

DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

[Project No. 1025-020]

Safe Harbor Water Power Corporation;
Notice of Availability of Environmental
Assessment

October 28, 1998.

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Commission's (Commission's) regulations, 18 CFR part 380 (Order 486, 52 FR 47897), the Commission's Office of Hydropower Licensing has reviewed the application for license amendment for the Safe Harbor Hydroelectric Project, No. 1025-020. The Safe Harbor Project is located on the Susquehanna River in York and Lancaster Counties, Pennsylvania. The licensee is proposing to raise the normal maximum forebay elevation by 0.8 ft., from Elevation 227.2 ft. to Elevation 228.0 ft. Raising the forebay elevation can be completed operationally, and would not require any modifications to project structures. A Final Environmental Assessment (FEA) was prepared, and the FEA finds that approving the amendment application would not constitute a major federal action significantly affecting the quality of the human environment.

Copies of the FEA are available for review in the Commission's Reference and Information Center, Room 2A, 888 First Street, N.E., Washington, D.C. 20426. For further information, please contact Ms. Hillary Berlin, at (202) 219-0038.

Linwood A. Watson, Jr.,

Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

[Docket No. PL99-1-000]

Federal and State Regulation of
Natural Gas Services; Notice of
Conference

October 28, 1998.

Take notice that the Federal Energy Regulatory Commission (Commission) will host a conference on February 25, 1999, to discuss the relationship between the federal regulation of interstate natural gas pipelines and the unbundling of retail natural gas service at the state level.

As the Commission has recently stated, "[r]etail unbundling of natural gas services must be recognized as an important element in the evolving national energy market."¹ The relationship between state retail unbundling and federal regulation of the pipeline system has important implications for the smooth functioning of the natural gas pipeline grid. Thus, the Commission is interested in encouraging an environment that will allow state commissions and local distribution companies to implement retail unbundling in a manner that also accommodates the Commission's goals for the pipeline grid.

To this end, the Commission is interested in hearing different views on how to coordinate federal and state regulation in the new competitive gas market. The Commission is also interested in understanding the status of retail unbundling. The Commission's goal is to ensure an environment in which natural gas users can reap the benefits of both the restructured interstate natural gas market created by Order No. 636 and retail unbundling, when chosen as the preferred policy at the state level. Since the Commission is currently engaged in a comprehensive reexamination of its natural gas policies,² this appears to be an appropriate time to examine the interrelationship of the Commission's policies and proposals and the state retail policies. Therefore, the Commission has decided to convene this conference.

Scope of Discussion. The Commission is interested in determining the status of the unbundling of retail natural gas service. Specifically the Commission is interested in the following issues: Which states have already implemented retail unbundling programs? What are the chief components of these programs? What have been the benefits of such programs? How have local distribution companies (LDCs) implemented state unbundling programs? Which states are currently considering implementing retail unbundling programs? What are the various proposals for unbundling programs that are being considered? How do the state programs address the issue of the allocation of capacity on interstate pipelines? What types of stranded costs issues are state

commissions confronting or are likely to confront? Specifically, how are states dealing with stranded costs of upstream pipeline capacity? How should an LDC's status as a supplier of last resort, if applicable, influence policies on both sides of the city gate, e.g., open access and retail unbundling? What is the relationship between state unbundling plans and federal regulation? For example, how do state unbundling plans work with the Commission's capacity release regulations and the "shipper must have title" policy? What effect do particular rate designs have on an LDC's ability to be competitive?

The Commission is also interested in determining what actions by the Commission, or the states, could help remove any impediments to, or facilitate the appropriate development of, state retail unbundling, while at the same time maintaining the benefits of the restructured interstate natural gas market created by Order No. 636. Specifically, the Commission is interested in the following questions: How do states take into account federal regulations or policies when developing state retail unbundling plans? What types of inconsistencies may arise, or have arisen, between federal and state regulation when it comes to state retail unbundling programs? Should inconsistencies between federal and state regulation with respect to retail unbundling be resolved by waivers on a case-by-case basis or is a generic approach required? What effect would the proposals in the Notice of Proposed Rulemaking in *Short Term Natural Gas Transportation Services*, Docket No. RM98-10-000, have on state retail unbundling? What effect would the potential changes discussed in the Notice of Inquiry in *Regulation of Interstate Natural Gas Transportation Service*, Docket No. RM98-12-000, have on state retail unbundling?

Conference location. The conference will be held at the offices of the Federal Energy Regulatory Commission in the Commission Meeting Room, Room 2C, 888 First Street, NE., Washington, DC, 20426. Speakers that have audio/visual requirements should contact Wanda Washington at (202) 208-1460, no later than February 11, 1999.

Procedures to Participate. In order to obtain a complete picture of the relationship between federal regulation and state unbundling, the Commission seeks the views of all segments of the gas industry, especially state commissions and LDCs. The conference will be organized so that a cross section of views are obtained. Any person who wishes to participate in the conference should submit a written request to the

¹ Atlanta Gas Light Company, 84 FERC ¶ 61,119 at 61,638 (1998).

² Regulation of Short-Term Natural Gas Transportation Services, Notice of Proposed Rulemaking, 63 FR 42982 (Aug. 11, 1998) and Regulation of Interstate Natural Gas Transportation Services, Notice of Inquiry, 63 FR 42974 (Aug. 11, 1998).