

*Comment Date:* June 20, 2003.

### 19. Xcel Energy Services, Inc.

[Docket No. ER03-905-000]

Take notice that on May 30, 2003, Xcel Energy Services, Inc. (XES), on behalf of Southwestern Public Service Company (SPS), submitted for filing an Exhibit A to the Wholesale Full Requirements Electric Power Service Agreement between SPS and Farmers' Electric Cooperative, Inc. of New Mexico (Farmers').

XES requests that this agreement become effective on May 30, 2003.

*Comment Date:* June 30, 2003.

### 20. Southwestern Electric Power Company

[Docket No. ER03-906-000.]

Take notice that on May 30, 2003, Southwestern Electric Power Company (SWEPCO) submitted for filing actuarial reports in support of the amounts to be collected in SWEPCO's 2002 actual and 2003 projected formula rates for post-employment benefits other than pensions as directed by the Statement of Financial Accounting Standard No. 106 (SFAS 106), issued by the Financial Accounting Standards Board, and the collection in such formula rates of other post-employment benefits as directed by SFAS 112.

SWEPCO seeks an effective date of January 1, 2002 and, accordingly, requests waiver of the Commission's notice requirements. SWEPCO states it has served copies of the transmittal letter on all of its formula rate customers, the Arkansas Public Service Commission, the Louisiana Public Service Commission and the Public Utility Commission of Texas.

*Comment Date:* June 20, 2003.

### Standard Paragraph

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's Web site at <http://www.ferc.gov>, using the "FERRIS" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866) 208-3676, or for TTY, contact (202) 502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

*Magalie R. Salas,*  
*Secretary.*  
[FR Doc. 03-14923 Filed 6-12-03; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Proposed Rates for Loveland Area Projects Transmission and Ancillary Services

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of proposed rates.

**SUMMARY:** The Western Area Power Administration (Western) is proposing rates for Loveland Area Projects (LAP) transmission and ancillary services. Current rates have been extended through March 31, 2004. The proposed rates, which are formula based, will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. Rate impacts are detailed in a brochure to be made available to all interested parties. The proposed rates are scheduled to go into effect on January 1, 2004, and will remain in effect through December 31, 2008. This **Federal Register** notice begins the formal process for the proposed rates.

**DATES:** The consultation and comment period begins today and will end September 11, 2003. Western will present a detailed explanation of the proposed rates at the following public information forums:

1. July 14, 2003, 9 a.m. MDT, Denver, Colorado.
2. July 15, 2003, 1 p.m. CDT, Lincoln, Nebraska.

Western will receive oral and written comments at the following public comment forum:

3. August 6, 2003, 11 a.m. MDT, Denver, Colorado.

**ADDRESSES:** The public information forums will be held at the following locations:

1. Denver, Radisson Stapleton Plaza Hotel, 3333 Quebec Street, Denver, Colorado.
2. Lincoln, Southeast Community College, 11th and O Street, Lincoln, Nebraska.

The public comment forum will be held at the following location:

3. Denver, Radisson Stapleton Plaza Hotel, 3333 Quebec, Denver, Colorado.

Written comments should be sent to: Joel K. Bladow, Regional Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, e-mail: [LAPTransAdj@wapa.gov](mailto:LAPTransAdj@wapa.gov).

Official comments received via letter and e-mail, as well as other pertinent information, will be posted to our Web site located at <http://www.wapa.gov/rm/rm.htm> after the comment period has closed. To assure consideration of written comments, Western must receive them by the end of the consultation and comment period.

**FOR FURTHER INFORMATION CONTACT:** Mr. Daniel T. Payton, Rates Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, telephone (970) 461-7442, e-mail: [dpayton@wapa.gov](mailto:dpayton@wapa.gov).

### SUPPLEMENTARY INFORMATION:

#### Proposed Rates for LAP Transmission

Western does not propose to change the formula-based rate methodology for calculating the revenue requirement for Network, Firm, and Non-Firm transmission services. Rates for these services will be recalculated each year to incorporate the most recent financial and load information and will be applicable to all transmission customers.

#### Proposed Revenue Requirement for Transmission Service

An annual fixed charge rate methodology is used to determine the revenue requirement to be recovered from Network, Firm, and Non-Firm transmission services. The annual transmission costs included are operation and maintenance expenses, administrative and general expenses, interest expense, and depreciation expense. Transmission expenses, which increase transmission capacity, are also included in the revenue requirement. These expenses are estimated to be \$500,000 for FY 2004.

### **Proposed Rate for Network Transmission Service**

The methodology for calculating the Network Transmission Service rate is unchanged from Western's previously approved filing with the Federal Energy Regulatory Commission (FERC). The current methodology derives a network customer's monthly charge by multiplying a customer's load ratio share times one-twelfth ( $1/12$ ) of the annual network transmission revenue requirement. The proposed revenue requirement for Fiscal Year 2004 is decreasing from \$40,570,808 to \$38,776,237 or 4.4 percent, based on FY 2002 financial data.

### **Proposed Rate for Firm Point-to-Point Transmission Service**

The proposed rate for Firm Point-to-Point Transmission Service is decreasing from \$2.88 per kilowattmonth (kW-month) to \$2.68 per kW-month, or 6.9 percent. The proposed rate for this service is the annual revenue requirement for transmission divided by the 12-month coincident monthly peak (12-cp) of the LAP transmission system, and divided again by 12 months. The 12-cp for the LAP transmission system for Fiscal Year 2004, is 1,206,771 kW, based on FY 2002 load data.

### **Proposed Rate for Non-Firm Point-to-Point Transmission Service**

Non-Firm Point-to-Point Transmission Service is available for periods ranging from 1 hour to 1 month. The proposed maximum rate is 3.75 mills/kWh.

### **Proposed Rates for Ancillary Services**

There is no change in the proposed formula-based rate methodologies for calculating revenue requirements for Scheduling, System Control, and Dispatch Service, or the Reactive Supply and Voltage Control Service from Generation Sources. The rates for Operating Reserves, both Supplemental and Spinning, are also unchanged.

The proposed rates do include changes to the formula-based rate methodologies for Regulation and Frequency Response Service and Energy Imbalance Service as outlined below. Additionally, a separate rate for Regulation and Frequency Response Service for Intermittent Renewable Resources has been added.

Two ancillary service rates, not part of the original portfolio of ancillary services filed in 1998, are also being proposed under this filing: (1) Unauthorized Use of Transmission and Control Area Resources service, and (2) Transmission Losses service.

The rates for all of these services, as proposed, are applicable to all customers within the Western Area Colorado Missouri (WACM) control area.

### **Proposed Rate for Scheduling, System Control, and Dispatch Service**

The rate methodology for calculating the revenue requirement for the Scheduling, System Control, and Dispatch Service is unchanged from Western's previously approved filing with FERC. However, the charging basis for this rate will change from per-schedule-per-day, to per-tag-per-day. The rate for this service, as proposed, is applicable to those operating within the control area with schedules/tags that do not include any segment of the Federal transmission system.

The revenue requirement for this service in Fiscal Year (FY) 2004 will decrease from \$3,970,226 to \$3,796,470, a decrease of 4 percent. This, combined with the change in the charging basis from schedule to tag, will reduce the rate from \$43.09 per schedule per day, to \$25.22 per tag per day.

Western will continue to apply this rate against the number of daily tags submitted for transmission transactions that are off the Federal system; *i.e.*, other than LAP or Colorado River Storage Project transmission, and charge the transmission provider.

### **Proposed Rate for Reactive Supply and Voltage Control Service From Generation Sources**

The rate methodology for calculating the revenue requirement for the Reactive Supply and Voltage Control Service from Generation Sources is unchanged from Western's previously approved filing with FERC. The rate is applicable to all transmission transactions within WACM. Customers agreeing to respond to WACM's request for Reactive Supply and Voltage Control Service from Generation Sources will receive a waiver from this charge.

The revenue requirement for this service in FY 2004 is proposed to increase from \$1,644,071 to \$1,682,672, or 2 percent. In addition, the percentage of LAP capacity used to provide Reactive Supply and Voltage Control Service from Generation Sources is also proposed to increase from 2.3 percent to 2.5 percent, resulting in a slight increase in the FY 2004 rate, from \$0.103/kW-month to \$0.108/kW-month, or 4.9%.

### **Proposed Rate for Regulation and Frequency Response Service**

Western proposes several changes to the rate methodology for Regulation and Frequency Response Service. The rate is

applicable to all transmission transactions with load served within WACM.

Western is proposing a revised annual operational analysis to more accurately determine the amount of capacity needed to meet WACM's regulation requirements. The current analysis determined that WACM needs 75 megawatts (MW) or regulating capacity. Due to the limited availability of hydroelectric capacity, Western has determined that purchases must become a substantial part of the revenue requirement for regulation. Therefore, Western is proposing a mix of Federal resources and non-Federal purchases to provide this capacity. The amount of regulation and cost of these purchases will be revised annually to accurately reflect the capacity needed to supplement hydroelectric resources.

The unit cost and revenue requirement for Federal facilities will continue to be calculated each year using the existing methodology's annual fixed charge rate.

Using the proposed methodology, the revenue requirement for Regulation and Frequency Response Service will increase from \$3,727,782 to \$5,031,873, an increase of 35 percent. The current rate for this service is \$0.164/kW-month, and the proposed rate will be \$0.185/kW-month, an increase of 13 percent.

### **Proposed Rate for Regulation and Frequency Response Service for Intermittent Renewable Resources**

Western supports the installation of renewable sources of energy, but recognizes certain operational constraints exist in managing the significant fluctuations that are a normal part of their operation. These fluctuations require that a rate be developed and implemented that will recover the expenses associated with such variation in capacity. Therefore, Western is also proposing a rate for the regulation requirement associated with intermittent renewable resources.

The rate would be derived from the revenue requirement established for load-based Regulation and Frequency Response Service, \$5,031,873; however, the basis would be a charge per unit of capacity. The rate is proposed to be \$5.59/kW-month, and would be applied against the amount of capacity used.

An analysis done by Western to measure the variation of intermittent renewable resources within WACM indicates that 27 percent of the nameplate capacity of those units is required for regulation.

Western plans to offer resource owners a credit for more closely matching generation schedules with

actual output. Also, Western is proposing additional charges for resource owners utilizing more than the 27 percent of nameplate capacity.

**Proposed Rate for Energy Imbalance Service**

No significant changes are proposed for Energy Imbalance Service, but minor modifications are being proposed as a result of public feedback since implementation in July 2002. The rate is applicable to customers with resources and obligations within WACM. Three modifications to the existing rate are being proposed.

The first proposed modification is the expansion of the minimum deviation from 2 MW TO 4 MW.

The second proposed modification is that the hourly energy imbalance will be rounded to the nearest whole number; e.g., 0.4 and below will be rounded down to the nearest whole number, and 0.5 and above will be rounded up to the nearest whole number.

The third proposed modification is a reduction of the penalty associated with excursions for over or under deliveries outside of the bandwidth. The penalty will be reduced from 50 percent to 25 percent.

Western will continue to use a ±5 percent bandwidth, the application of aggregate control area pricing to under or over deliveries within the bandwidth, and LAP average real-time pricing for Energy Imbalance Service.

**Proposed Rates for Operating Reserves Service—Spinning and Supplemental**

This proposed rate is unchanged. Western is only able to meet its own internal requirements for reserves, and has no long-term reserves available for sale. At a customer's request, Western will purchase and pass through the cost of reserves and any activation energy, plus a fee for administration. For all reserves purchased, the customer will be responsible for purchasing adequate transmission to support the purchase.

**Proposed Rate for Unauthorized Use of Transmission and Control Area**

*Resources Service*

This rate, currently approved as a rate for short-term sales by Western's Administrator through March 31, 2004, is proposed to be included in Western's ancillary services portfolio.

The proposed rate will be applicable to all transmission customers utilizing Western-managed facilities without adequate reservation. The charge will be 150 percent of the transmissions service at issue; i.e., hourly, daily, weekly, monthly, with a maximum levy of a monthly charge.

**Proposed Rate for Transmission Losses Service**

This rate was also approved as a rate for short-term sales by Western's Administrator through March 31, 2004, and is proposed for transition into Western's ancillary service portfolio.

No significant changes are proposed for this service. The only modification will be a pricing change to calculate the cost of the loss energy. Currently, the pricing used for this valuation is Palo-Verde on- and off-peak daily pricing. Western proposes changing to LAP average real-time purchase prices.

These transmission and ancillary service rates for LAP are being established pursuant to the Department of Energy Organization Act, 42 U.S.C. 7101–7352; the Reclamation Act of 1902, ch. 1093, 32 Stat. 388, as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939, 43 U.S.C. 485h(c); and other acts specifically applicable to the projects involved.

By Delegation Order No. 00–037.00, approved December 6, 2001, the DOE Secretary of Energy delegated (1) the authority to develop power and transmission rates on a nonexclusive basis to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Existing DOE procedures for public participation in power rate adjustments (10 CFR part 903) became effective on September 18, 1985 (50 FR 37835).

**Comparison of Rates and Revenue Requirements**

	Proposed January 2004 rate	FY 2003 rate
Transmission:		
Point-to-Point Rates:		
Firm Transmission .....	\$2.68/kW-month .....	\$2.88/kW-month.
Non-Firm Transmission .....	3.75 mills/kWh .....	3.75 mills/kWh.
Network Revenue Requirement .....	\$38,776,237 .....	\$40,570,808.
Scheduling, System Control, and Dispatch Service.	\$25.22/tag/day Revenue Requirement: \$3,796,470.	\$43.09/schedule/day Revenue Requirement: \$3,970,226.
Reactive Supply and Voltage Control Service from Generation Sources.	\$0.108/kW-month Revenue Requirement: \$1,682,672.	\$0.103/kW-month Revenue Requirement: \$1,644,071.
Regulation and Frequency Response Service ...	\$0.185/kW-month Revenue Requirement: \$5,031,873.	\$0.164/kW-month Revenue Requirement: \$3,727,782.
Regulation and Frequency Response Service for Intermittent Renewable Resources.	\$5.59/kW-month Revenue Requirement: \$5,031,873.	No rate developed.
Energy Imbalance Service .....	Bandwidth: ±5% .....	Bandwidth: ±5%.
	Minimum Deviation: 4 MW .....	Minimum Deviation: 2 MW.
	Outside Bandwidth Penalty: 25% .....	Outside Bandwidth Penalty: 50%.
	Pricing: LAP average real-time purchase/sales pricing with defaults.	Pricing: LAP average real-time purchase/sales pricing with defaults.
Operating Reserves Service (Spinning/Supplemental).	None available for long-term purchase. Western will offer to purchase and pass through cost, plus 10% for administration.	None available for long-term purchase. Western will offer to purchase and pass through cost, plus 10% for administration.
Unauthorized Use of Transmission and Control Area Resources Service.	150% of monthly demand charge for service-at-issue.	150% of monthly demand charge for service-at-issue.
Transmission Losses Service .....	Assessed WACM postage-stamp loss rate to all scheduled transmission transactions. Pricing: LAP average real-time purchase/sale pricing with defaults.	Assessed WACM postage-stamp loss rate to all scheduled transmission transactions. Pricing: Palo Verde daily on-/off-peak pricing.

## Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents made or kept by Western in developing the proposed rates are available for inspection and copying at the Rocky Mountain Customer Service Regional Office, located at 5555 East Crossroads Boulevard, Loveland, Colorado. Many of these documents, as well as supporting information, are also available on our website at the following address: <http://www.wapa.gov/rm/rm.htm>.

## Regulatory Procedure Requirements Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601, *et seq.*) requires Federal agencies to perform a regulatory flexibility analysis if a final rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. This action does not require a regulatory flexibility analysis since it is a rulemaking involving rates or services applicable to public property.

## Environmental Compliance

In compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*); Council on Environmental Quality Regulations (40 CFR parts 1500–1508); and DOE NEPA Regulations (10 CFR part 1021), Western has determined that this action is categorically excluded from preparing an environmental assessment or an environmental impact statement.

## Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; so this notice requires no clearance by the Office of Management and Budget.

## Small Business Regulatory Enforcement Fairness Act

Western has determined that this rule is exempt from congressional notification requirements under 5 U.S.C. 801 because the action is rulemaking of particular applicability relating to rates or services and involves matters of procedure.

Dated: May 30, 2003.

**Michael S. HacsKaylo,**  
Administrator.

[FR Doc. 03–14947 Filed 6–12–03; 8:45 am]

BILLING CODE 6450–01–M

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Proposed Rates for Loveland Area Projects Firm Electric Service

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of proposed rates.

**SUMMARY:** The Western Area Power Administration (Western) is proposing revised rates for Loveland Area Projects (LAP) firm electric service. Current rates, under Rate Schedule L–F4, have been extended through March 31, 2004. The proposed rates will provide sufficient revenue to pay all annual costs, including interest expense and repayment of required investment within the allowable period. The rate impacts will be detailed in a brochure to be made available to all interested parties. The proposed rates, under Rate Schedule L–F5, are scheduled to go into effect on January 1, 2004, and will remain in effect through December 31, 2008. Publication of this **Federal Register** notice begins the formal process for the proposed rates.

**DATES:** The consultation and comment period begins today and will end September 11, 2003.

Western will present a detailed explanation of the proposed rates at the following public information forums:

1. July 14, 2003, 1 p.m. MDT in Denver, Colorado.

2. July 15, 2003, 9 a.m. CDT in Lincoln, Nebraska.

Western will receive oral and written comments at the following public comment forum:

1. August 6, 2003, 1 p.m. MDT in Denver, Colorado.

**ADDRESSES:** The public information forums will be held at the following locations:

1. Denver, Radisson Stapleton Plaza Hotel, 3333 Quebec Street, Denver, Colorado.

2. Lincoln, Southeast Community College, 11th and O Street, Lincoln, Nebraska.

The public comment forum will be held at the following location:

1. Denver, Radisson Stapleton Plaza Hotel, 3333 Quebec, Denver, Colorado.

Written comments should be sent to: Joel K. Bladow, Regional Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, or email:

[lapfirmadj@wapa.gov](mailto:lapfirmadj@wapa.gov). Official comments received via letter and e-mail will be posted to our Web site located

under the “2004 Rate Adjustments” section at <http://www.wapa.gov/rm/rm.htm> after the close of the 90-day consultation and comment period. Western must receive written comments by the end of the consultation and comment period to be assured consideration.

**FOR FURTHER INFORMATION CONTACT:** Mr. Daniel T. Payton, Rates Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7442, email: [dpayton@wapa.gov](mailto:dpayton@wapa.gov).

**SUPPLEMENTARY INFORMATION:** The proposed rates for LAP firm electric service are designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, operation and maintenance, and other annual expenses. The projected annual revenue requirement for firm electric service is allocated equally between capacity and energy.

The Department of Energy (DOE) Deputy Secretary approved Rate Schedule L–F4 for LAP firm electric service on an interim basis on January 6, 1994 (Rate Order No. WAPA–61, 59 FR 3339, January 21, 1994), and the Federal Energy Regulatory Commission (FERC) confirmed and approved the rate schedule on a final basis on July 14, 1994, under FERC Docket No. EF94–5181–000 (68 FERC 62,040). Rate Schedule L–F4 was approved for a 5-year period beginning on February 1, 1994, ending on January 31, 1999. Rate Order No. WAPA–82 extended the existing rate for 2 years, beginning February 1, 1999, through January 31, 2001. Rate Order No. WAPA–89 extended the rate again beginning February 1, 2001, through September 30, 2003. FERC confirmed and approved the rate schedule on August 4, 2000, under FERC Docket No. EF00–5181–000 (92 FERC 62,093). Rate Order No. WAPA–103 extended the rate a third time beginning October 1, 2003, through March 31, 2004.

Under Rate Schedule L–F4, the composite rate effective on October 1, 1994, is 21.70 mills per kilowatt-hour (mills/kWh); the energy rate is 10.85 mills/kWh and the capacity rate is \$2.85 per kilowatt-month (kW-month). Under Rate Schedule L–F5, the proposed rates for LAP firm electric service will result in an overall composite rate increase of approximately 9.7 percent effective on January 1, 2004. The proposed rates for LAP firm electric service are listed in Table 1.