DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project—Rate Order No. WAPA–150

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Extension of Rate-Setting Formula and Adjustment to Base Charge and Rates.

SUMMARY: This action is a proposal to extend the existing Boulder Canyon Project (BCP) rate-setting formula and approve the proposed base charge and rates for FY 2011. Publication of this **Federal Register** notice begins the formal process to extend the existing rate-setting formula and the proposed base charge and rates. The proposed base charge and rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period.

DATES: The consultation and comment period begins today and will end May 3, 2010. Western will present a detailed explanation of the proposed base charge and rates at a public information forum on April 7, 2010, beginning at 10:30 a.m. MST, Phoenix, Arizona. Western will accept oral and written comments at a public comment forum on April 21, 2010, beginning at 10:30 a.m. MST, Phoenix, Arizona. Western will accept written comments any time during the consultation and comment period.

ADDRESSES: The public information forum and public comment forum will be held at the Desert Southwest Regional Customer Service Office, located at 615 South 43rd Avenue, Phoenix, Arizona, on the dates cited above. Written comments should be sent to Darrick Moe, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005–6457, e-mail *MOE@wapa.gov*. Written comments may also be faxed to (602) 605–2490, attention: Jack Murray. Western will post information about the rate process on its Web site at *http://www.wapa.gov/dsw/pwrmkt/BCP/RateAdjust.htm*. Western will post official comments received via letter, fax, and e-mail to its Web site after the close of the comment period. Western must receive written comments by the end of the consultation and comment period to ensure they are considered in Western's decision process.

As access to Western facilities is controlled, any U.S. citizen wishing to attend any meeting held at Western must present an official form of picture identification, such as a U.S. driver's license, U.S. passport, U.S. Government ID, or U.S. Military ID, at the time of the meeting. Foreign nationals should contact Western at least 45 days in advance of the meeting to obtain the necessary form for admittance to Western.

FOR FURTHER INFORMATION CONTACT: Mr. Jack Murray, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005–6457, telephone (602) 605–2442, e-mail *jmurray@wapa.gov*.

SUPPLEMENTARY INFORMATION: Annual base charge and rates adjustments are required by Western's existing BCP rate-setting formula methodology. That methodology was originally approved on an interim basis by the Deputy Secretary of Energy on October 31,

1995,[1] and confirmed by the Federal Energy Regulatory Commission (FERC) on April 19, 1996,[2] for a five year period through 2000. The rate-setting formula was subsequently extended for additional five year periods in 2001[3] and 2006.[4] Western proposes to extend the existing rate-setting formula through September 30, 2015, under Rate Order No. WAPA–150 and Rate Schedule BCP–F8, and approve the proposed base charge and rates for FY 2011. The proposed base charge and rates for BCP electric service are designed under the existing rate-setting formula to recover an annual revenue requirement that includes investment repayment, interest, operation and maintenance, replacements, payment to states, visitor services, and uprating program payments. The total costs are offset by the projected revenue from water sales, visitor center, water pump energy sales, facilities use charges, regulation, reactive supply and voltage control, spinning reserve, miscellaneous leases, and late fees. The annual revenue requirement is the annual base charge for electric service divided equally between capacity and energy dollars. Annual energy dollars are divided by annual energy sales, and annual capacity dollars are divided by annual capacity sales to determine the proposed energy rate and the proposed capacity rate.

The Deputy Secretary of Energy (DOE) approved the extension of the existing rate-setting formula and Rate Schedule BCP–F7, under Rate Order No. 120, effective on October 1, 2005, for the period ending September 30, 2010.[5]

The base charge for fiscal year (FY) 2010 is $70,681,340, the forecasted energy rate is 9.47 mills per kilowatthour (mills/kWh), the forecasted capacity rate is $1.76 per kilowattmonth (kWmonth), and the composite rate is 18.93 mills/kWh.

Under Rate Order No. WAPA–150 and Rate Schedule BCP–F8, the proposed base charge for FY 2011 will result in an overall composite rate increase of about 3 percent. The proposed base charge will increase about 3.22 percent, the proposed forecasted energy rate will increase about 2.53 percent, and the proposed forecasted capacity rate will increase about 0.57 percent. The proposed base charge and rates for BCP electric service are listed in the following table.

TABLE 1—ELECTRIC SERVICE BASE CHARGE AND RATES

	Existing base charge and rates October 1, 2009	Proposed base charge and rates October 1, 2010	Percent change
Composite (mills/kWh)	18.93	19.43	2.64
Base Charge ($)	$70,681,340	$72,959,824	3.22
Energy Rate (mills/kWh)	9.47	9.71	2.53
Capacity Rate ($/kWmonth)	$1.76	$1.77	0.57

Legal Authority

Western will hold both a public information forum and a public comment forum. After review of public comments, Western will take further action on the proposed base charge and rates and the extension of rate-setting methodology consistent with 10 CFR part 903.

Western is establishing the electric service base charge and rates for BCP under the Department of Energy Organization Act (42 U.S.C. 7152); the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the projects involved.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to Western's Administrator, (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy, and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Existing Department of Energy procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985 (50 FR 37835).

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that Western initiates or uses to develop the proposed base charge and rates are available for inspection and copying at the Desert Southwest Customer Service Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, Arizona. Many of these documents and supporting information are also available on Western's Web site at: *http://www.wapa.gov/dsw/pwrmkt/BCP/RateAdjust.htm.*

Ratemaking Procedure Requirements

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321–4347 *et seq.*); Council on Environmental Quality Regulations (40 CFR parts 1500–1508); and DOE NEPA Regulations (10 CFR part 1021), Western is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those.

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: January 15, 2010.

Timothy J. Meeks,

Administrator.

[FR Doc. 2010–2170 Filed 2–1–10; 8:45 am]

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[1] 60 FR 57859 (November 22, 1995).

[2] 75 FERC ¶ 62,050.

[3] 96 FERC ¶ 61,171 (July 31, 2001).

[4] 115 FERC ¶ 61,362 (June 22, 2006).

[5] FERC confirmed and approved Rate Order No. WAPA–120 in Docket EF05–5091–000. See United States Department of Energy, Western Area Power Administration, Boulder Canyon Project, 115 FERC ¶ 61,362 (June 22, 2006).