

Basin Program-Eastern Division (P-SMBP-ED) firm electric and firm peaking power service. Current rates, under Rate Schedules P-SED-F6 and P-SED-FP6, have been extended through March 31, 2004. The proposed rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. The rate impacts will be detailed in a brochure to be made available to all interested parties. The proposed rates, under Rate Schedules P-SED-F7 and P-SED-FP7, are scheduled to go into effect on January 1, 2004, and will remain in effect through December 31, 2008. Publication of this **Federal Register** notice begins the formal process for the proposed rates.

DATES: The consultation and comment period begins today and will end September 11, 2003. Western will present a detailed explanation of the proposed rates at public information forums. The public information forum dates are:

1. July 14, 2003, 1 p.m. to 4 p.m. MDT, Denver, CO.

2. July 15, 2003, 9 a.m. to 12 noon CDT, Lincoln, NE.

3. July 16, 2003, 9 a.m. to 12 noon CDT, Sioux Falls, SD.

4. July 17, 2003, 9 a.m. to 12 noon CDT, Fargo, ND.

Western will receive oral and written comments at public comment forums. The public comment forums will be held on the following dates:

1. August 6, 2003, 1 p.m. to 4 p.m. MDT, Denver, CO.

2. August 7, 2003, 9 a.m. to 12 noon CDT, Sioux Falls, SD.

Western will receive written comments anytime during the consultation and comment period.

ADDRESSES: Written comments should be sent to Robert J. Harris, Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101-1266, email:

ugp2004rateadj@wapa.gov. Information pertaining to the rate process will be posted on our Web site at <http://www.wapa.gov/ugp/rates/2004RateAdj/Default.html>. Official comments received via letter and e-mail, will be posted to our Web site after the close of the comment period. Western must receive written comments by the end of the consultation and comment period to be assured consideration.

The public information forum locations are:

1. Denver—Radisson Stapleton Plaza, 3333 Quebec Street, Denver, CO.

2. Lincoln—Southeast Community College (1st Floor of the Energy Plaza), 11th and O Street, Lincoln, NE.

3. Sioux Falls—Ramkota Hotel and Conference Center, 2400 North Louise Avenue, Sioux Falls, SD.

4. Fargo—Doublewood Inn, 3333 13th Avenue South, Fargo, ND.

The public comment forum locations are:

1. Denver—Radisson Stapleton Plaza, 3333 Quebec Street, Denver, CO.

2. Sioux Falls—Ramkota Hotel and Conference Center, 2400 North Louise Avenue, Sioux Falls, SD.

FOR FURTHER INFORMATION CONTACT: Mr. Robert F. Riehl, Power Marketing Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101-1266, telephone (406) 247-7394, email: riehl@wapa.gov.

SUPPLEMENTARY INFORMATION: The proposed rates for P-SMBP-ED firm electric and firm peaking service are designed to recover an annual revenue

requirement that includes investment repayment, interest, purchase power, operation and maintenance expense, and other expenses. The projected annual revenue requirement for firm electric service is allocated equally between capacity and energy.

The Department of Energy (DOE) Deputy Secretary approved Rate Schedules P-SED-F6 and P-SED-FP6 for P-SMBP-ED firm electric and firm peaking service on January 6, 1994 (Rate Order No. WAPA-60, 59 FR 3348, January 21, 1994), and the Federal Energy Regulatory Commission (FERC) confirmed and approved the rate schedules on July 14, 1994, under FERC Docket No. EF94-5031-000 (68 FERC 62,040). Rate Schedules P-SED-F6 and P-FED-FP6 were approved for a 5-year period beginning on February 1, 1994, ending on January 31, 1999. Rate Order No. WAPA-83 extended the rate for 2 years, beginning February 1, 1999, through January 31, 2001. Rate Order No. WAPA-90 extended the rate again beginning February 1, 2001, through September 30, 2003. Rate Order No. WAPA-102 extended the rate a third time beginning October 1, 2003, through March 31, 2004.

Under Rate Schedule P-SED-F6, the second step of the composite rate effective on October 1, 1994, is 14.23 mills per kilowatthour (mills/kWh), the energy rate is 8.32 mills/kWh and the capacity rate is \$3.20 per kilowattmonth (kW month). Under Rate Schedule P-SED-F7, the proposed rates for P-SMBP-ED firm electric service will result in an overall composite rate increase of approximately 15.4 percent and the firm peaking rate will increase approximately 15.6 percent effective on January 1, 2004. The proposed rates for P-SMBP-ED firm electric and firm peaking service are listed in Table 1.

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

Firm electric service	Existing rates	Proposed rates Jan. 1, 2004	Percent change
P-SMBP-ED Revenue Requirement	\$135.2 million	\$159.2 million	17.8
P-SMBP-ED Composite Rate	14.23 mills/kWh	16.42 mills/kWh	15.4
Firm Capacity	\$3.20/kW month	\$3.70/kW month	15.6
Firm Energy	8.32 mills/kWh	9.57 mills/kWh	15.0
Tiered > 60 Percent Load Factor	3.38 mills/kWh	7.23 mills/kWh	113.9
Firm Peaking Capacity	\$3.20/kW month	\$3.70/kW month	15.6
Firm Peaking Energy ¹	8.32 mills/kWh	9.57 mills/kWh	15.0

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

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

SMBP-ED firm electric service will result in an overall composite rate increase of approximately 12.3 percent effective on January 1, 2004, and another 3.3 percent effective on October

1, 2004, for a total increase of approximately 15.6 percent. The rates under this option for P-SMBP-ED firm electric service are listed in Table 2.