

The referenced repayment studies are available for examination at the Samuel Elbert Building, 2 South Public Square, Elberton, Georgia 30635. Proposed Rate Schedules SJ-1-A, CBR-1-D, CSI-1-D, CK-1-D, CC-1-E, CM-1-D, CEK-1-D, and CTV-1-D are also available.

Dated: January 29, 1999.

Charles A. Borchardt,
Administrator.

[FR Doc. 99-3113 Filed 2-8-99; 8:45 am]

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DEPARTMENT OF ENERGY

Southwestern Power Administration

Integrated System Rate Schedules

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: The Deputy Secretary acting under Amendment No. 3 to Delegation Order No. 0204-108, effective November 10, 1993, has approved and placed into effect on an interim basis Rate Order No. SWPA-39 which provides the following Integrated System Rate Schedules:

Rate Schedule P-98B, Wholesale Rates for Hydro Peaking Power
Rate Schedule NFTS-98B, Wholesale Rates for Non-Federal Transmission Service

FOR FURTHER INFORMATION CONTACT:

Forrest E. Reeves, Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration, Department of Energy, PO Box 1619, Tulsa, Oklahoma 74101-1619.

SUPPLEMENTARY INFORMATION: The FY 1998 Power Repayment Study indicated that rates prescribed by Rate Schedules P-98A, Wholesale Rates for Hydro Peaking Power, and NFTS-98, Wholesale Rates for Non-Federal Transmission Service, are sufficient to meet repayment criteria and do not require any adjustment. However, certain aspects of the terms and conditions set forth in the rate schedules need to be revised for clarification and to accommodate market conditions experienced this past year. The names of the rate schedules have been changed from P-98A and NFTS-98 to P-98B and NFTS-98B to reflect the fact that revisions have been made. Southwestern has followed Title 10, part 903, subpart A of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments," in connection with the minor rate schedule

revisions being proposed. The public was advised by notice published in the **Federal Register** (63 FR 63469), November 13, 1998, of proposed rate schedule changes and of the opportunity to provide written comments for a period of 30 days ending December 14, 1998. Accordingly, several informal meetings were held with customers and interested parties to discuss the proposed changes. One formal written comment was received which supports the proposed rate schedule changes.

Rate Schedule P-98B applies to wholesale customers purchasing hydro peaking power and peaking energy from the Integrated System. This rate schedule is designed for the sale of Federal power and energy. Provisions in the rate schedule were revised to reflect minor corrections and modifications for the purpose of clarification and to address changes in specified terms and conditions of the rate schedule that were found to be insufficient to provide the desired results in light of recent market experiences. No rates for the sale of Federal power and energy were changed.

The section discussing and listing the Power Customer-specific credit, which ended June 30, 1998, has been removed since it is no longer applicable. The existing rate schedule (P-98A) determined the rate for Real Power Losses based upon the cost of energy for Southwestern's marketing area during the previous Fiscal Year, as set forth in the most recently available Energy Information Administration (EIA) Publication. The EIA has recently ceased to compile this information, making it necessary for Southwestern to develop an alternative source upon which to base its rate for Real Power Losses. The basis for determining the rate to charge for Real Power Losses was therefore modified to use the average actual costs incurred by Southwestern for the purchase of energy to replace Real Power Losses during the most recent twelve-month period, as reflected in Southwestern's financial records. The rate for Real Power Losses will be posted on Southwestern's OASIS. Southwestern proposes to initially implement this rate effective January 1, 1999, and thereafter the rate will be reviewed and adjusted to become effective at the beginning of each Fiscal Year (October 1). The Energy Imbalance Service description has been modified to clarify that the Energy Imbalance Service bandwidth specified in Southwestern's Open Access Transmission Tariff does not apply to the deliveries of Hydro Peaking Power and associated energy. However, Power

Customers who consume a capacity of Hydro Peaking Power greater than their Peak Contract Demand may be subject to a Capacity Overrun Penalty. As a result of this past summer's recent price escalation for power and the potential unauthorized use of Southwestern's system, Southwestern has revised the Capacity Overrun Penalty provision. It was determined that this penalty would need to be increased to provide a greater incentive to not overrun Southwestern's Integrated System capacity. The Capacity Overrun Penalty provision has been revised to assess a \$0.10 per kilowatt penalty during the months of March, April, May, October, November, and December for each hour during which Hydro Peaking Power was provided at a rate greater than that to which the Power Customer is entitled. A penalty of \$0.30 per kilowatt will likewise be assessed during the months of January, February, June, July, August, and September.

Rate Schedule NFTS-98B applies to wholesale customers purchasing Non-Federal Point-to-Point and Network Transmission Service. Both the Real Power Losses and the Capacity Overrun Penalty sections have been revised in the same manner as in Rate Schedule P-98B, noted above. However, there is no change in the Energy Imbalance bandwidth under this rate schedule.

Following review of Southwestern's proposal within the Department of Energy, I approved Rate Order No. SWPA-39 on an interim basis through September 30, 2001, or until confirmed and approved on a final basis by the Federal Energy Regulatory Commission.

Dated: January 27, 1999.

Ernest J. Moniz,
Acting Deputy Secretary.

Order Confirming, Approving and Placing Revised Power Rate Schedules in Effect on an Interim Basis

[Rate Order No. SWPA-39]

January 1, 1999.

Pursuant to sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, for the Southwestern Power Administration (Southwestern) were transferred to and vested in the Secretary of Energy. By Delegation Order No. 0204-108, effective December 14, 1983, 48 FR 55664, the Secretary of Energy delegated to the Deputy Secretary of Energy on a non-exclusive basis the authority to confirm, approve and place into effect on an interim basis power and

transmission rates, and delegated to the Federal Energy Regulatory Commission (FERC) on an exclusive basis the authority to confirm, approve and place in effect on a final basis, or to disapprove power and transmission rates. Amendment No. 1 to Delegation Order No. 0204-108, effective May 30, 1986, 51 FR 19744, revised the delegation of authority to confirm, approve and place into effect on an interim basis power and transmission rates to the Under Secretary of Energy rather than the Deputy Secretary of Energy. This delegation was reassigned to the Deputy Secretary of Energy by Department of Energy (DOE) Notice 1110.29, dated October 27, 1988, and clarified by Secretary of Energy Notice SEN-10-89, dated August 3, 1989, and subsequent revisions. By Amendment No. 2 to Delegation Order No. 0204-108, effective August 23, 1991, 56 FR 41835, the Secretary of the Department of Energy revised Delegation Order No. 0204-108 to delegate to the Assistant Secretary, Conservation and Renewable Energy, the authority which was previously delegated to the Deputy Secretary in that Delegation Order. By Amendment No. 3 to Delegation Order No. 0204-108, effective November 10, 1993, 58 FR 59717, the Secretary of Energy revised the delegation of authority to confirm, approve and place into effect on an interim basis power and transmission rates by delegating that authority to the Deputy Secretary of Energy. This rate order is issued by the Deputy Secretary pursuant to said Amendment to Delegation Order No. 0204-108. It is also made pursuant to the authorities as implemented in 10 CFR 903.

Background

In November 1997, Southwestern Power Administration (Southwestern) completed its review of the adequacy of the current rate schedules for the Integrated System and finalized its FY 1997 Power Repayment Studies (PRSs). The studies indicated that the proposed rates as shown in Rate Schedules P-98A and NFTS-98 would meet cost recovery criteria for the Integrated System projects. Federal Energy Regulatory Commission (FERC) confirmation and approval of the following Integrated System.

(System) rate schedules was provided in FERC Docket No. EF98-4011-000 issued April 29, 1998, for the period January 1, 1998, through September 30, 2001:

Rate Schedule P-98A, Wholesale Rates for Hydro Peaking Power

Rate Schedule NFTS-98, Wholesale Rates for Point-to-Point and Network Transmission Service
Rate Schedule EE-98, Wholesale Rate for Excess Energy

Based on operations under the approved Rate Schedules, the Administrator, Southwestern, has determined that minor revisions to the terms and conditions within existing rate schedules P-98A and NFTS-98 are required. Since the proposed changes to the rate schedules are associated with the terms and conditions of service, the net results of the 1997 Integrated System Power Repayment Studies, which was the basis for the existing rate schedules, will not be altered. The designations of the aforementioned rate schedules have been revised from P-98A and NFTS-98 to P-98B and NFTS-98B to reflect the fact that revisions have been made.

Title 10, Part 903 Subpart A, of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" (Part 903) have been followed in connection with the proposed Rate Schedules P-98B and NFTS-98B. An opportunity for customers and other interested members of the public to review and comment on the proposed Rate Schedules P-98B and NFTS-98B was announced by notice published in the **Federal Register** November 13, 1998 (63 FR 63469), with written comments due by December 14, 1998. In addition, Southwestern held informal meetings with customers to discuss proposed changes and to provide opportunity for input in the development of these changes. There was one written comment received which supports the proposed changes.

Discussion

Rate Schedule P-98B applies to wholesale customers purchasing hydro peaking power and peaking energy from the Integrated System. This rate schedule is designed for the sale of Federal power and energy. Provisions in the rate schedule were revised to reflect minor corrections and modifications for the purpose of clarification and to address changes in specified terms and conditions of the rate schedule that were found to be insufficient to provide the desired results in light of recent market experiences. No rates for the sale of Federal power and energy were changed.

The section, Energy Credit, addressing and listing the Power Customer-specific credits, which ended June 30, 1998, has been removed since it is no longer applicable. Further changes were made to the terms and conditions of Real Power Losses, Energy Imbalance

Service, and the Capacity Overrun Penalty and are addressed in detail below.

The existing rate schedule (P-98A) determined the rate for Real Power Losses based upon the cost of energy for Southwestern's marketing area during the previous Fiscal Year, as set forth in the most recently available Energy Information Administration (EIA) Publication. The EIA has recently ceased to compile this information, making it necessary for Southwestern to develop an alternative source upon which to base its rate for Real Power Losses. The basis for determining the rate to charge for Real Power Losses was therefore modified to use the average actual costs incurred by Southwestern for the purchase of energy to replace Real Power Losses during the most recent twelve-month period, as reflected in Southwestern's financial records. The rate for Real Power Losses will be posted on Southwestern's OASIS. Southwestern proposes to initially implement this rate January 1, 1999, and thereafter the rate will be reviewed and adjusted to become effective at the beginning of each Fiscal Year (October 1).

The Energy Imbalance Service description has been modified to clarify that the Energy Imbalance Service bandwidth specified in Southwestern's Open Access Transmission Tariff does not apply to the deliveries of Hydro Peaking Power and associated energy. However, Power Customers who consume a capacity of Hydro Peaking Power greater than their Peak Contract Demand may be subject to a Capacity Overrun Penalty.

The Capacity Overrun provision set forth in the existing rate schedule assesses a penalty of \$0.05 per kilowatthour for any energy which flows outside the authorized bandwidth from a range of 1 to 2,000 kilowatts and a penalty of \$0.10 per kilowatthour for any energy which flows outside the authorized bandwidth from 2,001 kilowatts or greater. As a result of this past summer's recent price escalation for power and the potential unauthorized use of Southwestern's system, Southwestern has revised the Capacity Overrun Penalty provision. It was determined that this penalty would need to be increased to provide a greater incentive to not overrun Southwestern's system capacity. The Capacity Overrun Penalty provision has been revised to assess a \$0.10 per kilowatt penalty during the months of March, April, May, October, November, and December for each hour during which Hydro Peaking Power was provided at a rate greater than that to which the Power

Customer is entitled. A penalty of \$0.30 per kilowatt will likewise be assessed during the months of January, February, June, July, August, and September.

Rate Schedule NFTS-98B applies to wholesale customers purchasing Non-Federal Point-to-Point and Network Transmission Service. Both the Real Power Losses and the Capacity Overrun Penalty sections have been revised in the same manner as in Rate Schedule P-98B, noted above. However, there is no change in the Energy Imbalance bandwidth under this rate schedule.

Comments and Responses

Southwestern has received one formal written comment from customers which supports the Rate Schedule changes.

Other Issues

There were no other issues raised during the informal meetings or during the formal public participation period.

Availability of Information

Information regarding this rate proposal including studies, comments and other supporting material, is available for public review and comment in the offices of Southwestern Power Administration, One West Third Street, Tulsa, OK 74101.

Administrator's Certification

The revised rate schedules will repay all costs of the Integrated System including amortization of the power investment consistent with the provisions of Department of Energy Order No. RA 6120.2. In accordance with section 1 of Delegation Order No. 0204-108, as amended November 10, 1993, 58 FR 59717, and Section 5 of the Flood Control Act of 1944, the Administrator has determined that the proposed System Rate Schedules are consistent with applicable law and the lowest possible rates consistent with sound business principles.

Environment

No additional evaluation of the environmental impact of the proposed rate schedule changes was conducted since no change has been made to the currently-approved System rates which were determined to fall within the class of actions that are categorically excluded from the requirements of preparing either an Environmental Impact Statement or an Environmental Assessment.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm, approve and place in effect on an

interim basis, effective January 1, 1999, the Southwestern Integrated System Rate Schedules P-98B and NFTS-98B which shall remain in effect on an interim basis through September 30, 2001, or until the FERC confirms and approves the rates on a final basis.

Dated: January 27, 1999.

Ernest J. Moniz,

Acting Deputy Secretary.

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DEPARTMENT OF ENERGY

Western Area Power Administration

[Rate Order No. WAPA-76]

Pacific Northwest-Pacific Southwest Intertie Project—Point-To-Point Transmission Service Rates for the 230/345-kV Transmission System—Rate Order No. WAPA-76

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: Notice is given of the confirmation and approval by the Acting Deputy Secretary of the Department of Energy (DOE) of Rate Order No. WAPA-76 and Rate Schedule INT-FT3 placing provisional rates for the 230/345-kV Pacific Northwest-Pacific Southwest Intertie Project (AC Intertie) firm point-to-point transmission service into effect on an interim basis. The provisional rates will remain in effect on an interim basis until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period.

DATES: The provisional rates will be placed into effect on an interim basis on January 1, 1999, and will be in effect until FERC confirms, approves, and places the provisional rates in effect on a final basis for a 5-year period ending December 31, 2003, or until superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Maher A. Nasir, Rates Team Lead, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, telephone (602) 352-2768.

SUPPLEMENTARY INFORMATION: The Deputy Secretary of Energy approved the existing Rate Schedule INT-FT2 for AC Intertie firm transmission service on

January 31, 1996 (Rate Order No. WAPA-71, 61 FR 4650, February 7, 1996); and FERC confirmed and approved the rate schedule on July 24, 1996, under FERC Docket No. EF96-5191-000 (76 FERC ¶ 62,061). The existing Rate Schedule INT-FT2 became effective on February 1, 1996, for the period ending September 30, 2002. Rate Schedule INT-FT2 provides separate rates for firm transmission service on the AC Intertie 230/345-kV transmission system and AC Intertie 500-kV transmission system. This Rate Order (WAPA-76) seeks to put into place Rate Schedule INT-FT3 that will supersede Rate Schedule INT-FT2 as it relates to 230/345-kV firm transmission service only. Under Rate Schedule INT-FT3, the firm point-to-point transmission service rate on the AC Intertie 230/345-kV transmission system on January 1, 1999, is \$12.00/kW/year or \$1.00/kW/month and includes the cost for the ancillary service of scheduling, system control and dispatch service. The remaining ancillary services, which comply with FERC Order Nos. 888 and 888-A, will be provided through Western Area Power Administration's (Western) Open Access Transmission Service Tariff, published on January 6, 1998 (63 FR 521). The provisional rate of \$12.00/kW/year represents an increase of approximately 82 percent over the existing rate for firm transmission service on the AC Intertie 230/345-kV transmission system.

By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary of Energy delegated: (1) The authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of Western; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or disapprove such rates to FERC.

Rate Order No. WAPA-76 was prepared pursuant to Delegation Order No. 0204-108, existing DOE procedures for public participation in power rate adjustments in 10 CFR Part 903, and procedures for approving Power Marketing Administration rates by the FERC in 18 CFR Part 300. Rate Order No. WAPA-76, confirming, approving, and placing the proposed AC Intertie 230/345-kV transmission system firm point-to-point transmission service rate into effect on an interim basis, is issued, and the new Rate Schedule INT-FT3 will be submitted promptly to FERC for confirmation and approval on a final basis.