

Secondary locations: Director, National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100, for records of retired or former personnel 62 years after retirement or discharged from the U.S. Navy.”

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

All Navy military members.

**CATEGORIES OF RECORDS IN THE SYSTEM:**

Name, Social Security Number (SSN), date of birth, education, training and qualifications, professional history, assignments, performance, promotions, leave and pay entitlements and deductions.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

10 U.S.C. 5013, Secretary of the Navy and E.O. 9397 (SSN), as amended.

**PURPOSE(S):**

The purpose of this system is to provide secure worldwide personnel and pay support for Navy members and their commands. To allow authorized Navy personnel and pay specialists to collect, process, modify, transmit, and store unclassified personnel and pay data. To support management of leave and pay entitlements and deductions so that this information can be provided to the Defense Finance and Accounting Service (DFAS) for payroll processing and preparation of the Leave and Earnings Statements (LES).

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:**

In additional to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act of 1974, these records or information contained therein may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

The DoD ‘Blanket Routine Uses’ that appear at the beginning of the Navy’s compilation of systems of records notices apply to this system.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

**STORAGE:**

Paper and automated records maintained by Space and Warfare Systems Center Atlantic.

**RETRIEVABILITY:**

Records are retrieved by name and Social Security Number (SSN).

**SAFEGUARDS:**

Password controlled system, file, and element access based on predefined

need-to-know. Physical access to terminals, terminal rooms, buildings and activities’ grounds are controlled by locked terminals and rooms, guards, personnel screening and visitor registers.

**RETENTION AND DISPOSAL:**

Records will be maintained by the primary record holder for current U.S. Navy members, and for 62 years after retirement or discharged from the U.S. Navy. Thereafter, records will be maintained by the secondary record holder at the National Personnel Records Center.

**SYSTEM MANAGER(S) AND ADDRESS:**

Policy Official: Commander, Navy Personnel Command (PERS-33), 5720 Integrity Drive, Millington, TN 38055-3120.

Primary Record Holder: Personnel Office or Personnel Support Detachment that provides administrative support for the local activity where assigned. Official mailing addresses are published in the Standard Navy Distribution List.

Secondary locations: Director, National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100, for records of retired or former personnel 62 years after retirement or discharged from the U.S. Navy.

**NOTIFICATION PROCEDURE:**

Individuals seeking to determine whether this system of records contains information about themselves should address written inquiries to the Personnel Office or Personnel Support Detachment providing administrative support for the local activity where they are assigned. Official mailing addresses are published in the Standard Navy Distribution List.

Secondary location: Director, National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100, for records of retired or former personnel 62 years after retirement or discharge from the U.S. Navy.

The request should include full name, Social Security Number, and address of the individual concerned and should be signed. The system manager may require an original signature or a notarized signature as a means of proving the identity of the individual requesting access to the records.

**RECORD ACCESS PROCEDURE:**

Individuals seeking access to records about themselves should address written inquiries to the Personnel Office or Personnel Support Detachment providing administrative support for the

local activity where they are assigned. Official mailing addresses are published in the Standard Navy Distribution List.

Secondary location: Director, National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100, for records of retired or former personnel 62 years after retirement or discharge from the U.S. Navy.

Written requests should contain full name, Social Security Number, and address of the individual concerned and should be signed. The system manager may require an original signature or a notarized signature as a means of proving the identity of the individual requesting access to the records.

**CONTESTING RECORD PROCEDURES:**

The Navy’s rules for accessing records, and for contesting contents and appealing initial agency determinations are published in Secretary of the Navy Instruction 5211.5; 32 CFR part 701; or may be obtained from the system manager.

**RECORDS SOURCE CATEGORIES:**

Official records and systems maintaining personnel information, professional qualifications, and educational institutions. These records and systems include the Navy Military Personnel Records System, Enlisted Master File Automated System, Officer Master File Automated System, Reserve Command Management System, On-Line Distribution Information System, and Education and Training Records.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

None.

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**BILLING CODE 5001-06-P**

**DEPARTMENT OF ENERGY**

**Bonneville Power Administration**

[BPA File No.: BP-12]

**Fiscal Year (FY) 2012-2013 Proposed Transmission Rate Adjustments Public Hearing and Opportunities for Public Review and Comment**

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

**ACTION:** Notice of FY 2012-2013 proposed transmission rate adjustments.

**SUMMARY:** BPA is holding a consolidated rate proceeding, Docket No. BP-12, to establish power and transmission rates for FY 2012-2013. The purpose of this **Federal Register** Notice is to provide notice of the proposed rates for

transmission and for the two required ancillary services (listed below, part IV.C.). BPA has previously issued a separate **Federal Register** Notice to provide notice of the proposed rates for power, the other ancillary services, and all control area services.

The Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) provides that BPA must establish and periodically review and revise its rates so that they are adequate to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power, including amortization of the Federal investment in the Federal Columbia River Power System (FCRPS) over a reasonable number of years and BPA's other costs and expenses. The Northwest Power Act also requires that BPA's rates be established based on the record of a formal hearing, and for transmission rates only, that the costs of the Federal transmission system be equitably allocated between Federal and non-Federal power utilizing the system. By this notice, BPA announces the commencement of the transmission portion of a power and transmission rate adjustment proceeding, for rates to become effective on October 1, 2011.

**DATES:** Anyone who has previously intervened in the BP-12 rate proceeding is automatically a party to this portion of the proceeding as well. Anyone who has not intervened in the BP-12 rate proceeding and wishes to become a party to the proceeding for purposes of the transmission portion of the case only must intervene by sending notice to the addresses listed below no later than 5 p.m. on December 23, 2010. Parties that intervene at this time may not participate in the power portion of the rate proceeding.

The transmission portion of the BP-12 rate adjustment proceeding begins with a prehearing conference at 9 a.m. on December 17, 2010, in the BPA Rates Hearing Room, 2nd floor, 911 NE. 11th Avenue, Portland, Oregon 97232.

Written comments by non-party participants must be received by March 8, 2011 to be considered in the Administrator's ROD.

**ADDRESSES:**

1. Petitions to intervene should be directed to: Hearing Clerk—L-7, Bonneville Power Administration, 905 NE. 11th Avenue, Portland, Oregon 97232, or may be e-mailed to [rateclerk@bpa.gov](mailto:rateclerk@bpa.gov). In addition, copies of the petition must be served concurrently on BPA's General Counsel and directed to both Mr. Peter J. Burger, LP-7, and Mr. Barry Bennett, LC-7,

Office of General Counsel, 905 NE. 11th Avenue, Portland, Oregon 97232, or via e-mail to [pjburger@bpa.gov](mailto:pjburger@bpa.gov) and [bbennett@bpa.gov](mailto:bbennett@bpa.gov) (see section III.A. for more information regarding interventions).

2. Written comments by participants should be submitted to the Public Engagement Office, DKE-7, Bonneville Power Administration, P.O. Box 14428, Portland, Oregon 97293. Participants may also submit comments by e-mail at: <http://www.bpa.gov/comment>. BPA requests that all comments and documents intended to be part of the official record in this rate proceeding contain the designation BP-12 in the subject line.

**FOR FURTHER INFORMATION CONTACT:**

Ms. Heidi Y. Helwig, DKC-7, Public Affairs Specialist, Bonneville Power Administration, P.O. Box 3621, Portland, Oregon 97208; by phone toll free at 1-800-622-4520; or via e-mail to [hyhelwig@bpa.gov](mailto:hyhelwig@bpa.gov).

**Responsible Officials:** Ms. Rebecca E. Fredrickson, Transmission Rates Manager, is the official responsible for the development of BPA's transmission, ancillary and control area services (ACS) rates.

**SUPPLEMENTARY INFORMATION:**

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**Part I—Introduction and Procedural Background**

Section 7(i) of the Northwest Power Act, 16 U.S.C. 839e(i), requires that BPA's rates be established according to certain procedures, including publication in the **Federal Register** of this notice of the proposed rates; one or more hearings conducted as expeditiously as practicable by a Hearing Officer; opportunity for both oral presentation and written submission of views, data, questions, and arguments related to the proposed rates; and a decision by the Administrator based on the record. BPA's rate proceedings are further governed by BPA's Procedures Governing Bonneville Power Administration Rate Hearings, 51 **Federal Register** 7611 (1986), which implement and expand the statutory requirements.

This proceeding is being conducted under the rule for general rate proceedings, section 1010.4 of BPA's Procedures. A proposed schedule for the proceeding is provided below. A final

schedule will be established by the Hearing Officer at the prehearing conference.

Prehearing/BPA Direct Case.	December 17.
Intervention Deadline .....	December 23.
Clarification .....	January 4-7.
Motions to Strike .....	January 11.
Data Request Deadline ....	January 11.
Answers to Motions to Strike.	January 18.
Data Response Deadline	January 18.
Parties File Direct Case ...	February 8.
Clarification .....	February 14-15.
Motions to Strike .....	February 22.
Data Request Deadline ....	February 22.
Answers to Motions to Strike.	March 1.
Data Response Deadline	March 1.
Close of Participant Comments.	March 8.
Litigants File Rebuttal .....	March 8.
Clarification .....	March 14-15.
Motions to Strike .....	March 17.
Data Request Deadline ....	March 17.
Answers to Motions to Strike.	March 25.
Data Response Deadline	March 25.
Cross-Examination .....	March 28-April 1.
Initial Briefs Filed .....	May 2.
Oral Argument .....	May 12.
Draft ROD Issued .....	June 14.
Briefs on Exceptions .....	June 24.
Final ROD—Final Studies	July 25.

Section 1010.7 of BPA's 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 the merits of any issue in BPA's rate proceeding by other Executive Branch agencies, Congress, existing or potential BPA customers (including Tribes), or nonprofit or public interest groups are considered outside communications and are subject to the *ex parte* rule. The rule does not apply to communications relating to: (1) Matters of procedure only (the status of the rate proceeding, 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 for which BPA is responsible under statutes other than the ratemaking provisions; or (5) matters which 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 July 25, 2011.

**Part II—Scope of 2012 Rate Proceeding**

**A. Joint Rate Proceeding**

BPA is holding one wholesale power and transmission rate proceeding with

one schedule, one record, and one ROD. As noted above in the summary, BPA has issued a separate **Federal Register** Notice to provide notice of the proposed power rates and rates for certain ancillary services and all control area services.

#### *B. 2010 Integrated Program Review*

BPA began its 2010 Integrated Program Review (IPR) process in May 2010. The IPR process is designed to allow people interested in BPA's program levels an opportunity to review and comment on all of BPA's expense and capital spending level estimates in the same forum prior to the use of those estimates in setting rates. Concurrent with the IPR, BPA held regional conversations about risk mitigation and debt management practices.

The 2010 IPR focused on FY 2012 and 2013 program levels for BPA's Power Services and Transmission Services as well as a review of FY 2011 program levels. BPA held 19 technical workshops and two general manager meetings at which proposed spending levels were presented for each of BPA's programs. BPA carefully reviewed and considered the 26 written comments and numerous oral comments on FY 2012 and 2013 program levels that were provided during this public process.

On October 27, 2010, BPA issued the Final Close-Out Letter and accompanying final report for the IPR, which summarizes the comments received and outlines BPA's responses. The report also summarizes comments and BPA's responses on the regional conversations about risk mitigation and debt management. In the Final Close-Out Letter and report, BPA established the program level cost estimates for both power and transmission rates that are used in the Initial Proposal. BPA does not anticipate additional public review of proposed spending levels. However, an abbreviated IPR process may be held if conditions warrant. BPA would conduct this process separately from the rate proceeding to share updates and solicit feedback from customers and constituents before the final program levels are incorporated into the final rates.

#### *C. Rate Case Workshops*

In preparation for the BP-12 rate proceeding, BPA held several public rate case workshops with customers and interested parties from March through September 2010. During the workshops, BPA staff presented and discussed information about costs, load and resource forecasting, generation inputs pricing, segmentation, revenue forecasts, load forecasts, risk analysis

and mitigation, products, pricing, and rate design. Customers and interested parties had extensive opportunity to participate, raise issues, present alternative proposals, and comment on the information BPA staff presented. The comments and alternatives received during these workshops have assisted in the preparation of the Initial Proposal.

#### *D. Scope of the Rate Proceeding*

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

##### *1. Program Cost Estimates*

Some of the decisions that determine program costs and spending levels have been made in the IPR public review process outside the rate proceeding. See section II.B. BPA's spending levels for investments and expenses are not determined or subject to review in rate proceedings.

Pursuant to section 1010.3(f) of BPA's Procedures, the Administrator directs the Hearing Officer to exclude from the record all argument, testimony, or other evidence that challenges the appropriateness or reasonableness of the Administrator's decisions on cost and spending levels. If, and to the extent that, any re-examination of spending levels is necessary, such re-examination will occur outside of the rate proceeding. This exclusion does not extend to portions of the revenue requirements related to interest rate forecasts, interest expense and credit, Treasury repayment schedules, forecasts of depreciation, forecasts of system replacements used in repayment studies, generation acquisition expense incurred by Transmission Services, minimum required net revenue, and the costs of risk mitigation actions resulting from the expense and revenue uncertainties included in the risk analysis. The Administrator also directs the Hearing Officer to exclude argument and evidence regarding BPA's debt management practices and policies. See section II.D.2.

##### *2. Federal and Non-Federal Debt Service and Debt Management*

During the 2010 IPR and in other forums, BPA provided the public with background information on BPA's internal Federal and non-Federal debt management policies and practices. While these policies and practices are not decided in the IPR forum, these discussions were intended to inform interested parties about these matters so that they would better understand BPA's debt structure. Notwithstanding

the public discussions, BPA's debt management policies and practices remain outside the scope of the rate proceeding.

Pursuant to § 1010.3(f) of BPA's Procedures, the Administrator hereby directs the Hearing Officer to exclude from the record all argument, testimony, or other evidence that seeks in any way to address the appropriateness or reasonableness of BPA's debt management policies and practices.

##### *3. Potential Environmental Impacts*

Environmental impacts are addressed in a concurrent National Environmental Policy Act (NEPA) process. See section II.E.

Pursuant to § 1010.3(f) of BPA's Procedures, the Administrator directs the Hearing Officer to exclude from the record all argument, testimony, or other evidence that seeks in any way to address the potential environmental impacts of the rates being developed in this rate proceeding.

#### *E. The National Environmental Policy Act*

BPA is in the process of assessing the potential environmental effects of its proposed power and transmission rates, consistent with the NEPA. The NEPA process is conducted separately from the rate proceeding. As discussed in section II.D.3., all evidence and argument addressing potential environmental impacts of rates being developed in the BP-12 rate proceeding are excluded from the rate proceeding hearing record. Rather, comments on environmental effects should be directed to the NEPA process.

Because this proposal involves BPA's ongoing business practices related to rates, BPA is reviewing the proposal for consistency with BPA's Business Plan Environmental Impact Statement (Business Plan EIS), completed in June 1995 (BOE/EIS-0183). This policy-level EIS evaluates the environmental impacts of a range of business plan alternatives for BPA that could be varied by applying various policy modules, including one for rates. Any combination of alternative policy modules should allow BPA to balance its costs and revenues. The Business Plan EIS also includes response strategies, such as adjustments to rates, that BPA could implement if BPA's costs exceed its revenues.

In August 1995, the BPA Administrator issued a ROD (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. BPA also committed to apply as many response strategies as necessary when BPA's costs and revenues do not balance.

In April 2007, BPA completed and issued a Supplement Analysis to the Business Plan EIS. This 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 remain consistent with BPA's Market-Driven Alternative approach. The Business Plan EIS and ROD thus continue to provide a sound basis for making determinations under NEPA concerning BPA's policy-level decisions, including rates.

Because the proposed rates 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, this rate proposal is similar to the type of rate designs evaluated in the Business Plan EIS; thus, implementation of this rate proposal would not be expected to result in environmental impacts significantly different from those examined in the Business Plan EIS. Therefore, BPA expects that this rate proposal 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 BP-12 rate proceeding, 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. Comments regarding the potential environmental effects of the proposal may be submitted to Katherine Pierce, NEPA Compliance Officer, KEC-4, Bonneville Power Administration, 905 NE 11th Avenue, Portland, OR 97232. Any such comments received by the comment deadline for Participant Comments identified in section III.A. below will be considered by BPA's NEPA compliance staff in the NEPA process that will be conducted for this proposal.

### Part III—Public Participation in BP-12

#### A. Distinguishing Between "Participants" and "Parties"

BPA distinguishes between "participants in" and "parties to" the hearings. Apart from the formal hearing process, BPA will receive written comments, views, opinions, and information from "participants," who may submit comments without being subject to the duties of, or having the privileges of, parties. Participants' written comments will be made part of the official record and considered by the Administrator. 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. BPA customers whose rates are subject to this proceeding, or their affiliated customer groups, may not submit participant comments. Members or employees of organizations that have intervened in the rate proceeding may submit general comments as participants but may not use the comment procedures to address specific issues raised by their intervenor organizations.

Written comments by participants will be included in the record if they are received by March 8, 2011. Written views, supporting information, questions, and arguments should be submitted to the address listed in the **ADDRESSES** section of this Notice.

Entities or people become parties to the proceeding by filing petitions to intervene, which must state the name and address of the entity or person requesting party status and the entity's or person's interest in the hearing. BPA customers and affiliated customer groups will be granted intervention based on petitions filed in conformance with BPA's Procedures. Other petitioners must explain their interests in sufficient detail to permit the Hearing Officer to determine whether the petitioners have a relevant interest in the hearing. Pursuant to Rule 1010.1(d) of BPA's Procedures, BPA waives the requirement in Rule 1010.4(d) that an opposition to an intervention petition be filed and served 24 hours before the prehearing conference. The time limit for opposing a timely intervention will be established at the prehearing conference. Any party, including BPA, may oppose a petition for intervention. All petitions will be ruled on by the Hearing Officer. Late interventions are strongly disfavored. Opposition to an untimely petition to intervene must be filed and received by BPA within two days after service of the petition.

#### B. Developing the Record

The hearing record will include, among other things, the transcripts of the hearing, written evidence and argument entered into the record by BPA and the parties, written comments from participants, and other material accepted into the record by the Hearing Officer. The Hearing Officer will then review the record and certify the record to the Administrator for final decision.

The Administrator will develop final rates based on the record and such other materials and information as may have been submitted to or developed by the Administrator. The Administrator will serve copies of the Final ROD on all parties. BPA will file its rates with the Commission for confirmation and approval after issuance of the Final ROD.

### Part IV—Summary of Rate Proposal

#### A. Partial Settlement of Transmission Rates

Transmission Services and most of its customers are parties to a Partial Settlement Agreement that provides for Transmission Services to submit a Settlement Proposal that incorporates the provisions of the agreement. Under the Partial Settlement Agreement, Transmission Services will propose maintaining current FY 2010–2011 rates, with no rate increase for the FY 2012–2013 period, for all transmission services and for two ancillary services: Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control from Generation Sources Service. The remaining ancillary services and all control area services are not covered by the partial settlement.

The Partial Settlement Agreement also includes changes to the Failure to Comply Penalty Charge, the Network Integration Rate, and the Integration of Resources Rate, as well as changes to several definitions in the General Rate Schedule Provisions. In addition, the agreement restricts the arguments parties to the settlement may make regarding the reliance of Power Services on reserves attributable to Transmission Services and commits BPA to various public processes regarding rates and other issues.

Under the Partial Settlement Agreement the Administrator will establish the Montana Intertie (IM) and Eastern Intertie (IE) rates, and consider revisions to the Townsend-Garrison Transmission rate, in a contested process in this rate case. However, under the agreement, BPA staff will propose that the IM and IE rates be no higher than the existing rates, and the

signatories to the settlement agreement agree not to present evidence or argument that either rate should be higher than the existing rates.

The Partial Settlement Agreement recognizes the possibility that parties to the BP-12 rate proceeding that have not signed the Partial Settlement Agreement may object to the Settlement Proposal. If any party objects to the Settlement Proposal, BPA has the right to submit a revised proposal. If BPA submits a revised proposal, signatories to the Partial Settlement Agreement may contest any aspect of the revised proposal. If BPA does not revise the Settlement Proposal, and the Administrator establishes transmission rates consistent with the Settlement Proposal, the signatories may not challenge approval of the rates by the Commission or in any judicial forum.

#### B. Transmission Rates

BPA is proposing four different rates for the use of its Integrated Network segment, four different rates for use of intertie segments, and several other rates for various purposes.

The four rates for use of the Integrated Network segment are:

**Formula Power Transmission (FPT-12) rate**—The FPT rate is based on the cost of using specific types of facilities, including a distance component for the use of transmission lines, and is charged on a contract demand basis.

**Integration of Resources (IR-12) rate**—The IR rate is a postage stamp, contract demand rate for the use of the Integrated Network, similar to Point-to-Point (PTP) service.

**Network Integration Transmission (NT-12) rate**—The NT rate applies to customers taking network integration service under the Open Access Transmission Tariff (OATT) and allows customers to flexibly serve their retail load.

**Point-to-Point (PTP-12) rate**—The PTP rate is a contract demand rate that applies to customers taking point-to-point service on BPA's network facilities under the OATT. It provides customers with flexible service from identified Points of Receipt to identified Points of Delivery. There are separate PTP rates for: Long-term firm service; daily firm and non-firm service; and hourly firm and non-firm service.

In addition to the four rates for network use, other proposed transmission rates include the following:

The Southern Intertie (IS-12) and the Montana Intertie (IM-12) rates are contract demand rates that apply to customers taking point-to-point service under the OATT on the Southern

Intertie and Montana Intertie. These rates are structured similarly to the rate for point-to-point service on network facilities.

The Townsend-Garrison Transmission (TGT-12) and the Eastern Intertie (IE-12) rates are developed pursuant to the Montana Intertie agreement.

The Use-of-Facilities (UFT-12) rate establishes a formula for charging for the use of a specific facility based on the annual cost of that facility.

The Advance Funding (AF-12) rate allows Transmission Services to collect the capital and related costs of specific facilities through an advance-funding mechanism.

Other charges that may apply include: A Delivery Charge for the use of low-voltage delivery substations; a Power Factor Penalty Charge; a Reservation Fee for customers that postpone their service commencement dates; incremental rates for transmission requests that require new facilities; a penalty charge for failure to comply with dispatch, curtailment, redispatch, or load shedding orders; and an Unauthorized Increase Charge for customers that exceed their contracted amounts.

#### C. Ancillary Services Rates

In this **Federal Register** notice BPA is proposing rates for two ancillary services: Scheduling, System Control, and Dispatch Service, and Reactive Supply and Voltage Control from Generation Sources Service.

### 3. Changes to Transmission Rates and Rate Schedules

#### a. Network Integration Transmission (NT-12) rate

The NT rate applies to customers taking network integration service under the OATT and allows customers to flexibly serve their retail load. Transmission Services is proposing to delete CSL and add a Short Distance Discount (SDD) to the NT rate, applied to the NT Base Charge. The SDD would apply when a Customer has a resource that: (i) Is designated as a Network Resource in the customer's NT Service Agreement for at least 12 months; and (ii) uses FCRTS facilities for less than 75 circuit miles for delivery to the Customer's Network Load. A designated network resource that is a system sale (the designated resource is not associated with a specific generating resource) would not qualify for the SDD. Additionally, any designated resource that is eligible for the SDD must be noted as such in the NT Service Agreement to receive the billing credit.

#### b. Failure To Comply Penalty Charge

BPA proposes to change the rate for the Failure to Comply Penalty Charge from 1000 mills per kilowatthour to the greater of 500 mills per kilowatthour or 150% of an hourly energy index in the Pacific Northwest.

#### c. Integration of Resources (IR-12)—Ratchet Demand Relief

BPA proposes to add language to the section on Ratchet Demand Relief providing that relief from the Ratchet Demand is not available in the month in which the Ratchet Demand was established. For that month, the customer will be assessed charges based upon the highest hourly Scheduled Demand Billing Factor.

#### d. Changes to Definitions

BPA proposes to modify the definitions of *Dynamic Schedule*, *Dynamic Transfer*, *Daily Service*, *Monthly Service*, and *Weekly Service*.

### Part V—Proposed 2012 Rate Schedules

BPA's proposed 2012 Transmission Rate Schedules are a part of this notice and are available for viewing and downloading on BPA's Web site at <http://www.bpa.gov/corporate/ratecase/2012/>. Copies of the proposed rate schedules also are available for viewing in BPA's Public Reference Room at the BPA Headquarters, 1st Floor, 905 NE 11th Avenue, Portland, OR 97232.

Issued this 7th day of December, 2010.

**Stephen J. Wright,**

*Administrator and Chief Executive Officer.*

[FR Doc. 2010-31621 Filed 12-15-10; 8:45 am]

**BILLING CODE P**

## DEPARTMENT OF ENERGY

### Bonneville Power Administration

[BPA File No.: REP-12]

#### Proposed Residential Exchange Program Settlement Agreement Proceeding (REP-12); Public Hearing and Opportunities for Public Review and Comment

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

**ACTION:** Notice of Residential Exchange Program Settlement Agreement Proceeding (REP-12).

**SUMMARY:** BPA is conducting the 2012 Residential Exchange Program Settlement Agreement Proceeding (REP-12) to review the terms and conditions of a proposed 17-year settlement of issues regarding the implementation of