Construction, Rehabilitation, Operation and Maintenance

Proposed Appropriation Language

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, [$203,000,000]*$171,471,000*, to remain available until expended, of which [$193,787,000]*$160,286,000* shall be derived from the Department of the Interior Reclamation Fund: *Provided*, That of the amount herein appropriated, $5,036,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992.

Falcon and Amistad Operating and Maintenance Fund

Proposed Appropriation Language

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, [$1,010,000] *$1,309,000* to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

Western Area Power Administration

Program Mission

The mission of the Western Area Power Administration (Western) is to market and deliver reliable, cost-based hydroelectric power and related services. Western provides electric power to over 600 customers over a 1.3-million-square-mile area in the central and western United States. Western will repay the Federal investment for which it is responsible within the time frames established by law and regulations.

Western's Goals

- Remarkable Service
- Superior Products
- Delighted Customers

Program Objectives

To be an organization of highly skilled, highly productive, customer-oriented employees who carry out our mission in concert with our desired culture, core competencies and leadership qualities.

To strengthen our partnerships with the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers and the International Boundary and Water Commission to manage power delivery costs, and to improve power system reliability and efficiency.

To strengthen partnership programs with our customers, constantly looking for opportunities to support both their and Western's success.

To participate in decision-making processes with natural resource agencies whose operating decisions significantly affect Federal power rates and repayment obligations.

To limit increases in annual operating expenses to keep our rates and the rates of our customers competitive in the markets we serve.

To continuously work with our customers to secure alternative financing of Western's programs.

To be proactive in the shaping of the competitive utility industry, primarily acting as an advocate for power system reliability.

To enhance the productivity of our workforce to improve our service to our customers through continuous streamlining of our work processes and seeking relief from burdensome regulations.

Performance Measures

Western's performance measures support Department of Energy's Strategic Plan and Comprehensive National Energy Strategy. These measures are aimed at achieving specific outcomes including establishment of rates sufficient to make full and timely repayment to the U.S. Treasury; maintenance of the health and safety of all employees; and development and achievement of the operation of a reliable, low-cost, environmentally-sound power system which facilitates competitive, efficient and reliable power deliveries. Outputs include:

- *Transmission System Performance*: Western's goal is to ensure that each power system control area operated by Western receives, for each month of the fiscal year, a Control Compliance Rating of "Pass" using the North American Electric Reliability Council performance standard. Control criteria compliance are measures used to determine if utility employees, control equipment, and generation are responsive to the minute-by-minute load changes throughout the year. Good control performance is required to maintain system reliability and to reduce losses, as well as maintain equity among interconnected systems. Western's annual average compliance ratings in FY 1998 were 183.3 for CPS1 and 98.2 for CPS2, well exceeding the North American Electric Reliability Council (NERC) minimum of 100 and 90, respectively. Industry averages were 181.74 and 97.5, respectively.

- *Safety*: Western's goal is to achieve a safety performance of at most a 3.3 frequency rate for recordable injuries per 200,000 hours worked, or the Bureau of Labor Statistics industry rate, whichever is lower. Total recordable case (accident) rate measures the recordable accident frequency rate by multiplying the number of recordable injuries by 200,000, then dividing by the total hours worked. Western's calendar year 1997 rate of 1.9 is well below the industry average of 5.7. Final CY 1998 data are not yet available.

- *Cost Growth*: Western's goal is that the change in actual regular operation and maintenance obligations from one year to the next is no greater than the annual rate of inflation for the same period. In FY 1998, regular operation and maintenance obligations were 5.6 percent less than FY 1997. The annual rate of inflation for that same period was 1.5 percent.

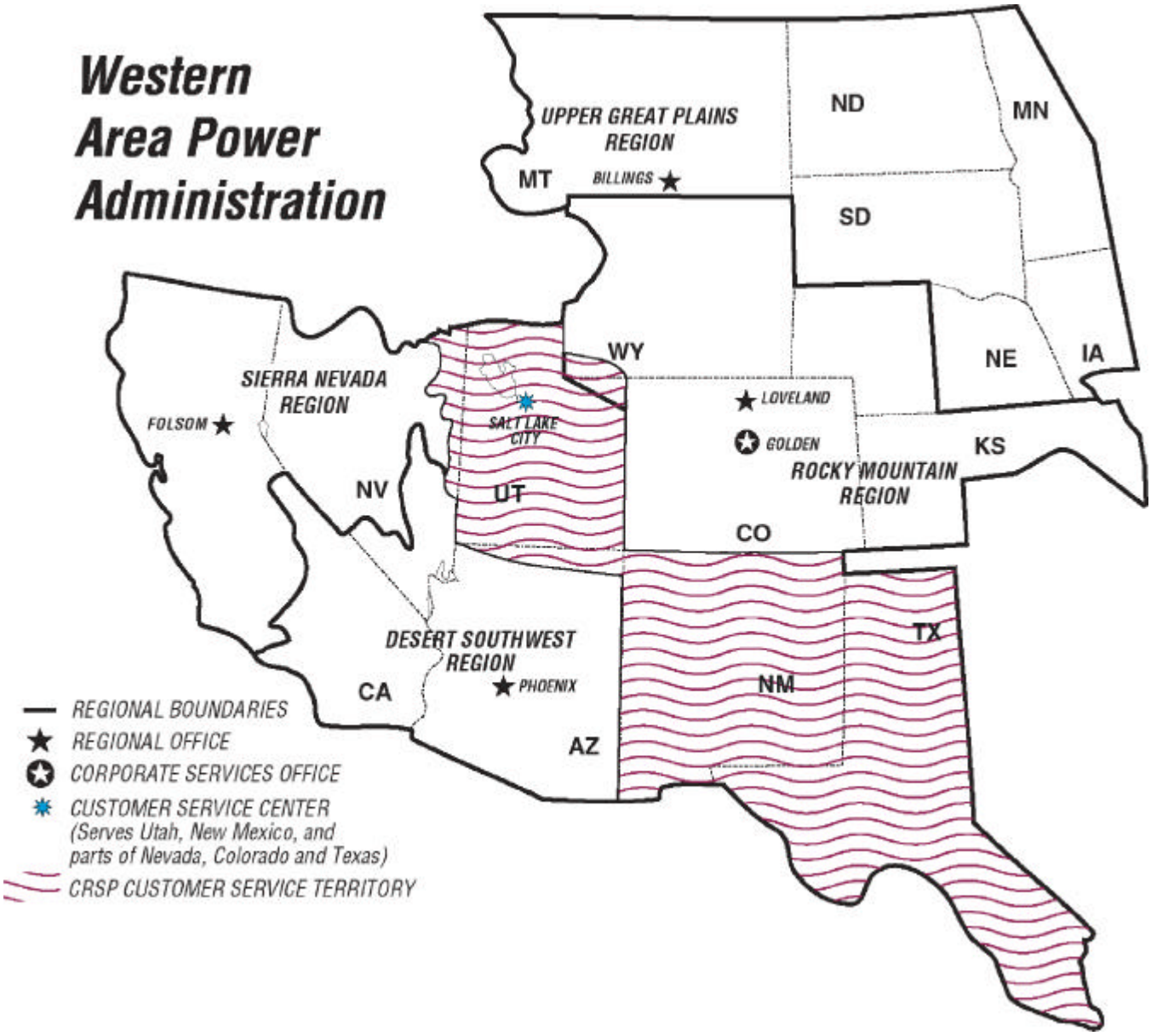
- *Repayment of Power Investment*: Western's goal is to meet planned repayment of principal on power investment. As a result of an above-average water year and higher power sales, Western's FY 1997 payment was 144.6 percent of planned payment. Final FY 1998 information is not yet available.

Significant Accomplishments and Program Shifts

- In FY 2000, Western will not seek appropriations for the Purchase Power and Wheeling (PPW) program funded in Western's Construction, Rehabilitation, Operation and Maintenance (CROM) account. In addition, current alternative financing arrangements (net billing, bill crediting, and reimbursable) for PPW will be terminated. Customers are expected to provide for these financing arrangements directly with suppliers, thereby reducing both Western's costs and revenues in FY 2000 by $141 million. Existing long-term power purchase and power sale contractual commitments not funded by Western's customers will be terminated.

- Beginning in FY 2000, Western will pay for Boulder Canyon Project operations directly from the Colorado River Dam Fund (CRDF). Previously, this Project was included in Western's CROM account, and funds were provided from the CRDF by transfer.
- In FY 1998, Western
  - Sold 45.0 billion kilowatt-hours of energy; and
  - Collected gross operating revenues of $864.9 million.
- While we have effectively completed our Transformation initiative bringing requirements for full-time equivalents (FTE) down from 1,504 in FY 1994 to 1,330 in FY 1999, we are continuing to vigorously pursue efficiency opportunities. The FY 2000 budget request assumes a further decrease of 40 FTE in our business requirements.
- Western operated and maintained 16,854 circuit miles of high-voltage transmission lines, 258 substations, and associated power system control, communication and electrical facilities located across 15 western states; marketed low-cost, reliable hydroelectric power to 629 power customers, and provided system operations and load dispatching, power billing and collection, power marketing, power resource planning, energy services, technology transfer, security and emergency management for 15 separate power projects. Western, once again, exceeded both the NERC and industry averages for transmission system performance.
- Western is in the process of separating its power marketing and transmission system reliability functions in response to the Federal Energy Regulatory Commission's (FERC) Order Nos. 888 and 889. Western's challenge was to integrate the legal requirements of our 11 separate rate-setting systems into one single tariff, while accommodating the diverse nature of the 15 projects from which we market power and/or transmission services. Western's tariff package was submitted to FERC under a nonjurisdictional docket on December 31, 1997. Western filed its Standards of Conduct for power marketing and operations employees with FERC on December 9, 1998. Western owns, operates, and/or participates in electronic systems to share information about available transmission capacity within the regions in which it operates.
- Western is the Federal representative on the NERC compliance subcommittee. The subcommittee has begun NERC's effort to develop a mandatory system to ensure compliance with the reliability standards and criteria. Additionally, Western played a major role in developing the Reliability Management System (RMS) used within Western Systems Coordinating Council (WSCC). RMS is the first contract-based approach to ensure the reliability of the interconnected transmission system.
- Western's Electric Power Training Center developed and now offers a course specifically designed to prepare participants for NERC's certification examination. The course focuses on NERC operating policies, conceptual underpinnings and practical application.
- Western has consolidated the functions of the Montrose Control Center with those of the Desert Southwest and Rocky Mountain Control Centers. The change provides enhanced coordination with emerging regional transmission groups, increased operational flexibility, and saves money by eliminating the need for a replacement supervisory control and data acquisition system at one site.

- Western continued as a major participant in the development of four independent system operators (ISO) across our service area. Although not a member, Western holds a position on the California ISO Governing Board representing the public buyers and sellers class.
- Western developed and operates two of four regional security coordination centers in the West in response to the Department's initiative on electric reliability. To improve national electric reliability, security coordination centers actively monitor electric power system conditions on a real-time basis to observe and mitigate potential problems as well as react to system emergencies as they develop. If a system breakup occurs, the security coordination center will direct restoration efforts.
- Western initiated 14 power and rate actions in FY 1998, 12 for rate decreases or extensions, and two for rate increases to meet project repayment needs. All were approved by FERC without exception. Western committed to maintain rate stability across our major systems through FY 2002.
- Western completed contracts to sell Federal power to 26 Native American tribes in the Upper Midwest as part of the Pick-Sloan Missouri Basin Program's Post-2000 marketing program. This complex and innovative effort involved current and new customers in partnerships to bring the benefits of the Federal power program to these Tribes.
- Western initiated a Year 2000 project to identify and correct potential problems relating to the millennium rollover for our mission-essential systems and other equipment and software. Additionally, we are working with the Bureau of Reclamation and the U.S. Army Corps of Engineers, our primary hydropower suppliers, to ensure that both generation-agency power and related systems are Y2K compliant in our service area.
- Western exceeded Welfare-to-Work hiring initiatives by hiring six individuals into entry-level jobs.
- Western received DOE's Small Business Award in recognition of our commitment to contract with small and disadvantaged businesses. Our reengineering efforts to reduce regulatory hurdles and barriers in government procurement processes resulted in two "Hammer" awards from Vice President Gore's National Performance Review.
- Western continued development, documentation and training initiatives associated with commercial, off-the-shelf financial and maintenance management systems which are scheduled for implementation in FY 1999.
- Western successfully concluded a contract, through the General Services Administration, for a new building for its corporate services office. The building will result in reduced annual lease costs. Ground-breaking was held on September 23, 1998, with occupancy scheduled for late in FY 1999.
- Western continued to exceed agency and industry-wide safety goals, reducing accident and severity rates to an all-time low.


Western
Area Power
Administration
UPPER GREAT PLAINS
REGION
MT
BILLINGS
ND
MN
SD
WY
NE
IA
SIERRA NEVADA
REGION
FOLSOM
SALT LAKE
CITY
LOVELAND
GOLDEN
KS
ROCKY MOUNTAIN
REGION
NV
UT
CO
DESERT SOUTHWEST
REGION
PHOENIX
CA
AZ
NM
TX
REGIONAL BOUNDARIES
REGIONAL OFFICE
CORPORATE SERVICES OFFICE
CUSTOMER SERVICE CENTER
(Serves Utah, New Mexico, and
parts of Nevada, Colorado and Texas)
CRSP CUSTOMER SERVICE TERRITORY

Construction, Rehabilitation, Operation and Maintenance

Funding Profile

(dollars in thousands)

	FY 1998 Current Appropriation	FY 1999 Original Appropriation	FY 1999 Adjustments	FY 1999 Current Appropriation	FY 2000 Request
Construction, Rehabilitation, Operation and Maintenance Account					
Program Direction	108,331	107,383	0	107,383	104,537
Operation and Maintenance	39,746	36,469	0	36,469	35,096
Construction and Rehabilitation	24,243	20,802	0	20,802	26,802
Purchase Power and Wheeling	54,886	53,886	0	53,886	0
Utah Mitigation and Conservation	5,592	5,036	0	5,036	5,036
Total Program, Operating Expenses	232,798	223,576	0	223,576	171,471
Planned Use of Prior Year Balances	-41,081	-20,576	0	-20,576	0
Total Budget Authority Request	191,717	203,000	0	203,000	171,471
Current Budget Authority	(189,043)	(203,000)		(203,000)	(171,471)
Permanent Budget Authority	(2,674)	(0)		(0)	(0)

Public Law Authorizations:

Public Law 57-161, "The Reclamation Act of 1902"
Public Law 95-91, "Department of Energy Organization Act" (1977)
Public Law 102-486, "Energy Policy Act of 1992"
Public Law 66-389, "Sundry Civil Appropriations Act" (1922)
Public Law 76-260, "Reclamation Projects Act of 1939"
Public Law 80-790, "Emergency Fund Act of 1948"
Public Law 102-575, "Reclamation Projects Authorization and Adjustment Act of 1992"
"Economy Act" of 1932, as amended
"Interior Department Appropriation Act of 1928" (44 stat. 957)

Funding by Site

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Western Area Power Administration	232,798	223,576	171,471	-52,105	-23.3%
Planned Use of Prior Year Balances	-41,081	-20,576	0	+20,576	+100.0%
Total, Construction, Rehabilitation, Operation and Maintenance Account	191,717	203,000	171,471	-31,529	-15.5%

Site Description

Western Area Power Administration's (Western) service area covers 1.3-million square miles in 15 states. We sell power to 629 wholesale customers including 285 municipalities, 50 cooperatives, 18 public utility and 48 irrigation districts, 54 Federal and 54 State agencies, 30 investor-owned utilities, 21 marketers, and 69 Reclamation customers. They, in turn, provide retail electric service to millions of consumers in these central and western states: Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah and Wyoming.

Western annually markets and transmits more than 10,000 megawatts of power from 55 hydropower plants. We sell about 40 percent of regional hydroelectric generation. Western also markets the United States' entitlement from the coal-fired Navajo Generating Station near Page, Arizona.

Western operates and maintains an extensive and complex high-voltage transmission system to deliver power to our customers. Using this 16,854-circuit-mile Federal transmission system, Western markets and delivers reliable electric power to most of the western half of the United States. Western's system is the third largest in the United States.

The power facilities are made up of 14 multipurpose water resource projects and one transmission project. The systems include Western's transmission facilities and power generation facilities owned and operated by the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers and the International Boundary and Water Commission.

Power sales, transmission operations and engineering services for our system are accomplished by our employees at 48 duty stations located throughout our service area. These include our Corporate Services Office in Golden, Colorado, and four customer service regional offices in Billings, Montana; Loveland, Colorado; Phoenix, Arizona; and Folsom, California. The Colorado River Storage Project is also supported by a Customer Service Center in Salt Lake City, Utah. System operations and maintenance are managed at offices in Bismarck, North Dakota; Fort Peck, Montana; Huron, South Dakota; Montrose, Colorado; and Watertown, South Dakota.

Construction, Rehabilitation, Operation and Maintenance Program Direction

Mission Supporting Goals and Objectives

Western Area Power Administraton's (Western) Program Direction activity provides compensation and all related expenses for the workforce that operates and maintains Western's high-voltage interconnected transmission system and associated facilities and those that plan, design, and supervise the construction of replacements, upgrades and additions (capital investments) to the transmission facilities.

Western operates and maintains the transmission system to ensure an adequate supply of reliable electric power in a clean and environmentally-safe, cost-effective manner throughout its 15-state service territory. Western achieves continuity of service by maintaining its power system at or above industry standards, rapidly restoring service following any system disturbances, mitigating adverse environmental impacts, performing clean-up activities, and maximizing the benefits gained from non-firm energy sales. Additionally, Western operates two of the Western Systems Coordinating Council's security centers (the Rocky Mountain and Desert Southwest power areas).

Western markets power generated at 55 hydropower plants which are operated primarily by the Bureau of Reclamation, the Corps of Engineers, and the International Boundary and Water Commission. Western also markets the United States' entitlement from the Navajo coal-fired powerplant near Page, Arizona.

In concert with our customers, Western reviews required replacements and upgrades to its existing infrastructure to sustain reliable power delivery to our customers and to contain annual maintenance expenses. The timing and scope of these replacements and upgrades are critical to assure that Western's facilities do not become the "weak link" in the interconnected system. Western pursues opportunities to join with neighboring utilities to jointly finance activities, which result in realized cost savings and/or increased efficiencies for all participants.

Performance Measures

The Program Direction activities support the performance measures presented under Program Mission.

- Highly-skilled staff respond to minute-by-minute load changes to meet or exceed North American Electric Reliability Council and industry averages for Transmission System Performance. Craftsmen maintain or replace equipment to assure its capability for reliable delivery of power. The crews also rapidly restore the system following any disturbance.
- Program Direction activities support Western's Safety measurement by making safety a priority in each and every task because of the extreme hazards associated with a high-voltage electrical system. Safety is not a separate program but is integrated into all procedures and jobs.
- The Cost Growth measurement is a direct reflection of Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system, including

the associated Program Direction activities, while not compromising the reliability of power deliveries. Controlling costs is vital to the continuing health of our organization as we move into an era of increased competition. High costs contribute to higher rates, reducing our competitive position and that of our customers.

Program Direction activities support the Repayment of Power Investment measurement by providing 24-hour/day reliable electric power delivery to our customers and maximizing revenues from non-firm power sales.

Funding Schedule

(dollars in thousands, whole FTEs)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Salary & Benefits	73,721	75,629	72,006	-3,623	-4.8%
Travel	7,761	7,993	7,634	-359	-4.5%
Support Services	9,193	8,291	9,827	+1,536	+18.5%
Other Related Expenses	17,656	15,470	15,070	-400	-2.6%
Total, Program Direction	108,331	107,383	104,537	-2,846	-2.7%
Use of Prior Year Balances	-23,205	-15,745	0	+15,745	+100.0%
Total, Program Direction Budget Authority	85,126	91,638	104,537	+12,899	+14.1%
Current Budget Authority	(82,952)	(91,638)	(104,537)		
Permanent Budget Authority	(2,174)	(0)	(0)		
Full-Time Equivalents (FTE)	1,071	1,169	1,075	-94	-8.0%

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Salary and Benefits			
Salaries and benefits for 1,075 Federal employees to operate and maintain, on a continuing, on-going basis, Western's high-voltage interconnected transmission system, comprised of 16,854 miles of line, 258 substations, and associated power system control, communication and general plant facilities. Dispatchers provide 24-hour-a-day operation of four dispatching and two security centers. Staff provide continuing services such as system operations, power billing and collection, power marketing, power scheduling, energy services, technology transfer, environmental, safety, security and emergency management activities. Staff inspect construction activities in progress (identified in the Construction and Rehabilitation activity) to ensure quality results and safe working methods. General power resources planning and preconstruction activities, including planning, environmental clearance, collection of field data, design of facilities, and issuance of specifications for future rehabilitation and upgrades of existing transmission lines continue. Staff evaluate general power resources, collaborating and planning with customers and other members of the interconnected transmission system to identify the most effective transmission system improvements to maximize benefits to all participants. Based on historical data, a 3 percent inflation factor has been applied	73,721	75,629	72,006
Travel			
Transportation and per diem allowance for day-to-day performance of duties of Federal staff, including crews who maintain the transmission system in a 15-state area, and transportation of things. The remote and rural locations that we serve does lead to less competitive pricing. Estimates are based on historical travel costs, adjusted for anticipated escalation of airline fares, and planned activity.	7,761	7,993	7,634

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Support Services			
Support services including automated data processing, warehousing, computer-aided drafting, engineering, and general administrative support. The request is based on exercising the one-year option for the current level of contract support. The increase is for computer-aided drafting and engineering support which was inadvertently included previously in the Operation and Maintenance (O&M) budget request	9,193	8,291	9,827
Other			
Other related expenses, including but not limited to, rental space, utilities, supplies and materials, telecommunications, personal computers, printing and reproduction, training tuition fees, distribution of multi-project facilities costs, Department of Energy's (DOE) working capital fund assessment, and distribution of National Archive and Records Administration costs. Rental space costs assume the GSA-inflation factor, adjusted by the number of employees funded in this account. DOE's working capital fund portion in this account increased 26 percent and is primarily attributed to costs associated with payroll/personnel systems including preparation of withholding tax statements. Other costs are based on historical usage and actual costs of similar items	17,656	15,470	15,070
Total, Program Direction	108,331	107,383	104,537

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Salary and Benefits	
# Decrease in salaries and benefits is the result of 94 fewer FTE working on activities funded through this Account. The decrease is comprised of: 40 FTE due to efficiency gains achieved by Western; 26 FTE due to the use of Western's authority to spend directly out of the Colorado River Dam Fund (CRDF) for activities associated with the Boulder Canyon Project; and 28 FTE transferred to project activities funded from the Colorado River Basins Power Marketing Fund. Work is prioritized crossing all funding mechanisms based on need. Therefore, fluctuations in number of FTE required to perform the work in any given account may occur from year to year	-3,623

	FY 2000 vs. FY 1999 ($000)
Travel	
# Decrease in travel is due to fewer FTE and their associated travel being funded through this Account	-359
Support Services	
# Increase in support services is for computer-aided drafting and engineering support which was inadvertently included previously in the O&M budget	+1,536
Other	
# Decrease in other related expenses is primarily attributed to the exclusion of costs associated with the Boulder Canyon Project which were previously included in this Account, offset by an increase in software and personal computer upgrades to more fully implement Western's new financial system. The Boulder Canyon Project costs are now directly funded through receipts in the CRDF and are identified in its own section.	-400
Total Funding Change, Program Direction	-2,846

Support Services

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Technical Support Services					
Economic and Environmental Analysis	0	0	0	0	N/A
Test and Evaluation Studies	0	0	0	0	N/A
Total, Technical Support Services	0	0	0	0	N/A
Management Support Services					
Management Studies	216	352	165	-187	-53.1%
Training and Education	69	81	85	+4	+4.9%
ADP Support	3,270	2,760	4,314	+1,554	+56.3%
Administrative Support Services	5,638	5,098	5,263	+165	+3.2%
Total, Management Support Services	9,193	8,291	9,827	+1,536	+18.5%
Total, Support Services	9,193	8,291	9,827	+1,536	+18.5%

Other Related Expenses

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Training	1,043	1,065	1,024	-41	-3.8%
Working Capital Fund	254	277	349	+72	+26.0%
Printing and Reproduction	311	315	325	+10	+3.2%
Rental Space	3,012	3,102	2,891	-211	-6.8%
Software Procurement/Maintenance Activities/Capital Acquisitions	5,035	4,073	4,835	+762	+18.7%
Other	8,001	6,638	5,646	-992	-14.9%
Total, Other Related Expenses	17,656	15,470	15,070	-400	-2.6%

Operation and Maintenance

Mission Supporting Goals and Objectives

Western Area Power Administration's (Western) operation and maintenance (O&M) activity supports the Department of Energy's Strategic Plan to promote secure, competitive, and environmentally responsible energy systems that serve the needs of the public. Western ensures an adequate supply of reliable electric power in a safe, cost-effective manner, and achieves continuity of service throughout its 15-state service territory by maintaining its power system at or above industry standards, rapidly restoring service following any system disturbance, mitigating adverse environmental impacts, performing clean-up activities, and maximizing the revenues gained from non-firm energy sales.

Supplies and materials, such as wood poles, instrument transformers, meters and relays must be procured to provide necessary resources to respond to routine and emergency situations in Western's high-voltage interconnected transmission system. Technical services, such as waste management disposal, environmental impact analyses, and pest and weed control are utilized as needed.

Western's planned replacement and addition activity is based on an assessment of age and the maintenance/frequency of problems of individual items of equipment, availability of replacement parts, safety of the public and Western's personnel, environmental concerns, and an orderly workplan. The workplans, coordinated with Western's power customers who ultimately bear the burden of all Western expenses, reflect an overall sustainable level of effort, with shifts in emphasis between categories (i.e. electrical versus communication equipment) in any given year.

Electrical equipment replacements, such as circuit breakers, transformers, insulators, revenue meters, switches, control boards, relays and oscillographs must be acquired to assure reliable service to Western's customers. System component age, environmental concerns, and risk to system reliability necessitate orderly replacement before significant problems develop.

Replacement, upgrade and installation of microwave, fiber optics, supervisory control and data acquisition, and other communication and control equipment continues to provide increased system reliability and operation, and to reduce maintenance and equipment costs.

Capitalized movable equipment, such as special purpose vehicles (e.g. cranes, auger trucks, manlifts), special purpose equipment (e.g. pole trailers, industrial tractors, brush chippers), specialized test equipment (e.g., motion analyzers and ductor tester equipment), computer-aided engineering equipment, office equipment, ADP equipment and software, must be upgraded and replaced.

The personnel expenses and personnel performance accomplishments associated with the O&M activity are combined with those of the Construction and Rehabilitation activity and are reflected in the Program Direction section of Western's budget request.

Performance Measures

The O&M program supports the performance measures presented under Program Mission.

- Well-maintained equipment, the resource availability to rapidly restore service following any system disturbance, and the ability of staff to respond to minute-by-minute changes in load requirements are all directly tied to the Transmission System Performance measure. Timely replacement of old or failing electrical equipment prevents sudden failure, unplanned outages, and possible regional power system disruptions.
- The O&M program supports the Safety measurement by placing safety first in all of its day-to-day operations, removing environmental hazards, and replacing equipment that may create a safety hazard for the public and Western's personnel. Each maintenance activity begins with a discussion of safe-working procedures. The O&M program also indirectly supports public safety by minimizing or preventing electrical outages and the attendant safety risks and concerns.
- The Cost Growth measurement is a direct reflection of Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system while not compromising the reliability of power deliveries.
- The O&M program supports the Repayment of Power Investment measurement by providing 24-hour/day reliable electric power delivery to our customers, thus securing revenues for repayment.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Regular Operations and Maintenance	24,735	21,631	19,844	-1,787	-8.3%
Replacements and Additions	15,011	14,838	15,252	+414	+2.8%
Total, Operations and Maintenance	39,746	36,469	35,096	-1,373	-3.8%
Planned Use of Prior Year Balances	0	-2,816	0	+2,816	+100.0%
Total, O&M Budget Authority	39,746	33,653	35,096	+1,443	+4.3%
Current Budget Authority	(39,246)	(33,653)	(35,096)		
Permanent Budget Authority	(500)	(0)	(0)		

Detailed Program Justification

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Regular Operations and Maintenance			
# Supplies and materials necessary to respond to routine and emergency situations in Western's high-voltage interconnected transmission system. The request is based on projected workplans for activities funded from this account. Estimates are based on historical data of actual supplies needed to maintain the transmission system reliably, including emergency situations such as ice storms and tornadoes. Costs are based on recent procurement of similar items. The decrease primarily reflects the transfer of computer-aided drafting/engineering support costs which were inadvertently included in this section prior to this request. The costs are correctly reflected in the Program Direction section of the FY 2000 request as directed by Congress	24,735	21,631	19,844
Replacements and Additions			
# Electrical equipment replacements, including treatment and/or replacement of wood poles to extend the life of aging, deteriorating transmission lines. Costs are based on analysis of system operation/maintenance requirements and concerns, customer-coordinated workplans, actual costs of recent similar projects, and bottom-up budgeting techniques. The increase reflects an increase in treatment and replacement of woodpoles on several transmission lines to extend their service life.	5,901	5,672	7,811
# Replacement/upgrade of microwave, supervisory and control data acquisition, and other communication and control equipment, including staged replacement to meet new Federal Communications Commission and National Telecommunications and Information Administration regulations requiring Western to move to narrow communications band spectrums by 2005. Costs are based on analysis of system operation/maintenance requirements, customer-coordinated workplans, actual costs of recent similar projects, and bottom-up budgeting techniques. The decrease reflects a lower level of equipment purchases associated with the movement to narrow communications band spectrums.	3,523	3,593	1,998

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
# Capitalized movable equipment needed to support the O&M of the interconnected power system. Replacement needs are based on age, reliability, and safety of equipment, customer-coordinated review, cost analysis of rebuild versus replacement, availability of replacement parts, and obsolescence of diagnostic maintenance tools. Costs are determined using actual costs of similar items	5,587	5,573	5,443
Total, Replacements and Additions	15,011	14,838	15,252
Total, Operations and Maintenance	39,746	36,469	35,096

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Regular Operations and Maintenance	
# Decrease in regular O&M activities is primarily attributed to transfer of computer-aided drafting/engineering support costs which were inadvertently included with these costs in FY 1999. The costs are correctly reflected in the Program Direction section of Western's FY 2000 request	-1,787
Replacements and Additions	
# Increase in replacements and additions primarily attributed to the treatment and replacement of wood poles on several transmission lines such as the Parker-Gila line (Arizona), the Fort Randall-Tyndall line (South Dakota) and the Tracy-Ignacio line (California) due to age and deterioration (+$2,139,000). Costs associated with replacement of communication and control equipment decrease in FY 2000 reflecting a slightly reduced level of equipment purchases associated with the movement to narrow communications band spectrums by 2005. This work is staged over several years with costs fluctuating between equipment purchases and installation efforts (-$1,595,000). Capitalized movable equipment purchases decrease slightly (-$130,000)	+414
Total Funding Change, Operation and Maintenance	-1,373

Construction and Rehabilitation

Mission Supporting Goals and Objectives

Western Area Power Administration's (Western) construction and rehabilitation (C&R) activity emphasizes replacement and upgrading of existing electrical system infrastructure to sustain reliable power delivery to our customers, to contain annual maintenance expenses, and to retain the value of our assets. In FY 2000, Western's transmission system will have over 16,850 circuit miles of line and 258 substations. In FY 2000, 896 of the 7,928 miles of wood pole line, or 11 percent, will be over 50 years old, and 3,733 miles, or 47 percent, will be between 41 and 50 years old. Western is continually testing, treating, and replacing individual wood poles and hardware to delay the need for replacing an entire transmission line. As substation equipment (such as power transformers, circuit breakers, and control equipment) reaches the end of its useful life, maintenance costs increase, replacement parts become unavailable, risk of outages increases, and system reliability declines. Western will have 145 transformers and 108 breakers over 41 years old in FY 2000. The replacement of this equipment is systematically planned over a 10-year period. All replacement plans are coordinated with our customers to help establish the scope of replacement at specific substations. When upgrades or additional capacity are required, Western actively pursues opportunities to join with neighboring utilities to jointly finance activities, which result in realized cost savings and increased efficiencies for all participants.

In order for Western and its customers to remain competitive in the changing utility industry, Western has aggressively reduced its capital investment program. From levels around $110 million in FY 1992 through FY 1994, Western has reduced its total C&R program to a base of about $40 million since FY 1996 (total program includes equipment, contracts, related expenses, program direction and planned use of prior year balances). Our FY 2000 program level is $6.0 million more than FY 1999, and about $2.6 million above the FY 1998 level. Western continues to refine a long-term C&R program level that will maintain the reliability of, and the Government’s investment in, Western’s power facilities while minimizing effects on power rates. Our challenge has been to evaluate Western’s facilities which were built 40 to 50 years ago, and develop a systematic replacement/upgrade program at a level that retains the value of our assets and assures a safe and reliable transmission system, with minimal rate impacts.

Because of the increase in rehabilitation projects, decrease in new construction projects, and reduced C&R program budget, it is increasingly difficult to plan specific projects years in advance. Discovery of a failing piece of equipment may completely change the planned priority of work. Customer needs and willingness to provide financing may also change, causing Western to revise or reprioritize planned construction projects. While this section incorporates Western's best efforts to identify and schedule necessary construction and rehabilitation projects, the increased focus on replacements and the realities of operating and maintaining a complex interconnected power system mean unforseen priority projects will surface from time to time. Western may have to slip or restructure planned projects to accommodate these sudden priority projects, but all projects will be replacements and upgrades of aging existing equipment necessary to maintain the reliability and integrity of Western's power transmission system. Western's policy will continue to assign the highest program priority to those situations which pose the highest risk to safety and system reliability.

Western's C&R program delays replacement costs for as long as reasonably possible while managing the risk of sudden failure and emergency replacement. Further postponement due to budget constraints will contribute to an overall degradation of Western's power facilities, leading to serious power system disruptions and lengthy power outages while crews repair or replace failed equipment under emergency conditions. "Breakdown maintenance" results in higher costs than scheduled replacements and increases safety risks to maintenance crews, as equipment failures are very often tied to extreme weather conditions and/or high system power loadings.

Personnel costs and related expenses such as compensation, travel for the workforce to plan, collect field data, write specifications, design facilities, award construction contracts, and purchase government-furnished equipment for the C&R activity are combined with those of the operation and maintenance activity and are reflected in the Program Direction section of Western's budget request.

Performance Measures

The C&R program supports the performance measures as presented under Program Mission.

- Replacement and upgrade of aged power system components is crucial to system reliability, and communications improvements maintain vital control over system operation. Both contribute to the Transmission System Performance measure.
- The C&R program also supports the Safety goal by reducing the hazards associated with worn or aging equipment, and by replacing deteriorated wood poles which present a serious climbing hazard to linemen. Public safety is supported by avoiding or minimizing the negative impacts of unplanned outages due to equipment failure.
- The activities under the C&R program indirectly support the Cost Growth and Repayment of Power Investment measures by minimizing capital investment and avoiding emergency "breakdown maintenance" costs, and preventing outages which could impact power deliveries and revenues.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Transmission Lines and Terminal Facilities . . .	3,609	3,807	15,424	+11,617	+305.1%
Substations	12,389	7,130	5,454	-1,676	-23.5%
Other [a]	8,245	9,865	5,924	-3,941	-39.9%
Total, Construction & Rehabilitation	24,243	20,802	26,802	+6,000	+28.8%
Planned Use of Prior Year Balances	-15,525	-1,845	0	+1,845	+100.0%

[a] Other includes communication equipment (such as microwave, telecommunications, and supervisory control and data acquisition systems), maintenance facilities, power facility developmental costs, and minor unscheduled jobs.

Total, C&R Budget Authority	8,718	18,957	26,802	+7,845	+41.4%

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Transmission Lines and Terminal Facilities			
# Complete minor modifications and rehabilitation of transmission lines (TL) in FY 2000 to ensure power system reliability and stability: ▸ Removal of 16.1-mile Blue River-Summit TL (Colorado) from a floodplain and scenic area; ▸ Rebuild 1.9 miles of Estes-Mary's Lake TL (Colorado) and make related improvements to Estes Switchyard. (Joint venture with Platte River Power Authority to increase reliability to City of Estes Park;) ▸ Wood pole life extension of Armour-Mt. Vernon 115-kV TL (South Dakota) ; ▸ Rebuild 4 short aging tap lines in Wyoming and add overhead ground wires to improve reliability; ▸ Construct Shiprock-Four Corners (New Mexico) approach spans as part of upgrade to 345-kV TL which will improve system capacity and reliability, provide a high-capacity interconnection with participants in the Four Corners powerplant project as well as other utilities, allow additional system operation flexibility including wheeling that cannot be presently accommodated. Joint venture with Tri-State Generation & Transmission Association and Arizona Public Service Company; ▸ Treat or replace wood poles that have failed inspection in the Colorado River Storage Project and Pick-Sloan Missouri Basin Program as a means of TL life extension. Funding level is determined by estimating the cost to complete each project, and breaking out these costs by fiscal year. The estimates are based on recent actual costs to complete similar projects, updated individual project requirements, and past experience. Any decrease in funding would delay completion of one or more of these active projects	3,609	3,807	4,102

(dollars in thousands)

FY 1998	FY 1999	FY 2000

- **#** Several TL and terminal facility rehabilitation starts are planned in FY 2000:
  - Replace jointly-owned 500-kV series capacitors at Round Mountain Substation (California). The capacitors are PCB-contaminated and can only be operated at 2/3 of their original rating due to age. The bypass switches are mechanically operated and prone to failure. Joint venture with Pacific Gas & Electric, who will perform the work.
  - Reroute a 5-mile portion of Curecanti-Lost Canyon 230-kV TL (Colorado). Area has unstable soils and landslides which have moved and damaged existing structures. Project will reposition a portion of line to a location with more stable soils, decreasing the risk of outages and reducing maintenance costs.
  - Rebuild Prospect Valley Tap-Prospect Valley Substation 115-kV TL (Colorado). This 7.3-mile line, constructed in 1944, has badly deteriorated wood poles.
  - Replace pneumatic control and bypass systems for series capacitor banks at Mead Substation (Nevada) and Liberty Substation (Arizona). The existing controls have deteriorated and are not functioning well. Manufacturer's replacement parts are no longer available. Failure of the controls reduces capacity on the key Mead-Liberty 345-kV TL by 150 megawatts.
  - Uprate the Big George-Carter Mountain TL (Wyoming). This line, constructed to 115-kV specifications, is operated at 69-kV. Project would upgrade the substation and tap equipment to allow 115-kV operation, reducing loads on other lines and improving system operations. Joint venture; Western's share is 50 percent.

TL and terminal starts address specific system reliability risks or operational problems. Estimates are based on actual costs of recent similar projects, expected costs of equipment and services, cost estimating guides, and experience. Budget decreases will cause these starts to be delayed, impacting outyear planning. Delays increase the backlog of necessary work, increase the risk of equipment failure and system disruptions, and cause budget increases in future years. The work cannot be avoided indefinitely and must eventually be accomplished. 0 0 11,322

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
# Transmission line and terminal work for others in FY 2000 includes: ▸ Construction of the Black Mountain-Del Bac TL (Arizona) in the Central Arizona Project for the Bureau of Reclamation; ▸ Construction of a switching station and loop to allow direct interconnection to a Western TL for the City of Lodi (California); ▸ Construction of a switching station and loop to allow direct interconnection to a Western TL for the Calpine Project Sutter Powerplant (California); ▸ Relocate 4 miles of the Beaver Creek-Weld TL (Colorado) for the Colorado Highway Department; ▸ Continue to work with the Navajo Nation to develop a project that will increase the transfer capability across the Four Corners (New Mexico) area. Participation in this project will continue if funding is received from non-Western sources	0	0	0
Total, Transmission Lines and Terminal Facilities	3,609	3,807	15,424

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Substations			
# Complete the replacement of high-voltage equipment such as circuit breakers, transformers, reactors, disconnect switches, and fuses at: Casa Grande 02, ED-4, Gila 06, Parker and Wellton-Mohawk (Arizona); Ault, Estes 03 and 04, and Prospect Valley (Colorado); Denison 08 (Iowa); Stegall (Nebraska); Custer 03, Miles City MC-4, Rudyard and Yellowtail (Montana); Bismarck and Washburn (North Dakota); Bonesteel, Huron 14, Rapid City, Summit 10, New Underwood and Winner (South Dakota); and Badwater 06 and Lovell 08 (Wyoming). This equipment requires replacement primarily due to reliability and age, safety concerns, and/or availability of spare parts. Oil containment is added when appropriate to protect nearby water resources from possible contamination. Complete demolition of Basic Substation (Arizona). Update computer-aided engineering equipment used for designing Western facilities. The funding level is determined by estimating the cost to complete each project, and breaking out these costs by fiscal year. The estimates are based on recent actual costs to complete similar projects, updated individual project requirements, and past experience. Any decrease in funding would delay completion of one or more of these active projects	9,959	7,130	3,211
# Purchase and install equipment that would provide additional capability to correct low voltage problems that occur on the existing Parker-Davis transmission system along the Colorado River in northwestern Arizona	2,200	0	0
# Replace the 37-year old transformer at Derby Hill (Colorado) and consolidate loads from Derby Hill and Loveland Substations at Derby Hill. Remove Loveland Substation to reduce maintenance costs. Joint venture with other entities in the area	230	0	0

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
# Substation rehabilitation starts planned in FY 2000 include: ▸ Replace the 115/69-kV transformer at Haxtun Substation (Colorado). The transformer, installed in 1954, requires excessive maintenance and is at risk of failure. Replacement will reduce annual maintenance expenses and support system reliability. ▸ Replace aging reactors at Grand Island Substation (Nebraska). Failure would cause unacceptable voltage levels which could damage other electrical equipment or precipitate an outage. Modification kits, installed when units were new, can no longer be maintained. ▸ Addition of line interrupters, upgrade of relaying and control equipment, and replacement of 1950's vintage control boards and control building at Beresford Substation (South Dakota). The interrupters will add protection and switching capability for the transformer and TL, and a remote terminal unit will allow for remote control and monitoring. Equipment is obsolete and spare parts are difficult to obtain. ▸ Replacement of 115/69-kV transformer and several smaller potential and circuit transformers at Brookings Substation (South Dakota). Transformers are near expected service life and pose a risk to system reliability. Spare parts are difficult to obtain. ▸ Replacement of main transformer, two disconnect switches, and control building, and addition of two line interrupters at Woonsocket Substation (South Dakota). Substation was built in 1954 and equipment has exceeded its service life expectancy. Building is deteriorated, placing the control equipment inside at risk. These substation starts address specific identified system reliability risks or operational problems. Estimates are based on actual costs of recent similar projects, including costs of equipment and services, data from specialized cost estimating guides, and organization experience. Any decrease in funding will cause one or more of these starts to be delayed, impacting outyear planning. Delays in planned construction projects increases the backlog of necessary work, increases the risk of equipment failure and system disruptions, and creates increases in future budget years. The work cannot be avoided through delay, and must be accomplished at some point in time	0	0	2,243

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
# Work for others includes construction of the Topock Substation (Arizona); Flanagan Substation for the City of Shasta Lake (California); and Flandreau Substation 08 for the City of Flandreau (South Dakota)	0	0	0
Total, Substations	12,389	7,130	5,454
Other			
# Upgrade/replace/expand communication systems (supervisory control and data acquisition equipment, microwave, fiber optic and telecommunication) in the Central Valley Project and Pick-Sloan Missouri Basin Program to operate and control the transmission system. Replacement parts for the existing communications system are becoming very difficult to find and the increased use of remote control of facilities, coupled with the greater integration of the Federal system with the rest of the grid, and technological advances in the communications field, makes secure and reliable communications crucial to Western's mission. Rapid advances in communications technology, coupled with manufacturers' phase-out of support for existing systems, primarily drive the need for communications replacements and upgrades. Effective control of remote facilities is crucial to the operation of the power system; impacts from faulty communications can range from electric equipment damage to system-wide power flow problems, including black-outs. Funding level is determined by using recent actual costs, including equipment costs and construction contracts. Decreases to this line item will delay scheduled communications replacements, increase the possibility of communication system failures, and potentially contribute to system-wide power problems.	5,390	5,096	1,795

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
# Add fire protection at various maintenance facilities in the Western Division of the Pick-Sloan Missouri Basin Program, including the Virginia Smith Converter Station (Nebraska). Provide additional storage for housing vehicles, electrical equipment, and supplies that are presently being stored outside, subjected to adverse weather conditions at Western maintenance facilities at Phoenix (Arizona); Elverta and Keswick (California); Bismarck and Fargo (North Dakota); Huron, Armour, Pierre, Rapid City, and Watertown (South Dakota); and Casper (Wyoming). Provide a station service solar power source at Folsom (California) to reduce facility heating and cooling costs and support DOE renewable energy development goals. Of these, Bismarck, Phoenix, and Virginia Smith Converter Station fire protection are FY 2000 starts. The Bismarck Warehouse will replace old Quonset huts which have a history of flooding, and will allow indoor storage of maintenance vehicles and electrical equipment and materials presently left exposed to the elements. The Phoenix O&M Center project will remodel an existing 45-year-old building, eliminating safety problems and updating lighting, electrical, and fire and intrusion alarm systems to present code standards. The Virginia Smith Converter Station is a key facility in the interconnected electrical system, one of only four which tie the Western and Central transmission grids together. The project will provide a fire detection and suppression system at this important facility. Power facility developmental costs are included. Miscellaneous minor construction jobs, not normally scheduled or anticipated as part of larger projects, are included. The miscellaneous work is partially cosponsored. Each project cost is determined using the actual costs of recent similar projects, estimated quantities of needed materials, past contract costs, specialized cost estimating guides, and in-house experience. Power facility development costs are rigorously reviewed by Western's Maintenance, Design and Construction Council, and each activity is only included if anticipated benefits clearly outweigh the costs. Any decrease in funding will cause projects to be slipped to the outyears, adding to work backlog and forcing outyear budget requests to increase	2,855	4,769	4,129

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
# The following projects will have active preconstruction activities during FY 2000: Gila-Knob TL Reconductor and Tucson Substation replacements (both in Arizona); Davis 69-kV Switchyard rebuild, Parker Dam transformer replacement, photovoltaic station service, and Sacramento Valley reliability reinforcements (all in California); Granby Pumping Plant Switchyard 02 additions and Wray Substation fuse replacement (both in Colorado); Creston Substation additions and replacements (Iowa); Glendive transformer replacement (Montana); Fargo Substation replacements and Forman Substation additions and replacements (both in North Dakota); Armour and Fort Thompson replacements, Groton Substation additions and replacements, and Philip breaker replacements (all in South Dakota); Medicine Bow and Laramie Tap rebuilds and Laramie-Cheyenne-Nunn 115-kV TL reconstruction (both in Wyoming); and transmission line life extension projects (various states). Funds for these activities are included in the Program Direction section of Western's request	0	0	0
Total, Other	8,245	9,865	5,924
Total, Construction and Rehabilitation	24,243	20,802	26,802

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Transmission Lines and Terminal Facilities	
# The increase for Transmission Lines is primarily due to three factors: ▸ the increasing need to reconstruct or perform life extension work on sections of aging wood pole transmission lines; ▸ the unanticipated need to reroute a portion of the lattice steel Curecanti-Lost Canyon line due to soil instability; and ▸ replacement of series capacitors or bypass systems at Mead, Liberty and Round Mountain substations	+11,617

	FY 2000 vs. FY 1999 ($000)
Substations	
# The decrease in Substations is due to a shift of budgetary resources to necessary wood pole transmission rehabilitation, purchase of equipment in FYs 1998 and 1999 to be installed in FY 2000, fewer and smaller construction contract awards, and an increase in the use of in-house labor to install substation equipment	-1,676
Other	
# The decrease in Other is due to a shift of budgetary resources to wood pole transmission line work, the completion of several microwave projects, and the completion of four maintenance facilities. These decreases are partially offset by three maintenance facility awards	-3,941
Total Funding Change, Construction and Rehabilitation	+6,000

Purchase Power and Wheeling

Mission Supporting Goals and Objectives

Beginning in FY 2000, Western Area Power Administration (Western) will no longer seek appropriations for the Purchase Power and Wheeling (PPW) activities. Instead, the customers of Western will make their own power purchases and transmission arrangements directly with suppliers. Lower electricity prices and improved transmission access that result from restructuring of the electricity industry allows most customers to continue obtaining these power purchases and wheeling services from other sources. Power receipts estimates have been reduced to reflect the reduced spending by Western.

The PPW program obtained electrical resources and transmission capability to firm up the Federal hydropower used to meet Western's contractual power delivery obligations. Transmission wheeling services were purchased when third-party transmission lines were needed to deliver Federal power to Western's customers.

Alternative financing methods which included net billing, bill crediting, Federal and non-Federal reimbursable, reduced the dollars appropriated from the Reclamation Fund for the PPW program by 50- to 60 percent annually. In FY 2000, Western's power customers are expected to finance both the previously appropriated and alternatively-financed firming energy and transmission wheeling requirements which we estimate at approximately $54 million of appropriations and $87 million of alternative financing for FY 2000.

Performance Measures

- The PPW program primarily supported the Repayment of Power Investment measure by providing a more valuable firm resource to market. The additional revenue derived aided in the timely repayment of the taxpayer investment in the projects' power facilities as well as full recovery of Western's and the generating agencies' annual costs allocated to power, including operation and maintenance, PPW, and interest to Treasury on unpaid project investment.
- The PPW program supported the Safety and Cost Growth measures by providing flexibility in meeting power delivery obligations while essential maintenance activity to either transmission or generation assets was underway, or while flood control flow regimes or other restrictions for public safety were in place.
- While not directly related to the Transmission System Performance measure, the PPW program increased the reliability of the energy marketed in spite of external constraints to the hydropower system brought about by changing reservoir conditions, inflows, and variable flow regimes designed to respond to irrigation, navigation, fish and wildlife, and recreation needs.

Funding Schedule

Two funding schedules follow. The first shows the budgeted program requirement, consisting of new budget authority and prior year balances, net of any alternative financing planned. The second illustrates the gross purchase power need including use of alternative financing methods.

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Central Valley Project	47,945	48,977	0	-48,977	-100.0%
Pick-Sloan Missouri Basin Program	6,941	4,909	0	-4,909	-100.0%
Total, PPW	54,886	53,886	0	-53,886	-100.0%
Use of Prior Year Balances, Net	-2,351	-170	0	+170	+100.0%
Total, PPW Budget Authority	52,535	53,716	0	-53,716	-100.0%
Program Activity (Gross)					
Central Valley Project	121,450	105,527	0	-105,527	-100.0%
Pick-Sloan Missouri Basin Program	42,150	44,347	0	-44,347	-100.0%
Total, PPW (gross)	163,600	149,874	0	-149,874	-100.0%
Use of Alternative Financing					
Net Billing, Bill Crediting, Non-Federal Reimbursable	-86,314	-75,988	0	+75,988	+100.0%
Reimbursable, Federal Contract Loads	-22,400	-20,000	0	+20,000	+100.0%
Subtotal, Alternative Financing	-108,714	-95,988	0	+95,988	+100.0%
Total, PPW	54,886	53,886	0	-53,886	-100.0%
Use of Prior Year Balances, Net	-2,351	-170	0	+170	+100.0%
Total, PPW Budget Authority	52,535	53,716	0	-53,716	-100.0%

Detailed Program Justification

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Central Valley Project			
# In FY 2000, Western will not seek appropriations for PPW. The customers are expected to provide for the energy, capacity, and wheeling services directly from suppliers (PG&E, PacifiCorp, and Enron). Existing long-term power purchase and power sale contractual commitments not funded by customers will be terminated or amended as necessary. Amounts enacted for FY 1998 and FY 1999 were based primarily on contractual pricing and delivery terms negotiated in the long-term firm purchase agreements and to a lesser extent on market estimates for non-firm purchases..	121,450	105,527	0
# Alternative methods of financing, which offset the appropriation requirement, are eliminated in FY 2000 as Western's customers will provide for the PPW activities. FY 1998 and FY 1999 estimates were based on customer and supplier participation in the net billing, bill crediting, and reimbursable programs..	-73,505	-56,550	0
Total, Central Valley Project	47,945	48,977	0
Pick-Sloan Missouri Basin Program			
# In FY 2000, Western will not seek appropriations for the power firming needs and delivery obligations of the Eastern and Western Divisions of the Pick-Sloan Missouri Basin Program, nor for the Fryingpan-Arkansas Project. Western's customers are expected to provide for the firming energy and wheeling arrangements. FY 1998 and FY 1999 amounts were based primarily on Corps of Engineers' firming resources estimates, market pricing of short-term firm energy, and negotiated transmission rates	42,150	44,347	0
# Alternative methods of financing, which offset the appropriation requirement, are eliminated in FY 2000 as Western's customers will provide for the PPW activities. FY 1998 and FY 1999 estimates were based on customer and supplier participation in the net billing, bill crediting, and reimbursable programs	-35,209	-39,438	0
Total, Pick-Sloan Missouri Basin Program	6,941	4,909	0
Total, Purchase Power and Wheeling	54,886	53,886	0

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Central Valley Project	
# In FY 2000, Western will not seek appropriations for PPW. The customers of the CVP are expected to provide for the energy, capacity, and wheeling services directly from suppliers. Existing long-term power purchase and power sale contractual commitments not funded by customers will be terminated or amended as necessary	-48,977
Pick-Sloan Missouri Basin Program	
# In FY 2000, Western will not seek appropriations for PPW. The customers of the Pick-Sloan Missouri Basin Program and the Fryingpan-Arkansas Project are expected to provide for the energy, capacity, and wheeling services directly from suppliers. Existing long-term power purchase and power sale contractual commitments not funded by customers will be terminated or amended as necessary	-4,909
Total Funding Change, Purchase Power and Wheeling	-53,886

Utah Mitigation and Conservation

Mission Support Goals and Objectives

The Reclamation Projects Authorization and Adjustment Act of 1992, Title IV, established the Utah Reclamation Mitigation and Conservation Account (Account) in the Treasury of the United States. The purpose of this Account is to ensure that the level of environmental protection, mitigation, and enhancement achieved in connection with projects identified in the Act and elsewhere in the Colorado River Storage Project in the State of Utah is preserved and maintained. The Administrator of Western Area Power Administration (Western) is authorized to deposit funds into the Account. Such expenditures are to be considered nonreimbursable and nonreturnable. The Utah Reclamation Mitigation and Conservation Commission, established under Title III of the Act, is authorized to administer all funds deposited into the Account.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Total, Utah Mitigation and Conservation Budget Authority	5,592	5,036	5,036	0	0.0%

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Utah Mitigation and Conservation			
# Deposit into Utah Reclamation Mitigation and Conservation account, as authorized by Public Law 102-575	5,592	5,036	5,036
Total, Utah Mitigation and Conservation	5,592	5,036	5,036

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Utah Mitigation and Conservation	
# The request reflects a constant funding level.	0
Total Funding Change, Utah Mitigation and Conservation	0

Boulder Canyon Project

Funding Profile

(dollars in thousands)

	FY 1998 Current Appropriation	FY 1999 Original Appropriation	FY 1999 Adjustments	FY 1999 Current Appropriation	FY 2000 Request
Boulder Canyon Project					
Program Direction	0	0	0	0	3,673
Equipment, Contracts and Related Expenses	0	0	0	0	498
Total, Boulder Canyon Project	0	0	0	0	4,171
Permanent Appropriation, CRDF	0	0	0	0	-4,171
Total, Boulder Canyon Permanent Budget Authority	0	0	0	0	0

Public Law Authorizations:

Public Law 70-642, "Boulder Canyon Project Act" (1928)
Public Law 75-756, "Boulder Canyon Project Adjustment Act" (1940)
Public Law 95-91, "Department of Energy Organization Act" (1977)
Public Law 98-381, "Hoover Power Plant Act of 1984"

Funding by Site

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Western Area Power Administration	0	0	4,171	+4,171	N/A
Permanent Appropriation, CRDF	0	0	-4,171	-4,171	N/A
Total, Boulder Canyon Project	0	0	0	0	N/A

Site Description

Hoover Dam, the highest and third largest concrete dam in the United States, sits on the Colorado River along the Arizona-Nevada border. Lake Mead, the reservoir formed behind Hoover Dam, is still the nation's largest manmade reservoir. The reservoir can hold a two-year supply of average flow of the Colorado River with its storage capacity of 27.38 million acre-feet.

This enormous project began with 1928 legislation approving construction of the Boulder Canyon Project. Hoover Powerplant has 19 generating units and an installed capacity of 2,064,000 kilowatts. High-voltage transmission lines and substations make it possible for people from Las Vegas (Nevada), Phoenix (Arizona) and Los Angeles (California) to receive power from the project.

Since the start of commercial power generation in 1938, Hoover, with yearly average generation of 4.5 billion kilowatthours, has served the annual electrical needs of nearly 8 million people. This power is marketed under the Hoover Power Plant Act of 1984 and the 1984 Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects. Western Area Power Administration markets and transmits Boulder Canyon power, and operates and maintains its transmission facilities.

Boulder Canyon Project Program Direction

Mission Supporting Goals and Objectives

The Boulder Canyon Project (Project) consists primarily of Hoover Dam, its powerplant, and the associated substations and transmission facilities. Revenues from the sale of Project electric energy and capacity are deposited in the Colorado River Dam Fund (CRDF), administered by the Department of Interior, and are available without further appropriation. Beginning in FY 2000, Western Area Power Administration (Western) will pay for Boulder Canyon Project operations directly from the CRDF. Previously, this Project was included in Western's Construction, Rehabilitation, Operation and Maintenance (CROM) account, and funds were provided from the CRDF by transfer. FY 1999 expenses will be covered by transfer of previously authorized funding from the CRDF. Revenues that are collected in excess of expenses are used for repayment of investments to the U.S. Treasury.

Western operates and maintains the transmission system for the Project to ensure an adequate supply of reliable electric power in a clean and environmentally-safe, cost-effective manner. Western achieves continuity of service by maintaining its power systems at or above industry standards, rapidly restoring service following any system disturbance, mitigating adverse environmental impacts, performing clean-up activities, and maximizing revenues gained from non-firm energy sales. In concert with our customers, Western reviews required replacements to its existing infrastructure to sustain reliable power delivery to our customers and to contain annual maintenance expenses.

Performance Measures

The Program Direction activities of the Project support the performance measures presented under Program Mission.

- Highly-skilled staff respond to minute-by-minute load changes to meet or exceed North American Electric Reliability Council and industry averages for Transmission System Performance. Craftsmen maintain or replace equipment to assure its capability for reliable delivery of power. The crews also rapidly restore the system following any disturbance.
- Program Direction activities support Western's Safety measurement by making safety a priority in each and every task because of the extreme hazards associated with a high-voltage electrical system. Safety is not a separate program but is integrated into all procedures and jobs.
- The Cost Growth measurement is a direct reflection of Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system, including the associated Program Direction activities, while not compromising the reliability of power deliveries. Controlling costs is vital to the continuing health of our organization as we move into an era of increased competition. High costs contribute to higher rates, reducing our competitive position and that of our customers.

Program Direction activities support the Repayment of Power Investment measurement by providing 24-hour reliable electric power delivery to our customers.

Funding Schedule

(dollars in thousands, whole FTEs)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Salary & Benefits	0	0	1,965	+1,965	N/A
Travel	0	0	140	+140	N/A
Support Services	0	0	286	+286	N/A
Other Related Expenses	0	0	1,282	+1,282	N/A
Total, Program Direction	0	0	3,673	+3,673	N/A
Permanent Appropriation, CRDF	0	0	-3,673	-3,673	N/A
Total, Program Direction Permanent Budget Authority	0	0	0	0	N/A
Full-Time Equivalents (FTE)	0	0	26	+26	N/A

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Salary & Benefits			
Salaries and benefits for 26 Federal employees to operate and maintain, on a continuing basis, the Project's high-voltage transmission facilities, including approximately 58 miles of high-voltage transmission lines, four substations and associated switchyards, communication, control and general plant facilities associated with this Project. Staff provide continuing services such as system operations and load dispatching, power billing and collection, power marketing, general power resources planning, energy services, technology transfer, environmental, safety, security and emergency management activities. Based on historical data, a 3 percent inflation factor has been applied	0	0	1,965

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Travel			
Transportation and per diem allowance for day-to-day performance of duties of Federal staff, including crews who maintain the Project transmission facilities. Also includes transportation of things. Estimates are based on historical travel costs, adjusted for inflation and planned activity, to reliably maintain the transmission system	0	0	140
Support Services			
Support services including automated data processing, warehousing, computer-aided drafting/engineering, and general administrative support. The request is based on exercising the one-year option for the current level of contract support.	0	0	286
Other Related Expenses			
Other related expenses including but not limited to, rental space, utilities and miscellaneous charges, printing and reproduction, training tuition fees, maintenance and repair of office equipment, supplies and materials, personal computers, telecommunications, multi-project costs, and distribution of Western's general management costs. Rental space costs assume the GSA-inflation factor, adjusted by the number of employees funded in this Account. Acquisitions of software and personal computers to more fully implement Western's financial system which utilizes individual user input are included. Other costs are based on historical usage and actual cost of similar items	0	0	1,282
Total, Program Direction	0	0	3,673

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Program Direction	
# This request does not reflect any new initiatives, but rather provides detailed information for the Project which will now be funded directly from CRDF receipts. Previously, all items were included with Western's CROM account, and were funded by transfer of budget authority from the CRDF. When comparing this request with FY 1999 amounts included for the Program Direction activities of the Project in Western's CROM account, this request is a decrease of $202,000. The decrease is primarily attributed to four fewer FTE scheduled to work on this Project.	+3,673
Total Funding Change, Program Direction	+3,673

Support Services

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Technical Support Services					
Economic and Environmental Analysis . .	0	0	0	0	N/A
Test and Evaluation Studies	0	0	0	0	N/A
Total, Technical Support Services	0	0	0	0	N/A
Management Support Services					
Management Studies	0	0	4	+4	N/A
Training and Education	0	0	2	+2	N/A
ADP Support	0	0	116	+116	N/A
Administrative Support Services	0	0	164	+164	N/A
Total, Management Support Services	0	0	286	+286	N/A
Total, Support Services	0	0	286	+286	N/A

Other Related Expenses

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Training	0	0	37	+37	N/A
Working Capital Fund	0	0	9	+9	N/A
Printing and Reproduction	0	0	3	+3	N/A
Rental Space	0	0	70	+70	N/A
Software Procurement/Maintenance Activities/Capital Acquisitions	0	0	113	+113	N/A
Other	0	0	1,050	+1,050	N/A
Total, Other Related Expenses	0	0	1,282	+1,282	N/A

Equipment, Contracts and Related Expenses

Mission Supporting Goals and Objectives

The Boulder Canyon Project (Project) is comprised of power marketing, operation, and maintenance of transmission facilities, located primarily in Nevada. Beginning in FY 2000, these activities are paid for through direct access to the Colorado River Dam Fund (CRDF) revenues. Previously, this Project was included in Western Area Power Administration's (Western) Construction, Rehabilitation, Operation and Maintenance (CROM) account, and funds were provided from the CRDF by transfer.

Western operates and maintains the transmission system for the Project to ensure an adequate supply of reliable electric power in a clean and environmentally-safe, cost-effective manner. Western achieves continuity of service by maintaining its power systems at or above industry standards, rapidly restoring service following any system disturbances, mitigating adverse environmental impacts, and performing clean-up activities. In concert with our customers, Western reviews required replacements to its existing infrastructure to sustain reliable power delivery to our customers and to contain annual maintenance expenses.

Supplies and materials, such as wood poles, instrument transformers, meters and relays, must be procured to provide necessary resources to respond to routine and emergency situations in the Project's transmission facilities. Technical services, such as waste management disposal, environmental impact analyses, and pest and weed control, are utilized as needed.

Performance Measures

The Equipment, Contracts and Related Expenses activity of the Project supports the performance measures presented under Program Mission.

- Well-maintained equipment, the availability of resources to rapidly restore service following any system disturbances, and the ability of staff to respond to minute-by-minute changes in load requirements are all directly tied to the Transmission System Performance measure.
- This activity also supports the Safety measurement. Each maintenance activity begins with a discussion of safe-working procedures. Additionally, safety of the public and Western's personnel is one of the factors considered when replacing equipment.
- The Cost Growth measurement is a direct reflection of Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system while not compromising the reliability of power deliveries. Controlling costs is vital to the continuing health of our organization as we move into an era of increased competition. High costs contribute to higher rates, reducing our competitive position.

The Repayment of Power Investment measurement is supported by providing 24-hour/day reliable electric power delivery to our customers, thus enhancing revenues and repayment of Project expenses and investment.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Equipment, Contracts and Related Expenses	0	0	498	+498	N/A
Permanent Appropriation, CRDF	0	0	-498	-498	N/A
Total, Equipment, Contracts and Related Expenses Permanent Budget Authority	0	0	0	0	N/A

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Equipment, Contracts and Related Expenses			
# Supplies and materials necessary to respond to routine and emergency situations in the Project's high-voltage transmission facilities. The request is based on projected workplans for activities and historical data of actual supplies needed to maintain the transmission system reliably. Costs are based on recent procurements of similar items.	0	0	498
Total, Equipment, Contracts and Related Expenses	0	0	498

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Equipment, Contracts and Related Expenses	

	FY 2000 vs. FY 1999 ($000)
# This request does not reflect a new initiative, but rather provides specific information for the Project activity which, beginning in FY 2000, will be funded directly from receipts to the CRDF, administered by the Department of Interior. Previously, all items in this activity were included with Western's CROM account request and were funded by transfer of budget authority from the CRDF. When compared to the amount requested in FY 1999 for the Project's equipment, contracts and related expenses (included in Western's CROM request), the request is an increase of $40,000, primarily attributed to pro-rational costs associated with the rehabilitation of an existing warehouse (built in 1952) to bring it within current fire and safety standards	+498
Total Funding Change, Equipment, Contracts and Related Expenses	+498

Falcon and Amistad Maintenance Fund

Funding Profile

(dollars in thousands)

	FY 1998 Current Appropriation	FY 1999 Original Appropriation	FY 1999 Adjustments	FY 1999 Current Appropriation	FY 2000 Request
Falcon and Amistad Operating and Maintenance Expenses	970	1,010	0	1,010	1,309
Total, Falcon And Amistad Budget Authority	970	1,010	0	1,010	1,309

Public Law Authorization:

Public Law 103-236, "Foreign Relations Authorization Act, Fiscal Years 1994 and 1995"

Funding by Site

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Western Area Power Administration	970	1,010	1,309	+299	+29.6%
Total, Falcon and Amistad Maintenance Fund	970	1,010	1,309	+299	+29.6%

Site Description

Falcon-Amistad Project consists of two international storage projects located on the Rio Grande River between Texas and Mexico. The United States and Mexico share and operate separate powerplants on each side of the Rio Grande River. The power output is divided evenly between the two nations. The State Department's International Boundary and Water Commission (IBWC) operates the U.S. portion of the projects.

Falcon Dam is located about 130 miles upstream from Brownsville, Texas. The United States' portion of construction, operation and maintenance was authorized by Congress in 1950. Construction was started in that year and completed in 1954. The United States' share of Falcon Powerplant capacity is 31,500 kilowatts. The powerplant came on line in 1954.

Amistad Dam is located about 300 miles upstream from Falcon Dam. The Amistad Powerplant was constructed by the U.S. Army Corps of Engineers, as agent for the IBWC. The United States' portion of construction, operation and maintenance was authorized by the Mexican-American Treaty Act of 1950. Amistad powerplant, completed in 1969, has a generation capacity of 66,000 kilowatts. Its two generating units came on line in 1983.

Project power is marketed to two cooperatives in south Texas via Central Power and Light Company's transmission system.

Repayment is made through annual installments. These installments are established in advance by Western Area Power Administration (Western) and the customers on or before August 31 of the year preceding the appropriate fiscal year. Each annual installment pays the amortized portion of the U.S. investment in the Falcon and Amistad hydroelectric facilities with interest, and associated operation, maintenance and administrative costs. This repayment schedule does not depend upon the amount of power and energy delivered or the amount of generation each year.

Mission Supporting Goals and Objectives

The Falcon and Amistad Operating and Maintenance Fund (Maintenance Fund) was established in the Treasury of the United States as directed by the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995. The Maintenance Fund is administered by the Administrator of Western for use by the Commissioner of the U. S. Section of the IBWC to defray operation, maintenance (O&M) and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams.

The Falcon/Amistad Dams hydroelectric power generation plants sell generated power to public utilities through Western. The two powerplants have a combined generating capacity of 97.5 megawatts.

All revenues collected in connection with the disposition of electric power generated at the Falcon and Amistad Dams, except monies received from the Government of Mexico, are credited to the Maintenance Fund. Revenues collected in excess of expenses are used to repay, with interest, the cost of replacements and original investments.

Funding will support 24-hour operation and maintenance of the two powerplants to ensure response to ever-changing water conditions, customer demand, and continual coordination with operating personnel of the Government of Mexico. In addition, power will be marketed, repayment studies will be completed, and revenues collected. The Federal staff funded under this program continue to be allocated to the U. S. Section of IBWC by the Department of State.

Performance Measures

The Falcon and Amistad Maintenance program supports the Performance Measures as presented under Program Mission.

- The Falcon and Amistad Maintenance programs supports the Cost Growth measure by optimizing economical O&M of the hydroelectric facilities while not compromising the reliability of power deliveries.
- The program also supports the Repayment of Power Investment measure by providing 24-hour/day reliable electric power delivery to the customers, ensuring planned principal payments to the Treasury.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Falcon and Amistad Maintenance Fund	970	1,010	1,309	+299	+29.6%
Total, Falcon and Amistad	970	1,010	1,309	+299	+29.6%

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Falcon and Amistad Maintenance Fund			
# Operation and maintenance of the two powerplants on a 24-hour/day basis, including planned maintenance activities and required safety services. Twenty-one employees of the U.S. Section of the IBWC are funded in this Activity	970	1,010	1,309
Total, Falcon and Amistad	970	1,010	1,309

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Falcon and Amistad Maintenance Fund	
# The increased funding is necessary primarily for equipment purchases, upgrades and replacements ($147,000) which have been delayed due to funding restrictions, and salary/benefit increases for staff ($92,000). The equipment, which has outlived its usefulness and is essential for operation, includes:	
▸ Control room recorders at the Falcon Powerplant which are no longer reliable;	
▸ Station service batteries which are 18-years old;	
▸ AC-DC inverters, installed in 1982; and	
▸ Fifteen-year old heating/ventilating/air conditioning equipment at the Amistad Powerplant which is essential to the operation of electronic components.	
Essential services to meet safety requirements (i.e., motor rewinding, crane services for bulkhead setting, CO2 system and elevator servicing) increase $39,000. The balance of the increase ($21,000) is for OSHA training and associated travel, and miscellaneous transportation, communication and utility expenses	+299
Total Funding Change, Falcon and Amistad Maintenance Fund	+299

Colorado River Basins Power Marketing Fund

Funding Profile

(dollars in thousands)

	FY 1998 Current Appropriation	FY 1999 Original Appropriation	FY 1999 Adjustments	FY 1999 Current Appropriation	FY 2000 Request
Colorado River Basins Power Marketing Fund					
Program Direction	25,526	26,478	0	26,478	29,298
Equipment, Contracts and Related Expenses	99,260	74,183	0	74,183	84,293
Total, Operating Expenses	124,786	100,661	0	100,661	113,591
Offsetting Collections Realized	-140,884	-116,759	0	-116,759	-134,591
Total, Obligational Authority	-16,098	-16,098	0	-16,098	-21,000

Public Law Authorizations:

Public Law 75-529, "The Fort Peck Project Act of 1938"
Public Law 84-484, "The Colorado River Storage Project Act of 1956"
Public Law 90-537, "The Colorado River Basin Project Act of 1968"
Public Law 95-91, "Department of Energy Organization Act" (1977)

Funding by Site

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Western Area Power Administration	124,786	100,661	113,591	+12,930	+12.8%
Offsetting Collections Realized	-140,884	-116,759	-134,591	-17,832	-15.3%
Total, Colorado River Basins Power Marketing Fund	-16,098	-16,098	-21,000	-4,902	-30.5%

Site Description

The Colorado River Basins Program is comprised of three power systems: the Colorado River Storage Project, including the Dolores and Seedskadee Projects; the Fort Peck Project; and the Colorado River Basin Project, including the Central Arizona Project. Western Area Power Administration is responsible for construction, maintenance, and operation of facilities for transmitting and marketing the electrical energy generated in these power systems. A brief description of each follows.

The **Colorado River Storage Project** (CRSP) was authorized in 1956. It consists of four major storage units: Glen Canyon, on the Colorado River in Arizona near the Utah border; Flaming Gorge on the Green River in Utah near the Wyoming border; Navajo on the San Juan River in northwestern New Mexico near the Colorado border; and the Wayne N. Aspinall unit on the Gunnison River in west-central Colorado.

CRSP has a combined storage capacity which exceeds 33.5 million acre-feet. Six Federal powerplants associated with the project, with 17 generating units, have a maximum operating capacity of 1,802,200 kilowatts. CRSP provides for the electrical needs of more than a million people spread across Colorado, Utah, New Mexico and Arizona. Portions of southern California, Nevada and Wyoming are also served by CRSP power.

The **Dolores Project**, located in Montezuma and Dolores counties in southwestern Colorado, and the **Seedskadee Project**, located in southwestern Wyoming, were authorized as participating projects of CRSP. Dolores, a multipurpose project, provides 12.8 megawatts of installed power generating capacity along with municipal and industrial water, irrigation water, and recreation and fish and wildlife enhancement. The Dolores Project powerplants at McPhee Dam and the Towaoc Canal produce 1,283 and 11,495 kilowatts, respectively. Seedskadee's power facilities, associated with the project's Fontenelle Dam, include an 11.5-megawatt powerplant, switchyard and necessary transmission lines to interconnect with the CRSP transmission system at Flaming Gorge Powerplant.

The **Central Arizona Project** (CAP), one of three related water development projects that make up the Colorado River Basin Project, was authorized to furnish irrigation and municipal water supplies to Arizona and New Mexico, and for other purposes. The Navajo Generating Station, located near Lake Powell at Page, Arizona, has three coal-fired steam electric generating units for a combined capacity of 2.25 million kilowatts. The Federal share of the capacity (24.3 percent) is used to power the pumps that move Colorado River water through CAP canals. Surplus generation is marketed.

The **Fort Peck Project**, located on the Missouri River in northeastern Montana, was begun under an Executive Order in October 1933 as part of the Public Works Administration. The Fort Peck Project Act of 1938 authorized the completion, maintenance and operation of the project, and the Flood Control Act of 1944 authorized integration of operation of the project with the Pick-Sloan Missouri Basin Program to serve a common market area. Installed generating capacity of the 5 units is 218 megawatts which is delivered primarily to customers in eastern Montana and western North Dakota.

Colorado River Basins Power Marketing Fund
Program Direction

Mission Supporting Goals and Objectives

The Colorado River Basins Program (Program) is comprised of the three power systems described earlier. This program is funded through Western Area Power Administration's (Western) business-type revolving fund (Federal Enterprise Fund), the Colorado River Basins Power Marketing Fund.

Revenues from the sale of electric energy and capacity replenish the fund and are available for expenditure for operation, maintenance, power billing and collection, program direction, purchase power and wheeling, interest, emergencies, and other power marketing expenses. Power sales and other revenues, which are collected in excess of expenses, are used for repayment of investments to the U.S. Treasury. This request is for spending authority only, and represents Western's estimate of obligations to finance these business-type operations.

Western operates and maintains the transmission system for the Projects funded in this account to ensure an adequate supply of reliable electric power in a clean and environmentally-safe, cost-effective manner. Western achieves continuity of service by maintaining its power systems at or above industry standards, rapidly restoring service following any system disturbances, mitigating adverse environmental impacts, performing clean-up activities, and maximizing the revenues gained from non-firm energy sales. In concert with our customers, Western reviews required replacements to its existing infrastructure to sustain reliable power delivery to our customers and to contain annual maintenance expenses.

Performance Measures

The Program Direction activities support the performance measures presented under Program Mission.

- Highly-skilled staff respond to minute-by-minute load changes to meet or exceed North American Electric Reliability Council industry averages for Transmission System Performance. Craftsmen maintain or replace equipment to assure its capability for reliable delivery of power. The crews also rapidly restore the system following any disturbance.
- Program Direction activities support Western's Safety measurement by making safety a priority in each and every task because of the extreme hazards associated with a high-voltage electrical system. Safety is not a separate program but is integrated into all procedures and jobs.
- The Cost Growth measurement is a direct reflection of Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system, including associated Program Direction activities, while not compromising the reliability of power deliveries. Controlling costs is vital to the continuing health of our organization as we move into an era of increased competition. High costs contribute to higher rates, reducing our competitive position.

Program Direction activities support the Repayment of Power Investment measurement by providing 24-hour/day reliable electrical power delivery to our customers and maximizing revenues from non-firm power sales.

Funding Schedule

(dollars in thousands, whole FTEs)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Salary & Benefits	13,108	13,501	16,260	+2,759	+20.4%
Travel	1,135	1,182	1,388	+206	+17.4%
Support Services	1,780	1,647	2,138	+491	+29.8%
Other Related Expenses	9,503	10,148	9,512	-636	-6.3%
Total, Program Direction	25,526	26,478	29,298	+2,820	+10.7%
Full-Time Equivalents (FTE)	183	161	189	+28	+17.4%

Detailed Program Justification

(dollars in thousands)

	FY 1998	FY 1999	FY 2000
Salary and Benefits			
Salaries and benefits for 189 Federal employees that operate and maintain Western's high-voltage transmission system and associated facilities, and those that plan, design, and supervise the replacements and upgrades (capital investments) to the transmission facilities. Dispatchers and craftsmen operate and maintain the Program's high-voltage integrated transmission system comprised of approximately 4,000 circuit miles of transmission lines and associated substations, switchyards, communication, control, and general plant facilities. Staff provide continuing services such as system operations, power billing and collection, power marketing, energy services, technology transfer, environmental, safety, security and emergency management activities. Additionally, a portion of costs associated with 24-hour-a-day operation of power dispatching and security centers is included. Based on historical data, a 3% inflation factor has been applied	13,108	13,501	16,260

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Travel			
Transportation and per diem allowance for day-to-day performance of duties of Federal staff, including crews who maintain the transmission facilities. Also includes transportation of things. Estimates are based on historical travel costs, adjusted for anticipated escalation of airline fares, and planned activity . . .	1,135	1,182	1,388
Support Services			
Support services including automated data processing, warehousing, computer-aided drafting/engineering, and general administrative support. The request is based on exercising the one-year option for the current level of contract support. The increase is for computer-aided drafting and engineering support which was inadvertently included previously in the Equipment, Contracts and Related Expenses request	1,780	1,647	2,138
Other			
Other related expenses, including but not limited to, space, utilities and miscellaneous charges, printing and reproduction, training tuition fees, maintenance of office equipment, supplies and materials, telecommunications, personal computers, multi-project costs, distribution of Western's general management costs and a portion of the costs received from National Archive and Records Administration (NARA). Rental space costs assume the GSA-inflation factor, adjusted by the number of employees funded in this Account. Other costs are based on historical usage and actual costs of similar items	9,503	10,148	9,512
Total, Program Direction	25,526	26,478	29,298

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Salary and Benefits	
# Increase in salaries and benefits reflects an increase of 28 FTE for accomplishment of planned activities funded in this activity. The workplans for Western's workforce is prioritized based on criticality and crosses all funding accounts. Therefore, fluctuations in number of FTE required to perform the work in any given account may occur from year to year. Anticipated inflationary increases of 3 percent are also included..	+2,759
Travel	
# Increase in travel is attributed to additional FTE working on activities for projects within this Fund	+206
Support Services	
# Increases in support services is because in FY 1999 some costs were inadvertently excluded from the Program Direction request. In FY 2000 all support service contract costs have been identified and included as directed by Congress	+491
Other	
# Decrease in other related expenses is primarily attributed to a decrease in replacements/upgrades of personal computers, offset by slight increases in space rent (which is prorated based on FTE), and distribution of charges from NARA	-636
Total Funding Change, Program Direction	+2,820

Support Services

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Technical Support Services					
Economic and Environmental Analysis	0	0	0	0	N/A
Test and Evaluation Studies	0	0	0	0	N/A
Total, Technical Support Services	0	0	0	0	N/A
Management Support Services					
Management Studies	41	73	35	-38	-52.1%
Training and Education	15	19	20	+1	+5.3%
ADP Support	639	525	1,053	+528	+100.6%
Administrative Support Services	1,085	1,030	1,030	0	0.0%
Total, Management Support Services	1,780	1,647	2,138	+491	+29.8%
Total, Support Services	1,780	1,647	2,138	+491	+29.8%

Other Related Expenses

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Training	130	135	126	-9	-6.7%
Working Capital Fund	56	61	61	0	0.0%
Printing and Reproduction	10	11	11	0	0.0%
Rental Space	411	423	510	+87	+20.6%
Software Procurement/Maintenance Activities/Capital Acquisitions	1,234	1,469	786	-683	-46.5%
Other	7,662	8,049	8,018	-31	-0.4%
Total, Other Related Expenses	9,503	10,148	9,512	-636	-6.3%

Equipment, Contracts and Related Expenses

Mission Supporting Goals and Objectives

Western Area Power Administration's (Western) operation and maintenance activity supports the Department of Energy's Strategic Plan to promote secure, competitive, and environmentally-responsible energy systems that serve the needs of the public. Western ensures an adequate supply of reliable electric power in a safe, cost-effective manner, and achieves continuity of service throughout its service territory by maintaining its power system at or above industry standards, rapidly restoring service following any system disturbance, mitigating adverse environmental impacts, performing clean-up activities, and maximizing the revenues gained from ancillary services and non-firm energy sales.

The Colorado River Basins Program is comprised of power marketing, operation, and maintenance of transmission facilities of three power systems described in the Site Description section earlier. These activities are funded in Western's business-type revolving fund (Federal Enterprise Fund), the Colorado River Basins Power Marketing Fund.

Revenues from the sale of electric energy and capacity replenish the fund and are available for expenditure for operation, maintenance, power billing and collection, program direction, purchase power and wheeling, interest, emergencies, and other power marketing expenses.

Supplies and materials, such as wood poles, instrument transformers, meters and relays, must be procured to provide necessary resources to respond to routine and emergency situations in the high-voltage interconnected transmission system. Technical services, such as waste management disposal, environmental impact analyses, and pest and weed control, are utilized as needed.

Western's planned replacement and addition activity is based on an assessment of age and the maintenance frequency/problems of individual items of equipment, availability of replacement parts, safety of the public and Western's personnel, environmental concerns, and an orderly workplan. The workplans, coordinated with Western's power customers who ultimately bear the burden of all Western expenses, reflect an overall sustainable level of effort, with shifts in emphasis between categories (i.e. electrical versus communication equipment) in any given year.

Electrical equipment replacements, such as circuit breakers, transformers, insulators, revenue meters, switches, control boards, relays and oscillographs must be acquired to assure reliable service to Western's customers. System age and environmental concerns necessitate orderly replacement before significant problems develop.

Replacement and upgrade of microwave, supervisory control and data acquisition, and other communication and control equipment continues to provide increased system reliability, and reduce maintenance and equipment costs.

Capitalized movable equipment such as special purpose vehicles (e.g., cranes, auger trucks, manlifts), special purpose equipment (e.g., pole trailers, industrial tractors, brush chippers), specialized test equipment (e.g., motion analyzers and ductor tester equipment), computer-aided engineering equipment, office equipment, ADP equipment and software must be upgraded and replaced.

Electrical resources and transmission capability to firm up the Federal hydropower supplies needed to meet Western's contractual obligations will continue to be obtained. Transmission wheeling services are also purchased when a third party's transmission lines are needed to deliver Federal power to Western's customers.

Reimbursements to the U.S. Army Corps of Engineers for operation and maintenance of the Fort Peck Powerplant and planned interest payments to the U.S. Treasury are also included in this section.

Performance Measures

The Equipment, Contracts and Related Expenses activity supports the performance measures presented under Program Mission.

- Well-maintained equipment, the availability of resources to rapidly restore service following any system disturbances, and the ability of staff to respond to minute-by-minute changes in load requirements are all directly tied to the Transmission System Performance measure. Timely replacement of old or failing electrical equipment prevents sudden failure, unplanned outages, and possible regional power system disturbances.
- This activity also supports the Safety measurement by placing safety first in all of its day-to-day operations, removing environmental hazards, and replacing equipment that may create a safety hazard for the public and Western's personnel. Each maintenance activity begins with a discussion of safe-working procedures. This activity also indirectly supports public safety by minimizing or preventing electrical outages and the attendant safety risks and concerns.
- Western's commitment to optimize economical operation and maintenance of the interconnected high-voltage power system while not compromising the reliability of power deliveries directly supports the Cost Growth performance measure. A successful operation and maintenance program also reduces costs to Western's customers and the consumer by maintaining a high level of system reliability.
- The Repayment of Power Investment measure is supported by providing 24-hour/day highly reliable electrical power deliveries to our customers, thus enhancing revenues and repayment.

Funding Schedule

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	$ Change	% Change
Equipment, Contracts and Related Expenses	99,260	74,183	84,293	+10,110	+13.6%
Total, Equipment, Contracts and Related Expenses	99,260	74,183	84,293	+10,110	+13.6%

Detailed Program Justification

	(dollars in thousands)		
	FY 1998	FY 1999	FY 2000
Equipment, Contracts and Related Expenses			
# Supplies and materials necessary to respond to routine and emergency situations in the high-voltage interconnected transmission system, and reimbursements to the Corps of Engineers for operation and maintenance of the Fort Peck Powerplant. The request is based on projected workplans for activities funded from this account. Estimates are based on historical data of actual supplies needed to maintain the transmission system reliably, including emergency situations such as ice storms and tornadoes. Costs are based on recent procurement of similar items.	8,342	8,629	8,439
# Electrical resources, transmission capability and wheeling services will be purchased. Western recently amended the Salt Lake City Area Integrated Projects Firm Electric Service Contract which implements the decision in the Electric Power Marketing Environmental Impact Statement to return customers' power allocations to those established in the Post-89 Marketing Plan. The action increases Western's firm annual contract commitments and is reflected in the FY 2000 request. Additionally, Western, at the direction of Congress, has developed procedures to obtain energy to offset lost generation	50,400	24,600	50,000
# Capitalized equipment will be acquired to assure reliable service to Western's customers. Costs are based on analysis of system operation/maintenance requirements/concerns, customer-coordinated workplans, actual costs of recent similar projects, and bottom-up budgeting techniques	7,920	10,508	7,165
# Interest payments to the U.S. Treasury will occur. Estimates are based on Power Repayment Studies for the Projects funded in this account	32,598	30,446	18,689
Total, Equipment, Contracts and Related Expenses	99,260	74,183	84,293

Explanation of Funding Changes from FY 1999 to FY 2000

	FY 2000 vs. FY 1999 ($000)
Equipment, Contracts and Related Expenses	
# Increases for power purchases reflects Western's increased firm annual contract commitment, the operational changes that resulted from the Glen Canyon Dam Environmental Impact Statement Record of Decision, and planning for increased purchases during periods of test flows associated with the endangered fish research which occur in hydrologically dry years.	+25,400
# Deceases in supplies (-190,000) and equipment purchases (-3,343,000) occur because purchases associated with the replacement of the microwave system and digital radios to meet new Federal Communications Commission and National Telecommunications and Information Administration regulations are at a lower level than occurs in FY 1999 .	-3,533
# Planned interest payment to the U.S. Treasury in FY 2000 is less than FY 1999 because project principal payments are current. No deficit payment is included	-11,757
Total Funding Change, Equipment, Contracts and Related Expenses	+10,110

System Statistics

	FY 1998	FY 1999	FY 2000
Generating Plants (Number)	56	56	56
Generating Capacity:			
Installed Capability (kW)	10,605,000	10,605,000	10,605,000
Substations:			
Number	258	258	258
Capacity (kVA) [a]	26,442,498	26,446,748	26,446,748
Transmission Lines (Circuit Miles):			
500-kV	448.27	448.27	448.27
345-kV	1,628.34	1,628.34	1,628.34
230-kV	6,880.13	6,880.13	6,880.13
161-kV	840.66	840.66	840.66
138-kV	329.59	329.59	329.59
115-kV	5,770.75	5,770.75	5,770.75
69-kV and below [b]	955.96	955.96	955.96
Total circuit miles	16,853.70	16,853.70	16,853.70

[a] Transformation increases completed in FY 1998 include: 11,400 kVa at Derby Hill (Colorado); 25,000 kVa at Lovell (Wyoming); 33,000 kVa at Grand Forks (North Dakota); and 4,000 kVa at Leeds (North Dakota). Increases planned in FY 1999 include 1,250 kVa at Faith (South Dakota); and 3,000 kVa at Custer (Montana).

[b] In FY 1998, 3.4-miles of the Estes-Mary's Lake Powerplant Transmission Line (Colorado) was removed.

Estimate of Revenues [a]

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Boulder Canyon Project [b]	52,925	60,592	62,155	60,559	57,201	61,150	57,973
Central Valley Project	184,476	183,039	186,544	185,249	200,250	198,029	190,080
Colorado River Basin Project (Navajo) [c]	94,516	87,800	87,800	87,800	87,800	87,800	87,800
Falcon-Amistad Project [d]	3,888	3,282	3,292	3,292	3,292	3,292	3,292
Fryingpan-Arkansas Project	13,893	13,418	13,418	13,418	13,418	13,418	13,418
Pacific Northwest-Southwest Intertie Project [e]	6,671	15,696	16,896	18,096	19,296	20,496	21,696
Parker-Davis Project [f]	32,095	35,614	39,097	40,208	39,311	39,319	39,808
Pick-Sloan Missouri Basin Program	308,415	253,407	253,689	253,599	250,883	244,503	244,679
Provo River Project	267	247	247	234	233	232	233
Washoe Project	64	757	757	757	757	757	757
Colorado River Storage Project	158,518	116,151	115,728	116,391	116,400	116,400	118,418
Collbran Project	2,123	2,036	1,974	1,912	1,912	1,912	1,912
Rio Grande Project	1,781	2,296	2,211	2,127	2,127	2,127	2,127
Seedskadee Project	2,248	1,091	1,081	1,071	1,061	1,061	1,061
Dolores Project	2,912	2,908	2,908	2,908	2,908	2,908	4,030
Subtotal	864,792	778,334	787,797	787,621	796,849	793,404	787,284

[a] FY 1998 amounts reflect actual revenues. Unless otherwise noted, all project amounts in this table and the following sales table are based on FY 1997 Final Power Repayment Studies (PRS) except for Colorado River Basin Project revenues which are based on estimated projections since no PRS is prepared.

[b] Estimates for the Boulder Canyon Project are based on preliminary FY 1998 PRS estimates.

[c] Western has contractually agreed for the Salt River Project (SRP) to act as the scheduling entity and operating agent for the Central Arizona Project's (CAP) portion of the Navajo Generating Station's output (547 MW). In return, as Western retains marketing responsibility, SRP agreed to pay a monthly fixed and variable cost. This revenue meets CAP repayment requirements.

[d] Estimates for the Falcon-Amistad Project are based on preliminary FY 1998 PRS estimates. Outyears have been rounded for consistency of presentation.

[e] Estimates for the Pacific Northwest-Southwest Intertie Project are based on January 13, 1998 PRS.

[f] Estimates for the Parker-Davis Project are based on preliminary FY 1998 PRS estimates.

Less Purchase Power & Wheeling Revenue Requirement [a]	0	0	-140,664	-140,664	-140,664	-140,664	-140,664
Total	864,792	778,334	647,133	646,957	656,185	652,740	646,620

[a] Beginning in FY 2000, power customers are expected to provide for their purchase power and transmission wheeling requirements directly with suppliers. This action reduces Western's costs and revenues by approximately $141 million annually.

Estimate of Energy Sales [a]

(in gigawatthours) [b]

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Boulder Canyon Project	5,698	4,958	5,352	5,283	5,135	4,501	4,501
Central Valley Project [c]	10,418	8,236	8,383	8,530	8,678	8,678	8,282
Colorado River Basin Project (Navajo)	3,504	4,116	4,116	4,116	4,116	4,116	4,116
Falcon-Amistad Project	137	183	183	183	183	183	183
Loveland Area Projects [d]	2,201	2,051	2,051	2,051	2,051	2,051	2,051
Pacific Northwest-Southwest Intertie Project [e]	0	0	0	0	0	0	0
Parker-Davis Project	1,631	1,346	1,346	1,346	1,346	1,346	1,346
Pick-Sloan Missouri Basin Program (Eastern Division)	12,776	10,507	10,509	10,542	10,505	10,045	10,056
Provo River Project	32	24	24	24	24	24	24
Washoe Project	11	10	10	10	10	10	10
Salt Lake City Integrated Projects [f]	8,601	8,645	8,668	8,699	8,699	8,699	8,814
Subtotal	45,009	40,076	40,642	40,784	40,747	39,653	39,383
Less Firming Energy Purchases [g]	0	0	-6,418	-6,418	-6,418	-6,418	-6,418
Total	45,009	40,076	34,224	34,366	34,329	33,235	32,965

[a] FY 1998 amounts reflect actual sales. Unless otherwise noted in the previous table (Estimate of Revenues), all amounts in this table are based on FY 1997 Final Power Repayment Studies (PRS).

[b] One gigawatthour (GWH) equals one million kilowatthours (kWh).

[c] Estimates include sales into the Pacific Gas & Electric EA2 account.

[d] Loveland Area Projects include Fryingpan-Arkansas Project and Pick-Sloan Missouri Basin Program (Western Division).

[e] Pacific Northwest-Southwest Intertie shows no energy sales, but reflects revenues from the transmission of energy (refer to the Estimate of Revenue table). The Intertie Project is for transmission of energy only.

[f] Salt Lake City Integrated Projects include the Colorado River Storage Project, Collbran Project, Rio Grande Project, Seedskadee Project, and Dolores Project.

[g] Beginning in FY 2000, customers are expected to provide for their own firming energy needs, eliminating purchase power for resale.

Estimate of Proprietary Receipts

(dollars in thousands)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Falcon Amistad Maintenance Fund, 895178	644	1,010	1,309	1,309	1,309	1,309	1,309
Sale and transmission of electric power, Falcon and Amistad Dams, 892245	2,945	2,272	1,983	1,983	1,983	1,983	1,983
Sale of Power and Other Utilities Not Otherwise Classified, 892249	33,020	42,500	42,500	42,500	42,500	42,500	42,500
Sale of Power - Western Area Power Administration - Reclamation Fund, 895000.27 [a]	379,840	327,516	288,090	303,327	315,877	307,939	301,708
Total, Proprietary Receipts . .	416,449	373,298	333,882	349,119	361,669	353,731	347,500

[a] Beginning in FY 2000, power customers are expected to provide for their purchase power and transmission wheeling requirements directly with suppliers. This action reduces Western's receipts to Treasury by approximately $54 million annually.

Pending Litigation

City of Tacoma v. Hazel O'Leary, Secretary of the United States Department of Energy, No. C96-5699 RJB (W.D. Wash., filed July 22, 1996). In January 1996, Western Area Power Administration (Western) issued a notice to terminate a purchase power contract with the City of Tacoma. The effective date of the termination was February 1, 1997. Tacoma sued Western in U.S. District Court, alleging that Western violated the Administrative Procedure Act by: (1) exceeding its authority under the Reclamation Laws and Energy Act; (2) failing to consider the effects that terminating the purchase power contract would have on the economic well being of the City and its utilities; (3) exceeding its authority under the contract; and (4) failing to consider all relevant factors in making the decision to terminate the contract. Western believes that it acted properly in terminating the contract, in accordance with the terms of the contract. After Western terminated the contract, Tacoma amended its complaint by adding claims for breach of contract. Tacoma now seeks money damages of $144 million.

The United States believes that the U.S. District Court lacks subject matter jurisdiction over the complaint, and that the case should be heard in the U.S. Court of Federal Claims under the Tucker Act. The United States has filed an interlocutory appeal with the Ninth Circuit, seeking a ruling to this effect. The United States and Tacoma briefed the Ninth Circuit in February and March of 1998. The Federal Circuit held oral arguments on October 7, 1998. The Circuit has not issued a final order. Discovery in the case is stayed pending the outcome of the appeal.