

the Delaware Estuary Toxics Management Program in 1989, an interstate, cooperative effort, to develop uniform policies and procedures to control the release of substances toxic to humans and aquatic life in point source discharges to the tidal Delaware River.

The principal outputs of the program are:

1. Uniform water quality criteria for toxic pollutants for the mainstem river and tributaries to these waters up to the head of the tide to protect aquatic life, and human health through ingestion of water and fish, and

2. Uniform policies and procedures to establish wasteload allocations and effluent limitations for toxic pollutants for NPDES permits for point sources discharging to these waters.

In 1992, the Commission held briefings on recommended water quality criteria for toxic pollutants to solicit input from the public and regulated community. In 1994, briefings were held on recommended policies and procedures for establishing wasteload allocations and effluent limitations for point source discharges.

The proposed changes to the Commission's regulations were developed with scientific, academic and policy input from the Commission's Water Quality Advisory Committee. Participants in Committee deliberations included representatives from the environmental departments of Delaware, New Jersey, New York, Pennsylvania; U.S. Environmental Protection Agency Regions II and III; and public members from the University of Rhode Island and the Academy of Natural Sciences. Members of the general public also attended various Committee meetings. Comments received from the public briefings and the inputs received through the Advisory Committee deliberations have led to the revisions now being proposed.

Specifically, water quality criteria for selected toxic pollutants are proposed for incorporation in the Comprehensive Plan and Article 3 of the Water Code and Water Quality Regulations as stream quality objectives. Revisions are also proposed for Article 4 of the Water Quality Regulations describing the policies and procedures to be used to establish wasteload allocations for those discharges containing pollutants which impact the designated uses of the river.

Adoption of these revisions will provide a mechanism for identifying toxic pollutants which may impair aquatic life and human health, and developing uniform and equitable wasteload allocations for these pollutants for all NPDES discharges to the tidal Delaware River. The permitting

authorities of the states will utilize the allocations developed by the Commission to establish effluent limitations for NPDES permittees in their jurisdictions.

The Commission has prepared Basis and Background Documents entitled "Water Quality Criteria For Toxic Pollutants For the Delaware River Estuary" and "Implementation Policies and Procedures: Phase I TMDLs For Toxic Pollutants in the Delaware River Estuary". These Documents describe the proposed amendments and their rationale in considerable depth and may be obtained by contacting Christopher M. Roberts at the Commission at (609) 883-9500 ext. 205.

Copies of the full text of the proposed amendments may be obtained by contacting Ms. Weisman at the address provided in **FOR FURTHER INFORMATION CONTACT**. Persons wishing to testify are requested to notify the Secretary in advance. Written comments on the proposed amendments should also be submitted to the Secretary.

Delaware River Basin Compact, 75 Stat. 688.

Dated: July 17, 1995.

Susan M. Weisman,
Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 35

[Docket Nos. RM95-8-000 and RM94-7-001]

Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities; Notice of Fixed Charge Rate Methodology

Issued July 14, 1995.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking and supplemental notice of proposed rulemaking; notice of fixed charge rate methodology.

SUMMARY: The Federal Energy Regulatory Commission's notice of proposed rulemaking in this proceeding in footnote 403 (60 FR 17662 at 17720, April 7, 1995) referred to the representative transmission fixed charge rate of 17.5 percent. This notice demonstrates the derivation of that rate.

DATES: Comments on the proposed rule are due on or before August 7, 1995; reply comments are due on or before October 4, 1995.

FOR FURTHER INFORMATION CONTACT: David D. Withnell (Legal Information), Federal Energy Regulatory Commission, Office of the General Counsel, 825 North Capitol St., N.E., Washington, D.C. 20426, Telephone: (202) 208-2063
Patricia M. Alexander (Technical Information), Office of Electric Power Regulation, 825 North Capitol Street, N.E., Washington, D.C. 20426, Telephone: (202) 208-0750

ADDRESSES: Send comments to: Office of the Secretary, Federal Energy Regulatory Commission, 825 N. Capitol St., NE, Washington, DC 20426.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the **Federal Register**, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 3104, at 941 North Capitol Street, N.E., Washington, D.C. 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing (202) 208-1397. To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400 or 1200bps, full duplex, no parity, 8 data bits, and 1 stop bit. The full text of this document will be available on CIPS in ASCII and WordPerfect 5.1 format. The complete text on diskette in WordPerfect format may also be purchased from the Commission's copy contractor, La Dorn Systems Corporation, also located in Room 3104, 941 North Capitol Street, N.E., Washington, D.C. 20426.

Docket No. RM95-8-000: Derivation of 17.5% Fixed Charge Rate

The following narrative describes the fixed charge rate referenced in footnote 403 in the Stage One implementation section of the NOPR and explains the basis for the Commission's proposed uniform fixed charge rate of 17.5%.

A fixed charge rate is the ratio of a utility's annual fixed costs [depreciation, return (overall and on equity) on investment, taxes, and operating and administrative expenses] to its investment (plant-in-service). To determine the annual fixed costs of providing transmission service, the fixed charge rate is multiplied by the

original cost of transmission investment. This number is then divided by the capability of the transmission system to compute an annual rate for transmission service stated in \$/kW. Charges for shorter periods can be derived from this figure, e.g., a monthly rate would be computed by dividing the annual rate by 12.

Annual fixed costs can be calculated using either a levelized or nonlevelized fixed charge rate. With a levelized fixed charge rate, the capital recovery component of the rate does not vary from year to year. Instead, the rate is designed using essentially the same method used to develop fixed-rate home mortgage payments, i.e., the monthly payment does not vary. Most of the monthly payment reflects interest (return on investment in the context of utility rates) in the early years, and most of the monthly payment reflects principal repayment (depreciation in

the context of utility rates) in the later years. In contrast, nonlevelized rates decline over time. In the early years of a facility's life, nonlevelized rates will be higher than levelized rates and, in the later years of the facility's service life, nonlevelized rates will be lower than levelized rates. However, under either approach, the utility recovers, on a net present value basis, the same total revenues. See *Maine Public Service Company*, 71 FERC ¶ 61,249 (1995).

As explained in the NOPR, the levelized fixed charge method used by many utilities and the Commission is available on the Commission's Bulletin Board in spreadsheet format. This method is the basis for both of the Stage One options proposed in the NOPR. One option uses the levelized fixed charge method to compute a company-specific transmission cost using company-specific Form No. 1 data.

The other option uses a uniform 17.5% fixed charge rate for all

companies. The 17.5% rate is based upon an average of the results of suspension analyses¹ over the last two years using the levelized fixed charge method to evaluate public utility filings involving either transmission service or the transmission component of a power sale.² For those filings, the Commission's preliminary fixed charge rate analyses ranged from 13.3% to 29.8% and the arithmetic average was 17%. The arithmetic average of the common equity returns reflected in those fixed charge rates was about 10%.

For purposes of Stage One implementation, the Commission proposed setting the fixed charge rate at 17.5% to reflect the fact that current equity returns (and related income taxes) are somewhat higher than the preliminary equity returns used in the surveyed analyses.

Lois D. Cashell,
Secretary.

APPENDIX—TRANSMISSION FIXED CHARGE RATES

Company	Docket No.	Trans- mission fixed charge rate (%)
Arizona Public Service Co	ER94-1681-000	17.18
Atlantic City Electric Co	ER93-927-000	21.75
Boston Edison Co	ER95-108-000	17.64
Black Hills Power & Light Co	ER94-1542-000	15.65
Carolina Power & Light Co	ER95-10-000	14.04
Central Illinois Public Service Co	ER94-1611-000	14.64
Central Maine Power Co	ER94-1153-000	17.88
Commonwealth Edison Co	ER95-5-000	16.13
Consolidated Edison Co. of New York	ER94-1666-000	22.05
Dayton Power & Light Co	ER94-1469-000	17.78
Delmarva Power & Light Co	ER94-1501-000	16.52
Duke Power Co	ER94-1429-000	16.77
Edison Sault Electric Co	ER94-1502-000	20.63
Energy Operating Co.'s	ER94-1440-000	15.91
Fitchburg Gas & Electric Light Co	ER94-1203-000	13.34
Florida Power Corp	ER95-100-000	15.46
Green Mountain Power Corp	ER95-84-000	20.11
Idaho Power Co	ER94-1231-000	14.94
Interstate Power Co	ER94-1346-000	14.82
Kentucky Utilities Co	ER94-1678-000	15.45
Louisville Gas & Electric Co	ER94-1480-000	14.75
Madison Gas & Electric Co	ER94-1147-000	14.25
Maine Public Service Co	ER94-1481-000	21.81
Midwest Power Systems	ER94-1278-000	15.29
Minnesota Power & Light Co	ER94-1556-000	17.61
Mississippi Power & Light Co	ER94-1306-000	16.43
Missouri Public Service Co	ER94-1692-000	17.34
Montana Power Co	ER94-1189-000	17.96
New England Power Co	ER94-1338-000	18.37
Niagara Mohawk Power Corp	ER94-1641-000	20.96
Northern States Power Co.'s (Wisc./Minn.)	ER94-1622-000	19.95
New York State Electric & Gas Corp	ER95-108-000	17.65
Ohio Power Co	ER94-1555-000	19.02
Oklahoma Gas & Electric Co	ER94-1266-000	15.06
Orange & Rockland Utilities Inc	ER94-1262-000	29.83
Otter Tail Power Co	ER94-1147-000	17.90
PacifiCorp	ER94-1233-000	13.54

¹ If the Commission's preliminary review of a rate filing indicates that it may not be just and reasonable, the Commission can suspend the rate

for up to five months and set it for hearing. The preliminary analysis used to determine the need for a hearing and the appropriate length of any suspension period is called a suspension analysis.

² The Appendix contains a list of those filings.

APPENDIX—TRANSMISSION FIXED CHARGE RATES—Continued

Company	Docket No.	Transmission fixed charge rate (%)
Pacific Gas & Electric Co	ER94-1430-000	17.75
Pennsylvania Electric Co	ER94-1436-000	18.53
Pennsylvania Power & Light Co	ER94-1398-000	16.62
Potomac Electric Power Co	ER94-900-000	18.20
Portland General Electric Co	ER93-462-000	16.10
Public Service Co. of Oklahoma	ER94-949-000	15.06
Public Service Co. of Colorado	ER95-88-000	15.08
Public Service Electric & Gas Co	ER93-667-000	18.21
Puget Sound Power & Light Co	ER94-528-000	16.39
Rochester Gas & Electric Corp	ER94-1279-000	20.13
Sierra Pacific Power Co	ER94-1195-000	12.20
Southern California Edison Co	ER94-1608-000	17.48
South Carolina Electric & Gas Co	ER95-104-000	16.04
Southwestern Public Service Co	ER94-1152-000	14.07
Texas-New Mexico Power Co	ER94-1326-000	14.11
Tucson Electric Power Co	ER94-1424-000	13.50
Washington Water Power Co	ER94-183-000	13.50
Western Resources, Inc	ER94-1010-000	15.24
West Texas Utilities Co	ER95-245-000	16.78
Wisconsin Electric Power Co	ER94-1626-000	16.15
Wisconsin Power & Light Co	ER94-1204-000	16.73

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[IA-18-95]

RIN 1545-AT33

Lease Term; Exchanges of Tax-Exempt Use Property; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed regulations.

SUMMARY: This document provides notice of cancellation of a public hearing on proposed regulations relating to the lease term of tax-exempt use property.

DATES: The public hearing originally scheduled for August 2, 1995, beginning at 10:00 a.m. is cancelled.

FOR FURTHER INFORMATION CONTACT: Christina Vasquez of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622-6803 (not a toll-free number).

SUPPLEMENTARY INFORMATION: The subject of the public hearing is proposed regulations under section 168 of the Internal Revenue Code. A notice of proposed rulemaking and notice of public hearing appearing in the **Federal Register** for Friday, April 21, 1995, (60

FR 19868), announced that a public hearing on the proposed regulations would be held on Wednesday, August 2, 1995, beginning at 10:00 a.m., in the IRS Auditorium, 7400 Corridor, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, D.C.

The public hearing scheduled for Wednesday, August 2, 1995 is cancelled.

Cynthia E. Grigsby,
Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

[FR Doc. 95-18312 Filed 7-25-95; 8:45 am]
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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD 09-95-017]

Special Local Regulation; Detroit Grand Prix, Detroit River, Fleming Channel and Scott Middle Ground, MI

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to establish a permanent special local regulation for portions of the Fleming Channel and Scott Middle Ground in the Detroit River, MI during the Detroit Grand Prix. This event is held annually on the second weekend of June. This regulation will establish a "NO-STOPPING ZONE" in the Fleming Channel, and a "CAUTION AREA" in

Scott Middle Ground. The Detroit Grand Prix is an automobile race which will take place on the western end of Belle Isle. This event draws an estimated 2000 spectator craft which could pose hazards to navigation in the area. This regulation is needed to provide for the safety of life, limb, and property on navigable waters during the event.

DATES: Comments must be received on or before September 25, 1995.

ADDRESSES: Comments should be mailed to Commander (oan), Ninth Coast Guard District, 1240 East 9th Street, Cleveland, Ohio 44199-2060. The comments will be available for inspection and copying at the Aids to Navigation and Waterways Management Branch, Room 2083, 1240 East 9th Street, Cleveland, Ohio. Normal office hours are between 8 a.m. and 4 p.m., Monday through Friday, except holidays. Comments may also be hand delivered to this address. Annual notice of the exact dates and times of the effective period of the regulation will be published in local notices to mariners. To be placed on the mailing list for such notices, write to Commander (oan), Ninth Coast Guard District, 1240 East Ninth Street, Cleveland, Ohio, 44199-2060.

FOR FURTHER INFORMATION CONTACT: Marine Science Technician Second Class Jeffrey M. Yunker, Ninth Coast Guard District, Aids to Navigation and Waterways Management Branch, 1240 East Ninth Street, Cleveland, Ohio 44199-2060, (216) 522-3990.