

showed that revenues at current rates were adequate to meet repayment criteria, with no reserve. On February 6, 1996, by Federal Register Notice (61 F.R. 4433), Southeastern proposed to extend the current Rate Schedules five years, to September 30, 2001. The Notice also announced a Public Information and Comment Forum to be held March 14, 1996, in Raleigh, North Carolina, with a deadline for written comments on May 16, 1996. The Public Information and Comment forum was canceled after no interested party expressed an intention to attend. Southeastern received no written comments.

Discussion

System Repayment

An examination of Southeastern's revised system power repayment study, prepared in February 1996, for the Kerr-Philpott System shows that with the proposed rates, all system power costs are paid within the 50-year repayment period required by existing law and DOE Procedure RA 6120.2. The Administrator of Southeastern has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles.

Environmental Impact

Southeastern has reviewed the possible environmental impacts of the rate adjustment under consideration and has concluded that, because the adjusted rates would not significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969, the proposed action is not a major Federal action for which preparation of an Environmental Impact Statement is required.

Availability of Information

Information regarding these rates, including studies, and other supporting materials is available for public review in the offices of Southeastern Power Administration, Samuel Elbert Building, 2 South Public Square, Elberton, Georgia 30635, and in the Power Marketing Liaison Office, James Forrestal Building, 1000 Independence Avenue, SW., Washington, DC 20585.

Submission to the Federal Energy Regulatory Commission

The rates hereinafter confirmed and approved on an interim basis, together with supporting documents, will be submitted promptly to the Federal Energy Regulatory Commission for confirmation and approval on a final

basis for a period beginning on October 1, 1996, and ending no later than September 30, 2001.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 1996, attached Wholesale Power Rate Schedules KP-1-D, JHK-2-B, JHK-3-B, and PH-1-B. The Rate Schedules shall remain in effect on an interim basis through September 30, 2001, unless such period is extended or until the FERC confirms and approves them or substitute rate schedules on a final basis.

Issued in Washington, DC on September 23, 1996.

Charles B. Curtis,

Deputy Secretary.

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Southwestern Power Administration

Robert D. Willis Power Rate-Order, Confirming, Approving and Placing Decreased Power Rate in Effect on an Interim Basis

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: The Deputy Secretary, acting under Amendment No. 3 to Delegation Order No. 0204-108, dated November 4, 1993, 58 FR 59716, has confirmed, approved and placed in effect on an interim basis Rate Schedule RDW-96. The rate schedule supersedes the existing Rate Schedule RDW-94.

EFFECTIVE DATES: Rate Order No. SWPA-33 specifies October 1, 1996, through September 30, 2000, as the effective period for the rate schedule.

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

SUPPLEMENTARY INFORMATION: Southwestern's Administrator has prepared the 1996 Current Power Repayment Study for the Robert D. Willis Project based on the annual power rate of \$294,312. The study indicates that the power rate exceeds cost recovery criteria as specified in Department of Energy Order No. RA 6120.2 and Section 5 of the Flood Control Act of 1944. The Administrator prepared a 1996 Revised Power

Repayment Study for the project which indicated that a reduction in annual revenue of \$27,384, or 9.3 percent, is required effective October 1, 1996, to satisfy cost recovery criteria. In this regard, the Administrator has determined that the annual rate of \$266,928 is the lowest possible rate to the customer consistent with sound business principles. The rate has been approved on an interim basis through September 30, 2000, or until confirmed and approved on a final basis by the Federal Energy Regulatory Commission.

Issued in Washington, D. C., this 23rd day of September 1996.

Charles B. Curtis,

Deputy Secretary.

In the matter of: Southwestern Power Administration—Robert D. Willis
[Rate Order No. SWPA-33]

Order Confirming, Approving and Placing Decreased Power Rate in Effect on an Interim Basis (September 23, 1996)

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, for the Southwestern Power Administration (Southwestern) were transferred to and vested in the Secretary of Energy. By Delegation Order No. 0204-108, effective December 14, 1983, 48 FR 55664, the Secretary of Energy delegated to the Deputy Secretary of Energy on a nonexclusive basis the authority to confirm, approve and place into effect on an interim basis power and transmission rates, and delegated to the Federal Energy Regulatory Commission (FERC) on an exclusive basis the authority to confirm, approve and place in effect on a final basis, or to disapprove power and transmission rates. Amendment No. 1 to Delegation Order No. 0204-108, effective May 30, 1986, 51 FR 19744, revised the delegation of authority to confirm, approve and place into effect on an interim basis power and transmission rates to the Under Secretary of Energy rather than the Deputy Secretary of Energy. This delegation was reassigned to the Deputy Secretary of Energy by Department of Energy (DOE) Notice 1110.29, dated October 27, 1988, and clarified by Secretary of Energy Notice SEN-10-89, dated August 3, 1989, and subsequent revisions. By Amendment No. 2 to Delegation Order No. 0204-108, effective August 23, 1991, 56 FR 41835, the Secretary of the Department of Energy revised Delegation Order No.

0204-108 to delegate to the Assistant Secretary, Conservation and Renewable Energy, the authority which was previously delegated to the Deputy Secretary in that Delegation Order. By Amendment No. 3 to Delegation Order No. 0204-108, effective November 10, 1993, 58 FR 59717, the Secretary of Energy revised the delegation of authority to confirm, approve and place into effect on an interim basis power and transmission rates by delegating that authority to the Deputy Secretary of Energy. This rate order is issued by the Deputy Secretary pursuant to said Amendment to Delegation Order No. 0204-108.

Background

Dam B (Town Bluff Dam), located on the Neches River in eastern Texas downstream from the Sam Rayburn Dam, was originally constructed in 1951 by the U.S. Army Corps of Engineers (Corps) and provides streamflow regulation of releases from the Sam Rayburn Dam. The Lower Neches Valley Authority contributed funds toward construction of both projects and makes established annual payments for the right to withdraw up to 2000 cubic feet of water per second from Town Bluff Dam for its own use. Power was legislatively authorized at the project, but installation of hydroelectric facilities was deferred until justified by economic conditions. A determination of feasibility was made in a 1982 Corps study. In 1983 the Sam Rayburn Municipal Power Agency (SRMA) proposed to sponsor and finance the development of hydropower at Town Bluff Dam in return for the output of the project to be delivered to its member municipalities and participating member cooperatives of the Sam Rayburn Dam Electric Cooperative. Since the hydroelectric facilities at the Town Bluff Dam have been completed, the facilities have been renamed the Robert Douglas Willis Hydropower Project (Robert D. Willis).

The Robert D. Willis rate is unique in that it excludes the costs associated with the hydropower design and construction performed by the Corps, because all funds for these costs were provided by SRMA. Under the Southwestern/SRMA power sales Contract No. DE-PM75-85SW00117, SRMA will continue to pay all annual operating and marketing costs, as well as expected capital replacement costs, through the rate paid to Southwestern, and will receive all power and energy produced at the project for a period of 50 years.

Discussion

The 1996 Current Robert D. Willis PRS tests the adequacy of the existing rate based on the latest cost evaluation period extending from FY 1996 through FY 2000, to recover annual expenses for marketing, operation and maintenance, and to amortize additions to plant and major replacements of the generating facilities. Since the project's design and construction were financed in their entirety by SRMA, no component for amortization of the original investment of some \$18 million is included in the rate determination. The Current PRS for the Robert D. Willis project, using the existing annual rate of \$294,312, indicates that the legal requirements to repay all costs will be exceeded and a decrease in revenue is necessary. This decrease is primarily due to the remote operation of an additional project and the resulting three-way allocation of operation and maintenance cost among Sam Rayburn, Whitney, and Robert D. Willis projects. The three-way allocation caused a decrease in estimated costs for Robert D. Willis.

The existing annual Robert D. Willis project power rate of \$294,312 was confirmed and approved on a final basis by the FERC on November 21, 1994, for the period October 1, 1994, through September 30, 1998. The 1996 Robert D. Willis Current Power Repayment Study (PRS) indicates that the present rate exceeds the cost recovery criteria for the isolated project. The current rate will overpay requirements by \$9,083,051. The 1996 Robert D. Willis Revised PRS indicates that an annual rate of \$266,928 will satisfy repayment criteria in accordance with Department of Energy Order No. RA 6120.2 and Section 5 of the Flood Control Act of 1944. The proposed decrease in revenue amounts to \$27,384 or 9.3 percent annually to begin October 1, 1996. The proposed rate of \$266,928 annually would satisfy the present repayment criteria.

Pursuant to Title 10, Part 903, Subpart A of the Code of Federal Regulations (10 CFR 903), "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions", 50 FR 37837, the Administrator, Southwestern, published notice in the Federal Register (61 FR 35209), on July 5, 1996, announcing a 30-day period for public review and comment. Southwestern held several informal meetings and a Public Information Forum on July 16, 1996, where Southwestern provided copies of supporting data for the 1996 Robert D. Willis PRS to interested parties. A letter was received on behalf of SRMA, indicating no opposition to the

proposed rate decrease. Southwestern did not receive any request to convene a formal Public Comment Forum and, as a result, did not convene such a meeting. Information regarding this rate proposal, including studies, comments and other supporting material, is available for public review and comment in the offices of the Southwestern Power Administration, One West Third Street, Tulsa, Oklahoma 74101.

Administrator's Certification

The 1996 Revised Robert D. Willis PRS indicates that the annual power rate of \$266,928 will repay all costs of the project including amortization of additions to plant and major replacements of the generating facilities consistent with provisions of DOE Order No. RA 6120.2. In accordance with Section 1 of Delegation Order No. 0204-108, as amended November 10, 1993, 58 FR 59717, and Section 5 of the Flood Control Act of 1944, the Administrator has determined that the proposed Robert D. Willis power rate is consistent with applicable law and is the lowest possible rate consistent with sound business principles.

Environment

The environmental impact of the rate decrease proposal was evaluated in consideration of DOE's guidelines for implementing the procedural provisions of the National Environmental Policy Act and was determined to fall within the class of actions that are categorically excluded from the requirements of preparing either an Environmental Impact Statement or an Environmental Assessment.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm, approve and place in effect on an interim basis, effective October 1, 1996, the proposed annual rate of \$266,928 for the sale of power and energy from the Robert D. Willis project to the Sam Rayburn Municipal Power Agency, under Contract No. DE-PM75-85SW00117, as amended. The rate shall remain in effect on an interim basis through September 30, 2000, or until the FERC confirms and approves the rate on a final basis.

Issued at Washington, DC, this 23rd day of September 1996.

Charles B. Curtis,
Deputy Secretary.

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