use of basis differentials to price transportation services enables the pipeline to negotiate market sensitive transportation rates, consistent with the Commission's goal of encouraging competition in the transportation capacity market. Such market sensitive rates provide greater efficiency in the production and distribution of gas across the pipeline grid. For example, such rates minimize the distorting effect of transportation costs on producer decisions concerning exploration and production. They also help the pipeline to more accurately assess when new construction is needed, because a high basis differential indicates a need for more capacity between the points.[16]

9. In implementing its policy against the use of gas basis differentials, the Commission recognized that the use of basis differential pricing mechanisms yielded significant benefits, but stated that such increased flexibility could not justify the increased risk that the pipelines may utilize their market power over transportation service to manipulate the commodity market to increase basis differentials.[17]

10. However, in the Commission's view, the ability of pipelines to manipulate the gas commodity market is tempered by several factors. First, part 284 of the Commission's regulations and its policies provide that pipelines must sell capacity to maximum rate bidders.[18] Therefore, pipelines may not hoard desired capacity in an attempt to widen basis differential without violating the Commission's existing regulations. Second, pipelines must file all negotiated rate agreements with the Commission for approval. Those filing negotiated rate contracts are noticed for comments giving all interested parties an opportunity to raise whatever concerns they have with the agreement. Moreover, the Commission has access to information regarding available pipeline capacity and daily gas basis differentials. This allows it to monitor the transactions to determine if the pipeline is withholding capacity in order to increase the gas commodity basis differential. Moreover, subsequent to the modification of the negotiated rate policy statement, Congress enacted new legislation designed to prohibit manipulation of the gas transportation markets. Concurrently with the issuance of this order, the Commission is approving a final rule in Docket No. RM06–3–000 implementing new section 4A of the Natural Gas Act.[19]

11. Given these facts and the benefits of the use of basis differential pricing mechanisms, the Commission finds that it is not necessary to ban the use of such mechanisms in order to mitigate the potential for manipulation of the market for either transportation or gas sales. Rather, the Commission will permit the use of gas commodity basis differentials and will continue to investigate, on a case by case basis, allegations of market manipulation or attempted market manipulation by pipelines. In this manner, the flexibility benefits of this pricing mechanism may be retained while the Commission maintains the integrity of the marketplace.

The Commission orders:

(A) The requests for rehearing of the Commission's July 9, 2003 Order are dismissed as discussed in the body of this order.

(B) The Commission's July 9, 2003 Order is clarified as discussed in the body of this order.

By the Commission.

Magalie R. Salas,

Secretary.

[FR Doc. E6–941 Filed 1–25–06; 8:45 am]

BILLING CODE 6717–01–P

---

the Chicago city gate was $.07 in September 1999 (the difference between the $2.67 price for gas in Chicago and the $2.60 price at Henry Hub).'' *Id.* at 31,271. The difference between the downstream delivered gas price and the market price at upstream market centers in the production area shows the market value of transportation service between those two points. As the Commission observed in Order No. 637, ''gas commodity markets now determine the economic value of pipeline transportation services in many parts of the country. Thus, even as FERC has sought to isolate pipeline services from commodity sales, it is within the commodity markets that one can see revealed the true price for gas transportation.'' Order No. 637 at 31,274 (*quoting* M. Barcella, *How Commodity Markets Drive Gas Pipeline Values,* Public Utilities Fortnightly, February 1, 1998 at 24–25).

[16] *See Policy for Selective Discounting by Natural Gas Pipelines,* 111 FERC ¶ 61,309 at P 32–37 (2005).

[17] July 2003 Order, 104 FERC at P 23.

[18] *See Tennessee Gas Pipeline Co.*, 91 FERC ¶ 61,053 (2000), *order on reh'g,* 94 FERC ¶ 61,097 (2001), *aff'd, Process Gas Consumers Group* v. *FERC*, 292 F.3d 831 (D.C. Cir. 2002). Moreover, in Order No. 637–A, the Commission reaffirmed its position that the recourse rate effectively mitigates pipeline market power by stating that ''[T]he requirement that a pipeline sell its capacity at the regulated maximum rate prevents tacit collusion between the pipeline and the shipper to withhold capacity to raise price above the ceiling * * *'' *Id.* at 31,564.

[19] Section 315 of the Energy Policy Act of 2005 added the following provision to the Natural Gas Act:

Prohibition on Market Manipulation

SEC. 4A. It shall be unlawful for any entity, directly or indirectly, to use or employ, in connection with the purchase or sale of natural gas or the purchase or sale of transportation services subject to the jurisdiction of the Commission, any manipulative or deceptive device or contrivance (as those terms are used in section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b))) in contravention of such rules and regulations as the Commission may prescribe as necessary in the public interest or for the protection of natural gas ratepayers. Nothing in this section shall be construed to create a private right of action.

Energy Policy Act of 2005, Pub. L. No. 109–58, § 315, 119 Stat. 594, (2005).

ENVIRONMENTAL PROTECTION AGENCY

[FRL–8025–3]

Proposed CERCLA Administrative Settlement Agreement for the Bountiful/Woods Cross/5th South Pce Plume NPL Site, in Woods Cross, Davis County, UT

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice and request for public comment.

SUMMARY: In accordance with the requirements of section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (''CERCLA''), 42 U.S.C. 9622(h)(1), notice is hereby given of the proposed administrative settlement under section 122(h) of CERCLA, 42 U.S.C. 9622(h), between EPA and W.S. Hatch Company and Jack B. Kelley, Inc. (''Settling Parties'') regarding the W.S. Hatch facility (the ''Facility''). The property which is the subject of this proposed Settlement Agreement is a parcel of land approximately three acres in size and is located at approximately 643 South and 800 West in Woods Cross, Davis County, Utah. The terms of the proposed Administrative Settlement Agreement, (the ''Settlement''), are intended to resolve the Settling Parties' liability at the Site for all response costs incurred and paid, or to be incurred and paid, by EPA in connection with the work performed at the Site as provided for in the Settlement.

W.S. Hatch Company, a subsidiary of Jack B. Kelley, Inc., is the owner of a parcel of land which has been impacted by business operations at the Facility and is included within the defined boundaries of the Site. The proposed Settlement will resolve the Settling Parties' liability under section 107(a)(1) of CERCLA, 42 U.S.C. 9607(a)(1). EPA has performed an ability to pay analysis of Settling Parties' financial capacity. Under the terms of the proposed Settlement, W.S. Hatch Company agrees to pay $450,000, plus interest, to EPA over five installment payments, and Jack B. Kelley, Inc. agrees to pay the principal sum of $40,000 to EPA. In exchange, the Settling Parties will settle their liability for all response costs incurred and paid, or to be incurred and

paid, at the Site in connection with the work performed at the Site as provided for in the Settlement.

Opportunity for Comment: For thirty (30) days following the date of publication of this notice, the Agency will consider all comments received on the Payment of Response Costs portion of the Settlement only (Section VI) and may modify or withdraw its consent to the Settlement if comments received disclose facts or considerations which indicate that the settlement is inappropriate, improper, or inadequate. The Agency's response to any comments received will be available for public inspection at the EPA Superfund Record Center, 999 18th Street, 5th Floor, in Denver, Colorado.

DATES: Comments must be submitted on or before February 27, 2006.

ADDRESSES: The proposed settlement and additional background information relating to the settlement are available for public inspection at the EPA Superfund Records Center, 999 18th Street, 5th Floor, in Denver, Colorado. Comments and requests for a copy of the proposed settlement should be addressed to Carol Pokorny, Enforcement Specialist (8ENF–RC), Technical Enforcement Program, U.S. Environmental Protection Agency, 999 18th Street, Suite 300, Denver, Colorado 80202–2466, and should reference the Hatch Co/Kelley Settlement Agreement for the Bountiful/Woods Cross/5th South PCE Plume NPL Site in Bountiful, Davis County, Utah.

FOR FURTHER INFORMATION CONTACT: Carol Pokorny, Enforcement Specialist (8ENF–RC), Technical Enforcement Program, U.S. Environmental Protection Agency, 999 18th Street, Suite 300, Denver, Colorado 80202–2466, (303) 312–6970.

It is so agreed.

Dated: January 13, 2006.

Carol Rushin,

Assistant Regional Administrator, Office of Enforcement, Compliance and Environmental Justice, Region VIII.

[FR Doc. E6–993 Filed 1–25–06; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *http://www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 21, 2006.

A. Federal Reserve Bank of Chicago (Patrick M. Wilder, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. Marshall &Ilsley Corporation, Milwaukee, Wisconsin; to acquire 100 percent of the voting shares of Trustcorp Financial, Inc., St. Louis, Missouri, and thereby indirectly acquire Missouri State Bank and Trust Company, Clayton, Missouri.

B. Federal Reserve Bank of San Francisco (Tracy Basinger, Director, Regional and Community Bank Group) 101 Market Street, San Francisco, California 94105-1579:

1. Wells Fargo & Company, San Francisco, California; to acquire 100 percent voting shares of Fremont National Bank of Canon City, Canon City, Colorado.

2. Wells Fargo &Company, San Francisco, California; to acquire 100 percent voting shares of Centennial Bank of Pueblo, Pueblo, Colorado.

Board of Governors of the Federal Reserve System, January 20, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–932 Filed 1–25–06; 8:45 am]

BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February, 21, 2006.

A. Federal Reserve Bank of Kansas City (Donna J. Ward, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. Citizens Bancshares, Inc. ESOP, Edmond, Oklahoma; to acquire up to 40 percent of the voting shares of Citizens Bancshares, Inc., Edmond, Oklahoma, and thereby indirectly acquire voting shares of The Citizens Bank of Edmond, Edmond, Oklahoma.

Board of Governors of the Federal Reserve System, January 23, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–956 Filed 1–25–06; 8:45 am]

BILLING CODE 6210–01–S