



**6450-01-P**

**DEPARTMENT OF ENERGY**

**Western Area Power Administration**

**Olmsted Powerplant Replacement Project-Rate Order No. WAPA-177**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of order concerning final rate for the Olmsted Powerplant Replacement Project.

**SUMMARY:** The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA-177 and Rate Schedule F-1, placing the formula rate for the Western Area Power Administration (WAPA) Olmsted Powerplant Replacement Project (Olmsted) into effect on an interim basis (Provisional Formula Rate).

**DATES:** The Provisional Formula Rate Schedule Olmsted F-1 is effective on the first day of the first, full billing period beginning on or after **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, and will remain in effect through May 6, 2023, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

**FOR FURTHER INFORMATION CONTACT:** Mr. Brent Osiek, Power Marketing Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111, telephone (801) 524-5495, or Mr. Thomas Hackett, Rates Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111, telephone (801) 524-5503, email [hackett@wapa.gov](mailto:hackett@wapa.gov).

**SUPPLEMENTARY INFORMATION:** Olmsted is located at the mouth of Provo Canyon in northern Utah and is a part of the Central Utah Project, a participating project of the Colorado River Storage Project (CRSP). In order to secure water rights necessary for the Central Utah Project, the United States Department of the Interior initiated condemnation proceedings in 1987 to acquire the Olmsted facility from Utah Power and Light (now PacifiCorp). Under the terms of the condemnation settlement agreement, PacifiCorp was allowed to operate the Olmsted facility until September 2015. Upon expiration of the settlement agreement, replacement construction began due to the age and condition of the existing generating plant. The Project is scheduled to begin commercial service on August 1, 2018.

Olmsted is a “take all, pay all” project; i.e., the annual revenue requirement is not dependent upon the amount of energy available each year. Customers with an allocation, as determined by the marketing plan process, will receive a proportional share of the energy and will annually pay a proportional share of the operation, maintenance, and replacement (OM&R) expenses in 12 monthly installments. This Notice establishes the initial formula rate for Olmsted under Rate Schedule F-1. The initial formula rate is as follows: Annual Revenue Requirement = Projected OM&R Costs + Projected Interest + Projected Principal Payments ± True-Up Adjustment.

### **Legal Authority**

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of WAPA; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Federal rules (10 CFR part 903) govern DOE procedures for public participation in power rate adjustments.

Under Delegation Order Nos. 00-037.00B and 00-001.00F and in compliance with 10 CFR part 903 and 18 CFR part 300, I hereby confirm, approve, and place Rate Order No. WAPA-177, Olmsted Powerplant Replacement Project, into effect on an interim basis. The new Rate Schedule F-1 will be submitted to FERC for confirmation and approval on a final basis.

Dated: April 30, 2018.

Dan Brouillette,  
Deputy Secretary of Energy.

**DEPARTMENT OF ENERGY  
DEPUTY SECRETARY**

In the matter of: )  
 )  
Western Area Power Administration )  
Rate Order for the )  
Olmsted Powerplant Replacement Project ) Rate Order No. WAPA-177

**ORDER CONFIRMING, APPROVING, AND PLACING THE  
OLMSTED POWERPLANT REPLACEMENT PROJECT FORMULA RATE  
INTO EFFECT ON AN INTERIM BASIS**

The formula rate for the Olmsted Powerplant Replacement Project (Olmsted) set forth in this order is established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the projects involved.

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western Area Power Administration (WAPA); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). Federal rules (10 CFR part 903) govern DOE procedures for public participation in power rate adjustments.

**Acronyms, Terms, and Definitions**

As used in this Rate Order, the following acronyms, terms, and definitions apply:

<u>Allocation:</u>	A portion of Olmsted generation assigned a particular customer.
<u>CRSP Act Section 5(c):</u>	All revenues collected in connection with the operation of the Colorado River Storage Project and participating projects shall be credited to the Basin Fund, and shall be available, without further appropriation, for (1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the Colorado River Storage Project and participating projects, within such separate limitations as may be included in annual appropriation acts; <i>Provided</i> , That with respect to each participating projects, such costs shall be paid from revenues received from each such project; (2) payment as required by subsection (d) of this section; and (3) payment as required by subsection (e) of this section. Revenues credited to the Basin Fund shall not be available for appropriation for construction of the units and participating projects authorized by or pursuant to this Act.
<u>Customer:</u>	An entity with a contract that is receiving an allocation of the Olmsted generation.
<u>DOE Order RA 6120.2:</u>	An order outlining power marketing administration financial reporting and ratemaking procedures.
<u>Energy:</u>	Measured in terms of the work it is capable of doing over a period of time. Electric energy is expressed in kilowatt-hours.
<u>Environmental Documentation:</u>	Includes the Olmsted Hydroelectric Powerplant Replacement Project Final Environmental Assessment, Finding of No Significant Impact (FONSI) and the Memorandum of Agreement among the CUWCD, Interior, and the Utah State Historical Preservation Officer regarding the Olmsted Hydroelectric Powerplant Replacement Project.
<u>FY:</u>	Fiscal year; October 1 to September 30.
<u>Funding Agreement:</u>	Parties to the agreement are United States Department of the Interior - Bureau of Reclamation (Reclamation), United States Department of the Interior - Central Utah Project

Completion Act Office, and Central Utah Water Conservancy District (District). The agreement describes the sources of funding for the project including non-Federal contributed funds and provides for the transfer of funds from Reclamation to the District.

Implementation Agreement:

Memorandum of Understanding among the United States Department of the Interior - Bureau of Reclamation (Reclamation), United States Department of the Interior - Central Utah Project Completion Act Office, Central Utah Water Conservancy District, and Western Area Power Administration. It describes the proposed project and responsibilities of the parties.

Installment:

Annual Revenue Requirement billed to customers in 12 equal monthly payments.

M&I:

Municipal and Industrial water supplies and uses.

MW:

Megawatt - the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.

O&M:

Operation and Maintenance.

OM&R:

Operation, Maintenance, and Replacements.

Power:

Rate at which electric energy is transferred. Electric power is measured by capacity and is commonly expressed in megawatts.

Provisional Formula Rate:

A formula rate confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of Energy.

PRS:

Power Repayment Study.

Revenue Requirement:

The revenue required by the PRS to recover annual expenses (such as O&M, transmission service expenses, interest, and deferred expenses) and repay Federal investments and other assigned costs.

**Effective Date**

The Provisional Olmsted Formula Rate Schedule F-1 will take effect on the first day of the first, full billing period beginning on or after **[INSERT DATE 30 DAYS AFTER DATE OF**

**PUBLICATION IN THE *FEDERAL REGISTER***], and will remain in effect through May 6, 2023, pending approval by FERC on a final basis or until superseded.

### **Public Notice and Comment**

WAPA followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing this rate and schedule. The steps WAPA took to involve interested parties in the rate process were:

1. A *Federal Register* notice (FRN), published on October 12, 2017 (82 FR 47506) (Proposal FRN), announced the proposed rate for Olmsted and began the 90-day public consultation and comment period.
2. On October 17, 2017, WAPA's CRSP MC emailed an announcement of the November 17, 2017, public information and public comment forums to power customers of the CRSP MC, CRSP transmission customers, and interested parties, along with the Rate Brochure, which contained a copy of the published FRN proposal. This information was also posted to Web site: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.
3. On November 17, 2017, at 10 a.m. (MST), WAPA held a public information forum at the CRSP MC, 299 South Main Street, Suite 200, Salt Lake City, Utah. WAPA provided information about the proposed Olmsted formula rate. WAPA also answered questions and gave notice that more information was available in the customer rate brochure and on the Web site located at <https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx>.
4. On November 17, 2017, directly following the public information forum, WAPA held a public comment forum at the same location to provide an opportunity for customers and other interested parties to comment for the record. Three verbal comments were received at this forum.

5. WAPA posted critical dates, customer letters, presentations, FRNs, customer brochure, and other information about this rate process at the Web site located at:

<https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx>. Updates to the site were posted as follows:

October 17, 2017: Olmsted Customer Brochure, Customer Letter for Proposed FRN, and the Published FRN – Olmsted Proposed Rates.

November 15, 2017: Updated Customer Brochure with updated Table 1 (pg. 7) and Schedule (pg. 16).

November 17, 2017: Public Information Forum Presentation.

December 4, 2017: Implementation Agreement, Memorandum of Concurrence, Funding Agreement, Table A & Olmsted Costs.

December 6, 2017: Public Information Forum and Public Comment Forum transcripts.

January 25, 2018: Letter Agreement No: 92-SLC-0208, Olmsted Final Environmental Assessment, comment letters received during the public comment period.

6. During the 90-day consultation and comment period that ended on January 10, 2018, WAPA received three verbal comments and five comment letters. The comments and WAPA's responses are addressed below. All comments have been considered in the preparation of this Rate Order.

Three representatives from the following organizations made verbal comments:

Central Utah Water Conservancy District, Utah  
Colorado River Energy Distributors Association, Arizona  
Utah Associated Municipal Power Systems, Utah

Five representatives from the following organizations provided written comments:

Central Utah Project Completion Act Office, Utah

Central Utah Water Conservancy District, Utah  
Colorado River Energy Distributors Association, Arizona  
Utah Associated Municipal Power Systems, Utah  
Utah Municipal Power Agency

## **Project Description**

Olmsted is located at the mouth of Provo Canyon in northern Utah and is a part of the Central Utah Project, a participating project of the Colorado River Storage Project (CRSP). In order to secure water rights necessary for the Central Utah Project, the United States Department of the Interior initiated condemnation proceedings in 1987 to acquire the Olmsted facility from Utah Power and Light (now PacifiCorp). Under the terms of the condemnation settlement agreement, PacifiCorp was allowed to operate the Olmsted facility until September 2015. Upon expiration of the settlement agreement, replacement construction began due to the age and condition of the existing generating plant. Olmsted is scheduled to begin commercial service on August 1, 2018.

Olmsted is a “take all, pay all” project; i.e., the annual revenue requirement is not dependent on the amount of energy available each year. Customers with an allocation, as determined by the marketing plan process, will receive a proportional share of the energy and will annually pay a share of the operation, maintenance, and replacement (OM&R) expenses in 12 monthly installments.

## **Power Repayment Study - Formula Rate**

Repayment criteria are based on applicable laws and legislation as well as policies including DOE Order RA 6120.2. To meet the Cost Recovery Criteria outlined in DOE Order RA 6120.2, WAPA will prepare a Power Repayment Study (PRS) each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to Olmsted.

Under the provisional rate methodology, the formula rate for Olmsted is designed to recover

an annual revenue requirement that includes power investment repayment, interest, O&M, and other expenses within the allowable period. The annual revenue requirement is proportionally distributed among all customers that have an allocated portion of Olmsted energy production. Annual OM&R obligations and related costs for Olmsted will be paid by designated revenues deposited in the Basin Fund, pursuant to the authority of Section 5(c) of the CRSP Act, attributable to the Central Utah Project including the OM&R costs of Olmsted Facilities; OM&R costs for the Olmsted Facilities located upstream of Olmsted Facilities; and costs associated with preservation of the historic power house that will be preserved and maintained as a museum as agreed with the Utah Division of State History (State Historic Preservation Office) as part of the National Environmental Policy Act (NEPA) process associated with Olmsted. The actual and projected investment and OM&R costs requiring repayment are shown in Table 1.

**Table 1 –Projected Investment and OM&R Costs Reimbursable by Power Customers**

FY	2018	2019	2020	2021	2022	2023	2024
Capitalized							
Generation / SCADA		\$5,815,169					
Historic Preservation			\$500,000	\$500,000	\$500,000		
<b>Total Capitalized</b>		<b>\$5,815,169</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>		
Expensed							
Historic Preservation	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	\$50,000	\$30,000
Powerplant	\$0	\$100,000	\$175,000	\$180,250	\$185,658	\$191,227	\$196,964
Intake & Pipeline	\$0	\$39,054	\$277,724	\$352,976	\$206,070	\$177,754	\$342,087
USBR O&M	\$10,000	\$27,500	\$10,000	\$10,000	\$27,500	\$10,000	\$10,000
WAPA O&M	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Wheeling Charge	\$50,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>Total O&amp;M</b>	<b>\$80,000</b>	<b>\$386,554</b>	<b>\$692,724</b>	<b>\$773,226</b>	<b>\$649,227</b>	<b>\$638,981</b>	<b>\$789,051</b>

WAPA will calculate the annual revenue requirement based on 2 years of data. The calculation includes the projected costs of the rate installment year (future FY) and an adjustment from the last historic FY. Annual revenues pay the annual amortized portion of the United States' investment in Olmsted with interest and the associated OM&R. The adjustment is the surplus or deficit that occurs in the last historic year when actual costs and repayment obligations are subtracted from actual revenues. This surplus or deficit is combined with the projected rate installment year costs to arrive at the revenue requirement. To date, all investments are

accounted for as Construction in Progress (CIP) costs and have not been transferred to plant accounts for capitalization. Once transferred, a straight-line amortization schedule will be calculated for repayment. Historical financial data are only available through FY 2016, and projections are based on the FY 2019 Reclamation and WAPA work plans received in April 2017, as indicated in Table 1.

WAPA will provide Olmsted power customers with the initial installment information at least 30 days prior to initiation of service. The FY 2018 annual installment will include all projected FY 2018 OM&R costs requiring repayment through FY 2018. The FY 2018 installment amount will be divided by the number of months of service, which is anticipated to be 3 months. Thereafter, the annual installment amount, billed in 12 monthly payments, will be established in advance by WAPA and submitted to Olmsted power customers on or before August 31 prior to the new FY. The FY 2019 annual installment will include the projected FY 2019 OM&R costs in addition to amortized payments on capital investments plus interest. The FY 2020 annual installment will be similar to FY 2019; however, it will include the FY 2018 final financial data and any True-Up between the FY 2018 projected costs and the actual FY 2018 costs.

### **Existing and Provisional Formula Rates**

There is no existing rate for the Project. This Notice establishes the initial formula rate for Olmsted under Rate Schedule F-1. The initial formula rate is as follows: Annual Revenue Requirement = Projected OM&R Costs + Projected Interest + Projected Principal Payments ± True-Up Adjustment.

### **Certification of Rates**

WAPA's Administrator certified that the Provisional Formula Rate for the Olmsted Powerplant Replacement Project under Rate Schedule F-1 results in the lowest possible rate

consistent with sound business principles.

### **Basis for Rate Development**

The Provisional Formula Rate under Rate Schedule F-1 will provide sufficient revenue to pay all annual costs, including interest expenses, and repay investments within the allowable periods.

### **Comments**

WAPA received three verbal comments and five comment letters during the public consultation and comment period. The comments expressed have been paraphrased, where appropriate, without compromising the meaning of the comments. Direct quotes from comment letters are used for clarity where necessary.

Comment: One commenter stated they are contributing up to \$15 million of local tax revenues to support this project and are counting on power revenues to reimburse O&M expenses.

Response: WAPA's rate captures the yearly O&M expenses related to power, and those expenses will be included in the rate as will the repayment of funds from Section 5(c) of the CRSP Act contributed to the project. WAPA acknowledges that the cost of the Olmsted Project is being supported by local tax dollars as well from other funding sources.

Comment: Commenter appreciated the information provided by WAPA during the public information and comment forum as well as on the Web site.

Response: WAPA will continue its efforts to provide transparency throughout the process.

Comment: Commenter supports the proposed rate formula, which is consistent with the rate structure of the Provo River Project, including the true-up provisions to ensure only actual costs are attributed to the project and billed to customers.

Response: WAPA acknowledges the comment.

Comment: Commenter requested to be kept apprised of any revisions to Table A of the

implementation agreement and to be notified and included in the annual customer/stakeholder meetings due to their relationship with Reclamation and WAPA. Commenter suggested that all attendees at the forum(s) be notified of the availability of updated and additional information.

Response: A list of updates is posted in the “Public Notice and Comment” section of this document. WAPA sends out notifications when uploading data to the Web site so all participants have equitable access to the same information. Olmsted customers will be invited to annual rate meetings to discuss yearly repayment expenses as well as planned O&M costs.

Comment: A commenter stated given the successful customer/agency partnership model of Agreement No. 92-SLC-0208, WAPA, Reclamation, and CUWCD should consider a similar process/agreement with the ultimate allottees of the Olmsted Project as a complement to Olmsted Implementation Agreement (Contract WS15-100).

Response: While this comment is not within the scope of this rate process, WAPA has posted a copy of Agreement No. 92-SLC-0208 to the Olmsted Rate Web site located at <https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx> for informational purposes and for consideration in future discussions about whether a similar partnership agreement would be appropriate.

Comment: Commenter asked whether the WAPA O&M rate component includes appropriate overhead/loading costs to ensure there is no subsidy between other WAPA projects and the Olmsted Project.

Response: In addition to power marketing labor costs, the work plan includes depreciation expense (ADEPR), and applies both a headquarters’ and regional Administrative & General Expense (AGE) overhead burden similar to all CRSP MC projects.

Comment: Commenter questioned the difference between the cost table in the Proposal FRN

and the one presented at the public information forum. Additionally, there was a request to provide additional delineation in the Olmsted O&M table including which costs associated with the historic preservation of the Olmsted Powerhouse would be capitalized versus expensed.

Response: WAPA used the cost table from the Implementation Agreement in the Proposal FRN. WAPA subsequently received an update from CUWCD with additional construction costs that increased the total estimated project by \$12 million and that cost table was introduced at the public information forum. However, of the differences noted between the tables, only the \$300,000 increase in CRSP Act Section 5(c) funding is reimbursable by power customers. The capitalized and expensed costs for historic preservation are segregated in Table 1.

Comment: A commenter stated, that: “The annual revenues projected from the power revenue for each annual installment, adjusted as provided in the rate order, must be sufficient to reimburse the annual O&M expenses for operation of the Olmsted Project and must not be decreased on account of other revenue also deposited into the Basin Fund. The CUWCD anticipates participating in annual customer meetings and coordinating, more often outside those annual customer meetings, with the CUPCA office of the Department of Interior, Reclamation Power office and WAPA, to provide budget work plans and capital improvement and rehabilitation plans that can be used for calculating the most accurate annual installments by WAPA.”

Response: Revenues received from the sale of Olmsted power will be deposited in the Basin Fund and identified as being associated with the Central Utah Project. Funds are available for the O&M and the annual rate update will provide sufficient funding for those activities associated with Olmsted operations without negatively affecting funding available for other CUP

activities. WAPA welcomes continued coordination and participation of interested parties in the development and application of the Olmsted rate.

Comment: Commenters questioned how much of the \$837,670 is associated with historic preservation costs for converting the original power plant into a museum, as well as details of that work; the specific requirement(s) for preservation; the legal authority for including the costs as O&M; whether costs could be capitalized and repaid over forty years instead of expensed and repaid over 3 years; the intent regarding use of the facility as a museum and if it is intended to be accessible by the public.

Response: Upon review of future cost estimates, it has been determined that historic preservation costs, estimated at \$500,000 per year for FY 2020 thru FY 2022, should be capitalized rather than expensed as initially presented at the November 17, 2017, public information forum. This is reflected in Table 1 and was posted to the Web site on February 14, 2018. The original Olmsted Powerhouse is listed on the National Register of Historic Places and scheduled tours will be conducted in the renovated museum. The structural improvements to the existing Powerhouse are outlined in Section 5 of the Memorandum of Agreement among CUWCD, Interior, and the Utah State Historic Preservation Officer that was signed in October 2014 and was posted along with the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) to the Web site on January 25, 2018.

Comment: Commenters questioned the funding source for the historical preservation work and whether non-reimbursable appropriations have been or could be requested/obtained in accordance with Section 8 of the CRSP Act.

Response: CRSP Act Section 8 funding will not be available. The Bureau of Reclamation's authorized construction cost ceiling for the Bonneville Unit M&I System was fully utilized. As a

result, Olmsted is not authorized for additional construction appropriations.

Comment: Commenter expressed concern about a statement by WAPA during the public information forum that at the end of the contract period in 2024, the Olmsted Project may be included into CRSP. Customers asked for clarification and an explanation of what options WAPA is currently contemplating for Olmsted. Customers oppose any changes that would shift costs to CRSP.

Response: The marketing plan is not within the scope of this process. WAPA will seek public comments when it conducts a public process for the Post-2024 Marketing Plan prior to the end of the current Marketing Plan.

### **Availability of Information**

Information about this rate schedule, including the customer rate brochure, PRSs, comments, letters, memorandums, and other supporting materials that were used to develop the Provisional Formula Rates, is available for inspection and copying at the Colorado River Storage Project Management Center, 299 South Main Street, Suite 200, Salt Lake City, Utah. Many of these documents are also available on WAPA's Web site at <https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx>.

## **RATEMAKING PROCEDURE REQUIREMENTS**

### **Environmental Compliance**

In compliance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), WAPA adopted the EA and FONSI prepared by the Central Utah Water District for the Olmsted Powerplant Replacement Project. In addition, WAPA has determined

that the marketing of Olmsted power and the establishment of power rates for the marketing of that power are Federal actions that are categorically excluded from the preparation of an EA or an environmental impact statement. A copy of the categorical exclusion determination is available on WAPA's Web site at

<https://www.wapa.gov/regions/RM/environment/Pages/CX2017.aspx>.

### **Determination Under Executive Order 12866**

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no review of this Notice by the Office of Management and Budget is required.

### **Submission to the Federal Energy Regulatory Commission**

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

## ORDER

In view of the foregoing and under the authority delegated to me, I confirm and approve on an interim basis, effective the first full billing period on or after **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, Rate Schedule F-1 for the Olmsted Powerplant Replacement Project of the Western Area Power Administration. This rate schedule shall remain in effect on an interim basis, pending the Federal Energy Regulatory Commission's confirmation and approval of it, or substitute rate, on a final basis through May 6, 2023, or until superseded.

Dated: April 30, 2018.

Dan Brouillette,  
Deputy Secretary of Energy.

**UNITED STATES DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER  
Olmsted Powerplant Replacement Project**

**ELECTRIC POWER SERVICE**  
**(Approved Under Rate Order No. WAPA-177)**

**Effective**

The first day of the first, full billing period beginning on or after **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, and extending through May 6, 2023, or until superseded by another rate schedule, whichever occurs earlier.

**Available**

Within the marketing area served by the Colorado River Storage Project; parts of Northern Utah.

**Applicable**

To the sale of total plant generation to all customers with an Olmsted allocation.

**Character**

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

**Formula Rate**

Annual Revenue Requirement = Projected OM&R Costs + Projected Interest + Projected Principal Payments ± True-Up Adjustment.

**Adjustments**

True-Up Adjustment: The surplus or deficit that occurred in the last historic year when actual costs and repayment obligations are subtracted from actual revenues.

Adjustment for Power Factor: The customer will be required to maintain a power factor at all points of measurement between 95 percent lagging and 95 percent leading.

[FR Doc. 2018-09623 Filed: 5/4/2018 8:45 am; Publication Date: 5/7/2018]