973RD—MEETING; REGULAR MEETING—Continued

[September 15, 2011, 10 a.m.]

Item No.	Docket No.	Company
E–14	ER11–2224–004, ER11–2224–005, ER11–2224–009	New York Independent System Operator, Inc.
E–15	ER11–3949–000, ER11–3949–001, ER11–3951–000	New York Independent System Operator, Inc.
E–16	ER11–3973–000	California Independent System Operator Corporation.
E–17	EL11–12–002	Idaho Wind Partners 1, LLC.
	Gas	
G–1	RM11–4–000	Storage Reporting Requirements of Interstate and Intrastate Natural Gas Companies.
	Hydro	
H–1	P–2698–050, P–2686–062	Duke Energy Carolinas, LLC.
H–2	P–13681–002	Grand Coulee Project Hydroelectric Authority.
H–3	DI10–9–001	Woodland Pulp LLC.
	Certificates	
C–1	CP11–30–000	Tennessee Gas Pipeline Company.
	CP11–41–000	Dominion Transmission, Inc.
C–2	CP10–510–000	El Paso Natural Gas Company.

September 8, 2011.

Kimberly D. Bose,

Secretary.

A free webcast of this event is available through *http://www.ferc.gov*. Anyone with Internet access who desires to view this event can do so by navigating to *http://www.ferc.gov*'s Calendar of Events and locating this event in the Calendar. The event will contain a link to its webcast. The Capitol Connection provides technical support for the free webcasts. It also offers access to this event via television in the DC area and via phone bridge for a fee. If you have any questions, visit *http://www.CapitolConnection.org* or contact Danelle Springer or David Reininger at 703–993–3100.

Immediately following the conclusion of the Commission Meeting, a press briefing will be held in the Commission Meeting Room. Members of the public may view this briefing in the designated overflow room. This statement is intended to notify the public that the press briefings that follow Commission meetings may now be viewed remotely at Commission headquarters, but will not be telecast through the Capitol Connection service.

[FR Doc. 2011–23442 Filed 9–9–11; 11:15 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of base charge and rates.

SUMMARY: In this notice, the Deputy Secretary of Energy approves the Fiscal Year (FY) 2012 Base Charge and Rates (Rates) for Boulder Canyon Project (BCP) electric service provided by the Western Area Power Administration (Western). The Rates will provide sufficient revenue to pay all annual costs, including interest expense, and repay investments within the allowable period.

DATES: The Rates will be effective the first day of the first full billing period beginning on or after October 1, 2011. These Rates will stay in effect through September 30, 2012, or until superseded by other rates.

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, (602) 605–2442, e-mail *jmurray@wapa.gov*.

SUPPLEMENTARY INFORMATION: Hoover Dam, authorized by the *Boulder Canyon Project Act* (45 Stat. 1057, December 21, 1928), sits on the Colorado River along the Arizona and Nevada border. Hoover Power Plant has nineteen (19) generating units (two for plant use) and an installed capacity of 2,078,800 kW (4,800 kW for plant use). High-voltage transmission lines and substations make it possible for consumers in southern Nevada, Arizona, and southern California to receive power from the Project. BCP electric service rates are adjusted annually using an existing rate formula established on April 19, 1996.

Rate Schedule BCP–F8, Rate Order No. WAPA–150, effective October 1, 2010, through September 30, 2015, allows for an annual recalculation of the rates.[1] This notice sets forth the recalculated rates for FY 2012. Under Rate Schedule BCP–F8, the existing composite rate effective on October 1, 2010, was 19.73 mills per kilowatthour (mills/kWh). The base charge was $75,182,522, the energy rate was 9.86 mills/kWh, and the capacity rate was $1.90 per kilowattmonth (kW-month).

The re-calculated rates for BCP electric service, effective October 1, 2011, will result in an overall composite rate of 21.11 mills/kWh. The proposed rates were calculated using the FY 2011 Final Master Schedule. This results in an increase of approximately 6.99 percent when compared with the existing BCP electric service composite rate. The increase is due to an increase in the annual revenue requirement. The

[1] FERC confirmed and approved Rate Order No. WAPA–150 on December 9, 2010, in Docket No. EF10–7–000, See *United States Department of Energy, Western Area Power Administration, Boulder Canyon Project*, 133 FERC ¶ 62,229 (December 9, 2010).

FY 2012 base charge increased to $84,536,772. The major contributing factors to the base charge increase are the increases in annual operation and maintenance expenses and replacement costs. The FY 2012 energy rate of 10.56 mills/kWh is approximately a 7 percent increase from the existing energy rate of 9.86 mills/kWh. The increase in the energy rate is an outcome of the increase in the annual revenue requirement, caused by the previously mentioned increases in replacement costs and annual operating expenses. The FY 2012 capacity rate of $1.84/kW-month reflects a decrease of approximately 3.16 percent compared to the existing capacity rate of $1.90/kW-month. The decrease in the capacity rate is due to the increase in the annual capacity sales when compared with FY 2011. Although the revenue requirement for FY 2012 is increasing, the large projected increase in capacity results in a decrease to the capacity rate.

The following summarizes the steps taken by Western to ensure involvement of all interested parties in determining the Rates:

1. A **Federal Register** notice was published on February 14, 2011 (76 FR 8359), announcing the proposed rate adjustment process, initiating a public consultation and comment period, announcing public information and public comment forums, and presenting procedures for public participation.

2. Discussion of the proposed Rates was initiated at an informal BCP Contractor meeting held March 10, 2011, in Phoenix, Arizona. At this informal meeting, representatives from Western and the Bureau of Reclamation (Reclamation) explained the basis for estimates used to calculate the Rates and held a question and answer session.

3. At the public information forum held on April 6, 2011, in Phoenix, Arizona, Western and Reclamation representatives explained the proposed Rates for FY 2012 in greater detail and held a question and answer session.

4. A public comment forum held on April 27, 2011, in Phoenix, Arizona, provided the public an opportunity to comment for the record. Three individuals commented at this forum.

5. Western received three comment letters during the 90-day consultation and comment period. The consultation and comment period ended May 16, 2011. All comments were considered in developing the Rates for FY 2012. Written comments were received from:

- Arizona Power Authority, Phoenix, Arizona.
- Irrigation & Electrical Districts Association of Arizona, Phoenix, Arizona.
- Moyes Sellers, Ltd., Phoenix, Arizona.

Comments and responses, paraphrased for brevity when not affecting the meaning of the statements, are presented below.

Significant Rate Impact

Comment: A commenter expressed concern over the magnitude of the rate increase and questioned whether some replacement cost estimates are higher than the actual costs will be. The commenter suggested the estimates be reduced to mitigate the rate increase for FY 2012. Another commenter suggested that the formula used by Reclamation for estimating breaker capacities and service lives is not commonly used in the electric industry, and since the breaker costs are a main contributor of the rate increase, Reclamation should provide additional information on why the formula is being used.

Response: Western and Reclamation reviewed the replacement costs based on these comments. Reclamation engineers use current industry testing evaluation methodologies to determine potential shortfalls in the existing breaker capacity ratings and associated transfer trip schemes. Based on this analysis, the decision to replace the two breakers in question in FY 2012 will ensure the continued safe and reliable operation of the project.

Comment: A commenter suggested that Western and Reclamation explore ways to capitalize and amortize replacement costs instead of expensing them each year, as is the existing practice. The commenter further states that such an approach would result in a significant decrease to the FY 2012 base charge, and would conform to the Boulder Canyon Project Implementation Agreement (BCPIA). The commenter states that under the terms of the BCPIA, Reclamation is to seek annual appropriations prior to utilizing other sources of funding.

Response: Western and Reclamation appreciate the commenter's concern over rate increases and continuously look for ways to contain costs while maintaining a safe, reliable system. The existing process for the treatment of replacement costs is outlined in the BCPIA. This process provides BCP Contractors the opportunity for input into decisions on replacements and includes quarterly Engineering and Operating Committee (E&OC) meetings, an annual technical review committee meeting, and the annual Coordinating Committee meeting. The contractors are provided with several opportunities throughout the year to review Western's and Reclamation's 10-year plans and debate and discuss the plans for the upcoming year at each meeting. All data has been reviewed by Contractors prior to being included in the annual calculation of the base charge.

The existing treatment of replacement in the Boulder Canyon Project is consistent with the BCPIA. One of the key objectives of the agreement when it was executed in 1995 was to eliminate the need for Reclamation to seek Federal appropriations. The formula for calculating replacement capital advances in Section 6 of the BCPIA recognizes the intent to operate the project without appropriations, while developing a method to recognize that existing Contractors' payments for expensed replacements are potentially higher each year than if the replacements had been funded via appropriations and repaid over the useful life of the asset. While a capitalized, amortized replacement program may result in reduced annual expenses, it will increase overall costs to the project due to future interest costs. Additionally, since Reclamation has not requested Federal appropriations for BCP since 1996, a request for appropriations would represent a significant change in policy and would be unusual given the successful operation of the current structure. Further, the earliest opportunity to make such a request would likely be for FY 2015, resulting in no change for the FY2012 base charge.

Comment: A commenter requested an explanation regarding why the projected increase in the Base Charge as reflected in the initial notice published in the **Federal Register** differed significantly from the projected increase disclosed at the Public Information Forum.

Response: Differences in projected changes to the base charge between publication of the initial proposal in February and that disclosed in the public forums in April/May are the result of the availability of final, audited financial data. When the initial notice is sent for publication in early February, the final audited data for the previous year is typically not available. The inclusion of this data into the Power Repayment Study (PRS) will almost always result in adjustments to the estimated base charge.

It is also important to note that the total base charge increase for FY 2012 is a result of an increase in total costs along with the fact that prior year carryover is significantly reduced when compared to previous years.

Future Rates

Comment: A commenter suggested that one way to mitigate the FY 2012 rate increase would be to restructure capital plans, reducing rates for the next few years, and increasing rates in the later years.

Response: Western and Reclamation are responsible for ensuring the safe and reliable operation of the power system while keeping rates as low as possible consistent with sound business principles. Moving costs into future years may result in a short term savings and a lower rate for the upcoming year, but is otherwise not consistent with the agencies' responsibilities. Prior to the annual rate process, Western, Reclamation and the BCP Contractors engage in quarterly E&OC meetings, a technical review committee and, when necessary, subcommittee processes where the projected annual expenses are reviewed thoroughly. The rates announced in today's notice were developed after consideration of all the information generated in these meetings and reviews.

Reduction to Annual Costs

Comment: BCP commenters have concerns that Reclamation rescheduled the spillway drum gate seal work to mitigate the rate impact for FY 2012. The commenters believe this item is critical to dam safety and would prefer that Reclamation reschedule breaker replacements or other alternatives listed in the work plan that do not appear to be critical to safety at this time.

Response: Western notes that Reclamation chose not to spend $1.7 million on the Spillway Drum Gates in FY 2011 for the following reasons: The first is to help lower the FY 2012 Base Charge. Secondly, due to the low lake level, moving this work into the future would not pose a risk to Dam safety because there is very low probability that Lake Mead will be at an elevation that will require drum gate usage in the foreseeable future. Lastly, the decision was due to a recent Value Engineering study that proposes to combine and restructure the four major maintenance tasks associated with the spillway drum gates, which are: drum gate seals, drum gate drain hoses, drum gate pivot pins, and drum gate re-coating.

Visitor Center Revenues and Expenses

Comment: A commenter expressed concern that the visitor center revenue projections are not broken out separately in the cost projections as the visitor center expenses are. The commenter stated that it appears the visitor center revenue projections are a place holder, and further stated projections should be based on past experience as well as having supportable evidence upon which to base future projections.

Response: Western and Reclamation appreciate the commenter's concern over the visitor center revenues and continue to look for ways to maximize revenues. In its monthly Hoover Fax sent to all Contractors, Reclamation reports year-to-date revenue as well as a comparison to the previous year. For the last 5 years, the Visitor Center revenue and expense projections were as follows:

Visitor Center	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Projected Revenues	$11,564,000	$12,769,000	$14,625,000	$12,000,000	$12,000,000
Projected Expenses	8,435,000	9,024,000	9,148,000	9,173,000	8,996,000

Reclamation projects the revenue to the best of its ability based on recent experience as well as projecting future revenues based on specific assumptions and known factors (e.g., bridge construction, estimated number of visitors to the region based on historical visitor numbers and on general economic conditions, and other factors). The projected revenues are updated each year based on these factors. The $12 million projection is felt to be reasonably conservative and was done in consultation with the BCP Contractors and in line with the BCPIA. The Contractors expressed concerns that visitor center revenue estimates be somewhat conservative so as to not create a situation where an over estimation of visitor center revenues would result in an under collection of the base charge in a given year.

Security Costs

Comment: A commenter expressed concern that the security costs are increasing even while the expectation was that once the by-pass bridge was completed, costs would decrease.

Response: Reclamation continually reviews its security costs and seeks ways to reduce its overall costs. Hoover Dam security costs from FY 2010 to FY 2012 were reduced by approximately $780,000. This reduction was due to the opening of the Mike O'Callaghan-Pat Tillman Memorial Bridge and the closure of the Arizona security checkpoint. An estimated $400,000 in additional costs related to the Hoover Defense Plan and operation and maintenance of the Electronic Access Control and Surveillance System have been factored into the proposed FY 2012 and out-year budgets to meet minimum requirements for protection of the facility. Projected costs are identified each fiscal year and routinely shared with the BCP Contractors. Reclamation's annual security costs are spent in accordance with current Reclamation Legislative Guidelines, and the BCP Contractors receive annual reimbursement for costs in excess of the identified cost reimbursement ceiling. Information on Reclamation's Legislative Guidelines regarding site security costs may be found online at *http://www.usbr.gov/ssle/documents.*

BCP Electric Service Rates

BCP electric service rates are designed to recover an annual revenue requirement that includes operation and maintenance expenses, payments to states, visitor services, the uprating program, replacements, investment repayment, and interest expense. Western's PRS allocates the projected annual revenue requirement for electric service equally between capacity and energy.

Availability of Information

Information about this base charge and rate adjustment, including PRS, comments, letters, memorandums, and other supporting material developed or maintained by Western used to develop the FY 2012 BCP Rates is available for public review at the Desert Southwest Customer Service Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, AZ 85005. The information is also available on Western's Web site at *http://www.wapa.gov/dsw/pwrmkt/BCP/RateAdjust.htm.*

Ratemaking Procedure Requirements

BCP electric service rates are developed under the Department of Energy Organization Act (42 U.S.C. 7101–7352), through which the power marketing functions of the Secretary of the Interior and Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent

enactments, 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 project involved, were transferred to and vested in the Secretary of Energy, acting by and through Western.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop long-term power and transmission rates on a non-exclusive basis 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 electric service rate adjustments are located at 10 CFR part 903, effective September 18, 1985 (50 FR 37835), and 18 CFR part 300. DOE procedures were followed by Western in developing the rate formula approved by FERC on December 9, 2010, at 133 FERC ¶ 62,229.[2]

The Boulder Canyon Project Implementation Agreement requires that Western determine the annual rates for the next fiscal year before October 1 of each rate year. The rates for the first rate year, and each fifth rate year thereafter, become effective provisionally upon approval by the Deputy Secretary of Energy (Deputy Secretary) and subject to final approval by FERC. For all other rate years, the rates become effective on a final basis upon approval by the Deputy Secretary. Because FY 2012 is an interim year, these rates become effective on a final basis upon approval by the Deputy Secretary.

Western will continue to provide annual rates to the BCP Contractors by October 1 of each year using the same rate-setting formula. The rates are reviewed annually and adjusted to assure sufficient revenues are collected to achieve payment of all costs and financial obligations associated with the project. Each fiscal year, Western prepares a PRS for the BCP to update actual revenues and expenses including interest, estimates of future revenues, expenses, and capitalized costs.

The BCP rate-setting formula includes a base charge, an energy rate, and a capacity rate. The rate-setting formula was used to determine the BCP FY 2012 Rates.

Western proposed a FY 2012 base charge of $84,536,772, an energy rate of 10.56 mills/kWh, and a capacity rate of $1.84/kW-month.

Consistent with procedures set forth in 10 CFR part 903 and 18 CFR part 300, Western held a consultation and comment period. The notice of the proposed FY 2012 Rates for electric service was published in the **Federal Register** on February 14, 2011 (76 FR 8359).

Under Delegation Order Nos. 00–037.00 and 00–001.00C, and in compliance with 10 CFR part 903 and 18 CFR part 300, I hereby approve the FY 2012 Rates for BCP Electric Service on a final basis under Rate Schedule BCP–F8 through September 30, 2012. By this order I am placing the rates into effect in less than 30 days to meet contract deadlines and to avoid financial difficulties.

Dated: September 2, 2011.

Daniel B. Poneman,

Deputy Secretary of Energy.

[FR Doc. 2011–23329 Filed 9–12–11; 8:45 am]

BILLING CODE 6450–01–P

[2] The existing rate-setting formula was established in Rate Order No. WAPA–70 on April 19, 1996, in Docket No. EF96–5091–000, at 75 FERC ¶ 62,050, for the period beginning November 1, 1995, and ending September 30, 2000. Rate Order No. WAPA–94, extending the existing rate-setting formula beginning on October 1, 2000, and ending September 30, 2005, was approved on July 31, 2001, in Docket No. EF00–5092–000,at 96 FERC ¶ 61,171. Rate Order No. WAPA–120, extending the existing rate-setting formula for another five-year period beginning on October 1, 2005, and ending September 30, 2010, was approved on June 22, 2006, in Docket No. EF05–5091–000 at 115 FERC ¶ 61,362. WAPA–150, extending the existing rate-setting formula for another five-year period beginning on October 1, 2010, was approved on December 9, 2010, in Docket No. EF10–7–000 at 133 FERC ¶ 62,229.

DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects—Western Area Colorado Missouri Balancing Authority—Rate Order No. WAPA–155

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Order Concerning Transmission and Ancillary Services Formula Rates.

SUMMARY: The Deputy Secretary of Energy has confirmed and approved Rate Order No. WAPA–155 and Rate Schedules L–NT1, L–FPT1, L–NFPT1, L–AS1, L–AS2, L–AS3, L–AS4, L–AS5, L–AS6, L–AS7, L–AS9, and L–UU1, placing Loveland Area Projects (LAP) transmission and Western Area Colorado Missouri (WACM) Balancing Authority ancillary services formula rates into effect on an interim basis. The provisional formula rates will be in effect until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places them into effect on a final basis or until they are replaced by other formula rates. The provisional formula rates will provide sufficient revenue to pay all annual costs, including interest expense, and to repay power investment within the allowable periods.

DATES: Rate Schedules L–NT1, L–FPT1, L–NFPT1, L–AS1, L–AS2, L–AS3, L–AS4, L–AS5, L–AS6, L–AS7, L–AS9, and L–UU1 will be placed into effect on an interim basis on the first day of the first full billing period beginning on or after October 1, 2011, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis for a 5-year period ending September 30, 2016, or until the rate schedules are superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Bradley S. Warren, Regional Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7201, or Mrs. Sheila D. Cook, Rates Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7211, e-mail *scook@wapa.gov.*

SUPPLEMENTARY INFORMATION: The Deputy Secretary of Energy approved current Rate Schedules L–NT1, L–FPT1, L–NFPT1, L–AS1, L–AS2, L–AS3, L–AS4, L–AS5, L–AS6, and L–AS7 on December 30, 2003 (Rate Order No. WAPA–106, 69 FR 1723, January 12, 2004).[1] These rates became effective on March 1, 2004, with an expiration date of February 28, 2009. The rate schedules, with the exception of Rate Schedule L–AS3, Regulation and Frequency Response, were extended through February 28, 2011, under Rate Order No. WAPA–141.[2] Rate Schedule L–AS3 was revised and approved under Rate Order No. WAPA–118,[3] which became effective on June 1, 2006, with an expiration date of May 31, 2011. Under Rate Order No. WAPA–154,[4] all LAP transmission and WACM ancillary services rate schedules, including L–

[1] WAPA–106 was approved by FERC on a final basis on January 31, 2005, in Docket No. EF2–04–5182–000 (110 FERC ¶62,084).

[2] WAPA–141, Extension of Rate Order No. WAPA–106 through February 28, 2011. 73 FR 48382, August 19, 2008.

[3] WAPA–118 was approved by FERC on a final basis on November 17, 2006, in Docket No. EF–06–5182–000 (117 FERC ¶62,163).

[4] WAPA–154, Extension of Rate Order Nos. WAPA–106 and WAPA–118 through February 28, 2013. 76 FR 1429, January 10, 2011.