between 95-percent lagging and 95-percent leading.

[FR Doc. 2014–28715 Filed 12–5–14; 8:45 am]

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DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division-Rate Order No. WAPA–166

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Order Concerning Firm Power Rates.

SUMMARY: The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA–166 and Rate Schedules P–SED–F12 and P–SED–FP12, placing firm power and firm peaking power rates for the Western Area Power Administration (Western) Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) into effect on an interim basis.

DATES: Rate Schedules P–SED–F12 and P–SED–FP12 will be placed into effect on an interim basis on the first day of the first full billing period beginning on or after January 1, 2015, and will remain in effect until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places the rate schedules or substitute rates in effect on a final basis through December 31, 2019, or until the rate schedules are superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Robert J. Harris, Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101–1266, telephone (406) 255–2800, email *rharris@wapa.gov*, or Ms. Linda Cady-Hoffman, Rates Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101–1266, telephone (406) 255–2920, email *cady@wapa.gov*.

SUPPLEMENTARY INFORMATION: Rate Schedules P–SED–F11 and P–SED–FP11 were approved under Rate Order No. WAPA–147 for the period beginning January 1, 2010, and ending December 31, 2014.[1] Under the current rate methodology, rates for P–SMBP—ED firm power and firm peaking power service are designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, operation and maintenance, and other expenses within the allowable period. The total annual revenue requirement for P–SMBP—ED remains $320.2 million for firm power and firm peaking power service. In addition, the overall capacity and energy charges are not changing, as the existing charges in the current rate schedules for firm power and firm peaking power continue to provide sufficient revenue to meet the P–SMBP—ED repayment obligations. The Rate Schedules continue to be formula based. An incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formula without a public process.

Rate Schedules P–SED–F11 and P–SED–FP11 are being superseded by Rate Schedules P–SED–F12 and P–SED–FP12, respectively. Under Rate Schedule P–SED–F12, the firm capacity charge will remain $7.65/kilowattmonth (kWmonth), and the firm energy charge will remain 19.05 mills/kilowatthour (kWh). Under Rate Schedule P–SED–FP12, the firm peaking power services capacity charge will remain $6.90/kWmonth, and the energy charge will remain 19.05 mills/kWh as of January 1, 2015. Firm Peaking Energy is normally returned. A Firm Peaking Energy charge of 19.05 mills/kWh will be assessed in the event energy is not returned. The Base and Drought Adder components associated with these charges are shown in Table 1 below:

TABLE 1—SUMMARY OF P–SMBP—ED CHARGE COMPONENTS

	Existing charges under Rate Schedules effective (January 1, 2010) P–SED–F11/P–SED–FP11			Provisional charges under Rate Schedules effective (January 1, 2015) P–SED–F12/P–SED–FP12		
	Base component	Drought Adder component	Total charge	Base component	Drought Adder component	Total charge
Firm Capacity ($/kWmonth)	$3.80	$3.85	$7.65	$4.90	$2.75	$7.65
Firm Energy (mills/kWh)	9.53	9.52	19.05	12.33	6.72	19.05
Firm Peaking Capacity ($/kWmonth)	$3.45	$3.45	$6.90	$4.45	$2.45	$6.90
Firm Peaking Energy (mills/kWh) [1]	9.53	9.52	19.05	12.26	6.79	19.05

[1] Firm Peaking Energy is normally returned. This charge will be assessed in the event firm peaking energy is not returned.

By Delegation Order No. 00–037.00A, effective October 25, 2013, 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.

Under Delegation Order Nos. 00–037.00A and 00–001.00E and in compliance with 10 CFR part 903 and 18 CFR part 300, I hereby confirm, approve, and place Rate Order No. WAPA–166, P–SMBP—ED firm power and firm peaking power rates, into effect on an interim basis

(Provisional Rates). The new Rate Schedules P–SED–F12 and P–SED–FP12 will be promptly submitted to FERC for confirmation and approval on a final basis.

Dated: December 2, 2014.

Elizabeth Sherwood-Randall,

Deputy Secretary of Energy.

DEPARTMENT OF ENERGY

DEPUTY SECRETARY

In the matter of:

Western Area Power Administration

Rate Adjustment for the Pick-Sloan Missouri Basin Program—Eastern Division

Rate Order No. WAPA–166

[1] WAPA–147 was approved by the Deputy Secretary of Energy on December 14, 2009 (74 FR 67197 (Dec 18, 2009)), and confirmed and approved by FERC on a final basis on September 10, 2010, in Docket No. EF10–2–000. See *United States Department of Energy, Western Area Power Administration (Pick-Sloan Missouri Basin Program—Eastern Division)*, 132 FERC ¶ 62,159.

ORDER CONFIRMING, APPROVING, AND PLACING THE PICK-SLOAN MISSOURI BASIN PROGRAM—EASTERN DIVISION FIRM POWER AND FIRM PEAKING POWER SERVICE RATES INTO EFFECT ON AN INTERIM BASIS

These firm and firm peaking power service rates for the Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) are established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under 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 section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and other acts that specifically apply to the project involved.

By Delegation Order No. 00–037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western Area Power Administration (Western); (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 the Federal Energy Regulatory Commission (FERC). Existing DOE procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Acronyms and Definitions

As used in this Rate Order, the following acronyms and definitions apply:

Base	A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs.
Capacity	The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kilowatts.
Capacity Charge	The charge under the rate schedule for capacity. It is expressed in dollars per kilowattmonth.
Composite Rate	The Power Repayment Study (PRS) rate for commercial firm power, which is the total annual revenue requirement for capacity and energy divided by the total annual energy sales. It is expressed in mills per kilowatthour and used for comparison purposes.
CROD	Contract Rate of Delivery. The maximum amount of capacity and energy allocated to a Preference Customer for a period specified under a contract.
Deficits	Deferred or unrecovered annual and/or interest expenses.
DOE Order RA 6120.2	An order outlining power marketing administration financial reporting and rate-making procedures.
Drought Adder	A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits.
Energy	Measured in terms of the work it is capable of doing over a period of time. Energy is expressed in kilowatthours.
Energy Charge	The charge under the rate schedule for energy. It is expressed in mills per kilowatthour and applied to each kilowatthour delivered to each customer.
Firm	A type of product and/or service available at the time requested by the customer.
FY	Fiscal year; October 1 to September 30.
kW	Kilowatt—the electrical unit of capacity that equals 1,000 watts.
kWh	Kilowatthour—the electrical unit of energy that equals 1,000 watts in 1 hour.
kWmonth	Kilowattmonth—the electrical unit of the monthly amount of capacity.
mills/kWh	Mills per kilowatthour—the unit of charge for energy (equal to one tenth of a cent or one thousandth of a dollar).
MW	Megawatt—the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.
Non-timing Power Purchases	Power purchases that are not related to operational constraints such as management of endangered species, species habitat, water quality, navigation, control area purposes, etc.
O&M	Operation and Maintenance.
Power	Capacity and energy.
Power Factor	The ratio of real to apparent power at any given point and time in an electrical circuit. Generally, it is expressed as a percentage.
Preference	The provisions of Reclamation Law that require Western to first make Federal power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states that preference in the sale of Federal power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936.
Provisional Rate	A rate that has been confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of Energy.
Revenue Requirement	The revenue required by PRS to recover annual expenses (such as O&M, purchase power, transmission service expenses, interest, and deferred expenses) and repay Federal investments and other assigned costs.

Effective Date

The Provisional Rates will take effect on the first day of the first full billing period beginning on or after January 1, 2015, and will remain in effect until December 31, 2019, pending approval by FERC on a final basis.

Public Notice and Comment

Western followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these rates. The steps Western took to involve interested parties in the minor rate process were:

1. On April 17, 2014, Western mailed a notice announcing an informal public meeting would be held via webinar on May 2, 2014, to discuss the rate process for the expiring firm power rates for the P–SMBP—ED. The focus of the webinar was to provide an update on the FY 2013 PRS, discuss the Base and Drought

Adder component true up, and plan for the upcoming rate adjustment process.

2. A **Federal Register** notice (FRN), published on August 8, 2014 (79 FR 46434), announced the proposed rates for P–SMBP—ED and began the 30-day public consultation and comment period.

3. On August 8, 2014, Western mailed letters to all P–SMBP—ED Preference Customers and interested parties transmitting the FRN published on August 8, 2014.

4. Western provided a Web page that contains all dates, customer letters, presentations, the FRN, and all other information about this rate process. The Web page is located at *http://www.wapa.gov/ugp/rates/2015FirmRateAdjust.*

5. During the consultation and comment period, which ended September 8, 2014, Western received three comment letters. All formally submitted comments have been considered in the preparation of this Rate Order.

Comments

Written comments were received from the following interested parties:

Mid-West Electric Consumers Association

Missouri River Energy Services

Rodger Otstot

Project Description

The Pick-Sloan Missouri Basin Program (P–SMBP), originally the Missouri River Basin Project, was authorized by Congress in the Flood Control Act of 1944. The multipurpose program provides authorization for construction of certain public works and improvements on rivers and harbors for flood control, generation of hydropower, resources for water supply and irrigation, aids to navigation, preservation of water quality, enhancement of fish and wildlife, and creation of recreation opportunities.

In addition to the multipurpose water projects authorized by Section 9 of the Flood Control Act of 1944, certain other existing projects have been integrated with the P–SMBP for power marketing, operation, and repayment purposes. The Colorado-Big Thompson, Kendrick, and Shoshone Projects were combined with the P–SMBP in 1954, followed by the North Platte Project in 1959. These projects were referred to as the "Integrated Projects" of the P–SMBP. The Flood Control Act of 1944 also authorized the inclusion of the Fort Peck Project with the P–SMBP for operation and repayment purposes.

P–SMBP power is marketed by two Western regions. The Upper Great Plains Region (UGPR) markets the Eastern Division (P–SMBP—ED) and the Rocky Mountain Region (RMR) markets the Western Division (P–SMBP—WD) through the Loveland Area Projects (LAP). The P–SMBP power is marketed to approximately 360 firm power customers by UGPR and approximately 53 firm power customers by RMR.

Power Repayment Study—Firm Power Rate

Western prepares a PRS each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the P–SMBP. Repayment criteria are based on Western's applicable laws and legislation, as well as policies including DOE Order RA 6120.2. To meet Cost Recovery Criteria outlined in DOE Order RA 6120.2, a revised study and rate adjustment has been developed to demonstrate that sufficient revenues will be collected under Provisional Rates to meet future obligations. The PRS revenue requirement and Composite Rate remains unchanged, as indicated in Table 1:

TABLE 1—COMPARISON OF P–SMBP—ED REVENUE REQUIREMENT AND COMPOSITE RATE

	Existing Requirements (January 1, 2010)	Provisional Requirements (January 1, 2015)	Percent Change
P–SMBP—ED Revenue Requirement ($ in millions)	$320.2	$320.2	0
P–SMBP—ED Composite Rate (mills/kWh)	33.25	33.25	0

The P–SMBP—ED annual revenue requirement equals $332.8 million and is comprised of a Base revenue requirement, less a 5 percent discount for facility credits, resulting in a total revenue requirement of $320.2 million.

Existing and Provisional Rates

P–SMBP—ED

Under Rate Schedule P–SED–F12, the firm capacity charge remains $7.65/kWmonth and the firm energy charge remains 19.05 mills/kWh. Under Rate Schedule P–SED–FP12, the firm peaking capacity charge remains $6.90/kWmonth. Firm Peaking Energy is normally returned. A Firm Peaking Energy charge of 19.05 mills/kWh will be assessed in the event energy is not returned. These Rate Schedules are formula based to provide for an annual adjustment to the Drought Adder component. An incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS Composite Rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formula without a public process. The overall capacity and energy charges are not changing, as indicated in the following Table 2:

TABLE 2—COMPARISON OF EXISTING AND PROVISIONAL P–SMBP—ED FIRM POWER RATES

Firm power service	Existing Charges Under Rate Schedules Effective (January 1, 2010) P–SED–F11/ P–SED–FP11	Provisional Charges Under Rate Schedules Effective (January 1, 2015) P–SED–F12/ P–SED–FP12	Percent Change
Firm Capacity ($/kWmonth)	$7.65	$7.65	0
Firm Energy (mills/kWh)	19.05	19.05	0
Firm Peaking Capacity ($/kWmonth)	$6.90	$6.90	0

TABLE 2—COMPARISON OF EXISTING AND PROVISIONAL P–SMBP—ED FIRM POWER RATES—Continued

Firm power service	Existing Charges Under Rate Schedules Effective (January 1, 2010) P–SED–F11/ P–SED–FP11	Provisional Charges Under Rate Schedules Effective (January 1, 2015) P–SED–F12/ P–SED–FP12	Percent Change
Firm Peaking Energy (mills/kWh) [1]	19.05	19.05	0

[1] Firm Peaking Energy is normally returned. This charge will be assessed in the event Firm Peaking Energy is not returned.

Under the current rate methodology, rates for P–SMBP—ED firm power and firm peaking power service are designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, O&M, and other expenses within the allowable period.

Western is trueing up the Base and Drought Adder components of the rate schedules and placing new rate schedules into effect for the 5-year period, beginning January 1, 2015, through December 31, 2019. The true-up updates the Base components to represent present costs and lowers the Drought Adder components to represent present drought costs. Over the past 5-year rate period, the P–SMBP costs included in the Drought Adder have decreased as the actual deficits were less than the projected deficits. Additionally, there have been drought costs repaid ahead of schedule, which decreased the drought deficit interest expense. Base costs increased during that same period due to a new 5-year cost evaluation period, new investments and replacements, and inflationary costs.

P–SMBP—WD

The P–SMBP—WD revenue requirement is incorporated into the LAP rate, along with the revenue requirement for the Fryingpan-Arkansas Project. The adjustment to the LAP rate is a separate formal rate process, which is documented in Rate Order No. WAPA–167. Rate Order No. WAPA–167 is also scheduled to go into effect on the first day of the first full billing period on or after January 1, 2015.

Certification of Rates

Western's Administrator certified that the firm power and firm peaking power rates under Rate Schedules P–SED–F12 and P–SED–FP12 are the lowest possible rates consistent with sound business principles. The rates were developed following administrative policies and applicable laws.

P–SMBP—ED Firm Power Rate Discussion

Western is required to establish power rates sufficient to recover O&M, purchased power and interest expenses, and repay power investment and irrigation aid. The P–SMBP—ED firm power and firm peaking power Base and Drought Adder components are updated to represent present costs. Under Rate Schedule P–SED–F12, Western will continue identifying its firm power service revenue requirement using Base and Drought Adder components. The Base component is a fixed revenue requirement that includes annual O&M expenses, investment repayment and associated interest, normal timing power purchases, and transmission costs. Western's normal timing power purchases are due to operational constraints (*e.g.*, management of endangered species habitat, water quality, navigation, etc.) and are not associated with drought. The Base component cannot be adjusted by Western without a public process.

The Drought Adder component is a formula-based revenue requirement that includes costs attributable to drought conditions within P–SMBP. The Drought Adder component includes costs associated with future Non-timing Power Purchases to meet firm power contractual obligations not covered with available system generation due to a drought, previously incurred deficits due to purchased power debt that resulted from Non-timing Power Purchases made during a drought, and the interest associated with drought debt. The Drought Adder component is designed to repay Western's drought debt within 10 years from the time the debt was incurred, using balloon-payment methodology. For example, the drought debt incurred by Western in FY 2009 will be repaid by FY 2019.

The annual revenue requirement calculation will continue to be summarized by the following formula: Annual Revenue Requirement = Base Revenue Requirement + Drought Adder Revenue Requirement. Both the Base and Drought Adder components recover portions of the firm power revenue requirement, firm peaking power, and associated 5 percent discount revenue necessary to equal the P–SMBP—ED revenue requirement. A comparison of the existing and provisional charge components is listed in Table 3.

TABLE 3—SUMMARY OF P–SMBP—ED RATE COMPONENTS

Firm Power Service	Existing Charges Under Rate Schedules Effective (January 1, 2010) P–SED–F11/ P–SED–FP11			Provisional Charges Under Rate Schedules Effective (January 1, 2015) P–SED–F12/ P–SED–FP12		
	Base Component	Drought Adder Component	Total Charge	Base Component	Drought Adder Component	Total Charge
Firm Capacity ($/kWmonth)	$3.80	$3.85	$7.65	$4.90	$2.75	$7.65
Firm Energy (mills/kWh)	9.53	9.52	19.05	12.33	6.72	19.05
Firm Peaking Capacity ($/kWmonth)	$3.45	$3.45	$6.90	$4.45	$2.45	$6.90
Firm Peaking Energy (mills/kWh) [1]	9.53	9.52	19.05	12.26	6.79	19.05

[1] Firm Peaking Energy is normally returned. This charge will be assessed in the event Firm Peaking Energy is not returned.

Continuing to identify the firm electric service revenue requirement using Base and Drought Adder components will assist Western in presenting the effects of the drought within P–SMBP, demonstrating repayment of the drought-related costs, and allow Western to be more responsive to changes in drought-related expenses. Western will continue to charge and bill Customers firm power service charges for energy and capacity, which are the sum of the Base and Drought Adder components.

Western reviews its firm electric service rates annually. Western will review the Base component after the annual PRS is completed, generally in the first quarter of the calendar year. If an adjustment to the Base component is necessary, Western will initiate a public process following 10 CFR part 903 before making an adjustment.

In accordance with the original implementation of the Drought Adder component, Western will review the Drought Adder component each September to determine if drought costs differ from those projected in the PRS. If drought costs differ, Western will determine if an adjustment to the Drought Adder component is necessary. Western will notify customers by letter each October of the planned incremental or decremental adjustment and implement the adjustment in the January billing cycle. Although decremental adjustments to the Drought Adder component will occur as drought costs are repaid, the adjustments cannot result in a negative Drought Adder component. To give customers advance notice, Western will conduct a preliminary review of the Drought Adder component in early summer and notify customers by letter of the estimated change to the Drought Adder component for the following January. Western will verify the final Drought Adder component adjustment and notify customers by letter each October of any planned increase or decrease in this component. Implementing the Drought Adder component adjustment on January 1 of each year will help keep the drought deficits from escalating as quickly, will lower the interest expense due to drought deficits, will demonstrate responsible deficit management, and will provide prompt drought deficit repayments.

Western's current and provisional rate schedules are formula based to provide for an annual adjustment to the Drought Adder component. An incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS Composite Rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formula without a public process.

Statement of Revenue and Related Expenses

The following Table 4 provides a summary of projected revenue and expense data for the total P–SMBP, including both the Eastern and Western Division's firm electric service revenue requirements through the 5-year rate approval period. The firm power rates for both divisions have been developed with the following revenues and expenses for the P–SMBP:

TABLE 4—TOTAL P–SMBP FIRM POWER COMPARISON OF 5-YEAR RATE PERIOD (FY 2015–2019) TOTAL REVENUES AND EXPENSES

	Existing Rate ($000)	Provisional Rate ($000)	Difference ($000)
Total Revenues	$2,625,336	$2,679,973	$54,637
Revenue Distribution			
Expenses:			
O&M	$904,884	$1,082,969	$178,085
Purchased Power	440,038	164,049	(275,989)
Interest	650,671	561,528	(89,143)
Transmission	65,853	64,072	(1,781)
Total Expenses	$2,061,446	$1,872,618	$(188,828)
Principal Payments:			
Capitalized Expenses (Deficits) [1]	$483,252	$345,006	$(138,246)
Original Project and Additions [1]	10,414	401,193	390,779
Replacements [1]	4,825	61,156	56,331
Irrigation Aid	65,399	0	(65,399)
Total Principal Payments	$563,890	$807,355	$243,465
Total Revenue Distribution	$2,625,336	$2,679,973	$54,637

[1] Due to deficit conditions between 2001 and 2009, revenues generated in the cost evaluation period are applied toward repayment of deficits rather than repayment of project additions and replacements. All deficits are projected to be repaid by 2018.

Basis for Rate Development

The existing charges for firm power and firm peaking power under Rate Schedules F11 and FP11, which expire December 31, 2014, continue to provide sufficient revenue to meet the P–SMBP—ED repayment obligations. The total annual revenue requirement for P–SMBP—ED remains $320.2 million for firm power and firm peaking power service, and the overall capacity and energy charges are not changing. The Provisional Rates, under Rate Schedules F12 and FP12, will take effect on the first full billing period on or after January 1, 2015, and will remain in effect on an interim basis, pending FERC's confirmation and approval of the rate schedules or substitute rates on a final basis, through December 31, 2019, or until the rate schedules are superseded.

Comments

Western received three comment letters during the public consultation and comment period. The comments expressed in these letters have been paraphrased, where appropriate, without compromising the meaning of the comments.

A. *Comment:* Two customer representatives recognized the need for true up of the Base and Drought Adder

charge components of the composite rate.

Response: Western agrees with the above comment. Rather than extend rates with out-of-date charge components, Western choose to do a minor rate adjustment to address trueing up the charge components.

B. *Comment:* One customer representative supported the rate modifications as proposed, and emphasized the need for continued cost control regarding the Base component. They stated the Base costs cannot grow unabated and replace the shrinking Drought Adder. The customer stressed that cost control is of paramount importance.

Response: Western agrees with the above comment. Western is committed to keeping the power rates at the lowest possible rates while maintain sound business principles. All budgeted O&M and capital improvements are vetted annually through customer work plan meetings to access the impacts to the rates.

C. *Comment:* One interested party expressed concern over the suballocation of the power allocation for the Pick-Sloan Missouri Basin Program. The customer feels the allocation is not being calculated in agreement with the ultimate development concept or in accordance with the repayment rules set forth in the Report of Financial Position, Missouri River Basin Project, dated December 1963.

Response: Compliance with applicable authority regarding suballocations for the Pick-Sloan Missouri Basin Program is beyond the scope of this minor rate adjustment process and public process. Western is in compliance with applicable authority. Moreover, any change in the cost allocations would require Congressional approval pursuant to the DOE Organization Act of 1977 (42 U.S.C. 7152(a)(3)).

Availability of Information

All documents related to this action are available for inspection and copying at the Upper Great Plains Regional Office, located at 2900 4th Avenue North, Billings, Montana. These documents are also available on Western's Web site located at *http://www.wapa.gov/ugp/rates/2015firmrateadjust.*

Ratemaking Procedure Requirements:

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321–4347), the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508), and DOE NEPA Implementing Procedures and Guidelines (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.

Submission to the Federal Energy Regulatory Commission

The Provisional Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

ORDER

In view of the foregoing and under the authority delegated to me, I confirm and approve on an interim basis, effective on the first full billing period on or after January 1, 2015, Rate Schedules P–SED–F12 and P–SED–FP12 for the Pick-Sloan Missouri Basin Program—Eastern Division Project of the Western Area Power Administration. These rate schedules shall remain in effect on an interim basis, pending FERC's confirmation and approval of the rate schedules or substitute rates on a final basis through December 31, 2019, or until the rate schedules are superseded.

Dated: December 2, 2014.

Elizabeth Sherwood-Randall,

Deputy Secretary of Energy.

Rate Schedule P–SED–F12
(Supersedes Schedule P–SED–F11)
January 1, 2015

United States Department of Energy

Western Area Power Administration

Pick–Sloan Missouri Basin Program—Eastern Division

Montana, North Dakota, South Dakota, Minnesota, Iowa, Nebraska

SCHEDULE OF RATES FOR FIRM POWER SERVICE

(Approved Under Rate Order No. WAPA–166)

Effective:

The first day of the first full billing period beginning on or after January 1, 2015, through December 31, 2019, or until superseded by another rate schedule.

Available:

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program.

Applicable:

To the power and energy delivered to customers as firm power service.

Character:

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Formula Rate and Charge Components:

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2015, under the Rate:

CAPACITY CHARGE:

$7.65 for each kilowatt per month (kWmonth) of billing capacity.

ENERGY CHARGE:

19.05 mills for each kilowatthour (kWh) for all energy delivered as firm power service.

BILLING CAPACITY: The billing capacity will be as defined by the power sales contract.

Base: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs. The Base component charges are fixed amounts under this Rate Schedule, determined as follows:

$$\text{Base Capacity} = \frac{50\% \text{ X Base Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$4.90/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \text{ X Base Revenue Requirement}}{\text{Annual Energy}} = 12.33 \text{ mills/kWh}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. The formulas, along with the charges under the formulas as of January 1, 2015, are:

$$\text{Drought Adder Capacity} = \frac{50\% \text{ X Drought Adder Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$2.75/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \text{ X Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 6.72 \text{ mills/kWh}$$

Process:

Any proposed change to the Base component will require a public process.

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formulas without a public process.

A revised Drought Adder charge may go into effect January 1 of each year based on the formula above. Western will notify customers annually in October of the revised monthly charges. Any change to the Drought Adder component will be identified in a revision to charges under this rate schedule.

Adjustments:

For Character and Conditions of Service:

Customers who receive deliveries at transmission voltage may, in some instances, be eligible to receive a 5 percent discount on capacity and energy charges when facilities are provided by the customer that results in a sufficient savings to Western to justify the discount. The determination of eligibility for receipt of the voltage discount shall be exclusively vested in Western.

For Billing of Unauthorized Overruns:

For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the formula rate.

For Power Factor:

None. Customers will be required to maintain a power factor at the point of delivery between 95-percent lagging and 95-percent leading.

Rate Schedule P–SED–FP12
(Supersedes Schedule P–SED–FP11)
January 1, 2015

United States Department of Energy

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division Montana, North Dakota, South Dakota, Minnesota, Iowa, Nebraska

SCHEDULE OF RATES FOR FIRM PEAKING POWER SERVICE

(Approved Under Rate Order No. WAPA–166)

Effective:

The first day of the first full billing period beginning on or after January 1, 2015, through December 31, 2019, or until superseded by another rate schedule.

Available:

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program, to customers with generating resources, enabling them to use firm peaking power service.

Applicable:

To the power sold to customers as firm peaking power service.

Character:

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Formula Rate and Charge Components:

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2015, under the Rate:

CAPACITY CHARGE:

$6.90 for each kilowatt per month (kWmonth) of the effective contract rate of delivery for peaking power or the maximum amount scheduled, whichever is greater.

ENERGY CHARGE:

19.05 mills for each kilowatthour (kWh) for all energy scheduled for delivery without return.

Base: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs. The Base component charges are fixed amounts under this Rate Schedule, determined as follows:

$$\text{Base Capacity} = \frac{\text{Base Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$4.45/\text{kWmonth}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. The formulas, along with the charges under the formulas as of January 1, 2015, are:

$$\text{Drought Adder Capacity} = \frac{\text{Drought Adder Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$2.45/\text{kWmonth}$$

Process:

Any proposed change to the Base component will require a public process.

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formulas without a public process.

A revised Drought Adder charge may go into effect January 1 of each year based on the formula above. Western will notify customers annually in October of the revised monthly charges. Any change to the Drought Adder component will be identified in a revision to charges under this rate schedule.

BILLING CAPACITY:

The billing capacity will be the greater of (1) the highest 30-minute integrated capacity measured during the month up to, but not in excess of, the delivery obligation under the power sales contract, or (2) the contract rate of delivery.

Adjustments:

Billing for Unauthorized Overruns:

For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual obligation for peaking capacity and/or energy, such overrun shall be billed at 10 times the formula rate.

[FR Doc. 2014–28677 Filed 12–5–14; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Antelope Valley Station to Neset Transmission Project Record of Decision (DOE/EIS–0478)

AGENCY: Western Area Power Administration, DOE.

ACTION: Record of Decision.

SUMMARY: Western Area Power Administration (Western), an agency within the U.S. Department of Energy (DOE), received a request from Basin Electric Power Cooperative (Basin Electric) to interconnect its proposed Antelope Valley Station (AVS) to Neset Transmission Project (Project) to Western's Williston Substation and Williston to Charlie Creek 230-kilovolt (kV) transmission line. The Project would be located in northwest North Dakota including parts of Mercer, Dunn, McKenzie, Williams, and Mountrail counties. On May 30, 2014, the Notice of Availability (NOA) of the Final Environmental Impact Statement (EIS) for the Project was published in the **Federal Register** (79 FR 31085). The U.S. Department of Agriculture (USDA), Rural Utilities Service (RUS) was the lead Federal agency for the EIS. Western was a cooperating agency in preparation of the EIS. After considering the environmental impacts, Western has decided to allow Basin Electric's request for interconnection.

FOR FURTHER INFORMATION CONTACT: For further information, please contact Mr. Rod O'Sullivan, Corporate Services Office, Western Area Power Administration, A7400, P.O. Box 281213, Lakewood, CO 80228–8213, telephone (720) 962–7260 or email: *OSullivan@wapa.gov*. For general information on DOE's National Environmental Policy Act of 1969 (NEPA) review process, please contact Carol M. Borgstrom, Director, Office of NEPA Policy and Compliance, GC–54, U.S. Department of Energy, Washington, DC 20585, telephone (202) 586–4600 or (800) 472–2756.

SUPPLEMENTARY INFORMATION: Western is a Federal agency under the DOE that markets and transmits wholesale electrical power through an integrated 17,000-circuit mile, high-voltage transmission system across 15 western states. Basin Electric's request for interconnection was processed in accordance with Western's General Requirements for Interconnection, which sets forth the procedures and requirements for certain types of interconnection to Western's transmission system that are not provided for in Western's Open Access Transmission Tariff (*e.g.*, system-to-system interconnections not associated with transmission or generator interconnection service).

Interested parties were notified of the proposed Project and the public scoping comment opportunity through a Notice of Intent published in the **Federal Register** on November 2, 2011 (76 FR 67670). The RUS published an NOA of the Draft EIS in the **Federal Register** on December 7, 2012 (77 FR 73029). On December 20, 2013, the U.S. Environmental Protection Agency (EPA) published an NOA of the Supplemental Draft EIS for the Project in the **Federal Register** (78 FR 77121). On May 30, 2014, RUS published an NOA of the Final EIS for the Project in the **Federal Register** (79 FR 31085).[1] The RUS published its NOA for its Record of Decision (ROD) on September 22, 2014, in the **Federal Register** (79 FR 56557). With the issuance of its ROD, RUS selected Alternative C as the transmission line route.

The RUS was the lead Federal agency for the EIS. Western and the USDA, Forest Service (USFS) participated as cooperating agencies on the EIS. After an independent review of the Final EIS, Western has concluded that its needs

[1] The Final EIS can be found on the RUS Web site at: *http://www.rurdev.usda.gov/UWP-AVS-Neset.html*.