

requested for March 10, 1995. An expedited review is requested in order to implement this high priority program as soon as possible.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP91-203-000, et al. (Phase II)]

Tennessee Gas Pipeline Co.; Notice of Informal Settlement Conference

March 16, 1995.

Take notice that an informal settlement conference will be convened in this proceeding on Wednesday, March 22, 1995, at 2:00 p.m., at the offices of the Federal Energy Regulatory Commission, 810 First Street NE., Washington, DC, for the purpose of exploring the possible settlement of the above-referenced docket.

Any party, as defined by 18 CFR 385.102(c), or any participant as defined in 18 CFR 385.102(b), is invited to attend. Persons wishing to become a party must move to intervene and receive intervenor status pursuant to the Commission's regulations (18 CFR 385.214).

For additional information, please contact Dennis H. Melvin (202) 208-0042 or Donald Williams (202) 208-0743.

Lois D. Cashell,

Secretary.

[FR Doc. 95-6839 Filed 3-20-95; 8:45 am]

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Western Area Power Administration

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

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed Parker-Davis Project power rate and firm and nonfirm transmission rate adjustments.

SUMMARY: The Western Area Power Administration (Western) is initiating rate adjustments for firm power and firm and nonfirm transmission service

for the Parker-Davis Project (P-DP). The power repayment study and other analyses indicate that the revenues required to pay all annual costs (including interest expense), plus repayment of required investment within the allowable time period has decreased by approximately \$4.7 million since the last rate adjustment. The proposed P-DP rates for firm power and firm and nonfirm transmission service are expected to become effective October 1, 1995, and will supersede the existing step two rates.

On January 6, 1994, the Deputy Secretary of the Department of Energy (DOE) approved the existing rates for firm power and firm and nonfirm transmission service on an interim basis. The existing rates for firm power and firm and nonfirm transmission service were placed in effect on February 1, 1994, and consisted of a two-step rate adjustment. Step one of the existing rates was effective February 1, 1994, through September 30, 1995, and step two of the existing rates was to be effective on October 1, 1995, through January 31, 1999. The Federal Energy Regulatory Commission (FERC) confirmed and approved the rates on October 14, 1994.

During this last P-DP rate adjustment process (WAPA-55), the Arizona Power Pooling Association, Inc.; Arizona Power Authority; and the Arizona Customer Group filed Motions To Intervene and Protest FERC's confirmation and approval of the P-DP rates described in Rate Order No. WAPA-55. On August 19, 1994, Western filed a Stipulation Agreement signed by Western and these customers in which the intervenors withdrew any protest and Western agreed to re-examine the issues raised as well as commence a new rate adjustment proceeding during fiscal year 1995.

Western has re-examined the issues raised during the last rate adjustment process and has developed proposed P-DP rates to supersede step two of the existing rates which were to become effective October 1, 1995, for firm power and firm and nonfirm transmission service. The major differences between step two of the existing rates and the proposed P-DP rates resulted from several activities which involved Western working in partnership with the P-DP customers. First, future revenue requirements were reduced by

controlling Western's operation and maintenance costs, and by decreasing the construction and replacement program through the Engineering Ten Year Planning Process. The Engineering Ten Year Planning Process includes a decision making partnership among P-DP customers and Western.

Second, Western revised the allocation of costs between the power and transmission customers which is described in a Costs Apportionment Study. A working group including customer representatives, Western, and the Bureau of Reclamation was formed to analyze the issues and concerns expressed by the customers during the last rate adjustment process on how costs were allocated between power and transmission. The working group derived a new methodology for allocating these costs in a manner deemed equitable. The new methodology also meets the concerns of both P-DP customers and Western.

Third, the working group developed a revised rate design methodology using the results from the Costs Apportionment Study. The results from the Costs Apportionment Study were applied to total revenue requirements instead of incremental revenue requirements as was done to derive step two of the existing rates.

When compared to step two of the existing rates, the activities stated resulted in a rate decrease for firm power customers and a rate increase for firm and nonfirm transmission customers.

The proposed P-DP rates provide for an energy rate of 1.91 mills per kilowatthour (mills/kWh) and a capacity rate of \$2.06 per kilowatt/month (kW/month) for a composite rate of 6.62 mills/kWh. The proposed P-DP rates for transmission service provide for a firm transmission service rate of \$13.28 per kilowatt/year (kW/year) and a nonfirm transmission service rate of 2.53 mills/kWh for P-DP and a firm transmission service rate for the Salt Lake City Area/Integrated Projects (SLCA/IP) of \$6.64/kW/season. The SLCA/IP transmission service is for the SLCA/IP customers' seasonal use of the P-DP transmission system.

Table One compares step two of the existing rates with the proposed P-DP rates.