

subject to the requirements of this AD. For engines that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (c) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance

Compliance with this AD is required before accumulating 25,000 cycles-since-new on the parts listed in Table 1 of this AD, or by October 31, 2008, whichever occurs earlier, unless already done.

To aid in containment of the LPT rotor in the event of LPT shaft failure, which could result in uncontained engine failure and damage to the airplane, do the following:

(a) Retire from service stage 2 LPT nozzle segments and stage 3 LPT nozzle segments listed in the following Table 1, and install new design (either new or reworked) nozzle segments:

TABLE 1.—STAGE 2 AND STAGE 3 LPT NOZZLE SEGMENT PART NUMBERS TO BE RETIRED

Nozzle segments	Part numbers
(1) Stage 2	338-109-104-0, 338-109-105-0, 338-109-106-0, 338-109-204-0, 338-109-205-0, 338-109-206-0, 338-109-304-0, 338-109-305-0, 338-109-306-0.
(2) Stage 3	338-109-702-0, 338-109-802-0.

(b) Information on reworking stage 2 LPT nozzle segments and stage 3 LPT nozzle segments, listed in Table 1 of this AD, can be found in CFM International Service Bulletins (SB's) 720328, dated May 25, 2000, for CFM56-5 series engines, and SB 720241, dated May 25, 2000, for CFM56-7 series engines.

Alternative Methods of Compliance

(c) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office (ECO). Operators must submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, ECO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the ECO.

Special Flight Permits

(d) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197

and 21.199) to operate the airplane to a location where the requirements of this AD can be done.

Issued in Burlington, Massachusetts, on March 29, 2002.

Robert G. Mann,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Chapter I

[Docket No. RM02-7-000]

Accounting and Reporting of Asset Retirement Obligations

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Notice of informal technical conference, agenda and request for comments.

SUMMARY: The Federal Energy Regulatory Commission (Commission) previously issued a Notice of Informal Technical Conference on March 8, 2002.

Today's notice announces that the technical conference will be held on Tuesday, May 7, 2002, starting at 9 A.M., in the Commission's Meeting Room, 888 First Street, NE., Washington, DC. The Conference will address the financial accounting, reporting and related ratemaking implications related to asset retirement obligations associated with the retirement of tangible long-lived assets. This notice provides the format for the conference, the agenda and requests for comments and provides further details regarding the technical conference. All interested parties are invited to attend.

DATES: Written comments should be submitted on or before April 29, 2002 in the above-captioned proceeding.

ADDRESSES: Send comments to: Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. The comments may be filed electronically via the internet in lieu of paper. See, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site at <http://www.ferc.gov/> and click on "Make an Electronic Filing," and follow the instructions for each screen.

FOR FURTHER INFORMATION CONTACT:

Mark Klose (Project Manager), Office of Executive Director, Division of Regulatory Accounting Policy, Federal Energy Regulatory Commission, 888

First Street, NE., Washington, DC 20426. Phone (202) 219-2595; Fax: (202) 219-2632; E-Mail; mark.klose@ferc.gov.

Raymond Reid (Technical Issues), Office of Executive Director, Division of Regulatory Accounting Policy, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. Phone (202) 219-2928; Fax: (202) 219-2632; E-Mail; raymond.reid@ferc.gov.

Julia Lake (Legal Issues), Office of General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. Phone (202) 208-2019; E-Mail; julia.lake@ferc.gov.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the **Federal Register**, it is available for inspection in the Commission's Public Reference Room at 888 First Street, NE., Room 2A, Washington, DC 20426, during regular business hours and is posted on both the Commission's Issuance Posting System (CIPS) and the Records and Information Management Systems (RIMS), and may be viewed and printed remotely via the Internet through Commission's Home Page (<http://www.ferc.gov>).

Notice of Informal Technical Conference, Agenda and Request for Comments

March 29, 2002.

Take notice that on Tuesday, May 7, 2002,¹ the Commission staff will hold a technical conference to discuss the financial accounting, reporting and ratemaking implications related to asset retirement obligations associated with the retirement of tangible long-lived assets. The conference will begin at 9:00 A.M. and is scheduled for the Commission Meeting Room, at the offices of the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC. All interested parties are invited to attend. This conference is being convened to enlist the participation of CPA firms, industry associations, jurisdictional entities, state commissions, other regulatory bodies, rural electric cooperatives² and other

¹ See 67 FR 11954 (Mar. 18, 2002). The initial notice indicated that the technical conference would be held on Tuesday and Wednesday, May 7 and 8, 2002. However, Commission has decided at this time not to extend the technical conference to Wednesday, May 8, 2002.

² The Rural Utilities Service (RUS) and its rural electric cooperatives have an interest in this proceeding because RUS's Uniform System of Accounts for its rural electric cooperative utilities incorporates accounting requirements which are similar to the Commission's uniform System of Accounts for public utilities 18 CFR Part 101.

interested parties to address the financial accounting, reporting and ratemaking implications related to asset retirement obligations associated with the retirement of tangible long-lived assets.

This notice provides the format for the technical conference, the agenda, a request for comments and further details regarding the technical conference. Panels that have been formed are shown in Attachment 1. Attachment 2 are questions that can be addressed in written comments.

The Commission staff will discuss with the panelist the following topics:

1. The types of fixed assets that have an asset retirement obligation that would be recognized and measured under such a requirement.

2. The impact asset retirement obligations have on depreciation accounting and depreciation procedures.

3. The accounting implementation issues related to the recognition of asset retirement obligations for existing and future long-lived assets.

4. The impact on the Uniform Systems of Accounts and the Commission's rate regulations.

The Commission's existing Uniform Systems of Accounts³ do not address the accounting and reporting of the asset retirement obligations.⁴ There are a number of implementation issues related to the accounting requirements for asset retirement obligations that are capable of different interpretations. These interpretations could result in inconsistent accounting treatment between companies, and have unintended effects on cost-of-service and formula rates. The main purpose for convening this technical conference is to afford an opportunity for the electric, natural gas and oil pipeline industries and other interested parties to discuss with the Commission staff issues related to the implementation of accounting requirements for asset retirement

³ See 18 CFR Part 101 (2001), Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act; 18 CFR Part 201 (2001), Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act; and 18 CFR Part 352 (2001), Uniform System of Accounts Prescribed for Oil Pipeline Companies Subject to the Provisions of the Interstate Commerce Act.

⁴ The Commission's Chief Accountant issued interim accounting guidance stating that public utilities and licensees, natural gas companies, and oil pipelines may not early adopt this accounting standard for financial accounting and reporting to the Commission until it acts on this matter. See All Jurisdictional Public Utilities, Licensees, Natural Gas Companies, and Oil Pipeline Companies, Docket No. AI02-1-000, issued February 20, 2002, found at <http://www.ferc.gov/news/ai02-1-000.htm>.

obligations. The goal of the conference is to identify how recognition of asset retirement obligations may affect the Commission's existing accounting and rate regulations.

In order to aid Commission staff's evaluation of the accounting, reporting and ratemaking implications of recognizing asset retirement obligations, we invite all interested parties to submit written comments to the questions in Attachment 2 on or before April 29, 2002, in the above-captioned proceeding. All comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference Room at 888 First Street, NE., Washington, DC 20426, during regular business hours. Additionally, all comments may be viewed, printed, or downloaded remotely via the Internet through FERC's Homepage using the RIMS link. User assistance for RIMS is available at (202) 208-2222, or by e-mail to rimsmaster@ferc.gov.

Comments related to this proceeding may be filed either in paper format or electronically. Those filing electronically do not need to make a paper filing. For paper filings, the original and 14 copies of the comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 and should refer to Docket No. RM02-7-000. Comments filed electronically via the Internet must be prepared in WordPerfect, MS Word, Portable Document Format, or ASCII format. To file the comments, access the Commission's website at www.ferc.gov and click on "Make an Electronic Filing," and follow the instructions for each screen. First time users will have to establish a user name and password. The Commission will send an automatic acknowledgment to the sender's E-mail address upon receipt of comments. User assistance for electronic filing is available at (202) 208-0258 or by e-mail to efiling@ferc.gov. Comments should not be submitted to the e-mail address.

The conference will be transcribed. Those interested in obtaining transcripts need to contact ACE Federal Reporters, at (202) 347-3700 or (800) 336-6646. Transcriptions will be placed in the public record ten days after the conference.

For further information contact about the conference, please contact either: Mark Klose (Project Manager), at (202) 219-2595 or mark.klose@ferc.gov, Raymond Reid (Technical Issues), at (202) 219-2928 or raymond.reid@ferc.gov or Julia Lake

(Legal Issues), at (202) 208-2019 or julia.lake@ferc.gov.

Linwood A. Watson, Jr.,
Deputy Secretary.

Attachment 1; Accounting and Rate Treatment for Asset Retirement Obligations

Conference Agenda

Tuesday, May 7, 2002.

Opening Remarks 9 a.m.–9:15 a.m.
FERC Staff

Panel 1 9:15 a.m.–10:45 a.m.
CPA Firms

Break 10:45 a.m.–11 a.m.

Panel 2 11 a.m.–12:30 p.m.
Edison Electric Institute
Interstate Natural Gas Association of America
Association of Oil Pipelines
Public Utilities and Licensees
Natural Gas Pipelines
Oil Pipelines

Lunch break 12:30 p.m.–1:30 p.m.

Panel 3 1:30 p.m.–3 p.m.
National Association of Regulatory Commissioners
Rural Utilities Services
National Rural Electric Cooperative Association
Rural Electric Cooperatives

Break 3 p.m.–3:15 p.m.

Panel 4 3:15 p.m.–4 p.m.
Other Parties

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Attachment 2; Questions To Be Addressed in Request for Comments

In order to aid Commission staff's evaluation of the accounting, reporting and ratemaking implications related to recognizing asset retirement obligations, we invite interested parties to submit written comments on the following questions and any other questions which will aid the Commission staff in assessing the implications of recognizing asset retirement obligations for regulatory purposes.

1. Should legal obligations related to asset retirement obligations be recognized in Commission Annual Reports, FERC Forms 1, 1-F, 2, 2-A, and 6?⁵ If not, what is the authoritative support for this position? Please explain.

2. If legal obligations related to asset retirements should be recognized for regulatory financial accounting and reporting purposes, should they be recognized on the same basis and in the same manner as required for external and Securities and Exchange Commission financial reporting? If not, please explain the reasons for any different accounting treatment?

⁵ FERC Form No. 1, Annual Report of Major Public Utilities, Licensees and Others (Form 1); FERC Form No. 1-F, Annual Report of Nonmajor Public Utilities and Licensees (Form 1-F); FERC Form No. 2, Annual Report of Major Natural Gas Companies (Form 2); FERC Form No. 2-A, Annual Report of Nonmajor Natural Gas Companies (Form 2-A); and Form No. 6, Annual Report of Oil Pipeline Companies (Form 6).

3. What specific categories of existing fixed assets have asset retirement obligations that would be recognized and measured under such requirements? Please provide an approximation of the additional asset retirement obligation liability that would be recognized under this requirement, the net income effect, and other related financial consequences. Please explain.

4. Under the Uniform Systems of Accounts, what existing or new balance sheet accounts should be used to record the capitalized asset retirement costs? Also, what existing or new primary plant account(s) should be used to record the capitalized asset retirement costs? Please explain.

5. What records should be maintained to support the capitalized asset retirement costs and related liability for the asset retirement obligations? Please explain.

6. Under the Uniform Systems of Accounts, what existing or new accounts for depreciation expense and accumulated depreciation should be used to record depreciation on the capitalized asset retirement costs? Please explain.

7. What detailed depreciation records are needed for the capitalized asset retirement costs? Please explain.

8. Under the Uniform Systems of Accounts, what existing or new accounts should be used to record liabilities for asset retirement obligations and the related time value of money (accretion expense)? Please explain.

9. What records should be maintained to support the entries and the amounts included in the liability account so that companies can furnish complete information for each specific liability related to each property that gives rise to a liability for an asset retirement obligation? Please explain.

10. How does the accounting for asset retirement obligations impact the Uniform Systems of Accounts' definitions for Depreciation, Service Value, Net Salvage, Salvage Value, Cost of Removal and Service Life?⁶ Please explain.

11. What revisions should be made to the Uniform Systems of Accounts' definitions for Depreciation, Service Value, Net Salvage, Salvage Value, Cost of Removal and Service Life as a result the accounting for asset retirement to differentiate between the cost of removal that is not recognized as a liability for cost of removal versus the cost of removal recognized as a liability for an asset retirement obligation? Please explain.

12. What are the implications of the accounting for asset retirement obligations on depreciation procedures (group method versus component method)? Please explain.

13. How should a regulated entity account for the transition adjustment related to the adoption of accounting for asset retirement obligations? Please explain.

14. At the date of adoption of the accounting pronouncement, how would a jurisdictional entity account for asset retirement obligations associated with plant or facilities that have been closed or abandoned (i.e. retired but not physically removed)? Please explain.

15. If an existing component part of a larger system asset has a legal obligation associated

with its retirement, and the component's useful life is shorter than the life of the larger system asset of which it is a part, must a liability for the asset retirement obligation be recognized for the component and the asset retirement costs be depreciated over the component useful life? At the date of adoption will there be sufficient information and records related to such components to recognize and measure the related asset retirement obligations? Please explain.

16. How should any balances remaining at the date of settlement of liabilities for asset retirement obligations be accounted for? Please explain.

17. How will the recognition of asset retirement obligations affect the Commission's accounting for capital and operating leases? Under the Uniform Systems of Accounts, what new or existing balance sheet and income statement accounts should be used by a lessor and lessee to account for asset retirement obligations associated with either capital leases or operating leases? Please explain.

18. Does "spent nuclear fuel" and "storage casks used for interim storage of spent fuel" result in legal asset retirement obligations?⁷ If so, under the Uniform Systems of Accounts, what new or existing balance sheet and income statement accounts should be used to record the amounts related to the asset retirement obligations for "spent nuclear fuel" and the "storage cask used for interim storage of spent fuel"? Please explain.

19. What are the issues involved in reconciling the new accounting requirements for asset retirement obligations with existing rate practices which may recover asset retirement obligations, all or in part, through general rates, depreciation or negative salvage (or decommissioning) allowances? How should the transition to the new rule reflect that such costs (i.e., negative salvage) may have already been recovered in existing rates?

20. What are the implications of asset retirement obligations accounting model that may result in higher total expenses in the later years of an asset's life than in earlier years because of compounding interest effect?

21. For rate making purposes, how can interim events involving system components, such as asset retirements, sales or spin downs be properly reflected if the asset retirement obligations were not recognized for the components?

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⁷Nuclear fuel discharged from reactors at the end of useful life is referred to as spent fuel and is highly radioactive. It is stored either in storage pools or dry cask storage facilities, until a repository is made available for permanent disposal. The U.S. Department of Energy (DOE) is to provide for the ultimate disposal of spent fuel waste under the Nuclear Waste Policy Act of 1982, as amended. To fund the DOE's contractual obligations, each nuclear utility pays an ongoing fee, in addition to a one-time payment to cover disposal of fuel utilized prior to April 7, 1983.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[OPP-301226; FRL-6828-8]

RIN 2070-AC18

Methoxychlor; Proposed Revocation of Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This document proposes to revoke specific tolerances for residues of methoxychlor because (1) all registrations of pesticides containing methoxychlor are suspended or canceled, and (2) there are insufficient data to find the pesticide safe in accordance with section 4(b)(2)(A) of the Federal Food, Drug, and Cosmetic Act (FFDCA). The primary registrant of methoxychlor (Kincaid Enterprises, Inc.) has failed to submit the necessary data required to support continued registration under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) of pesticide products containing methoxychlor. As a result, all methoxychlor products are currently suspended. The regulatory actions proposed in this document contribute toward the Agency's tolerance reassessment requirements of the Federal Food, Drug, and Cosmetic Act (FFDCA) section 408(q), as amended by the Food Quality Protection Act (FQPA) of 1996. By law, EPA is required by August 2002 to reassess 66% of the tolerances in existence on August 2, 1996, or about 6,400 tolerances. The regulatory actions proposed in this document pertain to the proposed revocation of 79 tolerances and/or exemptions which would be counted among tolerance/exemption reassessments made toward the August 2002 review deadline.

DATES: Comments, identified by docket control number OPP-301226, must be received on or before June 3, 2002.

ADDRESSES: Comments may be submitted by mail, electronically, or in person. Please follow the detailed instructions for each method as provided in Unit I. of the

SUPPLEMENTARY INFORMATION. To ensure proper receipt by EPA, it is imperative that you identify docket control number OPP-301226 in the subject line on the first page of your response.

FOR FURTHER INFORMATION CONTACT: By mail: Beth Edwards, Special Review and Reregistration Division (7508C), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania

⁶ 18 CFR Parts 101, 201 and 352 (2001).