

Department of Energy

Western Area Power Administration

Boulder Canyon Project - Proposed Firm Power Service Base Charge

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Base Charge Adjustment.

SUMMARY: The Western Area Power Administration (Western) is announcing the Fiscal Year 1997 annual rate adjustment process for Fiscal Year 1998 Rates under Rate Order WAPA-70 for firm power service for the Boulder Canyon Project (BCP). The annual rate adjustments are a requirement of the ratesetting methodology of WAPA-70 which was approved on a final basis by the Federal Energy Regulatory Commission (FERC) on April 19, 1996. The existing rate schedule was placed into effect on November 1, 1995. The power repayment spreadsheet study indicates the proposed Base Charge herein for BCP firm power service is necessary to provide sufficient revenue to pay all annual costs (including interest expense), plus repayment of required investment within the allowable time period. The proposed Base Charge for firm power service is 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 forums dates are:

1. Public information forum, May 15, 1997, 9:30 a.m.
2. Public comment forum, June 12, 1997, 9:30 a.m.

ADDRESSES: Written comments should be sent to Western Area Power Administration, Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona 85009. The public forums at the Desert Southwest Regional Office will be held in Conference rooms 2 and 3.

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

SUPPLEMENTARY INFORMATION: The proposed Base Charge for BCP firm power is based on an Annual Revenue Requirement of \$43,241,130. The Base Charge consists of an Energy Dollar of \$22,408,332 and a Capacity Dollar of \$20,832,797. The Forecast Energy Rate will be 4.9785 mills/kilowatthour (mills/kWh); Forecast Capacity Rate will be \$0.8898 per kilowatt per month (\$/kW-mo).

The existing BCP firm power Base Charge is based on an Annual Revenue Requirement of \$44,437,488, consisting of an Energy Dollar of \$22,976,824 and a Capacity Dollar of \$21,460,664. The existing BCP Forecast energy rate is 5.28 mills/kWh and forecast capacity rate is \$0.92/kW-mo.

Since the proposed 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 charges/rates for approval on a final basis by the Deputy Secretary of DOE pursuant to Rate Order No. WAPA-70.

The power rates for the BCP are established pursuant to the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), the Reclamation Act of 1902 (43 U.S.C. 391 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)), the Colorado River Basin Project Act of 1968 (43 U.S.C. 1501 et seq.), the Colorado River Storage Project Act (43 U.S.C. 620 et seq.), the Boulder Canyon Project Act (43 U.S.C. 617 et seq.), the Boulder Canyon Project Adjustment Act (43 U.S.C. 618 et seq.), the Hoover Power Plant Act of 1984 (43 U.S.C. 619 et seq.), the General Regulations for Power Generation, Operation, Maintenance, and Replacement at the Boulder Canyon Project, Arizona/Nevada (43 CFR Part 431) published in the Federal Register at 51 FR 23960 on July 1, 1986, and the General Regulations for the Charges for the Sale of Power From the Boulder Canyon Project, Final Rule (10 CFR Part 904) published in the Federal Register at 50 FR 37837 on September 18, 1985, and the DOE financial reporting policies, procedures, and methodology (DOE Order No. RA 6120.2 dated September 20, 1979).

By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary of Energy (Secretary) 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 power rates to FERC.

Availability of Information: All brochures, studies, comments, letters, memorandums, and other documents made or kept by Western for the purpose of developing the proposed rates for energy and capacity are and will be made available for inspection and copying at Western's Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona 85009.

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 (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 this action is categorically excluded from the preparation of an environmental assessment or an environmental impact statement.

Dated: April 29, 1997

J. M. Shafer
Administrator