

DEPARTMENT OF ENERGY**Western Area Power Administration****Loveland Area Projects—Notice of Order Confirming and Approving an Extension of the Firm Electric Service Rate for Rate Order No. WAPA-89**

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: This action is to extend the existing Loveland Area Projects' (LAP) firm electric service rate, Rate Order No. WAPA-51, through September 30, 2003. The existing firm electric service rate will expire January 31, 2001. This notice of an extension of the rate is issued pursuant to 10 CFR 903.23. Rate Order No. WAPA-51, previously extended under Rate Order No. WAPA-82, is further extended under Rate Order WAPA-89.

FOR FURTHER INFORMATION CONTACT: Mr. Daniel T. Payton, Rates Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, P.O. Box 3700, Loveland, CO 80539-3003, (970) 461-7442, or e-mail dpayton@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); and (2) 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). In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary of Energy delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary.

Pursuant to Delegation Order No. 0204-108 and existing Department of Energy procedures for public participation in firm electric service rate adjustments at 10 CFR part 903, Western's LAP firm electric service rate was submitted to FERC for confirmation and approval on January 10, 1994. On July 14, 1994, in Docket No. EF94-5181-000 at 68 FERC ¶ 62,040, FERC issued an order confirming, approving, and placing into effect on a final basis the firm electric service rate for LAP. LAP consists of the Fryngpan-Arkansas Project and the Pick-Sloan Missouri Basin Program, Western Division. The rate set forth in Rate Order No. WAPA-

51 was approved for a 5-year period beginning February 1, 1994, and ending January 31, 1999. On October 16, 1998, upon signing Rate Order No. WAPA-82, the Deputy Secretary extended the existing rate for a 2-year period beginning February 1, 1999, through January 31, 2001. On January 31, 2001, the LAP firm electric rate will expire.

Western proposed to extend the existing rate of \$2.85/kilowattmonth for capacity and 10.85 mills/kilowatthour for energy which is sufficient to recover the LAP annual revenue requirement of \$44.3 million. This requirement includes project expenses, interest, and capital requirements through September 30, 2003. Increased revenue from good hydrologic conditions and lower operation and maintenance expenses over the cost evaluation period have made this possible. Western, therefore, has decided to extend the existing rate pursuant to 10 CFR 903.23.

In accordance with 10 CFR 903.23(a)(2), Western did not have a consultation and comment period. The notice of proposed extension of the firm electric service rate was published in the **Federal Register** on March 29, 2000.

Following review of Western's proposal within the Department of Energy, I approved Rate Order No. WAPA-89, which extends the existing Loveland Area Projects' firm electric service Rate Schedule L-F4 on an interim basis through September 30, 2003.

Dated: July 10, 2000.

T.J. Glauthier,
Deputy Secretary.

Department of Energy Deputy Secretary

In the Matter of: Western Area Power Administration Rate Extension for Loveland Area Projects Firm Electric Service Rate. Rate Order No. WAPA-89

Order Confirming and Approving an Extension of the Loveland Area Projects' Firm Electric Service Rate
(_____, 2000)

This rate was established pursuant to section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)), through which the power marketing functions of the Secretary of the Department of the Interior and the Bureau of 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)), 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); and (2) 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). In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary.

Background

In the order issued July 14, 1994, in Docket No. ER94-5181-000 at 68 FERC ¶ 62,040, FERC confirmed, approved, and placed into effect on a final basis Rate Order No. WAPA-51 for the firm electric service rate for the Loveland Area Projects (LAP). The rate was approved for the period from February 1, 1994, through January 31, 1999. On October 16, 1998, upon signing Rate Order No. WAPA-82, the Deputy Secretary extended the existing rate for a 2-year period beginning February 1, 1999, through January 31, 2001. On January 31, 2001, the LAP firm electric rate will expire. This makes it necessary to extend the current rate pursuant to 10 CFR part 903. With this approval, Rate Order No. WAPA-51, previously extended under Rate Order No. WAPA-82, will be extended under Rate Order No. WAPA-89.

Discussion

The LAP consists of the Pick-Sloan Missouri Basin Program, Western Division, and the Fryngpan-Arkansas Project. The existing LAP rate of \$2.85/kilowattmonth for capacity and 10.85 mills/kilowatthour for energy is sufficient to recover the LAP annual revenue requirement of \$44.3 million. This requirement includes project expenses, interest, and capital requirements through September 30, 2003. Increased revenue from good hydrologic conditions and lower operation and maintenance expenses over the cost evaluation period have made this possible.

In accordance with 10 CFR 903.23(a)(2), Western did not have a consultation and comment period. The notice of proposed extension of the firm electric service rate was published in the **Federal Register** on March 29, 2000.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary, I hereby extend for the period effective February 1, 2001, through September 30, 2003, the existing Rate Schedule L-F4 on an interim basis for firm electric service for the Loveland Area Projects.

Dated: July 10, 2000.

T.J. Glauthier,
Deputy Secretary.

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