

DEPARTMENT OF ENERGY**Southeastern Power Administration****Proposed Rate Adjustment, Public Forum, and Opportunities for Public Review and Comment for Georgia-Alabama-South Carolina System of Projects**

AGENCY: Southeastern Power Administration, DOE.

ACTION: Notice of proposed rate.

SUMMARY: Southeastern Power Administration (Southeastern) proposes to revise existing schedules of rates and charges applicable to the sale of power from the Georgia-Alabama-South Carolina System of Projects effective for a 4-year period, October 1, 2003, through September 30, 2007. Additionally, opportunities will be available for interested persons to review the present rates, the proposed rates and supporting studies, to participate in a forum and to submit written comments. Southeastern will evaluate all comments received in this process.

DATES: Written comments are due on or before July 15, 2003. A public information and comment forum will be held in Atlanta, Georgia, at 10 a.m., on May 29, 2003. Persons desiring to speak at the forum should notify Southeastern at least 3 days before the forum is scheduled, so that a list of forum participants can be prepared. Others may speak if time permits.

ADDRESSES: Written comments should be submitted to: Administrator, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia, 30635-6711. The public information and comment forum for the Georgia-Alabama-South Carolina System of Projects will be at the Westin Atlanta Airport, 4736 Best Road, Atlanta, Georgia (404) 762-7676.

FOR FURTHER INFORMATION CONTACT: Leon Jourolmon, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia, 30635, (706) 213-3800.

SUPPLEMENTARY INFORMATION: The Secretary of the Department of Energy (the Secretary), by order issued July 25, 2002 (67 FR 51564), confirmed and approved on an interim basis Wholesale Power Rate Schedules SOCO-1-A, SOCO-2-A, SOCO-3-A, SOCO-4-A, ALA-1-J, MISS-1-J, Duke-1-A, Duke-2-A, Duke-3-A, Duke-4-A, Santee-1-A, Santee-2-A, Santee-3-A, Santee-4-A, Pump 1-A, Pump-2, and Regulation-1

applicable to Georgia-Alabama-South Carolina System of Projects' power for a period ending September 30, 2007. These rate schedules have been submitted to the Federal Energy Regulatory Commission (FERC) in Docket No. EF02-3011-000 with a request for approval on a final basis.

Discussion: Existing rate schedules are predicated upon a June 2002 repayment study and other supporting data contained in FERC Docket No. EF02-3011-000. The current repayment study prepared in March 2003 shows that existing rates are not adequate to recover all costs required by present repayment criteria. Southeastern is proposing to establish rates that will recoup these unrecovered costs.

Existing rates for the Georgia-Alabama-South Carolina System have been in effect since October 1, 2002. Rates contained in FERC Docket No. ER02-3011-000 are predicated on a repayment study that did not include costs associated with pumped storage units at the Richard B. Russell project. Construction of the Russell pumped storage units was completed in 1993; however, U. S. District Court in Charleston, South Carolina, had issued an injunction prohibiting operation of these units. The injunction was entered on May 24, 1988. On May 3, 2002, the court dissolved this injunction. The Corps of Engineers declared these units commercially available on September 1, 2002. As of this date, Southeastern must include these costs in its costs for recovery.

Southeastern is proposing the following rate schedules to be effective for the period from October 1, 2003 through September 30, 2007.

Rate Schedule SOCO-1-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled and scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated.

Rate Schedule SOCO-2-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled pursuant to contracts between the Government and Southern Company Services, Incorporated. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule SOCO-3-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power

may be scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated. The customer is responsible for providing a transmission arrangement.

Rate Schedule SOCO-4-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule ALA-1-K

Available to the Alabama Electric Cooperative, Incorporated.

Rate Schedule MISS-1-K

Available to the South Mississippi Electric Power Association to whom power may be wheeled pursuant to contract between the Government and Alabama Electric Cooperative, Inc.

Rate Schedule Duke-1-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and Duke Power Company.

Rate Schedule Duke-2-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled pursuant to contracts between the Government and Duke Power Company. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule Duke-3-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Power Company. The customer is responsible for providing a transmission arrangement.

Rate Schedule Duke-4-B

Available to public bodies and cooperatives in North Carolina and South Carolina served through the transmission facilities of Duke Power Company. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule Santee-1-B

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the

Government and South Carolina Public Service Authority.

Rate Schedule Santee-2-B

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled pursuant to contracts between the Government and South Carolina Public Service Authority. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule Santee-3-B

Available to public bodies and cooperatives in South Carolina to whom power may be scheduled pursuant to contracts between the Government and South Carolina Public Service Authority. The customer is responsible for providing a transmission arrangement.

Rate Schedule Santee-4-B

Available to public bodies and cooperatives in South Carolina served through the transmission facilities of South Carolina Public Service Authority. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule SCE&G-1-B

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and South Carolina Electric & Gas Company.

Rate Schedule SCE&G-2-B

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled pursuant to contracts between the Government and South Carolina Electric & Gas Company. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule SCE&G-3-B

Available to public bodies and cooperatives in South Carolina to whom power may be scheduled pursuant to contracts between the Government and South Carolina Electric & Gas Company. The customer is responsible for providing a transmission arrangement.

Rate Schedule SCE&G-4-B

Available to public bodies and cooperatives in South Carolina served through the transmission facilities of South Carolina Electric & Gas Company. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule Pump-1-A

Available to all customers of the Georgia-Alabama-South Carolina System and applicable to energy from pumping operations at the Carters and Richard B. Russell projects.

Rate Schedule Pump-2

Available to public bodies and cooperatives who provide their own

scheduling arrangement and elect to allow Southeastern to use a portion of their allocation for pumping.

Rate Schedule Regulation-1

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, Florida, South Carolina, or North Carolina to whom regulation service is provided pursuant to contracts between the Government and the customer.

Rate Schedule Replacement-1

Available to all customers in the Georgia-Alabama-South Carolina System and applicable to replacement energy.

The proposed rates for capacity, energy, and generation services are as follows:

Capacity: \$3.73 per kw per month.

Energy: 9.22 mills per kwh.

Generation Services: \$0.12 per kw per month.

Under this scenario, 75 per cent of generation revenues are recovered from capacity sales and 25 per cent are recovered from energy sales. These rates are expected to produce an average revenue increase of \$26.4 million in FY 2004 and all future years.

The rates for transmission, scheduling, reactive supply, and regulation and frequency response apply to all four scenarios and are illustrated in Table 1.

SOUTHEASTERN POWER ADMINISTRATION PROPOSED RATES FOR TRANSMISSION SCHEDULING, REACTIVE, AND REGULATION CHARGES

Rate schedule	Transmission charge \$/KW/ month	Scheduling charge \$/KW/ month	Reactive charge \$/KW/ month	Regulation charge \$/KW/ month
SOCO-1-B	2.08	0.0806	0.11	0.0483
SOCO-2-B	2.08	N/A	0.11	N/A
SOCO-3-B	N/A	0.0806	N/A	0.0483
SOCO-4-B	N/A	N/A	N/A	N/A
ALA-1-K	N/A	N/A	N/A	N/A
MISS-1-K	1.88	N/A	N/A	N/A
Duke-1-B	0.87	N/A	N/A	N/A
Duke-2-B	0.87	N/A	N/A	N/A
Duke-3-B	N/A	N/A	N/A	N/A
Duke-4-B	N/A	N/A	N/A	N/A
Santee-1-B	1.52	N/A	N/A	N/A
Santee-2-B	1.52	N/A	N/A	N/A
Santee-3-B	N/A	N/A	N/A	N/A
Santee-4-B	N/A	N/A	N/A	N/A
SCE&G-1-B	1.01	N/A	N/A	N/A
SCE&G-2-B	1.01	N/A	N/A	N/A
SCE&G-3-B	N/A	N/A	N/A	N/A
SCE&G-4-B	N/A	N/A	N/A	N/A
Pump-1-A	N/A	N/A	N/A	N/A
Pump-2	N/A	N/A	N/A	N/A
Regulation-1	N/A	N/A	N/A	N/A
Replacement-1	N/A	N/A	N/A	N/A

The referenced repayment studies are available for examination at 1166 Athens Tech Road, Elberton, Georgia 30635-6711. Proposed Rate Schedules SOCO-1-B, SOCO-2-B, SOCO-3-B, SOCO-4-B, ALA-1-K, MISS-1-K, Duke-1-B, Duke-2-B, Duke-3-B, Duke-4-B, Santee-1-B, Santee-2-B, Santee-3-B, Santee-4-B, SCE&G-1-B, SCE&G-2-B, SCE&G-3-B, SCE&G-4-B, Pump-1-A, Pump-2, Regulation-1, and Replacement-1 are also available.

Dated: March 28, 2003.

Charles A. Borchardt,
Administration.

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DEPARTMENT OF ENERGY

Western Area Power Administration

Collections from Central Valley Project Power Contractors to Carry Out the Restoration, Improvement, and Acquisition of Environmental Habitat Provisions of the Central Valley Project Improvement Act of 1992

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of final procedures.

SUMMARY: The Western Area Power Administration (Western), by publication of this notice, announces final procedures for the collection of the Restoration Fund. Western published the proposed procedures in the **Federal Register** on October 29, 2002. Included in this notice is a discussion of the comments on the proposed procedures. These procedures supersede the procedures published in the **Federal Register** on August 4, 1998.

DATES: The final procedures will become effective January 1, 2005, and will remain in effect until superseded.

ADDRESSES: Information regarding the final procedures, including comments, letters, and other supporting documents made or kept by Western to develop these final procedures, is available for public inspection and copying at the Sierra Nevada Region Office, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710.

FOR FURTHER INFORMATION CONTACT: Ms. Melinda C. Grow, Public Utilities Specialist, Rates Division, Sierra Nevada Customer Service Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, telephone (916) 353-4443, e-mail grow@wapa.gov.

SUPPLEMENTARY INFORMATION: Section 3407 of the Central Valley Project Improvement Act (CVPIA) (Pub. L. 102-575, Stat. 4706, 4726) establishes in the Treasury of the United States the Central Valley Project (CVP) Restoration Fund (Restoration Fund) to carry out the habitat restoration, improvement, and acquisition provisions of the CVPIA. The CVPIA further requires the Secretary of the Interior to assess and collect annual mitigation and restoration payments from CVP Water and Power Contractors (Restoration Payments). The Secretary of the Interior, through the Bureau of Reclamation (Reclamation), is responsible for determining and collecting CVP Water and Power Contractors' share of the annual Total Restoration Fund Payment Obligation.

Because Western markets and transmits CVP power and maintains all CVP power contracts, Western agreed to collect the Restoration Payments from CVP Power Contractors. Western executed a letter of agreement with Reclamation to establish procedures for depositing collections from CVP Power Contractors into the Restoration Fund.

Through an open and public process, the existing procedures became effective on September 3, 1998, and remain in effect until superseded (63 FR 41561, August 4, 1998). Western indicated that it would review the procedures associated with the assessment and collection of the Restoration Payments from CVP Power Contractors every 5 years or if one of the following occurs: (1) If there is a significant change to or suspension of the legislation, (2) if a material issue arises, (3) if an apparent inequity in the procedures is discovered, or (4) if any significant change occurs that affects the procedures.

Western published a new marketing plan (2004 Power Marketing Plan) in the **Federal Register** on June 25, 1999. The 2004 Power Marketing Plan specifies the terms and conditions under which Western will market power from CVP and the Washoe Project beginning January 1, 2005 (64 FR 34417). Since the current method to assess and collect Restoration Fund payments from CVP Power Contractors is tied to the 1994 Marketing Plan (57 FR 45782, October 5, 1992) and long-term firm CVP power contracts will expire on December 31, 2004, it is necessary to change the method of assessing and collecting Restoration Payments from CVP Power Contractors.

Western will prorate and assess to CVP Power Contractors the annual Power Restoration Payment Obligation (PRPO), as determined by Reclamation.

Western will issue each CVP Power Contractor a monthly Restoration Fund Bill reflecting its share of the PRPO. The CVP Power Contractors will pay that amount to Western. Western will transfer all amounts collected from CVP Power Contractors to Reclamation for deposit into the Restoration Fund.

Public Notice and Comment

Summarized below is the process Western used to ensure involvement of interested parties in the development of the final procedures for the assessment and collection of Restoration Fund payments from CVP Power Contractors.

1. Western published a notice in the **Federal Register** (67 FR 65974) on October 29, 2002. This notice officially announced the proposed procedures, initiated the public consultation and comment period, and announced the public information and comment forums.

2. Western sent letters on November 1, 2002, to all CVP preference customers and interested parties transmitting the **Federal Register** notice dated October 29, 2002, and announcing the times and locations for two public forums.

3. Western held public information and comment forums on November 20, 2002, at its Sierra Nevada Region office in Folsom, California. At the public information forum, Western explained the proposed procedures and answered questions. Western held the public comment forum after the public information forum to give the public the opportunity to comment for the record. Three representatives from the following organizations made oral comments.

Northern California Power Agency (California).
Navigant Consulting Inc., on behalf of the Sacramento Municipal Utility District (California).
City of Palo Alto (California).

4. Western received six comment letters during the public consultation and comment period. Western reviewed and considered all comments received by the end of the public consultation and comment period, December 30, 2002, in developing the final procedures.

Western received written comments from the following organizations:
Sacramento Municipal Utility District (California).
Northern California Power Agency (California).
Tuolumne Public Power Agency (California).
Calaveras Public Power Agency (California).
Silicon Valley Power—City of Santa Clara (California).