

6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Power Allocation Procedures and Call for Applications, Post-2004 Resource Pool--Salt Lake City Area Integrated Projects

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Allocation Procedures and Call for Applications.

SUMMARY: The Western Area Power Administration (Western), a Federal power marketing agency of the Department of Energy (DOE), is seeking applicants for long-term firm capacity and energy resources (power resources) available from the Salt Lake City Area Integrated Projects (SLCA/IP) on October 1, 2004.

DATES: Western will hold public information meetings on its procedures at the following locations and times:

1. September 8, 1999, 9 a.m., Albuquerque, New Mexico,
2. September 9, 1999, 9 a.m., Farmington, New Mexico,
3. September 14, 1999,, 9 a.m., Kingman, Arizona
4. September 15, 1999, 9 a.m., Phoenix, Arizona
5. September 16, 1999, 9 a.m., Salt Lake City, Utah

ADDRESSES:

1. Albuquerque, Pueblo Cultural Center, 2401 12th Street NW
2. Farmington, Holiday Inn, 600 E. Broadway
3. Kingman, Holiday Inn, 3100 Andy Devine
4. Phoenix, YWCA, 9440 N. 25th Avenue
5. Salt Lake City, Western Area Power Administration, 150 Social Hall Avenue, Suite 300,

All correspondence regarding these procedures should be directed to the following address: Mr. Burt Hawkes, Power Marketing and Contracts Team Lead, CRSP Customer

Service Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606.

FOR FURTHER INFORMATION CONTACT: Burt Hawkes, Power Marketing and Contracts Team Lead, (801) 524-3344; Clayton Palmer, Resources and Environment Team Lead, (801) 524-3522; or Lyle Johnson, Public Utilities Specialist, (801) 524-5585. Written requests for information should be sent to CRSP Customer Service Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606.

SUPPLEMENTARY INFORMATION:

Authorities: Power resources are marketed pursuant to the DOE Organization Act (42 U.S.C. 7101-7352); and 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. 485 h(c)); and other acts specifically applicable to the projects involved.

Background: Existing power resource contracts were due to expire on September 30, 2004. In a Notice of Decision published on June 25, 1999 (64 FR 34413), Western determined that it will extend 93 percent of most of the existing customers' proportional shares of the power resources available on October 1, 2004, through September 30, 2024. In addition, a further 7-megawatt reduction to Tri-State Generation and Transmission Association, Inc.'s (Tri-State) allocation will be made. The amount not extended to existing customers will be allocated in accordance with these procedures. Western expects the amount will be sufficient to supply up to 12.5 percent of the current

load of eligible new preference applicants and 65 percent of the current load of eligible Native American applicants.

In an exception to the general rule, the four existing SLCA/IP power resource customers that are Native American entities--the Navajo Tribal Utility Authority (NTUA), the Ak Chin Indian Community, the Bureau of Indian Affairs' Colorado River Agency, and the San Carlos Irrigation Project--will be extended 100 percent of their pro rata shares of the SLCA/IP resource available on October 1, 2004. Moreover, Western intends, if necessary, to allocate additional power resources to these existing Native American customers so that 65 percent of the 1998-1999 nonindustrial load of NTUA and 65 percent of the 1998-1999 total load of each of the other Native American organizations is served.

For Native American tribes currently receiving power from utilities that have allocations of Federal power resources, Western will take into account the benefit received through the existing supplier when determining their allocations.

During the process of allocating the resource pool, further information about actual loads will be collected and used to determine the final allocations from the resource pool. Western, to the extent it is able, will provide technical assistance to Native American

applicants requesting assistance in preparation of their applications and load data. If a Native American applicant receives an allocation and executes a purchase contract within the requisite time period but is unable to receive power on October 1, 2004, the power resources allocated will be provided to other customers until such time as the Native American applicant is able to accept the power.

The Post-2004 Resource Pool Allocation Procedures

These procedures for the SLCA/IP address (1) eligibility criteria, (2) Western's plans to allocate the pool resources to eligible applicants, and (3) the terms and conditions under which Western will sell the power resources allocated.

I. Amount of Power Resources

Western will allocate the SLCA/IP power resource available as of October 1, 2004.

II. General Eligibility Criteria

Western will apply the following general eligibility criteria to applicants seeking an allocation of power resources under the proposed Post-2004 Resource Pool Allocation Procedures.

A. Applicants, including Native American applicants, must be entities that Western determines to be entitled to preference in the allocation of power resources in accordance with section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), as amended.

B. Non-Native American applicants' loads must be located within the portion of the SLCA/IP marketing area which includes New Mexico and Utah; the portion of Colorado west of the Continental Divide; the southwest area of Wyoming within the Colorado River Basin; White Pine County and those portions of Elko and Eureka Counties currently served by Mt. Wheeler Power in Nevada; and the areas in Arizona currently served by the Dixie Escalante Electric Cooperative, the Garkane Power Association, the Navajo Tribal Utility Authority, the Navopache Electric Cooperative, and the Continental Divide Electric Cooperative. Qualified Native American applicants' loads must be located within the previously established SLCA/IP marketing area which consists of Arizona; Colorado; New Mexico; Utah; Wyoming; and Clark, Lincoln, Nye Counties, and those portions of Elko and Eureka Counties currently served by Mt. Wheeler Power in Nevada.

C. Applicants must not be currently receiving benefits, directly or indirectly, from a current power resource allocation. Native American applicants and Navopache Electric Cooperative are not subject to this requirement.

D. Applicants must be able to use the power resource directly or be able to sell it directly to their retail customers.

E. Applicants must have "utility status" by September 30, 2003. "Utility status" means that the entity has responsibility to meet load growth, has a distribution system, and is ready, willing, and able to purchase Federal power from Western on a wholesale basis. Native American tribes are not subject to this requirement.

F. Any Native American applicant must be an Indian tribe as defined in the Indian Self Determination Act of 1975 (25 U.S.C. 450b), as amended, or an organization of an Indian Tribe.

G. Applicants must submit letters of intent and applicant profile data to Western on or before the dates specified in this notice.

III. General Allocation Criteria

Western will apply the following general allocation criteria to applicants seeking an allocation of power resources under the Post-2004 Resource Pool Allocation Procedures.

A. Allocations of power resources will be made in amounts as determined solely by Western.

B. An allottee will have the right to purchase such power resources only upon the execution of an electric service contract between Western and the allottee and the continued satisfaction of all conditions in that contract.

C. Allocations made to Native American applicants will be based upon actual loads experienced by the Native American applicants on their respective reservations in the 1998 summer season and the 1998-99 winter season. If actual load data are not available, quality estimates will be accepted. Inconsistent and suspect estimates may be adjusted by Western during the allocation process. Western is willing to consult with the Native American applicants to develop load data collection and estimating methods assuring consistency among eligible Native American applicants' loads across the marketing area.

D. Allocations made to non-Native American applicants will be based upon their energy use experienced in the 1998 summer season and the 1998-99 winter season.

E. Allocations of power resources will be determined by Western and be based upon Western's system load factor.

F. Any electric service contract offered to an applicant shall be executed by the applicant within 6 months of a contract offer by Western, unless otherwise agreed to in writing by Western, or the offer will be withdrawn.

G. Power resources available from the resource pool will first be allocated to eligible Native American applicants with the goal of serving 65 percent of their 1998-1999 loads. Remaining power resources will be allocated to other eligible applicants.

H. If unanticipated obstacles to the delivery of power resource benefits to Native American applicant(s) arise, Western retains the right to provide the economic benefits of its resources directly to the Native American applicant(s) in some other manner.

IV. General Contract Principles

Western will apply the following general contract principles to all applicants receiving an allocation of power resources under the proposed Post-2004 Resource Pool Allocation Procedures.

A. The electric service contracts offered to new and existing customers as a result of these allocations will have the same general terms and conditions as the contracts extended to existing customers and effective on October 1, 2004.

B. Western shall assist the allottee in obtaining third-party transmission arrangements for delivery of power resources allocated under these proposed procedures to new customers; nonetheless, each allottee is ultimately responsible for obtaining its own delivery arrangements.

V. Applications for Power Resources

Western requests all applications for an allocation of power resources under these procedures be submitted in writing to the CRSP Power Marketing and Contracts Team Lead, CRSP Customer Service Center. The applications, which consist of a letter of interest and Applicant Profile Data (APD), must be received in Western's CRSP Customer Service Center at P.O. Box 11606, Salt Lake City, UT 84147-0606, in accordance with the deadlines set forth below.

A. Letter of Interest

Each applicant must submit to the Power Marketing and Contracts Team Lead, CRSP Customer Service Center, a Letter of Interest in receiving power resources and

the appropriate APD as outlined below. A Letter of Interest must be received by Western by [insert date 45 days after publication].

B. Applicant Profile Data

APD must be received by Western by [insert date 6 months from date of publication]. The information should be submitted in the sequence listed below. The applicant must provide all requested information or a reasonable estimate. The applicant should note any requested information that is not applicable. The APD must be typed and two copies submitted to Western's CRSP Customer Service Center by the date specified above. Western is not responsible for errors in data or missing pages. All items of information in the APD should be answered as if prepared by the organization seeking the allocation.

1. The APD shall consist of the following:

a. Applicant's name and address.

b. Person(s) representing applicant. Please provide the name, address, title, and telephone number of such person(s).

c. Type of organization; i.e., municipality, rural electric cooperative, Native American tribe, State agency, Federal agency. Please provide a brief description of the organization that will interact with Western on contract and billing matters and whether the organization owns and operates its own electric utility system.

d. Applicable law under which organization was established.

e. Loads.

2. Non-Native American Applicants.

a. Number and type of customers served; i.e., residential, commercial, industry, military base, agricultural.

b. The actual monthly maximum demand in kilowatts and energy use in kilowatt-hours experienced in the 1998 summer season (April 1998 through September 1998) and the 1998-99 winter season (October 1998 through March 1999).

3. Native American Applicants.

a. Number and type of customers served; i.e., residential, commercial, industrial, military base, agricultural.

b. The actual demand in kilowatts and energy use in kilowatthours for the 1998 summer season and the 1998-99 winter season. If actual loads are not available, an estimate of these loads with a description of the method and basis for this estimate will be accepted.

4. Resources.

- a. A list of current power supplies, including the applicant's own generation and purchases from others. For each, provide capacity and location.
- b. Status of power supply contracts, including a contract termination date. Indicate whether power supply is on a firm basis or some other type of arrangement.

5. Transmission.

- a. Points of delivery. Provide the preferred point(s) of delivery on Western's system or a third-party's system and the required service voltage.
- b. Transmission arrangements. Describe the transmission arrangements necessary to deliver power resources to the requested points of delivery.
- c. Other Information. The applicant may provide any other information pertinent to receiving an allocation.
- d. Signature. The signature and title of an appropriate official who is able to attest to the validity of the APD and who is authorized to submit the request for allocation.C.
Western's Consideration of Applications

When the APD is received by Western, Western will determine whether the General Eligibility Criteria set forth in section II have been met and whether all items requested in the APD have been provided. Western will request in writing additional information from any applicant whose APD is determined to be deficient. The applicant shall have 30 days from the date on Western's letter of request to provide the information. If Western determines that the applicant does not meet the general eligibility criteria, Western will send a letter explaining why the applicant did not qualify. If the applicant has met the eligibility criteria, Western will determine the amount of power resources to be allocated pursuant to the General Allocation Criteria set forth in section III. Western will send a draft contract to the applicant for review which identifies the terms and conditions of the offer and the amount of power resources allocated to the applicant. All power resources shall be allocated according to the procedures in the General Allocation Criteria set forth in section III. Western reserves the right to determine the amount of power resources to allocate to an applicant, as justified by the applicant in its APD.

VI. Review Under the Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 et. seq.) requires Federal agencies to perform a regulatory flexibility analysis if a rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. Western has determined that this

action does not require a regulatory flexibility analysis since it is a rulemaking of particular applicability involving rates or services applicable to public property.

VII. Review Under the Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520), Western has received approval from the Office of Management and Budget (OMB) for the collection of customer information in this rule under control number 1910-1200.

VIII. Review Under the National Environmental Policy Act

Western will conduct an environmental evaluation to develop the appropriate level of environmental documentation pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4231 et. seq.), the Council on Environmental Quality Regulations (40 CFR parts 1500 through 1508), and the DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

IX. Determination Under Executive Order 12866

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.

Dated: September 1, 1999

Timothy J. Meeks

Assistant Administrator