

listening device, or materials in an alternative format), notify the contact person listed under **FOR FURTHER INFORMATION CONTACT** at least two weeks before the scheduled workshop date. Although we will attempt to meet a request received after that date, we may not be able to make available the requested auxiliary aid or service because of insufficient time to arrange it.

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Program Authority: 20 U.S.C. 9801 et seq.

Dated: April 25, 2008.

Diane Auer Jones,
Assistant Secretary for Postsecondary
Education.

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BILLING CODE 4000-01-P

DEPARTMENT OF ENERGY

Bonneville Power Administration

[BPA File No.: TRM-12]

2012 Tiered Rate Methodology Proceeding; Public Hearings and Opportunities for Public Review and Comment

AGENCY: Bonneville Power Administration (BPA), Department of Energy (DOE).

ACTION: Notice of proposed tiered rate methodology.

SUMMARY: BPA is proposing to adopt a new tiered rate design for setting its Priority Firm Power (PF) rates beginning with the FY 2012-2013 rate period. The primary feature of this Tiered Rate Methodology (TRM) proposal is one rate tier (Tier 1) based on generation output and costs attributed to BPA's current Federal base system resources and a second rate tier (Tier 2) based on the

generation and costs associated with newly acquired resources.

The TRM is part of BPA's effort to achieve the overall policy objectives of the Long-Term Regional Dialogue Policy (Policy). Under this Policy, BPA will offer 20-year Regional Dialogue Contracts to its Federal agency and public utility customers for power priced at a tiered PF rate. The TRM is intended to provide customers with a predictable and durable means by which to calculate BPA's PF tiered rate for the term of these contracts.

Determinations of specific rate levels applicable to these contracts will not be established in this proceeding. Rather the specific rate levels will be developed consistent with the TRM in the respective Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) section 7(i) rate proceedings during the term of this TRM. BPA intends to set the actual power rates on a two-year cycle throughout the term of the Regional Dialogue contracts beginning with the FY 2012-2013 rate period.

BPA is commencing this proceeding under section 7 of the Northwest Power Act to establish the TRM. Entities wishing to become a formal party to the proceeding must file a petition to intervene, notifying BPA in writing of their intention to do so in conformance with the requirements stated in this Notice.

DATES: Petitions to intervene must be received no later than 5 p.m., Pacific Daylight Time (PDT), on May 7, 2008. Proposed hearing dates are supplied in **SUPPLEMENTARY INFORMATION**, Part I.A. below. Non-party participants may make written comments between May 2, 2008, and July 10, 2008. Comments must be received by 5 p.m., PDT, on July 10, 2008, in order to be considered in the Record of Decision.

ADDRESSES: Petitions to intervene should be directed to Camille Blakely, Hearing Clerk, LP-7, Bonneville Power Administration, 905 NE 11th Avenue, Portland, OR 97232 or by e-mail to: trm12rate@bpa.gov, and must be received no later than 5 p.m., PDT, on May 7, 2008. In addition, a copy of the petition must be served concurrently on BPA's General Counsel directed to Peter J. Burger, LP-7, Office of General Counsel, Bonneville Power Administration, 905 NE 11th Avenue, Portland, OR 97232 or by e-mail to: pjburger@bpa.gov. (See Part III (A) for more information.) Written comments can be submitted online at BPA's Web site <http://www.bpa.gov/comment>, or by mail to: BPA Public Affairs, DKE-7, P.O. Box 14428, Portland, OR 97293-4428.

Please identify written or electronic comments as "TRM-12 Proceeding" comments. Documents will be available for public viewing after May 9, 2008. The documents are available at: <http://www.bpa.gov/corporate/ratecase>, or at BPA's Public Information Center, BPA Headquarters Building, 1st Floor, 905 NE 11th, Portland, Oregon, and will be provided to parties on a compact disk (CD) at the prehearing conference to be held on May 9, 2008, beginning at 1:30 p.m., Room 223, 911 NE 11th, Portland, Oregon. Due to increased security requirements, attendees should allow additional time to enter the building and complete the required screening process. Photo identification will be required for entry.

FOR FURTHER INFORMATION CONTACT: Ms. Nita Burbank, Lead Public Affairs Specialist, Power Policy Development, PFP-6, P.O. Box 3621, Portland, OR 97208. Interested persons may also call 503-230-3458 or 1-800-622-4519 (toll-free).

SUPPLEMENTARY INFORMATION:

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Part I—Introduction and Procedural Background

Section 7(i) of the Northwest Power Act, 16 U.S.C. section 839e(i), requires that BPA's rates be established according to certain procedures. These procedures include, among other things: Publication of a notice of the proposed rates in the **Federal Register**; one or more hearings conducted as expeditiously as practicable by a Hearing Officer; public opportunity to provide both oral and written views related to the proposed rates; opportunity to offer refutation or rebuttal of submitted material; and a decision by the Administrator based on the record. This proceeding is governed by section 1010 of BPA's Rules of Procedure Governing Rate Hearings, 51 FR 7611 (1986) (BPA Hearing Procedures). These procedures implement the statutory section 7(i) requirements.

Section 1010.7 of the BPA Hearing Procedures prohibits *ex parte* communications. The *ex parte* rule applies to all BPA and DOE employees and contractors. Except as provided below, any outside communications with BPA and/or DOE personnel regarding BPA's rate case by other Executive Branch agencies, Congress, existing or potential BPA customers

(including tribes), and nonprofit or public interest groups are considered outside communications and are subject to the *ex parte* rule. The general rule does not apply to communications relating to: (1) Matters of procedure only (the status of the rate case, for example); (2) exchanges of data in the course of business or under the Freedom of Information Act; (3) requests for factual information; (4) matters BPA is responsible for under statutes other than the ratemaking provisions; or (5) matters that all parties agree may be made on an *ex parte* basis. The *ex parte* rule remains in effect until the Administrator's Final ROD is issued, which is scheduled to occur on or about September 29, 2008.

The Bonneville Project Act, 16 U.S.C. section 832, the Flood Control Act of 1944, 16 U.S.C. 825s, the Federal Columbia River Transmission System Act, 16 U.S.C. 838, and the Northwest Power Act, 16 U.S.C. 839, provide guidance regarding BPA ratemaking. The Northwest Power Act requires BPA to set rates that are sufficient to recover, in accordance with sound business principles, the cost of acquiring, conserving and transmitting electric power, including amortization of the Federal investment in the FCRPS over a reasonable period of years, and certain other costs and expenses incurred by the Administrator.

BPA's proposed TRM is available for viewing and downloading on BPA's website at <http://www.bpa.gov/corporate/ratecase> and is discussed in Part IV below. BPA will be conducting a formal rate proceeding open to rate case parties. Interested parties must file petitions to intervene in order to take part in the formal hearing as discussed in Part III (A) below. A proposed schedule for the formal process is as follows. The Hearing Officer will establish a final schedule at the prehearing conference.

Prehearing/BPA Direct Case Clarification	05/09/08
Motions to Strike	05/14–15/08
Data Request Deadline	05/16/08
Answers to Motions to Strike	05/22/08
Data Response Deadline	05/22/08
Parties file Direct Cases	06/13/08
Clarification	06/18–19/08
Motions to Strike	06/20/08
Data Request Deadline	06/20/08
Answers to Motions to Strike	06/26/08
Data Response Deadline	06/26/08
Litigants file Rebuttal	07/10/08
Close of Participant Comments	07/10/08
Clarification	07/14–15/08
Motions to Strike	07/16/08
Data Request Deadline	07/16/08

Answers to Motions to Strike	07/22/08
Data Response Deadline	07/22/08
Cross-Examination	07/24–25/08
Initial Briefs Filed	08/04/08
Oral Argument	08/07/08
Draft ROD Issued	09/02/08
Briefs on Exceptions	09/08/08
Final ROD and Final TRM Issued	09/29/08

Part II—Policy Guidance and Scope of Hearing

A. Overview and Background

The Regional Dialogue process began in April 2002 when a group of BPA's Pacific Northwest electric utility customers submitted a joint customer proposal to BPA that addressed both near-term and long-term contract and rate issues. Since then, BPA, the Northwest Power and Conservation Council (Council), customers, and other interested parties have worked on these near- and long-term issues. Considering the depth and complexity of many of these issues, BPA determined that it would address the issues in two phases. The first phase of the Regional Dialogue, referred to as the Near-Term Policy, addressed issues that had to be resolved in order to replace power rates that expired in September 2006. See Bonneville Power Administration's Policy for Power Supply Role for Fiscal Years 2007–2011 (February 2005). The issues in the second phase were addressed in BPA's Long-Term Regional Dialogue Final Policy and Record of Decision, which were published on July 19, 2007. The Long-Term Regional Dialogue Final Policy is expected to be implemented through new power sales contracts and the TRM, which will be established in this rate case.

This proposed TRM provides for a two-tiered PF rate design applicable to firm requirements power service for public utility customers that sign a Regional Dialogue Contract that provides for tiered rates. The TRM establishes a predictable and durable means by which to calculate BPA's PF tiered rate, beginning in FY 2012 when power deliveries commence. Tiered rate design differentiates between the costs of service associated with Tier 1 System Resources and the cost associated with additional amounts of power needed to serve any remaining portion of public utility customers' Net Requirement (Tier 2). Rate Period High Water Marks (RHWM), determined according to this TRM, are the basis for determining how much of each customer's Net Requirement purchase from BPA is charged Tier 1 rates and how much may be charged Tier 2 rates. This TRM specifies how rates will be developed

that ensure to the maximum extent possible that customers purchasing at Tier 1 rates do not pay any of the costs of serving other public utility customers' above RHWH load. Each customer may purchase up to its RHWM, limited by its Net Requirement, at Tier 1 rates. To meet its above-RHWM load, a customer may purchase Federal power, procure non-Federal power or a combination of the two. To the extent a customer purchases Federal power for its above-RHWM load, a PF Tier 2 rate(s) will be applied to this portion of their Federal power service.

B. Scope of the TRM–12 Proceeding

This section provides guidance to the Hearing Officer as to those matters that are within the scope of the rate case, and those that are outside the scope.

1. Regional Dialogue Policy and Contracts

The design and scope of the power products and issues related to the terms and conditions of the Regional Dialogue contract are not determined in rate cases nor are they established by the TRM. Pursuant to section 1010.3(f) of BPA Hearing Procedures, the Administrator hereby directs the Hearing Officer to exclude from the record any materials attempted to be submitted or arguments attempted to be made in the proceeding that seek to address the design and scope of the power products and terms and conditions of the Regional Dialogue contracts.

2. DSI Service

The decision regarding whether BPA will provide service and/or benefits to its Direct Service Industry (DSI) customers beginning in FY 2012 will be made in a supplemental process as outlined in the Long-Term Regional Dialogue Final Policy. It should be noted that while the decision on DSI service and the manner, if any of such service will be determined in a separate process, the allocation of any cost associated with any DSI service under the TRM is a proper issue in this proceeding. Pursuant to section 1010.3(f) of the BPA Hearing Procedures, the Administrator directs the Hearing Officer to exclude from the record any materials attempted to be submitted or arguments attempted to be made in the proceeding that seek to in any way address the decision to serve the DSIs and the nature and manner of such service, except as any such material is relevant to the issue of the appropriate allocation of any cost associated with any DSI service under the TRM.

C. The National Environmental Policy Act

1. Potential Environmental Impacts

As discussed in this section, potential environmental impacts of BPA's proposed actions are assessed through appropriate analysis and documentation under the NEPA. The NEPA process is conducted separately from BPA's formal rate proceedings. Therefore, pursuant to section 1010.3(f) of the BPA Hearing Procedures, the Administrator directs the Hearing Officer to exclude from the record all evidence and argument that seek in any way to address the potential environmental impacts of the proposed TRM.

2. The National Environmental Policy Act

BPA is in the process of assessing the potential environmental effects that could result from implementation of its proposed TRM, consistent with the National Environmental Policy Act (NEPA). Because this proposal implicates BPA's ongoing business practices, BPA is reviewing the proposal in light of BPA's Business Plan Environmental Impact Statement (Business Plan EIS), completed in June 1995 (DOE/EIS-0183), as refreshed April 2007. This EIS evaluates environmental impacts potentially resulting from a range of business plan alternatives that can be varied by applying policy modules, including modules specifically designed for varying tiered rate methodologies. Any combination of alternative policy modules should allow BPA to balance its costs and revenues.

In August 1995, the BPA Administrator issued a Record of Decision (Business Plan ROD) that adopted the Market-Driven Alternative from the Business Plan EIS. This alternative was selected because, among other reasons, it allows BPA to: (1) Recover costs through rates; (2) competitively market BPA's products and services; (3) develop rates that meet customer needs for clarity and simplicity; (4) continue to meet BPA's legal mandates; and (5) avoid adverse environmental impacts.

In April 2007, BPA completed and issued a Supplement Analysis to the Business Plan EIS. The Supplement Analysis found that the Business Plan EIS's relationship-based and policy-level analysis of potential environmental impacts from BPA's business practices remains valid, and that BPA's current business practices are still consistent with BPA's Market-Driven approach. The Business Plan EIS and ROD thus continue to provide a

sound basis for making determinations under NEPA concerning BPA's business-related decisions.

Because the proposed TRM likely would assist BPA in accomplishing the goals identified in the Business Plan ROD, the proposal appears consistent with these aspects of the Market-Driven Alternative. In addition, the proposed TRM is similar to the types of tiered rate constructs identified and considered in the Business Plan EIS; thus, implementation of this proposal would not be expected to result in significantly different environmental impacts from those examined in the Business Plan EIS. Therefore, BPA expects that the proposed TRM likely will fall within the scope of the Market-Driven Alternative that was evaluated in the Business Plan EIS and adopted in the Business Plan ROD.

As part of the Administrator's ROD that will be prepared for the proposed TRM, BPA may tier its decision under NEPA to the Business Plan ROD. However, depending upon the ongoing environmental review, BPA may, instead, issue another appropriate NEPA document. During the public review and comment period for the TRM, persons interested in submitting comments regarding its potential environmental effects may do so by submitting comments to Katherine Pierce, NEPA Compliance Officer, KEC-4, Bonneville Power Administration, 905 NE 11th Avenue, Portland, OR 97232. Any such comments received by July 10, 2008, will be considered by BPA's NEPA compliance staff in the NEPA process that will be conducted for the proposed TRM.

Part III—Public Participation

A. Distinguishing Between "Participants" and "Parties"

BPA distinguishes between "participants in" and "parties to" the section 7(i) hearing process. Apart from the formal hearing process, BPA will accept comments, views, opinions, and information from "participants," who are defined in the BPA Hearing Procedures as persons who may submit comments without being subject to the duties of, or having the privileges of, parties. Participants' written and oral comments will be made a part of the official record and considered by the Administrator when making his decision. Participants are not entitled to participate in the prehearing conference; may not cross-examine parties' witnesses, seek discovery, or serve or be served with documents; and are not subject to the same procedural requirements as parties.

The views of participants are important to BPA. Written comments by participants will be included in the record if they are received by 5 p.m., PDT, on July 10, 2008. Written views, supporting information, questions, and arguments should be submitted to BPA Public Affairs at the address listed in the **ADDRESSES** section.

Persons wishing to become a party to BPA's rate proceeding must notify BPA in writing and file a Petition to Intervene with the Hearing Officer. Petitioners may designate no more than two representatives upon whom service of documents will be made. Petitions to Intervene must state the name and address of the person requesting party status and the person's interest in the hearing. Petitions to Intervene as parties in the rate proceeding are due to the Hearing Officer by 5 p.m., PDT, on May 7, 2008, and should be directed as stated in the **ADDRESSES** section above.

Petitioners must explain their interests in sufficient detail to permit the Hearing Officer to determine whether they have a relevant interest in the proceeding. Pursuant to section 1010.1(d) of BPA Hearing Procedures, BPA waives the requirement in section 1010.4(d) that an opposition to an intervention petition must be filed and served 24 hours before the prehearing conference. Any opposition to an intervention petition may instead be made at the prehearing conference. Any party, including BPA, may oppose a petition for intervention. Persons who have been denied party status in any past BPA rate proceeding shall continue to be denied party status unless they establish a significant change of circumstances. All timely applications will be ruled on by the Hearing Officer. Late interventions are strongly disfavored.

B. Developing the Record

The record will comprise, among other things, verbal and written comments made by participants, including the transcripts of all hearings, any written materials submitted by the parties, documents developed by BPA staff, and other materials accepted into the record by the Hearing Officer. Written comments by participants will be included in the record if they are received by 5 p.m., PDT, on July 10, 2008. The Hearing Officer will then review the record, supplement it if necessary, and will certify the record to the Administrator for decision.

The Administrator will adopt the final TRM based on the entire record, which includes the record certified by the Hearing Officer, as described above. The basis for the final TRM first will be

expressed in the Administrator's Draft ROD. Parties will have an opportunity to respond to the Draft ROD as provided in the BPA Hearing Procedures. The Administrator will serve copies of the Final ROD on all parties. The ROD will also be publicly available at <http://www.bpa.gov/corporate/ratecase>.

BPA must continue to meet with customers in the ordinary course of business during the rate case. To comport with the rate case procedural rule prohibiting ex parte communications, BPA will provide the prescribed notice of meetings involving rate case issues in order to permit the opportunity for participation by all rate case parties. These meetings may be held on very short notice. Consequently, parties should be prepared to devote the necessary resources to participate fully in every aspect of the rate proceeding and attend meetings any day during the course of the rate case.

Part IV—The Tiered Rate Methodology

The TRM establishes a predictable and durable means by which to tier and calculate BPA's Priority Firm (PF) power rate. Specific determinations of rate levels will be made in each general rate case in a manner consistent with the TRM in the respective section 7(i) proceedings applicable during the term of this TRM. Tiered PF rates will be implemented beginning in FY 2012 when power deliveries under new contracts commence. The TRM provides for a two-tiered PF rate design applicable to requirements firm power service for those customers that participate in the contracts that provide for tiered rate service. Tiered rate design differentiates between the costs of service associated with the existing Federal system (Tier 1) and the cost associated with additional amounts of power needed to serve the remaining portion of customers' net requirements (Tier 2). This TRM specifies how rates will be developed that assure to the extent possible that customers will be able to purchase Tier 1 power that does not include the costs of serving other customers' load growth.

The TRM addresses: (1) How to determine a customer's eligibility to purchase power at Tier 1 rates; (2) how to determine the amount of power to be charged at Tier 1 rates; (3) how costs will be allocated to the PF Tier 1 and Tier 2 rate pools; (4) how rates for Tier 1 and Tier 2 sales will be designed; and (5) how rates for resource support services will be designed.

The cost allocation and rate design methods will be implemented in each BPA power rate case during the term of the Regional Dialogue contracts, except

under limited circumstances. Power rates will be calculated on a two-year cycle under the TRM.

Rate Period High Water Marks (RHWM), determined according to this TRM, are the basis for separating which portion of each customer's net requirements purchase from BPA is charged Tier 1 rates and which is charged Tier 2 rates. Each customer may purchase up to its RHWM, limited by its net requirement, at Tier 1 rates. To meet its above-RHWM load, a customer may purchase Federal power, procure non-Federal power or both. To the extent a customer purchases Federal power to meet its above RHWH load, a PF Tier 2 rate will be applied to the Federal power service.

BPA will limit the sum of all RHWMs to the planned firm power output of the existing Federal system as it is currently defined, plus a limited amount of augmentation.

For purposes of the TRM, BPA will calculate the projected amounts of Federal system resource output, contract purchases, and contract obligations necessary for developing tiered rates for each rate period. The projected output of resources assigned to each rate tier will be used in the determination of RHWMs, which will be incorporated in the ratemaking process.

In each applicable rate proposal, BPA will allocate all of its costs into three cost pools for determining Tier 1 rates and a number of Tier 2 cost pools corresponding to the Tier 2 rate alternatives that customers have selected.

In each rate case, BPA will define risk mitigation mechanisms and set rates to support BPA's then-current Agency financial risk standard(s). The Agency financial risk standard(s) is (are) set in BPA's 10-Year Financial Plan, or its successor, subject to any required review in a 7(i) rate proceeding.

The proposed TRM includes a rate design for Tier 1 rates that includes three components: customer charges, demand rates and load shaping rates. However, there are significant changes in the billing determinants to which these rates apply from BPA's current rate structure. There will be three customer charges, only two of which will be applicable to any particular product selected by the customer. The Composite Customer Charge and the Non-Slice Customer Charge will be applicable to purchasers of the Load Following and Block products, including the block portion of the Slice/Block product. The Composite Customer Charge and the Slice Customer Charge will be applicable to purchasers of the Slice portion of the Slice/Block product.

The Demand Charge will apply to Load Following and Block with Shaping Capacity purchasers and will be charged to a portion of each customer's maximum hourly load in each month. The Load Shaping Charge will apply to Load Following and Block purchasers and will be charged to a portion of each customer's energy load during each diurnal period of each month.

BPA's proposed TRM is available for viewing and downloading on BPA's Web site at <http://www.bpa.gov/corporate/ratecase>. Copies will also be available for viewing at BPA's Public Information Center, BPA Headquarters Building, 1st Floor, 905 NE 11th Avenue, Portland, Oregon.

Issued this 24th day of April, 2008.

Stephen J. Wright,

Administrator and Chief Executive Officer.

[FR Doc. E8-9572 Filed 4-30-08; 8:45 am]

BILLING CODE 6450-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

April 23, 2008.

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Docket Numbers: RP96-272-074.

Applicants: Northern Natural Gas Company.

Description: Northern Natural Gas Company submits 50 Revised Sheet 66A *et al.* of its FERC Gas Tariff, Fifth Revised Volume 1 effective April 22, 2008.

Filed Date: 04/21/2008.

Accession Number: 20080422-0153.

Comment Date: 5 p.m. Eastern Time on Monday, May 5, 2008.

Docket Numbers: RP99-518-105.

Applicants: Gas Transmission Northwest Corporation.

Description: Gas Transmission Northwest Corp submits Fifteenth Revised Sheet 24 *et al.* to FERC Gas Tariff, Third Revised Volume 1-A, to become effective 4/23/08.

Filed Date: 04/22/2008.

Accession Number: 20080422-0081.

Comment Date: 5 p.m. Eastern Time on Monday, May 05, 2008.

Docket Numbers: RP08-319-000.

Applicants: Natural Gas Pipeline Company of America.

Description: Natural Gas Pipeline Company of America LLC submits its entire FERC Gas Tariff, Seventh Revised Sheet Volume 1 and Third Revised Volume 2 as set forth in Appendix C.