

**DEPARTMENT OF ENERGY**

**Western Area Power Administration**

**Amistad and Falcon Projects–Notice of Order Confirming and Approving an Extension of the Power Rate Formula–WAPA-81**

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

**ACTION:** Notice of Rate Order.

**SUMMARY:** This action is to extend the existing Amistad and Falcon Projects' power rate formula until June 7, 1999. Without this action, the existing power rate formula will expire June 7, 1998; and no rate formula will be in effect for this service.

**FOR FURTHER INFORMATION CONTACT:** Mr. Dave Sabo, CRSP Manager, CRSP Customer Service Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606, telephone (801) 524-5493.

**SUPPLEMENTARY INFORMATION:** By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary of Energy delegated (1) the authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of the Western Area Power Administration (Western); (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 the Federal Energy Regulatory Commission (FERC).

Pursuant to Delegation Order No. 0204-108 and existing Department of Energy (DOE) procedures for public participation in power rate adjustments at 10 CFR Part 903, the power rate formula for Western's Amistad and Falcon Projects was

submitted to FERC for confirmation and approval on June 10, 1993. On September 29, 1993, in Docket No. EF93-5101-000 at 64 FERC ¶ 62,225, FERC issued an order confirming, approving, and placing into effect on a final basis the power rate formula for the Amistad and Falcon Projects. The rate was approved for the 5-year period beginning June 8, 1993, and ending June 7, 1998.

All of the generation from these projects is marketed by Western under the terms of Contract No. 7-07-50-P0890 dated August 9, 1977, and amended on April 10, 1986. According to the terms of the Contract, the customers, Medina Electric Cooperative, Inc. and South Texas Electric Cooperative, Inc., agreed to purchase the output of the Amistad and Falcon Powerplants for a 50-year period, beginning when electrical service initially became available. The Cooperatives agreed to take all Amistad and Falcon Projects' power and to pay the United States annual installments that are calculated to repay the power investment costs with interest, within 50 years, and annual operation, maintenance, replacement, and administration costs of the projects.

Following review of Western's proposal within DOE, I have approved Rate Order No. WAPA-81, which extends the existing power rate formula for Amistad and Falcon Projects until June 7, 1999.

Dated: May 6, 1998

Elizabeth A. Moler  
Deputy Secretary

DEPARTMENT OF ENERGY  
DEPUTY SECRETARY

In the Matter of: )  
 )  
Western Area Power Administration )  
Extension for Amistad and ) Rate Order No. WAPA-81  
Falcon Projects Power Rate Formula )  
 )

ORDER CONFIRMING AND APPROVING AN EXTENSION  
OF THE AMISTAD AND FALCON PROJECTS'  
POWER RATE FORMULA

(June 7 , 1998)

This rate formula was established pursuant to Section 302(a) of the Department of Energy (DOE) Organization Act, 42 U.S.C. 7152(a), through which the power marketing functions of the Secretary of the Interior and the Bureau of Reclamation (Reclamation) under 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 Amistad Project and the Falcon Projects were transferred to and vested in the Secretary of Energy (Secretary).

By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary delegated (1) the authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of the Western Area Power Administration (Western); (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 the Federal Energy Regulatory Commission (FERC). This rate

extension is issued pursuant to the Delegation Order and the DOE rate extension procedures at 10 CFR Part 903.

## BACKGROUND

In the order issued September 29, 1993, at 64 FERC ¶ 62,225, in Docket No. EF93-5101-000, FERC confirmed, approved, and placed into effect on a final basis the power rate formula for the Amistad and Falcon Projects. The rate formula was approved for the period from June 8, 1993, through June 7, 1998.

## DISCUSSION

All of the generation from these projects is marketed by Western under the terms of Contract No. 7-07-50-P0890 dated August 9, 1977, and amended on April 10, 1986. According to the terms of the Contract, the customers, Medina Electric Cooperative, Inc. and South Texas Electric Cooperative, Inc., agreed to purchase the output of the Amistad and Falcon Powerplants for a 50-year period, beginning when electrical service initially became available. The Cooperatives agreed to take all Amistad and Falcon Projects' power and to pay the United States annual installments that are calculated to repay the power investment costs with interest, within 50 years, and annual operation, maintenance, replacement, and administration costs of the projects.

On June 7, 1998, Western's Amistad and Falcon power rate formula will expire. Pursuant to 10 CFR 903.23, Western proposes to extend the existing rate formula until June 7, 1999, to determine whether it should make any changes in the present rate formula and Power Repayment Study presentation. During the early part of FY 1999, Western will begin a public rate adjustment process to this effect with the publication of a notice in the Federal Register.

ORDER

In view of the foregoing and pursuant to the authority delegated to me by the Secretary, I hereby extend for a period, effective June 8, 1998, through June 7, 1999, the existing rate formula for the Amistad and Falcon Powerplants.

Dated: May 6, 1998

Elizabeth A. Moler  
Deputy Secretary