

DEPARTMENT OF ENERGY
Western Area Power Administration
AGENCY: Western Area Power Administration, Department of Energy.
52 FR 28333

July 29, 1987

Final Allocation Criteria and Allocations of Capacity and Associated Energy From the Parker-Davis Project

ACTION: Notice of final allocation criteria and allocations of capacity and associated energy from the Parker-Davis project.

SUMMARY: The Boulder City Area Office of the Western Area Power Administration (Western) published the "Proposed Allocation Criteria and Allocations of Capacity and Associated Energy from the Parker-Davis Project" in the Federal Register (*52 FR 7014*) on March 6, 1987. A public information forum was held in Las Vegas, Nevada, on March 16, 1987, and a public comment forum was held at the same location on March 23, 1987. Written comments were accepted at the Boulder City Area Office until April 6, 1987. Western has reviewed and considered each comment received. The Supplementary Information section, which follows, provides Western's responses to all the major comments, criticisms, and alternatives offered on the proposed allocations. After review of the comments, Western has determined that the final allocations of capacity and associated energy from the Parker-Davis Project, as published herein, are appropriate. Based upon these final allocations, Western will initiate contract negotiations for capacity and associated energy from the Parker-Davis Project.

DATES: These final allocation criteria and allocations of capacity and associated energy are effective August 28, 1987.

ADDRESSES: For further information concerning these final allocations, contact: Mr. Earl Hodge, Acting Assistant Area Manager for Power Marketing, Boulder City Area Office, Western Area Power Administration, P.O. Box 200, Boulder City, NV 89005, (702) 477-3255.

TEXT: SUPPLEMENTARY INFORMATION: The power to be allocated from the Parker-Davis Project was specified in the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (Conformed Criteria) published in the Federal Register (*49 FR 50582*) on December 28, 1984. The Conformed Criteria provided for the reservation of capacity and associated energy to existing Parker-Davis Project contractors upon receipt of an application. Also, the Conformed Criteria identified an additional amount of capacity and associated energy (Additional Power) as being available for allocation after May 31, 1987.

In the January 18, 1985, Federal Register (*50 FR 2717*), Western requested applications for the capacity and associated energy to be available after June 1, 1987, from the Parker-Davis Project. Western reviewed the applications received and published the proposed allocation criteria and allocations of capacity in the Federal Register (*52 FR 7014*) on March 6, 1987. Interested parties were invited to submit comments to Western concerning the proposed Parker-Davis Project allocation criteria and allocations.

Comments were received on the proposed allocation criteria and the specific proposed allocations of Parker-Davis Project capacity and associated energy. The comments and Western's responses are as follows.

Discussion on Comments Received

Gila River Indian Community

Western proposed no allocation to the Gila River Indian Community (Community) because it did not own and operate a utility system and did not have utility responsibility. The Community commented that it is actively taking the necessary preliminary steps in acquiring the on-reservation portion of the San Carlos Irrigation Projects (SCIP) Electric Utility System, and intends to take ownership of the system in the future. The Community further commented it needs to secure contracted power resources before it can obtain financing for the acquisition, and that it would be willing to temporarily assign its allocation to SCIP until such time that the acquisition was complete.

The Community comments are directed to one of the additional factors contained in the allocation criteria which required an applicant to have utility status as of March 6, 1987. Western adopted this factor in light of the small amount of Additional Power available for allocation from the Parker-Davis Project and the large number of qualified applicants. The Community has not provided information that it meets this factor; therefore, no allocation has been granted to the Community.

City of Vernon

The City of Vernon commented that Western's allocation to existing Parker-Davis Project contractors was directly contrary to Western's proposed decision (with respect to Vernon not being eligible to receive an allocation of power because it will receive power from Western after 1987) to ensure the widespread use of the Federal resource. The City of Vernon requests that Western allocate Parker-Davis Project power to it because the Federal allocation it is receiving satisfies a very small amount of its power requirements.

Western's allocation to existing Parker-Davis Project contractors did not increase their allocation. Western only substituted a nonwithdrawable resource for a withdrawable resource. Western believes that the criteria for the allocation of the Additional Power to new customers were reasonable and insure the widespread use of the resource. No changes have been made to the criteria as a result of comments from the City of Vernon.

City of Needles

The City of Needles (Needles) inquired as to the date that contract negotiations would begin.

Western will initiate contract negotiations with the allottees after the allocations set forth herein are published. The effective date of the allocations is 30 days after publication of this notice in the Federal Register.

Needles also pointed out that the energy amounts calculated from the kilowatthour per kilowatt ratio provided in the proposed allocation would not be the same as the amounts designated to be available to Needles in the Conformed Criteria. Needles requested that the power contract should reflect the amounts specified in the Conformed Criteria.

Western agrees with Needles. The power contract will reflect the amounts specified in the Conformed Criteria.

Intermountain Consumer Power Association (ICPA), Garkane Power Association, Inc. (Garkane), and Dixie-Escalante Rural Electric Association, Inc. (Dixie-Escalante)

ICPA commented that it submitted an application on behalf of its individual members serving loads located within the Boulder City marketing area, specifically in behalf of Dixie-Escalante and Garkane.

ICPA requested that these members be considered for a Parker-Davis Project allocation. Garkane and Dixie-Escalante also submitted comments on their own behalf and requested an additional allocation for the Arizona portion of their service area. They contend that the determination by Western that a major portion of their service area is outside the Boulder City marketing area as described in the Conformed Criteria is not consistent with other allocations made by Western and is unwarranted. They state that they are sharing upper basin power with Arizona customers; therefore, they are entitled to an allocation of lower basin power. They also contend that they should have been previously advised of the intention of Western to deny its Arizona application in time for them to alert their Arizona customers to make an application on their own behalf. They further stated that Western utilized some additional factors to allocate the Parker-Davis Project power which were never part of the adopted criteria and questioned Western in applying the other "Federal resources" criteria.

Part V of the Conformed Criteria specified that Parker-Davis Project power would be allocated in a specific order of priority. The first order of priority was "preference entities within the Boulder City marketing area." The Federal Register notice (*50 FR 2717*) requesting applications for power from Boulder City Area Projects specified that "new applicants and existing Parker-Davis Project contractors are requested to apply for the Parker-Davis Project capacity and energy allocations as provided in the Conformed Criteria (Part V)."

Western believes that this was clear notice that Western would be looking at entities within the Boulder City marketing area as first priority applicants for Parker-Davis Project power. Western believes that ICPA, Garkane, and Dixie-Escalante are not within the Boulder City marketing area, and therefore are not first priority applicants. Since all available Parker-Davis Project power has been allocated to entities within the Boulder City marketing area, neither ICPA, Garkane, nor Dixie-Escalante will receive an allocation.

Furthermore, Western proposed in the March 6, 1987, Federal Register notice to utilize four additional factors in the Parker-Davis Project allocation in order to "narrow the field" to a reasonable number of applicants. Western considered other Federal resources in order to identify qualified applicants which did not have any contracts with Western for Federal power. In adopting and applying these criteria, Western has been able to allocate a reasonable amount of power to entities without contracts with Western. Both Garkane and Dixie-Escalante have allocations of other Federal resources. Under the criteria established by Western for the allocation of Parker-Davis Project power, ICPA, on behalf of Garkane and Dixie-Escalante, or the entities on their own behalf, will not be allocated Parker-Davis Project power.

Electrical District No. 8 (ED-8)

ED-8 commented that it is similar to other districts and military installations in respect to its utility ownership and responsibilities. ED-8 stated that it is empowered with the legal authority and responsibilities of owning, operating, and contracting for its electric utility system and to provide power to its customers. ED-8 further stated that the criteria applied were not previously adopted by Western and do not serve as a reasonable classification for distinguishing among potential beneficiaries of Federal resources, and are contrary to historical administrative policies of Western. ED-8 recommended that Western consider the load, load growth, type of load serviced, and the Federal hydropower and water entitlements of each applicant. ED-8 specifically requested that Western adopt a criteria which allocates power to those districts with customers who do not have an entitlement to Central Arizona Project water.

As explained previously, Western utilized the "utility status as of the date of the Federal Register notice" factor to narrow the field of qualified applicants in order to allocate the small amount of Additional Power. ED-8 has not provided evidence that it had utility status by the date of the publication of the March 6, 1987, Federal Register notice. Being empowered with the legal authority and responsibility of owning and operating an electric utility system is not the same as actually owning and operating a system. Western believes that the "utility status" factor, as well as the other additional factors applied, were appropriate for the allocation of the small amount of Additional Power available from the Parker-Davis Project. Western does not believe that an allocation criterion based on water rights is appropriate for the Parker-Davis Project.

Department of Energy, Nevada Operations Office (DOE/NTS)

DOE/NTS requested that Western reconsider the proposed denial of an allocation to DOE/NTS in light of the information provided regarding the transmission path available from a Parker-Davis Project designated point-of-delivery to DOE/NTS facilities. DOE/NTS indicated that it has an agreement with Valley Electric Association (VEA) that provides DOE/NTS with the right to 13.5 MW of transmission capacity on the VEA 138-kV line between Amargosa Substation (a Parker-Davis Project point-of-delivery) to Jackass Flats Substation. DOE/NTS and VEA have already discussed a modification in the existing agreement to provide for the delivery by VEA of a Parker-Davis Project power delivery. DOE/NTS further states that the power would enter the power system owned by DOE/NTS, consisting of a 100-mile 138-kV transmission loop and a 34.5-kV distribution system, at Jackass Flats Substation.

DOE/NTS has provided additional information that it can meet the criteria, particularly the criteria regarding its ability to receive the power at a Parker-Davis Project designated point-of-delivery. Therefore, Western has modified the proposed allocations of Parker-Davis Project Additional Power to include an allocation to DOE/NTS. As a result, each of the proposed allocations of Additional Power have been decreased by a small amount.

Conclusion

After review and analysis of the comments received, Western has determined that no new information has been presented that would warrant any change in the four additional proposed allocation factors. The final allocations set forth in this notice are based upon the Conformed Criteria and the four additional factors. DOE/NTS originally was not selected for a proposed allocation because there was not sufficient information in the application with regard to the transmission path that would be utilized to deliver the power to DOE/NTS. DOE/NTS has now provided sufficient information regarding the transmission path that would be utilized by DOE/NTS. Therefore, the Parker-Davis Project proposed allocation of Additional Power to new contractors was modified to include DOE/NTS. As a result of the modification, all proposed new contractors have had their proposed allocations of Additional Power reduced to accommodate the allocation to DOE/NTS.

Executive Order 12291

The Department of Energy has determined that this allocation is not a major rule because the allocation does not meet the criteria of section 1(b) of Executive Order 12291 (*46 FR 13193*) dated February 17, 1981. Western has an exemption from sections 3, 4, and 7 of Executive Order 12291.

Regulatory Flexibility Act

Pursuant to Regulatory Flexibility Act of 1980 (*5 U.S.C. 601*, et seq.), each agency, when required to publish a notice of a public rule, shall prepare for public comments an initial regulatory flexibility analysis to describe the impact of the proposed rule on small entities. In this instance, the allocation criteria and allocations relate to electric services provided by Western. Under section 601(b) of the Regulatory Flexibility Act of 1980, services are not considered "rules" within the meaning of the Act; therefore, Western believes that no flexibility analysis is required.

National Environmental Policy Act

Pursuant to the National Environmental Policy Act of 1969 and the Department of Energy regulations published in the Federal Register on February 23, 1982 (*47 FR 7976*), as amended, Western evaluated the

potential for environmental impact of the Boulder City General Consolidated Power Marketing Criteria or Regulations for the Boulder City Area Projects (Environmental Assessment No. DOE-EA-204). On May 2, 1983, the Department of Energy executed a Finding of No Significant Impact for that proposal. Allocation Criteria for the Parker-Davis Project were addressed in the Conformed Criteria.

The Criteria Environmental Assessment addressed the impact of the offer of Additional Power from the Parker-Davis Project. Western has evaluated the Conformed Criteria to determine if this action is a significant action in the context of the National Environmental Policy Act and has determined that the allocation will not lead to any significant environmental impacts.

Additional Information

The following materials relative to the proposed allocation of Parker-Davis Power are available for inspection at the Boulder City Area Office:

1. Copies of comments received concerning the proposed allocation criteria and allocations of capacity and associated energy from the Parker-Davis Project.
2. Reporter's transcript of proceedings, public comment forum on proposed allocations of power from the Parker-Davis Project, March 12, 1987.
3. Reporter's transcript of proceedings, public information forum on proposed allocations of power from the Parker-Davis Project, March 23, 1987, and copy of graphics used in the presentation.
4. Letter dated March 12, 1987, from Western to all Parker-Davis Project Interested Parties, concerning corrections to the March 6, 1987, Federal Register notice.
5. Federal Register notice (*52 FR 7104*) dated March 6, 1987, publishing the "Notice of Proposed Allocation Criteria and Allocations of Capacity and Associated Energy from the Parker-Davis Project."
6. Applications received requesting Parker-Davis Project capacity and associated energy.
7. Federal Register notice (*49 FR 50582*) dated December 28, 1984, publishing the "Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects."
8. Federal Register notice (*50 FR 2717*) dated January 18, 1985, publishing the "Request for Applications for Power from Boulder City Area Projects."
9. Environmental Assessment of General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects, Western Area Power Administration, April 1983 (DOE EA-0204, as supplemented by an economic study dated June 1987).

Allocations

These final allocations are made in accordance with the Department of Energy Organization Act (*42 U.S.C. 7101*, et seq.), the Federal power marketing authorities contained in Reclamation laws (*43 U.S.C. 371*, et seq. and all acts amendatory thereof or supplementary thereto), and the acts specifically applicable to the Parker-Davis Project. The final allocations include the allocation of power reserved for existing Parker-Davis Project contractors and the allocation of Additional Power available from the Parker-Davis Project after June 1, 1987. The allocations of Additional Power (including DOE/NTS) are based on the methodology published in the Federal Register (*52 FR 7014*) on March 6, 1987, as follows:

1. Withdrawing an amount from the existing Parker-Davis Project contractors with withdrawable capacity (equal to one-half of their existing withdrawable capacity) and allocating the same amount of nonwithdrawable capacity to those contractors.

2. Allocating nonwithdrawable additional capacity, in an amount equal to 1,000 kilowatts plus a proportionate share of any balance remaining, to eligible new applicants which do not have contracts with Western.

3. Allocating withdrawable Additional Power (released by allocating nonwithdrawable capacity to existing contractors) according to the following methodology. For each season, Western divided the amount of nonwithdrawable Additional Power to be allocated to each eligible new applicant by the total amount of nonwithdrawable Additional Power to be allocated to all the eligible new applicants. The resulting quotient for each eligible new applicant was then multiplied by the total amount of withdrawable Additional Power available for allocation in each season. That product is the amount of withdrawable Additional Power to be allocated to each applicant in each season.

The final allocations of capacity from the Parker-Davis Project after June 1, 1987, are shown in the following table 1:

Allottee	Winter Season 2		Total	Summer Season 1	
	Withdrawable	Nonwithdrawable		Withdrawable	Nonwithdrawable
3					
Total					
APPA:					
AEPCO	-0-	18,400	18,400	-0-	23,800
23,800					
Mesa	-0-	8,000	8,000	-0-	10,450
10,450					
CRIR	-0-	5,940	5,940	-0-	8,900
8,900					
CRC (NV)	2,355	38,655	41,010	3,950	53,000
56,950					
DOE/NTS	419	1,759	2,178	707	1,537
2,244					
Edwards AFB	590	14,040	14,630	967	17,318
18,285					
ED-1	407	1,708	2,115	717	1,558
2,275					
ED-3	1,058	1,057	2,115	1,462	1,463
2,925					
FMIT	-0-	1,200	1,200	-0-	1,970
1,970					
Fredonia	258	1,084	1,342	497	1,080
1,577					
George AFB	339	1,421	1,760	633	1,374
2,007					
IID	-0-	26,300	26,300	-0-	32,550
32,550					
Luke/Gila					
Bend AFB:					
Luke AFB	430	1,805	2,235	702	1,525
2,227					

Gila Bend 394 AFB	76	319	395	124	270
Navy-Marine 2,157 Air Station	345	1,450	1,795	680	1,477
Needles 5,100	-0-	4,064	4,064	-0-	5,100
Nellis AFB 2,887	506	2,124	2,630	910	1,977
Norton AFB 2,563	453	1,900	2,353	808	1,755
Papago 2,887 Tribal Authority	453	1,900	2,353	910	1,977
SRP 31,700	-0-	22,500	22,500	-0-	31,700
SCIP 17,185	590	12,540	13,130	967	16,218
Thatcher 350	-0-	250	250	-0-	350
WMI&DD 3,100	297	2,148	2,445	450	2,650
Wickenburg 1,837	294	1,236	1,530	579	1,258
YID 960	-0-	780	780	-0-	960
YPG 5,235	590	3,490	4,080	967	4,268
Total 242,515	9,460	176,070	185,530	16,030	226,485

1 March-September.

2 October-February.

3 See Appendix A.

As provided in the Conformed Criteria, the associated energy from the Parker-Davis Project, on or after June 1, 1987, will be equal to 3,441 kilowatthours per kilowatt in the summer season and 1,703 kilowatthours per kilowatt in the winter season. Each contractor's energy allocation will be based on these seasonal kilowatthour per kilowatt ratios.

The Parker-Davis Project withdrawable capacity and associated energy is power that is reserved for United States priority use, but not presently needed. When priority-use power is requested, Western will substantiate that the power to be withdrawn will be used for the purposes specified in the Conformed Criteria and then, upon a 2-year written advance notice, Western may withdraw the necessary amount of power on a pro rata basis. Withdrawals of power may be made until the total amount of power reserved for priority-use purposes is fully withdrawn.

In the event that a contractor or potential contractor fails to place power under contract within a reasonable period, to be determined by Western, in accordance with the terms and conditions offered by Western or fails to have the means to receive the power at a Parker-Davis Project designated point-of-delivery within 1 year from the date of this Federal Register notice, unless Western specifically agrees otherwise in writing, the amounts of power released by such failure will be reallocated by Western in accordance with the Conformed Criteria.

Upon publication of these final allocations, new contracts will be negotiated with existing and new allottees for the power contract period to end September 30, 2007.

Issued at Golden, Colorado, July 15, 1987.

William H. Clagett,

Administrator.

Appendix A. -- Parker-Davis Project Allottees

APPA	Arizona Power Pooling Association, Arizona.
AEPCO	Arizona Electric Power Cooperative, Inc.
Arizona.	
Mesa	City of Mesa, Arizona.
CRIR	Bureau of Indian Affairs, Colorado River Indian Reservation, Arizona, California.
CRC	Colorado River Commission of Nevada, Nevada.
DOE/NTS	United States Department of Energy, Nevada Test Site,
	Nevada.
Edwards AFB	Edwards Air Force Base, California.
ED-1	Electrical District No. 1, Arizona.
ED-3	Electrical District No. 3, Arizona.
FMIT	Fort Mohave Indian Tribe, Arizona.
Fredonia	City of Fredonia, Arizona.
George AFB	George Air Force Base, California.
IID	Imperial Irrigation District, California.
Luke/Gila Bend AFB	Luke Air Force Base and Gila Bend Air Force
Base,	Arizona.
Navy-Marine Air	Navy-Marine Air Station, Arizona.
Station	
Needles	City of Needles, California.
Nellis AFB	Nellis Air Force Base, Nevada.
Norton AFB	Norton Air Force Base, California.
Papago Tribal	Papago Tribal Utility Authority, Arizona.
Authority	
SRP	Salt River Project, Arizona.
SCIP	San Carlos Irrigation Project, Arizona.
Thatcher	Town of Thatcher, Arizona.
WMI&DD	Wellton-Mohawk Irrigation and Drainage District, Arizona.
Wickenburg	Town of Wickenburg, Arizona.
YID	Yuma Irrigation District, Arizona.
YPG	Department of the Army, Yuma Proving Ground,
Arizona.	

