

regulation otherwise applicable to QFs, assuming the non-compliance was not marked by long duration or frequent recurrence. We believe that the prospect of a lower, substitute economy energy rate during a period of non-compliance (in conjunction with whatever contractual remedies are appropriate for non-compliance), or the possibility of case-specific scrutiny to determine a just and reasonable rate where the parties' contract provides for a non-compliance default rate, should provide ample incentive for QFs to retain their QF status. Similarly, these rate remedies also should provide ample incentive for QFs, to the extent uncertain as to their continuing compliance, to take the initiative to seek Commission guidance as soon as possible.

This approach is entirely consistent with the explicit language of PURPA which provides in section 210 that the Commission has the authority to grant such exemptions "in whole or part." 16 U.S.C. § 824a-3(e) (1994). The same section provides that the Commission may grant exemptions from "any combination of" FPA, PUHCA and state regulation "if the Commission determines such exemption is necessary to encourage cogeneration and small power production." *Id.* (emphasis added).

Accordingly, in all cases in which a QF failed to comply with our QF regulations during some past period of time, fails to receive a waiver to excuse such non-compliance, and is now back in compliance, we will continue to grant all of the exemptions otherwise applicable to QFs except for the FPA section 205 exemption.⁶ As explained above, such QFs must commit to FPA section 205 rate regulation for the period of non-compliance.

For pending cases as well as future cases, we will grant all of the regulatory exemptions (other than FPA rate review) unless the non-compliance is marked by long duration or frequent recurrence. In circumstances where the QF has engaged in more than one period of non-compliance, the QF will assume a heavy burden in demonstrating that the non-compliance merits a second waiver.

Determination of Southampton's Rates

Applying this policy to Southampton's circumstances, we will grant its request for continued exemption during calendar year 1992 from regulation under PUHCA and state

utility laws and most sections of the FPA, consistent with 18 C.F.R. §§ 292.601, 292.602 (1995). However, as explained above, the extension of QF regulatory exemptions is subject to Southampton's obligation to submit for Commission rate review, under section 205 of the FPA, the rates it charged to Virginia Power during calendar year 1992. It also must refund to Virginia Power the difference between the contract rate during that year and the Commission-approved rate, with interest calculated pursuant to the Commission's regulations, see 18 C.F.R. § 35.19a (1995).

We have decided above that the just and reasonable rate for wholesale power service provided during each hour of the period of non-compliance (1992) should be no higher than what Virginia Power would have paid for energy had it made an economic decision to purchase power from Southampton in these hours.⁷ For this reason, we direct Virginia Power to compile data from its dispatch logs showing the highest cost option actually selected by Virginia Power in the hour, e.g., the most expensive energy purchase or unit running cost⁸ for each hour during 1992 and to submit a report of such costs to us within 45 days of the date of this order. To avoid questions about the source of such cost data, we direct personnel from both Southampton and Virginia Power to compile the data jointly from Virginia Power's system dispatch logs. We strongly encourage the parties to reach agreement as to this remaining rate issue. After we receive the required report, we will determine whether further proceedings are necessary.

In light of these procedures, we see no need to undertake additional "settlement judge" procedures as recommended by Southampton.

The Commission Orders

(A) Southampton's request for rehearing is hereby accepted as if it were timely filed.

(B) Southampton's request for rehearing is hereby granted in part and denied in part, as discussed in the body of this order.

(C) Virginia Power is hereby directed to file with the Commission, within 45 days of the date of this order, a report compiling its hourly economy energy costs for 1992, as discussed in the body of this order.

⁷ See *supra* at 6 & n. 2.

⁸ The highest cost in the hour is the incremental cost for that hour.

(D) The Secretary is hereby directed to publish a copy of this order in the Federal Register.

By the Commission.

Lois D. Cashell,

Secretary.

[FR Doc. 96-20051 Filed 8-6-96; 8:45 am]

BILLING CODE 6717-01-P

[Docket No. RP96-318-000]

Midwestern Gas Transmission Company; Notice of Cashout Report

August 1, 1996.

Take notice that on July 29, 1996, Midwestern Gas Transmission Company (Midwestern) tendered for filing its cashout report for the September 1994 through August 1995 period.

Midwestern states that the cashout report reflects a total cashout loss during this period of \$22,755.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed on or before August 8, 1996. 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.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 96-20046 Filed 8-6-96; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP-96-683-000]

Mississippi River Transmission Corporation; Notice of Application To Abandon

August 2, 1996.

Take notice that on July 30, 1996, Mississippi River Transmission Corporation (Applicant), 1600 Smith Street, Houston Texas 77002, filed pursuant to Section 7(b) of the Natural Gas Act, for authority to abandon, a certificated transportation service with El Paso Natural Gas Company. The service is Applicant's Rate Schedule X-23 in its FERC Gas Tariff, Original Volume No. 2. Applicant's proposal is

⁶ We will issue orders in the near future that apply this policy to pending cases raising the non-compliance issues. Of course, we retain the discretion to resolve any individual cases on any peculiar facts presented, such as those resolved through negotiated settlement.

more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant states that the transportation service is no longer needed and it has canceled the agreement.

Any person desiring to be heard or make any protest with reference to said application should on or before August 23, 1996, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it 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 to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this application if no motion to intervene is filed within the time required, or if the Commission on its own review of the matter finds that permission and approval of the proposed abandonment are required by the public convenience and necessity. If a motion for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 96-20093 Filed 8-6-96; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP96-661-000]

**National Fuel Gas Supply Corporation;
Notice of Request Under Blanket
Authorization**

August 1, 1996.

Take notice that on July 24, 1996, National Fuel Gas Supply Corporation

(National Supply), 10 Lafayette Square, Buffalo, New York 14203, filed in Docket No. CP96-661-000, a request pursuant to § 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 sales tap in the Town of Lancaster, Erie County, New York. The subject tap is proposed to render service to an existing firm transportation customer of National Supply, National Fuel Gas Distribution Corporation (Distribution). National Supply makes such request, under its blanket certificate issued in Docket No. CP83-4-000, pursuant to Section 7 of the Natural Gas Act, all as more fully set forth in the request on file with the Commission and open to public inspection.

National Supply states that it intends to deliver up to 2,628,000 Mcf annually to Distribution at the new sales tap, under National Supply's EFT Rate Schedule.

National Supply states that the volumes to be delivered at the proposed tap will be within the certificated entitlement of Distribution, and that the proposed service will have a minimal impact on National Supply's peak day and annual deliveries. It is stated that Distribution will reimburse the estimated \$90,000 construction cost.

Any person or the Commission's staff may, within 45 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to § 157.205 of the Regulations under the Natural Gas Act (18 CFR 157.205) a protest to the request. If no protest is filed within the time allowed therefor, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the Natural Gas Act.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 96-20049 Filed 8-6-96; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP96-319-000]

**National Fuel Gas Supply Corporation;
Notice of Proposed Changes in FERC
Gas Tariff**

August 2, 1996

Take notice that on July 30, 1996, National Fuel Gas Supply Corporation

(National) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, Ninth Revised Sheet No. 237A and Tenth Revised Sheet No. 237B, with a proposed effective date of August 30, 1996.

National proposes to flow through to its former RQ and CD customers refunds, including interest, received from certain of National's upstream pipeline-suppliers related to National's Account Nos. 191 and 186.

National states that in accordance with Sections 21 (c) and (d) of the General Terms and Conditions of National's FERC Gas Tariff, National is allocating the \$169.33 in commodity credit and \$3,060.20 in demand credit according to the RQ and CD customer's commodity sales based on the 12 months ending July 31, 1993, and their level of demand determinants on July 31, 1993, the day before National implemented restructured services on its system.

National states that copies of this filing were served upon the company's jurisdictional customers and upon the Regulatory Commissions of the States of New York, Ohio, Pennsylvania, Delaware, Massachusetts, and New Jersey.

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, N.E., Washington, D.C., 20426, in accordance with Rules 211 or 214 of the Commission's Rules and Practice and Procedure (18 CFR 385.211 or 385.214). 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.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 96-20097 Filed 8-6-96; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP96-659-000]

**Northern Natural Gas Company; Notice
of Request Under Blanket
Authorization**

August 1, 1996.

Take notice that on July 24, 1996, Northern Natural Gas Company (Northern), 1111 South 103rd Street, Omaha, Nebraska 68124-1000, filed in