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Lois D. Cashell,

Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. ER97-137-001]

Deseret Generation & Transmission Cooperative; Notice of Filing

June 4, 1997.

Take notice that Deseret Generation & Transmission Cooperative (Deseret) on May 2, 1997, tendered for filing a Firm Transmission Service Agreement and an Umbrella Non-Firm Transmission Service Agreement under Deseret's open access transmission tariff between Deseret's Merchant function and Deseret's Transmission Function. In addition, Deseret tendered for filing Amendment No. 1 to Power Marketing and Resource Management Service Agreement Between Deseret Generation & Transmission Cooperative and PacifiCorp. This filing is in compliance with the Commission's Order dated March 13, 1997 in Docket No. 137, which directed Deseret to unbundle its service agreement with PacifiCorp and to take service under its open access tariff for the power sales contemplated in its service agreement with PacifiCorp.

Any person desiring to be heard or to protest said filing should file a motion to intervene with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 18 CFR 385.214). All such motions or protests should be filed on or before June 16, 1997. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 97-15042 Filed 6-9-97; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP97-373-000]

Koch Gateway Pipeline Company; Notice of Proposed Changes in FERC Gas Tariff

June 4, 1997.

Take notice that on May 30, 1997, Koch Gateway Pipeline Company tendered for filing as part of its FERC Gas Tariff, Fifth Revised Volume No. 1, the tariff sheets listed on the filing, to become effective December 1, 1997.

Koch states that the proposed changes would increase revenues from jurisdictional service by \$81 million based on the 12-month period ending January 31, 1997, as adjusted.

Koch states that this filing proposes changes to the rates for Koch Gateway's transportation and gathering rates to reflect cost increases, and the change in rate design to a zone gate method comprised of four zones for pricing its transportation services. Koch further states that the filing fulfills its commitment under Section VII of the Joint Stipulation and Agreement dated February 10, 1995, approved in Docket No. RP94-120, and it addresses a significant undercollection of Koch's current settled cost-of-service.

Koch Gateway proposes an effective date of July 1, 1997, for the applicable tariff sheets, anticipating that the Commission will exercise its authority under Section 4(e) of the NGA to suspend the effectiveness of the sheets for the full five-month statutory period, so the applicable sheets are allowed to become effective December 1, 1997.

Koch seeks to increase the cost-of-service used to derive its maximum tariff rates by \$81 million over its settled cost-of-service level established in Docket No. RP94-120 and by \$48 million over the cost-of-service which Koch originally filed for in Docket No. RP94-120. As part of the enhancements to Koch's system included in this increase, Koch has reduced its fuel rate from 2.0% to 1.6%, while Koch's customers will benefit from new assets, including installation of new information systems.

Koch seeks to roll-in the costs of its Bastian Bay supply lateral, with these facilities costs paid by customers utilizing this zone. Koch proposes inclusion of a negative salvage provision for onshore transmission facilities, allowing for recovery of future abandonment costs. All other depreciation rates remain the same, however, annual depreciation expense

increased by \$23 million over the depreciation expenses included in the currently effective rates from Docket No. RP94-120.

Koch proposes a hypothetical capital structure in its filing, and that it be granted 58% equity and 42% debt upon which to base its return. Koch seeks an overall rate of return on equity of 17.7%. The rate of return in the currently effective rates is 14.16% pretax. The return and income taxes included in this filing are \$82 million, an increase from its previous rates.

Koch proposes change in its rate design from six 100-mile types to a zone gate method. It has divided its system into four geographic zones and provided for a system access charge in addition to a zone component for each zone theoretically utilized to provide transportation service. The zone rate structure will only apply to Koch's firm and interruptible transportation services. No-Notice service rates, including the small customer option, will continue under average postage stamp rates based upon seasonal MDQs.

Koch states that the proposed rate increase is the result of increases in Koch's cost-of-service, its rate base, and the utilization of a discount adjustment to throughput for the purpose of designing rates. No change from SFV rate design methodology, nor in the functionalization or classification of assets or expenses is proposed. Interruptible transportation service remains on a 100% load factor design basis and Koch maintains its 33.3% load factor to impute volumes for small customer option services. The proposed rates will not affect Koch's NNS-SCO, FTS, FTS-SCO or ITS customers which are currently capped by previously negotiated discounted transportation agreements.

Koch states that the tariff sheet changes propose to eliminate ITS revenue crediting, propose zones for calculation of transportation rates, and other minor changes.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street N.E., Washington, D.C. 20426, in accordance with Sections 385.214 and 385.211 of the Commission's rules and regulations. All such motions or protests must be filed in accordance with Section 154.210 of the Commission's Regulations. Protests will be considered by the commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding.

Any person wishing to become a party must file a motion to intervene. Copies