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Magalie R. Salas,

Secretary.

[FR Doc. 02-14601 Filed 6-10-02; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Application for Temporary Suspension of Water Release Schedule and Solicitation of Comments, Motions To Intervene, and Protests

June 5, 2002.

Take notice that the following application has been filed with the Commission and is available for public inspection:

- a. *Application Type:* Temporary suspension of water release schedule.
- b. *Project No.:* 2861-043.
- c. *Date Filed:* March 26, 2002.
- d. *Applicant:* New Hampshire Department of Environmental Services-Water Resources Division and Pontook Operating Limited Partnership (licensees).
- e. *Name of Project:* Pontook Project.
- f. *Location:* The project is located on the Androscoggin River in Coos County, New Hampshire.
- g. *Filed Pursuant to:* Federal Power Act, 16 USC 791 (a) 825(r) and sections 799 and 801.
- h. *Applicant Contact:* Maureen Winters, Kleinschmidt Associates, 75 Main Street, P.O. Box 576, Pittsfield, ME 04967, (207) 487-3328.
- i. *FERC Contact:* Any questions on this notice should be addressed to Mr. John Mark at (212) 273-5940, or e-mail address: john.mark@ferc.gov.
- j. *Deadline for filing comments and or motions:* June 21, 2002.

All documents (original and eight copies) should be filed with: Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington DC 20426. Please include the project number (P-2861-043) on any comments or motions filed.

k. *Description of Request:* The licensees are requesting Commission approval to suspend scenic and recreational flows during August and September 2002 for construction related to replacing the dam gate structure at the hydroelectric project.

l. *Location of the Application:* A copy of the application is available for

inspection and reproduction at the Commission's Public Reference Room, located at 888 First Street, NE, Room 2A, Washington, DC 20426, or by calling (202) 208-1371. This filing may also be viewed on the web at <http://www.ferc.gov> using the 'RIMS' link, select "Docket#" and follow the instructions (call 202-208-2222 for assistance). A copy is also available for inspection and reproduction at the address in item (h) above.

m. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

n. *Comments, Protests, or Motions to Intervene*—Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, 385.211, 385.214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

o. *Filing and Service of Responsive Documents*—Any filings must bear in all capital letters the title "COMMENTS", "RECOMMENDATIONS FOR TERMS AND CONDITIONS", "PROTEST", OR "MOTION TO INTERVENE", as applicable, and the Project Number of the particular application to which the filing refers. A copy of any motion to intervene must also be served upon each representative of the Applicant specified in the particular application.

p. *Agency Comments*—Federal, state, and local agencies are invited to file comments on the described application. A copy of the application may be obtained by agencies directly from the Applicant. If an agency does not file comments within the time specified for filing comments, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

q. *Comments, protests and interventions* 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> under the "e-Filing" link.

Magalie R. Salas,

Secretary.

[FR Doc. 02-14603 Filed 6-10-02; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Western Area Colorado Missouri Control Area Energy Imbalance Service—Rate Order No. WAPA-97

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: The Secretary of the Department of Energy (DOE) confirmed and approved Rate Order No. WAPA-97 and Rate Schedule L-AS4, which placed into effect the provisional formula rate for Energy Imbalance Service for the Western Area Colorado Missouri control area (WACM). The provisional formula rate will remain in effect until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places it into effect on a final basis or until it is replaced by another rate. The provisional formula rate will provide sufficient revenue to pay all assigned costs.

DATES: This provisional formula rate will become effective on an interim basis on the first day of the first full billing period beginning on or after July 1, 2002. It will remain in effect pending FERC's approval of it or a substitute formula rate on a final basis through March 31, 2003, or until superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Daniel T. Payton, Rates Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, telephone (970) 461-7442, e-mail dpayton@wapa.gov.

SUPPLEMENTARY INFORMATION: The Deputy Secretary approved the existing Rate Schedule L-AS4 for Energy Imbalance Service on March 23, 1998 (Rate Order No. WAPA-80, 63 FR 16778, April 6, 1998). FERC confirmed and approved the formula rate schedules on July 21, 1998, under FERC Docket No. EF98-5181-000 (84 FERC 61,066). The existing formula rate became effective on April 1, 1998, and is approved through March 31, 2003. Rate Schedule L-AS4 will be amended as necessary to incorporate the terms of this provisional formula rate, which is needed to adequately recover the cost of energy purchased when entities conducting business within WACM are unable to match their resources and obligations accurately.

The existing rate schedule provides for the ability to charge 100 mills per kilowatt-hour for under deliveries

occurring more than five times per month outside of a bandwidth of ± 1.5 percent. For over deliveries outside the bandwidth, the current rate schedule provides for the transmission customer (customer) to be credited up to 50 percent of the regional average monthly price for non-firm purchases. Within the bandwidth, the customer and Western Area Power Administration (Western) exchange energy.

There has been a great deal of price volatility over the last year, with on-peak prices ranging from a high of \$537 per megawatthour (MWh), to a low of \$23 per MWh. WACM, as a control area operator, must balance resources against obligations. As such, in times of deficit energy, WACM must purchase energy to keep the control area in balance. The existing 100-mill charge is inadequate to repay the costs of balancing energy in a high-cost market. At other times, it may be excessive. This proposed pass-through cost methodology will result in an equitable recovery of expenses.

Any change to Energy Imbalance Service will be as set forth in a revision to this schedule pursuant to applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

Provisional Formula Rate for Energy Imbalance Service

The provisional formula rate for Energy Imbalance Service is designed to recover purchase power costs made to balance energy requirements within WACM. This provisional formula rate establishes a bandwidth of ± 5 percent (10 percent total bandwidth), with a minimum deviation of 2 MW.

Within the bandwidth, the gross energy imbalance for each applicable customer within WACM shall be totaled and netted to determine an aggregate energy imbalance for WACM. For both over and under deliveries, the customer will receive a credit or charge equal to the weighted average real-time sale or purchase price.

Outside the bandwidth, each customer's energy imbalance will be calculated separately. For over deliveries, the customer will be credited 50 percent of the weighted average real-time sale price. For under deliveries, the customer will be charged 150 percent of the weighted average real-time purchase price.

Customers will be granted bandwidth expansions in certain cases for contributions to frequency bias, large thermal resources, and loss of a physical resource. The conditions for bandwidth expansion in these cases are outlined in-depth in the rate order.

This provisional formula rate is 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 Delegation Order No. 00-0037.00 published December 6, 2001, the Secretary delegated: (1) The authority to develop long-term power and transmission rates on a non-exclusive basis to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary; and (3) 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).

The Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, effective September 18, 1985 (50 FR 37835), have been followed by Western in developing this provisional formula rate.

Rate Order No. WAPA-97, confirming, approving, and placing the proposed WACM Energy Imbalance Service rate into effect on an interim basis, is issued. New Rate Schedule L-AS4 will be submitted promptly to FERC for confirmation and approval on a final basis.

Dated: May 30, 2002.

Spencer Abraham,
Secretary.

**Department of Energy
Secretary**

[Rate Order No. WAPA-97]

In the Matter of: Western Area Power Administration Rate Adjustment for Western Area; Colorado Missouri Energy Imbalance Service; Order Confirming, Approving, and Placing the Western Area Colorado Missouri Control Area Energy Imbalance Service Rate Into Effect on an Interim Basis.

This Energy Imbalance Service formula rate is established pursuant to section 302 of the Department of Energy (DOE) 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 (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32

Stat. 388), as amended and supplemented by subsequent enactments, primarily 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 (Secretary).

By Delegation Order No. 00-037.00 published December 6, 2001, the Secretary delegated: (1) The authority to develop long-term power and transmission rates on a non-exclusive basis to Western's Administrator, (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary; and (3) 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).

Existing 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/Terms and Definitions

Acronym/Term and Definition

ACE—Area Control Error.
AGC—Automatic Generation Control; a closed loop control system where generation normally responds to errors in energy balance.

DOE—Department of Energy.
Energy Imbalance Service—Service provided when there is a difference between a customer's resources and obligations within the control area.

FERC—Federal Energy Regulatory Commission.

FRR—Frequency Responsive Reserves
LAP—Loveland Area Projects.

LSE—Load-Serving Entity.
minor rate adjustment A rate adjustment that results in an annual revenue increase of less than 1 percent.

MW—Megawatt; unit of power equal to 1,000 kilowatts.

MWh—Megawatthour; energy delivered when 1 MW is supplied over 1 hour.

MVAR—Megavar, equal to 1,000 kilovolt-amperes reactive (VAR).

MV-90—WACM/RMR's metering database.

NERC—North America Electric Reliability Council (or its successors).

NITS—Network Integration Transmission Service.

OATT—Open Access Transmission Tariff.

Obligations—Delivery of energy in the name of the LSE or PSE to physical metered delivery points (load) or to load of another entity by way of scheduled sales from inside or outside of WACM.

\pm %Bandwidth—A percentage of metered load as measured directly at the loads or calculated by boundary metering.

PSE—Purchasing/Selling Entity.
Rate Order No. WAPA-80—Rate Order for Loveland Area Projects Transmission and Ancillary Services, Effective April 1, 1998.

Rate Schedule L-AS4—Rate Schedule filed within Rate Order No. WAPA-80 for Energy Imbalance Service.

real-time—Purchase or sale made for immediate next hour or hours.

Resources—Receipt of energy, either from customer rights to physical metered generation within WACM or scheduled purchase traceable to another entity's generation from inside or outside WACM.

RMR—Rocky Mountain Customer Service Region.

RMRG—Rocky Mountain Reserve Group.

WACM—Western Area Colorado Missouri control area.

WECC—Western Electric Coordinating Council, Western Systems Coordinating Council successor agency.

Western—Western Area Power Administration, U.S. Department of Energy.

Effective Date

This provisional formula rate will become effective on an interim basis on the first day of the first full billing period beginning on or after July 1, 2002, and will be in effect pending FERC's approval of it or a substitute formula rate on a final basis through March 31, 2003, or until superseded. This formula rate will be applied under existing transmission contracts, Western's OATT, and any subsequent agreements required. It will replace Schedule L-AS4, Energy Imbalance Service, updated October 1, 2001.

Public Notice and Comment

The Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, have been followed by Western in the development of this formula rate and schedule. The provisional formula rate for Energy Imbalance Service represents an increase of less than 1 percent in total LAP revenues; therefore, it is a minor rate adjustment as defined at 10 CFR part 903.2(f)(1). The distinction between a minor and a major rate adjustment is used only to determine the public procedures for the rate adjustment.

The following is a summary of the steps Western took to ensure involvement of interested parties in the rate adjustment process:

1. On December 20, 2001, RMR published a Notice of Proposed Rate in the **Federal Register** for revision of existing Energy Imbalance Service Rate Schedule L-AS4. The public comment period was to end January 31, 2002.

2. An informal public information meeting was held on January 15, 2002. Fifteen entities were represented at the meeting.

3. Based upon written comments received prior to January 31, 2002, the

end of the public comment period, RMR extended the comment period to February 28, 2002. At the time of this extension, RMR also delayed implementation of Energy Imbalance Service to May 1, 2002.

4. In response to requests at the January 15 information meeting, RMR electronically transmitted trial bills to customers for Energy Imbalance Service on February 15, 2002, to provide customers an opportunity to view Energy Imbalance Service calculations and pricing.

5. Western received written comments from seven parties during the comment period.

6. On March 29, 2002, Western sent a letter to customers stating that the scheduled implementation date for Energy Imbalance Service had been changed to June 1, 2002 (implementation has subsequently been moved to July 1, 2002).

The following organizations submitted written comments:

Basin Electric Power Cooperative, Inc.
Black Hills Power & Light
Colorado Springs Utilities
City of Torrington, Wyoming
Flathead Electric Cooperative, Inc.
Nebraska Municipal Power Pool
(Municipal Energy Agency of Nebraska)
Tri-State Generation and Transmission Association, Inc.

Description of WACM

WACM is operated by RMR and has within its borders Federal generating resources from the Pick-Sloan Missouri Basin Program, Fryingpan-Arkansas Project, and the Colorado River Storage Project. There are also large thermal generators within WACM that are not Federal resources, such as the Laramie River Station and Craig Powerplant, operated by Basin Electric Power Cooperative, Inc. and Tri-State Generation and Transmission Association, Inc., respectively. A number of smaller thermal units also exist within WACM.

The Federal generation is currently the only generation resource that responds to energy imbalances within WACM. The thermal generators located within WACM are either not on AGC, or are operated to an ACE signal that responds only to their sub-control area.

WACM has interconnections with seven other control areas: Nebraska Public Power District, Western Area Upper Missouri East, Western Area Upper Missouri West, Public Service Company of Colorado, Public Service Company of New Mexico, Pacificorp East, and Western Area Lower Colorado.

The peak load within WACM is about 2,900 MW with approximately 4,700 MW of generation, 1,000 MW of which is Federal generation.

Energy Imbalance Service

WACM provides Energy Imbalance Service when there is a difference between a customer's resources and obligations. Energy Imbalance is calculated as resources minus obligations (adjusted for transmission and transformer losses) for any combination of scheduled transfers/transactions integrated over each hour.

Resources are defined as actual generation plus scheduled resources, imports, or receipts. Obligations are defined as actual deliveries plus scheduled obligations, exports or deliveries plus losses not accounted for separately. Some deviation from zero is expected, and a bandwidth based on metered load is established to accommodate reasonable variations from an exact match. Deviation beyond an acceptable bandwidth is not considered prudent utility practice. Through-schedules, imports, and exports will not be included in the determination of the bandwidth.

Balancing energy is provided by WACM, most of which must be purchased in the real-time market.

Existing Rate Schedule and Need for Action

The rate adjustment is needed to adequately recover the cost of energy purchased when entities conducting business within WACM are unable to match their resources and obligations.

Rate Schedule L-AS4 currently provides for a charge of 100 mills per kilowatt-hour for under deliveries occurring more than five times per month outside a bandwidth of ± 1.5 percent. For over deliveries outside the bandwidth, the current rate schedule provides for a credit of 50 percent of the regional weighted average monthly price for non-firm purchases. Within the bandwidth, energy is exchanged between the customer and Western.

There has been a great deal of price volatility over the last year, with on-peak prices ranging from a high of \$537 per MWh, to a low of \$23 per MWh. The existing 100-mill charge is inadequate to repay the expenses of balancing energy in a high-cost market. At other times, 100 mills may be excessive. The provisional formula rate for Energy Imbalance Service uses a cost-based methodology, which will result in an equitable assessment of expenses to customers and WACM.

Applicability of Energy Imbalance Service

Energy Imbalance Service will apply to any entity that falls into one or more of the following categories:

1. Those serving load internal to WACM.
2. Those operating or holding scheduling rights to generators within WACM.
3. Those receiving scheduled resources as a buyer whose load is within WACM at a point where the buyer is the PSE at that Point of Delivery (POD).
4. Those delivering scheduled obligations as a seller whose resource is within WACM from a point where the seller is the PSE at that Point of Receipt (POR).

Energy Imbalance Bandwidth

WACM is establishing a bandwidth of ± 5 percent (based on customer load) with a minimum deviation of 2 MW, applied hourly to any energy imbalance that occurs as a result of a difference in the customers' resources and obligations. WACM has increased the bandwidth from ± 1.5 percent to ± 5 percent to accommodate the widest range of imbalanced energy in a non-punitive manner. The 2 MW minimum allows for situations in which entities

with loads less than 40 MW have a wider bandwidth than ± 5 percent; e.g., using the ± 5 percent, a load of 30 MW would normally have a bandwidth of ± 1.5 MW, but the minimum bandwidth of 2 MW results in an increased bandwidth of ± 7 percent. This accommodation allows the smaller customer more flexibility to deal with scheduling requirements (in whole megawatts) and forecasting difficulties.

In situations where a customer has elected to functionally integrate its load with another customer's and provide one schedule, that combined schedule will be treated as one entity for purposes of bandwidth calculation. The bandwidth will be determined by the sum of the load(s), not the sum of the bandwidths. The 2 MW minimum will only apply once in this scenario.

Formula Rate

All Energy Imbalance Service provided, both inside and outside the bandwidth, will be settled financially, accounted for hourly at the end of each month.

There are four scenarios for Energy Imbalance Service, each of which receive a specific pricing calculation. They are: (1) Over delivery within the bandwidth; (2) under delivery within the bandwidth; (3) over delivery outside

the bandwidth; and (4) under delivery outside the bandwidth.

Within the bandwidth, the gross energy imbalance for each applicable entity within WACM shall be totaled and netted to determine an aggregate energy imbalance for WACM. The sign of the aggregate energy imbalance will determine whether sale or purchase pricing will be used (surplus conditions will use sale pricing and deficit conditions will use purchase pricing). One-hundred percent of the real-time weighted average sale or purchase price is charged or credited to the customer, using hourly data when available.

Outside the bandwidth, WACM energy imbalance will not be aggregated. Each entity within WACM will be charged or credited independently for Energy Imbalance Service taken, dependent upon their over- or under-delivery status. For an under delivery outside the bandwidth, the charge will be 150 percent of the real-time hourly weighted average purchase price. For an over delivery outside the bandwidth, the credit will be 50 percent of the real-time hourly weighted average sale price.

If hourly data is unavailable, pricing defaults are as shown below in Table 1.

Examples of Energy Imbalance Service Calculations

TABLE 1

Within the bandwidth	
Credits for over deliveries (based on weighted average real-time sale price)	Credits for under deliveries (based on weighted average real-time purchase price)
Scenario: WACM Aggregate Net Over Delivery	Scenario: WACM Aggregate Net Under Delivery.
Sale #1 25 MW @ \$22 (\$550). Sale #2 25 MW @ \$20 (\$500). Sale #3 25 MW @ \$17 (\$425). Sale #4 25 MW @ \$12 (\$300). Purchase #1 100 MW @ \$35 (\$3,500). Purchase #2 50 MW @ \$32 (\$1,600). Purchase #3 100 MW @ \$15 (\$1,500). Purchase #4 50 MW @ \$10 (\$ 500). Calculation: (\$550+\$500+\$425+\$300) = \$1,775	Calculation: (\$3,500+\$1,600+\$1,500+\$500)=\$7,100 \$7,100 / 300 MW = \$23.67/MW. Weighted Average Real-Time Purchase Price = \$23.67/MW.
Weighted Average Real-Time Sale Price Price = \$17.75/MW	Customer would be charged \$23.67/MW.
Customer would be credited \$17.75/MW	Pricing Defaults: If no hourly real-time sales, default is to daily real-time sales weighted average on/off-peak. If no daily real-time sales, default is to monthly real-time sales weighted averaged on-/off-peak. If no monthly real-time sales, default is to the prior month real-time sales weighted average on-/off-peak.
Pricing Defaults: If no hourly real-time purchase, default is to daily real-time purchase weighted averaged on-/off-peak. If no daily real-time purchase, default is to monthly real-time purchase weighted averaged on-/off-peak. If no monthly real-time purchase, default is to prior month real-time purchase weighted average on-/off-peak.	Applicable transmission cost deducted
Applicable transmission cost deducted	Applicable transmission cost added.

TABLE 2

Outside the bandwidth	Credits for over deliveries (based on weighted average real-time sale price)
	Credits for under deliveries (based on weighted average real-time purchase time)
Scenario: Customer A Over Delivered	Scenario: Customer B Under Delivered.

TABLE 2—Continued

Outside the bandwidth	Credits for over deliveries (based on weighted average real-time sale price)
	Credits for under deliveries (based on weighted average real-time purchase time)
Sale #1 25 MW @ \$22 (\$550)	
Sale #2 25 MW @ \$20 (\$500)	
Sale #3 25 MW @ \$17 (\$425)	
Sale #4 25 MW @ \$12 (\$300)	
Calculation: (\$550+\$500+\$425+\$300) = \$1,775	Purchase #1 100 MW @ \$35 (\$3,500)
\$1,775 / 100 MW = \$17.75/MW	Purchase #2 50 MW @ \$32 (\$1,600)
Weighted Average Real-Time Sale Price = \$17.75/MW	Purchase #3 100 MW @ \$15 (\$1,500)
Customer credited 50% = \$8.88/MW	Purchase #4 50 MW @ \$10 (\$500)
Pricing Defaults: Same as shown in Table 1	Calculation: (\$3,500+\$1,600+\$1,500+\$500)=\$7,100
Applicable transmission cost deducted	\$7,100 / 300 MW = \$23.67/MW.
	Weighted Average Real-Time Price = \$23.67/MW.
	Customer charged 150% = \$35.50/MW.
	Pricing Defaults: Same as shown in Table 1.
	Applicable transmission cost added.

Comparison of Existing and Provisional Formula Rate for Energy Imbalance Service

The following is a comparison of the existing rate and the provisional

Existing rate schedule effective October 1, 2001	Provisional formula rate schedule effective July 1, 2002
Energy imbalance will be settled with both energy and dollars	All energy imbalance will be settled financially, accounted for hourly, at the end of each month.
Within the bandwidth, the customer and Western will exchange energy through energy deviation accounting.	Within the bandwidth, the gross energy imbalance for each applicable entity within WACM shall be totaled and netted to determine an aggregate energy imbalance for WACM (deficit conditions use purchase pricing; surplus conditions use sale pricing). One-hundred percent of the weighted average real-time purchase or sale price is charged or credited to the customer, using hourly pricing data when available (see Table 1 for defaults).
Outside the \pm 1.5% bandwidth, for negative excursions (2 MW minimum) and occurring more than 5 times per month, RMR reserves the right to charge 100 mills/kWh.	Outside the bandwidth, for negative excursions (2 MW minimum), RMR will charge the customer 150% of the hourly weighted average real-time purchase price (with defaults as stated herein).
Outside the \pm 1.5% bandwidth, positive excursions may be credited to the customer within 30 days for 50% of the regional weighted average monthly price for non-firm purchases.	Outside the bandwidth, for positive excursions (2 MW minimum), RMR will credit the customer 50% of the hourly weighted average real-time sales price (with defaults as stated herein).
A credit for over delivery will be provided if over deliveries do not impinge upon WACM operations. For example, during times of high water or operating constraints, RMR reserves the right to eliminate credits for over deliveries..	A credit for over delivery may not apply during times of WACM operating constraints; e.g., high-water "must-run" conditions. During these times, RMR reserves the right to eliminate credits for over deliveries.
No bandwidth expansion provided	Bandwidth may be expanded during certain hours in response to loss of physical resource, frequency bias contribution, and start up/shut down of large thermal resources.

Energy Imbalance and Control Area Operating Constraints

WACM reserves the right to eliminate credits for over deliveries during times of WACM operating constraints, such as "must-run" hydrologic conditions, or when WACM cannot dispose of surplus energy. It is not feasible for Western to offer a credit for energy when the market price is zero (or near zero).

In the case of over delivery, if the disposition of over-delivered energy results in zero value sales, there is no income to disburse. Due to the unpredictable nature of hour-to-hour energy imbalance and the very short notice for disposition of over deliveries, Western expects some hours of zero

value sales and the elimination of credits.

Additionally, if Western is unable to dispose of the entire net over delivery, and operating criteria for the control area are not met, there may be financial penalties to Western from reliability oversight agencies such as NERC or WECC. In these cases, credit to customers will be eliminated and parties over delivering may share in the cost to Western of the penalty.

Treatment for Jointly Owned Generation

In the case of a jointly owned generator, the charges and/or credits for Energy Imbalance Service will be assigned to the operating agent of the

generator. Unless WACM is provided with a legally binding signed agreement from the owners designating a specific methodology to allocate among owners and entitlements, the amount of aggregate energy imbalance will be assigned to the operating agent of the generator(s). Western reserves the right to refuse a designation that does not provide for the full and accurate recovery of all generator energy imbalances existing among owners and/or entitlements.

Generation owners and/or entitlements will be responsible for the actual implementation of the allocation among the multiple owners. Providing WACM with a methodology within a signed agreement will not in itself be sufficient. The generation owners must ensure that

proper tagging and scheduling of the generation is accomplished so that the Energy Imbalance Service is assigned accurately to each generation owner.

Physical Resource Loss

Western recognizes that the loss of a physical resource or generator due to an uncontrollable event (forced outage), can result in a loss of a significant percentage of an entity's resource(s), and may result in an energy condition outside the bandwidth. To lessen the impact of such instances, the bandwidth will be widened to accommodate the amount of time required for an emergency response.

Western will apply this expanded bandwidth to those cases where a resource is lost (either internal to or scheduled into WACM) due to an uncontrollable event, that is replaced for 1 or 2 hours by a coordinated response from a Western-recognized reserve-sharing group, such as RMRG.

Responses to another group member's loss of a unit during a reserve group activation will be accounted for by an after-the-fact schedule for the response. Therefore, no bandwidth expansion is required. For those entities for which real-time ACE is used to measure energy imbalance, bandwidth expansion will be evaluated on a customer-by-customer basis.

Contributions for Frequency Bias

For those entities operating generation in a tie-line bias mode, subject to the requirements for FRR, Western intends to offset the calculated raw energy imbalance by an amount equal to the weighted average hourly frequency multiplied by the entity's frequency response bias factor. This will eliminate any Energy Imbalance Service costs incurred due to provision of frequency support to the interconnection. Inadvertent energy accumulated between sub-control areas and WACM due to activation of FRR will be separately tracked. For an entity to qualify for this accommodation, the requesting entity must provide Western with data required for physical confirmation of FRR participation. Minimum data that must be provided in real time includes the scan-by-scan information regarding individual unit capability, real MW output, and reactive MVAR output. Engineering data commonly used for system modeling must also be provided. Other data may be required and will be requested in writing. No credit will be allowed for frequency bias contributions until the requested real-time and engineering data is provided to WACM.

Consideration of Large Thermal Resources

Western recognizes the difficulty in transitioning large base-load thermal resources between an on-line and off-line state. During such transitions, these units generate energy that is not easily predicted, controlled, or scheduled, and over-supply may result if the unit is still synchronized and generating, but the delivery schedules are zero. During these transitional periods, Western will expand the bandwidth until the unit is adjusted to its desired position: on or off line.

These transitional periods should be infrequent occurrences and not considered normal operation. The expanded bandwidth will be applied hourly beginning with the first hour containing synchronized generation from the unit. The period of expanded bandwidth will continue until the unit has reached an output level deemed by the operating agent and agreed to by Western to be sufficient for scheduling energy (minimum scheduling level).

For scheduled transitions from on line to off line, expanded bandwidth will be applied hourly beginning with the hour in which the unit generates less than the minimum scheduling level.

Forced transitions from on-line to off-line will receive credit as explained in the "Physical Resource Loss" section of this notice.

The bandwidth will not be expanded when ramping services have been acquired by an entity.

Treatment of Intermittent Renewable Resources

Western promotes the installation of renewable sources of energy, but recognizes that these resources fluctuate significantly as a normal part of their operation. WACM is a geographically large control area with few resources available to balance loads and resources, which limits WACM's ability to cover the fluctuation anticipated with an intermittent renewable resource. Western will apply Energy Imbalance Service to renewable energy resources. However, Western is willing to purchase, on a pass-through cost basis, the regulation and energy required to mitigate the fluctuations inherent in intermittent resources. This will assure that the intermittent resources only pay for their impact on the system and are not penalized for out-of-band excursions.

Contractual Vehicle for Energy Imbalance Service

All entities currently operating within WACM post revenues and expenses for

energy deviation under their interconnection agreements. Energy Imbalance Service will replace energy deviation accounting for all transactions, effective July 1, 2002. Some customers within WACM serve load without the use of the Federal transmission system. Prior to July 1, 2002, as Western works through the implementation of Energy Imbalance Service with its customers, Western will determine whether or not a customer has an existing contract or needs to execute an additional agreement.

For customers who are unwilling to take Energy Imbalance Service, Western will work with them to meter their load out of WACM. Until such time as that meter reconfiguration is accomplished, Western will charge or credit the customer for Energy Imbalance Service taken.

Certification of Rates

Western's Administrator has certified that the Energy Imbalance Service, Rate Schedule L-AS4, placed into effect on an interim basis herein is the lowest rate possible consistent with sound business principles. The formula rate has been developed in accordance with agency administrative policies and applicable laws.

Energy Imbalance Service Written Comments

Following is a summary of written comments received during the public comment period and RMR's response. Comments were combined and paraphrased to address similar issues. Several requests for clarification and definition of various words, phrases or processes were made, and Western has addressed those within the context of this order.

In addition to clarification, changes have been made to the proposed rate methodology published in the **Federal Register** on December 20, 2001, based upon the input received during the public process.

Comment: Several comments received related to: (1) The complexity of the billing and the volume of data; (2) the use of network transmission billing as a starting point for Energy Imbalance Service calculation; and (3) the ability of the control area and customers to implement this service.

Response: RMR has both the staff and systems in place to implement Energy Imbalance Service. Western will continue to work with customers to simplify the presentation of material and assure that the customer understands the Energy Imbalance Service calculation. RMR has eliminated

the marginal pricing methodology to simplify the billing process.

Western agreed with the comment to begin with the NITS billing data as a starting point for Energy Imbalance Service calculation and has made that change for any customer currently receiving a network transmission bill from Western.

Customers are not required to develop or maintain any new systems in response to Energy Imbalance Service. However, they must maintain full, active, and ongoing communication with Western. Additionally, it will be the customers' responsibility to review the bill and promptly notify Western of any concerns.

Western will provide customers the detail necessary to support the Energy Imbalance Service calculations. This will include, but not be limited to, hourly details of all import and export schedules and generation and load data. Each customer will receive a summary file combining all elements into a final Energy Imbalance Service bill.

Comment: A commenter asked whether Western's current energy deviation accounting will now be handled through Energy Imbalance Service and result in a net cash transaction versus energy exchange.

Response: Effective June 30, 2002, existing energy deviation accounts will be "frozen" and settled consistent with the terms of existing contracts or mutual agreements. Energy Imbalance Service and subsequent billing will replace all previous WACM internal deviation energy accounting and will be settled financially.

Comment: A commenter asked how an existing contract for regulation and frequency response service outside the OATT would be handled within the scope of Energy Imbalance Service calculation.

Response: Western will honor all existing contracts and will expand the bandwidth accordingly for regulation service taken as provided by the customer's contract with Western.

Comment: Several comments were received concerning administrative issues for Energy Imbalance Service, specifically: (1) defining the process for Energy Imbalance Service to be followed when a generator is jointly owned; and (2) requesting information about how Western will charge for loads off the Federal transmission system.

Response: Western has addressed both of these issues in separate sections within the text of this rate order, entitled "Treatment of Jointly-Owned Generation" and "Contractual Vehicle for Energy Imbalance."

Comment: A commenter raised a question about a single PSE that currently uses two PSE codes (one for merchant activity and one for reliability) in the tagging system. Will they be treated separately?

Response: These types of tagging situations will be addressed on a case-by-case basis by WACM. It would appear that the two entities will be treated (accounted for) separately, as the tags indicate that they are separate entities. However, at the customer's request and with WACM's concurrence, Western will manually merge them into a final energy accounting and bill.

Comment: Customers employing AGC in a tie-line bias mode as recommended by WECC and NERC may be penalized by their efforts to support regional reliability. The commenter feels WACM should offer a penalty adjustment to allow for AGC control.

Response: Western agrees and has addressed this issue in the section entitled "Contribution for Frequency Bias" in this final rate order.

Comment: Comments were made concerning the processes to be used in the administration of Energy Imbalance Service, specifically: (1) Extension of the comment period; (2) equal treatment of all parties; and (3) dispute resolution and the processes that are in place when the service is implemented.

Response: Western officially extended the comment period until February 28, 2002, to allow parties sufficient time to comment after viewing sample data.

Western will continue to work with all parties to ensure the accuracy of data and equitable treatment. If any customer has information that would assist Western in reconciling its energy accounts, Western encourages them to initiate a timely exchange so that the information can be considered in the customer's Energy Imbalance Service calculation.

It is Western's intention that any and all disputes over the calculation of Energy Imbalance Service will be resolved between Western and the customer prior to billing for the service. However, if no resolution is achieved, the process to address disputes outlined in the customer's service contract will be used.

Comment: Various comments were made concerning the final calculation of the energy imbalance bills. These included comments and questions on (1) after-the-fact checkouts and related adjustments; (2) calculation of ACE; (3) metering errors and energy-only meters; (4) proper accounting for losses; and (5) the timing and disposition of bills.

Response: The primary principle of Energy Imbalance Service is to account

for generation, load, and control area boundary flow on an hourly basis. However, Western recognizes that scheduling differences among control areas may require changes to be made in accordance with inadvertent resolution procedures established by NERC and WECC. Western has expanded its checkout processes and will continue to work with individual generation operators and LSEs toward improving daily and monthly checkouts. Affected customers will be responsible for contacting Western concerning tagging and checkout issues and working through the discrepancies in a timely manner prior to Energy Imbalance Service billing. Once inter-control area schedules are agreed upon, Western will consider additional corrections to schedules totally inside the control area on a case-by-case basis.

Western is working with all customers impacted by the implementation of Energy Imbalance Service to ensure that where Western calculates an individual customer's ACE within the control area, it is in agreement with the customer's ACE measurement. This will be an ongoing effort up to, through, and beyond implementation of Energy Imbalance Service. Western will continue to work toward the real-time notification to customers of potential imbalance. This action, however, will not postpone implementation of Energy Imbalance Service within WACM.

Metering errors will also be addressed on a case-by-case basis. Western will account for energy-only meters by dividing monthly energy by the number of hours in the month. Monthly meters are normally used in applications where load characteristics are primarily flat, such as small 24-hour industrial operations without large hour-to-hour variations. Most loads in WACM with a significant impact to Energy Imbalance Service calculations are already metered with interval recording devices. Any remaining monthly energy-only meters in WACM that Western believes to have a load profile other than the flat model will need to be replaced at the customer's expense.

Western assesses applicable control area, network, or grandfathered contract service with a uniform loss rate associated with physical load in WACM. Western will allow customers to "scale up" each hourly meter reading (multiplying by 1 plus the applicable loss rate) in the same manner currently in force; *i.e.*, the increase of load meters having the same loss factor. Losses associated with point-to-point transmission service on Western's transmission system, or through the WACM control area for purposes of

merchant transactions, will remain, for now, under a separate ongoing loss collection process.

The issuance of final Energy Imbalance Service bills for any month will take place at the earliest possible date following the end of the month. However, Energy Imbalance Service billing is not possible until all relevant energy schedules have been through the NERC and WECC checkout process and all after-the-fact pricing calculations have been completed. This may take several months. Western's research has shown that most utilities billing for Energy Imbalance Service have a lag from "month-end to bill" of about 60 to 90 days.

Comment: Comments expressed concern about WACM's MV-90 metering system as the determinant of actual load obligations within WACM on an after-the-fact basis.

Response: Western currently reads 300 meters by remote means and achieves an error rate of less than 1 percent. Remote readings for the previous month (including error processing) are usually completed by the third day of the following month.

Comment: Many comments were received concerning the Energy Imbalance Service methodology. They included requests for: (1) An expansion of the ± 4 percent bandwidth; (2) revised treatment of forced resource outages; (3) elimination of out-of-band penalties for non-firm intermittent renewable resources; and (4) elimination of out-of-band penalties for large thermal units during startup and shutdown transitions.

Response: Western has expanded the previously proposed bandwidth of ± 4 percent to ± 5 percent. Please refer to the section of this rate order entitled, "Energy Imbalance Bandwidth."

Western will allow some expansion of the bandwidth under certain criteria during times of loss of a physical resource. Western has addressed the issue of forced resource outages in the section of this rate order entitled "Physical Resource Loss."

Western will apply Energy Imbalance Service to renewable energy resources. However, Western is willing to purchase, on a pass-through cost basis, the regulation and energy required to mitigate the fluctuations inherent in intermittent resources. Western has addressed the issue of non-firm intermittent renewable resources in the section of this rate order entitled "Treatment of Intermittent Renewable Resources."

Western will allow some expansion of the bandwidth under certain criteria during startup and shutdown of large

thermal resources. Western has addressed this issue in the section of this rate order entitled "Consideration of Large Thermal Resources."

Comment: Comments questioned the use of WACM prices versus published indices, how these prices are determined, and whether WACM will make them available to the customers.

Response: Western has eliminated the use of industry indices in its pricing structure. Prices are derived from WACM hourly real-time sales and purchases (in some cases multiple-hour transactions).

The prices may or may not bear a relationship to a published market index, but Western maintains that the best method to ensure that Western does not over- or under-collect revenue, nor under- or over-credit for surpluses, is to adhere to the actual real-time purchase and sales pricing.

The WACM sales and purchase pricing will be posted after-the-fact on a web site currently under development. Customers will be provided information related to the web site's access and use prior to the first issuance of an Energy Imbalance Service bill.

Comment: Several comments were received concerning: (1) The complexity of the pricing structure; (2) the need for an out-of-band penalty; (3) how Western makes the distinction between merchant and reliability related transmission; and (4) the application of revenues received for the out-of-band penalties.

Response: Western has simplified the pricing mechanism by eliminating both marginal pricing and the use of industry indices. This rate order contains the details of these changes. Pricing for both within and outside of the bandwidth will be the average prices for real-time transactions, with penalties for out-of-band imbalances.

Federal transmission transactions correspond with an energy transaction. Western determines its merchant versus reliability energy transactions by virtue of the transaction either being done in preschedule or real-time mode. The transmission transactions would follow the associated energy transaction and be deemed to be either for merchant or reliability purposes.

Western's analysis substantiated out-of-band penalties as: (1) An appropriate economic disincentive for entities operating outside the expanded bandwidth of ± 5 percent; and (2) a mitigation of Western's risk in crediting customers for over deliveries.

Compensation from the penalties applied outside the bandwidth will cover unplanned maintenance costs associated with unscheduled unit responses, as well as Western's

expenses for disruption of generation schedules.

Comment: The provision that allows WACM the ability to offer no financial credit during periods when control area operations are compromised by over delivery (e.g., during periods of high water or other operating constraints) was questioned.

Response: Western maintains that during times of control area constraints, it reserves the right to offer no credit for over delivery of energy. Western addressed this comment in the section of this rate order entitled "Energy Imbalance Service and Control Area Operating Constraints."

Comment: Concern was expressed that small-load entities that are required to schedule in whole MW increments would be penalized by Energy Imbalance Service.

Response: The size of an entity will not exempt a customer from the responsibility of balancing resources with obligations. However, the 2 MW minimum bandwidth was established expressly for the smaller customer, so that scheduling in whole MWs would not push them outside the bandwidth. More detailed information on this comment appears in the sections of this rate order entitled "Energy Imbalance Bandwidth" and "Formula Rate."

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 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, *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

Comments, letters, memorandums, or other documents made or kept by Western in developing the proposed rate will be made available for inspection and copying at the Rocky Mountain Customer Service Region located at 5555 East Crossroads Boulevard, Loveland, CO 80538-8986.

Submission to the Federal Energy Regulatory Commission

The interim rate herein confirmed, approved, and placed into effect, together with supporting documents, will be submitted to FERC for confirmation and final approval.

Order

I confirm and approve on an interim basis, effective July 1, 2002, Rate Schedule L-AS4 for Energy Imbalance Service for the Western Area Colorado Missouri control area for the Western Area Power Administration. The rate schedule shall remain in effect on an interim basis, pending FERC confirmation and approval of it or a substitute rate on a final basis through March 31, 2003.

Dated: May 30, 2002.

Spencer Abraham,
Secretary.

Rate Schedule L-AS4, (Supersedes L-T3); Schedule 4 to OATT,
July 1, 2002.

Department of Energy

*Western Area Power Administration,
Rocky Mountain Region, Western Area
Colorado Missouri Control Area;
Schedule of Rate for Energy Imbalance
Service*

Effective

The first day of the first full billing period beginning on or after July 1, 2002, through March 31, 2003.

Available

Within the Rocky Mountain Customer Service Region's Western Area Colorado Missouri control area (WACM).

Applicable

To customers receiving Energy Imbalance Service from WACM.

Character and Conditions of Service

WACM provides Energy Imbalance Service when there is a difference between a customer's resources and obligations. Energy Imbalance is calculated as resources minus obligations (adjusted for transmission and transformer losses) for any combination of scheduled transfers, transactions, or actual load integrated over each hour. Both Federal transmission customers and customers on others' transmission systems within WACM must either obtain this service from WACM or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation.

Formula Rate

All Energy Imbalance Service provided, both inside and outside the bandwidth, will be settled financially, accounted for hourly at the end of each month. The WACM shall establish a deviation band of ± 5 percent (with a minimum of 2 MW) of the actual load to be applied hourly to any energy imbalance that occurs as a result of a customer's schedules and/or meter data.

Normally, there are four scenarios for Energy Imbalance Service, each of which receive a specific pricing calculation. They are: (1) Over delivery within the bandwidth; (2) under delivery within the bandwidth; (3) over delivery outside the bandwidth; and (4) under delivery outside the bandwidth. During periods of control area operating constraints, Western reserves the right to eliminate credits for over deliveries and parties over delivering may share in the cost to Western of the penalty.

Within the Bandwidth

The gross energy imbalance for each applicable entity within WACM shall be totaled and netted to determine an aggregate energy imbalance for WACM. The sign of the aggregate energy imbalance will determine whether sale or purchase pricing will be used (surplus conditions use sale pricing and deficit conditions will use purchase pricing).

Depending upon the sign of the aggregate energy imbalance for all entities within WACM, the pricing for charges and credits within the bandwidth will be: Weighted Average Sale or Purchase Price @ 100%.

Outside the Bandwidth

Each entity within WACM will be charged or credited independently for Energy Imbalance Service taken,

dependent upon their over- or under-delivery status.

Under Delivery (customer deficit) =
Customer will be charged 150% of the weighted average real-time purchase price.

Over Delivery (customer surplus) =
Customer will be credited 50% of the weighted average real-time sale price.

Expansion of the bandwidth will be allowed during the following instances:

- The loss of a physical resource.
- Upon evidence of proven frequency bias contribution for control area needs.
- The transition (start up/shut down) period for large thermal resources.

Pricing Defaults

When no hourly data is available, the pricing defaults for sales and purchase pricing both within and outside the bandwidth will be applied in the following order:

- Weighted average real-time sale or purchase pricing for the day (on and off peak).
- Weighted average real-time sale or purchase pricing for the month (on and off peak).
- Weighted average real-time sale or purchase pricing for the prior month (on and off peak).
- Weighted average real-time sale or purchase pricing for the month prior to the prior month (and continuing until sale or purchase pricing located) (on and off peak).

Billing

The billing determinants for the above formula rates are specified in the final rate order and in the associated service agreement.

[FR Doc. 02-14609 Filed 6-10-02; 8:45 am]

BILLING CODE 6450-01-P

ENVIRONMENTAL PROTECTION AGENCY

[OPP-2002-0104; FRL-7182-7]

Industrial Economics Inc.; Transfer of Data

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces that pesticide related information submitted to EPA's Office of Pesticide Programs (OPP) pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and Cosmetic Act (FFDCA), including