

[Project No. 2705-003 Washington]**Seattle City Light; Notice of Availability of Draft Environmental Assessment**

June 26, 1996.

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission) Regulations, 18 CFR Part 380 (Order No. 486, 52 FR 47897), the Office of Hydropower Licensing has reviewed the application for a new license for the existing Newhalem Creek Hydroelectric Project, and has prepared a Draft Environmental Assessment (DEA) for the project. The project is located on Newhalem Creek, a tributary of the Skagit River, near the town of Newhalem, in northern Washington.

In the DEA, the Commission's staff has analyzed the potential environmental impacts of the project and has concluded that approval of the project, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

Copies of the DEA are available for review in the Public Reference Branch, Room 2A, of the Commission's offices at 888 First Street, NE., Washington, D.C. 20426.

Any comments should be filed within 45 days from the date of this notice and should be addressed to Lois D. Cashell, Secretary, Federal Energy Regulatory Commission, 888 First Street NE., Washington, D.C. 20426. For further information, contact Mr. John Costello, Environmental Coordinator, at (202) 219-2914.

Lois D. Cashell,
Secretary.

[FR Doc. 96-16815 Filed 7-1-96; 8:45 am]

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Southwestern Power Administration**Integrated System Power Rates—Proposed Extension**

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of public review and comment.

SUMMARY: The Current Integrated System rates were approved by the Federal Energy Regulatory Commission (FERC) on September 18, 1991, Docket No. EF91-4011-000. These rates were effective October 1, 1990, through September 30, 1994. These rates were extended on an interim basis by the Deputy Secretary of Energy through September 30, 1996. The Administrator,

Southwestern, has prepared Current and Revised 1996 Power Repayment Studies for the Integrated System which show the need for a minor rate adjustment of \$1,239,868 (1.3 percent increase) in annual revenues. In accordance with Southwestern's rate adjustment threshold, dated June 23, 1987, the Administrator, Southwestern, may determine, on a case by case basis, that for a revenue decrease or increase in the magnitude of plus-or-minus two percent, deferral of a formal rate filing is in the best interest of the Government. Also, the Deputy Secretary of Energy has the authority to extend rates, previously confirmed and approved by FERC, on an interim basis, pursuant to 10 CFR 903.22(h) and 902.23(a)(3). In accordance with DOE rate extension authority and Southwestern's rate adjustment threshold, the Administrator is proposing that the rate adjustment be deferred and that the current rates be extended for a one-year period effective through September 30, 1997.

DATES: Written comments are due on or before July 17, 1996.

ADDRESSES: Written comments should be submitted to the Administrator, Southwestern Power Administration, U.S. Department of Energy, P.O. Box 1619, Tulsa, Oklahoma 74101.

FOR FURTHER INFORMATION CONTACT: George C. Grisaffe, Assistant Administrator, Office of Administration and Rates, Southwestern Power Administration, Department of Energy, PO Box 1619, Tulsa, Oklahoma 74101, (918) 595-6628.

SUPPLEMENTARY INFORMATION: The U.S. Department of Energy was created by an Act of the U.S. Congress, Department of Energy Organization Act, Pub. L. 95-91, dated August 4, 1977, and Southwestern's power marketing activities were transferred from the Department of the Interior to the Department of Energy, effective October 1, 1977.

Southwestern markets power from 24 multiple-purpose reservoir projects with power facilities constructed and operated by the U.S. Army Corps of Engineers. These projects are located in the States of Arkansas, Missouri, Oklahoma and Texas. Southwestern's marketing area includes these states plus Kansas and Louisiana. Of the total, 22 projects comprise an Integrated System and are interconnected through Southwestern's transmission system and exchange agreements with other utilities. The other two projects (Sam Rayburn and Robert Douglas Willis) are not interconnected with Southwestern's Integrated System. Instead, their power is marketed under separate contracts

through which two customers purchase the entire power output of each of the projects at the dams.

Following Department of Energy Order Number RA 6120.2, the Administrator, Southwestern, prepared a 1996 Current Power Repayment Study (PRS) using existing Integrated System rate schedules. The PRS shows the cumulative amortization through FY 1995 at \$355,572,353 on a total investment of \$982,272,106. The FY 1996 Revised PRS indicates the need for an increase in annual revenues of \$1,239,868, or 1.3 percent, over and above the present annual revenues.

As a matter of practice, Southwestern would defer an indicated rate adjustment that falls within Southwestern's plus-or-minus two percent rate adjustment threshold. The threshold was developed to add efficiency to the process of maintaining adequate rates and is consistent with cost recovery criteria within DOE Order Number RA 6120.2 regarding rate adjustment plans. The Integrated System's FY 1995 (last year's) PRS concluded that the annual revenues needed to be increased by 1.1 percent. At that time, it was determined prudent to defer the increase in accordance with the established threshold and extend the rates on an interim basis for one year. It once again seems prudent to defer this rate adjustment of 1.3 percent, or \$1,239,868 per year in accordance with Southwestern's rate adjustment threshold and reevaluate the ability of the existing rate to provide sufficient revenues to satisfy costs projected in the FY 1997 (next year's) PRS.

On September 18, 1991, the current rate schedules for the Integrated System were confirmed and approved by the FERC on a final basis for a period that ended on September 30, 1994. In accordance with 10 CFR Sections 903.22(h) and 903.23(a)(3), the Deputy Secretary may extend existing rates on an interim basis beyond the period specified by the FERC.

On September 19, 1994, and August 8, 1995, the Deputy Secretary approved extensions of the Integrated System power rates on an interim basis for the periods October 1, 1994, through September 30, 1995, and October 1, 1995, through September 30, 1996. As a result of the benefits obtained by a rate adjustment deferral (reduced Federal expense and rate stability) and the Deputy Secretary's authority to extend a previously approved rate, Southwestern's Administrator is proposing to again extend the current Integrated System rate schedules for the one-year period beginning October 1,

1996, and extending through September 30, 1997.

Opportunity is presented for customers and interested parties to receive copies of the study data for the Integrated System. If you desire a copy of the Repayment Study Data Package for the Integrated System, please submit your request to: Mr. George Grisaffe, Assistant Administrator, Office of Administration and Rates, PO Box 1619, Tulsa, OK 74101, or call (918) 595-6628.

Following review of the written comments, the Administrator will submit the rate extension proposal for the Integrated System to the Deputy Secretary of Energy for confirmation and approval.

Issued in Tulsa, Oklahoma, this 21st day of June, 1996.

Michael A. Deihl,
Administrator.

[FR Doc. 96-16846 Filed 7-1-96; 8:45 am]

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Western Area Power Administration

Replacement Resources Methods Report, Grand Canyon Protection Act of 1992

AGENCY: Western Area Power Administration (Western), DOE.

ACTION: Notice of availability, meetings, and comments.

SUMMARY: Western has been engaged in a process to identify economically and technically feasible methods for replacing power resources which will be lost due to long-term, operational constraints at Glen Canyon Dam. This process will conclude with a report of the findings to Congress as required by the Grand Canyon Protection Act (GCP Act) of 1992, Title XVIII of Pub. L. 102-575. Section 1809 of the GCP Act requires the Secretary of Energy to consult with representatives of the Colorado River Storage Project (CRSP) power customers, environmental organizations, and the Colorado River Basin States and with the Secretary of the Interior in this process. The Secretary of Energy, acting through Western, has the responsibility of marketing power generated from Glen Canyon Dam and other CRSP power facilities, including power acquired by Western to replace the power lost due to operational changes at Glen Canyon Dam.

Western published a notice initiating the formal, public consultation process in the Federal Register on August 8, 1994 (59 FR 40357). An October 7, 1994, Federal Register notice (59 FR 51191)

by Western announced four regional public consultation meetings. A 20-page, Replacement Resources Information Packet was prepared that included Western's proposed process to complete the method identification requirement of the GCP Act. On October 20, 1994, this information packet, along with the text of the October Federal Register notice, was mailed to approximately 900 entities and individuals on Western's Replacement Resources Process mailing list. In November 1994, four regional public involvement meetings were held in Salt Lake City, Utah; Denver, Colorado; Phoenix, Arizona; and Albuquerque, New Mexico. Public comments were received on the proposed process through December 19, 1994, the comment deadline. Newsletters that provided updates on the status of replacement resources activities were prepared by Western in February and October 1995. These newsletters were distributed to Western's mailing list. On April 30, 1996, at Western's CRSP Customer Service Center's Annual Customer Meeting in Salt Lake City, Western provided an update on replacement resources activities to CRSP power customers and to Bureau of Reclamation (Reclamation) representatives. This update included a discussion by Western of earlier public comment.

DATES: Western now announces the availability of the Draft Replacement Resources Methods Report (Draft Methods Report). Western is also seeking comments on the Draft Replacement Resources Methods Report. To be considered, comments need to be received by September 3, 1996. In addition, Western will hold four public meetings to provide information and to accept public comment on the proposed methods included in this report. Public consultation meetings will be held:

July 23, 1996: Albuquerque, New Mexico, Courtyard Marriott Hotel, 1920 Yale Boulevard, SE., 9 a.m. to noon

July 24, 1996: Phoenix, Arizona, Embassy Suites Hotel, 3210 NW., Grand Avenue, at 9 a.m. to noon

July 25, 1996: Denver, Colorado, Denver West Marriott, 1717 Denver West Boulevard, 9 a.m. to noon

July 29, 1996: Salt Lake City, Utah, Doubletree Hotel, 215 South Temple, 8:30 a.m. to 11:30 a.m.

Background

The Replacement Resources Methods Report identifies economic and technically feasible methods to replace

capacity made unavailable ("or lost") due to operational constraints. The report also includes a "proof-of-concept" analysis of five hypothetical resource options with varying degrees of complexity. The methods considered are consistent with other Western resource acquisition policies, such as Western's Principles of Integrated Resource Planning (IRP) and its Purchase Power Policy. The methods would also be consistent with the pending Salt Lake City Area/ Integrated Projects (SLCA/IP) Contract Amendment, the Records of Decision in Western's SLCA/IP Electric Power Marketing Environmental Impact Statement (EIS) and Energy Planning and Management Program, Reclamation's Glen Canyon Dam EIS, pertinent Federal Energy Regulatory Commission orders, and laws affecting DOE, Western, and CRSP.

In the Draft Methods Report, Western evaluates methods to replace capacity made unavailable ("or lost") due to operational constraints using spot market, seasonal (6 months), and mid-to long-term (1 year or more, up to the end of the contract term) resource acquisitions. Western would consult with firm power customers periodically about the amount and term of resource acquisitions to be made on their behalf, which Western could then acquire and deliver to them. Greater public involvement and more complex evaluation procedures and acquisition methods would be used for long-term acquisitions rather than for seasonal acquisitions, consistent with Western's Purchase Power Policy.

Western proposes to use a screening tool and a production cost computer model to evaluate future resource offers from potential suppliers. The Draft Methods Report details how these evaluation tools are applied to evaluate five hypothetical resource purchases. These resource alternatives were designed to illustrate the screening and evaluation tool's abilities to evaluate and select from among many diverse replacement resource options and to consider transmission system constraints and possible solutions. The Draft Methods Report concludes that the screening criteria and evaluation tools developed will enable Western to identify economically and technically feasible replacement power resources in the future.

Further Information

To provide written comments on the Draft Replacement Resources Methods Report, contact: Mr. Jeffrey McCoy, Resource Analysis Team Lead, CRSP Customer Service Center, Western Area