**DEPARTMENT OF ENERGY**

**Federal Energy Regulatory Commission**

[Docket No. EF17–3–000]

**Bonneville Power Administration; Order Approving Rates on an Interim Basis and Providing Opportunity for Additional Comments**

Before Commissioners: Neil Chatterjee, Chairman; Cheryl A. LaFleur, and Robert F. Powelson.

1. In this order, we approve on an interim basis Bonneville Power Administration’s (Bonneville) proposed 2018–2019 transmission rates, with the exception of the rates for transmission service on the Southern Intertie, which are addressed separately in another order, pending our further review. We also provide an additional period of time for parties to file comments.

I. Background

2. On July 31, 2017, Bonneville filed a request for interim and final approval of its transmission rates in accordance with section 7 of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) and Part 300 of the Commission’s regulations. Bonneville projects that the filed rates will produce average annual transmission revenues of $1.044 billion and annual net revenues of $4.65 million. Bonneville asserts that this level of annual revenues is sufficient to recover its costs for the 2018–2019 rate approval period, while providing cash flow to ensure at least a 95 percent probability of making all payments to the United States Treasury in full and on time for each year of the rate period. The filings are accessible in the Commission’s eLibrary system by eFiling is encouraged. More detailed information related to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: http://www.ferc.gov/docs-filing/eFiling/filing-req.pdf. For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.


Nathaniel J. Davis, Sr.,
Deputy Secretary.

Federal Energy Regulatory Commission

**Additional Comments**

1. Bonneville submitted errata filings on August 7, 2017, and August 10, 2017, respectively, to correct various attachments to the July 31, 2017 Transmittal Letter and to add inadvertently omitted documents to the record.

2. The proposed transmission rates for which Bonneville seeks approval for the period of October 1, 2017 through September 30, 2019 are: Formula Power Transmission Rate (FPT–18); Formula Power Transmission Rate (FPT–18.1); Formula Power Transmission Rate (FPT–18.3); Integration of Resources Rate (IR–18); Network Integration Rate (NT–18); Point-to-Point Rate (PTP–18); Montana Intertie Rate (MI–18) (IM Rate); Use-of-Facilities Transmission Rate (UFT–18); Advance Funding Rate (AF–18); Townsend-Garrison Transmission Rate (TGT–18); WECC and Peak Service Rate (PW–18); Oversupply Rate (OS–18); Eastern Intertie Rate (EI–18); Ancillary and Control Area Services Rates (ACS–18); and Transmission General Rate Schedule Provisions. Bonneville July 31, 2017 Transmittal Letter at 3.


4. [18 CFR pt. 300 (2017).]

5. These values are the totals of all of Bonneville’s transmission revenues, inclusive of the transmission rates at issue in Docket No. EF17–4–000. See Bonneville August 7, 2017 Transmittal Letter at 2; Bonneville Power Admin. 160 FERC ¶ 61,113 (2017) (approving on an interim basis the transmission rates associated with the Southern Intertie).


7. Notices of Bonneville’s errata filings were published in the Federal Register, 82 FR 41,014 (2017) and 82 FR 40,151 (2017). The notices of the errata filings retained the August 30, 2017 date by which protests or interventions were due.

8. The IM Rate is the rate that Bonneville charges for the available 200 megawatts (MW) of capacity on the Eastern Intertie, which is the portion of the Montana Intertie between the Townsend and Garrison substations in western Montana that Bonneville built and continues to operate.

9. Sierra Club/MEIC argues that eliminating Bonneville’s IM Rate, in particular, is necessary to meet Bonneville’s statutory mandate to encourage the widest possible diversified use of electric power at the lowest possible rates to consumers, consistent with sound business principles.

10. Sierra Club/MEIC argues that the IM Rate is the primary impediment to renewable resource development in Montana. Sierra Club/MEIC explains that Bonneville effectively charges two rates for Montana producers seeking to use the Eastern Intertie—the IM Rate and the Network Rate—which inequitably allocates transmission costs and has impeded subscription of the Eastern Intertie. According to Sierra Club/MEIC the-high cost of using the IM Rate would discourage participation by Montana producers in the Bonneville Power System.

**II. Notice of Filing**


4. Sierra Club/MEIC argues that eliminating Bonneville’s IM Rate, in particular, is necessary to meet Bonneville’s statutory mandate to encourage the widest possible diversified use of electric power at the lowest possible rates to consumers, consistent with sound business principles.

5. Sierra Club/MEIC argues that the IM Rate is the primary impediment to renewable resource development in Montana. Sierra Club/MEIC explains that Bonneville effectively charges two rates for Montana producers seeking to use the Eastern Intertie—the IM Rate and the Network Rate—which inequitably allocates transmission costs and has impeded subscription of the Eastern Intertie. According to Sierra Club/MEIC the-high cost of using the IM Rate would discourage participation by Montana producers in the Bonneville Power System.

MEIC, eliminating this “pancake” rate structure would enable high-quality Montana wind resources to affordably transmit their power and meet growing needs for renewable power in the Pacific Northwest.12 Sierra Club/MEIC states that the IM Rate yields very little revenue for Bonneville because it is undersubscribed, and that cost recovery principles, cost causation principles, and Bonneville’s segmentation policy do not support maintaining the IM Rate.13 Lastly, Sierra Club/MEIC states that speculation on future upgrades to Bonneville’s transmission network is not a legitimate basis for maintaining the IM Rate, and eliminating the IM Rate does not require Bonneville to roll-in the Southern Intertie.14 Sierra Club/MEIC urges the Commission to disapprove the IM Rate and direct Bonneville to establish a rate structure for the Eastern Intertie that is consistent with Bonneville’s statutory mandate.15

5. Renewable Northwest similarly filed comments requesting that the Commission disapprove Bonneville’s proposed IM Rate on the basis that the rate does not “encourag[e] the widest possible diversified use of electric power at the lowest possible rates to consumers consistent with sound business principles.”16 Renewable Northwest asserts that the IM Rate imposes a financial disadvantage that is a disincentive to the use of Bonneville’s 184 MW of unsubscribed Eastern Intertie capacity.17 Renewable Northwest suggests that eliminating the IM Rate would encourage subscription of Eastern Intertie capacity and generate additional revenue for Bonneville.18 Renewable Northwest encourages the Commission to direct Bonneville to work with stakeholders on a rate structure that would encourage subscription of Bonneville’s available Eastern Intertie capacity in a manner that is consistent with Bonneville’s statutory directives.19

III. Discussion

A. Procedural Matters

6. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 CFR 385.214 (2017), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

7. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure, 18 CFR 385.213(a)(2) (2017), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We are not persuaded to accept Bonneville’s answer to the comments and protests, and therefore, reject it.

B. Standard of Review

8. Under the Northwest Power Act, our review of Bonneville’s transmission rates is limited to determining whether Bonneville’s proposed rates satisfy the specific requirements of section 7(a)(2) of the Northwest Power Act, including that such rates: (A) Are sufficient to assure repayment of the Federal investment in the Federal Columbia River Power System over a reasonable number of years after first meeting Bonneville’s other costs; (B) are based upon Bonneville’s total system costs; and (C) insofar as transmission rates are concerned, equitably allocate the costs of the Federal transmission system between Federal and non-Federal power utilizing such system.20

9. Unlike the Commission’s statutory authority under the Federal Power Act, the Commission’s authority under section 7(a) of the Northwest Power Act does not include the power to modify the rates. The responsibility for developing rates in the first instance is vested with Bonneville’s Administrator. The rates are then submitted to the Commission for approval or disapproval. In this regard, the Commission’s role can be viewed as an appellate one: To affirm or remand the rates submitted to it for review.21

10. Moreover, review at this interim stage is further limited. In view of the volume and complexity of a Bonneville rate application, such as the one now before the Commission in this filing, and the limited period in advance of the requested effective date in which to review the application,22 the Commission generally defers resolution of issues on the merits of Bonneville’s application until the order on final confirmation. Thus, we generally approve the proposed rates on an interim basis, unless the filing is patently deficient, and provide the parties with an additional opportunity to raise issues with regard to Bonneville’s filing.23

11. We decline at this time to grant Bonneville’s request for final confirmation and approval of Bonneville’s proposed transmission rates. However, we will grant Bonneville’s request for interim approval. Our preliminary review indicates that Bonneville’s transmission rates filing appears to meet the statutory standards and the minimum threshold filing requirements of Part 300 of the Commission’s regulations.24 Moreover, our preliminary review of Bonneville’s submittal indicates that it does not contain any patent deficiencies. The proposed rates, with the exception of the rates for transmission service on the Southern Intertie which are addressed separately in another order, therefore will be approved on an interim basis pending our further review. In addition, we note that no one will be harmed by this decision because interim approval allows Bonneville’s rates to go into effect subject to refund with interest; the Commission may order refunds with interest if the Commission later determines in its final decision not to approve the rates.25

12. We will also provide an additional period of time for parties to file comments and reply comments on issues related to final confirmation and approval of Bonneville’s proposed rates. This will ensure that the record in this proceeding is complete and fully developed. Specifically, if parties wish to file additional comments, they will be due within 30 days of the date of this order. Reply comments are due 20 days thereafter.

The Commission orders:

(A) Interim approval of Bonneville’s proposed transmission rates, with the exception of the rates for transmission service on the Southern Intertie, is hereby granted, to become effective on October 1, 2017, through September 30, 2019, subject to refund with interest as set forth in section 300.20(c) of the Commission’s regulations, 18 CFR 300.20(c), pending final action and

13 Id. at 2–3.
14 Id. at 3, 12.
15 Id. at 31, 33.
16 Id. at 12.
17 Renewable Northwest Comments at 7 (quoting 16 U.S.C. § 383g (2012)).
18 Of the 200 MW available on the Eastern Intertie that are subject to the IM Rate, 16 MW are subscribed, leaving 184 MW still available. Id.
19 Id. at 4.
20 16 U.S.C. § 839e(a)(2) (2012). Bonneville also must comply with the financial, accounting, and ratemaking requirements in Department of Energy Order No. RA 6120.2.
23 18 CFR 300.20(c) (2017).
either their approval or their disapproval.

(B) Within 30 days of the date of this order, parties who wish to do so may file additional comments regarding final confirmation and approval of Bonneville’s proposed rates. Parties who wish to do so may file reply comments within 20 days thereafter.

(C) The Secretary shall promptly publish this order in the Federal Register.

By the Commission.

Kimberly D. Bose,
Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP17–493–000]

Colorado Interstate Gas Company, LLC; Notice of Application

Take notice that on September 14, 2017, Colorado Interstate Gas Company, LLC (CIG), Post Office Box 1087, Colorado Springs, Colorado 80944, filed in Docket No. CP17–493–000 an application pursuant to section 7(b) of the Natural Gas Act (NGA) requesting an order authorizing the abandonment of certain facilities related to the Rawlins Processing Plant, all as more fully set forth in the application which is on file with the Commission and open to public inspection. The filing may also be viewed on the web at http://www.ferc.gov using the eLibrary link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at (866) 208–3676, or TTY, contact (202) 502–8659.

Any questions concerning this application may be directed to Francisco Tarin, Director, Regulatory Affairs, Colorado Interstate Gas Company, LLC, P.O. Box 1087, Colorado Springs, Colorado, 80944 at (719) 667–7517 or Mark A. Minich, Assistant General Counsel, Colorado Interstate Gas Company, LLC, P.O. Box 1087, Colorado Springs, Colorado, 80944 at (719) 520–4416.

Specifically, CIG is requesting approval for the abandonment in place of the Rawlins lean oil processing and fractionation plants, as well as natural gas liquids truck off-loading facilities, and natural gas liquids interconnecting facilities that tie into the Overland Pass Pipeline Company all located in Carbon County, Wyoming; and the abandonment by sale of natural gas liquids pipelines, associated natural gas liquids measurement facilities, and natural gas liquids rail loading facilities to Sinclair Wyoming Refining Company.

Pursuant to section 157.9 of the Commission’s rules, 18 CFR 157.9, within 90 days of this Notice the Commission staff will either complete its environmental assessment (EA) and place it into the Commission’s public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff’s issuance of the final environmental impact statement (FEIS) or EA for this proposal. The filing of the EA in the Commission’s public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff’s FEIS or EA.

There are two ways to become involved in this Commission’s review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should, on or before the comment date stated below, file with the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, a motion to intervene in accordance with the requirements of the Commission’s Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all environmental documents, all documents filed by the applicant and by all other parties. A party must submit original and 7 copies of filings made with the Commission and must mail a copy to the applicant and to every other party in the proceeding. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

However, a person does not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in determining the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission’s rules require that persons filing comments in opposition to the project provide copies of their protests only to the party or parties directly involved in the protest.

Persons who wish to comment only on the environmental review of this project should submit an original and two copies of their comments to the Secretary of the Commission.

Environmental commentors will be placed on the Commission’s environmental mailing list, will receive copies of the environmental documents, and will be notified of meetings associated with the Commission’s environmental review process. Environmental commentors will not be required to serve copies of filed documents on all other parties. However, the non-party commentors will not receive copies of all documents filed by other parties or issued by the Commission (except for the mailing of environmental documents issued by the Commission) and will not have the right to seek court review of the Commission’s final order.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the eFiling link at http://www.ferc.gov. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426. This filing is accessible on-line at http://www.ferc.gov, using the eFiling link and is available for review in the Commission’s Public Reference Room in Washington, DC. There is an eSubscription link on the Web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Comment Date: 5:00 p.m. Eastern Time on October 17, 2017.

Dated: September 26, 2017.

Kimberly D. Bose,
Secretary.

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