

constraints, Southeastern has had difficulty in obtaining these appropriations. This difficulty has compelled Southeastern to consider selling the government power at the bus bar of the projects. Southeastern requests comments on this change in its marketing policy. The current policy does not contemplate such a disposition of the power from the projects.

Issued in Elberton, Georgia, February 20, 1997.

Charles A. Borchardt,  
*Administrator.*

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### **Southeastern Power Administration**

#### **Intent To Formulate Revised Power Marketing Policy Kerr-Philpott System of Projects**

**AGENCY:** Southeastern Power Administration, DOE.

**ACTION:** Notice.

**SUMMARY:** Pursuant to its Procedure for Public Participation in the Formulation of Marketing Policy published in the Federal Register of July 6, 1978, Southeastern intends to revise its marketing policy for future disposition of power from its Kerr-Philpott System of Projects. The current power marketing policy published on July 29, 1985, for the Southeastern Power Administration's (Southeastern) Kerr-Philpott System is reflected in contracts for the sale of system power which are maintained in Southeastern's headquarter's offices. Proposals and recommendations for consideration in formulating the proposed revised marketing policy are solicited, as are requests for further information or consultation.

**EFFECTIVE DATE:** Comments must be submitted on or before May 5, 1997.

**ADDRESSES:** Five copies of written proposals or recommendations should be submitted to the Administrator, Southeastern Power Administration, Elberton, Georgia 30635, (706) 213-3800.

**FOR FURTHER INFORMATION CONTACT:** Charles A. Borchardt, Administrator, Southeastern Power Administration, Elberton, Georgia 30635, (706) 213-3800.

**SUPPLEMENTARY INFORMATION:** A "Final Power Marketing Policy for the Kerr-Philpott System of Projects" was developed and published in the Federal Register on July 29, 1985, 50 FR 30752 by Southeastern. Transmission contracts under this policy were effective with

Virginia Electric and Power Company (VEPCO) and Carolina Power & Light Company (CP&L) on February 1, 1987, and Appalachian Power Company (APCO) on June 30, 1987.

The Kerr-Philpott System consists of two projects, the John H. Kerr and the Philpott project. The power from the projects is currently marketed to Preference Customers located in the service areas of VEPCO, CP&L and APCO. The policy establishes the marketing area for system power and deals with the utilization of area utility systems for essential purposes. The policy also deals with wholesale rates, resale rates, and conservation measures.

Under Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), Southeastern is responsible for the transmission and disposition of electric power and energy from reservoir projects operated by the Department of Army. Southeastern has negotiated transmission contracts with area utilities described previously under this authority. To pay the transmission fees under these contracts to area utilities Southeastern must obtain an appropriation each year in a budget approved by Congress and the President. Because of budget constraints, Southeastern has had difficulty in obtaining these appropriations. This difficulty has compelled Southeastern to consider selling the government power at the bus bar of the projects. Southeastern requests comments on this change in its marketing policy. The current policy does not contemplate such a disposition of the power from the projects.

Issued in Elberton, Georgia, February 20, 1997.

Charles A. Borchardt,  
*Administrator.*

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#### **Western Area Power Administration; Proposed Rates for Central Valley and California-Oregon Transmission Project**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of proposed rates.

**SUMMARY:** The Western Area Power Administration (Western) is proposing rates (Proposed Rates) for Central Valley Project (CVP) commercial firm power, power scheduling service, CVP transmission, transmission of CVP power by others, network transmission, California-Oregon Transmission Project (COTP) transmission, and ancillary services. The current rates expire April

30, 1998. The Proposed Rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. The rate impacts are detailed in a rate brochure to be provided to all interested parties. The Proposed Rates are scheduled to go into effect on October 1, 1997, to correspond with the start of the Federal fiscal year, and will remain in effect through September 30, 2002. This Federal Register notice initiates the formal process for the Proposed Rates.

**DATES:** The consultation and comment period will begin from the date of publication of this Federal Register notice and will end June 2, 1997. A public information forum at which Western will present a detailed explanation of the Proposed Rates is scheduled for March 25, 1997, beginning at 9 a.m. PST, at the Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710. A public comment forum at which Western will receive oral and written comments is scheduled for April 22, 1997, beginning at 9 a.m. PDT, at the same location. Western should receive written comments by the end of the consultation and comment period to be assured consideration.

**ADDRESSES:** Written comments are to be sent to: James C. Feider, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710.

**FOR FURTHER INFORMATION CONTACT:** Debbie Dietz, Rates Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4453.

**SUPPLEMENTARY INFORMATION:** The Proposed Rates for CVP commercial firm power are designed to recover an annual revenue requirement that includes the investment repayment, interest, purchase power, and operation and maintenance expense. A cost of service study allocates the projected annual revenue requirement for commercial firm power between capacity and energy. The capacity revenue requirement includes 100 percent of capacity purchase costs, 50 percent of the investment repayment, interest expense, and power operation and maintenance expense allocated to commercial power, and 100 percent of fixed transmission expense. These annual costs are reduced by the projected revenue from sales of CVP transmission to determine the capacity