

respond to any facts or contentions made in a prohibited off-the-record communication, and may request that the Commission place the prohibited communication and responses thereto in the decisional record. The Commission will grant such requests only when it determines that fairness so requires. Any person identified below as having made a prohibited off-the-record

communication should serve the document on all parties listed on the official service list for the applicable proceeding in accordance with Rule 2010, 18 CFR 385.2010.

Exempt off-the-record communications will be included in the decisional record of the proceeding, unless the communication was with a cooperating agency as described by 40

CFR 1501.6, made under 18 CFR 385.2201(e)(1)(v).

The following is a list of exempt and prohibited off-the-record communications received in the Office of the Secretary within the preceding 14 days. The documents may be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

Project No.	Date	Name
Exempt:		
1. CP00-232-000	9-15-00	Warren Geisler, M.D.
2. CP00-65-000	9-25-00	Clifford G. Day.
3. Project No. 2146-081	9-25-00	Aubry Q. Cohon.
4. Project No. 1864-005	9-18-00	Honorable Don Koivisto.
5. Project No. 1864-005	9-6-00	Richard G. Gerrits.
6. Project No. 1864	7-28-00	Randy Kemp.
7. Project No. 1864	9-7-00	Gerald and Hetty Gray.
8. Project No. 1864	9-2-00	Richard J. Matrello.
9. Project No. 10875-001	9-27-00	Stephen L. Saunders.
10. Project No. 2146-081	9-26-00	Steve Means.
		Randy B. Kelley,
		Robert W. Echols, Jr.
		Dawson Partee.
		Douglas M. Weems.
		Robert Avery.
		Bill C. Stewart.
11. Project No. 2146-081	9-26-00	Donna E. Graham.
12. Project No. 2146-081	9-14-00	Jerry and Iralene Dowdy.
Prohibited:		
1. Project No. 9974-043	9-22-00	Kenneth J. Robillard.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 00-26284 Filed 10-12-00; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project—Rate Order No. WAPA-94

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: This action is to approve the existing Boulder Canyon Project (BCP) electric service ratesetting formula, Rate Order No. WAPA-70, through September 30, 2005, and to approve the Fiscal Year (FY) 2001 Base Charge and Rates. The existing electric service ratesetting formula and base charge and rates will expire September 30, 2000. This notice for approval of the ratesetting formula and the FY 2001 Base Charge and Rates are issued under 10 CFR part 903.

FOR FURTHER INFORMATION CONTACT: Mr. Maher Nasir, Rates Team Lead, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-

6457, (602) 352-2768, or by e-mail: nasir@wapa.gov.

SUPPLEMENTARY INFORMATION: By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary of Energy delegated: (1) The authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of the Western Area Power Administration (Western); and (2) 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). In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary delegated the authority to the confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary. Existing Department of Energy (DOE) procedures for public participation in electric service rate adjustments are located at 10 CFR part 903, effective September 18, 1985 (50 FR 37835). DOE procedures have been followed by Western in developing this provisional electric service ratesetting formula.

The project began with 1928 legislation approving construction of the BCP. The 1928 legislation provided for a dam to be built in the Black Canyon

located on the Colorado River adjacent to the Arizona/Nevada border.

Commercial power generation began in 1936 with yearly average generation of 4.5 billion kilowatthours (kWh). Its installed capacity is 2,074 megawatts (MW).

BCP power is marketed in three states; Arizona, California, and Nevada under the Hoover Power Plant Act of 1984 and following the marketing plan approved and published in the **Federal Register** on December 28, 1984. The power is marketed as long-term contingent capacity and firm energy. This capacity and firm energy are available as long as sufficient water in the reservoir allows Western to meet its delivery obligations. If sufficient water to support Contractors' capacity entitlements is not available, each Contractor's capacity entitlement is temporarily reduced. Contractors are entitled to receive 4.5 billion kWh of firm energy each year. If generation at Hoover Powerplant is less than that, Western can purchase energy to make up the shortfall at the request of individual Contractors on a pass-through cost basis.

The Boulder Canyon Project Implementation Agreement Contract No. 95-PAO-10616 requires Western, prior to October 1 of each Rate Year, to determine the next FY annual base

charge and rates. The Base Charge and Rates for the first rate year and each fifth FY thereafter, shall become effective provisionally upon approval by the Deputy Secretary of Energy subject to final approval by the FERC. For all other FYs, the rate shall become effective upon approval by the Deputy Secretary of Energy.

Western will continue to provide the Contractors an annual base charge and rates by October 1 of each year using the same ratesetting formula. The base charge and rates are reviewed annually and adjusted upward or downward to assure sufficient revenues to achieve payment of all costs and financial obligations associated with the project. Each FY, Western prepares a power repayment study that includes estimates of annual revenues and expenses for the BCP including interest and capitalized costs.

Western's BCP electric service ratesetting formula was submitted to FERC for confirmation and approval on October 31, 1995. On April 19, 1996, in Docket No. EF96-5091-000 at 75 FERC ¶ 62,050, FERC issued an order confirming, approving, and placing into effect on a final basis the electric service ratesetting formula for BCP. The ratesetting formula set forth in Rate Order No. WAPA-70 was approved for a period beginning November 1, 1995, and ending September 30, 2000.

Western proposes to extend the existing ratesetting formula, and approve the proposed FY 2001 Base Charge of \$47,788,574, and Rates of \$0.99/kWmonth for capacity and 5.04 mills/kWh for energy, which ensures sufficient revenues to pay for the BCP project expenses, interest, and capital requirements through September 30, 2001. Increased annual expenses have contributed to the proposed annual rate adjustment.

In accordance with 10 CFR part 903, Western held a consultation and comment period. The notice of the proposed ratesetting formula and for the proposed FY 2001 Base Charge and Rates of the electric service was published in the **Federal Register** on March 10, 2000.

Following review of Western's proposal within the Department of Energy, I approved Rate Order No. WAPA-94, on an interim basis, for the Boulder Canyon Project electric service Rate Schedule BCP-F6 through September 30, 2005, and the FY 2001 Base Charge and Rates through September 30, 2001.

Dated: September 18, 2000.

T.J. Glauthier,
Deputy Secretary.

Order Approving the Boulder Canyon Project Electric Service Ratesetting Formula and the FY 2001 Base Charge and Rates

This ratesetting formula was established under section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)), through which the power marketing functions 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)), were transferred to and vested in the Secretary of Energy (Secretary).

By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary delegated (1) The authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of the Western Area Power Administration (Western); and (2) 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).

In Delegation Order No. 0204-172, effective November 24, 1999, the Secretary delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary. Existing Department of Energy (DOE) procedures for public participation in electric service rate adjustments are located at 10 CFR part 903, effective September 18, 1985 (50 FR 37835). Procedures for approving Power Marketing Administration rates by FERC are found in 18 CFR part 300.

Acronyms and Definitions

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

BCP: Boulder Canyon Project.

Base Charge: The total charge paid by a Contractor for capacity and energy based on the annual revenue requirement, under section 13 of the BCPIA effective February 17, 1995. The base charge shall be composed of a capacity component and an energy component.

BCPIA: The Boulder Canyon Project Implementation Agreement which became effective February 17, 1995. The agreement resolved eleven rate-related issues: (1) Replacements; (2) Visitor Facilities; (3) Amendment to

Regulations; (4) Multi-Project Benefits and Costs; (5) Engineering & Operating Committee (E&OC) and Coordinating Committee; (6) Billing and Payment; (7) Operating Amount and Working Capital; (8) Audits; (9) Principal Payments; (10) Annual Rate Adjustments; and (11) Upgrading Credits.

Calculated Energy Rate: The calculated amount equal to 50 percent of the annual revenue requirement for each FY divided by the energy deemed delivered in such FY.

Capacity Dollar: The amount of revenue to be billed for BCP capacity sales for each FY. Such amount shall be 50 percent of the annual revenue requirement, adjusted for the annual capacity credit in accordance with section 13.9 of the BCPIA.

Contractors: An entity with a contract and receiving service from Western's Desert Southwest Customer Service Region. The BCP Contractors are: City of Anaheim, Arizona Power Authority, City of Azusa, City of Banning, City of Boulder City, City of Burbank, Colorado River Commission, City of Colton, City of Glendale, City of Los Angeles Department of Water & Power, Metropolitan Water District of Southern California, City of Pasadena, City of Riverside, Southern California Edison, and City of Vernon.

DOE: Department of Energy.

DOE Order RA 6120.2: An order identifying the financial reporting and rate-making procedures for the power marketing administrations.

Energy Dollar: The amount of revenue to be billed for BCP energy sales for each FY. Such amount shall be 50 percent of the annual revenue requirement, adjusted for the annual capacity credit in accordance with section 13.9 of the BCPIA.

FERC: Federal Energy Regulatory Commission.

FY: Fiscal Year, October 1 through September 30.

Forecast Capacity Rate: Equals the Capacity Dollar divided by 1,951,000 kW.

Forecast Energy Rate: Equals the Energy Dollar divided by the lesser of the energy forecasted in the total master schedule or 4,501.001 million kWh.

Hoover Dam: The dam on the Colorado River which forms Lake Mead.

kW: Kilowatt.

kWh: Kilowatthour.

mills/kWh: Mills per kilowatthour.

NEPA: National Environmental Policy Act of 1969.

OM&R: Operation, maintenance, and replacement.

PRS: Power Repayment Study.

Project Act: The Boulder Canyon Project Act authorizing the construction of Boulder Canyon Project dated December 21, 1928 (43 U.S.C. 617, *et seq.*).

Rates: A forecast energy rate and a forecast capacity rate.

Rate Year: The next FY for which the annual revenue requirement is forecast for annual rate determination purposes in the PRS.

Reclamation: United States Department of the Interior, Bureau of Reclamation.

Western: United States Department of Energy, Western Area Power Administration.

Effective Date

This Rate Order No. WAPA-94 approves the existing ratesetting formula and the FY 2001 Base Charge and Rates which will take effect on October 1, 2000. The ratesetting formula will be in effect on an interim basis, pending FERC's approval of this or a substitute ratesetting formula on a final basis for a 5-year period ending September 30, 2005, or until superseded.

Public Notice and Comment

Western held a consultation and comment period under 10 CFR part 903. A **Federal Register** notice was published March 10, 2000, announcing Western's proposal to extend the existing ratesetting formula, and of the calculation of the FY 2001 Base Charge and Rates. The notice also announced a public information forum on April 13, 2000, and a public comment forum on May 9, 2000.

On March 30, 2000, Western met with the Contractors and again notified them of Western's intent to extend the existing ratesetting formula and presented the proposed calculation of the FY 2001 Base Charge and Rates. Western discussed in detail the FY 2001 budget and capital expenditures. This Order is for approval of the existing ratesetting formula and the calculation of the FY 2001 Base Charge and Rates.

Project Description

The BCP was authorized for construction by the Project Act. The

Project Act provided for a dam to be built in the Black Canyon located on the Colorado River adjacent to the Arizona-Nevada border. The dam was built for the express purposes of: (1) Controlling the flooding in the lower regions of the Colorado River drainage system, (2) improving navigation of the Colorado River and its tributaries, (3) regulating the Colorado River, while providing storage and delivery of the stored water for the reclamation of public lands; and (4) generating electrical energy as a means of making the BCP a self-supporting and financially solvent undertaking.

Construction of Hoover Dam, formerly known as Boulder Dam, began in 1930. Commercial power generation began in 1936 with the first generating unit of the powerplant going into service in 1937. The Hoover Powerplant has 19 generating units and an installed capacity of 2,074 MW.

The Hoover Powerplant Act of 1984 sets forth the amounts of Hoover power to be sold beginning June 1, 1987, to the 15 Contractors located in the states of Arizona, California, and Nevada.

Power Repayment Studies

The BCPIA Contract No. 95-PAO-10616 requires that the amount of each annual Base Charge and Rates be reviewed annually prior to October 1 and adjusted upward or downward, and to take effect in the first billing period of the Rate Year. Each FY Western estimates BCP expenses by preparing a PRS that includes estimates for OM&R costs for the BCP to determine the annual revenue requirement for the next FY. The preparation of each FY's PRS includes adjustments from estimated to actual dollars in the previous year's PRS. Any adjustments required, whether resulting in an increase or decrease of the annual revenue requirement, are carried forward and included in the estimated revenue requirement used to calculate the next year's rate.

Each annual Base Charge pays the annual amortized portion of the United States' investment in the BCP facilities with interest and associated OM&R costs. This repayment schedule does not depend upon the power and energy made available for sale or the rate of generation each year.

Certification of Rate

Western's Administrator has certified that the BCP electric service ratesetting formula determining the annual Base Charge and Rates placed into effect on an interim basis is consistent with applicable laws, policies, regulations, agreements, and departmental orders and the calculation of the FY 2001 Base Charge and Rates is the lowest consistent with sound business principles.

Discussion

According to Reclamation law, Western must establish power rates sufficient to recover operation, maintenance, and purchase power expenses, and to 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, and replacements and additions, and certain non-power costs in excess of the irrigation users' ability to pay.

Western prepares an annual PRS that identifies the estimated annual revenue requirement for the next FY. In accordance with the contracts, expenses for replacements and additions are included in the annual anticipated OM&R. The existing ratesetting formula for the BCP requires that each year the Contractors pay the total estimated annual revenue requirement in return for up to 1,951,000 kW of capacity and 4,501,001 million kWh of energy. The capacity and energy, produced up to the above limits at the BCP, are allocated to the Contractors on a percentage basis. The existing ratesetting formula for the annual Base Charge and Rates satisfies the cost-recovery criteria set forth in DOE Order RA 6120.2.

Statement of Revenue and Related Expenses

The annual revenue requirement for the BCP is based upon the PRS calculations for future requirements, which will be adjusted when FY actuals are known. The following tables provide a summary of the revenues and expenses for the existing electric service ratesetting formula and also the projected revenues and expenses for the proposed 5-year electric service ratesetting formula.

BCP REVENUES AND EXPENSES, FY 1996–2000
[\$1,000]

Item	Actual	Projected	Difference
Total Revenues	\$276,372	\$315,522	
Sum of Prior Year's Revenue Adjustment	(4,122)	0	
Adjusted Total Revenues	272,250	315,522	(\$43,272)
Revenue Distribution:			
O&M	116,148	131,051	(14,903)
Payments to States	3,000	3,000	0
Other	20,604	23,201	(2,597)
Uprating Payments	58,102	74,699	(16,597)
Replacements	17,612	20,402	(2,790)
Working Capital	(1,347)	653	(2,000)
Interest	62,032	62,577	(546)
Investment repayment	14,185	13,577	930
Prior Year Carryover	(9,878)	(13,317)	(3,439)
Sum of Prior Year's Expense Adjustment	(8,208)	0	(8,208)
Total Revenue Distribution	272,250	315,522	(43,272)

BCP 5-YEAR PROJECTIONS,
REVENUES AND EXPENSES
[\$1,000]

	FY 2001– 2005 projections
Total Revenues	\$317,809
Revenue Distribution:	
O&M	141,448
Payments to States	3,000
Other Expense	42,490
Uprating Payments	55,751
Replacements	9,456
Working Capital	0
Interest	57,792
Investment Repayment	9,811
Carryover	(1,939)
Total Revenue Dis- tribution	317,809

Basis for Rate Development

The annual Energy Dollar and Capacity Dollar are designed to maintain a 50/50 split between revenue earned from energy sales and the capacity credit revenue adjustment to resolve the historic imbalance between revenues collected from capacity and energy. The cost to an individual BCP Contractor varies because of the differences in each BCP Contractor's entitlement.

Each Contractor is billed a monthly Base Charge comprised of: (1) An energy charge equal to the Rate Year Energy Dollar multiplied by the Contractor's firm energy percentage multiplied by its monthly energy ratio; and (2) a capacity charge equal to the Rate Year Capacity Dollar divided by 12 multiplied by the Contractor's contingent capacity percentage. The monthly Base Charge is due and payable regardless of the

amount of power and energy produced by BCP. The annual Base Charge does not depend upon the amount of power and energy made available for sale.

In addition to the Contractor's monthly Base Charge, a Forecast Energy Rate and a Forecast Capacity Rate are calculated and applied to: (1) Excess energy; (2) unauthorized overruns; and (3) water pump energy.

At the end of the FY, and once the actual energy deemed delivered is known, Western determines a Calculated Energy Rate. If the actual energy deemed delivered is greater than 4,501.001 million kWhs, Western then applies the Calculated Energy Rate to each Contractor's energy deemed delivered to determine the Contractor's actual energy charge. Western then establishes a credit or debit for each Contractor based on the difference between the Contractor's Energy Dollar and the Contractor's actual energy charge. The credit or debit is then applied to the Contractor's next power bill.

Comments

During the public consultation and comment period, Western received 4 written comment letters on the annual rate adjustment. In addition, 5 contractor representatives commented during the May 9, 2000, public comment forum. All comments received by the end of the public consultation and comment period on June 8, 2000, that were relevant to this rate process, were reviewed and considered in preparing this rate order.

Written comments were received from:

Arizona Power Authority, AZ
Colorado River Commission, NV

Irrigation & Electrical Districts
Association of Arizona, AZ
Metropolitan Water District of Southern
California, CA

Comments dealt with specific cost allocation methodologies, unbundling of the Visitor Center cost components, civil service retirement costs, providing timely information to the Contractors, and commitment to maintaining the schedule for the various processes implemented under the BCPIA. All comments supported Western's efforts to reduce the Base Charge and Rates. The following is a summary of all relevant comments received and Western's responses to those comments. Comments and responses are paraphrased for brevity. Specific comments are used for clarification where necessary.

Rate Impacting Issues

Comment: A major component of the increase in revenue requirements at Hoover is associated with efforts to increase and ensure unit availability through capital investments. Can Western and Reclamation provide an estimate of the expected increase in unit availability?

Response: This issue of unit availability was discussed at the Engineering and Operating Committee (E&OC) meeting held May 17, 2000, in Las Vegas, NV. As an agenda item for the upcoming E&OC meeting in October 2000, Contractors are to decide, as a group, how important plant availability is to them and subsequently provide that information to Western and Reclamation as input into the decision making process related to capital investments.

Comment: A Contractor requested a response from Western regarding a

Contractor proposal whereby the costs for the Buchanan Boulevard Project be allocated in proportion to the voltage of each project's/entity's transmission lines interconnected at Mead rather than allocating the total costs among Western's three projects.

Response: Western believes the contractor proposal is incomplete or too vague at this time to determine whether it would be a more appropriate method than Western's current allocation method. Western's current allocation of the total costs for the Buchanan Boulevard Project is allocated between Western's three projects that are interconnected at Mead Substation. Based upon this logic, approximately one-third is allocated to BCP, one-third to the Parker-Davis Project, and one-third to the Pacific Northwest-Pacific Southwest Intertie Project.

As stated during the informal stage of the rate process, Western is pursuing non-reimbursable emergency funding from the Federal Highway Administration. In the event that Western is not successful in obtaining this funding, Western will conduct a re-evaluation of the current allocation method, at which time Western would further consider the Contractor's proposal.

Comment: A Contractor requested that costs related to the Visitor Center and Parking Structure be accounted for as Visitor Services expense rather than regular O&M expense. The Contractors also requested a meeting to discuss various Visitor Services issues.

Response: A meeting was held on June 29, 2000, with Reclamation, Western, and the Contractors to discuss this issue. It was agreed by all that beginning in FY 2001, the expenses related to the Visitor Services would be accounted for as such, and not be included under regular O&M expense.

Comment: A Contractor expressed concern that the costs due to the FERC open access orders and additional costs to power marketing services are inappropriately charged to the existing power Contractors. The Contractors are recommending that Western and the BCP Contractors revisit the cost allocation procedures and determine a more equitable determination of allocating the costs to the projects.

Response: Western is currently seeking to schedule a meeting with the Contractors to discuss organizational responsibilities and how each organization within the Desert Southwest Region allocates their costs.

Comment: The Contractors stated they believe Western has no authority to collect civil service retirement costs in their rates.

Response: DOE General Counsel stated by memorandum dated July 1, 1998, the Power Marketing Administrations (PMAs) have the authority to collect, through the rates, the full costs of the retirement benefits. In addition, FERC has issued numerous orders approving the inclusion of such costs in PMA rates: *Western Area Power Administration* (Intertie Project), 87 FERC ¶ 61,346 (1999), *Southeastern Power Administration*, 86 FERC ¶ 61,195 (1999), and *Southeastern Power Administration*, 91 FERC ¶ 61,272 (2000). Under the provisions of the Boulder Canyon Project Adjustment Act, 43 U.S.C. 618–618p, all receipts from the BCP shall be paid into the Colorado River Dam Fund (CRDF) and are available for defraying the costs of operation. The total dollars associated with these costs, collected into the CRDF, under these authorities, through FY 2001 is approximately \$4.9 million.

General Issues

Comment: A Contractor commented that Western and Reclamation need to work harder on cost control and containment in the future.

Response: Western and Reclamation have worked very diligently with the BCP Contractors under the BCPIA, and will continue to work on cost control and containment in coordination with the Contractors. This collaborative process has held total expenses to less than an average annual increase of 2 percent since FY 1994.

Comment: A Contractor noted the importance and need to pay attention to the change in discretionary components of the budget and not allow fixed components to "muddy the water."

Response: Western and Reclamation are aware of the cost components in the annual budgets that are considered discretionary items versus fixed items. The various annual processes allow us to focus on the discretionary items. However, in the future, Western will present the discretionary items separately from the fixed items, and demonstrate the impacts of both, on the annual Base Charge and Rates.

Comment: A Contractor emphasized its concern for rate increases, and that BCP power was three-fourths of their annual operating budget.

Response: Western and Reclamation are committed to continue working with the BCP Contractors in keeping increases in the Base Charge and Rates the lowest possible consistent with sound business principles.

Comment: A Contractor noted the need for more communications to extend beyond the various processes, among Western, Reclamation, and the

Contractors to ensure common understanding of a Contractor's intent regarding questions, and the appropriate responses.

Response: In addition to the E&OC, the ten year operating plan, and the technical review committee processes, Western and Reclamation are open to more communications with the Contractors. Both agencies are committed to enforcing the appropriate time tables and are open to more opportunities for better communications for understanding Contractor needs during, and outside of, each process at the Contractor's request.

Comment: The Contractors stated the need for more timely processes. The Contractors also commented that they fully expect Western and Reclamation to resolve, within the very near future, the causes of the encumbrances by other activities, resulting in information not being made available to them due to lack of resources.

Response: Western and Reclamation apologize for the delay, lack of information provided, and short turn around for Contractor comment in the current ten year operating plan process. Both agencies are committed to working diligently through future annual processes, and in a timely manner, as set forth and agreed to, under Section 12 and Appendix D of the BCPIA.

Comment: A commentor stated that the E&OC process is "flawed" because of the continuing increase in revenue requirements for BCP, and that the E&OC has the wrong focus. Rather than justifying annual cost increases, they need to refocus on the approach to "budgeting," and hold Western and Reclamation to the goal of a 2- to 3-percent increase from year to year.

Response: Western and Reclamation do not agree that the E&OC process is flawed, given the accomplishments of the E&OC since February 1995. Processes were implemented that created the existing rate methodology of an annual Base Charge for the purchase of Hoover power, which is derived from the annual revenue requirement and the contractual entitlement percentages, rather than paying an annual energy and capacity rate based on projected annual hydrology. The annual ten year operating plan process was developed under the E&OC and allows for Contractor input and review of the annual plan that impacts the annual Base Charge and Rates. Each FY, a final operating plan is published with Western, Reclamation, and the Contractors agreeing to the increases in annual expenses that go forth in the annual rate process. In addition to these

processes, Western and Reclamation are committed to continue working with the Contractors to mitigate the annual increases and are open to additional meetings with the Contractors. Once again, as an example of Western's and Reclamation's commitment to minimizing year to year cost increases, since 1994, BCP's total expenses have increased by less than an average of 2 percent per year through FY 2000.

Comment: A Contractor requests that Western commit to implementing an accounting process that identifies direct costs associated with the generation and transmission functions.

Response: Western is planning to implement direct charging work order numbers during the forthcoming FY.

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969, 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 the 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; accordingly, 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 has determined that this action does not require a regulatory flexibility analysis since it is a rulemaking of particular applicability involving rates or services applicable to public property.

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 a rulemaking of particular applicability relating to rates or services and involves matters of procedure.

Availability of Information

Information regarding this ratesetting formula and the calculation of the FY 2001 Base Charge and Rates, including PRSs, letters, memorandums, and other supporting material made or kept by Western used to develop the provisional ratesetting formula, is available for public review in the Desert Southwest Customer Service Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, AZ 85009–5313; and in the Power Marketing Liaison Office, Room 8G–027, 1000 Independence Avenue SW., Washington, DC 20585–0001.

Submission to Federal Energy Regulatory Commission

The ratesetting formula and the calculation of the FY 2001 Base Charge and Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and approval.

Order

In view of the foregoing and under the authority delegated to me by the Secretary, I hereby approve on an interim basis, effective October 1, 2000, Rate Schedule BCP–F6 for electric service, and the FY 2001 Base Charge and Rates for the Boulder Canyon Project. Rate Schedule BCP–F6 will be in effect on an interim basis, pending FERC confirmation and approval or a substitute ratesetting formula on a final basis through September 30, 2005.

Dated: September 18, 2000.

T.J. Glauthier,
Deputy Secretary.

Boulder Canyon Project; Schedule of Rates for Electric Service

[Rate Schedule BCP–F6; (Supercedes BCP–F5)]

Effective: The first day of the first full billing period beginning on or after October 1, 2000, and remaining in effect through September 30, 2005, or until superseded.

Available: In the marketing area serviced by the Boulder Canyon Project (BCP).

Applicable: To power contractors served by the BCP supplied through one meter, at one point of delivery, unless otherwise provided by contract.

Character and Conditions of Service: Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Base Charge: The total charge paid by a contractor for annual capacity and

energy based on the annual revenue requirement. The Base Charge shall be composed of an energy component and a capacity component:

Energy Charge: Each Contractor shall be billed monthly an energy charge equal to the Rate Year Energy Dollar multiplied by the Contractor's firm energy percentage multiplied by the Contractor's monthly energy ratio as provided by contract.

Capacity Charge: Each Contractor shall be billed monthly a capacity charge equal to the Rate Year Capacity Dollar divided by 12 multiplied by the Contractor's contingent capacity percentage as provided by contract.

Forecast Rates:

Energy: Shall be equal to the Rate Year Energy Dollar divided by the lesser of the total master schedule energy or 4,501.001 million kWhs. This rate is to be applied for use of excess energy, unauthorized overruns, and water pump energy.

Capacity: Shall be equal to the Rate Year Capacity Dollar divided by 1,951,000 kWhs, to be applied for use of unauthorized overruns.

Calculated Energy Rate: Within 90 days after the end of each rate year, a Calculated Energy Rate shall be calculated. If the energy deemed delivered is greater than 4,501.001 million kWhs, then the Calculated Energy Rate shall be applied to each Contractor's energy deemed delivered. A credit or debit shall be established based on the difference between the Contractor's Energy Dollar and the Contractor's actual energy charge, to be applied the following month calculated or as soon as possible thereafter.

Lower Basin Development Fund

Contribution Charge: The contribution charge is 4.5 mills/kWh for each kWh measured or scheduled to an Arizona purchaser and 2.5 mills/kWh for each kWh measured or scheduled to a California or Nevada purchaser, except for purchased power.

Billing for Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual power obligations, such overrun shall be billed at 10 times the Forecast Energy Rate and Forecast Capacity Rate. The contribution charge shall be applied also to each kWh of overrun.

Adjustments: None.

[FR Doc. 00–26331 Filed 10–12–00; 8:45 am]

BILLING CODE 6450–01–P