DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Base Charge and Rates.

SUMMARY: The Western Area Power Administration (Western), a power marketing administration within the Department of Energy (DOE), is proposing an adjustment to the Boulder Canyon Project (BCP) electric service base charge and rates. The current base charge and rates expire September 30, 2013, under Rate Schedule BCP–F8. The current base charge is not sufficient to cover all annual costs including operation, maintenance, replacements, interest expense, and to repay investment obligations within the required period. The proposed base charge will provide sufficient revenue to cover all annual costs and to repay investment obligations within the allowable period. A detailed rate package that identifies the reasons for the base charge and rates adjustment will be available in March 2013. The proposed base charge and rates are scheduled to become effective October 1, 2013, and will remain in effect through September 30, 2014. This **Federal Register** notice initiates the formal process for the proposed base charge and rates.

DATES: The consultation and comment period will begin today and will end May 6, 2013. Western will present a detailed explanation of the proposed base charge and rates at a public information forum March 27, 2013, beginning at 10:30 a.m. Mountain Standard Time (MST), in Phoenix, Arizona. Western will accept oral and written comments at a public comment forum April 10, 2013, beginning at 10:30 a.m. MST, at the same location. 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 Customer Service Regional 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, email *moe@wapa.gov*. Written comments may also be faxed to (602) 605–2490, attention: Jack Murray. Western will post the principle documents used in developing the rates on its web site at *http://www.wapa.gov/dsw/pwrmkt/BCP/RateAdjust.htm*. Western will also post official comments received via letter, fax, and email to this web site.

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 30 days in advance of the meeting to obtain the necessary form for admittance to Western.

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

SUPPLEMENTARY INFORMATION: The proposed base charge and rates for BCP electric service are designed to recover an annual revenue requirement that includes the investment repayment, interest, operation and maintenance, replacements, payments to states, visitor services, and uprating payments. The total costs are offset by the projected revenue from water sales, visitor center, ancillary services, and late fees. The annual revenue requirement is the base charge for electric service and is divided equally between capacity and energy. The annual composite rate is the base charge divided by the annual energy sales.

Rate Schedule BCP–F8, Rate Order No. WAPA–150 was approved on an interim basis by the Deputy Secretary of

Energy on September 16, 2010, for a 5-year period beginning on October 1, 2010, and ending September 30, 2015.[1] The schedule received final approval from the Federal Energy Regulatory Commission (FERC) on December 9, 2010.[2] Western's existing rate formula for electric service requires recalculation of the base charge and rates annually based on updated financial and hydrology data. The proposed base charge for fiscal year (FY) 2014 under Rate Schedule BCP–F8 is $86,440,816, and the proposed composite rate is 22.39 mills/kilowatthour.

The proposed BCP electric service base charge and composite rate represent increases of approximately 5 percent compared to the FY 2013 base charge and composite rate. The 5 percent increase in the base charge is based on the most current financial data available at this time, which was taken from the latest rate-base power repayment study. The 5-percent increase in the composite rate is based on current hydrology conditions and the corresponding Lake Mead elevations. The following table compares the existing and proposed base charge and composite rate. This proposal, effective October 1, 2013, is preliminary and is subject to change upon publication of final formula rates.

COMPARISON OF EXISTING AND PROPOSED BASE CHARGE AND COMPOSITE RATE

	Existing October 1, 2012 through September 30, 2013	Proposed October 1, 2013 through September 30, 2014	% Change
Base Charge ($)	82,379,637	86,440,816	5
Composite Rate (mills/kWh)	21.28	22.39	5

The increase in the proposed base charge is due to increases in the annual visitor center costs, uprating program principal payments, capital investments principal payments and replacement costs. Currently, there is no projected year-end carryover from FY 2012 and FY 2013 resulting in an overall increase in the base charge for FY 2014. However, these results are based on preliminary data and subject to change upon receipt of audited FY end financial information. The projected increase in the composite rate is due to the projected increase in the base charge and lower energy projections resulting from the current hydrology conditions and Lake Mead elevations.

Legal Authority

Since the proposed rates constitute a major rate adjustment as defined by 10 CFR part 903, 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 consistent with 10 CFR parts 903 and 904.

Western is establishing an electric service base charge and rates for BCP under the DOE 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 project 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 DOE procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985 (50 FR 87835).

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that Western initiates or uses to develop the proposed 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); Council on Environmental Quality Regulations (40 CFR parts 1500–1508); and DOE NEPA Regulations (10 CFR part 1021), Western has determined this action is categorically excluded from preparing an environmental assessment or an environmental impact statement.

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: December 20, 2012.

Anita J. Decker,

Acting Administrator.

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[1] 75 FR 57912 (September 23, 2010).

[2] 133 FERC ¶ 62,229.