

- Impose restrictions—either treatment or ban—on a country-by-country basis based on pest risk assessments;

- Prohibit the importation of SWPM in any form from any country;
- Prohibit the importation of SWPM except for types of SWPM that are intended for extended, multiple shipment use and are: 100 percent free of bark, either kiln dried to an industrial standard or heat treated to a minimum of 71.1 °C for 75 minutes, and marked so as to be easily identifiable.

We specifically requested comments on some of these alternatives in the advance notice of proposed rulemaking. All of the alternatives were addressed or identified in comments submitted in response to the advance notice of proposed rulemaking. We would like comments on these alternatives and on other alternatives that should be analyzed in the EIS.

We will analyze the potential effects of each regulatory alternative on the human environment, including possible risks to human health, and the potential effects on forests, biodiversity, and nontarget species in the United States. We are also interested in comments that identify other issues that should be analyzed in the EIS. Potential issues include identification of treatment methods other than those currently approved in the regulations (currently approved treatments are heat treatment, heat treatment with moisture reduction, surface pesticide treatment, methyl bromide fumigation, and preservative treatment) and the ability to effectively monitor compliance with potential alternatives.

Comments regarding the proposed scope of the EIS are welcome and will be fully considered. When the draft EIS is completed, a notice announcing its availability and an invitation to comment on it will be published in the **Federal Register**.

Done in Washington, DC, this 30th day of June 1999.

**Craig A. Reed,**

*Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 99-17155 Filed 7-6-99; 8:45 am]

BILLING CODE 3410-34-P

## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### 7 CFR Part 1710

#### RIN 0572-AB05

#### Load Forecasts

AGENCY: Rural Utilities Service, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** The Rural Utilities Service (RUS) is proposing to amend its regulations to revise requirements for borrower load forecasts and load forecast work plans (historically referred to as power requirements studies and power requirements study work plans). The proposed changes would reduce the level of detail required in load forecasts filed by small power supply borrowers and their members and by distribution borrowers unaffiliated with a large power supply borrower. The proposed changes also would give borrowers greater flexibility in preparation of load forecasts required to be submitted to RUS.

**DATES:** Written comments must be received by RUS or carry a postmark or equivalent by September 7, 1999.

**ADDRESSES:** Written comments should be addressed to Georg A. Shultz, Chief, Energy Forecasting Branch, Electric Staff Division, Rural Utilities Service, U. S. Department of Agriculture, 1400 Independence Ave., SW., Room 1246-SBldg., STOP 1569, Washington, DC 20250-1569. RUS requests a signed original and three copies of all comments (7 CFR 1700.4). Comments will be available for public inspection during regular business hours (7 CFR 1.27(b)).

**FOR FURTHER INFORMATION CONTACT:**

Georg A. Shultz, Chief, Energy Forecasting Branch, Electric Staff Division, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., Room 1246-SBldg., STOP 1569, Washington, DC 20250-1569, telephone number: (202) 720-1920, fax: (202) 720-7491, E-mail: gshultz@rus.usda.gov.

**SUPPLEMENTARY INFORMATION:**

#### *Executive Order 12866*

This proposed rule has been determined to be not significant for purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget (OMB).

#### *Executive Order 12988*

This proposed rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. RUS has determined that this proposed rule meets the applicable standards provided in Section 3 of the Executive Order. In accordance with the Executive Order and the rule: (1) all state and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule and (3) in accordance with § 212(e)

of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. § 6912(e)) administrative appeal procedures, if any are required must be exhausted prior to initiating litigation against the Department or its agencies.

#### *Regulatory Flexibility Act Certification*

The Administrator of RUS has determined that a rule relating to RUS' electric loan program is not a rule as defined in the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) and, therefore, the Regulatory Flexibility Act does not apply to this rule. RUS borrowers, as a result of obtaining Federal financing, receive economic benefits that exceed any direct economic costs associated with complying with RUS regulations and requirements.

#### *Information Collection and Recordkeeping Requirements*

The reporting and recordkeeping requirements contained in the proposed rule were approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) under control number 0572-0032.

Send questions or comments regarding this burden or any other aspect of this collection of information, including suggestions for reducing the burden to F. Lamont Heppe, Director, Program Development and Regulatory Analysis, Rural Utilities Service, 1400 Independence Ave., SW, Room 4034-SBldg., STOP 1522, Washington, DC 20250-1522.

#### *Unfunded Mandates*

This proposed rule contains no Federal mandates (under the regulatory provision of Title II of the Unfunded Mandates Reform Act) for State, local, and tribal governments, or the private sector. Thus, this proposed rule is not subject to the requirements of section 202 and 205 of the Unfunded Mandates Reform Act.

#### *National Environmental Policy Act Certification*

The Administrator of RUS has determined that this proposed rule will not significantly affect the quality of the human environment as defined by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*). Therefore, this action does not require an environmental impact statement or assessment.

#### *Catalog of Federal Domestic Assistance*

The program described by this proposed rule is listed in the Catalog of Federal Domestic Assistance Programs under number 10.850, Rural

Electrification Loans and Loan Guarantees. This catalog is available on a subscription basis from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-9325, telephone number (202) 512-1800.

#### *Executive Order 12372*

This proposed rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation which may require consultation with state and local offices. A final rule related notice entitled "Department Programs and Activities Excluded from Executive Order 12372," (50 FR 47034) determined that RUS loans and loan guarantees were not covered by Executive Order 12372.

#### *Background*

The Rural Utilities Service (RUS) makes and guarantees loans to furnish and improve electric service in rural areas pursuant to the Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq.* (RE Act). Under the RE Act, RUS may make or guarantee a loan only if the Administrator determines that the security for the loan is reasonably adequate and that the loan will be repaid within the time agreed. Most borrowers apply for a new loan to meet system needs every two to three years. The security for these loans is generally a first lien on the borrower's electric system, evidenced through the filing of a mortgage. In order to determine the feasibility of a new loan and whether borrowers will have sufficient revenues to repay existing loans, RUS requires most borrowers to file load forecasts, historically called "power requirements studies" by RUS, containing current and detailed information and analyses on existing and expected future loads. Detailed information from the load forecasts are used in RUS' independent analysis and oversight of borrower systems.

RUS regulations on the preparation and approval of power requirements studies and power requirements work plans, contained at 7 CFR part 1710, subpart E, were last revised in 1992, at 57 FR 1053 and 57 FR 4513. Since then, the business and regulatory environment in the electric industry has undergone rapid change. State regulatory agencies, power supply systems, power pools, and other entities are modifying their power planning processes and requirements in the light of competitive changes in the industry. Even greater transformations lie ahead as many states move to adopt retail competition. In the years since the existing regulations were adopted, both

RUS and our borrowers have gained greater familiarity with the development and use of load forecasts, and supporting analyses and data and the experience and sophistication of RUS financed systems have increased.

In response to changes in the industry and the Administration's ongoing commitment to improving customer service, RUS has amended a number of its regulations and practices involving its oversight of borrower systems to update and streamline these requirements. This proposed regulation is part of RUS' continuing effort to improve customer service.

This proposed rule implements recommendations to modify load forecast requirements which arose out of the RUS strategic planning process. The proposed changes simplify the procedure and minimize the detail of information RUS needs for loan feasibility determinations. The proposed revisions to the existing rule balance RUS' continuing need to maintain current up-to-date load forecast information for electric borrowers with its goal of reducing regulatory requirements and burdens on borrowers.

In the usual course of business, all prudent utilities engage in a continuing planning process incorporating objective load forecasts in order to provide reliable electric service for their existing and future customers. Borrowers submit their load forecasts and load forecast work plans to RUS in order to provide the necessary support for RUS approval of loans and a basis for RUS to monitor future borrower performance for loan security purposes. The proposed rule would modify the existing requirements and reduce the number of borrower systems required to maintain current load forecasts on file with RUS. The proposed changes would allow borrowers greater flexibility in preparation of the load forecasts and supporting information submitted to RUS. The proposed changes will reduce burdens on both borrowers and the RUS electric program.

#### *Summary of Proposed Changes*

##### *Definitions*

The proposed rule makes several conforming changes to the definitions in 7 CFR part 1710, subpart A. The terms "load forecast" and "load forecast work plan" are added to conform with overall electric industry usage of these terms. The terms "power requirement study" and "power requirement study work plan" will continue to be defined in 7 CFR part 1710, subpart A, since these terms continue to be used in other subparts. The term "load forecast" has

the same definition as "power requirements study" and the term "load forecast work plan" has the same definition as "power requirement study work plan." The terms "approved load forecast" and "approved load forecast work plan" have been added to clarify those load forecasts and load forecast work plans that RUS has determined are current for RUS purposes and have been approved by RUS pursuant to 7 CFR part 1710, subpart E.

#### *Requirements to File Load Forecasts and Load Forecast Work Plans*

Load forecasts are one of four primary documents required to be submitted in support of applications for RUS loans and loan guarantees (§ 1710.152). Load forecasts aid in RUS analysis of feasibility for loan approval and RUS review of loan security. RUS has required the larger power supply borrowers and their member systems to maintain an approved load forecast and approved load forecast work plan. As a result, approved load forecasts for these borrower's systems are in place and allow more expeditious review of requests for RUS assistance.

Under both the existing regulations and the proposed rule changes, whether and when a borrower must maintain an approved load forecast or approved load forecast work plan is generally determined by the value of the borrower's assets or total utility plant and whether a borrower is affiliated with a power supply borrower that is required to maintain an approved load forecast and approved load forecast work plan.

Under existing regulations, power supply borrowers with total assets over \$300 million and distribution borrowers that own generation and transmission plant valued at over \$300 million are required to maintain an approved load forecast and an approved load forecast work plan. Other RUS borrowers with total assets over \$300 million must maintain an approved load forecast and submit it to support requests for RUS financing, approval of long-term power contracts, and other actions. Power supply borrowers with total assets over \$300 million and their member power supply and distribution borrowers must coordinate their load forecasts in accord with an approved load forecast work plan.

The proposed rule uses total utility plant instead of total assets to determine these thresholds. Use of total utility plant instead of total assets conforms with other RUS requirements and relates directly to the borrowers utility plant which is used to service the loads. The proposed rule would raise the

threshold from \$300 million to \$500 million for borrowers required to maintain an approved load forecast and approved load forecast work plan on an ongoing basis. All power supply borrowers with total utility plant of less than \$500 million (and their affiliated members that are RUS borrowers) will no longer be required to maintain and update load forecasts on a periodic basis. These borrowers will be required to have an approved load forecast when they apply for new financing and under certain other circumstances. This change is proposed to reduce the number of borrowers required to submit load forecasts on a routine basis and to closely monitor borrowers with large loans made or guaranteed by RUS.

The existing regulations provide that power supply borrowers with total assets of less than \$300 million that are not members of any other power supply borrower with total assets over \$300 million are not required to maintain an approved load forecast or approved load forecast work plan on an ongoing basis. However, these power supply borrowers must have an approved load forecast to support a request for any loan or loan guarantee over \$25 million or more than ten percent of the borrower's total utility plant, whichever is smaller, and for RUS approval of a long-term power contract. The proposed rule would raise from \$25 million to \$50 million the loan value requiring an approved load forecast by power supply borrowers not otherwise required to maintain an approved load forecast.

The existing regulations provide that distribution borrowers with total assets of less than \$300 million that are not affiliated with a power supply borrower are not required to maintain an approved load forecast or approved load forecast work plan. On an ongoing basis, these smaller unaffiliated distribution borrowers must have an approved load forecast for loans of \$3 million or 10 percent of utility plant, whichever is smaller. Under the proposed rule, the minimum loan application for distribution borrowers that would require an approved load forecast would be \$3 million or 5 percent of total utility plant, whichever is greater. These changes are being proposed to reduce burdens on small borrowers with minimal outstanding loans made or guaranteed by RUS.

#### *Requirements for Load Forecasts*

The proposed rule revises requirements for the contents of load forecasts and approval criteria to give borrowers and RUS greater flexibility in compliance with RUS regulations. Changes in the electric utility industry

are likely to dramatically alter utility planning and forecasting practices. RUS recognizes that, in addition to complying with RUS requirements, borrowers need to prepare load forecast and planning documents for a variety of other external reporting purposes such as for state utility commissions, regional reliability planning, or to comply with terms of power supply agreements. To reduce burdens on borrowers, where practicable, RUS will accept load forecasts prepared for those other purposes as long as the information and analyses needed by RUS are included and are compatible with RUS applications. As is the practice at present, RUS expects that borrowers will continue to consult with RUS during the preparation and review of their load forecasts to resolve any uncertainties.

Under the existing rules, all borrower load forecasts must meet the same requirements for scope, content, and supporting analysis and models, unless waived by RUS. Under the proposed rule, load forecasts and supporting data submitted by small distribution borrowers that are unaffiliated with large power supply borrowers would not have to meet the same standards as forecasts submitted by large power supply borrowers and their members.

RUS does not believe reducing the load forecasting filing requirements will lead to any reduction in borrower's attention to the importance of load forecasting in their overall financial and system planning needed to assure reliable, affordable service for their customers. Borrowers will continue to conduct load forecasting as part of prudent utility practice in the ordinary course of business.

#### *Confidentiality of Load Forecasts and Supporting Information*

Restructuring of the electric power industry will likely increase the potential competitive harm to a borrower from the disclosure of commercially sensitive and confidential business information in the load forecast. RUS understands that borrowers may consider the information contained in the load forecasts and supporting data as commercially valuable, proprietary and confidential business information. RUS will not release information contained in the load forecast except as provided by law pursuant to 7 CFR part 1, The Freedom of Information Act (5 U.S.C. 552). When, in the course of responding to a Freedom of Information Act request, RUS cannot readily determine whether the information obtained from the borrower is privileged or confidential

business information, RUS will obtain and consider the views of the borrower concerning the information and provide the borrower an opportunity to object to any decision to disclose the information. Borrowers should be aware that in order for RUS to withhold release of information it must be determined that such release will result in substantial harm to the borrower.

#### **List of Subjects in 7 CFR Part 1710**

Electric power, Electric utilities, Loan programs—energy, Reporting and recordkeeping requirements, Rural areas.

For the reasons set out in the preamble, RUS proposes to amend 7 CFR chapter XVII as follows:

#### **PART 1710—GENERAL AND PRE-LOAN POLICIES AND PROCEDURES COMMON TO INSURED AND GUARANTEED ELECTRIC LOANS**

1. The authority citation for part 1710 is revised to read as follows:

**Authority:** 7 U.S.C. *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

2. Section 1710.2(a) is amended by revising and adding the following definitions in alphabetical order:

#### **§ 1710.2 Definitions and rules of construction.**

\* \* \* \* \*

*Approved load forecast* means a load forecast that RUS has determined is current for RUS purposes and has been approved by RUS pursuant to 7 CFR part 1710, subpart E.

*Approved load forecast work plan* means a load forecast work plan that RUS has determined is current for RUS purposes and has been approved pursuant to 7 CFR part 1710, subpart E.

\* \* \* \* \*

*Load forecast* means the thorough study of a borrower's electric loads and the factors that affect those loads in order to determine, as accurately as practicable, the borrower's future requirements for energy and capacity.

*Load forecast work plan* means the plan that contains the resources, methods, schedules, and milestones to be used in the preparation and maintenance of a load forecast.

\* \* \* \* \*

*Power requirements study (PRS)* has the same meaning as load forecast.

\* \* \* \* \*

*PRS work plan* has the same meaning as load forecast work plan.

\* \* \* \* \*

3. Revise paragraph 1710.152(a) to read as follows:

**§ 1710.152 Primary support documents.**

\* \* \* \* \*

(a) *Load forecast.* The load forecast provides the borrower and RUS with an understanding of the borrower's future system loads, the factors influencing those loads, and estimates of future loads. The load forecast provides a basis for projecting annual electricity (kWh) sales and revenues, and for engineering estimates of plant additions required to provide reliable service to meet the forecasted loads. Subpart E of this part contains the information to be included in a load forecast and when an approved load forecast is required.

\* \* \* \* \*

4. Revise subpart E of part 1710 to read as follows:

**Subpart E—Load Forecasts**

Sec.

1710.200 Purpose.

1710.201 General.

1710.202 Requirement to prepare a load forecast—power supply borrowers.

1710.203 Requirement to prepare a load forecast—distribution borrowers.

1710.204 Filing requirements for borrowers that must maintain a current RUS approved load forecast on an ongoing basis.

1710.205 Minimum requirements for all borrower load forecasts.

1710.206 Requirements for load forecasts prepared pursuant to RUS approved load forecast work plans.

1710.207 RUS approval criteria for approval of load forecasts by distribution borrowers not required to maintain a current load forecast on an ongoing basis.

1710.208 RUS approval criteria for load forecasts submitted by all power supply borrowers and by distribution borrowers required to maintain a current load forecast on an ongoing basis.

1710.209 Requirements for load forecast work plans.

1710.210 Waiver of requirements or approval criteria.

1710.211—1710.249—[Reserved]

**Subpart E—Load Forecasts****§ 1710.200 Purpose.**

This subpart contains RUS policies for the preparation, review, approval and use of load forecasts and load forecast work plans. A load forecast is a thorough study of a borrower's electric loads and the factors that affect those loads in order to estimate, as accurately as practicable, the borrower's future requirements for energy and capacity. The load forecast of a power supply borrower includes and integrates the load forecasts of its member systems. An approved load forecast, if required by this subpart, is one of the primary documents that a borrower is required to submit to support a loan application.

**§ 1710.201 General.**

(a) The policies, procedures and requirements in this subpart are intended to implement provisions of the loan documents between RUS and the electric borrowers and are also necessary to support approval by RUS of requests for financial assistance.

(b) Notwithstanding any other provisions of this subpart, RUS may require any power supply or distribution borrower to prepare a new or updated load forecast for RUS approval or to maintain an approved load forecast on an ongoing basis, if such documentation is necessary for RUS to determine loan feasibility, or to ensure compliance under the loan documents.

**§ 1710.202 Requirement to prepare a load forecast—power supply borrowers.**

(a) A power supply borrower with a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financial assistance. The borrower must also maintain an approved load forecast work plan. The borrower's approved load forecast must be prepared pursuant to the approved load forecast work plan.

(b) A power supply borrower that is a member of another power supply borrower that has a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financial assistance. The member power supply borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower. The approved load forecasts must be prepared pursuant to the RUS approved load forecast work plan.

(c) A power supply borrower that has total utility plant of less than \$500 million and that is not a member of another power supply borrower with a total utility plant of \$500 million or more must provide an approved load forecast that meets the requirements of this subpart in support of an application for any RUS loan or loan guarantee which exceeds \$50 million. The borrower is not required to maintain on an ongoing basis either an approved load forecast or an approved load forecast work plan.

**§ 1710.203 Requirement to prepare a load forecast—distribution borrowers.**

(a) A distribution borrower that is a member of a power supply borrower with a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financial assistance. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower. The distribution borrower's load forecast must be prepared pursuant to the approved load forecast work plan of its power supply borrower.

(b) A distribution borrower that is a member of a power supply borrower which is itself a member of another power supply borrower that has a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financial assistance. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower. The distribution borrower's approved load forecast must be prepared pursuant to the approved load forecast work plan of the power supply borrower with total utility plant in excess of \$500 million.

(c) A distribution borrower that is a member of a power supply borrower with a total utility plant of less than \$500 million must provide an approved load forecast that meets the requirements of this subpart in support of an application for any RUS loan or loan guarantee that exceeds \$3 million or 5 percent of total utility plant, whichever is greater. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower. The borrower is not required to maintain on an ongoing basis either an approved load forecast or an approved load forecast work plan.

(d) A distribution borrower with a total utility plant of less than \$500 million and that is unaffiliated with a power supply borrower must provide an approved load forecast that meets the requirements of this subpart in support of an application for any RUS loan or loan guarantee which exceeds \$3 million or 5 percent of total utility

plant, whichever is greater. The borrower is not required to maintain on an ongoing basis either an approved load forecast or an approved load forecast work plan.

(e) A distribution borrower with a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financing assistance. The borrower must also maintain an approved load forecast work plan. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower.

**§ 1710.204 Filing requirements for borrowers that must maintain an approved load forecast on an ongoing basis.**

(a) *Filing of load forecasts and updates.* A power supply or distribution borrower required to maintain an approved load forecast on an ongoing basis under § 1710.202 or § 1710.203 may elect either of the following two methods of compliance:

(1) Submitting a new load forecast to RUS for review and approval at least every 36 months, and then submitting updates to the load forecast to RUS for review and approval in each intervening year; or

(2) Submitting a new load forecast to RUS for review and approval not less frequently than every 24 months.

(b) *Extensions.* RUS may extend any time period required under this section for up to 3 months at the written request of the borrower's general manager. A request to extend a time period beyond 3 months must be accompanied by a written request from the borrower's general manager, an amendment to the borrower's approved load forecast work plan incorporating the extension, a board resolution approving the extension request and any amendment to the approved load forecast work plan, and any other relevant supporting information. RUS may extend the time periods contained in this section for up to 24 months.

**§ 1710.205 Minimum approval requirements for all load forecasts.**

(a) *Documents required for RUS approval of a borrower's load forecast.* The borrower must provide the following documents to obtain RUS approval for a load forecast:

(1) The load forecast and supporting documentation;

(2) A memorandum from the borrower's general manager to the board

of directors recommending that the board approve the load forecast and its uses; and

(3) A board resolution from the borrower's board of directors approving the load forecast and its uses.

(b) *Contents of load forecast.* All load forecasts submitted by borrowers for approval must include:

(1) A narrative describing the borrower's system, service territory, and consumers;

(2) A narrative description of the borrower's load forecast including future load projections, forecast assumptions, and the methods and procedures used to develop the forecast;

(3) Projections of usage by consumer class, number of consumers by class, annual system peak demand, and season of peak demand for the number of years agreed upon by RUS and the borrower;

(4) A summary of the year-by-year results of the load forecast in a format that allows efficient transfer of the information to other borrower planning or loan support documents;

(5) The load impacts of a borrower's demand side management activities, if applicable;

(6) Graphic representations of the variables specifically identified by management as influencing a borrower's loads; and

(7) A database that tracks all relevant variables that might influence a borrower's loads.

(c) *Formats.* RUS does not require a specific format for the narrative, documentation, data, and other information in the load forecast, provided that all required information is included and available. All data must be in a tabular form that can be transferred electronically to RUS computer software applications. RUS will evaluate borrower load forecasts for readability, understanding, filing, and electronic access. If a borrower's load forecast is submitted in a format that is not readily usable by RUS or is incomplete, RUS will require the borrower to submit the load forecast in a format acceptable to RUS.

(d) *Document retention.* The borrower must retain its latest approved load forecasts, and supporting documentation until RUS approval of its next load forecast. Any approved load forecast work plan must be retained as part of the approved load forecast.

(e) *Consultation with RUS.* The borrower must designate and make appropriate staff and consultants available for consultation with RUS to facilitate RUS review of the load forecast work plan and the load forecast when requested by RUS.

(f) *Correlation and consistency with other RUS loan support documents.* If a borrower relies on an approved load forecast or an update of an approved load forecast as loan support, the borrower must demonstrate that the approved load forecast and the other primary support documentation for the loan were reconciled. For example, both the load forecast and the financial forecast require input assumptions for wholesale power costs, distribution costs, other systems costs, average revenue per kWh, and inflation. Also, a borrower's engineering planning documents, such as the construction work plan, incorporate consumer and usage per consumer projections from the load forecast to develop system design criteria. The assumptions and data common to all the documents must be consistent.

(g) *Coordination.* Power supply borrowers and their members that are subject to the requirement to maintain an approved load forecast on an ongoing basis are required to coordinate preparation of their respective load forecasts, updates of load forecasts, and approved load forecast work plan. A load forecast of a power supply borrower must consider the load forecasts of all its member systems.

**§ 1710.206 Approval requirements for load forecasts prepared pursuant to approved load forecast work plans.**

(a) *Contents of load forecasts prepared under an approved load forecast work plan.* In addition to the minimum requirements for load forecasts under § 1710.205, load forecasts developed and submitted by borrowers required to have an approved load forecast work plan shall include the following:

(1) Scope of the load forecast. The narrative shall address the overall approach, time periods, and expected internal and external uses of the forecast. Examples of internal uses include providing information for developing or monitoring demand side management programs, supply resource planning, load flow studies, wholesale power marketing, retail marketing, cost of service studies, rate policy and development, financial planning, and evaluating the potential effects on electric revenues caused by competition from alternative energy sources or other electric suppliers. Examples of external uses include meeting state and Federal regulatory requirements, obtaining financial ratings, and participation in reliability council, power pool, regional transmission group, power supplier or member system forecasting and planning activities.

(2) Resources used to develop the load forecast. The discussion shall identify and discuss the borrower personnel, consultants, data processing, methods and other resources used in the preparation of the load forecast. The borrower shall identify the borrower's member and, as applicable, member personnel that will serve as project leaders or liaisons with the authority to make decisions and commit resources within the scope of the current and future work plans.

(3) A comprehensive description of the database used in the study. The narrative shall describe the procedures used to collect, develop, verify, validate, update, and maintain the data. A data dictionary thoroughly defining the database shall be included. The borrower shall make all or parts of the database available or otherwise accessible to RUS in electronic format, if requested.

(4) A narrative for each new load forecast or update of a load forecast discussing the methods and procedures used in the analysis and modeling of the borrower's electric system loads as provided for in the load forecast work plan.

(5) A narrative discussing the borrower's past, existing, and forecast of future electric system loads. The narrative must identify and explain substantive assumptions and other pertinent information used to support the estimates presented in the load forecast.

(6) A narrative discussing load forecast uncertainty or alternative futures that may determine the borrower's actual loads. Examples of economic scenarios, weather conditions, and other uncertainties that borrowers may decide to address in their analysis include:

- (i) Most-probable assumptions, with normal weather;
- (ii) Pessimistic assumptions, with normal weather;
- (iii) Optimistic assumptions, with normal weather;
- (iv) Most-probable assumptions, with severe weather;
- (v) Most-probable assumptions, with mild weather;
- (vi) Impacts of wholesale or retail competition; or
- (vii) New environmental requirements.

(7) A summary of the forecast's results on an annual basis. Include alternative futures, as applicable. This summary shall be designed to accommodate the transfer of load forecast information to a borrower's other planning or loan support documents. Computer-generated forms or electronic

submissions of data are acceptable. Graphs, tables, spreadsheets or other exhibits shall be included throughout the forecast as appropriate.

(8) A narrative discussing the coordination activities conducted between a power supply borrower and its members, as applicable, and between the borrower and RUS.

(b) *Compliance with an approved load forecast work plan.* A borrower required to maintain an approved load forecast work plan must also be able to demonstrate that both it and its RUS borrower members are in compliance with its approved load forecast work plan for the next load forecast or update of a load forecast.

**§ 1710.207 RUS criteria for approval of load forecasts by distribution borrowers not required to maintain an approved load forecast on an ongoing basis.**

Load forecasts submitted by distribution borrowers that are unaffiliated with a power supply borrower, or by distribution borrowers that are members of a power supply borrower that has a total utility plant less than \$500 million and that is not itself a member of another power supply borrower with a total utility plant of \$500 million or more must satisfy the following minimum criteria:

(a) The borrower considered all known relevant factors that influence the consumption of electricity and the known number of consumers served at the time the study was developed;

(b) The borrower considered and identified all loads on its system of RE Act beneficiaries and non-RE Act beneficiaries;

(c) The borrower developed an adequate supporting data base and considered a range of relevant assumptions; and (d) The borrower provided RUS with adequate documentation and assistance to allow for a thorough and independent review.

**§ 1710.208 RUS criteria for approval of all load forecasts by power supply borrowers and by distribution borrowers required to maintain an approved load forecast on an ongoing basis.**

All load forecasts submitted by power supply borrowers and by distribution borrowers required to maintain an approved load forecast must satisfy the following criteria:

(a) The borrower objectively analyzed all known relevant factors that influence the consumption of electricity and the known number of customers served at the time the study was developed;

(b) The borrower considered and identified all loads on its system of RE Act beneficiaries and non-RE Act beneficiaries;

(c) The borrower developed an adequate supporting database and analyzed a reasonable range of relevant assumptions and alternative futures;

(d) The borrower adopted methods and procedures in general use by the electric utility industry to develop its load forecast;

(e) The borrower used valid and verifiable analytical techniques and models;

(f) The borrower provided RUS with adequate documentation and assistance to allow for a thorough and independent review; and

(g) In the case of a power supply borrower required to maintain an approved load forecast on an ongoing basis, the borrower adequately coordinated the preparation of the load forecast work plan and load forecast with its member systems.

**§ 1710.209 Approval requirements for load forecast work plans.**

(a) In addition to the approved load forecast required under §§ 1710.202 and 1710.203, any power supply borrower with a total utility plant of \$500 million or more and any distribution borrower with a total utility plant of \$500 million or more must maintain an approved load forecast work plan. RUS borrowers that are members of a power supply borrower with a total utility plant of \$500 million or more must cooperate in the preparation of and submittal of the load forecast work plan of their power supply borrower.

(b) An approved load forecast work plan establishes the process for the preparation and maintenance of a comprehensive database for the development of the borrower's load forecast, and load forecast updates. The approved load forecast work plan is intended to develop and maintain a process that will result in load forecasts that will meet the borrowers' own needs and the requirements of this subpart. An approved work plan represents a commitment by a power supply borrower and its members, or by a large unaffiliated distribution borrower, that all parties concerned will prepare their load forecasts in a timely manner pursuant to the approved load forecast work plan and they will modify the approved load forecast work plan as needed with RUS approval to address changing circumstances or enhance the usefulness of the approved load forecast work plan.

(c) An approved load forecast work plan for a power supply borrower and its members must cover all member systems, including those that are not borrowers. However, only members that are borrowers, including the power

supply borrower, are required to follow the approved load forecast work plan in preparing their respective load forecasts. Each borrower is individually responsible for forecasting all its RE Act beneficiary and non-RE Act beneficiary loads.

(d) An approved load forecast work plan must outline the coordination and preparation requirements for both the power supply borrower and its members.

(e) An approved load forecast work plan must cover a period of 2 or 3 years depending on the applicable compliance filing schedule elected under § 1710.204.

(f) An approved load forecast work plan must describe the borrower's process and methods to be used in producing the load forecast and maintaining current load forecasts on an ongoing basis.

(g) Approved load forecast work plans for borrowers with residential demand of 50 percent or more of total kWh must provide for a residential consumer survey at least every 5 years to obtain data on appliance and equipment saturation and electricity demand. Any such borrower that is experiencing or anticipates changes in usage patterns shall consider surveys on a more frequent schedule. Power supply borrowers shall coordinate such surveys with their members. Residential consumer surveys may be based on the aggregation of member-based samples or on a system-wide sample, provided that the latter provides for relevant regional breakdowns as appropriate.

(h) Approved load forecast work plans must provide for RUS review of the load forecasts as the load forecast is being developed.

(i) A power supply borrower's work plan must have the concurrence of the majority of the members that are borrowers.

(j) The borrower's board of directors must approve the load forecast work plan.

(k) A borrower may amend its approved load forecast work plan subject to RUS approval. If RUS concludes that the existing approved load forecast work plan will not result in a satisfactory load forecast, RUS may require a new or revised load forecast work plan.

#### **§ 1710.210 Waiver of requirements or approval criteria.**

For good cause shown by the borrower, the Administrator may waive any of the requirements applicable to borrowers in this subpart if the Administrator determines that waiving the requirement will not significantly

affect accomplishment of RUS' objectives and if the requirement imposes a substantial burden on the borrower. The borrower's general manager must request the waiver in writing.

#### **§§ 1710.211–1710.249 [Reserved]**

Dated: June 29, 1999.

**Jill Long Thompson,**

*Under Secretary, Rural Development.*

[FR Doc. 99–17113 Filed 7–6–99; 8:45 am]

BILLING CODE 3410–15–P

## **NUCLEAR REGULATORY COMMISSION**

### **10 CFR Part 40**

[Docket No. PRM–40–27]

#### **State of Colorado and Organization of Agreement States; Receipt of Petition for Rulemaking**

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Petition for rulemaking; Notice of receipt.

**SUMMARY:** The Nuclear Regulatory Commission (NRC) has received and requests public comment on a petition for rulemaking dated May 10, 1999, filed by the Officers of the Organization of Agreement States and the State of Colorado (petitioners). The petition has been docketed by the Commission and has been assigned Docket No. PRM–40–27. The petitioners are requesting that the NRC regulations governing small quantities of source material be amended to eliminate the exemption for source material general licensees from the requirements that specify standards of protection against radiation and notification and instruction of individuals who participate in licensed activities. Current NRC regulations exempt source material general licensees from these requirements. The petitioners believe that no basis exists for exempting these licensees from compliance with radiation safety standards if a licensee can exceed currently specified dose limits or create areas where individuals may be exposed to significant levels of radiation.

**DATES:** Submit comments by September 20, 1999. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given except as to comments received on or before this date.

**ADDRESSES:** Submit comments to: Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

Attention: Rulemakings and Adjudications Staff.

Deliver comments to 11555 Rockville Pike, Rockville, Maryland, between 7:30 am and 4:15 pm on Federal workdays.

For a copy of the petition, write: David L. Meyer, Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001.

You may also provide comments via the NRC's interactive rulemaking website through the NRC home page (<http://www.nrc.gov>). This site provides the availability to upload comments as files (any format), if your web browser supports that function. For information about the interactive rulemaking website, contact Ms. Carol Gallagher, (301) 415–5905 (e-mail: [CAG@nrc.gov](mailto:CAG@nrc.gov)).

**FOR FURTHER INFORMATION CONTACT:** David L. Meyer, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Telephone: 301–415–7162 or Toll Free: 1–800–368–5642 or E-mail: [DLM1@NRC.GOV](mailto:DLM1@NRC.GOV).

#### **SUPPLEMENTARY INFORMATION:**

#### **Background**

On May 13, 1999, the Nuclear Regulatory Commission received a petition for rulemaking submitted by the Officers of the Organization of Agreement States and the State of Colorado (petitioners). The petitioners believe that the NRC should restrict the exemption from 10 CFR parts 19 and 20 for general licensees that appears at 10 CFR 40.22(b).

The petitioners contend that any licensee who has the potential to exceed any dose limits or who generates a radiation area as defined in 10 CFR part 20 should be required to meet the radiation protection and worker notification requirements in both Parts 19 and 20. To do this, NRC would have to amend its regulations pertaining to source material general licensees in 10 CFR part 40. Specifically, 10 CFR 40.22(b) would have to be amended to revoke the exemption from 10 CFR parts 19 and 20 for source material general licensees who could exceed public dose limits or dose equivalent limits for an embryo/fetus, would require personnel monitoring, or would require posting of a radiation area. The NRC has determined that the petition meets the threshold sufficiency requirements for a petition for rulemaking under 10 CFR 2.802. The petition has been docketed as PRM–40–27. The NRC is soliciting public comment on the petition for rulemaking.