Dated: December 14, 2009.

Daniel B. Poneman

Deputy Secretary

Rate Schedule L–F9

(Supersedes Rate Schedule L–F8)

Effective January 1, 2010

United States Department of Energy Western Area Power Administration

Loveland Area Projects Colorado, Kansas, Nebraska, Wyoming

Schedule of Rates For Firm Electric Service

(Approved Under Rate Order No. WAPA–146)

Effective:

The first day of the first full billing period beginning on or after January 1, 2010, through December 31, 2014.

Available:

Within the marketing area served by the Loveland Area Projects.

Applicable:

To the wholesale power Customers for firm electric service supplied through one meter at one point of delivery, or as otherwise established by contract.

Character:

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Monthly Rates:

Capacity Charge: $5.43 per kilowatt of billing capacity.

Energy Charge: 20.71 mills per kilowatthour (kWh) of monthly entitlement.

Billing Capacity: Unless otherwise specified by contract, the billing capacity will be the seasonal contract rate of delivery.

Charge Components:

Base: A fixed revenue requirement that includes operation and maintenance expense, investment repayment and associated interest, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. The Base revenue requirement is $51.2 million.

$$\text{Base Capacity} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Billing Capacity}} = \$3.29/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}} = 12.54 \text{ mills/kWmonth}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power expense in excess of timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. For the period beginning on or after the first day of the first full billing period beginning on or after January 1, 2010, the Drought Adder revenue requirement is $33.3 million.

$$\text{Drought Adder Capacity} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Firm Billing Capacity}} = \$2.14/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 8.17 \text{ mills/kWh}$$

Process:

Any proposed change to the Base component will require a public process. The Drought Adder component may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the LAP composite rate. Any planned incremental adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the LAP composite rate will require a public process.

Adjustments:

For Drought Adder: Adjustments pursuant to the Drought Adder component will be documented in a revision to this rate schedule.

For Transformer Losses: If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided for in the contract.

For Power Factor: None. The Customer will be required to maintain a power factor at all points of measurement between 95-percent lagging and 95-percent leading.

[FR Doc. E9–30147 Filed 12–17–09; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division—Rate Order No. WAPA–147

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Order Concerning Firm Power Rates.

SUMMARY: The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA–147 and Rate Schedules P–SED–F11 and P–SED–FP11, placing firm power and firm peaking power rates from the Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) of the Western Area Power Administration (Western) into effect on an interim basis. The provisional rates will be in effect until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repay power investments and irrigation aid within the allowable periods.

DATES: Rate Schedules P–SED–F11 and P–SED–FP11 will be placed into effect on an interim basis on the first day of the first full billing period beginning on or after January 1, 2010, and will remain in effect until FERC confirms, approves, and places the rate schedules in effect on a final basis ending December 31, 2014, or until the rate schedules are superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Robert J. Harris, Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th

Avenue North, Billings, MT 59101–1266, telephone (406) 247–7405, e-mail *rharris@wapa.gov,* or Ms. Linda Cady-Hoffman, Rates Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101–1266, (406) 247–7439, e-mail *cady@wapa.gov.*

SUPPLEMENTARY INFORMATION: The Acting Deputy Secretary of Energy approved existing Rate Schedules P–SED–F10 and P–SED–FP10 for P–SMBP—ED firm and firm peaking electric service, respectively, on an interim basis on January 8, 2009 (74 FR 3022, January 16, 2009), for a 5-year period beginning on February 1, 2009, and ending December 31, 2013.[1]

Under Rate Schedule P–SED–F10, the composite rate is 29.34 mills per kilowatthour (mills/kWh), the firm energy rate is 16.71 mills/kWh, and the firm capacity rate is $6.80 per kilowattmonth (kWmonth). Under Rate Schedule P–SED–FP10, the firm peaking capacity rate is $6.20/kWmonth. These Rate Schedules are formula based with Base and Drought Adder components and provide for an up to 2 mills/kWh increase in the Drought Adder component.

The current rate adjustment reflects a rate increase based on the P–SMBP Final Fiscal Year (FY) 2008 Power Repayment Study (PRS). The PRS sets the total annual P–SMBP—ED revenue requirement for 2010 for firm and firm peaking electric service at $320.2 million, or a 13.1 percent increase. The current rates, including the 2 mills/kWh increase provided for under the Drought Adder formula rate component, are not sufficient to meet the P–SMBP—ED revenue requirements.

The P–SMBP—ED revenue requirement increase is mainly attributed to the financial impacts of the drought. A decrease in hydro-power generation has caused purchase power expenses to increase and revenue from non-firm energy sales to decrease. There has been an increase in both the price and volume of purchase power needed to meet contractual commitments to Western's Customers. The purchase price of power is set by supply and demand on the open market.

The existing firm electric service Rate Schedules P–SED–F10 and P–SED–FP10 are being superseded by Rate Schedules P–SED–F11 and P–SED–FP11, respectively. Under Rate Schedule P–SED–F11, the provisional rates for firm electric services will result in a combined composite rate of 33.25 mills/kWh. The energy rate will be 19.05 mills/kWh (a Base component of 9.53 mills/kWh and a Drought Adder component of 9.52 mills/kWh), and the capacity rate will be $7.65/kWmonth (a Base component of $3.80/kWmonth and a Drought Adder component of $3.85/kWmonth). Under Rate Schedule P–SED–FP11, the provisional rates for firm peaking electric services consist of a capacity charge of $6.90/kWmonth (a Base component of $3.45/kWmonth and a Drought Adder component of $3.45/kWmonth) and an energy charge of 19.05 mills/kWh (a Base component of 9.53 mills/kWh and a Drought Adder component of 9.52 mills/kWh).

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates 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 of Energy; 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 Department of Energy (DOE) procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Under Delegation Order Nos. 00–037.00 and 00–001.00C, 10 CFR part 903, and 18 CFR part 300, I hereby confirm, approve, and place Rate Order No. WAPA–147, the proposed P–SMBP—ED firm power, and firm peaking power rates into effect on an interim basis.

The new Rate Schedules P–SED–F11 and P–SED–FP11 will be promptly submitted to FERC for confirmation and approval on a final basis.

Dated: December 14, 2009.

Daniel B. Poneman,

Deputy Secretary of Energy.

Department of Energy Deputy Secretary

In the matter of: Western Area Power Administration Rate Adjustment for the Pick-Sloan Missouri Basin Program—Eastern Division; Rate Order No. WAPA–147; Order Confirming, Approving, and Placing the Pick-Sloan Missouri Basin Program—Eastern Division Firm Power and Firm Peaking Power Service Rates into Effect on an Interim Basis.

The firm and firm peaking electric service rates for the Pick-Sloan Missouri Basin Program—Eastern Division were established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to and vested in the Secretary of Energy 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 laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s) and other acts that specifically apply to the project involved.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates 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 of Energy; 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). Existing DOE procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Acronyms and Definitions

As used in this Rate Order, the following acronyms and definitions apply:

Administrator: The Administrator of the Western Area Power Administration.

Base: Revenue requirement component of the power rate including annual operation and maintenance expenses, investment repayment and associated interest, normal timing power purchases, and transmission costs.

Capacity: The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kilowatts.

Capacity Charge: The rate which sets forth the charges for capacity. It is expressed in dollars per kilowattmonth.

Composite Rate: The rate for commercial firm power which is the total annual revenue requirement for capacity and energy divided by the total annual energy sales. It is expressed in mills per kilowatthour and used for comparison purposes.

CROD: Contract Rate of Delivery. The maximum amount of capacity and energy allocated to a preference Customer for a period specified under a contract.

Customer: An entity with a contract that is receiving service from Western's Upper Great Plains Region.

Deficits: Deferred or unrecovered annual and/or interest expenses.

DOE: United States Department of Energy.

DOE Order RA 6120.2: An order outlining power marketing administration financial reporting and rate-making procedures.

[1] FERC confirmed and approved Rate Order No. WAPA–140 on April 28, 2009, in Docket No. EF09–5031–000. See *United States Department of Energy, Western Area Power Administration, Pick-Sloan Missouri Basin Program,* 127 FERC ¶ 62,075.

Drought Adder: Formula-based revenue requirement component including costs associated with the drought.

Energy: Measured in terms of the work it is capable of doing over a period of time. It is expressed in kilowatthours.

Energy Charge: The rate which sets forth the charges for energy. It is expressed in mills per kilowatthour and applied to each kilowatthour delivered to each Customer.

FERC: Federal Energy Regulatory Commission.

Firm: A type of product and/or service available at the time requested by the Customer.

FRN: **Federal Register** notice.

Fry-Ark: Fryingpan-Arkansas Project.

FY: Fiscal year; October 1 to September 30.

kW: Kilowatt—the electrical unit of capacity that equals 1,000 watts.

kWh: Kilowatthour—the electrical unit of energy that equals 1,000 watts in 1 hour.

kWmonth: Kilowattmonth—the electrical unit of the monthly amount of capacity.

LAP: Loveland Area Projects.

mills/kWh: Mills per kilowatthour—the unit of charge for energy (equal to one tenth of a cent or one thousandth of a dollar).

MW: Megawatt—the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.

NEPA: National Environmental Policy Act of 1969 (42 U.S.C. 4321–4347 (2003)).

Non-timing Power Purchases: Power purchases that are not related to operational constraints such as management of endangered species, species habitat, water quality, navigation, control area purposes, etc.

O&M: Operation and Maintenance.

P–SMBP: The Pick-Sloan Missouri Basin Program.

P–SMBP–ED: Pick-Sloan Missouri Basin Program—Eastern Division.

P–SMBP–WD: Pick-Sloan Missouri Basin Program—Western Division.

Power: Capacity and energy.

Power Factor: The ratio of real to apparent power at any given point and time in an electrical circuit. Generally, it is expressed as a percentage.

Preference: The provisions of Reclamation Law which require Western to first make Federal power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states that preference in the sale of Federal power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936.

Provisional Rate: A rate which has been confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of Energy.

PRS: Power Repayment Study.

Rate Brochure: A July 2009 document explaining the rationale and background for the rate proposal contained in this Rate Order.

Reclamation: The United States Department of the Interior, Bureau of Reclamation.

Reclamation Law: A series of Federal laws that contain the framework under which Western markets power.

Revenue Requirement: The revenue required to recover annual expenses (such as O&M, purchase power, transmission service expenses, interest, and deferred expenses) and repay Federal investments and other assigned costs.

RMR: The Rocky Mountain Customer Service Region of the Western Area Power Administration.

UGPR: The Upper Great Plains Customer Service Region of the Western Area Power Administration.

Western: The United States Department of Energy, Western Area Power Administration.

Effective Date

The new provisional rates will take effect on the first day of the first full billing period beginning on or after January 1, 2010, and will remain in effect until December 31, 2014, pending approval by FERC on a final basis.

Public Notice and Comment

Western followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these rates. The steps Western took to involve interested parties in the rate process were:

1. The proposed rate adjustment process began March 17, 2009, when Western's UGPR mailed a notice announcing informal Customer meetings to all P–SMBP–ED preference Customers and interested parties. The informal meetings were held on April 15, 2009, in Sioux Falls, South Dakota, and on April 16, 2009, in Northglenn, Colorado. At these informal meetings, Western explained the rationale for the rate adjustment, presented rate designs and methodologies, and answered questions.

2. A **Federal Register** notice, published on July 14, 2009 (74 FR 34012), announced the proposed rates for P–SMBP–ED, began a public consultation and comment period and announced the public information and public comment forums.

3. On July 14, 2009, Western mailed letters to all P–SMBP–ED preference Customers and interested parties transmitting the FRN published on July 14, 2009.

4. On August 18, 2009, at 9 a.m. (MDT), Western held a public information forum at the Ramada Plaza Hotel in Northglenn, Colorado. Western provided updates to the proposed firm power rates for the P–SMBP, which encompasses the P–SMBP–ED and LAP rates. Western also answered questions and gave notice that more information was available in the rate brochure.

5. On August 18, 2009, at 11 a.m. (MDT), following the public information forum, at the same location, a public comment forum was held. The comment forum gave the public an opportunity to comment for the record. No oral or written comments were received at this forum.

6. On August 19, 2009, at 9 a.m. (CDT), Western held a public information forum at the Holiday Inn in Sioux Falls, South Dakota. Western provided updates to the proposed firm power rates for the P–SMBP–ED. Western also answered questions and gave notice that more information was available in the rate brochure.

7. On August 19, 2009, at 11 a.m. (CDT), following the public information forum, and at the same location, a public comment forum was held. The comment forum gave the public an opportunity to comment for the record. Two oral comments and two exhibits were received at this forum.

8. Western provided a website which contains all of the letters, time frames, dates, and locations of forums, documents discussed at the information meetings, FRNs, rate brochure, and all other information about this rate process for easy Customer access. The Web site is located at *http://www.wapa.gov/ugp/rates/2010FirmRateAdjust.*

9. During the consultation and comment period, which ended October 13, 2009, Western received one comment letter.

All comments received have been considered in preparing this Rate Order.

Comments

Written comment was received from the following organization: Mid-West Electric Consumers Association, Colorado.

Two representatives of the following organization made oral comments and submitted exhibits: Rosebud Sioux Tribe's Utilities Commission, South Dakota.

Project Description

The P–SMBP was authorized by Congress in Section 9 of the Flood Control Act of December 22, 1944, commonly referred to as the Flood Control Act of 1944. This multipurpose program provides flood control, irrigation, navigation, recreation, preservation and enhancement of fish and wildlife, and power generation. Multipurpose projects have been developed on the Missouri River and its tributaries in Colorado, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

In addition to the multipurpose water projects authorized by Section 9 of the

Flood Control Act of 1944, certain other existing projects have been integrated with the P–SMBP for power marketing, operation, and repayment purposes. The Colorado-Big Thompson, Kendrick, and Shoshone Projects were combined with the P–SMBP in 1954, followed by the North Platte Project in 1959. These projects are referred to as the ''Integrated Projects'' of the P–SMBP.

The Flood Control Act of 1944 also authorized the inclusion of the Fort Peck Project with the P–SMBP for operation and repayment purposes. The Riverton Project was integrated with the P–SMBP in 1954 and in 1970 was reauthorized as a unit of P–SMBP.

The P–SMBP is administered by two regions. The UGPR, with a regional office in Billings, Montana, markets power from the Eastern Division of P–SMBP, and the RMR, with a regional office in Loveland, Colorado, markets the Western Division power of P–SMBP. The UGPR markets power in western Iowa, western Minnesota, Montana east of the Continental Divide, North Dakota, South Dakota, and the eastern two-thirds of Nebraska. The RMR markets P–SMBP—WD power, which in combination with Fry-Ark power is known as LAP power, in northeastern Colorado, east of the Continental Divide in Wyoming, west of the 101st meridian in Nebraska, and most of Kansas. The P–SMBP power is marketed to approximately 300 firm power Customers by the UGPR and approximately 54 firm power Customers by the RMR.

Power Repayment Study—Firm Power Rate

Western prepares a PRS each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the P–SMBP. Repayment criteria are based on Western's applicable laws and legislation, as well as policies including DOE Order RA 6120.2. To meet Cost Recovery Criteria outlined in DOE Order RA 6120.2, a revised study and rate adjustment has been developed to demonstrate that sufficient revenues will be collected under proposed rates to meet future obligations.

Existing and Provisional Rates

Eastern Division

Under Rate Schedule P–SED–F10, the composite rate is 29.34 mills/kWh, the firm energy rate is 16.71 mills/kWh, and the firm capacity rate is $6.80/kWmonth. For Rate Schedule P–SED–FP10 the firm peaking capacity rate is $6.20/kWmonth. These Rate Schedules are formula based with Base and Drought Adder components and provide for up to a 2 mills/kWh increase in the Drought Adder component.

The current rate adjustment reflects a rate increase based on the P–SMBP FY 2008 PRS. The PRS sets the total annual P–SMBP—ED revenue requirement for FY 2010 for firm and firm peaking electric service at $320.2 million, or a 13.1 percent increase.

A comparison of the existing and provisional firm power and firm peaking power rates follow:

TABLE 1—COMPARISON OF EXISTING AND PROVISIONAL RATES PICK-SLOAN MISSOURI BASIN PROGRAM—EASTERN DIVISION

Firm electric service	Current rates	Provisional rates	Percent change
	P–SED–F10/P–SED–FP10	P–SED–F11/P–SED–FP11	
Rate Schedules:			
Firm and Firm Peaking Revenue Requirement (million)	$283.0	$320.2	13.1
Composite Rate (mills/kWh)	29.34	33.25	13.3
Firm Capacity Rate (/kWmonth)	$6.80	$7.65	12.5
Firm Energy Rate (mills/kWh)	16.71	19.05	14.0
Firm Peaking Capacity Rate (/kWmonth)	$6.20	$6.90	11.3
Firm Peaking Energy Rate (mills/kWh) [1]	16.71	19.05	14.0

[1] Firm Peaking Energy is normally returned. This rate will be assessed in the event Firm Peaking Energy is not returned.

Western Division

The LAP rate is designed to recover the P–SMBP—WD revenue requirement for the P–SMBP and the revenue requirement for Fry-Ark. The adjustment to the LAP rate is a separate formal rate process which is documented in Rate Order No. WAPA–146. Rate Order No. WAPA–146 is also scheduled to go into effect on the first day of the first full billing period on or after January 1, 2010.

Certification of Rates

Western's Administrator certified that the provisional rates for P–SMBP—ED firm power and firm peaking power rates under Rate Schedules P–SED–F11 and P–SED–FP11 are the lowest possible rates consistent with sound business principles. The provisional rates were developed following administrative policies and applicable laws.

P–SMBP—ED Firm Power Rate Discussion

Western is required to establish power rates sufficient to recover operation, maintenance, purchased power and interest expenses, and repay power investment and irrigation aid.

The P–SMBP–ED firm power and firm peaking power rates must be increased due to the financial impact of the drought, increased annual expenses, increased investments, and increased interest expenses associated with debt.

Under Rate Schedule P–SED–F11, Western will continue identifying its firm electric service revenue requirement using Base and Drought Adder components. The Base component is a fixed revenue requirement that includes annual O&M expenses, investment repayment and associated interest, normal timing power purchases, and transmission costs. Western's normal timing power purchases are due to operational constraints (e.g., management of endangered species habitat, water quality, navigation, etc.) and are not associated with drought. The Base component cannot be adjusted by Western without a public process.

The Drought Adder component is a formula-based revenue requirement that includes costs attributable to drought conditions within the P–SMBP. The Drought Adder component includes costs associated with future non-timing power purchases to meet firm power contractual obligations not covered with available system generation due to the drought, previously incurred deficits due to purchased power debt that resulted from non-timing power purchases made during this drought, and the interest associated with drought debt. The Drought Adder component is designed to repay Western's drought debt within 10 years from the time the debt was incurred, using balloon-payment methodology. For example, the drought debt incurred by Western in FY 2008 will be repaid by FY 2018.

The annual revenue requirement calculation will continue to be summarized by the following formula: Annual Revenue Requirement = Base Revenue Requirement + Drought Adder Revenue Requirement. Under this provisional rate, the P–SMBP–ED annual revenue requirement equals $332.8 million and is comprised of a Base revenue requirement of $166 million plus a Drought Adder revenue requirement of $166.8 million. Both the Base and Drought Adder components recover portions of the firm power revenue requirement, firm peaking power, and associated 5 percent discount revenue necessary to equal the P–SMBP–ED revenue requirement. A comparison of the current and proposed rate components are listed in Table 2.

TABLE 2—SUMMARY OF P–SMBP—ED RATE COMPONENTS

	Existing rates P–SED–F10/P–SED–FP10			Provisional rates P–SED–F11/P–SED–FP11		
	Base component	Drought adder component	Total	Base component	Drought adder component	Total
Firm Capacity Rate (/kWmonth)	$3.80	$3.00	$6.80	$3.80	$3.85	$7.65
Firm Energy Rate (mills/kWh)	9.27	7.44	16.71	9.53	9.52	19.05
Firm Peaking Capacity Rate (/kWmonth)	$3.40	$2.80	$6.20	$3.45	$3.45	$6.90
Firm Peaking Energy Rate (mills/kWh) [1]	9.27	7.44	16.71	9.53	9.52	19.05

[1] Firm peaking energy is normally returned. This will be assessed in the event firm peaking energy is not returned.

As set forth in Table 2 above, provisional Rate Schedule P–SED–F11 has a firm capacity rate of $7.65/kWmonth and a firm energy rate of 19.05 mills/kWh. Under Rate Schedule P–SED–FP11, the firm peaking capacity rate will increase to $6.90/kWmonth, or an 11 percent increase. Peaking energy is either returned to Western or paid for in accordance with the terms of the contract between Western and the peaking power Customer.

Continuing to identify the firm electric service revenue requirement using Base and Drought Adder components will assist Western in presenting the effects of the drought within the P–SMBP, demonstrating repayment of the drought related costs, and allow Western to be more responsive to changes in drought related expenses. Western will continue to charge and bill Customers firm electric service rates for energy and capacity, which are the sum of the Base and Drought Adder components.

Western reviews its firm electric service rates annually. Western will review the Base component after the annual PRS is completed, generally in the first quarter of the calendar year. If an adjustment to the Base component is necessary, Western will initiate a public process pursuant to 10 CFR part 903 prior to making an adjustment.

In accordance with the original implementation of the Drought Adder component, Western will continue to review the Drought Adder component each September to determine if drought costs differ from those projected in the PRS. If drought costs differ, Western will determine if an adjustment to the Drought Adder component is necessary. Western will notify Customers by letter each October of the planned incremental or decremental adjustment and implement the adjustment in the January billing cycle. Although decremental adjustments to the Drought Adder component will occur as drought costs are repaid, the adjustments cannot result in a negative Drought Adder component. To give Customers advance notice, Western will conduct a preliminary review of the Drought Adder component in early summer and notify Customers by letter of the estimated change to the Drought Adder component for the following January. Western will verify the final Drought Adder component adjustment by notification in the October letter to the Customers. Implementing the Drought Adder component adjustment on January 1 of each year will help keep the drought deficits from escalating as quickly, will lower the interest expense due to drought deficits, will demonstrate responsible deficit management, and will provide prompt drought deficit repayments.

Western's current and provisional rate schedules provide for a formula-based adjustment of the Drought Adder component of up to 2 mills/kWh. The 2 mills/kWh cap is intended to place a limit on the amount the Drought Adder formula can be adjusted relative to associated drought costs without initiating a public process to recover costs attributable to the Drought Adder formula rate for any one-year cycle.

Statement of Revenue and Related Expenses

The following Table 3 provides a summary of projected revenue and expense data for the total P–SMBP, including both the Eastern and Western Divisions, firm electric service revenue requirement through the 5-year rate approval period.

The firm power rates for both divisions have been developed with the following revenues and expenses for the P–SMBP:

TABLE 3—TOTAL P–SMBP FIRM POWER COMPARISON OF 5-YEAR RATE PERIOD (FY 2010–2014)

[Total revenues and expenses]

	Current rate ($000)	Provisional rate ($000)	Difference ($000)
Total Revenues	$2,417,497	$2,625,336	$207,839
Revenue Distribution			
Expenses:			

TABLE 3—TOTAL P–SMBP FIRM POWER COMPARISON OF 5-YEAR RATE PERIOD (FY 2010–2014)—Continued

[Total revenues and expenses]

	Current rate ($000)	Provisional rate ($000)	Difference ($000)
O&M	859,559	904,884	45,325
Purchased Power	431,180	440,038	8,858
Interest	639,356	650,671	11,315
Transmission	65,963	65,853	(110)
Total Expenses	1,996,058	2,061,446	65,388
Principal Payments:			
Capitalized Expenses (Deficits) [1]	351,517	483,252	131,735
Original Project and Additions [1]	1,546	10,414	8,868
Replacements [1]	2,704	4,825	2,121
Irrigation Aid	65,672	65,399	(273)
Total Principal Payments	421,439	563,890	142,451
Total Revenue Distribution	2,417,497	2,625,336	207,839

[1] Due to the deficit or near deficit conditions between 1999 and 2008, revenues generated in the cost evaluation period are applied toward repayment of deficits rather than repayment of project additions and replacements. All deficits are projected to be repaid by 2017.

Basis for Rate Development

The existing rates for P–SMBP—ED firm power in Rate Schedule P–SED–F10, which expire December 31, 2013, no longer provide sufficient revenues to pay all annual costs, including interest expense, and repay investment and irrigation aid within the allowable period. The adjusted rates reflect increases due to the financial impact of the drought, increased annual expenses, increased investments, and increased interest expense associated with investments and drought deficits. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repay power investment and irrigation aid within the allowable periods. The provisional rates will take effect on the first full billing period on or after January 1, 2010, and will remain in effect on an interim basis, pending FERC's confirmation and approval of them or substitute rates on a final basis, through December 31, 2014.

Comments

The comments and responses below regarding the firm and firm peaking electric service rates are paraphrased for brevity when not affecting the meaning of the statement(s). Direct quotes from comment letters are used for clarification when necessary.

A. *Comment:* One Customer representative recognized the impacts that the extended drought has had on the current financial status of the P–SMBP and stated that the repayment of Federal investment through Federal power rates is taken very seriously by the Customers. This Customer representative also stated that, while recent forecasts of Pick-Sloan generation suggest improved revenues over those projected when Western began this public process, the customer representative does not think it would be appropriate for Western to attempt to adjust its proposed rate in the middle of this public process. The Customer representative noted that, should generation and revenues witness a dramatic improvement, Western has the capability to adjust the Drought Adder up to 2 mills without going through a full public process.

Response: Western acknowledges the financial impact of the extended drought and the need for a firm power rate increase, as well. Western recognizes the Firm Power Customer's serious commitment to power repayment. Western agrees that it would not be appropriate to adjust the proposed rate in the middle of this public process, but recognizes that it has the ability to make subsequent changes to the rate through the Drought Adder in the event of changes in forecast generation and revenues.

B. *Comment:* Two comments indicated that rates were increased 22 percent last year by their electric co-op serving the majority of Rosebud Sioux Tribe (Tribe) members. The concern is that an additional rate increase will have a big impact on Tribal members. One commenter stated the co-op will disconnect Tribal member's power even in winter months, which can be life-threatening. The LIEAP (Low Income Energy Assistance Program) has fluctuated up and down. Rosebud Sioux Tribe Utilities Commission appreciates the efforts of Western, but cannot afford another rate increase. A position paper was submitted to Western along with a resolution passed by the Tribal council supporting the position.

The position paper states that the Rosebud Sioux Tribe, which is located within Todd County and known to be one of the 10 poorest counties in the nation with an unemployment rate above 80 percent, opposes and cannot support the proposed firm electric 2010 rate adjustment. The position paper further states that a rate increase would directly affect Tribal members who have signed up for the Tribal Bill Crediting Program by decreasing the amount of credit on monthly electric bills.

Response: Western acknowledges the financial impacts of a firm power rate increase and the poverty level which the Tribe continues to endure. The criteria for formulating a base rate is directly related to Western's costs and is not determined by the end-users' ability to pay. Western is only a partial power supplier to the co-op and may not be the sole reason for a co-op rate increase. Western believes that as water returns to the Missouri River Basin and repayment obligations are met, the Drought Adder component of the rate will be reduced.

The Bill Crediting Program mentioned is not directly related to this rate adjustment. The Tribal benefit from the Bill Crediting Program is derived from the difference between Western's composite rate and the supplemental power supplier's composite rate. While this rate adjustment will increase Western's composite rate, it is likely that the composite rates for the supplemental power suppliers will increase over time, and off-set the impact of this rate increase.

C. *Comment:* One commenter acknowledged that Western is working with Basin Electric on an interconnection agreement for a 100–MW wind farm at Wessington Springs or Winner. The commenter hopes Western looks at the transmission capacity and considers the proposed Tribal wind farms. The Rosebud Sioux Tribe was the recipient of a $1.5 million grant from the Department of Energy for renewable energy on Tribal homelands and hopes Western will support their economic efforts.

Response: This comment is not directly related to the proposed firm power rate action. As set forth in the American Recovery and Reinvestment Act of 2009, Western is actively evaluating transmission proposals to support renewable energy.

Availability of Information

Information about this rate adjustment, including the PRS, comments, letters, memorandums, and other supporting materials that was used to develop the provisional rates is available for public review in the Upper Great Plains Regional Office, Western Area Power Administration, 2900 4th Avenue North, Billings, Montana.

Ratemaking Procedure Requirements

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321–4347); 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 preparing an environmental assessment or an environmental impact statement.

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.

Submission to the Federal Energy Regulatory Commission

The provisional rates herein confirmed, approved, and placed into effect, together with supporting documents, will be submitted to FERC for confirmation and final approval.

Order

In view of the foregoing and under the authority delegated to me, I confirm and approve on an interim basis, effective on the first full billing period on or after January 1, 2010, Rate Schedules P–SED–F11 and P–SED–FP11 for the Pick-Sloan Missouri Basin Program—Eastern Division Project of the Western Area Power Administration. These rate schedules shall remain in effect on an interim basis, pending FERC's confirmation and approval of them or substitute rates on a final basis through December 31, 2014.

Dated: December 14, 2009.

Daniel B. Poneman,

Deputy Secretary of Energy.

Rate Schedule P–SED–F11

(Supersedes Schedule P–SED–F10)

January 1, 2010

United States Department of Energy Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division Montana, North Dakota, South Dakota, Minnesota, Iowa, Nebraska

Schedule of Rates for Firm Power Service (Approved Under Rate Order No. WAPA–147)

Effective: The first day of the first full billing period beginning on or after January 1, 2010, through December 31, 2014.

Available: Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program.

Applicable: To the power and energy delivered to Customers as firm power service.

Character: Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

Capacity Charge: $7.65 for each kilowatt per month (kWmo) of billing capacity.

Energy Charge: 19.05 mills for each kilowatthour (kWh) for all energy delivered as firm power service.

Billing Capacity: The billing capacity will be as defined by the power sales contract.

Charge Components:

Base: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs.

$$\text{Base Capacity} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$3.80/\text{kWmo}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}} = 9.53 \text{ mills/kWh}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits.

$$\text{Drought Adder Capacity} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$3.85/\text{kWmo}$$

$$\text{Drought Adder Energy} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 9.52 \text{ mills/kWh}$$

Process: Any proposed change to the Base component will require a public process.

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study composite rate. Any planned incremental adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

Adjustments:

For Character and Conditions of Service: Customers who receive deliveries at transmission voltage may in some instances be eligible to receive a 5-percent discount on capacity and energy charges when facilities are provided by the Customer that results in a sufficient savings to Western to justify the discount. The determination of eligibility for receipt of the voltage discount shall be exclusively vested in Western.

For Billing of Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the above rate.

For Power Factor: None. The Customer will be required to maintain a power factor at the point of delivery between 95-percent lagging and 95-percent leading.

Rate Schedule P–SED–FP11
(Supersedes Schedule P–SED–FP10)
January 1, 2010

United States Department of Energy Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division Montana, North Dakota, South Dakota, Minnesota, Iowa, Nebraska

Schedule of Rates for Firm Peaking Power Service (Approved Under Rate Order No. WAPA–147)

Effective: The first day of the first full billing period beginning on or after January 1, 2010, through December 31, 2014.

Available: Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program, to our Customers with generating resources enabling them to use firm peaking power service.

Applicable: To the power sold to Customers as firm peaking power service.

Character: Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

Capacity Charge: $6.90 for each kilowatt per month (kWmo) of the effective contract rate of delivery for peaking power or the maximum amount scheduled, whichever is greater.

Energy Charge: 19.05 mills for each kilowatthour (kWh) for all energy scheduled for delivery without return.

Charge Components:

Base: A fixed revenue requirement that includes operation and maintenance expense, investment and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs.

$$\text{Base Capacity} = \frac{\text{Base Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$3.45/\text{kWmo}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits.

$$\text{Drought Adder Capacity} = \frac{\text{Drought Adder Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$3.45/\text{kWmo}$$

Process: Any proposed change to the Base component will require a public process.

The Drought Adder may be adjusted annually using the above formula for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study composite rate. Any planned incremental adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

Billing Capacity: The billing capacity will be the greater of (1) the highest 30-minute integrated capacity measured during the month up to, but not in excess of, the delivery obligation under the power sales contract, or (2) the contract rate of delivery.

Adjustments:

Billing for Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual obligation for peaking capacity and/or energy, such overrun shall be billed at 10 times the above rate.

[FR Doc. E9–30149 Filed 12–17–09; 8:45 am]
BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. ER10–397–000]

Cesarie, Inc.; Supplemental Notice That Initial Market-Based Rate Filing Includes Request for Blanket Section 204 Authorization

December 10, 2009.

This is a supplemental notice in the above-referenced proceeding of Cesarie, Inc.'s application for market-based rate authority, with an accompanying rate tariff, noting that such application includes a request for blanket authorization, under 18 CFR Part 34, of future issuances of securities and assumptions of liability.

Any person desiring to intervene or to protest should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant.

Notice is hereby given that the deadline for filing protests with regard to the applicant's request for blanket authorization, under 18 CFR Part 34, of future issuances of securities and assumptions of liability, is December 30, 2009.

The Commission encourages electronic submission of protests and interventions in lieu of paper, using the FERC Online links at *http://www.ferc.gov.* To facilitate electronic service, persons with Internet access who will eFile a document and/or be listed as a contact for an intervenor must create and validate an eRegistration account using the eRegistration link. Select the eFiling