DEPARTMENT OF ENERGY

Southwestern Power Administration

Sam Rayburn Dam Project Power Rate

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of Rate Order Approving an Extension of Power Rate on an Interim Basis.

SUMMARY: The Deputy Secretary of Energy has approved and placed into effect on an interim basis Rate Order No. SWPA–65.

DATES: The effective period for the rate schedule specified in Rate Order No. SWPA–65 is October 1, 2012, through September 30, 2013.

FOR FURTHER INFORMATION CONTACT: Mr. James K. McDonald, Assistant Administrator, Southwestern Power Administration, Department of Energy, Williams Center Tower I, One West Third Street, Tulsa, Oklahoma 74103, (918) 595–6690, jim.mcdonald@swpa.gov.

SUPPLEMENTARY INFORMATION: Rate Order No. SWPA–65, which has been approved and placed into effect on an interim basis, extends the existing power rate for the Sam Rayburn Dam Project (Rayburn), Rate Schedule SRD–08, Wholesale Rates for Hydro Power and Energy Sold to Sam Rayburn Dam Electric Cooperative, Inc., for a period of one year, through September 30, 2013.

The existing rate schedule for the Sam Rayburn Dam Project was confirmed and approved on a final basis by the Federal Energy Regulatory Commission (FERC) in the FERC Doct. No. EF09–4021–000 (126 FERC ¶ 62244), issued March 30, 2009, for the period January 1, 2009, through September 30, 2012. However, the current rate schedule will expire September 30, 2012. The Deputy Secretary of Energy is extending the project rate schedule through September 30, 2013.

Following Department of Energy guidelines, Southwestern Power Administration (Southwestern) prepared a 2012 Current Power Repayment Study using the existing Sam Rayburn Dam Project rate schedule and a Revised Power Repayment Study which indicated the need for an increase in annual revenues of $193,896, or 4.9 percent, to meet repayment criteria. Southwestern’s Administrator deferred a rate increase because the Administrator deemed it was in the best interest of the Government to do so as a result of benefits obtained by such a deferral, including reduced federal rate case expense and rate stability. The Deputy Secretary has determined, pursuant to the authority of 10 CFR 903.22(h) and 903.23(a)(3), to adopt a one-year interim extension of the Sam Rayburn Project Power Rate. The extension is required because the current rate expires September 30, 2012. Southwestern will reevaluate the ability of the existing rate to provide sufficient revenues to satisfy costs projected in the FY 2013 Power Repayment Studies.

Pursuant to the authority of Title 10, Part 903, Subpart A of the Code of Federal Regulations (10 CFR part 903), Sections 903.22(h) and 903.23(a)(3), the Deputy Secretary of Energy may extend a FERC-approved rate on an interim basis. The Administrator, Southwestern Power Administration, has followed Title 10, Part 903 Subpart A, of the Code of Federal Regulations, “Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions” in connection with the proposed rate extension. On August 21, 2012, Southwestern published notice in the Federal Register, (77 FR 50493), of the proposed rate extension for the Rayburn project. Southwestern provided a 30-day comment period as an opportunity for customers and other interested members of the public to review and comment on the proposed rate extension. Southwestern received one comment during the public comment period. The comment, on behalf of Sam Rayburn Dam Electric Cooperative, Inc., expressed no objection to the rate extension through September 30, 2013.

Following review of Southwestern’s proposal within the Department of Energy and pursuant to authorities granted in Title 10, Part 903, Subpart A of the Code of Federal Regulations (10 CFR part 903), Sections 903.22(h) and 903.23(a)(3), Rate Order No. SWPA–65, which extends the existing Sam Rayburn Dam Project rate schedule for one year through September 30, 2013, is approved.

Daniel B. Poneman,
Deputy Secretary.

Deputy Secretary of Energy

Rate Order No. SWPA–65

Order Confirming and Approving an Extension of Power Rate Schedule in Effect

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95–91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southwestern Power Administration (Southwestern) were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated to the Administrator of Southwestern the authority to develop power and transmission rates, delegated to the Deputy Secretary of the Department of Energy the authority to confirm, approve, and place in effect such rates on an interim basis and delegated to the Federal Energy Regulatory Commission (FERC) the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the delegation. This rate extension is issued by the Deputy Secretary pursuant to the Delegation Order No. 00–037.00 and the authority to extend rates, previously confirmed and approved by FERC, on an interim basis, pursuant to Title 10, Part 903, Subpart A of the Code of Federal Regulations (10 CFR Part 903), Sections 903.22(h) and 903.23(a)(3).

Background

The Sam Rayburn Dam (Rayburn) is located on the Angelina River in the State of Texas in the Neches River Basin. Since the beginning of its operation in 1965, it has been marketed as an isolated project, under contract with Sam Rayburn Dam Electric Cooperative, Inc. (SRDEC) (Contract No. DE–PM75–92SW00215). SRDEC is comprised of two separate entities, the Sam Rayburn G&T, and the Sam Rayburn Municipal Power Agency.

In the FERC Docket No. EF09–4021–000 (126 FERC ¶ 62244), issued March 30, 2009, for the period January 1, 2009, through September 30, 2012, the FERC confirmed and approved the current annual Rayburn rate of $3,949,872. However, the current rate schedule will expire September 30, 2012. The Deputy Secretary of Energy is extending the project rate schedule through September 30, 2013.
Discussion

Following Department of Energy guidelines, Southwestern prepared a 2012 Current Power Repayment Study using the existing Sam Rayburn Dam Project rate schedule. The study shows the cumulative amortization through FY 2011 at $24,993,504 on a total investment of $30,254,778. The FY 2012 Revised Power Repayment Study indicates the need for an increase in annual revenues of $193,896, or 4.9 percent, to meet repayment criteria.

Southwestern deferred the indicated rate adjustment because it fell within Southwestern’s plus-or-minus five percent isolated project rate adjustment threshold and proposed extending the current rate through September 30, 2013. The threshold was developed to add efficiency to the process of maintaining adequate rates and is consistent with cost recovery criteria within DOE Order Number RA 6120.2 regarding rate adjustment plans. The extension is required because the current rate expires September 30, 2012. Southwestern will reevaluate the ability of the existing rate to provide sufficient revenues to satisfy costs projected in the FY 2013 Power Repayment Studies.

Title 10, Part 903, Subpart A of the Code of Federal Regulations, “Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions,” has been followed in connection with the rate extension. Opportunities for public review and comment during a 30-day period on the proposed Rayburn power rate extension were announced by a Federal Register notice published on August 21, 2012. Written comments were accepted through September 20, 2012. Southwestern provided the Federal Register notice to the customer and interested parties for review and comment during the formal period of public participation. In addition, prior to the formal 30-day public participation process, Southwestern discussed with the customer representatives the proposed rate extension. Only one formal comment was received from Gillis & Angley, LLP, Counsellors at Law, on behalf of Sam Rayburn Dam Electric Cooperative, Inc., which stated that they had no objection to the proposed rate extension.

Upon conclusion of the comment period in September 2012, Southwestern finalized the rate schedule extension for the annual rate of $3,949,872 to be extended for one year through September 30, 2013. This rate extension will allow the FY 2013 Power Repayment Studies to evaluate the ability of the existing rate to provide sufficient revenues to accomplish repayment in the required number of years.

Comments and Responses

Southwestern received one comment during the public comment period. The comment, on behalf of Sam Rayburn Dam Electric Cooperative, Inc., expressed no objection to the rate extension through September 30, 2013.

Order

In view of the foregoing and pursuant to the authority to extend rates, previously confirmed and approved by FERC, on an interim basis, of Title 10, Part 903, Subpart A of the Code of Federal Regulations (10 CFR part 903), Sections 903.22(h) and 903.23(a)(3), I hereby extend on an interim basis, for the period of one year, effective October 1, 2012 through September 30, 2013, the current FERC approved Sam Rayburn Dam Project Rate for the sale of power and energy.

Daniel B. Poneman,
Deputy Secretary.

ENVIRONMENTAL PROTECTION AGENCY

PROPOSED SETTLEMENT AGREEMENT

FOR FURTHER INFORMATION CONTACT: Lea Anderson, Air and Radiation Law Office (2344A), Office of General Counsel, U.S. Environmental Protection Agency, Mailcode: 2822T, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; or by hand delivery or courier to EPA Docket Center, EPA West, Room 3334, 1301 Constitution Ave., NW., Washington, DC, between 8:30 a.m. and 4:30 p.m. Monday through Friday, excluding legal holidays. Comments on a disk or CD-ROM should be formatted in Word or ASCII file, avoiding the use of special characters and any form of encryption, and may be mailed to the mailing address above.

I. Additional Information About the Proposed Settlement Agreement

The proposed settlement agreement would resolve a lawsuit challenging the issuance of EPA’s final rule partially approving and partially disapproving Oklahoma’s SIP submitted under the “visibility” and “interstate transport” provisions of the Clean Air Act (“CAA”). The Final Rule included a federal implementation plan (“FIP”) establishing Best Available Retrofit Technology (“BART”) emission limitations on sulfur dioxide (“SO2”) for Units 3 and 4 of Plaintiff’s Northeastern plant (“Plaintiff’s Units”) to address the visibility and interstate transport provisions of the CAA. On March 26, 2012, Sierra Club (“Intervenor”) filed a timely motion to intervene. The motion was granted March 27, 2012. The proposed settlement agreement establishes a deadline for EPA to take action on a SIP to be drafted and submitted by Oklahoma addressing Plaintiff’s Units.

DATES: Written comments on the proposed settlement agreement must be received by December 14, 2012.

ADDRESSES: Submit your comments, identified by Docket ID number EPA–HQ–OGC–2012–0826, online at www.regulations.gov (EPA’s preferred method); by email to oe.docket@epa.gov; by mail to EPA Docket Center, Environmental Protection Agency, Mailcode: 2822T, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; or by hand delivery or courier to EPA Docket Center, EPA West, Room 3334, 1301 Constitution Ave., NW., Washington, DC, between 8:30 a.m. and 4:30 p.m. Monday through Friday, excluding legal holidays. Comments on a disk or CD-ROM should be formatted in Word or ASCII file, avoiding the use of special characters and any form of encryption, and may be mailed to the mailing address above.