



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pacific Northwest-Pacific Southwest Intertie Project–Rate Order No. WAPA-181

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order extending transmission service rates.

SUMMARY: The Deputy Secretary of Energy extends, on an interim basis, the existing Pacific Northwest-Pacific Southwest Intertie Project (Intertie) transmission service rates through September 30, 2020. Existing Rate Schedules INT-FT5 and INT-NFT4 expired on April 30, 2018. The Administrator of the Western Area Power Administration (WAPA) approved rates for short-term sales of firm and non-firm transmission service on April 26, 2018, to cover the period between May 1, 2018, and the date this rate extension goes into effect or October 31, 2018, whichever occurs first. The extended transmission service rates will be in effect on an interim basis until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places them into effect on a final basis, or until they are replaced by other rates.

DATES: Transmission Service Rate Schedules INT-FT5 and INT-NFT4 will become effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL*

REGISTER], and will remain in effect through September 30, 2020.

FOR FURTHER INFORMATION CONTACT: Mr. Ronald E. Moulton, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, or Ms. Tina Ramsey, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2565, or e-mail dswpwrnrk@wapa.gov.

SUPPLEMENTARY INFORMATION: 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 WAPA's Administrator; (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.

Rate Schedules INT-FT5 and INT-NFT4 under Rate Order No. WAPA-157¹ were approved by FERC for a 5-year period through April 30, 2018. WAPA's Administrator approved the use of existing Intertie rates under his authority to set rates for short-term sales to cover the period between May 1, 2018, and the date this rate extension goes into effect or October 31, 2018, whichever occurs first.

In accordance with 10 CFR 903.23(a), WAPA is extending the Intertie transmission service rates under Rates Schedules INT-FT5 and INT-NFT4. Extending these rate schedules through September 30, 2020, will provide WAPA and its customers time to evaluate the potential benefits of combining transmission rates on Federal projects located within WAPA's Desert Southwest Region. Combining rates may lead to more efficient use of the Federal transmission systems, diversify the customers who use those systems, and be financially advantageous. If, after a thorough evaluation, WAPA determines that combining transmission rates will produce material benefits, it would initiate a rate adjustment to combine the rates.

The notice of proposed rate extension was published in the *Federal Register* on March 9, 2018 (83 FR 10475). In accordance with 10 CFR 903.23(a), WAPA determined it was not

¹ FERC confirmed and approved Rate Order No. WAPA-157 on August 22, 2013, in Docket No. EF13-4-000. *See Order Confirming and Approving Rate Schedules on a Final Basis*, 144 FERC ¶ 61,143.

necessary to hold a public information or public comment forum but provided a 30-day consultation and comment period on the proposed rate extension. The consultation and comment period ended on April 9, 2018.

Following DOE's review of WAPA's proposal, I hereby approve Rate Order No. WAPA-181, which extends existing Transmission Service Rate Schedules INT-FT5 and INT-NFT4 through September 30, 2020. Rate Order No. WAPA-181 will be submitted to FERC for confirmation and approval on a final basis.

Dated: September 11, 2018.

Dan Brouillette,
Deputy Secretary of Energy.

**DEPARTMENT OF ENERGY
DEPUTY SECRETARY**

In the Matter of:)
)
Western Area Power Administration)
Rate Extension of) Rate Order No. WAPA-181
Pacific Northwest-Pacific Southwest)
Intertie Project Transmission Service)
Rate Schedules)

**ORDER CONFIRMING AND APPROVING AN EXTENSION
OF PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
TRANSMISSION SERVICE RATE SCHEDULES**

Section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152) 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 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 Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the project 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 the 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). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures documented at 10 CFR 903.23(a).

BACKGROUND

On August 22, 2013, FERC confirmed, approved, and placed into effect on a final basis Intertie Transmission Service Rate Schedules INT-FT5 and INT-NFT4 under Rate Order No. WAPA-157.¹ These transmission service rate schedules were approved for 5-year period beginning May 1, 2013, and ending April 30, 2018.

Pursuant to 10 CFR 903.23(a), WAPA filed a notice in the *Federal Register* on March 9, 2018, proposing to extend Rate Schedules INT-FT5 and INT-NFT4 under Rate Order No. WAPA-181 (83 FR 10475). WAPA held a consultation and comment period on the proposed rate extension but did not conduct a public information forum or public comment forum. WAPA received no comments during the consultation and comment period, which ended on April 9, 2018.

DISCUSSION

On April 30, 2018, existing Rate Schedules INT-FT5 and INT-NFT4 expired. Pursuant to Delegation Order No. 00-037.00B, Section 1.5, rates for short-term sales were approved by WAPA's Administrator to cover the period between May 1, 2018, and the date the rate extension goes into effect or October 31, 2018, whichever occurs first. The existing transmission service rates provide adequate revenue to pay all annual costs, including interest expense, and to repay required investment according to the cost recovery criteria set forth in DOE Order RA 6120.2. Rate Order No. WAPA-181, which extends the existing rate schedules through September 30, 2020, ensures adequate revenue to pay all annual costs for the allowable period.

Dated:

¹ FERC confirmed and approved Rate Order No. WAPA-157 on August 22, 2013, in Docket No. EF13-4-000. *See Order Confirming and Approving Rate Schedules on a Final Basis*, 144 FERC ¶ 61,143.

