

TABLE 1.—PROPOSED FIRM ELECTRIC SERVICE REVENUE REQUIREMENT AND RATES

Firm electric service	Existing revenue requirement/rates	Proposed rev req./rates Jan. 1, 2004	Percent change
LAP Revenue Requirement	\$44.3 million	\$48.6 million	9.7
Total LAP Composite Rate	21.70 mills/kWh	23.81 mills/kWh	9.7
Firm Energy	10.85 mills/kWh	11.91 mills/kWh	9.8
Firm Capacity	2.85/kW-month	3.14/kW-month	10.2

Although a one-step rate adjustment method is the option being proposed, Western is interested in receiving comments on a two-step rate adjustment option. Under a two-step method, the

rates for LAP firm electric service will result in an overall composite rate increase of approximately 7.8 percent effective on January 1, 2004, and another 1.9 percent effective on October

1, 2004, for a total increase of approximately 9.7 percent. The rates under this option for LAP firm electric service are listed in Table 2.

TABLE 2.—TWO-STEP OPTION—FIRM ELECTRIC SERVICE REVENUE REQUIREMENT AND RATES

Firm electric service	Existing rates	First step rates Jan. 1, 2004	Percent change	Second step rates Oct. 1, 2004	Percent change
LAP Revenue Requirement	\$44.3 million	\$47.7 million	7.7	\$48.6 million	1.9
Total LAP Composite Rate	21.70 mills/kWh	23.39 mills/kWh	7.8	23.84 mills/kWh	1.9
Firm Energy	10.85 mills/kWh	11.69 mills/kWh	7.7	11.92 mills/kWh	2.0
Firm Capacity	2.85/kW-month	3.08/kW-month	8.1	3.14/kW-month	1.9

Since the proposed rates constitute a major adjustment as defined by the procedures for public participation in general rate adjustments, as cited below, Western will hold public information forums and a public comment forum. After review of public comments, and possible amendments or adjustments, Western will recommend the proposed rates for approval on an interim basis by the DOE Deputy Secretary.

These firm electric service rates for LAP are being established pursuant to the Department of Energy Organization Act, 42 U.S.C. 7101–7352; 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 specifically applicable to the projects involved.

By Delegation Order No. 00–037.00, approved December 6, 2001, the Secretary of Energy delegated (1) the authority to develop power and transmission rates on a nonexclusive 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; 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) became effective on September 18, 1985 (50 FR 37835).

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents made or kept by Western in developing the proposed rates are available for inspection and copying at the Rocky Mountain Regional Office, located at 5555 East Crossroads Boulevard, Loveland, Colorado. Many of these documents, as well as supporting information, are also available on our Web site under the "2004 Rate Adjustments" section located at <http://www.wapa.gov/rm/rm.htm>.

Regulatory Procedure Requirements Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601, *et seq.*) requires Federal agencies to perform a regulatory flexibility analysis if a final rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. This action does not require a regulatory flexibility analysis since it is a rulemaking involving rates or services applicable to public property.

Environmental Compliance

In compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*); Council on Environmental Quality Regulations (40 CFR parts 1500–1508); and DOE NEPA Regulations (10 CFR part 1021), Western has determined that 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; so this notice requires no clearance by the Office of Management and Budget.

Small Business Regulatory Enforcement Fairness Act

Western has determined that this rule is exempt from congressional notification requirements under 5 U.S.C. 801 because the action is rulemaking of particular applicability relating to rates or services and involves matters of procedure.

Dated: May 30, 2003.

Michael S. HacsKaylo,
Administrator.

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DEPARTMENT OF ENERGY

Western Area Power Administration

Proposed Rates for Pick-Sloan Missouri Basin Program-Eastern Division

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed rates.

SUMMARY: The Western Area Power Administration (Western) is proposing revised rates for Pick-Sloan Missouri