• A standard license condition requiring decommissioning and site restoration at the time of license expiration if the option is not exercised.

A flowchart describing Commission staff's proposed licensing process for pilot projects is attached to this notice.

Transcripts of the conference will be immediately available from Ace Reporting Company (202–347–3700 or 1–800–336–6646) for a fee. They will be available to the public on the Commission's eLibrary system seven calendar days after FERC receives the transcript.

All comments (original and eight copies) should be filed with: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. Comments may be filed electronically via the Internet in lieu of paper. The Commission strongly encourages electronic filings. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site (*http://www.ferc.gov*) under the ''e-Filing'' link.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an e-mail to: *accessibility@ferc.gov* or call toll free 866–208–3372 (voice) or 202-502–8659 (TTY), or send a FAX to 202–208–2106 with the required accommodations.

Additional details regarding the agenda for this conference will be included in a subsequent notice.

For more information about the conference, please contact Kristen Murphy at 202–502–6236 (*kristen.murphy@ferc.gov*), or Tim Welch at 202–502–8760 (*timothy.welch@ferc.gov*).

Kimberly D. Bose,

Secretary.

[FR Doc. E7–14729 Filed 7–30–07; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Docket Nos. RM05–17–002; RM05–25–002]

Preventing Undue Discrimination and Preference in Transmission Service; Notice of Agenda and Procedures for Staff Technical Conference

July 23, 2007.

This notice establishes the agenda and procedures for the staff technical conference to be held on July 30, 2007,[1] to discuss issues raised in requests for clarification and rehearing to Order No. 890 with regard to (1) the minimum lead-time for undesignating network resources in order to make firm third-party sales and (2) the eligibility of on-system seller's choice and system sales to be designated as network resources.[2] The technical conference will be held from 9 a.m. to 3 p.m. (EDT) at the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in the Commission Meeting Room. All interested persons are invited to attend, and registration is not required.

The agenda for this conference is attached. In order to allot sufficient time for questions and responses, each speaker will be provided with ten minutes for prepared remarks. Presenters who want to distribute copies of their prepared remarks or handouts should bring 100 double-sided copies to the technical conference. Equipment will also be available for computer presentations, if requested.[3] Presenters who wish to include comments, presentations, or handouts in the record for this proceeding should file their comments with the Commission. Comments may either be filed on paper or electronically via the eFiling link on the Commission's Web site at *http://www.ferc.gov*.

A free webcast of this event is available through *http://www.ferc.gov*. Anyone with Internet access who desires to view this event can do so by navigating to www.ferc.gov's Calendar of Events and locating this event in the calendar. The event will contain a link to its webcast. The Capitol Connection provides technical support for the free webcasts. It also offers access to this event via television in the DC area and via phone bridge for a fee. If you have any questions, visit *http://www.CapitolConnection.org* or contact Danelle Springer or David Reininger at 703–993–3100.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an e-mail to *accessibility@ferc.gov* or call toll free 1–866–208–3372 (voice) or 202–208–8659 (TTY), or send a fax to 202–208–2106 with the required accommodations.

For further information about this conference, please contact:

Tom Dautel, Office of Energy Markets and Reliability, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–6196, *Thomas.Dautel@ferc.gov*.

W. Mason Emnett, Office of the General Counsel—Energy Markets, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–6540, *Mason.Emnett@ferc.gov*.

Kimberly E. Bose,

Secretary.

Attachment A—Agenda for Order No. 890 Staff Technical Conference

Federal Energy Regulatory Commission

July 30, 2007.

9 a.m. Opening remarks and introductions.

9:15 a.m. Panel I—Eligibility of on-system seller's choice and system sales to be designated as network resources.

Barry Bennett, Attorney, Bonneville Power Administration.

Charlotte Glassman, Transmission Contracts Manager, Duke Energy Carolinas, LLC.

Jeff Guldner, Director, Federal Regulation and Compliance, Arizona Public Service Company.

Tom Haymaker, Vice President, Power Supply, PNGC Power.

Robert Lafferty, Manager, Wholesale Marketing & Contracts, Avista Corporation.

Jim Sheffield, Vice President, Morgan Stanley.

11:45 a.m. Lunch.

12:30 p.m. Panel II—Minimum lead-time for undesignating network resources in order to make firm third-party sales.

Jeff Atkinson, Manager of Power Planning and Marketing, Grant County PUD.

Michael Beer, Vice President, Federal Regulation and Policy, E.ON U.S.

Jeff Guldner, Director, Federal Regulation and Compliance, Arizona Public Service Company.

Tom Haymaker, Vice President, Power Supply, PNGC Power.

Robert Lafferty, Manager, Wholesale Marketing & Contracts, Avista Corporation.

Jim Sheffield, Vice President, Morgan Stanley.

3 p.m. Adjourn.

[1] The initial notice establishing the date of this technical conference was issued on July 12, 2007.

The technical conference was directed in the Commission Order Establishing Technical Conference and Providing Guidance issued June 26, 2007, in this proceeding.

[2] *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 FR 12266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 at PP 1483 and 1557–59 (2007), *reh'g pending*.

[3] In order to facilitate discussion, we ask panelists to limit their use of electronic presentation equipment during the conference to the display of graphics, charts or other materials aside from outlines of their comments.

Note: all times are local.

[FR Doc. E7–14742 Filed 7–30–07; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. PL07–2–000]

Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity

July 19, 2007.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Proposed Policy Statement.

SUMMARY: The Federal Energy Regulatory Commission is proposing to modify its current policy regarding the composition of proxy groups used to determine return on equity for natural gas and oil pipelines under the Discounted Cash Flow Methodology. Under the proposed policy statement, the Commission would permit Master Limited Partnerships (MLPs) to be included in the proxy group, subject to certain conditions. The Commission proposes to leave to individual cases the determination of the specific MLPs to be included in the proxy group used to determine return on equity in that case.

DATES: Initial comments are due August 30, 2007. Reply comments are due August 30, 2007.

ADDRESSES: You may submit comments, identified in Docket No. PL07–2–000, by any of the following methods:

1. Agency Web Site: *http://www.ferc.gov.* The Commission accepts most standard word processing formats and commentors may attach additional filed with supporting information in certain other file formats. Commentors filing electronically do not need to make a paper filing.

2. Mail/Hand Delivery: Commentors unable to file comments electronically must mail or hand-deliver an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: John M. Robinson, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, 202–502–6808, *John.Robinson@ferc.gov.*

Before Commissioners: Joseph T. Kelliher, Chairman; Suedeen G. Kelly, Marc Spitzer, Philip D. Moeller, and Jon Wellinghoff.

1. In this proposed Policy Statement, the Commission is proposing to update its standards concerning the composition of the proxy groups used to decide the return on equity (ROE) of natural gas and oil pipelines. Firms engaged in the pipeline business are increasingly organized as master limited partnerships (MLPs). Therefore, the Commission proposes to modify its current policy regarding the composition of proxy groups to allow MLPs to be included in the proxy group. This proposed Policy Statement explains the standards that the Commission would require to be met in order for an MLP to be included in the proxy group. The Commission proposes to apply its final Policy Statement to all gas and oil pipeline rate cases that have not completed the hearing phase as of the date the Commission issues its final Policy Statement. The Commission intends to decide on a case-by-case basis whether to apply the final Policy Statement in cases that have completed the hearing phase. Finally, the Commission is requesting comments on this proposed Policy Statement. Initial comments are due 30 days after publication of this order in the **Federal Register**, with reply comments due 50 days after publication in the **Federal Register**.

I. Background

2. Since the 1980s, the Commission has used a Discounted Cash Flow (DCF) model to develop a range of returns earned on investments in companies with corresponding risks for determining the ROE for natural gas and oil pipelines. The DCF model was originally developed as a method for investors to estimate the value of securities, including common stocks. It is based on ''the premise that a stock is worth the present value of its future cash flows, discounted at a market rate commensurate with the stock's risk.'' [1] Unlike investors, the Commission uses the DCF model to determine the ROE to be included in the pipeline's rates, rather than to estimate a stock's value. Therefore, the Commission solves the DCF formula for the discount rate, which represents the rate of return that an investor requires in order to invest in a firm. Under the resulting DCF formula, ROE equals current dividend yield (dividends divided by share price) plus the projected future growth rate of dividends.

3. The Commission uses a two-step procedure for determining the constant growth of dividends: averaging short-term and long-term growth estimates.[2] Security analysts' five-year forecasts for each company in the proxy group, as published by Institutional Brokers Estimate System (IBES), are used for determining growth for the short term; long-term growth is based on forecasts of long-term growth of the economy as a whole, as reflected in the Gross Domestic Product. The short-term forecast receives a ⅔ weighting and the long-term forecast receives a ⅓ weighting in calculating the growth rate in the DCF model.[3]

4. Most gas pipelines are wholly-owned subsidiaries and their common stock is not publicly traded, and this is also true for some jurisdictional oil pipelines. Therefore, the Commission uses a proxy group of firms with corresponding risks to set a range of reasonable returns for both natural gas and oil pipelines. The Commission then assigns the pipeline a rate within that range or zone, to reflect specific risks of that pipeline as compared to the proxy group companies.[4]

5. The Commission historically required that each company included in the proxy group satisfy the following three standards.[5] First, the company's stock must be publicly traded. Second, the company must be recognized as a natural gas or oil pipeline company and its stock must be recognized and tracked by an investment information service such as Value Line. Third, pipeline operations must constitute a high proportion of the company's business. Until the Commission's 2003 decision in *Williston Basin Interstate Pipeline Co.,*[6] the third standard could only be satisfied if a company's pipeline business accounted for, on average, at least 50 percent of a company's assets or operating income over the most recent three-year period.

[1] *Ozark Gas Transmission System*, 68 FERC ¶ 61,032 at 61,104, n. 16 (1994).

[2] *Northwest Pipeline Co.,* 71 FERC ¶ 61,309 at 61,989–92 (1995) (Opinion No. 396), 76 FERC ¶ 61,068 (1996) (Opinion No. 396–A), 79 FERC ¶ 61,309 (1997) (Opinion No. 396–B), *reh'g denied,* 81 FERC ¶ 61,036 (1997) (Opinion No. 396–C); *Williston Basin Interstate Pipeline Co.*, 79 FERC ¶ 61,311, *order on reh'g,* 81 FERC ¶ 61,033 (1997), *aff'd in relevant part, Williston Basin Interstate Pipeline Co.,* 165 F.3d 54 (D.C. Cir. 1999) (*Williston Basin*).

[3] The Commission presumes that existing pipelines fall within a broad range of average risk, and thus generally sets pipelines' return at the median of the range. *Transcontinental Gas Pipe Line Corp.,* 84 FERC ¶ 61,084 at 61,423–4 (1998) Opinion No. 414–A, *reh'g,* 85 FERC ¶ 61,323 (1998) (Opinion No. 414–B), *aff'd North Carolina Utilities Commission* v. *FERC,* 340 U.S. App. D.C. 183 (D.C. Cir) (unpublished opinion).

[4] *Williston Basin* at 57 (*citation omitted*).

[5] *Transcontinental Gas Pipe Line Corp.,* 90 FERC ¶ 61,279 at 61,933 (2000).

[6] *Williston Basin Interstate Pipeline Company,* 104 FERC ¶ 61,036 at P 35, n. 46 (2003).