

6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program-Eastern Division--Notice of Proposed Extension of the Firm Power Service and Firm Peaking Power Service Rates Order No. WAPA-83

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Extension of Firm Power Service and Firm Peaking Power Service Rates.

SUMMARY: This action is a proposal to extend the existing Pick-Sloan Missouri Basin Program-Eastern Division (P-SMBP-ED) firm power service and firm peaking power service rates, Rate Order No. WAPA-60, through January 31, 2001. The existing firm power service and firm peaking power service rates will expire January 31, 1999. This notice of proposed extension of rates is issued pursuant to 10 CFR Part 903.23(a)(1). In accordance with 10 CFR Part 903.23(a)(2) Western will not have a consultation and comment period.

FOR FURTHER INFORMATION CONTACT: Mr. Robert F. Riehl, Rates Manager, Upper Great Plains Customer Service Region, Western Area Power Administration,

P.O. Box 35800, Billings, MT 59107-5800, (406) 247-7388, or e-mail (riebl@wapa.gov).

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 procedures for public participation in firm power service rate adjustments at

10 CFR Part 903, Western's P-SMBP-ED firm power service and firm peaking power service rates were submitted to FERC for confirmation and approval on January 20, 1994. On July 14, 1994, in Docket No. EF94-5031-000 at 68 FERC ¶ 62,040, FERC issued an order confirming, approving, and placing into effect on a final basis the firm power service and the firm peaking power service rates for the P-SMBP-ED. The rates, Rate Order No. WAPA-60, were approved for a 5-year period beginning February 1, 1994, and ending January 31, 1999.

On January 31, 1999, the P-SMBP-ED firm power service and firm peaking power service rates will expire. This makes it necessary to extend the current rates pursuant to 10 CFR Part 903. Upon its approval, Rate Order No. WAPA-60 will be extended under Rate Order No. WAPA-83.

Western proposes to extend the existing rate of \$3.20/kilowattmonth for capacity and the rate of 8.32 mills/kilowatthour for energy which are sufficient to recover project expenses (including interest) and capital requirements through January 31, 2001. Increased revenue from good hydrologic conditions and lower operation and maintenance expenses over the cost evaluation period have made this possible. For the Pick-Sloan Missouri Basin Program, the ratesetting study projected the deficit to peak at \$178 million in Fiscal Year (FY) 1994 and to be

repaid in FY 2002. The deficit actually peaked at \$171 million in FY 1993 and was totally repaid in FY 1997. The total revenue requirement of \$135.2 million is sufficient to cover the expenses and capital requirements through January 31, 2001.

All documents made or kept by Western for developing the proposed extension of the firm power service and firm peaking power service rates will be made available for inspection and copying at the Upper Great Plains Customer Service Region, located at 2900 4th Avenue North, Billings, Montana.

Thirty days after publication of this notice Rate Order No. WAPA-83 will be submitted to the Deputy Secretary for approval through January 31, 2001.

Dated:

Michael S. HacsKaylo

Administrator