

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedures (18 CFR 385.211 and 18 CFR 385.214). All such motions or protests should be filed on or before May 27, 1997. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,
Secretary.

[FR Doc. 97-13436 Filed 5-21-97; 8:45 am]
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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP96-320-012]

Koch Gateway Pipeline Company; Notice of Proposed Change in FERC Gas Tariff

May 16, 1997.

Take notice that on May 13, 1997, Koch Gateway Pipeline Company (Koch) tendered for filing in its FERC Gas Tariff, Fifth Revised Volume No. 1, the following revised tariff sheet, to be effective May 1, 1997:

Eighth Revised Sheet No. 29

Koch states that this tariff sheet reflects the necessary reporting requirements as ordered by the Commission for a specific negotiated rate transaction.

Koch states that a copy of this filing is being served upon all parties on the official service list created by the Secretary in this proceeding.

Any person desiring to protest said filing should file a protest with the Federal Regulatory Commission, 888 First Street, N.E. Washington, D.C. 20426, in accordance with Section 385.211 of the Commission's Regulations. All such protest must be filed in accordance with Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Copies of this filing are

on file with the Commission and are available for public inspection.

Lois D. Cashell,
Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP96-320-013]

Koch Gateway Pipeline Company; Notice of Proposed Change in FERC Gas Tariff

May 16, 1997.

Take notice that on May 13, 1997, Koch Gateway Pipeline Company (Koch) tendered for filing as part of its FERC Gas Tariff, Fifth Revised Volume No. 1, the following revised tariff sheet in to be effective April 1, 1997:

Seventh Revised Sheet No. 29

Koch states that this tariff sheet reflects that Sonat Gas Marketing has re-negotiated to a lower volumetric commitment for parking under a previously approved negotiated rate transaction.

Koch also states that this filing has been served upon all parties on the official service list compiled by the Secretary in this proceeding.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Section 385.211 of the Commission's Regulations. All such protest must be filed in accordance with Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,
Secretary.

[FR Doc. 97-13444 Filed 5-21-97; 8:45 am]
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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL95-3-000]

MidAmerican Energy Company (Formerly Midwest Power Systems Inc.; Order Clarifying Filing Requirements for Changes in Depreciation Rates for Accounting Purposes, Dismissing Petition for Declaratory Order, and Providing Amnesty Period

May 15, 1997.

On October 14, 1994, Midwest Power, a division of Midwest Power Systems Inc. (Midwest Power or Applicant), filed a request for declaratory order authorizing it to reduce its annual composite rate of depreciation from 3.54 percent to 3.49 percent.¹ We will dismiss the petition as moot for the reasons given below.

We also take this opportunity to clarify our order, issued April 19, 1994, in *Midwest Power Systems Inc.*, 67 FERC ¶ 61,076 (1994) (*Midwest Power*), which noted that the clear provisions of section 302(a) of the Federal Power Act, 16 U.S.C. § 825a(a) (1994), require public utilities and licensees to file for this Commission's approval proposed depreciation rate changes for accounting purposes.

Notwithstanding the clear language of section 302(a), there apparently has been some confusion in the industry as to the appropriate filing requirements. Accordingly, we will not require public utilities and licensees to file for formal approval of depreciation rate changes for accounting purposes where the depreciation rate changes were based on sound depreciation accounting practices and implemented prior to April 19, 1994.

In addition, for changes in depreciation rates for accounting purposes implemented on or after April 19, 1994, and prior to the date of publication of this order in the **Federal Register**, we will accord public utilities and licensees an amnesty period extending to and including December 31, 1997, to make the required filings to change their depreciation rates for accounting purposes.² We also clarify

¹ By order issued June 22, 1995, the Commission authorized the merger of Midwest Power and Iowa-Illinois Gas and Electric Company. MidAmerican Energy Company is the surviving corporation. See *Midwest Power Systems, Inc. and Iowa-Illinois Gas and Electric Company*, 71 FERC ¶ 61,386 (1995).

² For depreciation rate changes for accounting purposes that are implemented on or after the date of publication of this order in the **Federal Register**, public utilities and licensees must receive

that requests for depreciation rate changes for accounting purposes may be made under Rule 204 of the Commission's Rules of Practice and Procedure, 18 CFR § 385.204 (1996), which does not require payment of a filing fee.

Background

In an October 20, 1993 letter, Midwest Power informed the Commission that it had reduced its annual composite rate of depreciation for accounting purposes from 3.54 percent to 3.49 percent, effective January 1, 1993, resulting in a reduction in its annual depreciation expense of just over \$1 million. (Midwest Power did not reflect this change in its wholesale and retail electric rates.)

In an unpublished January 4, 1994 letter order, the Chief Accountant notified Midwest Power that it was "inappropriate for [Midwest Power] to reduce its depreciation rates for accounting purposes without a corresponding change in the depreciation rates embedded in its wholesale and retail electric rates."

On February 1, 1994, Midwest Power filed a request for rehearing of the January 4, 1994 letter order. On April 19, 1994, in *Midwest Power*, the Commission denied Applicant's request for rehearing, reasoning, in part, as follows:

Midwest Power did not seek prior approval from the Commission [under section 302(a) of the FPA] before changing its depreciation rates, nor has it sought approval retroactively. It merely gave notice of its change in depreciation rates, and only after the fact. Midwest Power's course of action here is inconsistent with the applicable statutory requirements, and is also contrary to the Commission's duty under the Federal Power Act to review the adequacy of depreciation rates and depreciation reserves. 67 FERC at 61,209.³

The Commission found that Midwest Power should have submitted a formal request to the Commission asking for approval of its proposed change to its depreciation rate so that the Commission would have an opportunity

to review the proposal in terms of whether it was consistent with the applicable statutory provisions. *Id.* The Commission outlined courses of action that Midwest Power could follow to change its depreciation rates:

The most common vehicle for a proposed change in depreciation rates is as part of a filing of proposed revised electric rates; such a filing allows a comprehensive examination of a utility's cost of providing service, including the appropriate amounts of depreciation. As an alternative, a utility could file a request for a declaratory order asking for approval of its proposed revised depreciation rates.

Id.

In accordance with *Midwest Power*, Applicant filed the instant request for declaratory order seeking approval of its depreciation rate change.

Notice of Midwest Power's filing was published in the **Federal Register**, 59 FR 55,472 (1994), with comments, protests or interventions due on or before November 16, 1994. On November 14, 1994, the Iowa Utilities Board (Iowa Board) filed a notice of intervention, raising no substantive issues.

Discussion

A. Procedural Matter

Under Rule 214 of the Commission's Rules of Practice and Procedure,⁴ the notice of intervention of the Iowa Board serves to make it a party to this proceeding.

B. Depreciation Rate Changes for Accounting Purposes Made Prior to April 19, 1994

As noted above, we believe that it is appropriate to accept all depreciation rate changes for accounting purposes made by public utilities and licensees prior to April 19, 1994 that were based on sound depreciation accounting practices.⁵

Because Midwest Power's depreciation rate change for accounting purposes was effective prior to Midwest Power, and was based on sound depreciation accounting practices, we will dismiss Midwest Power's request for declaratory order as moot.

C. Depreciation Rate Changes for Accounting Purposes Made on or After April 19, 1994

While Midwest Power clarified section 302(a)'s requirement that public utilities and licensees obtain formal

Commission approval of depreciation rate changes for accounting purposes, we have found, as a result of audits conducted by the Office of the Chief Accountant, that several public utilities have recently revised their depreciation rates for accounting purposes without obtaining Commission approval. In most cases, these public utilities have obtained state regulatory commission approval for the depreciation rate changes.⁶ We find it appropriate to offer public utilities and licensees an amnesty period through the end of the year, *i.e.*, on or before December 31, 1997, to file for this Commission's approval of depreciation rate changes for accounting purposes implemented on or after April 19, 1994 and prior to the date of publication of this order in the **Federal Register**.⁷ These depreciation rate change filing should include supporting depreciation studies, copies of relevant state commission orders or approvals, and explanatory statements of the reasons for and effects of the proposed changes.⁸

D. Filings Under Rule 204

Additionally, while we stated in *Midwest Power* that utilities could make a request for approval of proposed depreciation rate changes for accounting purposes by means of a petition for declaratory order under Rule 207 of the Commission's Rules of Practice and Procedure, 18 CFR § 385.207 (1996), we clarify that public utilities and licensees are not required to file such petitions and incur the filing fees associated with them. Instead, we will allow public utilities and licensees to request approval of proposed depreciation rate changes for accounting purposes by means of an application under Rule 204 of the Commission's Rules of Practice and Procedure, 18 CFR § 385.204 (1996), which does not require payment of a filing fee.

The Commission Orders

(A) Midwest Power's request for a declaratory order is hereby dismissed as moot, as discussed in the body of this order.

(B) Acceptance of depreciation rate changes for accounting purposes is

⁶ We emphasize that utilities and licensees cannot charge to operating expenses any depreciation charges other than those prescribed by the Commission. See 16 U.S.C. § 825a(a) (1994).

⁷ See *supra* note 2 (addressing changes implemented on or after date of publication in **Federal Register**).

⁸ It is our expectation that the Office of the Chief Accountant will process uncontested requests for approval of proposed depreciation rate changes for accounting purposes under delegated authority, unless the requests involve unique, or controversial proposals. 18 CFR § 375.303 (1996).

Commission approval prior to changing their depreciation rates.

³ Section 302(a) of the Federal Power Act states in pertinent part:

The Commission may * * * by order fix, the proper and adequate rates of depreciation of the several classes of property of each licensee and public utility. Each licensee and public utility shall conform its depreciation accounts to the rates so ascertained, determined, and fixed. The licensees and public utilities subject to the jurisdiction of the Commission shall not * * * charge with respect to any class of property a percentage of depreciation other than that prescribed therefor by the commission

See 16 U.S.C. § 825a(a) (1994).

⁴ 18 CFR 385.214 (1996).

⁵ See generally *Barton Village, Inc., et al. v. Citizens Utilities Co.*, 63 FERC ¶ 61,329 AT 63, 189-90 (1993), *reh'g denied*, 68 FERC ¶ 61,005 (1994), *reh'g denied*, 73 FERC ¶ 61,303 (1995), *aff'd in relevant part*, No. 96-1049 (D.C. Cir. Dec. 11, 1996) (unpublished opinion).

hereby granted to public utilities and licensees for depreciation rate changes effective before April 19, 1994, as discussed in the body of this order.

(C) Public utilities and licensees are hereby granted until December 31, 1997, to file for Commission approval of depreciation rate changes for accounting purposes implemented on or after April 19, 1994 and prior to the date of publication of this order in the Federal Register, as discussed in the body of this order.

(D) The Secretary shall promptly publish a copy of this order in the **Federal Register**.

(E) The Secretary shall promptly serve copies of this order on all State commissions, as defined in section 3(15) of the Federal Power Act.

By the Commission.

Lois D. Cashell,

Secretary.

[FR Doc. 97-13411 Filed 5-21-97; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. ER97-2672-000]

New York State Electric and Gas Corporation; Notice of Filing

May 16, 1997.

Take notice that on April 24, 1997, New York State Electric & Gas Corporation (NYSEG), filed three Firm and one Non-Firm Service Agreement between NYSEG and New York State Electric & Gas Corporation, (Customer). The Service Agreements specify that the Customer has agreed to the rates, terms and conditions of the NYSEG open access transmission tariff filed and effective on January 29, 1997 with revised sheets effective on February 7, 1997, in Docket No. OA96-195-000 and ER96-2438-000.

NYSEG requests waiver of the Commission's sixty-day notice requirements and an effective date: April 1, 1997 for the April 1, NYSEG Firm Service Agreement which covers the service period April 1, 1997 through April 12, 1997; April 13, 1997 for the April 13, 1997, NYSEG Firm Service Agreement which covers the service period April 13, 1997 through April 26, 1997; April 27, 1997 for the April 17, 1997, NYSEG Firm Service Agreement which covers the service period April 27, 1997 through April 30, 1997; and April 30, 1997 for the April 17, 1997, NYSEG Firm Service Agreement which covers the service period April 30, 1997

through October 31, 1997. NYSEG also requests that the Commission approve the termination of the above-referenced firm Service Agreements as of the termination date set forth in each such agreement without the need for filing a separate notice of termination pursuant to the Commission's rules. NYSEG has served copies of the filing on The New York State Public Service Commission and on the Customer.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426 in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before May 27, 1997. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding.

Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 97-13435 Filed 5-21-97; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. MT97-8-000]

Northwest Pipeline Corporation; Notice of Filing

May 16, 1997.

Take notice that on May 8, 1997, Northwest Pipeline Corporation (Northwest) tendered for filing (1) Its revised Statement of Standards of Conduct related to pipelines with marketing affiliates as required by Order Nos. 497 et seq. and Order Nos. 566 et seq., and (2) Sixth Revised Sheet No. 297 of its FERC Gas Tariff, Third Revised Volume No. 1, to become effective June 8, 1997.

Northwest states that its Standards of Conduct filing is made pursuant to Section 161.3(i) of the Commission's regulations. Northwest is updating its Statement of Standards of Conduct filed February 2, 1990 in Docket Nos. MG88-52 and MT88-11, et al. to incorporate the relevant regulations from the Commission's Order Nos. 566, et seq.

Northwest states that Sheet No. 297 is revised to remove Transco Gas

Marketing Company as a marketing affiliate of Northwest.

Northwest states that a copy of this filing has been served upon Northwest's customers and interested state regulatory commissions.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Sections 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,

Secretary.

[FR Doc. 97-13440 Filed 5-21-97; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP97-514-000]

Southern Natural Gas Company; Notice of Request Under Blanket Authorization

May 16, 1997.

Take notice that on May 9, 1997, Southern Natural Gas Company (Southern), Post Office Box 2563, Birmingham, Alabama 35202-2563, filed in the above docket, a request pursuant to Sections 157.205, and 157.211 of the Commission's Regulations under the Natural Gas Act (18 CFR 157.205, and 157.211) for authorization to construct and operate a new delivery point for service to Maytag Cleveland Cooking Products (Maytag), under Southern's blanket certificate issued in Docket No. CP82-406-000, all as more fully set forth in the request which is on file with the Commission and open to public inspection.

Specifically, Southern proposes to construct, install and operate a meter station consisting of one 3-inch orifice meter and other appurtenant facilities. Southern states that it will own and operate the meter station as part of its pipeline system. Southern states that the Station will designated by Southern as