

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 Dam power plant has nineteen (19) generating units (two for plant use) and an installed capacity of 2,078,800 kilowatts (kW) (4,800 kW for plant use). High-voltage transmission lines and substations connect BCP power to consumers in southern Nevada, Arizona, and southern California. BCP electric service rates are adjusted annually using an existing rate formula established on April 19, 1996. The rate formula requires the BCP Contractors to pay a Base Charge (expressed in dollars), rather than a rate, for their power. The Base Charge is calculated to generate sufficient revenue to cover all annual costs and to repay investment obligations within allowable time periods. The Base Charge is allocated to each BCP Contractor in proportion to their allocation of Hoover power. A BCP composite power rate, expressed in mills per kilowatt-hour (mills/kWh), can be inferred by dividing the Base Charge by energy sales in the year; however, the rate is not used to determine customers' bills.

Rate Schedule BCP-F8, Rate Order No. WAPA-150, effective October 1, 2010, through September 30, 2015, allows for an annual recalculation of the Base Charge and Rates.¹ This notice sets forth the recalculation for FY 2013. Under Rate Schedule BCP-F8, the existing composite rate, effective on October 1, 2011, is 21.12 mills/kWh. The Base Charge is \$84,536,772, the energy rate was 10.56 mills/kWh, and the capacity rate is \$1.84 per kilowatt-month (kW-month).

The recalculated Base Charge for BCP electric service, effective October 1, 2012, is \$82,379,637, a 2.55-percent decrease from the FY 2012 Base Charge. The decrease is due to a decrease in the annual revenue requirement, driven primarily by decreases in FY 2011 annual operation and maintenance expenses and replacement costs, and increases in the other non-power revenues. The decrease in FY 2011 expenses resulted in additional carryover in FY 2012 and FY 2013, which reduced the FY 2013 Base Charge. The FY 2013 composite rate of 21.28 mills/kWh is an increase of approximately 1 percent compared to the FY 2012 BCP composite rate. 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 2013 energy rate of 10.64 mills/kWh reflects an increase of approximately 1 percent compared to the existing energy rate of 10.56 mills/kWh. Energy sales are decreasing compared with FY 2012 due to deteriorating hydrological conditions in FY 2013. The FY 2013 capacity rate of \$1.96/kW-month reflects an increase of approximately 7 percent compared to the existing capacity rate of \$1.84/kW-month. Capacity sales are decreasing compared with FY 2012, due to a forecast of poor hydrology in FY 2013 compared to FY 2012. Although the revenue requirement for FY 2013 is decreasing, the decrease in energy sales results in an increase to the composite and energy rates, and the decrease in capacity sales results in an increase to the capacity rate. The proposed rates were calculated using Western's FY 2012 Final Master Schedule which provides the FY 2013 projections for energy and capacity sales.

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

1. A Federal Register notice was published on January 18, 2012 (77 FR 2533), 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 proposal was initiated at an informal BCP Contractor meeting held March 7, 2012, 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 Base Charge and Rates and held a question and answer session.

3. At the public information forum held on March 28, 2012, in Phoenix, Arizona, Western and Reclamation representatives explained the proposed Base Charge and Rates for FY 2013 in greater detail and held a question and answer session.

4. A public comment forum held on April 11, 2012, in Phoenix, Arizona, provided the public an opportunity to comment for the record. One individual commented at this forum.

5. Western received three comment letters during the 90-day consultation and comment period. The consultation and comment period ended April 17, 2012. Western responds to comments received in this Federal Register notice. The written comments were received from the following interested parties representing various customers of the BCP Contractors:

- Arizona Westside Irrigation & Electrical Districts, Phoenix, Arizona.

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 (Deputy Secretary) approves the Fiscal Year (FY) 2013 Base Charge and Rates for Boulder Canyon Project (BCP) electric service provided by the Western Area Power Administration (Western). The Base Charge will provide sufficient revenue to pay all annual costs, including interest expense, and repay investments within the allowable period.

DATES: The revised Base Charge and Rates will be effective the first day of the first full billing period beginning on or after October 1, 2012, and will stay in effect through September 30, 2013, or until superseded.

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, email jmurray@wapa.gov.

Any person may, within 60 days after the issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention. Any person filing to intervene or the Commission's staff may, pursuant to section 157.205 of the Commission's regulations under the NGA (18 CFR 157.205) file a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the NGA.

The Commission strongly encourages electronic filings of comments, protests, and interventions via the Internet in lieu of paper. See 18 CFR 385.2001(a) (1) (iii) and the instructions on the Commission's Web site (www.ferc.gov) under the "e-Filing" link.

Dated: August 6, 2012.

Kimberly D. Bose,
Secretary.

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