Support at *FERCOnlineSupport@ferc.gov* or toll-free at (866) 208–3676, or for TTY, contact (202) 502–8659.

FOR FURTHER INFORMATION CONTACT: Michael Miller may be reached by telephone at (202) 502–8415, by fax at (202) 273–0873, and by e-mail at *michael.miller@ferc.gov.*

SUPPLEMENTARY INFORMATION:

Description

The information collection submitted for OMB review contains the following:

1. *Collection of Information:* FERC–568 ''Well Determinations''.
2. *Sponsor:* Federal Energy Regulatory Commission.
3. *Control No.:* 1902–0112.

The Commission is now requesting that OMB approve a three-year extension of the expiration date, with no changes to the existing collection. The information filed with the Commission is mandatory.

4. *Necessity of the Collection of Information:* Submission of the information is necessary to enable the Commission to carry out its responsibilities in implementing the statutory provisions of section 503 of the Natural Gas Policy Act of 1978 (NGPA), 15 U.S.C. 3413. In Order No. 616 (July 14, 2000), the Commission reinstated provisions for making well category determinations for NGPA section 107 high-cost gas wells. Natural gas wells with affirmative determinations under section 503 of the NGPA are eligible for a tax credit. Specifically, section 29 of the Internal Revenue Code allows natural gas producers to claim a credit for qualified fuels determined to be high-cost natural gas production. These include gas from geopressured brine, Devonian shale, coal seams, and tight formations from wells completed in a previously approved designated tight formation area.

5. One of three applicability rules must be met for any one of the above gas well completions to qualify for the credit. The three applicability rules are as follows:

i. A well where the surface drilling began after December 31, 1979, but before January 1, 1993; or

ii. A recompletion commenced after January 1, 1993, in a well where the surface drilling began after December 31, 1979, but before January 1, 1993; or

iii. A recompletion commenced after December 31, 1979, but before January 1, 1993, where such gas could not have been produced from any completion location in existence in the well bore before January 1, 1980.

Jurisdictional agencies are State agencies that conduct the initial well determination and forward the completed application to the Commission. The general filing requirements for filing with a jurisdictional agency and the Commission are a FERC Form 121, all available well completion reports, well logs with their headings, a location plat, and an affidavit . These documents are the minimum requirements to support a request for determination. However, the jurisdictional agency may require additional documentation as it finds necessary. In addition, the Commission may request any other explanatory statement with factual findings and references or a copy of all other materials that the jurisdictional agency relied upon during the course of making the determination, in order to assist the Commission in its review of the initial determination.

Review of an initial determination involves collating all of the information from the FERC Form No. 121 application and the completion reports, well logs, location plat, and affidavit. These latter documents make up the documents submitted under FERC–568. The completion interval on the FERC Form 121 application is identified in the completion report, which illustrates the type of natural gas production treatment (*i.e.,* perforation, acidization, fracturing, *etc.*). Evidence of natural gas production is further supported by the well log(s), which explicitly distinguish the interval boundaries within the formation and identify natural gas characteristics. The location plat is a map that identifies the surface location of the well and the completion location in the well. Finally, the affidavit is a statement made by the applicant, under oath, that the natural gas is produced from one of three applicability rules identified above.

The Commission's staff uses the information to review the initial determinations in order to ascertain if the submissions are eligible for the section 29 tax credit. In fiscal years 2001 and 2002 the Commission processed over 2,500 determinations. For fiscal year 2003, the Commission processed an additional 1,600 determinations for a total of over 4,100 determinations since the issuance of Order 616 and the implementation of the program in October 2000. The Commission implements these filing requirements in the Code of Federal Regulations (CFR) under 18 CFR part 270.

6. *Respondent Description:* The respondent universe currently comprises 1,400 companies (on average per year) subject to the Commission's jurisdiction

7. *Estimated Burden:* 8,414 total hours per year (25,242 hours for 3 year period), 1,400 respondents (average per year), 1 response per respondent, and 6.01 hours per response (average).

8. *Estimated Cost Burden to Respondents:* 8,414 hours/2,080 hours per year × $107,185 per year = $433,584. The cost per respondent is equal to $310.00.

Statutory Authority: Section 503 of the Natural Gas Policy Act of 1978, 15 U.S.C. 3413.

Linda Mitry,

Acting Secretary.

[FR Doc. 04–151 Filed 1–5–04; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects—Rate Order No. WAPA–105

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: Notice is given of the confirmation and approval by the Deputy Secretary of the Department of Energy (DOE) of Rate Order No. WAPA–105 and Rate Schedule L–F5 placing provisional rates for the Loveland Area Projects (LAP) firm electric service into effect on an interim basis effective February 1, 2004. The provisional rates will remain in effect on an interim basis until the Federal Energy Regulatory Commission (Commission) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expenses, and repayment of required investment within the allowable period.

DATES: Rate Schedule L–F5 will be placed into effect on an interim basis on the first day of the first full billing period beginning on or after February 1, 2004, and will be in effect until the Commission confirms, approves, and places the provisional rates into effect on a final basis for 5 years ending December 31, 2008, or until superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Ronald W. Steinbach, Power Marketing Manager, Rocky Mountain Customer Service Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7322, e-mail *steinbach@wapa.gov.*

SUPPLEMENTARY INFORMATION: The DOE Deputy Secretary approved Rate

Schedule L–F4 for LAP firm electric service on an interim basis on January 6, 1994 (Rate Order No. WAPA–61, 59 FR 3339, January 21, 1994). The Commission confirmed and approved the rate schedule on a final basis on July 14, 1994, under Commission Docket No. EF94–5181–000 (68 FERC 62,040). Rate Schedule L–F4 was approved for 5 years beginning February 1, 1994, ending January 31, 1999. Rate Order No. WAPA–82 (63 FR 58033, October 29, 1998) extended the rates for 2 years, beginning February 1, 1999, through January 31, 2001. Rate Order No. WAPA–89 (65 FR 44044, July 17, 2000) extended the rates again beginning February 1, 2001, through September 30, 2003. Rate Order No. WAPA–103 (68 FR 33119, June 3, 2003) extended the rates a third time beginning October 1, 2003, through March 31, 2004.

Under Rate Schedule L–F4, the existing composite rate is 21.70 mills per kilowatthour (mills/kWh). The energy rate is 10.85 mills/kWh and the capacity rate is $2.85 per kilowattmonth (kWmo). Under Rate Schedule L–F5, the first step of the provisional rates for LAP firm electric service will result in a composite rate of 23.44 mills/kWh. The energy rate will be 11.72 mills/kWh and the capacity rate will be $3.08 per kWmo. This will result in an increase of 8 percent effective February 1, 2004. The second step of the provisional rates for LAP firm electric service will result in a composite rate of 23.90 mills/kWh. The energy rate will be 11.95 mills/kWh and the capacity rate will be $3.14 per kWmo. This will result in an additional increase of 2 percent effective October 1, 2004.

Provisional Rates for LAP Firm Electric Service

The provisional rates for LAP firm electric service are designed to recover an annual revenue requirement that includes investment repayment, interest, purchased power, operation and maintenance expenses (O&M), and other annual expenses. The annual revenue requirement for firm electric service is allocated equally between capacity and energy.

The provisional rates for LAP firm electric service are developed under the DOE Organization Act (42 U.S.C. 7101–7352), through which the power marketing functions of the Secretary 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 other acts specifically applicable to the project involved, were transferred to and vested in the Secretary of Energy (Secretary).

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary delegated (1) The authority to develop power and transmission rates on a nonexclusive basis to the Administrator of the 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; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Commission. Existing DOE procedures for public participation in power rate adjustments are located at 10 CFR 903, effective on September 18, 1985 (50 FR 37835).

The Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR 903, have been followed by Western in developing these provisional rates.

Rate Order No. WAPA–105, confirming, approving, and placing the proposed LAP firm electric service rates into effect on an interim basis, is issued. The new Rate Schedule L–F5 will be submitted promptly to the Commission for confirmation and approval on a final basis.

Dated: December 24, 2003.

Kyle E. McSlarrow,

Deputy Secretary.

Order Confirming, Approving, and Placing the Loveland Area Projects Firm Electric Service Rates Into Effect on an Interim Basis

These rates are developed under the DOE Organization Act (42 U.S.C. 7101–7352), through which the power marketing functions of the Secretary 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 other acts specifically applicable to the project involved, were transferred to and vested in the Secretary.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary delegated (1) The authority to develop power and transmission rates on a nonexclusive basis to the Administrator of Western; (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 Commission. Existing DOE procedures for public participation in power rate adjustments are found at 10 CFR 903. Procedures for approving Power Marketing Administration rates by the Commission are found at 18 CFR 300.

Acronyms and Definitions

As used in this rate order, the following acronyms and definitions apply:

Administrator: The Administrator of Western Area Power Administration.

Capacity: The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kW.

Capacity Rate: The rate which sets forth the charges for capacity. It is expressed in dollars per kWmo.

Composite Rate: The rate for commercial firm power and is the total annual revenue requirement for capacity and energy divided by the total annual firm energy sales under contract. It is expressed in mills/kWh and used for comparison purposes.

Criteria: The Post-1989 General Power Marketing and Allocation Criteria for the sale of energy with capacity from the Pick-Sloan Missouri Basin Program—Western Division and the Fryingpan-Arkansas Project.

Customer: An entity with a contract for and receiving firm electric service from Western's Rocky Mountain Region.

DOE Order RA 6120.2: An order outlining power marketing administration financial reporting and rate-making procedures.

Energy: That which does or is capable of doing work. It is measured in terms of the work it is capable of doing over a period of time. It is expressed in kWh.

Energy Rate: The rate which sets forth the charges for energy. It is expressed in mills per kWh and applied to each kWh delivered to each customer.

Firm: A type of product and/or service that is 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.

kWmo: Kilowattmonth—the electrical unit of the monthly amount of capacity.

kWh: Kilowatthour—the electrical unit of energy that equals 1,000 watts in 1 hour.

kilowattyear: Kilowattyear—the electrical unit of the yearly amount of capacity.

L–F4: Loveland Area Projects existing firm electric service rate schedule (expires March 31, 2004, or until superseded).

L–F5: Loveland Area Projects provisional firm electric service rate schedule (effective February 1, 2004).

M&I: Municipal and industrial water development.

mills/kWh: Mills per kilowatthour—the unit of charge for energy (equals one tenth of a cent or one thousandth of a dollar).

Power: Capacity and energy.

Preference: The requirements of Reclamation Law which provide 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 (Reclamation Project Act of 1939, section 9(c), 43 U.S.C. 485h(c)).

Provisional Rates: Rate schedules which have been confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of DOE.

Rate Brochure: A document prepared for public distribution explaining the rationale and background of the rate proposal contained in this rate order and dated June 2003.

Reclamation Law: A series of Federal laws. Viewed as a whole, these laws create the originating framework in which Western markets power.

Revenue Requirement: The revenue required to recover operation and maintenance expenses, purchased power and transmission service expenses, interest, deferred expenses, repayment of Federal investments, and other assigned costs.

Tiered Rate: Pick-Sloan Missouri Basin Program—Eastern Division rate applied to energy in excess of 60% load factor.

Effective Date

The provisional rates will become effective on an interim basis on the first day of the first full billing period beginning on or after February 1, 2004, and will be in effect pending the Commission's approval of them or substitute rates on a final basis for 5 years ending December 31, 2008, or until superseded.

Public Notice and Comment

The Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR 903, have been followed by Western in developing these rates. The following summarizes the steps Western took to ensure involvement of interested parties in the rate process:

1. The proposed rate adjustment was initiated on March 25, 2003, when letters announcing informal meetings to discuss the proposed firm electric service rate adjustment were mailed to all LAP preference customers and interested parties. These informational meetings were held on April 14, 2003, in Denver, CO, and on April 15, 2003, in Lincoln, NE. At these informal meetings, Western explained the rationale for the rate adjustment, presented rate designs and methodologies, and answered questions.

2. On June 6, 2003, letters were mailed to all LAP preference customers and interested parties announcing the upcoming publication of a **Federal Register** notice (FRN) for proposed LAP rates and announcing dates and times for public information and public comment forums.

3. An FRN was published on June 13, 2003 (68 FR 35401), officially announcing proposed LAP rates, initiating the public consultation and comment period, and announcing the public information and public comment forums.

4. On June 19, 2003, letters were mailed to all LAP preference customers and interested parties transmitting a copy of the FRN published on June 13, 2003 (68 FR 35401) initiating the public rate process.

5. The public information forums were held on July 14, 2003, beginning at 1 p.m. MDT, in Denver, CO, and again on July 15, 2003, beginning at 9 a.m. CDT, in Lincoln, NE. Western provided detailed explanations of the proposed LAP rates, provided a list of issues that could change the proposed rates, and answered questions. A rate brochure detailing the proposed rates was provided at the forums.

6. The public comment forum was held on August 6, 2003, beginning at 1 p.m. MDT, in Denver, CO. Western gave the public an opportunity to comment for the record. No oral comments were made and no written comments were received during the comment forum.

7. Four comment letters were received during the consultation and comment period. The consultation and comment period ended September 11, 2003. All formally submitted comments have been considered in preparing this rate order.

8. Western's Rocky Mountain Region provided a Web site with all of the letters, time frames, dates and locations of forums, documents discussed at the information meetings, **Federal Register** notices and all other information regarding this rate process for customer access.

Project Descriptions

Loveland Area Projects

The Post-1989 General Power Marketing and Allocation Criteria (Criteria), published in the **Federal Register** on January 31, 1986 (51 FR 4012), integrated the resources of the Pick-Sloan Missouri Basin Program—Western Division (P–SMBP—WD) and the Fryingpan-Arkansas Project (Fry-Ark). This operational and contractual integration, known as LAP, allowed an increase in marketable resource, simplified contract administration, and established a blended rate for LAP power sales.

However, the P–SMBP—WD and Fry-Ark retain separate financial status. For this reason, separate Power Repayment Studies (PRS) are prepared annually for each project. These PRSs are used to determine the ability of the power rate to generate sufficient revenue to repay project investment and costs during each project's prescribed repayment period. The revenue requirement of the Fry-Ark PRS is combined with the P–SMBP—WD revenue requirement derived from the Pick-Sloan Missouri Basin Program (P–SMBP) PRS, to develop one rate for LAP firm electric sales.

Pick-Sloan Missouri Basin Program—Western Division

The initial stages of the Missouri River Basin Project were authorized by section 9 of the Flood Control Act of December 22, 1944 (Pub. L. 78–534, 58 Stat. 877, 891). The Missouri River Basin Project, later renamed the Pick-Sloan Missouri Basin Program to honor its two principal authors, has been under construction since 1944. The P–SMBP encompasses a comprehensive program of flood control, navigation improvement, irrigation, municipal and industrial (M&I) water development, and hydroelectric production for the entire Missouri River Basin. Multipurpose projects have been developed on the Missouri River and its tributaries in Colorado, Montana, Nebraska, North Dakota, South Dakota and Wyoming.

The Colorado-Big Thompson, Kendrick, Riverton and Shoshone projects were administratively combined with P–SMBP in 1954, followed by the North Platte Project in 1959. These projects are known as the ''Integrated Projects'' of the P–SMBP. The Riverton Project was reauthorized as a unit of the P–SMBP in 1970.

The P–SMBP—WD and the Integrated Projects include 19 powerplants. There are six powerplants in the P–SMBP—WD: Glendo, Kortes, and Fremont Canyon powerplants on the North Platte River; Boysen and Pilot Butte on the Wind River; and Yellowtail powerplant on the Big Horn River.

In the Colorado-Big Thompson Project, there are also six powerplants. Green Mountain powerplant on the Blue River is on the West Slope of the Rocky Mountains. Marys Lake, Estes, Pole Hill, Flatiron and Big Thompson powerplants are on the East Slope of the Continental Divide.

The Kendrick Project has two power production facilities: Alcova and Seminoe powerplants. Power production facilities in the Shoshone Project are Shoshone, Buffalo Bill, Heart Mountain and Spirit Mountain powerplants. The only production facility in the North Platte Project is the Guernsey powerplant.

Fryingpan-Arkansas Project

The Fry-Ark is a transmountain diversion development in southeastern Colorado authorized by the Act of Congress on August 16, 1962 (Pub. L. 87–590, 76 Stat. 389, as amended by Title XI of the Act of Congress on October 27, 1974 (Pub. L. 93–493, 88 Stat. 1486, 1497). The Fry-Ark diverts water from the Fryingpan River and other tributaries of the Roaring Fork River in the Colorado River Basin on the West Slope of the Rocky Mountains to the Arkansas River on the East Slope of the Continental Divide. The water diverted from the West Slope, together with regulated Arkansas River water, provide supplemental irrigation and M&I water supplies and produce hydroelectric power. Flood control, fish and wildlife enhancement and recreation are other important purposes of Fry-Ark. The only generating facility in Fry-Ark is the Mt. Elbert Pumped-Storage Powerplant on the East Slope of the Rocky Mountains.

Power Repayment Studies

PRSs are prepared each fiscal year to determine if power revenues will be sufficient to pay, within the prescribed time periods, all costs assigned to the LAP power function. Repayment criteria are based on law, policies, DOE Order RA 6120.2 and authorizing legislation.

Existing and Provisional Rates

Existing and provisional rates for LAP firm electric service are designed to recover an annual revenue requirement that includes the investment repayment, interest, purchased power, and O&M expenses. The provisional rates reflect increased purchased power expenses due to the extended poor water conditions experienced in the region as well as costs associated with increased O&M expenses. The provisional rates will be implemented in two steps. The first step is to become effective on the first day of the first full billing period beginning on or after February 1, 2004. The second step is to become effective on the first day of the first full billing period beginning on or after October 1, 2004. Under Rate Schedule L–F5, the provisional rates for LAP firm electric service will result in an overall composite rate increase of approximately 10 percent. A comparison of the existing and provisional rates for LAP firm electric service follows:

COMPARISON OF EXISTING AND PROVISIONAL RATES LAP FIRM ELECTRIC SERVICE

Firm electric service	Existing rates	First step provisional rates and percent change, effective Feb. 1, 2004	Second step provisional rates and percent change, effective Oct 1, 2004
Rate Schedule	L–F4	L–F5	L–F5
Composite Rate (mills/kWh)	21.70	23.44 (8%)	23.90 (2%)
Firm Capacity ($/kWmo)	$2.85	$3.08 (8.1%)	$3.14 (1.9%)
Firm Energy (mills/kWh)	10.85	11.72 (8%)	11.95 (2%)

Certificate of Rate

Western's Administrator has certified that the LAP firm electric service rates under Rate Schedule L–F5 are the lowest possible rates consistent with sound business principles. The provisional rates were developed following administrative policies and applicable laws.

Discussion

According to Reclamation Law, Western must establish power rates sufficient to recover operation, maintenance, and purchased power expenses, and repay the Federal Government's investment in generation and transmission facilities. Rates must also be set to cover interest expenses on the unpaid balance of facilities' investments, replacements and additions, and certain non-power costs in excess of the irrigation users' ability to repay.

The Criteria were published in the **Federal Register** on January 31, 1986 (51 FR 4012). The Criteria operationally and contractually integrated the resources of the P–SMBP—WD and Fry-Ark. The integrated resources are referred to as LAP. A blended rate was established for the sale of LAP power. The P–SMBP—WD piece of the revenue requirements for the LAP firm electric service rates was developed from the revenue requirement calculated in the P–SMBP FY 2003 Rate-Setting PRS. The P–SMBP—WD revenue requirement increased approximately 14 percent due to increased purchased power costs due to extended poor water as well as costs associated with increased O&M expenses. The adjustment to the P–SMBP revenue requirement is a separate formal rate process which is documented in Rate Order No. WAPA–110. Rate Order No. WAPA–110 is also scheduled to go into effect on the first day of the first full billing period beginning on or after February 1, 2004. The revenue requirements for P–SMBP—WD are as follows:

SUMMARY OF P–SMBP—WD REVENUE REQUIREMENTS

	P–SMBP—WD revenue requirement
Proposed Increase—First Step (February 1, 2004):	
Present Revenue Requirement (15.80 mills/kWh × 1,988,000,000 kWh)	$31,410,400
Proposed First Step Increase (1.79 mills/kWh × 1,988,000,000 kWh)	3,558,520
Proposed Revenue Requirement—First Increment (17.59 mills/kWh × 1,988,000,000 kWh)	34,968,920
Proposed Increase—Second Step (October 1, 2004):	
Revenue Requirement—First Increment (17.59 mills/kWh × 1,988,000,000 kWh)	$34,968,920
Proposed Second Step Increase (.47 mills/kWh × 1,988,000,000 kWh)	934,360
Proposed Revenue Requirement—Second Increment (18.06 mills/kWh × 1,988,000,000 kWh)	35,903,280

The Fry-Ark piece of the revenue requirements for the LAP firm electric service rates was developed from the revenue requirement calculated in the Fry-Ark FY 2003 Rate-Setting PRS, which has been updated to reflect the most current information. The Fry-Ark revenue requirement contains two components. The project has an average annual energy generation of 52 gigawatthours from flow-through water. The remaining revenue requirement is derived from the firm capacity component. This is the procedure used in the study to account for the Fry-Ark portion of the energy marketed by LAP. The Fry-Ark Ratesetting PRS indicates that the existing annual revenue requirement of $12,855,560 meets all requirements for annual expenses and capital repayment. Therefore, no increase is necessary.

A table comparing the LAP existing revenue requirement to the proposed revenue requirements is shown below:

SUMMARY OF LAP REVENUE REQUIREMENTS

	Existing	First Step (February 2004)	Second Step (October 2004)
P–SMBP—WD	$31,410,400	$34,968,920	$35,903,280
Fry-Ark	12,855,560	12,855,560	12,855,560
Total LAP	44,265,960	47,824,480	48,758,840

Statement of Revenue and Related Expenses

The following table provides a summary of Fry-Ark revenues and expenses for the 5-year proposed rate approval period:

FRYINGPAN-ARKANSAS PROJECT COMPARISON OF 5-YEAR RATE APPROVAL PERIOD REVENUES AND EXPENSES ($1,000)

	Existing rate PRS (FY 2004–2008)	Provisional PRS (FY 2004–2008)	Difference
Total Revenues	68,208	69,065	857
Revenue Distribution:			
Operations and Maintenance	17,248	20,607	3,359
Purchased Power and Transmission	13,180	19,894	6,714
Interest	28,323	21,247	(7,076)
Investment Repayment	256	7,317	7,061
Capitalized Expenses	9,201	0	(9,201)
Total	68,208	69,065	857

The summary of P–SMBP—WD revenues and expenses for the 5-year proposed rate approval period is included in the P-SMBP Statement of Revenue and Related Expenses that is part of Rate Order No. WAPA–110.

Basis for Rate Development

The P–SMBP PRS calculates the composite rate in mills/kWh for future firm power (capacity and energy) sales. In the Fry-Ark PRS, the study calculates the capacity rate in dollars per kilowattyear. The rate is adjusted until sufficient revenues are generated to meet the cost-recovery requirement.

The proposed LAP firm power service rate is designed to recover 50 percent of the revenue requirement from the capacity rate and 50 percent from the energy rate. The capacity rate is calculated by dividing 50 percent of the total annual revenue requirement by the number of billing units (kWmo) in a year. The energy rate is calculated by dividing 50 percent of the total annual revenue requirement by the annual energy sales under contract.

The existing rates for LAP firm electric service in Rate Schedule L–F4 expire March 31, 2004. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period. The provisional rates are scheduled to go into effect on February 1, 2004, subject to final approval by the Commission, and will remain in effect through December 31, 2008.

Comments

During the public consultation and comment period, Western received four written comments pertaining to this rate adjustment. There were no comments during the August 6, 2003, public comment forum. All comments received by the end of the public consultation and comment period, September 11, 2003, were reviewed and considered in preparing this rate order. Written comments were received from: Loveland Area Customer Association, Kansas Electric Power Cooperative, Inc., Kansas Tri-State Generation and Transmission Association, Inc., Colorado Mni Sose Intertribal Water Rights Coalition, South Dakota.

The comments received dealt with controlling purchased power costs, the two-step rate proposal, and the tiered rate of the P–SMBP—ED. Comments that apply to P–SMBP only are being answered in the Rate Order No. WAPA–110. Comments and responses applicable to LAP, paraphrased for brevity, are discussed below.

Comment: Western received three comments in support of implementing the two-step rate adjustment.

Response: The two-step rate adjustment proposal meets all repayment requirements according to DOE Order RA 6120.2, and since the majority of the customers support the two-step rate adjustment, Western will implement the first step of the two-step rate adjustment on February 1, 2004, and the second step of the two-step rate adjustment on October 1, 2004.

Comment: One commenter suggested that Western decrease its purchased power costs by not purchasing power to meet Western's commitment to the tribal customers in drought years. Instead, the commenter suggests that Western pay the Tribes a lump sum in the amount of the benefit they would have received from their power allocation.

Response: Paying the Tribes in lieu of purchasing power to support delivery of Tribal allocations is outside the scope of this rate process. Western has the obligation under its existing LAP marketing plan and contracts to deliver firm power to customers.

Environmental Compliance

Following the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321, *et seq.*; Council on Environmental Quality Regulations, 40 CFR 1500–1508; and DOE NEPA Regulations, 10 CFR 1021, Western has determined that this action is categorically excluded from preparation of 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 no clearance of this notice by the Office of Management and Budget is required.

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. Western determined that this action does not require a regulatory flexibility analysis since it is a rulemaking involving rates or services for public property.

Small Business Regulatory Enforcement Fairness Act

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

Availability of Information

Information regarding this rate adjustment, including PRSs, comments, letters, memorandums, and other supporting material made or kept by Western for the purpose of developing the provisional rates, is available for public review in the Office of the Power Marketing Manager, Rocky Mountain Customer Service Regional Office, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, Colorado, and in the Power Marketing Liaison Office, Room 8G–027, 1000 Independence Avenue SW., Washington, DC.

Submission to the Federal Energy Regulatory Commission

The rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to the Commission for confirmation and approval on a final basis.

Order

In view of the foregoing and by the authority delegated to me by the Secretary, I confirm and approve on an interim basis, effective February 1, 2004, Rate Schedule L–F5 for LAP of Western. The rate schedule shall remain in effect on an interim basis, pending the Commission's confirmation and approval of them or substitute rates on a final basis through December 31, 2008.

Dated: December 24, 2003.

Kyle E. McSlarrow,
Deputy Secretary.

Loveland Area Projects, Colorado, Kansas, Nebraska, Wyoming; Schedule of Rates for Firm Electric Service

Effective:

First Step: Beginning on the first day of the first full billing period on or after February 1, 2004, through September 30, 2004.

Second Step: Beginning on the first day of the first full billing period on or after October 1, 2004, through December 31, 2008.

Available:

Within the marketing area served by the Loveland Area Projects.

Applicable:

To the wholesale power customers for firm power service supplied through one meter at one point of delivery, or as otherwise established by contract.

Character:

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

Monthly Rates:

First Step:

Demand Charge: $3.08 per kilowatt (kW) of billing demand.

Energy Charge: 11.72 mills per kilowatthour (kWh) of use.

Billing Demand: Unless otherwise specified by contract, the billing demand will be the seasonal contract rate of delivery.

Second Step:

Demand Charge: $3.14 per kilowatt (kW) of billing demand.

Energy Charge: 11.95 mills per kilowatthour (kWh) of use.

Billing Demand: Unless otherwise specified by contract, the billing demand will be the seasonal contract rate of delivery.

Adjustments:

For Transformer Losses: If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided for in the contract.

For Power Factor: None. The customer will be required to maintain a power factor at all points of measurement between 95-percent lagging and 95-percent leading.

[FR Doc. 04–204 Filed 1–5–04; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division—Rate Order No. WAPA–110

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: Notice is given of the confirmation and approval by the Deputy Secretary of the Department of Energy (DOE) of Rate Order No. WAPA–110 and Rate Schedules P–SED–F7 and P–SED–FP7 placing into effect provisional rates for the Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) firm power service and firm peaking power service of Western Area Power Administration (Western). The provisional rates will remain in effect on an interim basis until the Federal Energy Regulatory Commission (Commission) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repayment of required investment within the allowable period.

DATES: The provisional rates will be placed into effect on an interim basis on February 1, 2004, and will be in effect until the Commission confirms, approves, and places the provisional rates in effect on a final basis for 5 years ending December 31, 2008, or until superseded.

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, e-mail *Riehl@wapa.gov.*

SUPPLEMENTARY INFORMATION: The Deputy Secretary of Energy approved the existing Rate Schedules P–SED–F6 and P–SED–FP6 for P–SMBP—ED firm power service and firm peaking power service on January 6, 1994 (Rate Order No. WAPA–60, 59 FR 3348, January 21, 1994); and the Commission confirmed and approved the rate schedules on July 14, 1994, under FERC Docket No. EF94–5031–000 (68 FERC 62,040). The rates set forth in Rate Order No. WAPA–60 were approved for 5 years beginning February 1, 1994, and ending January 31, 1999. On October 16, 1998, Rate Order No. WAPA–83 (63 FR 58034, October 29, 1988), extended the existing rates for 2 years beginning February 1, 1999, and ending January 31, 2001. On July 17, 2000, Rate Order No. WAPA–90 (65 FR 44045, July 10, 2000), further extended the existing rates for 2 years and 9 months beginning February 1, 2001, and ending September 30, 2003. On May 14, 2003, Rate Order No. WAPA–102 (68 FR 33120, June 3, 2003), further extended the existing rates through March 31, 2004.

Major factors contributing to this rate adjustment are the economic impact of the drought, increased interest expense associated with deficits, increased operation and maintenance and other annual expenses due to normal inflationary pressure since the last rate adjustment, and an additional 11 years of investment since the last rate adjustment.

Under Rate Schedule P–SED–F6, the composite rate is 14.23 mills per kilowatthour (mills/kWh), the energy rate is 8.32 mills/kWh, the tiered energy rate for energy in excess of 60 percent load factor is 3.38 mills/kWh, and the firm capacity rate is $3.20 per kilowattmonth (kWmo). Under Rate Schedule P–SED–FP6, the firm peaking capacity rate is $3.20 per kWmo, and the firm peaking energy rate is 8.32 mills/kWh. The provisional rates are being implemented in two steps. The first step of the provisional rates for P–SMBP—ED firm power service in Rate Schedule P–SED–F7 will result in an Eastern Division composite rate of 16.04 mills/kWh. The energy rate will be 9.34 mills/kWh, the capacity rate will be $3.62 per kWmo and the tiered energy rate for energy in excess of 60 percent load factor will be 5.21 mills/kWh. The Eastern Division composite rate will increase approximately 12.7 percent effective on February 1, 2004. The second step of the provisional rates for P–SMBP—ED firm power service will result in an Eastern Division composite rate of 16.51 mills/kWh. The energy rate will be 9.62 mills/kWh, the capacity rate will be $3.72 per kWmo, and the tiered energy rate for energy in excess of 60 percent load factor will be 5.21 mills/kWh. This will result in an additional increase of 2.9 percent effective on October 1, 2004.

The first step of Rate Schedule P–SED–FP7 will result in a firm peaking capacity rate of $3.62 per kWmo and a firm peaking energy rate of 9.34 mills/kWh and will become effective February 1, 2004. The second step of the firm peaking capacity rate will be $3.72 per kWmo and a firm peaking energy rate will be 9.62 mills/kWh and will become effective October 1, 2004.

Provisional Rates for P–SMBP—ED Firm Power Service and Firm Peaking Power Service

The provisional rates for P–SMBP—ED firm power service are designed to recover an annual revenue requirement that includes investment repayment, interest, purchased power, operation and maintenance expense, and other annual expenses. The annual revenue requirement for firm power service is allocated equally between capacity and energy.

The provisional rates for P–SMBP—ED firm power service are developed under the DOE Organization Act (42 U.S.C. 7101–7352), through which the power marketing functions of the Secretary of the Interior and the Bureau