

Mr. ASPINALL. Mr. Secretary, it is my understanding that the cost of 3 mills per kilowatt-hour for pumping energy under this prepurchase is based upon amortizing the Federal cost on an interest-free basis. Is that correct?

Secretary UDALL. Yes, as far as irrigation is concerned. This is customary.

Mr. ASPINALL. Of course, this is an irrigation proposal as far as this project is concerned.

Secretary UDALL. That is right.

Mr. ASPINALL. Does this cost of 3 mills also take into account repayment assistance from revenues from the marketing of the excess energy?

Mr. DOMINY. To a very minor degree, Mr. Chairman.

Mr. ASPINALL. I do not understand the use of the word "minor" there. It either does or does not. The question is how much excess power there is.

Mr. DOMINY. The rates are different, of course, for the municipal water pumping and the irrigation pumping. This is primarily because interest is charged on that part of the pumping costs related to pumping the M. & I. water. We do not charge interest on those costs associated with pumping irrigation water.

Mr. ASPINALL. Mr. Chairman, if the Department and the Bureau wish to make additional responses to this question, I would like to have unanimous consent that it be placed in the record at this point.

Mr. JOHNSON. Do I hear objection?

(No response.)

Mr. JOHNSON. It is so ordered.

(The material referred to follows:)

Bureau of Reclamation studies show that the rate for irrigation pumping sales which would be required to pay operation and maintenance costs and repay without interest the cost of power facilities associated with irrigation pumping energy would be 3.14 mills/kwh. The proposed rate for irrigation pumping energy is 3 mills/kwh which results in a deficiency in meeting irrigation pumping energy costs of \$8,200,000 during the 50-year payout period. This minor deficiency would be made up from M. & I. pumping and commercial energy sales which are at a rate in excess of cost.

Mr. ASPINALL. Mr. Secretary, what is the planned life of the large thermal powerplant in which the Federal Government will participate?

Secretary UDALL. A 50-year-payout basis.

Mr. ASPINALL. What is the plan for meeting the pumping energy needs beyond the life of this particular plant?

Mr. DOMINY. The thermal units, Mr. Chairman, will be replaced about every 35 years. This is characteristic of these high-temperature, high-speed units.

Mr. ASPINALL. Not necessarily in the same location, because if you run out of coal, you have to move your plant.

Mr. DOMINY. As I understand, the coal reserves are adequate.