

Rate Schedule L–M4

**(Supersedes Rate Schedule L–M3
Effective January 1, 2023)**

**United States Department of Energy
Western Area Power Administration
Rocky Mountain Region
Loveland Area Projects
Sale of Surplus Products**

*(Approved Under Rate Order No.
WAPA–212)*

Effective

The first day of the first full billing period beginning on or after January 1, 2025, and extending through December 31, 2029, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to Loveland Area Projects (LAP) marketing and is applicable to the sale of the following LAP surplus energy and capacity products: energy, frequency response, regulation, and reserves. If any of the above LAP surplus products are available, LAP can make the product(s) available for sale, providing entities enter into separate agreement(s) with LAP Marketing Office which will specify the terms of sale(s).

Formula Rate

The charge for each product will be determined at the time of the sale based on market rates, plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s), for which a separate charge may be incurred.

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DEPARTMENT OF ENERGY**Western Area Power Administration**

**Pick-Sloan Missouri Basin Program—
Eastern Division—Rate Order No.
WAPA–213**

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: The formula rates for the Upper Great Plains (UGP) region's Pick-Sloan Missouri Basin Program (P–SMBP)—Eastern Division (ED) firm power service, firm peaking power service, and sale of surplus products have been confirmed, approved, and placed into effect on an interim basis (Provisional Formula Rates). These new formula rates replace the existing

formula rates for these services under Rate Schedules P–SED–F14, Firm Power Service; P–SED–FP14, Firm Peaking Power Service; and P–SED–M2, Sale of Surplus Products, which expire on December 31, 2027. The P–SMBP—ED firm power service composite rate is increasing over a 2-year period with a 7.5 percent increase on January 1, 2025, and an additional 6.2 percent increase on January 1, 2026. There are no changes to the formula rate for sale of surplus products.

DATES: The Provisional Formula Rates under Rate Schedules P–SED–F15, Firm Power Service; P–SED–FP15, Firm Peaking Power Service; and Rate Schedule P–SED–M3, Sale of Surplus Products, are effective on the first day of the first full billing period beginning on or after January 1, 2025, and will remain in effect through December 31, 2029, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION: On June 29, 2023, FERC confirmed and approved Formula Rate Schedules P–SED–F14, P–SED–FP14, and P–SED–M2, under Rate Order No. WAPA–203, on a final basis through December 31, 2027.¹ Western Area Power Administration (WAPA) published a **Federal Register** notice (Proposed FRN) on June 28, 2024 (89 FR 53989), proposing adjustments to increase the base component and decrease the drought adder component of the P–SMBP—ED firm power service and firm peaking power service rate using a two-step rate adjustment where roughly 50 percent of the total increase is being applied in step 1 (January 2025) and the remaining 50 percent is being applied in step 2 (January 2026), and to put new 5-year rate schedules in place. The Proposed FRN also initiated a 60-day public consultation and comment period and set forth the dates and locations of the virtual public information and public comment forums.

¹ Order Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. EF23–2–000 (2023).

Legal Authority

By Delegation Order No. S1–DEL–RATES–2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1–DEL–S3–2024, effective August 30, 2024, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3–DEL–WAPA1–2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. S3–DEL–WAPA1–2023 and Department of Energy procedures for public participation in rate adjustments set forth at 10 CFR part 903.²

Following review of UGP's proposal, Rate Order No. WAPA–213, which provides the formula rates for the P–SMBP—ED firm power service, firm peaking power service, and sale of surplus products, is hereby confirmed, approved, and placed into effect on an interim basis. WAPA will submit Rate Order No. WAPA–213 to FERC for confirmation and approval on a final basis.

Department of Energy

**Administrator, Western Area Power
Administration**

In the Matter of: Western Area Power Administration, Upper Great Plains Region, Rate Adjustment for the Pick-Sloan Missouri Basin Program—Eastern Division, Firm Power Service, Firm Peaking Power Service, and Sale of Surplus Products Formula Rates, Rate Order No. WAPA–213

**Order Confirming, Approving, and
Placing The Formula Rates for the Pick-
Sloan Missouri Basin Program—
Eastern Division into Effect on an
Interim Basis**

The formula rates in Rate Order No. WAPA–213 are established following section 302 of the Department of Energy

² 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

(DOE) Organization Act (42 U.S.C. 7152).¹

By Delegation Order No. S1–DEL–RATES–2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration (WAPA) Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1–DEL–S3–2024, effective August 30, 2024, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3–DEL–WAPA1–2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA’s Administrator. This rate action is issued under Redelegation Order No. S3–DEL–WAPA1–2023 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.²

Acronyms, Terms, and Definitions

As used in this Rate Order, the following acronyms, terms, and definitions apply:

Base: A component of the firm power and firm peaking power rate design that is a fixed revenue requirement that includes operation and maintenance expenses (O&M), investments and replacements, interest on investments and replacements, normal timing power purchases, and transmission costs.

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

Composite Rate: The Power Repayment Study (PRS) rate for commercial firm power, which is the total annual revenue requirement for capacity and energy divided by the total

annual energy sales. It is expressed in mills per kilowatt-hour (mills/kWh) and used only for comparison purposes.

Corps of Engineers Annual Operating Plan (AOP): The United States Army Corps of Engineers (USACE) water management guidelines designed to meet the reservoir regulation objectives.

Customer: An entity with a contract that is receiving Pick-Sloan Missouri Basin Program—Eastern Division (P-SMBP—ED) firm power service from WAPA.

Customer Rate Brochure: A document prepared for public distribution explaining the rationale and background for the information contained in the Proposed FRN and in this rate order.

Deficit(s): Deferred or unrecovered annual and/or interest expenses.

Demand: The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW) or megawatts (MW), at a given instant or averaged over any designated interval of time.

Drought Adder: A component of the firm power and firm peaking power rate design that is a formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related Deficits, and interest on the purchase power drought-related Deficits.

Energy: Measured in terms of the work it is capable of doing over a period of time. Electric energy is expressed in kilowatt-hours (kWh) or megawatt-hours (MWh).

Energy Charge: The charge under the rate schedule for energy. It is expressed in mills per kilowatt-hour and applied to each kilowatt-hour delivered to each Customer.

Firm: Power intended to be available at all times during the period covered by a guaranteed commitment to deliver, even under adverse conditions.

FRN: Federal Register Notice—a document published in the **Federal Register** in order for WAPA to provide information of public interest.

FY: WAPA’s fiscal year; October 1 to September 30.

kW: Kilowatt—the electrical unit of capacity that equals 1,000 watts.

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

kW-month: Kilowatt-month—the electrical unit of the monthly amount of capacity.

mills/kWh: Mills per kilowatt-hour—the unit of charge for energy (equal to one tenth of a cent or one thousandth of a dollar).

Microsoft Teams: Microsoft Teams is an online secure invite-only meeting

platform used by WAPA. The general website is www.microsoft.com/en-us/microsoft-teams/group-chat-software.

NEPA: National Environmental Policy Act of 1969, as amended.

Non-timing Power Purchases: Power purchases related to drought conditions, not related to operational constraints.

Normal Timing Power Purchases: Power purchases related to operational constraints (e.g., management of endangered species habitat, water quality, navigation, balancing authority purposes, market events, etc.), not associated with drought conditions.

O&M: Operation and maintenance expenses.

Order RA 6120.2: DOE Order outlining Power Marketing Administration financial reporting and rate-making procedures.

Power: Capacity and energy.

Power Factor: The ratio of real to apparent power at any given point and time in an electrical circuit. Generally, it is expressed as a percentage.

Power Repayment Study (PRS): Defined in Order RA 6120.2 as a study portraying the annual repayment of power production and transmission costs of a power system through the application of revenues over the repayment period of the power system. The study shows, among other items, estimated revenues and expenses, year by year, over the remainder of the power system’s repayment period (based upon conditions prevailing over the cost evaluation period), the estimated amount of Federal investment amortized during each year, and the total estimated amount of Federal investment remaining to be amortized.

Preference: The provisions of Reclamation Law that require WAPA to first make Federal Power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states 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.

Provisional Formula Rates: Formula rates confirmed, approved, and placed into effect on an interim basis by the Secretary of Energy or his/her designee.

Rate-setting PRS: The PRS used for the rate adjustment.

Regions: WAPA’s Rocky Mountain (RM) region, WAPA’s Upper Great Plains (UGP) region.

Revenue Requirement: The revenue required by the PRS to recover annual expenses (such as O&M, purchase power, transmission service, interest,

¹ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (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 section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

² 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

and deferred expenses) and repay Federal investments and replacements and other assigned costs.

Effective Date

The Provisional Formula Rate Schedules P–SED–F15, Firm Power Service; P–SED–FP15, Firm Peaking Power Service; and P–SED–M3, Sale of Surplus Products, will take effect on the first day of the first full billing period beginning on or after January 1, 2025, and will remain in effect through December 31, 2029, pending approval by FERC on a final basis or until superseded.

Public Notice and Comment

UGP followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these formula rates. UGP took the following steps to involve interested parties in the rate process:

1. On June 28, 2024, a **Federal Register** notice (89 FR 53989) (Proposed FRN) announced the proposed formula rates and launched the 60-day public consultation and comment period.

2. On July 2, 2024, UGP notified Preference Customers and interested parties of the proposed rates and provided a copy of the published Proposed FRN.

3. On August 7, 2024, UGP held a public information forum via Microsoft Teams. UGP's representatives explained the proposed formula rates, answered questions, and gave notice that more information was available in the Customer Rate Brochure.

4. On August 7, 2024, UGP held a public comment forum via Microsoft Teams to provide an opportunity for Customers and other interested parties to comment for the record.

5. UGP established a public website to post information about the rate process. The website is located at: www.wapa.gov/about-wapa/regions/ugp/ugp-rates/2025-firm-rate-adjustment.

6. During the 60-day consultation and comment period, which ended on August 27, 2024, UGP received three oral comment submissions and 20 written comment letters. The comments and UGP's responses are addressed in the "Comments" section. All comments have been considered in the preparation of this Rate Order.

Oral comments were received from the following organizations:

City of Orange City, Iowa (member utility)

Mid-West Electric Consumers Association, Colorado (customer association)

Missouri River Energy Services, South Dakota (action agency)

Written comments were received from the following organizations:

East River Electric Power Cooperative, South Dakota (member utility)

Mid-West Electric Consumers Association, Colorado (customer association)

Missouri River Energy Services, South Dakota (action agency)

City of Alton, Iowa (member utility)

City of Benson, Minnesota (member utility)

City of Denison, Iowa (member utility)

City of Detroit Lakes, Minnesota (member utility)

City of Hawarden, Iowa (member utility)

City of Lake Park, Iowa (member utility)

City of Madison, Minnesota (member utility)

City of Orange City, Iowa (member utility)

City of Rock Rapids, Iowa (member utility)

City of Sauk Centre, Minnesota (member utility)

City of Sioux Center, Iowa (member utility)

City of Valley City, North Dakota (member utility)

City of Vermillion, South Dakota (member utility)

City of Wadena, Minnesota (member utility)

City of Watertown, South Dakota (member utility)

City of Willmar, Minnesota (member utility)

City of Worthington, Minnesota (member utility)

Power Repayment Study—Firm Power Service Rate Discussion

A PRS is prepared each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the Pick-Sloan Missouri Basin Program (P–SMBP). Repayment criteria are based on applicable laws and legislation as well as policies including Order RA 6120.2. To meet the Cost Recovery Criteria outlined in Order RA 6120.2, UGP developed a rate adjustment to demonstrate sufficient revenues will be collected under the Provisional Formula Rates to meet future obligations. The Revenue Requirement for P–SMBP is recovered by both the UGP in the P–SMBP—ED rates and by RM in the Loveland Area Projects (LAP) rate. The Revenue Requirement and composite rate for P–SMBP—ED firm power service is being increased using a two-step adjustment, where roughly 50 percent of the total increase is being applied in step 1 (January 2025) and the remaining 50 percent is being applied in step 2 (January 2026), as indicated in Table 1:

TABLE 1—COMPARISON OF EXISTING AND PROVISIONAL REVENUE REQUIREMENTS AND COMPOSITE RATE

P–SMBP firm power service	Existing under P–SED–F14 as of Jan. 1, 2023	Provisional under P–SED–F15 first step as of Jan. 1, 2025 ¹	First Step Percent Change	Provisional under P–SED–F15 second step as of Jan. 1, 2026 ²	Second step percent change
Total Revenue Requirement (in million \$)	\$268.4	\$288.1	7.4	\$306.0	6.2
P–SMBP—ED Composite Rate (mills/kWh)	27.91	30.00	7.5	31.87	6.2

¹ Provisional values are estimates only based on using set/final Base and estimated Drought Adder components.

² Provisional values are estimates that may change during the existing annual drought adder adjustment process.

Firm Power Service—Existing and Provisional Formula Rates

Under the existing and provisional rate methodology, rates for P–SMBP—ED firm power and firm peaking power services are designed to recover an

annual Revenue Requirement that includes investment and replacement repayment (including aid to irrigation), interest, purchase power, O&M, and other expenses within the allowable period. The annual Revenue

Requirement continues to be allocated equally between demand and energy.

Base and Drought Adder Components

As a part of the existing and provisional rate schedules, UGP provides for a formula-based adjustment

of the Drought Adder component, with an annual increase of up to 2 mills/kWh. The 2 mills/kWh cap places a limit on the amount the Drought Adder component can be adjusted upward relative to associated drought costs included in the Drought Adder formula rate for any 1-year cycle. The Drought Adder component may be adjusted downward by any amount. Continuing to identify the firm power service Revenue Requirement using Base and Drought Adder components will assist the Regions in presenting future impacts of droughts, demonstrate repayment of drought-related costs in the PRS, and allow the Regions to be more responsive to changes caused by drought-related expenses. UGP will continue to charge and bill its customers firm power and firm peaking power service rates for energy and demand, which are the sum of the Base and Drought Adder components.

Under Rate Schedule P–SED–F15, UGP will continue to identify its P–SMBP–ED firm power service Revenue Requirement using Base and Drought Adder components. The Base component is a fixed Revenue Requirement that includes annual O&M, investment and replacement repayment, and associated interest, Normal Timing Power Purchases, and transmission costs. UGP cannot adjust the Base component without a public process. The Drought Adder component is a formula-based Revenue Requirement that includes costs attributable to drought conditions in the Regions. The Drought Adder component includes costs associated with future Non-timing Power Purchases to meet firm power service contractual obligations not covered with available system generation due to a drought, previously incurred Deficits due to purchased power debt that resulted from Non-timing Power Purchases made during a drought, and the interest associated with drought-related Deficits. The

Drought Adder component is designed to repay drought-related Deficits within 10 years from the time the Deficit was incurred, using balloon-payment methodology. For example, a drought-related Deficit incurred in FY 2024 would be repaid by FY 2034.

The annual Revenue Requirement calculation will continue to be summarized by the following formula: Annual Revenue Requirement = Base Revenue Requirement + Drought Adder Revenue Requirement.

Annual Drought Adder Adjustment Process

The Regions review the inputs for the P–SMBP Base and Drought Adder components after the annual PRS is complete, generally in the first quarter of the calendar year. If an adjustment to the P–SMBP Base component is necessary, or if an incremental upward adjustment to the P–SMBP PRS Drought Adder component greater than the equivalent of 2 mills/kWh to the P–SMBP Composite Rate is necessary, the Regions will initiate a public process pursuant to 10 CFR part 903 prior to making an adjustment.

In accordance with the approved annual Drought Adder adjustment process, the PRS Drought Adder component is reviewed annually in early summer to determine if drought costs differ from those projected in the PRS. In October, the Regions will determine if a change to the Drought Adder component is necessary, either incremental or decremental. Any incremental adjustment to the Drought Adder component, up to 2 mills/kWh, or any decremental adjustment will be implemented in the following January billing cycle. Although decremental adjustments to the Drought Adder component will occur as drought costs are repaid, the adjustments cannot result in a negative Drought Adder component. Implementing the Drought Adder component adjustment on January 1 of each year will help keep

the drought-related Deficits from escalating as quickly, will lower the interest expense due to drought-related Deficits, will demonstrate responsible Deficit management, and will provide prompt drought-related Deficit repayments.

Revenue Requirement Changes

The Base component costs for the P–SMBP PRS have increased primarily due to increased O&M from WAPA and the generating agencies.

The driver behind the P–SMBP Drought Adder component decrease is the USACE’s 2024 AOP projecting less than average generation, despite the improvement to generation as projected in the WAPA–203 January 2023 rates. Planned repayment of both the Base and Drought Adder Deficits are in the same time frame (2027) as they were projected to be repaid under WAPA–203. Uncertainties with water inflows, hydro generation, and replacement energy prices continue to pose potential risks regarding the ability to satisfy firm power contractual commitments.

The net effect of these changes to the PRS Base and Drought Adder components results in an overall increase to the P–SMBP rate. To implement the required rate increase over a two-year period/in two steps, the Base component Revenue Requirements and associated charges for each step are set values. For the Drought Adder component, UGP is using estimated Revenue Requirements and associated charges for each step based on the USACE’s 2024 AOP and drought costs projected in the Rate-Setting PRS. In accordance with the approved annual drought adder adjustment process, these Drought Adder estimates are subject to change based upon updated AOPs/ generation models and revised drought costs. A comparison of the existing and provisional charge component Revenue Requirement for firm power service are shown in Table 2:

TABLE 2—COMPARISON OF EXISTING AND PROVISIONAL CHARGE COMPONENT REVENUE REQUIREMENTS

P–SMBP–ED firm power service	Existing under P–SED–F14/ P–SED–FP14 as of Jan. 1, 2023 (in million \$)	Provisional under P–SED–F15/ P–SED–FP15 first step as of Jan. 1, 2025 ¹ (in million \$)	First step percent change	Provisional under P–SED–F15/ P–SED–FP15 second step as of Jan. 1, 2026 ¹ (in million \$)	Second step percent change
Base Component	\$235.4	\$264.5	12.4	\$292.4	10.5
Drought Adder Component	33.0	23.6	– 28.5	13.6	– 42.4

¹ Provisional values are estimates that may change during the existing annual Drought Adder adjustment process.

A summary of the provisional charge components is shown in Table 3:

TABLE 3—SUMMARY OF TWO-STEP PROVISIONAL CHARGE COMPONENTS

	Provisional charges under rate schedules P–SED–F15 and P–SED–FP15 first step as of Jan. 1, 2025			Provisional charges under rate schedules P–SED–F15 and P–SED–FP15 second step as of Jan. 1, 2026		
	Base component	Drought adder component ¹	Total charge ²	Base component	Drought adder component ¹	Total charge ²
Firm Demand (\$/kilowatt-month)	\$6.05	\$0.55	\$6.60	\$6.70	\$0.30	\$7.00
Firm Energy (mills/kWh)	15.21	1.34	16.55	16.80	0.80	17.60
Firm Peaking Demand (\$/kilowatt-month)	\$5.55	\$0.50	\$6.05	\$6.10	\$0.30	\$6.40
Firm Peaking Energy ³ (mills/kWh)	15.21	1.34	16.55	16.80	0.80	17.60

¹ Provisional values are estimates that may change during the existing annual Drought Adder adjustment process.

² Provisional values are estimates only based on using final Base and estimated Drought Adder components.

³ Firm peaking energy is normally returned. This charge will be assessed in the event firm peaking energy is not returned.

Statement of Revenue and Related Expenses

The following Table 4 provides a summary of the projected revenue and

expense data for the P–SMBP firm power service Revenue Requirement

through the 5-year provisional rate approval periods:

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**Table 4 – P-SMBP Comparison of 5-Year Rate Periods
Total Revenues and Expenses**

	Existing Rate FY 2023-2027 (in million \$)	Provisional Rate FY 2025-2029 (in million \$)	Difference (in million \$)
Total Revenues	\$3,185.8	\$3,357.2	\$171.4
<u>Revenue Distribution:</u>			
Expenses:			
O&M	\$1,376.5	\$1,603.2	\$226.7
Purchase Power	\$ 288.0	\$ 300.8	\$ 12.8
Transmission	\$ 516.5	\$ 574.0	\$ 57.5
Interest	<u>\$ 845.2</u>	<u>\$ 539.5</u>	<u>-\$305.7</u>
Total Expenses	\$3,026.2	\$3,017.5	-\$ 8.7
Principal Payments:			
Capitalized Expenses (Deficits)	\$111.2	\$176.1	\$ 64.9
Original Project and Additions	\$ 38.2	\$114.9	\$ 76.7
Irrigation Aid	\$ 0.0	\$ 0.0	\$ 0.0
Replacements	<u>\$ 10.2</u>	<u>\$ 48.7</u>	<u>\$ 38.5</u>
Total Principal Payments	\$159.6	\$339.7	\$180.1
Total Revenue Distribution	\$3,185.8	\$3,357.2	\$171.4

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Sale of Surplus Products Rate Discussion

The sale of surplus products rate schedule is formula-based, providing for

P–SMBP—ED Marketing Office to sell P–SMBP—ED surplus energy and demand products. If P–SMBP—ED surplus products are available, as specified in the rate schedule, the

charge will be based on market rates plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s) for which a

separate charge may be incurred. Rate Schedule P–SED–M2 is being superseded by the Provisional Rate Schedule P–SED–M3 and continues to allow for the sale of energy, frequency response, regulation, and reserves.

Comments

UGP received 23 separate oral and/or written comments during the public consultation and comment period. The comments expressed have been paraphrased and/or combined, where appropriate, without compromising the meaning of the comments:

A. Comment: The action agency commented that the rate adjustment is a \$15 million cumulative increase for their member communities. The member utilities commented that the rate adjustment would have increases ranging from \$30,000 to \$490,000 annually in wholesale power supply costs depending on the customers' Contract Rate of Delivery (CROD).

Response: WAPA recognizes the magnitude of the increased rate and its impact on its customers. WAPA is committed to continuing to adapt to rising industry costs while also providing power and energy to its customers at the lowest cost possible. WAPA does not take the increase in costs lightly and is committed to continuing to find ways to limit the impact of increasing industry costs as much as possible.

B. Comment: The customer association, member utilities, and action agency commented that they understand a rate increase is necessary due to inflation on O&M and labor costs, along with increased debt principal costs and they support and appreciate the increase being implemented in two steps rather than one large 14 percent increase.

Response: WAPA appreciates the recognition of the impacts many entities are facing due to increasing inflation and labor costs, the specific costs of the power repayment study, and the two-step implementation for the rate adjustment.

C. Comment: The customer association, member utilities, and the action agency commented that they have a concern with the addition of new Full-Time Employees (FTE) when many positions within WAPA remain unfilled. The customers encourage WAPA to evaluate its internal processes for cost control, seeking efficiencies in workflow and staffing.

Response: WAPA understands the concern raised with the addition of new FTEs and the impacts of the FTEs to the rate. WAPA is committed to finding ways to limit cost increases impacting its customers while still ensuring it has

the positions needed to fulfill its mission.

D. Comment: The action agency commented that they lack an understanding of any compromises made within the budgeting process to meet the WAPA Administrator's guidance stating tradeoffs need to be made. The action agency also stated they believe that this guidance could have been followed as an element of cost control.

Response: WAPA appreciates the comment regarding the need for better cost control and that compromises in the budgeting process may be necessary to accomplish this effort. WAPA is committed to looking for ways to control its costs and will continue to communicate its funding priorities to its customers.

E. Comment: The action agency and the customer association commented that they have concerns about the long-term viability of the P–SMBP going forward as it faces significant financial and operational issues in the future including: (1) USACE's plan of rehabilitation of the Missouri River; (2) dam safety repairs; (3) Aid-to-Irrigation payments coming due; and (4) environmental impact issues from non-supporting stakeholders. They also expressed their concern that these issues could result in significant future rate impacts to the firm power customers and that WAPA needs to focus on cost control in the future.

Response: WAPA appreciates the concerns regarding the long-term stability and affordability of the P–SMBP beyond the 5-year rate window. WAPA is committed to continuing to focus on the impact of rising costs and to mitigate those costs when possible.

F. Comment: The customer organization commented that they appreciate WAPA engaging with the customers early in the ratemaking process, responding to Customer concerns and questions. The customer organization also commented that they encourage WAPA leadership to support their rates and finance teams who have long-standing working relationships with the customers.

Response: WAPA appreciates the comment regarding WAPA's commitment to engaging with the Customers on the issues concerning the firm power rate.

Certification of Rates

I have certified that the Provisional Formula Rates for P–SMBP—ED firm power service under Rate Schedule P–SED–F15, P–SMBP—ED firm peaking power service under Rate Schedule P–SED–FP15, and P–SMBP—ED sale of

surplus products under Rate Schedule P–SED–M3 are the lowest possible rates, consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

Availability of Information

Information used by UGP to develop the Provisional Formula Rates is available for inspection and copying at the Upper Great Plains Regional Office located at 2900 4th Avenue North, 6th Floor, Billings, Montana. Many of these documents are also available on UGP's Rates website at: www.wapa.gov/about-wapa/regions/ugp/ugp-rates/2025-firm-rate-adjustment.

Ratemaking Procedure Requirements Environmental Compliance

WAPA has determined that this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR part 1021: B4.3 (Electric power marketing rate changes).³ Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment. A copy of the categorical exclusion determination is available on WAPA's Rates website at: www.wapa.gov/wp-content/uploads/2024/08/Rate-order-drought-adder-and-base-component-increases-for-2025-and-2026-CX-08302024.pdf.

Determination Under Executive Order 12866

WAPA 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.

Submission to the Federal Energy Regulatory Commission

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

Order

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA–213. The rates will remain in effect on an interim basis until: (1) FERC

³ The determination was done in compliance with NEPA (42 U.S.C. 4321–4347); the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

confirms and approves them on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

Signing Authority

This document of the Department of Energy was signed on November 12, 2024, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on November 14, 2024.

Treena V. Garrett,
Federal Register Liaison Officer, U.S.
Department of Energy.

Rate Schedule P–SED–F15

(Supersedes Schedule P–SED–F14)

United States Department of Energy

Western Area Power Administration

Upper Great Plains Region

Pick-Sloan Missouri Basin Program— Eastern Division

Firm Power Service

(Approved Under Rate Order No.
WAPA–213)

Effective

First Step: Beginning on the first day of the first day of the first full billing period beginning on or after January 1, 2025, through December 31, 2025.

Second Step: Beginning on January 1, 2026, through December 31, 2029, or

until superseded by another rate schedule, whichever occurs earlier.

Available

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program; within Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska.

Applicable

To the power and energy delivered to customers as firm power service, as established in the contract for service.

Character

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

Formula Rate and Charge Components

Rate = Base component + Drought
Adder component

	First step January 1, 2025 monthly charges			Second step January 1, 2026 monthly charges		
	Base component	Drought adder component	Total charge	Base component	Drought adder component ¹	Total charge ²
Firm Demand Charge (\$/kilowatt-month)	\$6.05	\$0.55	\$6.60	\$6.70	\$0.30	\$7.00
Firm Energy Charge (mills/kWh)	15.21	1.34	16.55	16.80	0.80	17.60

¹ Values are estimates that are subject to change during the annual Drought Adder adjustment process.

² Values are estimates only based on final Base and estimated Drought Adder components.

Billing Demand: The billing demand will be as defined by the power sales contract.

Charge Components

Base Component: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing

purchase power (purchases due to operational constraints, not associated with drought), and transmission costs. Any provisional change to the Base component will require a public process.

Base formulas:

$$\text{Base Demand} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Metered Billing Units}}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}}$$

Drought Adder Component: A formula-based revenue requirement that includes future purchase power expense above timing purchases, previous

purchase power drought deficits, and interest on the purchase power drought deficits. The second step revenue requirement is subject to change during

the annual Drought Adder adjustment process starting in January 2026.

Drought Adder formulas:

Drought Adder =

Demand

50% x Drought Adder Revenue Requirement

Firm Metered Billing Units

Drought Adder =

Energy

50% x Drought Adder Revenue Requirement

Annual Energy

Annual Drought Adder Adjustment Process

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

The annual review process is initiated in early summer when WAPA reviews the Drought Adder component and provides notice of any estimated change to the Drought Adder component charge under the formula. In October, WAPA will make a final determination of any change to the Drought Adder component charge, either incremental or decremental. If a Drought Adder component change is required, a modified Drought Adder revenue requirement and the associated charges will become effective the following January 1 and will be identified in a Drought Adder modification update. WAPA will inform customers of updates by letter and post updates to WAPA’s external website.

Adjustments

For Billing of Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the formula rate.

For Power Factor: None. Customers will be required to maintain a power factor at the point of delivery between 95-percent lagging and 95-percent leading.

Rate Schedule P–SED–FP15
(Supersedes Schedule P–SED–FP14)
United States Department of Energy
Western Area Power Administration
Upper Great Plains Region
Pick-Sloan Missouri Basin Program—
Eastern Division
Firm Peaking Power Service
(Approved Under Rate Order No. WAPA–213)

Effective

First Step: Beginning on the first day of the first day of the first full billing period beginning on or after January 1, 2025, through December 31, 2025.

Second Step: Beginning on January 1, 2026, through December 31, 2029, or until superseded by another rate schedule, whichever occurs earlier.

Available

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program; within Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska.

Applicable

To the power sold to customers as firm peaking power service, as established in the contract for service.

Character

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

Formula Rate and Charge Components

Rate = Base component + Drought Adder component

	First step January 1, 2025 monthly charges			Second step January 1, 2026 monthly charges		
	Base component	Drought adder component	Total charge	Base component	Drought adder component ¹	Total charge ²
Firm Peaking Demand Charge (\$/kilowatt-month)	\$5.55	\$0.50	\$6.05	\$6.10	\$0.30	\$6.40

¹ Values are estimates that are subject to change during the annual Drought Adder adjustment process.

² Values are estimates only based on final Base and estimated Drought Adder component.

Charge Components

Base Component: A fixed revenue requirement that includes operation and maintenance expense, investments and

replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated

with drought), and transmission costs. Any provisional change to the Base component will require a public process.

Base formula:

Base Demand =

Base Peaking Demand Revenue Requirement

Peaking CROD Billing Units

Drought Adder Component: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase

power drought deficits, and interest on the purchase power drought deficits. The second step revenue requirement is subject to change during the annual

Drought Adder adjustment processes starting in January 2026.

Drought Adder formula:

$$\text{Drought Adder Component} = \frac{\text{Drought Adder Peaking Demand Revenue Requirement}}{\text{Peaking CROD Billing Units}}$$

Annual Drought Adder Adjustment Process

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

The annual review process is initiated in early summer when WAPA reviews the Drought Adder component and provides notice of any estimated change to the Drought Adder component charge under the formula. In October, WAPA will make a final determination of any change to the Drought Adder component charge, either incremental or decremental. If a Drought Adder component change is required, a modified Drought Adder revenue requirement and the associated charges will become effective the following January 1 and will be identified in a Drought Adder modification update. WAPA will inform customers of updates by letter and post updates to WAPA's external website.

Billing Demand

The billing demand will be the greater of (1) the highest 30-minute integrated demand measured during the month up to, but not in excess of, the delivery obligation under the power sales contract, or (2) the contract rate of delivery.

Adjustments

For Billing for Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual obligation for peaking demand and/or energy, such overrun shall be billed at 10 times the above rate.

Rate Schedule P-SED-M3

(Supersedes Rate Schedule P-SED-M2)

United States Department of Energy

Western Area Power Administration

Upper Great Plains Region

Pick-Sloan Missouri Basin Program—
Eastern Division

Sale of Surplus Products

(Approved Under Rate Order No.
WAPA-213)

Effective

The first day of the first full billing period beginning on or after January 1, 2025, through December 31, 2029, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to Eastern Division of the Pick-Sloan Missouri Basin Program marketing and is applicable to the sale of the following P-SMBP—ED surplus energy and capacity products: energy, frequency response, regulation, and reserves. If any P-SMBP—ED surplus energy and capacity products are available, UGP can make the product(s) available for sale, providing entities enter into a separate agreement(s) with UGP Marketing Office which will specify the terms of sale(s).

Formula Rate

The charge for each product is determined at the time of the sale based on market rates, plus administrative costs. The customer will be responsible for acquiring transmission services necessary to deliver the product(s), for which a separate charge may be incurred.

[FR Doc. 2024-26933 Filed 11-19-24; 8:45 am]

BILLING CODE 6450-01-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPPT-2024-0131; FRL-12261-02-OCSPP]

Risk Management Under the Toxic Substances Control Act: Certain Per- and Polyfluoroalkyl Substances; Extension of Comment Period

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; extension of comment period.

SUMMARY: The Environmental Protection Agency (EPA) is extending the comment period for the notice that published in the **Federal Register** on September 30, 2024, seeking public comment on the manufacture of certain per- and polyfluoroalkyl substances (PFAS), including perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), and perfluorodecanoic acid (PFDA), during the fluorination of high-density polyethylene (HDPE) and other plastic containers to inform regulations as appropriate under the Toxic Substances Control Act (TSCA). That notice established a public comment period that is scheduled to end on November 29, 2024. This document extends that comment period for 31 days to December 30, 2024. EPA received a request to extend the comment period from an interested stakeholder who requested additional time to collect information relating to EPA's notice and develop thoughtful responses to the issues raised in EPA's notice. EPA believes it is appropriate to extend the comment period in order to give stakeholders including the requester additional time to identify and gather information related to the issues identified in EPA's notice and to prepare comprehensive comments.

DATES: The comment period for the document published on September 30, 2024, at 89 FR 79581 (FRL-12261-01-OCSPP), is now extended. Comments must be received on or before December 30, 2024.

ADDRESSES: Submit your comments, identified by docket identification (ID)