

EL00-98, 003, INVESTIGATION OF PRACTICES OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR AND THE CALIFORNIA POWER EXCHANGE

EL00-107, 000 PUBLIC MEETING IN SAN DIEGO, CALIFORNIA EL00-97, 000 RELIANT ENERGY POWER GENERATION, INC., DYNEGY POWER MARKETING, INC. AND SOUTHERN ENERGY CALIFORNIA, L.L.C. V. CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

EL00-104, 000, CALIFORNIA ELECTRICITY OVERSIGHT BOARD V. ALL SELLERS OF ENERGY AND ANCILLARY SERVICES INTO THE ENERGY AND ANCILLARY SERVICES MARKETS OPERATED BY THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR AND THE CALIFORNIA POWER EXCHANGE

EL01-1, 000, CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION V. ALL JURISDICTIONAL SELLERS OF ENERGY AND ANCILLARY SERVICES INTO MARKETS OPERATED BY THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR AND THE CALIFORNIA POWER EXCHANGE

EL01-2, 000, CALIFORNIANS FOR RENEWABLE ENERGY, INC. V. INDEPENDENT ENERGY PRODUCERS, INC., AND ALL SELLERS OF ENERGY AND ANCILLARY SERVICES INTO MARKETS OPERATED BY THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR AND THE CALIFORNIA POWER EXCHANGE; ALL SCHEDULING COORDINATORS ACTING ON BEHALF OF THE ABOVE SELLERS; CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION; AND CALIFORNIA POWER EXCHANGE CORPORATION

EL01-10, 000, PUGET SOUND ENERGY, INC. V. ALL JURISDICTIONAL SELLERS OF ENERGY AND/OR CAPACITY AT WHOLESALE INTO ELECTRIC ENERGY AND/OR CAPACITY MARKETS IN THE PACIFIC NORTHWEST, INCLUDING PARTIES TO THE WESTERN SYSTEMS POWER POOL AGREEMENT

Order on wholesale electric markets. This order may be considered at the December 13, 2000 meeting or, subject to further notice, at another date later this month.

#### Markets, Tariffs and Rates—Gas Agenda

G-1.

RESERVED

**David P. Boergers**

*Secretary.*

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## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Formula Rates for the Central Arizona Project 115-kV/230-kV Transmission System—Rate Order No. WAPA-88

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

**ACTION:** Notice of rate order.

**SUMMARY:** Notice is given of the confirmation and approval by the Deputy Secretary of the Department of Energy (DOE) of Rate Order No. WAPA-88 and Rate Schedules CAP-FT1, CAP-NFT1, and CAP-NITS1 placing Formula Rates for firm point-to-point transmission service, nonfirm point-to-point transmission service, and Network Integration Transmission Service (NITS) on the Central Arizona Project (CAP) 115-kV/230-kV transmission system of the Western Area Power Administration (Western) into effect on an interim basis. The Formula 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 Formula Rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. **DATES:** The Formula Rates will be placed into effect on an interim basis on January 1, 2001, and will be in effect until FERC confirms, approves, and places the Formula Rates in effect on a final basis for a 5-year period ending December 31, 2005, or until superseded. **FOR FURTHER INFORMATION CONTACT:** Mr. Maher 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, or by e-mail: nasir@wapa.gov. **SUPPLEMENTARY INFORMATION:** The CAP 115-kV/230-kV transmission system has been used primarily to provide power to the CAP water pumps. The planned construction of a number of independent powerplants in Arizona and Nevada creates a potential demand for use of surplus transmission capacity on the CAP 115-kV/230-kV transmission system.

The proposed Formula Rates for point-to-point transmission service and NITS on the CAP 115-kV/230-kV transmission system are based on a revenue requirement that recovers costs for facilities associated with providing transmission service and the non-facilities costs allocated to transmission service. The rates for point-to-point

transmission service on the CAP 115-kV/230-kV transmission system are determined by combining the average annual amortization costs with the average annual operations and maintenance costs, and dividing them by the average annual contract rate of delivery for the cost evaluation period FY 2001-FY 2005. Implementing the proposed Formula Rates results in a firm point-to-point CAP 115-kV/230-kV transmission system rate of \$9.83 per kilowatt-year and a nonfirm point-to-point CAP 115-kV/230-kV transmission system rate of 1.12 mills/kWh.

NITS allows a transmission customer to integrate, plan, economically dispatch, and regulate its network resources to serve its native load in a way comparable to that used by the transmission provider to service its native load customers. The monthly charge methodology for NITS on the CAP 115-kV/230-kV transmission system is the product of the transmission customer's load-ratio share times one-twelfth of the annual transmission revenue requirement. The customer's load-ratio share is calculated on a rolling 12-month basis (12CP). The customer's load-ratio share is equal to that customers' hourly load coincident with the CAP 115-kV/230-kV transmission system monthly transmission system peak divided by the resultant value of the CAP 115-kV/230-kV transmission system's monthly transmission system peak minus the CAP 115-kV/230-kV transmission system's coincident peak for all firm point-to-point transmission service plus the CAP 115-kV/230-kV transmission system's firm point-to-point transmission service reservations.

The Formula Rates for transmission service on the CAP 115-kV/230-kV transmission system are being developed pursuant to the Department of Energy Organization Act (42 U.S.C. 7101-7352), through which the power marketing functions of the Secretary of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts specifically applicable to the project involved, were transferred to and vested in the Secretary of Energy.

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 Western's Administrator; and (2) the authority to

confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the FERC. In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary of Energy delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary.

Existing Department of Energy procedures for public participation in power and transmission rate adjustments are located at 10 CFR part 903, effective on September 18, 1985 (50 FR 37835), and have been followed by Western in the development of these provisional rates.

Rate Order No. WAPA-88, confirming, approving, and placing the proposed CAP 115-kV/230-kV transmission system Formula Rates into effect on an interim basis, is issued; and the new Rate Schedules CAP-FT1, CAP-NFT1, and CAP-NITS1 will be submitted promptly to FERC for confirmation and approval on a final basis.

Dated: November 30, 2000.

**T.J. Glauthier,**  
Deputy Secretary.

### **Order Confirming, Approving, and Placing the Central Arizona Project Transmission System Formula Rates into Effect on an Interim Basis**

These Formula Rates are developed pursuant to the Department of Energy Organization Act (42 U.S.C. 7101-7352), through which the power marketing functions of the Secretary of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts specifically applicable to the project involved, were transferred to and vested in the Secretary of Energy.

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 the Western Area Power Administration (Western); and (2) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary of Energy delegated the authority to confirm, approve, and place such rates into effect on an interim basis

to the Deputy Secretary. Existing Department of Energy (DOE) procedures for public participation in power rate adjustments are found in 10 CFR part 903. Procedures for approving Power Marketing Administration rates by FERC are found in 18 CFR part 300.

### **Acronyms and Definitions**

As used in this rate order, the following acronyms and definitions apply:

*Administrator:* The Administrator of the Western Area Power Administration (Western).

*Capacity:* The rated continuous electric load-carrying capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kW.

*Central Arizona Project (CAP):* One of three related water development projects that make up the Colorado River Basin Project.

*Customer:* An entity with a contract and receiving service from Western's Desert Southwest Region or from CAP.

*DOE:* United States Department of Energy.

*DOE Order RA 6120.2:* An order dealing with power marketing administration financial reporting and rate-making procedures.

*Energy:* Measured in terms of the work it is capable of doing over a period of time. It is expressed in kWh.

*FERC:* Federal Energy Regulatory Commission.

*Firm:* A type of product and/or service that is available at the time requested by the customer.

*Formula Rates:* A rate which is based upon a formula calculated yearly.

*FY:* Fiscal year; October 1 to September 30.

*kV:* Kilovolt—the electrical unit of measure of electric potential that equals 1,000 volts.

*kW:* Kilowatt—the electrical unit of capacity that equals 1,000 watts.

*kWmonth:* Kilowattmonth—the electrical unit of the monthly amount of capacity.

*kWh:* Kilowatthour—the electrical unit of energy that equals 1,000 watts in 1 hour.

*Mill:* A monetary denomination of the United States that equals one tenth of a cent or one thousandth of a dollar.

*NEPA:* National Environmental Policy Act of 1969 (42 U.S.C. 4321, *et seq.*).

*Nonfirm:* A type of product and/or service that is not always available at the time requested by the customer.

*O&M:* Operation and maintenance.

*Power:* Capacity and energy.

*Reclamation:* United States Department of the Interior, Bureau of Reclamation.

*Revenue Requirement:* The revenue required to recover O&M expenses, transmission service expenses, interest, deferred expenses, and repayment of Federal investments, or other assigned costs.

### **Effective Date**

The new rates will become effective on an interim basis on the first day of the first full billing period beginning on or after January 1, 2001, and will be in effect pending FERC's approval of them or substitute rates on a final basis for a 5-year period ending December 31, 2005, or until superseded.

### **Public Notice and Comment**

Existing Department of Energy procedures for public participation in power and transmission rate adjustments, 10 CFR part 903, have been followed by Western in the development of these rates. The following summarizes the steps Western took to ensure involvement of interested parties in the rate process:

1. The proposed rate adjustment was initiated on May 23, 2000, when a letter announcing the first informal customer information forum was mailed to all Central Arizona Project (CAP) customers and interested parties. The first informal customer information forum was held on June 7, 2000, at the Desert Southwest Customer Service Regional office (DSW) in Phoenix, Arizona. At the informal customer information forum, Western and Reclamation staff explained the rationale for the rate adjustment, presented rate designs and methodologies, and answered questions.

2. A **Federal Register** notice was published on May 24, 2000 (65 FR 33541), officially announcing the proposed rates for the CAP 115-kV/230-kV transmission system, initiating the public consultation and comment period, and announcing the public information and public comment forums.

3. On June 7, 2000, a brochure prepared by Western's DSW office was provided to all CAP firm transmission customers and interested parties, included in the **Federal Register** notice of May 24, 2000, and announced the times and locations for the two public forums.

4. On June 16, 2000, beginning at 10 a.m. MST, the public information forum was held at Western's DSW office in Phoenix, Arizona. At the public information forum, Western provided detailed explanations of the proposed Formula Rates for the CAP 115-kV/230-kV transmission system and provided a list of issues that could change the proposed rates, and answered questions.

Notice was given that additional information would be provided at the public comment forum. An information handout was provided at the forum.

5. On July 17, 2000, beginning at 10 a.m., the public comment forum was held at Western's DSW office in Phoenix, Arizona. At the start of the forum, Western gave the public an opportunity to comment for the record. Three customer representatives were present and declined to make oral comments.

6. Two comment letters were received during the consultation and comment period. The consultation and comment period ended August 22, 2000. All formally submitted comments have been considered in the preparation of this rate order.

**Project Description**

The CAP is one of three related water development projects that make up the Colorado River Basin Project. The others are the Dixie and the Upper Basin projects. The CAP was developed for Arizona and western New Mexico; the Dixie Project for southeastern Utah; and the Upper Basin Project for Colorado and New Mexico.

Congress authorized the project in 1968 to improve water resources in the Colorado River Basin. Segments of the 1968 authorization allowed Federal participation in the Navajo Generating Station, which has three coal-fired steam electric generating units for a combined capacity of 2,250 MW. Construction of the plant, located near Lake Powell at Page, Ariz., began in 1970. Navajo began generating in 1976.

The Federal share of 24.3 percent, or 546,750 kW, is used to power the pumps that move Colorado River water through CAP canals. Surplus generation is currently marketed under the Navajo Power Marketing Plan adopted on Dec. 1, 1987.

**Revenue Requirement**

The Revenue Requirement will be calculated each fiscal year to determine if transmission revenues will be sufficient to pay, within the prescribed time periods, all costs assigned to the CAP 115-kV/230-kV transmission system function. Repayment criteria is based on law, policies, and authorizing legislation, including DOE Order RA 6120.2.

**Certification of Rate**

Western's Administrator has certified that the Formula Rates for transmission service on the CAP 115-kV/230-kV transmission system, placed into effect on an interim basis herein, are the lowest possible rates consistent with

sound business principles, and have been developed in accordance with administrative policies and applicable laws.

**Discussion**

The CAP 115-kV/230-kV transmission system has been used primarily to provide power to the CAP water pumps. The planned construction of a number of independent powerplants in Arizona and Nevada creates a potential demand for use of surplus transmission capacity on the CAP 115-kV/230-kV transmission system.

The proposed Formula Rates for point-to-point transmission service and NITS on the CAP 115-kV/230-kV transmission system are based on a Revenue Requirement that recovers costs for facilities associated with providing transmission service and for non-facilities allocated to transmission service.

*Point-to-Point Transmission Service*

The rate for firm point-to-point transmission service on the CAP 115-kV/230-kV transmission system is determined by combining the annual amortization costs with the annual operations and maintenance costs, and dividing them by the annual average contract rate of delivery. The nonfirm rate is determined by converting the firm annual rate into an hourly rate. Implementing the proposed rate formulas results in a firm point-to-point CAP 115-kV/230-kV transmission system rate of \$9.83 per kilowattyear and a nonfirm point-to-point CAP 115-kV/230-kV transmission system rate of 1.12 mills/kWh.

*Network Integration Transmission Service*

NITS allows a transmission customer to integrate, plan, economically dispatch, and regulate its network resources to serve its native load in a way comparable to how a transmission provider uses its own transmission system to service its native load customers. The monthly charge methodology for NITS on the CAP 115-kV/230-kV transmission system is the product of the transmission customer's load-ratio share times one-twelfth of the annual transmission revenue requirement. The customer's load-ratio share is calculated on a rolling 12-month basis (12CP). The customer's load-ratio share is equal to that customers' hourly load coincident with the CAP 115-kV/230-kV transmission system's monthly transmission system peak divided by the resultant value of the CAP 115-kV/230-kV transmission system's monthly transmission system

peak minus the CAP 115-kV/230-kV transmission system coincident peak for all firm point-to-point transmission service plus the CAP 115-kV/230-kV transmission system's firm point-to-point transmission service reservations. In order to ensure the collection of the transmission system's annual revenue requirement, the difference between the first two components of the resultant value outlined above constitutes the network transmission systems' monthly peak and is anticipated to be metered. Thus, a NITS customer, based on its 12-CP load, will pay its proportionate share of the revenue requirement for the month. Since point-to-point transmission service customers are charged on a reservation basis and not a usage basis, for the purpose of determining the NITS charge, the transmission system's monthly peak will coincide with the network transmission system's monthly peak.

*Ancillary Service*

The proposed revenue requirement includes the costs for scheduling, system control, and dispatch service. The reactive supply and voltage control ancillary service must be purchased from the Western Area Lower Colorado (WALC) control area. The transmission customer may self-supply the four remaining ancillary services or request them from WALC. These four ancillary services are regulation and frequency response service, energy imbalance service, spinning reserve service, and supplemental reserve service.

**Statement of Revenue and Related Expenses**

The following table provides a summary of revenues and expenses for the 5-year provisional rate period.

REVENUES AND EXPENSES [In thousands of dollars]	
	Formula rates <sup>1</sup>
Total Revenues .....	34,429
Revenue Distribution:	
O&M .....	6,763
Purchase Power .....	0
Transmission .....	0
Interest .....	19,343
Other .....	0
Investment Repayment .....	8,323
Capitalized Expenses .....	0
Prior-Year Adjustment .....	0

<sup>1</sup> The revenues and expenses for the Formula Rates are for 5 years.

**Basis for Rate Development**

This proposed rate adjustment is needed to put into place, for the first

time, rate formulas to calculate the rate to be charged for the sale of surplus transmission capacity on the CAP 115-kV/230-kV transmission system. The assessed calculated rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. The Formula Rates are scheduled to go in effect on January 1, 2001, and will remain in effect through December 31, 2005.

#### Comments

During the public consultation and comment period, Western received two written comment letters on the rate adjustment. All comments received by the end of the public consultation and comment period, August 22, 2000, were reviewed and considered in the preparation of this rate order.

Written comments were received from the following sources: Central Arizona Project, August 21, 2000, Robert S. Lynch, Attorney at Law, August 22, 2000.

The comments received dealt with the disposition of revenues derived from the assessment of the CAP 115-kV/230-kV transmission system rates and its applicability to the Lower Colorado River Basin Development Fund (LCRBDF). All comments supported Western's efforts to establish the new CAP 115-kV/230-kV transmission system rates. The following is a summary of the comments received by the end of the consultation and comment period and Western's response to those comments.

*Comment:* Both commentors stated that there are significant unresolved issues regarding the disposition of any revenues received from Western's marketing of CAP transmission service, and that any revenues received should be applied in the following manner. The annual amortization cost component of the CAP rate should be deposited in the LCRBF and applied to the CAP capital investment, however, revenues derived from the operation and maintenance cost component of the CAP transmission rate should be used to offset amounts otherwise due from the Central Arizona Water Conservation District (CAWCD).

*Response:* Western agrees in concept with the commentors and upon approval of the provisional rates Western will evaluate its authority and ability to disburse revenues in the manner similar to that suggested by the commentor. Western will not double collect its operation and maintenance cost component through rates and through CAWCD trust funds.

#### Environmental Compliance

In compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*); Council on Environmental Quality Regulations (40 CFR parts 1500–1508); and DOE NEPA Regulations (10 CFR part 1021), Western has determined that this action is categorically excluded from the preparation of an environmental assessment or an environmental impact statement.

#### Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

#### Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601–612, *et seq.*) requires Federal agencies to perform a regulatory flexibility analysis if a final rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. Western has determined that this action does not require a regulatory flexibility analysis since it is a rulemaking of particular applicability involving rates or services applicable to public property.

#### Small Business Regulatory Enforcement Fairness Act

Western has determined that this rule is exempt from congressional notification requirements under 5 U.S.C. 801 because the action is a rulemaking of particular applicability relating to rates or services and involves matters of procedure.

#### Availability of Information

Information regarding this rate adjustment, including the repayment studies, comments, letters, memorandums, and other supporting material made or kept by Western for the purpose of developing the Formula Rates, is available for public review in the Office of the Power Marketing Manager, Desert Southwest Customer Service Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, Arizona.

#### Submission to the Federal Energy Regulatory Commission

The Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and approval on a final basis.

#### Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I confirm and approve on an interim basis, effective January 1, 2001, Formula Rates under Rate Schedules CAP–NFT1, CAP–NFT1, and CAP–NITS1 for the Central Arizona Project 115-kV/230-kV transmission system of the Western Area Power Administration. The Formula Rates under the rate schedules shall remain in effect on an interim basis, pending FERC confirmation and approval of them or substitute rates on a final basis through December 31, 2005.

Dated: November 30, 2000.

T.J. Glauthier,  
Deputy Secretary.

#### Central Arizona Project

*Schedule of Rate(s) for Firm Point-to-Point Cap 115-kV/230-kV Transmission Service*

[Rate Schedule CAP–FT1]

*Effective:* The first day of the first full billing period beginning on or after January 1, 2001, through December 31, 2005.

*Available:* In the marketing area served by the Central Arizona Project (CAP) 115-kV/230-kV transmission system.

*Applicable:* The transmission service customers shall compensate the CAP where firm capacity and energy are supplied to the CAP 115-kV/230-kV transmission system at points of interconnection with other systems and transmitted and delivered, less losses, to points of delivery on the CAP 115-kV/230-kV system specified in the service contract. The formula for the annual revenue requirement used to calculate the charges for this firm service under this schedule was promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies. The Desert Southwest Customer Service Region (DSW) may modify the charges for firm point-to-point transmission service upon written notice to the transmission customer. Any change to the charges to the transmission customer for firm point-to-point transmission, shall be as set forth in a revision to this rate schedule promulgated pursuant to applicable Federal laws, regulations, and policies and made part of the applicable service contract. DSW shall charge the transmission customer in accordance with the revenue requirements then in effect.

*Character and Conditions of Service:* Alternating current at 60 Hertz, three-phase, delivered and metered at the

voltages and points of delivery established by contract over the CAP 115-kV/230-kV transmission system.

Formula Rate For Firm Point-to-Point Transmission Service:

Annual Rate = Five Year Average Annual Revenue Requirement divided by the Five Year Average Contract Rate of Delivery, rounded to the penny.

Monthly Rate = Annual Rate divided by 12, rounded to the penny.

*Calculated Rates:* For FY 2001, the annual firm rate calculates to \$9.83 per kWyear, and the monthly firm rate calculates to \$0.82 per kWmonth. Based on updated financial and load data, recalculated rates will go into effect on January 1 of each year during the effective rate schedule period.

#### Adjustments

*For Reactive Power:* There shall be no entitlement to transfer of reactive kilovoltamperes at delivery points, except when such transfers may be mutually agreed upon by contractor and contracting officer or their authorized representatives.

*For Losses:* Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy under this rate schedule shall be supplied by the customer in accordance with the service contract.

*Billing for Unauthorized Overruns:* For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm transmission obligations, such overrun shall be billed at 10 times the above rates.

#### Central Arizona Project

*Schedule of Rate(s) for Nonfirm Point-to-Point Cap 115-kV/230-kV Transmission Service*

[Rate Schedule CAP-FT1]

*Effective:* The first day of the first full billing period beginning on or after January 1, 2001, through December 31, 2005.

*Available:* In the marketing area served by the Central Arizona Project 115-kV/230-kV transmission system.

*Applicable:* The transmission service customer shall compensate the Central Arizona Project (CAP) for nonfirm point-to-point transmission service where capacity and energy are supplied to the CAP 115-kV/230-kV transmission system at points of interconnection with other systems, transmitted subject to the availability of the transmission capacity, and delivered less losses, to points of delivery on the CAP 115-kV/230-kV system specified in the service contract.

*Character and Conditions of Service:* Alternating current at 60 Hertz, three-phase, delivered and metered at the voltages and points of delivery established by contract over the CAP 115-kV/230-kV transmission system.

*Formula Rate for Nonfirm Point-to-Point Transmission Service:* Nonfirm Point-To-Point Transmission Service Rate: Each Contractor shall be billed monthly a mills per kilowatthour rate of scheduled or delivered kilowatthours at point of delivery, established by contract, payable monthly. This rate is equal to the CAP 115-kV/230-kV Firm Transmission dollar per kilowatt-year rate then in effect divided by 8,760, multiplied by 1,000, rounded to two decimal places.

*Calculated Rate:* For FY 2001, the nonfirm rate calculates to 1.12 mills/kWh. Based on updated financial and load data, a recalculated rate will go into effect on January 1 of each year during the effective rate schedule period.

#### Adjustments

*For Reactive Power:* There shall be no entitlement to transfer of reactive kilovoltamperes at delivery points, except when such transfers may be mutually agreed upon by contractor and contracting officer or their authorized representatives.

*For Losses:* Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy under this rate schedule shall be supplied by the customer in accordance with the service contract.

#### Central Arizona Project

*Schedule of Rate(s) for Network Integration Transmission Service*

[Rate Schedule CAP-NITS1]

*Effective:* The first day of the first full billing period beginning on or after January 1, 2001, through December 31, 2005.

*Applicable:* The transmission customer shall compensate the Central Arizona Project (CAP) each month for Network Integration Transmission Service (NITS) pursuant to the applicable Network Integration Transmission Service Agreement and annual revenue requirement referred to below. The formula for the annual revenue requirement used to calculate the charges for this service under this schedule was promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Desert Southwest Customer Service Region (DSW) may modify the charges for NITS upon written notice to

the transmission customer. Any change to the charges to the transmission customer for NITS shall be as set forth in a revision to this rate schedule promulgated pursuant to applicable Federal laws, regulations, and policies and made part of the applicable service agreement. DSW shall charge the transmission customer in accordance with the revenue requirement then in effect.

*Formula Rate:*

Monthly Charge = Transmission Customer's Load-Ratio Share × (Revenue Requirement/12)

*Calculated Rate:* The projected annual revenue requirement for FY 2001 for the CAP 115-kV/230-kV transmission system is \$6,556,547. Based on updated financial and load data, a recalculated revenue requirement will go into effect on January 1 of each year during the effective rate schedule period.

[FR Doc. 00-31442 Filed 12-8-00; 8:45 am]

BILLING CODE 6450-01-P

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Proposed Salt Lake City Area Integrated Projects Firm Power Rate Formula Adder

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

**ACTION:** Notice of extension of comment and consultation period.

**SUMMARY:** The Western Area Power Administration's (Western) Colorado River Storage Project (CRSP) Management Center (MC) published a Notice of Proposed Salt Lake City Area Integrated Projects (SLCA/IP) Firm Power Rate Formula Adder in the **Federal Register** (65 FR 66995) on November 8, 2000. This notice extends the comment and consultation period by 3 weeks. The MC plans to have the rate formula adder become effective March 1, 2001, instead of February 1, 2001, as was previously stated in the **Federal Register**, dated November 8, 2000.

**DATES:** The consultation and comment period will end on December 29, 2000.

**ADDRESSES:** Written comments may be sent to: Mr. Dave Sabo, CRSP Manager, CRSP Management Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606, e-mail [sabo@wapa.gov](mailto:sabo@wapa.gov). Western must receive written comments by the end of the consultation and comment period to assure consideration.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carol Loftin, Rates Manager, CRSP