BPA Chief Agrees With Report's Criticism

By Joel Connelly

Bonneville Power Administrator Sterling Munro said yesterday he has "no quarrel" with conclusions of a U.S. General Accounting Office report that criticized BPA.

The report, disclosed last weekend, said BPA has not exercised adequate oversight over three nuclear power plants being built at Hanford and Satsop by the Washington Public Power Supply System (WPPSS).

But Munro, interviewed by Post - Intelligencer editors, said BPA has been "very inhibited" by law in the degree to which it can audit and investigate WPPSS' soaring costs.

Munro, while noting that he has not seen the GAO report, said the document echoes his own criticisms of BPA's past oversight of the three nuclear plants.

"I am looking forward with great anticipation to getting their (GAO) recommendations," said Munro.

The BPA has contracted to pay for 100 percent of costs on two WPPSS nuclear plants, and 70 percent of a third. Cost estimates for the three plants have gone from $1.55 billion to $5.76 billion. The projects are running three years behind their original schedules.

Public utilities that buy power from Bonneville — including Seattle City Light — will begin to feel WPPSS costs next year, when BPA is scheduled to raise wholesale power rates by more than 90 percent.

The GAO report touches directly on Northwest power legislation which is moving through Congress.

The legislation would allow BPA, under certain conditions, to underwrite construction of additional nuclear and coal power plants in the Northwest.

Munro said "there might be something" to a GAO recommendation that a dollar limit be placed on the amount to which BPA can underwrite nuclear plants — and on costs that can be passed on to utilities.

He described oversight of costly nuclear plants as "a monumental task . . . particularly if the investment is in the range of several billion dollars."

But the BPA administrator defended provisions of a Senate - passed regional power bill, which contains the underwriting provision (called "purchase authority").

Munro and other BPA officials helped write the legislation, which is sponsored by Sen. Henry Jackson.

Under provisions of the bill, Munro noted, BPA could underwrite nuclear construction costs only if conservation and so - called renewable resources (such as solar energy) have failed to meet Northwest electrical needs.

He described the bill's commitment to regionwide energy conservation as "well ahead of anything occurring or proposed anywhere else in the country."

Munro also defended the decision - making formula in the Jackson bill, calling it "workable" and "accountable to the public."

The Senate - passed bill sets up a Pacific Northwest Electric Power Planning Council, which would forecast regional electric demand and come up with a plan to meet it.

The council would have five members, the BPA Administrator plus representatives of the governors of Washington, Oregon, Idaho and Montana. The BPA administrator would have veto powers over any plan written by it.

The council formula has come under fire from consumer and environmental groups, several Northwest congressmen and Washington House Co - Speaker John Bagnariol.

U.S. Rep. Don Bonker, D - Olympia, has proposed that it be replaced with an 11 - member voting council, with membership reflecting Northwest population. Washington would have five votes on such a panel.

"As a Washington resident I can of course objectively see the merits of greater representation for this state," joked Munro.

"But obviously the other states have different feelings," he added. "I think it would be sad to have the whole matter fail on an interregional dispute of this kind."

Munro described congressional enactment of a regional power bill as "an imperative." He cited predictions of a looming electrical shortage in the Northwest.

Referring again to debate over makeup of the regional council that will plan the Northwest's energy future, Munro added: "I would hate to think of us losing the opportunity we have because of a final quibble."

Energy BPA