

DEPARTMENT OF ENERGY

Western Area Power Administration

Parker-Davis Project--Proposed Firm Power Charge and Firm and Nonfirm
Transmission Service Rate

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Charge and Rate Adjustment.

SUMMARY: The Western Area Power Administration (Western) is initiating a rate adjustment process for firm power and firm and nonfirm transmission service for the Parker-Davis Project (P-DP). The existing rate schedules were placed into effect on October 1, 1995, under Rate Order WAPA-68 which was approved on a final basis by the Federal Energy Regulatory Commission on April 19, 1996. There is a need to modify the power repayment study (PRS) and rate design for firm power and firm and nonfirm transmission service to provide sufficient revenue to pay all annual costs (including interest expense), plus repayment of required investment within the allowable time period. The charge/rate impacts are detailed in a rate brochure to be distributed to all interested parties. The proposed charges/rates for firm power and firm and nonfirm transmission service are expected to become effective October 1, 1997.

DATES: Submit comments on or before [Insert date 90 days after date of publication in the FEDERAL REGISTER]. The forum dates are:

1. Public information forum, June 10, 1997, 10 a.m., Phoenix, AZ.
2. Public comment forum, July 14, 1997, 10 a.m., Phoenix, AZ.

ADDRESSES: Written comments should be sent to the Western Area Power Administration, Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona 85009-5313. The public forums will be held at the Desert Southwest Regional Office.

FOR FURTHER INFORMATION CONTACT: Mr. J. Tyler Carlson, Regional Manager, (602) 352-2453 or Mr. Anthony H. Montoya, Assistant Regional Manager for Power Marketing, (602) 352-2789.

SUPPLEMENTARY INFORMATION: The proposed Fiscal Year 1998 (FY 1998) Generation Charge for P-DP firm power is based on an Annual Net Expense Allocated to Generation of \$5,616,123. The Calculated Capacity Rate for FY 1998 will be \$0.90 per kilowatt-month (kW-mo) and the Calculated Energy Rate for FY 1998 will be 2.09 mills/kWh. The proposed firm transmission service rate for FY 1998 will be \$16.16 per kilowatt-year (kW-yr) (billed at \$1.35 per kW-mo) and the proposed nonfirm transmission service rate for FY 1998 will be 3.07 mills/kWh, based on Annual Net Expenses Allocated to Transmission of \$26,306,972. The P-DP proposed rate for transmission service for Salt Lake City Area Integrated Projects (Integrated Projects) power customers is \$8.08 per kilowatt-season (\$1.35 per kW-mo) which is one-half of the P-DP proposed rate for firm transmission service of \$16.16 per kW-yr. The proposed charges/rates reflect an increase in the Annual Net Expenses from \$28,521,763 under the currently approved rates to \$31,923,095 in the proposed rates.

Since the proposed changes in the PRS, rate design, and charges/rates constitute a major rate adjustment as defined by the procedures for public participation in general rate adjustments, as cited below, both a public information forum and a public comment forum will be held. After review of public comments, Western will recommend proposed rates for approval on an interim basis by the Deputy Secretary of DOE.

Power and transmission rates for the P-DP are established pursuant to the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) and the Reclamation Act of 1902 (43 U.S.C. 388 et seq.), 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 the Act of May 28, 1954 (ch. 241, 68 Stat. 143).

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 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 FERC. Existing DOE procedures for public participation in power rate adjustments (10 CFR Part 903) became effective on September 18, 1985 (50 FR 37835).

Availability of Information: All brochures, studies, comments, letters, memoranda, and other documents made or kept by Western for the purpose of developing the proposed rates for firm power and firm and nonfirm transmission service are and will be made available for inspection and copying at Western's Desert Southwest Regional Office, located at 615 South 43rd Avenue, Phoenix, AZ 85009-5313.

Determination Under Executive Order 12866: DOE has determined that this is not a significant regulatory action because it does not meet the criteria of Executive Order 12866, 58 FR 51735. Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Environmental Evaluation: In compliance with the National Environmental Policy Act of 1969, 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 the preparation of an environmental assessment or an environmental impact statement.

Dated:

J. M. Shafer
Administrator