

dispose of such personal property as in his judgment is not required for the purposes of this chapter and such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in his judgment are not required for the purposes of this chapter: *Provided, however*, That before the sale, lease, or disposition of real property or transmission lines, as herein provided, the administrator shall secure the approval of the President of the United States.

**(f) Contracts**

Subject only to the provisions of this chapter, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation<sup>1</sup> thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

(Aug. 20, 1937, ch. 720, § 2, 50 Stat. 732; Mar. 6, 1940, ch. 47, § 1, 2, 54 Stat. 47; Oct. 23, 1945, ch. 433, §§ 1, 5, 59 Stat. 546, 547; July 26, 1947, ch. 343, title II, § 205(a), 61 Stat. 501; 1965 Reorg. Plan No. 4, §§ 11(c), 13(a), eff. July 27, 1965, 30 F.R. 9353, 79 Stat. 1321; Pub. L. 95-91, title III, § 302(a)(1)(D), (2), Aug. 4, 1977, 91 Stat. 578.)

CODIFICATION

Provisions of the first par. of subsec. (a) which prescribed the compensation of the Administrator were omitted as compensation of the Administrator is prescribed by section 5316 of Title 5, Government Organization and Employees.

AMENDMENTS

1945—Subsec. (a). Act Oct. 23, 1945, § 5, struck out provisions relating to the appointment and compensation of an Assistant Administrator, chief engineer and general counsel and to the powers and duties of the Assistant Administrator. See section 832i of this title.

Subsec. (f). Act Oct. 23, 1945, § 1, substituted "is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary" for "is authorized, in the name of the United States, to negotiate and enter into such contracts, agreements, and arrangements as he shall find necessary or appropriate to carry out the purposes of this chapter".

1940—Subsec. (a). Act Mar. 6, 1940, inserted provisions relating to jurisdiction and functions of administrator.

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces" which in sections 3010 to 3013 continued military Department of the Army under administrative supervision of Secretary of the Army.

REPEALS

Act Mar. 6, 1940, ch. 47, § 1, 54 Stat. 47, cited as a credit to this section, was repealed by Pub. L. 89-554, § 8(a), Sept. 6, 1966, 80 Stat. 650.

<sup>1</sup> So in original. Probably should be "cancellation".

TRANSFER OF FUNCTIONS

In subsec. (a), "Secretary of Energy" substituted for "Secretary of the Interior" in five places and "Department of Energy" substituted for "Department of the Interior" pursuant to Pub. L. 95-91, § 302(a)(1)(D), (2), which is classified to section 7152(a)(1)(D), (2) of Title 42, The Public Health and Welfare, and which transferred functions of Secretary of the Interior with respect to Bonneville Power Administration to Secretary of Energy, with Bonneville Power Administration to be preserved as a distinct organizational entity within Department of Energy and headed by an Administrator.

Provisions of the second sentence of the second par. of subsec. (a), which related to the advisory board and its composition, were omitted pursuant to Reorg. Plan No. 4 of 1965, §§ 11(c) and 13(a), set out in the Appendix to Title 5, Government Organization and Employees, which abolished the advisory board and transferred its functions, including the functions of the chairman and other officers, to the Secretary of the Interior.

For transfer of functions of other officers, employees, and agencies of Department of the Interior, with certain exceptions, to Secretary of the Interior, with power to delegate, see Reorg. Plan No. 3 of 1950, §§ 1, 2, eff. May 24, 1950, 15 F.R. 3174, 64 Stat. 1262, set out in the Appendix to Title 5, Government Organization and Employees.

**§ 832a-1. Repealed. Pub. L. 88-426, title III, § 305(36), Aug. 14, 1964, 78 Stat. 427**

Section, Pub. L. 87-330, title II, § 200, Sept. 30, 1961, 75 Stat. 728, prescribed the compensation of the Administrator, Bonneville Power Administration, and is prescribed by section 5316 of Title 5, Government Organization and Employees.

EFFECTIVE DATE OF REPEAL

Repeal effective on first day of first pay period which begins on or after July 1, 1964, see section 501 of Pub. L. 88-426.

**§ 832b. Definitions**

As employed in this chapter, the term "public body", or "public bodies", means States, public power districts, counties, and municipalities, including agencies or subdivisions of any thereof.

As employed in this chapter, the term "cooperative", or "cooperatives", means any form of nonprofit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost.

(Aug. 20, 1937, ch. 720, § 3, 50 Stat. 733.)

**§ 832c. Distribution of electricity; preference to public bodies and cooperatives**

**(a) General provisions**

In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

**(b) Prior to January 1, 1942; subsequent thereto**

To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section<sup>1</sup> (a) and to effectuate the

<sup>1</sup> So in original. Probably should be "subsection".

intent and purpose of this chapter that at all times up to January 1, 1942, there shall be available for sale to public bodies and cooperatives not less than 50 per centum of the electric energy produced at the Bonneville project, it shall be the duty of the administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 per centum of such energy available to said public bodies and cooperatives until January 1, 1942: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to January 1, 1942, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to January 1, 1942: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1942; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted.

**(c) Allowance of time for financing**

An application by any public body or cooperative for an allocation of electric energy shall not be denied, or another application competing or in conflict therewith be granted, to any private corporation, company, agency, or person, on the ground that any proposed bond or other security issue of any such public body or cooperative, the sale of which is necessary to enable such prospective purchaser to enter into the public business of selling and distributing the electric energy proposed to be purchased, has not been authorized or marketed, until after a reasonable time, to be determined by the administrator, has been afforded such public body or cooperative to have such bond or other security issue authorized or marketed.

**(d) Congressional declaration of policy; allowance of time for creation and organization**

It is declared to be the policy of the Congress, as expressed in this chapter, to preserve the said preferential status of the public bodies and cooperatives herein referred to, and to give to the people of the States within economic transmission distance of the Bonneville project reasonable opportunity and time to hold any election or elections or take any action necessary to create such public bodies and cooperatives as the laws of such States authorize and permit, and to afford such public bodies or cooperatives reasonable time and opportunity to take any action necessary to authorize the issuance of bonds or to arrange other financing necessary to construct or acquire necessary and desirable electric distribution facilities, and in all other respects legally to become qualified purchasers and distributors of electric energy available under this chapter.

(Aug. 20, 1937, ch. 720, §4, 50 Stat. 733; Mar. 6, 1940, ch. 47, §3, 54 Stat. 47.)

AMENDMENTS

1940—Subsec. (b). Act Mar. 6, 1940, substituted “January 1, 1942” for “January 1, 1941” wherever appearing.

TRANSFER OF FUNCTIONS

Functions of Secretary of the Interior with respect to Bonneville Power Administration transferred to Secretary of Energy by section 7152(a)(1)(D), (2) of Title 42, The Public Health and Welfare, with Bonneville Power Administration to be preserved as a distinct organizational entity within Department of Energy and headed by an Administrator.

**§ 832d. Contracts for sale of electricity**

**(a) Authorization of Administrator; contents of contracts**

Subject to the provisions of this chapter and to such rate schedules as the Secretary of Energy may approve, as provided in this chapter, the administrator shall negotiate and enter into contracts for the sale at wholesale of electric energy, either for resale or direct consumption, to public bodies and cooperatives and to private agencies and persons and for the disposition of electric energy to Federal agencies. Contracts for the sale of electric energy to any private person or agency other than a privately owned public utility engaged in selling electric energy to the general public, shall contain a provision forbidding such private purchaser to resell any of such electric energy so purchased to any private utility or agency engaged in the sale of electric energy to the general public, and requiring the immediate canceling of such contract of sale in the event of violation of such provision. Contracts entered into under this subsection shall be binding in accordance with the terms thereof and shall be effective for such period or periods, including renewals or extensions, as may be provided therein, not exceeding in the aggregate twenty years from the respective dates of the making of such contracts. Contracts entered into under this subsection shall contain (1) such provisions as the administrator and purchaser agree upon for the equitable adjustment of rates at appropriate intervals, not less frequently than once in every five years, and (2) in the case of a contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the administrator may cancel such contract upon five years' notice in writing if in the judgment of the administrator any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this chapter, and that such cancelation may be with respect to all or any part of the electric energy so purchased under said contract to the end that the preferential rights and priorities accorded public bodies and cooperatives under this chapter shall at all times be preserved. Contracts entered into with any utility engaged in the sale of electric energy to the general public shall contain such terms and conditions, including among other things stipulations concerning resale and resale rates by any such utility, as the administrator may deem necessary, desirable or appropriate to effectuate the purposes of this chapter and to insure that resale by such utility to the ultimate consumer shall be at rates