

[FR Doc. 03-28096 Filed 11-6-03; 8:45 am]
BILLING CODE 6450-01-C

DEPARTMENT OF ENERGY

Western Area Power Administration

Pacific Northwest-Pacific Southwest Intertie Project—Firm and Nonfirm Transmission Service Rates—Rate Order No. WAPA-108

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: This action is taken to extend the existing Pacific Northwest-Pacific Southwest Intertie Project (AC Intertie) firm point-to-point transmission service rate for the 230/345-kilovolt (kV) transmission system, Rate Order No. WAPA-76, and firm point-to-point transmission service rate for the 500-kV transmission system, and the nonfirm point-to-point transmission service rate for the 230/345/500-kV, Rate Order No. WAPA-91, through December 31, 2006. AC Intertie Project rates will expire December 31, 2003.

FOR FURTHER INFORMATION CONTACT: Mr. Jack Murray, Rates Team Lead, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 352-2442, or e-mail jmurray@wapa.gov.

SUPPLEMENTARY INFORMATION: By Delegation Order No. 00-037.00 effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop long-term power and transmission rates on a non-exclusive 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 the Federal Energy Regulatory Commission (FERC).

Western's firm point-to-point transmission service rate for the AC Intertie 230/345-kV transmission system was revised through Rate Order No. WAPA-76 and submitted to FERC for confirmation and approval on February 8, 1999. On June 22, 1999, in Docket No. EF99-5191-000, 87 FERC ¶ 61,346, FERC issued an order confirming, approving, and placing into effect on a final basis the firm point-to-point transmission service rate of \$12.00/kilowattyear for the AC Intertie 230/345-kV transmission system. The rate was approved for 5 years from January 1, 1999, to December 31, 2003.

During the firm point-to-point transmission service rate development for the AC Intertie 230/345-kV transmission system (Rate Order No. WAPA-76), Western determined that it would take about 10 years for the AC Intertie 500-kV transmission system to be subscribed to a level sufficient to meet its own revenue repayment requirements. The ratesetting Power Repayment Study (PRS) established for the AC Intertie 230/345/500-kV transmission system (Rate Order No. WAPA-76) reflected the phasing-in of AC Intertie 500-kV transmission system revenues starting in fiscal year (FY) 1999 through FY 2008. The projected firm transmission sales in the 500-kV transmission system PRS assume that in 10 years the 500-kV Project will be economically viable and capable of demonstrating repayment. The PRS was programmed for first year sales of 62.5 megawatt (MW) and annual increases of 100 MW through the tenth year. Based on that projection, the total sales target projected at the end of fiscal year 2003 was 562.5 MW. The 500-kV system contractual commitments are currently 664 MW. The 230/345-kV system contractual commitments are 1,059 MW. The total combined firm transmission sales beginning in FY 2004 is projected to be 1,723 MW. This ratesetting PRS methodology remains valid. Projected revenue levels from sales of firm and nonfirm point-to-point transmission service and miscellaneous items will recover project expenses and capital requirements through FY 2049 for the AC Intertie 230/345/500-kV transmission system.

On August 15, 2000, the Deputy Secretary approved Rate Order WAPA-91. This extended the existing firm point-to-point transmission service rate of \$17.23/kilowattyear for the AC Intertie 500-kV transmission system, and the existing nonfirm point-to-point transmission service rate of 2.00 mills/kWh for the AC Intertie 230/345/500-kV transmission system through December 31, 2003.

Western has decided to extend the existing firm point-to-point transmission service rate of \$17.23/kilowattyear for the AC Intertie 500-kV transmission system, firm point-to-point transmission service rate of \$12.00/kilowattyear for the AC Intertie 230/345-kV transmission system, and the nonfirm point-to-point transmission service rate of 2.00 mills/kilowattyear for the AC Intertie 230/345/500-kV transmission system through December 31, 2006. This extension will also allow Western time to evaluate impacts of combining revenue requirements of the Desert Southwest Region's transmission

systems and to determine a methodology to put in place a multi-system transmission rate. Western proposes to extend the current rates pursuant to 10 CFR 903.23. Upon its approval, Rate Order No. WAPA-76 and Rate Order No. WAPA-91 will be extended under Rate Order No. WAPA-108. Under 10 CFR 903.23(a)(2), Western did not have a consultation and comment period. Western held an informal public information forum.

Following review of Western's proposal within the Department of Energy, I approved Rate Order No. WAPA-108, which extends the existing firm point-to-point transmission service rate of \$17.23/kilowattyear for the AC Intertie 500-kV transmission system, the firm point-to-point transmission service rate of \$12.00/kilowattyear for the AC Intertie 230/345-kV transmission system, and the nonfirm point-to-point transmission service rate of 2.00 mills/kilowattyear for the AC Intertie 230/345/500-kV transmission system on an interim basis through December 31, 2006. Rate Order No. WAPA-108 will be submitted to FERC for confirmation and approval on a final basis.

Dated: October 27, 2003.

Kyle E. McSlarrow,
Deputy Secretary.

Order Confirming and Approving an Extension of the Pacific Northwest-Pacific Southwest Intertie Project Firm and Nonfirm Transmission Service Rates

The Pacific Northwest-Pacific Southwest Intertie Project (AC Intertie) transmission service rates were established following section 302(a) of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152(a)). This act transferred to and vested in the Secretary of Energy (Secretary) 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 enactments, particularly section 9(c) of the Reclamation Project Act of 1939, 43 U.S.C. 485h(c), and other acts that specifically apply to the project system involved.

By Delegation Order No. 00-037.00 effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop long-term power and transmission rates on a non-exclusive 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 the Federal Energy Regulatory Commission (FERC). This rate extension is issued following the Delegation Order and the DOE rate extension procedures at 10 CFR part 903.