except, That, in lieu of the safety program required herein, the Contractor may provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2. The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3. At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4. Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5. In the event the Contractor, its employees, agents, or subcontractors fail to comply with any provision of this Article, or Article 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, and removed subject to compliance with laws, executive orders, and regulations applicable to that party, including the National Environmental Policy Act of 1969, as amended, 36 CFR 800, and the Archeological Resources Protection Act of 1979.

* 30. Responsibility for Hazardous Materials.

When either party owns equipment containing hazardous material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to hazardous materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), the Solid Waste Disposal Act and the Resource Conservation Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), and the regulations implementing these laws, as they may be amended, and any other existing or subsequent applicable Federal or state laws and regulations. Each party shall label its equipment containing hazardous material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Article titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

* Revised August 15, 1995.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Article 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.

35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractor's, its employees', agents', or subcontractors', construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof,

the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Articles 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in Contract.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the written approval of the Administrator of Western; Provided, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Article.

* 37.2 Unless otherwise provided by legislation, any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

38. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

39. Notices.

Any notice, demand, or request required by the contract or the provisions of these Articles to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice.

* Revised August 15, 1995.

40. Contingent Upon Appropriations.

Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States obligations under the contract. In case such appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41. Officials Not to Benefit.

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of the contract or to any benefit that may have arisen from the contract, but this restriction shall not be construed to extend to the contract if made with a corporation or company for its general benefit.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C.A. (329 (1986)), is subject to the provisions of the Act, 40 U.S.C.A. ((327-333 (1986)), and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the contract.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. 4082(c) (2) and Executive Order 11755, December 29, 1973.

Appendix G

Powerplants of the Central Valley Project

Powerplants of the Central Valley Project

Plant Name	Type	Agency	Operation Location	Maximum Number of Units	Maximum Operating Capability (kW)
Judge F. Carr	Hydro	Reclamation	Lewiston Tunnel	2	184,000 ^(b)
Folsom	Hydro	Reclamation	American River	3	215,000
Keswick	Hydro	Reclamation	Sacramento River	3	105,000
Nimbus	Hydro	Reclamation	American River	2	17,000
O'Neill	Pump generating	Reclamation	San Luis Creek	6	14,000
W. R. Gianelli	Pump generating	California ^(a)	San Luis Creek	8	202,000 ^(c)
Shasta	Hydro	Reclamation	Sacramento River	7	584,000
Spring Creek	Hydro	Reclamation	Clear Creek Tunnel	2	200,000 ^(b)
Trinity	Hydro	Reclamation	Trinity River	3	140,000
Lewiston	Hydro	Reclamation	Trinity River	1	350
New Melones	Hydro	Reclamation	Stanislaus River	2	383,000
Total Installed Capacity					2,044,350
Total Number of Plants	11				
<p>(a) Operated by the State of California for Reclamation. (b) Limited by tunnel restrictions. (c) Eight 53,000-kW units for a total installed capacity of 424,000 kW, of which the Reclamation share is 202,000 kW.</p>					

Appendix H

**Contract Rate of Delivery Report
(April 1997)**

 N6001 CENTRAL VALLEY PROJECT POWER ALLOCATIONS

RUN DATE: 04/07/97 AT 07:59
 Effective 04/97

(Contract Rate of Deliveries)

PAGE 01

AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)

FEDERAL AGENCIES						
Air Force, U.S. Dept. of						
(223) Beale AFB	69	21,575	20,507	1,068	0	0
(278) *McClellan AFB	69	12,000	10,655	1,345	0	0
(279) +*Onizuka AFB	12	3,500	2,888	612	0	0
(228) Travis AFB	60	12,651	11,299	1,352	0	0
(287) Travis Wherry Housing (Travis AFB)	12	1,400	100	1,300	0	0
(247) *David Grant Med Center (Travis AFB)	60	4,000	3,552	448	0	0
		-----	-----	-----	-----	-----
		55,126	49,001	6,125	0	0
Defense Logistics Agency						
(230) Parks Res. Forces Trning Area, Dublin	12	500	500	0	0	0
(243) Defense Dist. Depot (Sharpe Facility)	60	4,000	4,000	0	0	0
(244) Defense Dist. Depot (Tracy Facility)	4.16	3,800	3,800	0	0	0
		-----	-----	-----	-----	-----
		8,300	8,300	0	0	0
Energy, U.S. Dept. of						
(256) Lawrence Berkeley National Laboratory	115	12,500	12,500	0	0	0
(255) Lawrence Livermore National Laboratory	115	8,711	8,711	0	0	0
		-----	-----	-----	-----	-----
		21,211	21,211	0	0	0

* = REFER TO NOTES ON LAST PAGE

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AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)
Energy, Department of						
(257) Site 300	115	2,500	2,500	0	0	0
(263) *Stanford Linear Accelerator Center	60/230	53,903	24,089	20,814	0	9,000
		56,403	26,589	20,814	0	9,000
National Aeronautics & Space Administration						
(222) Ames Research Center (NASA)	115	80,000	80,000	0	0	0
(236) *Moffett Federal Airfield	115	5,009	3,984	1,025	0	0
		85,009	83,984	1,025	0	0
Navy, U.S. Department of						
(225) *Naval Shipyard, Mare Island	115	6,000	4,772	1,228	0	0
(258) Naval Air Station, Lemoore	12	18,000	18,000	0	0	0
(237) *Naval Communication Station, Stockton	12	3,700	2,943	757	0	0
(259) Naval Radio Station, Dixon	12	915	915	0	0	0
(274) *Naval Station, Treasure Island	115	4,000	3,182	818	0	0
(268) *Naval Supply Center, Oakland	115	7,000	5,568	1,432	0	0
(250) Naval Weapons Station, Concord	21	2,398	2,300	98	0	0
(267) Oakland Army Base	115	2,275	2,275	0	0	0
		44,288	39,955	4,333	0	0

* = REFER TO NOTES ON LAST PAGE

AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)

STATE AGENCIES						
Department of Corrections						
(234) Deuel Vocational Institute	4	1,700	1,700	0	0	0
(235) California State Prison - Sacramento	12	2,300	2,300	0	0	0
(289) Northern California Youth Center	12	1,700	1,700	0	0	0
(360) Sierra Conservation Center	17.2	3,000	3,000	0	0	0
(245) +Calif. Medical Facility, Vacaville	4	2,300	2,300	0	0	0
		-----	-----	-----	-----	-----
		11,000	11,000	0	0	0
Department of Parks and Recreation						
(231) Calif. State Parks & Recreation, Folsom	4	100	100	0	0	0
		-----	-----	-----	-----	-----
		100	100	0	0	0
State Universities						
(232) Calif. State Univ. Sacramento, Nimbus	.480	40	40	0	0	0
(229) +University of California, Davis	60	22,682	19,500	3,182	0	0
		-----	-----	-----	-----	-----
		22,722	19,540	3,182	0	0

* = REFER TO NOTES ON LAST PAGE

N6001
 RUN DATE: 04/07/97 AT 07:59
 Effective 04/97

CENTRAL VALLEY PROJECT POWER ALLOCATIONS

(Contract Rate of Deliveries)

AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)

OTHER AGENCIES						
Municipalities						
(310) -Alameda, City of	115	1,145	1,145	0	0	0
(283) Avenal, City of	12	622	622	0	0	0
(294) -Biggs, City of	12	3,900	3,900	0	0	0
(248) -Gridley, City of	60	8,700	8,700	0	0	0
(311) -Healdsburg, City of	60	1,941	1,490	0	451	0
(312) -Lodi, City of	60	6,636	5,173	0	1,463	0
(313) -Lompoc, City of	115	3,897	2,042	0	1,855	0
(262) -Palo Alto, City of	115	138,700	138,700	0	0	0
(241) Redding, City of	115/230	116,000	116,000	0	0	0
(242) -Roseville, City of	60	44,700	44,700	0	0	0
(285) *Santa Clara, City of	115	216,532	73,000	63,532	0	80,000
(251) Shasta Lake, City of	115	11,450	11,450	0	0	0
(314) -Ukiah, City of	115	6,173	4,917	0	1,256	0
		-----	-----	-----	-----	-----
		560,396	411,839	63,532	5,025	80,000
Public Utility Districts						
(350) Calaveras Public Power Agency	60	7,000	7,000	0	0	0
(352) Tuolumne Public Power Agency	115	7,000	7,000	0	0	0
(320) +East Bay MUD	12	4,965	3,914	0	1,051	0
(281) +Lassen Municipal Utility District	60	20,000	20,000	0	0	0
(336) Modesto ID	230	10,805	4,845	0	5,960	0

* = REFER TO NOTES ON LAST PAGE

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CENTRAL VALLEY PROJECT POWER ALLOCATIONS

(Contract Rate of Deliveries)

AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)
Public Utility Districts						
(200) Sacramento MUD	230	361,000	361,000	0	0	0
(321) Trinity County PUD	60	17,000	17,000	0	0	0
(365) Turlock ID	230	3,941	2,190	0	1,751	0
		431,711	422,949	0	8,762	0
Rural Electric Cooperative						
(227)-Plumas-Sierra Rural Electric Coop.	60	23,400	23,400	0	0	0
		23,400	23,400	0	0	0
Irrigation & Water Districts						
(286) Arvin-Edison Water Storage District	115	30,000	30,000	0	0	0
(260) Banta-Carbona ID	60	3,700	3,700	0	0	0
(340) Broadview WD	2.4	500	500	0	0	0
(270) Byron-Bethany ID	60	2,200	2,200	0	0	0
(282) +Cawelo Water District	4.16	2,500	2,500	0	0	0
(329) +Delano-Earlimart ID	4.16	1,487	1,138	0	349	0
(261) East Contra Costa I.D.	22	2,000	2,000	0	0	0
(361) East Contra Costa I.D. P.P. #3	0.48	500	500	0	0	0
(224) Glenn-Colusa ID	60	3,343	3,343	0	0	0
(332) James ID	12	987	638	0	349	0
(343) +Kern-Tulare WD	4.16	1,987	1,638	0	349	0
(331) +Lindsay-Strathmore ID	4.16	1,487	1,138	0	349	0

* = REFER TO NOTES ON LAST PAGE

AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)
Irrigation & Water Districts						
(335) Lower Tule River ID	12	1,965	914	0	1,051	0
(272) Patterson WD	12	2,000	2,000	0	0	0
(238) Provident ID	2.4	750	750	0	0	0
(344) +Rag Gulch WD	4.16	1,000	1,000	0	0	0
(239) Reclamation District 2035	12	1,600	1,600	0	0	0
(405) San Juan WD	4.16	1,000	1,000	0	0	0
(265) San Luis WD (Fittje)	12	3,250	3,250	0	0	0
(264) San Luis WD (Kaljian)	2.3	3,400	3,400	0	0	0
(345) Santa Clara Valley WD	12	987	638	0	349	0
(347) +Sonoma County Water Agency	12	3,000	3,000	0	0	0
(330) +Terra Bella ID	4.16	1,487	1,138	0	349	0
(246) West Side ID	2.4	2,000	2,000	0	0	0
(266) West Stanislaus ID	12	5,200	5,200	0	0	0
(290) Westlands WD Assumed Pt. Del.	Misc.	6,684	6,684	0	0	0
(254) Westlands WD Pumping Plant #6-1	70	1,850	1,850	0	0	0
(253) Westlands WD Pumping Plant #7-1	2.3	3,200	3,200	0	0	0
		90,064	86,919	0	3,145	0
Local & Suburban Passenger Transportation						
(284)+Bay Area Rapid Transit (BART)	115	57,000	34,331	0	22,669	0
		57,000	34,331	0	22,669	0

* = REFER TO NOTES ON LAST PAGE

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 C-073279

 N6001 CENTRAL VALLEY PROJECT POWER ALLOCATIONS
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AGENCY	DELIVERY VOLTAGE (kV)	CONTRACT RATE OF DELIVERY (kW)	LONG-TERM FIRM (kW)	TYPE III WITHDRAWABLE (kW)	WESTLANDS WITHDRAWABLE (kW)	OTHER (kW)
OTHER AGENCIES						
Economic Development (233)*Castle Joint Powers Authority	12	3,000	2,664	336	0	0
		3,000	2,664	336	0	0
OTHER AGENCIES						
GRAND TOTAL		1,469,730	1,241,782	99,347	39,601	89,000

NOTES:

1. Standford Linear Accelerator Center has 9,000 kW of Diversity Power.
2. City of Santa Clara (City) has 60,000 kW of Type II Withdrawable Power (identified as Type III Withdrawable Power on this report) and 3,532 kW of Type III Withdrawable Power. The City also has 80,000 kW of Curtailable Power.
3. The following military/economic development installations have been allocated power under the NDA Act: McClellan AFB; Onizuka AFB; David Grant Medical Center; Naval Support Activity, Treasure Island; Naval Shipyard, Mare Island; Naval Supply Center, Oakland; Naval Communications Station, Stockton; Moffett Federal Airfield; and Castle Joint Powers Authority.
4. The Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, and Ukiah, and the Plumas-Sierra Rural Electric Cooperative have reduced their CRD on a temporary basis.
5. The Bay Area Rapid Transit District, Cawelo Water District, Delano-Earlimart Irrigation District, East Bay Municipal Utility District, Kern-Tulare Water District, Lassen Municipal Utility District, Lindsay-Strathmore Irrigation District, Rag Gulch Water District, Sonoma County Water Agency, Terra Bella Irrigation District, University of California, Davis, Vacaville Medical Facility, and Onizuka AFB have increased their CRD on a temporary basis.

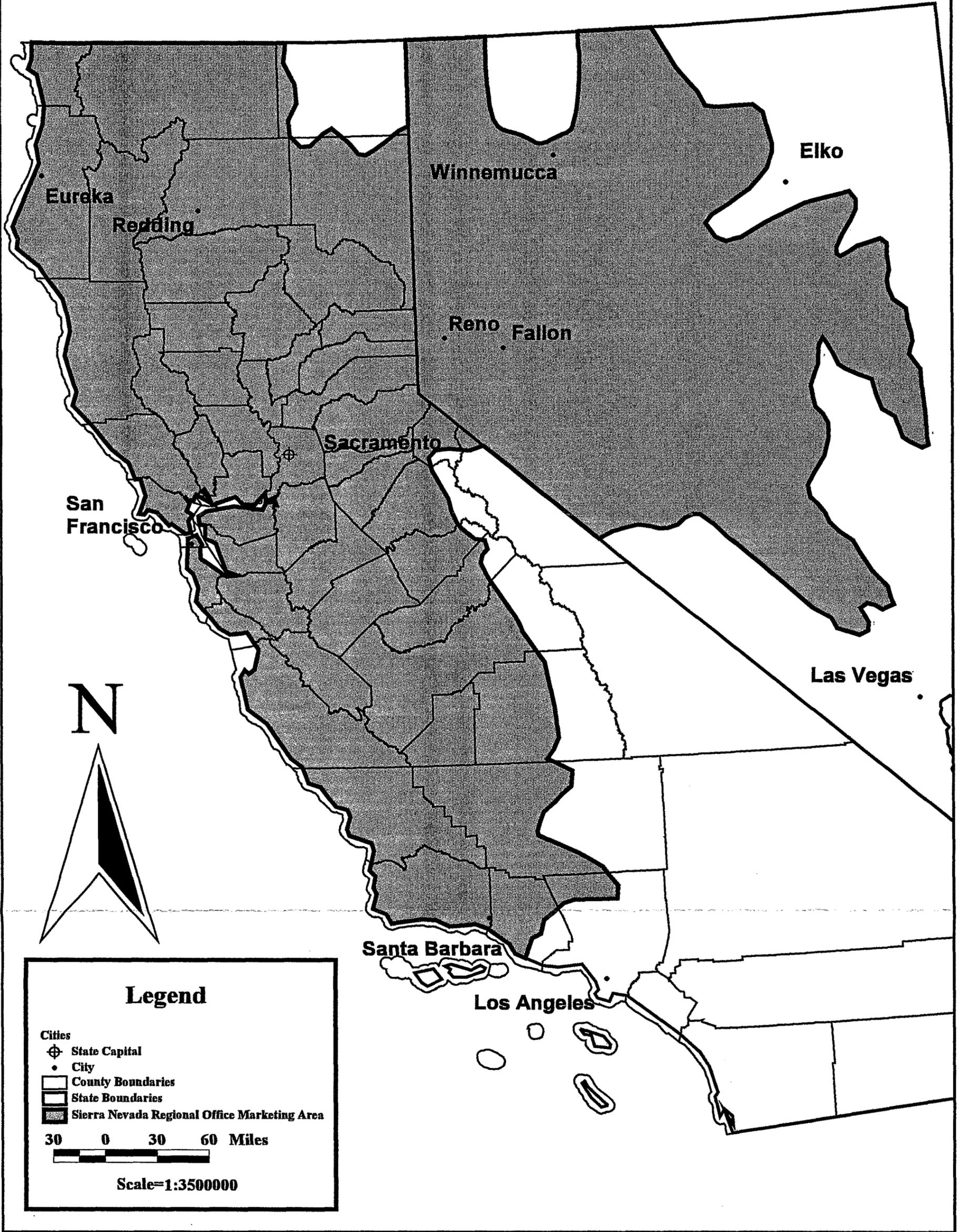
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Map A

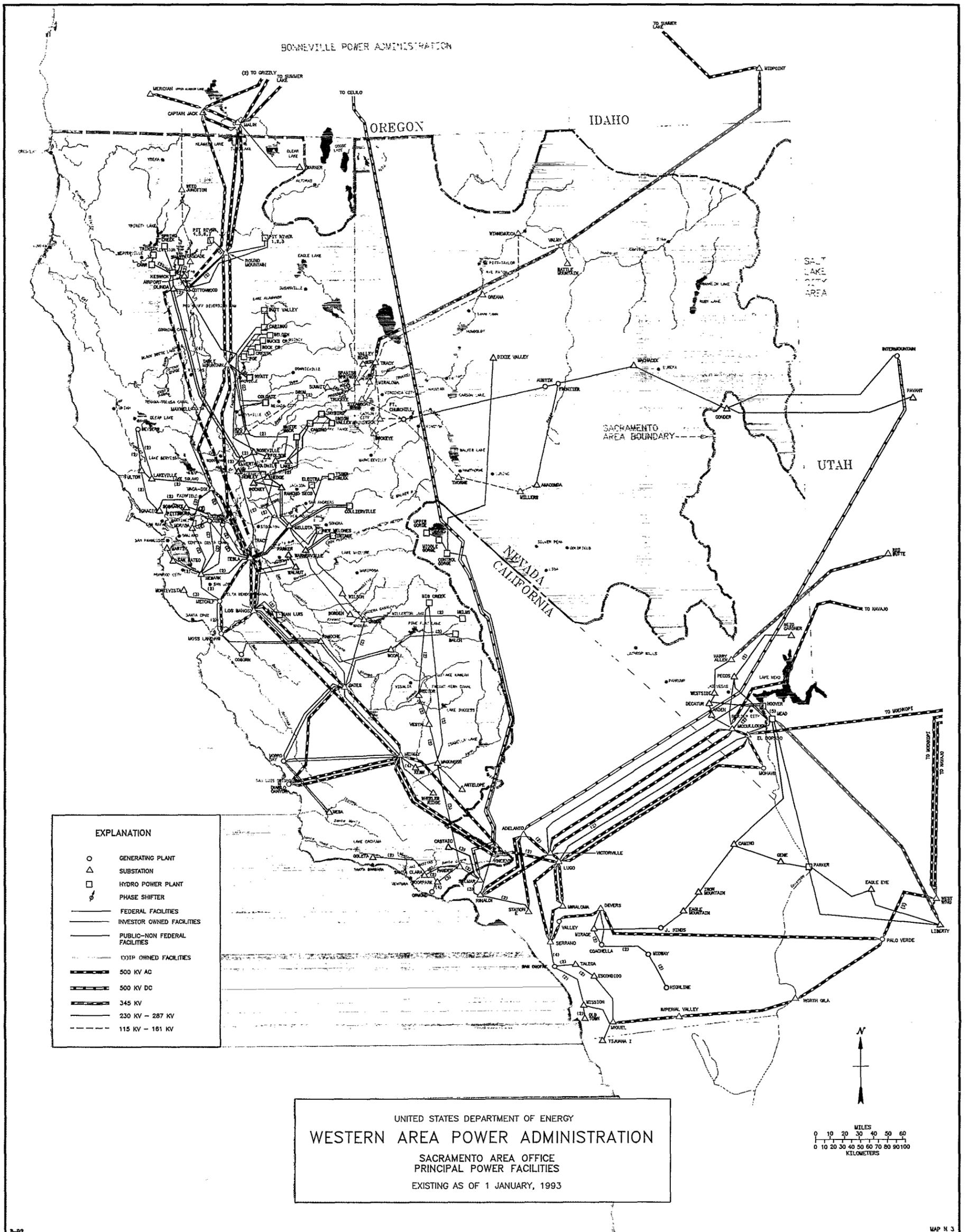
Sierra Nevada Region Marketing Area

Sierra Nevada Region Marketing Area



Map B

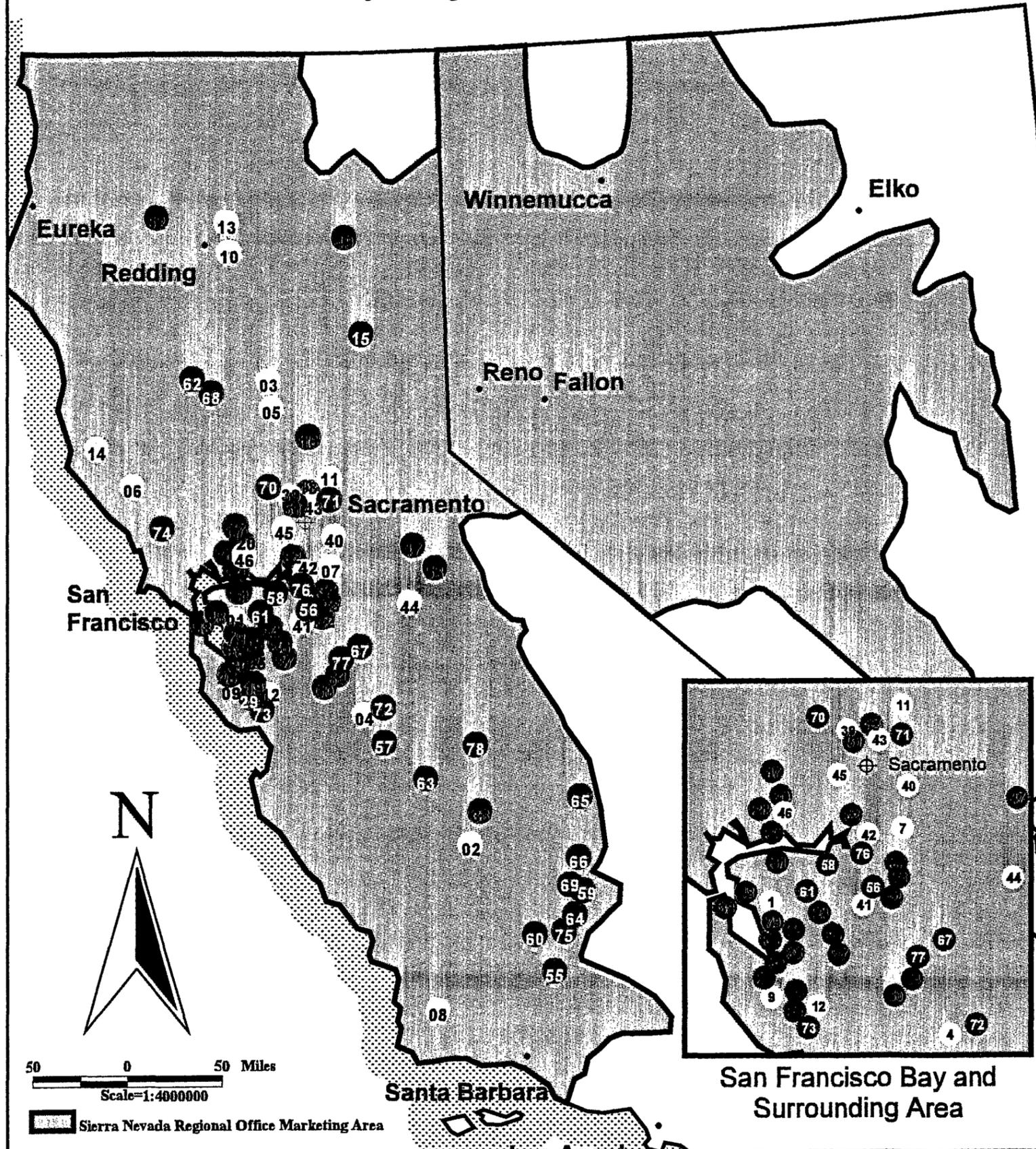
**Sierra Nevada Region
(Sacramento Area Office)
Principal Power Facilities**



Map C

Central Valley Project Preference Customers

Central Valley Project Preference Customers



MUNICIPALITIES ○

01. City of Alameda
02. City of Avenal
03. City of Biggs
04. Castle Joint Powers Authority *
05. City of Gridley
06. City of Healdsburg
07. City of Lodi
08. City of Lompoc
09. City of Palo Alto
10. City of Redding
11. City of Roseville
12. City of Santa Clara
13. City of Shasta Lake
14. City of Ukiah

RURAL ELECTRIC COOPERATIVES ●

15. Plumas-Sierra

FEDERAL AGENCIES ●

DEPARTMENT OF THE AIR FORCE

16. Beale AFB
17. David Grant Medical Center (Travis AFB)
18. McClellan AFB
19. Onizuka AFB
20. Travis AFB
21. Travis Wherry Housing (Travis AFB)

DEFENSE LOGISTICS AGENCY

22. Defense Distribution Depot (Sharpe Facility)
23. Defense Distribution Depot (Tracy Facility)
24. Parks Reserve Forces Training Area, Dublin

DEPARTMENT OF ENERGY

25. Lawrence Berkeley National Laboratory
26. Lawrence Livermore National Laboratory
27. Site 300
28. Stanford Linear Accelerator Center

NATIONAL AERONAUTICS & SPACE ADMIN.

29. Ames Research Center
30. Moffet Federal Airfield *

DEPARTMENT OF THE NAVY

31. Concord Naval Weapons Station
32. Dixon Naval Radio Station
33. Lemoore Naval Air Station
34. Mare Island Naval Shipyard
35. Oakland Army Base
36. Oakland Naval Supply Center
37. Stockton Naval Communications Station
38. Treasure Island Naval Station

STATE AGENCIES ○

39. California State Prison-Sacramento
40. California State University, Sacramento-Nimbus
41. Deuel Vocational Institution
42. Northern California Youth Center
43. Parks & Recreation, American River District
44. Sierra Conservation Center
45. University of California, Davis
46. Vacaville Medical Facility

PUBLIC UTILITY DISTRICTS ●

47. Calaveras Public Power Agency
48. East Bay Municipal Utility District
49. Lassen Municipal Utility District
50. Modesto Irrigation District
51. Sacramento Municipal Utility District
52. Trinity County Public Utilities District
53. Tuolumne Public Power Agency
54. Turlock Irrigation District

IRRIGATION & WATER DISTRICTS ●

55. Arvin-Edison Water Storage District
56. Banta-Carbona Irrigation District
57. Broadview Water District
58. Byron-Bethany Irrigation District
59. Cawelo Water District
60. Delano-Earlimart Irrigation District
61. East Contra Costa Irrigation District
62. Glenn-Colusa Irrigation District
63. James Irrigation District
64. Kern-Tulare Water District
65. Lindsay-Strathmore Irrigation District
66. Lower Tule River Irrigation District
67. Patterson Water District
68. Provident Irrigation District
69. Rag Gulch Water District
70. Reclamation District 2035
71. San Juan Water District
72. San Luis Water District
73. Santa Clara Valley Water District
74. Sonoma County Water Agency
75. Terra Bella Irrigation District
76. West Side Irrigation District
77. West Stanislaus Irrigation District
78. Westlands Water District

LOCAL & SUBURBAN ●

PASSENGER TRANSPORTATION

79. Bay Area Rapid Transit District

* NDA Act Economic Development Allocations

Western Area Power Administration
Sierra Nevada Region

Central Valley Project
Preference Customers

January 1997