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DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

Billing Procedures for Annual Charges
For Recompensing the United States for the
Use, Occupancy, and Enjoyment of Federal Lands

Docket No. RM11-6-000

NOTICE OF STATEMENT OF ANNUAL CHARGES FOR THE USE OF
GOVERNMENT LANDS FOR FISCAL YEAR 2016

By this notice, the Commission states that in accordance to the Final Rule issued on January 17, 2013¹ the federal lands fee schedule of per-acre rates have been calculated for Fiscal Years (FY) 2016 through 2020. Pursuant to the Final Rule, the Commission re-calculates the federal lands fee schedule every five years by using the per-acre land values published in the National Agricultural Statistics Service (NASS) Census. The Commission established the FY 2016 through FY 2020 federal lands fee schedule based on data published in the 2012 NASS Census. In addition, the Commission determines a state-specific reduction that removes the value of irrigated lands on a state-by-state basis, plus a seven percent reduction to remove the value of buildings. An encumbrance factor of 50 percent along with a rate of return of 5.77 percent are calculated with the per-acre land values less the state-specific reduction to derive at the individual state/county per-acre federal land rates assessed to hydropower projects.

The FY 2016 federal lands fee schedule rates have significantly increased in comparison to the FY 2015 federal lands fee schedule rates issued on January 8, 2015 for a number of hydropower projects located in multiple states/counties. In particular, hydropower projects located in the Kenai Peninsula Area of Alaska land rates increased by 71 percent in comparison to land rates assessed in FY 2015. The FY 2016 increase of per-acre land rates was mainly attributed to the increase of per-acre land and building values published in the 2012 NASS Census. The per-acre land value for land in the Kenai Peninsula Area was increased from \$1,328 in the 2007 NASS Census to \$2,423 in the 2012 NASS Census. This increase along with factoring in the state-specific reduction, the 50 percent encumbrance factor, and the 5.77 percent rate of return ultimately resulted in a 71 percent increase of per-acre land rates assessed to hydropower projects located in the Kenai Peninsula Area. In addition, per-acre land values for San Bernardino County located in California, Boulder and Clear Creek Counties located in

¹ *Annual Charges for Use of Government Lands, Final Rule*, Order No. 774, 78 FR 5256 (January 25, 2013), 142 FERC Stats & Regs. ¶ 61,045 (2013).

Colorado, and Blaine County located in Idaho all significantly increased as a result of the 2012 published NASS Census.

Conversely, the FY 2016 federal lands fee schedule rates have significantly decreased in comparison to the FY 2015 federal lands fee schedule rates issued on January 8, 2015 for a number of hydropower projects located in other locations as a result of the decreased per-acre land values published in the 2012 NASS Census. Specifically hydropower projects occupying federal lands in Alpine, Lake, and Riverside Counties located in California, Aleutian Islands Area located in Alaska, and Grays Harbor County located in Washington will receive as much as a 37 percent decrease in comparison to the federal lands annual charges issued in FY 2015.

If you have any questions regarding this notice, please contact Steven Bromberek at (202) 502-8001 or Norman Richardson at (202) 502-6219.

DATED: February 18, 2016

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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