

cordance with the provisions of sections 835j to 835m of this title. As used in sections 835j to 835m of this title, the term "net revenues" means revenues as determined from time to time which are not required for the repayment of (1) all costs allocated to power at projects in the Pacific Northwest then existing or authorized, including the cost of acquiring power by purchase or exchange, and (2) presently authorized assistance from power to irrigation at projects in the Pacific Northwest existing and authorized prior to September 7, 1966.

(Pub. L. 89-448, §2(b), as added Pub. L. 89-561, §6(3), Sept. 7, 1966, 80 Stat. 714.)

#### CODIFICATION

Section is comprised of subsec. (b) of section 2 of Pub. L. 89-448, as added by Pub. L. 89-561. Subsecs. (a) and (c) of section 2 are classified to sections 835j and 835k, and 835m of this title, respectively.

#### 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.

#### § 835m. Recommendations for changes in limitations on financial assistance; time and frequency of submission

On December 20, 1974, and thereafter at intervals coinciding with anniversary dates of Federal Energy Regulatory Commission general review of the rates and charges of the Bonneville Power Administration, the Secretary of the Interior shall recommend to the Congress any changes in the dollar limitations herein placed upon financial assistance to Pacific Northwest reclamation projects that he believes justified by changes in the cost-price levels existing on July 1, 1966, or by other relevant changes of circumstances.

(Pub. L. 89-448, §2(c), as added Pub. L. 89-561, §6(3), Sept. 7, 1966, 80 Stat. 715; amended Pub. L. 95-91, title IV, §402(a)(1)(B), Aug. 4, 1977, 91 Stat. 583.)

#### CODIFICATION

Section is comprised of subsec. (c) of section 2 of Pub. L. 89-448, as added by Pub. L. 89-561. Subsecs. (a) and (b) of section 2 are classified to sections 835j and 835k, and 835l of this title, respectively.

#### TRANSFER OF FUNCTIONS

"Federal Energy Regulatory Commission" substituted in text for "Federal Power Commission" pursuant to Pub. L. 95-91, §402(a)(1)(B), which is classified to section 7172(a)(1)(B) of Title 42, The Public Health and Welfare.

Federal Power Commission terminated and its functions, personnel, property, funds, etc., transferred to Secretary of Energy (except for certain functions transferred to Federal Energy Regulatory Commission) by sections 7151(b), 7171(a), 7172(a), 7291, and 7293 of Title 42.

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, with Bonneville Power Administration to be preserved as a distinct organizational entity within Department of Energy and headed by an Administrator.

#### CHAPTER 12E—NIAGARA POWER PROJECT

Sec.

836. Authorization to license construction and operation; licensing conditions.

836a. Rules governing issuance of license.

#### § 836. Authorization to license construction and operation; licensing conditions

(a) The Federal Energy Regulatory Commission is expressly authorized and directed to issue a license to the Power Authority of the State of New York for the construction and operation of a power project with capacity to utilize all of the United States share of the water of the Niagara River permitted to be used by international agreement.

(b) The Federal Energy Regulatory Commission shall include among the licensing conditions, in addition to those deemed necessary and required under the terms of the Federal Power Act [16 U.S.C. 791a et seq.], the following:

(1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance. In any case in which project power subject to the preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.

(2) The licensee shall make a reasonable portion of the project power subject to the preference provisions of paragraph (1) of this subsection available for use within reasonable economic transmission distance in neighboring States, but this paragraph shall not be construed to require more than 20 per centum of the project power subject to such preference provisions to be made available for use in such States. The licensee shall cooperate with the appropriate agencies in such States to insure compliance with this requirement. In the event of disagreement between the licensee and the power-marketing agencies of any of such States, the Federal Energy Regulatory Commission may, after public hearings, determine and fix the applicable portion of power to be made available and the terms applicable thereto: *Provided*, That if any such State shall have designated a bargaining agency for the procurement of such power on behalf of such State, the licensee shall deal only with such agency in that State. The arrangements made by the licensee for the sale of power to or in such States shall include observance of the preferences in paragraph (1) of this subsection.

(3) The licensee shall contract, with the approval of the Governor of the State of New