



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Provo River Project – Rate Order No. WAPA-189

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed Provo River Project firm power formula rate.

SUMMARY: Western Area Power Administration (WAPA) proposes a 5-year Provo River Project (PRP) Firm Power Formula Rate through March 31, 2025, which is unchanged from the existing formula rate in Rate Schedule PR-1 that expires on March 31, 2020. This is considered a minor rate adjustment since the installed capacity for the project is only 5,000 kilowatts and therefore below the 20,000 kilowatt threshold that would make it a major rate adjustment.

DATES: A consultation and comment period will begin **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** and end **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. WAPA will accept written comments at any time during the consultation and comment period.

ADDRESSES: Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed formula rate submitted by WAPA to FERC for approval should be sent to: Steven Johnson, CRSP Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111, (970) 252-3000, e-mail: CRSPMC-rate-adj@wapa.gov.

WAPA will post information about the proposed formula rate and the written comments received to its website at: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

FOR FURTHER INFORMATION CONTACT: Mr. Thomas Hackett, Rates Manager, Colorado River Storage Project Management Center, Western Area Power Administration, (801) 524-5503, or e-mail: *CRSPMC-rate-adj@wapa.gov*.

SUPPLEMENTARY INFORMATION: The Deer Creek Dam, Reservoir, and Power Plant are components of the Deer Creek Division of the PRP, located on the Provo River in Utah. The marketing plan for the PRP was published in the *Federal Register* on November 21, 1994.¹ In accordance with the marketing plan, WAPA markets the output of the PRP to the Utah Associated Municipal Power Systems, Utah Municipal Power Agency, and Heber Light and Power (Customers). WAPA provides electric service to the Customers under contracts that will expire September 30, 2024.² WAPA intends to execute new contracts and a new marketing plan to be effective October 1, 2024; however, these will be done in a separate public rate process and are not expected to impact this rate action. The Customers receive all marketable power generation from the PRP and pay the annual revenue requirement in 12 monthly-installment payments based on the estimated operation, maintenance, interest, and replacement costs for the Deer Creek Power Plant. The payments do not depend upon the power and energy made available for sale each year. A reconciliation of estimates to actual expenses is accomplished at the end of the fiscal year, and any differences are included in the following fiscal year's revenue requirement.

On November 2, 2010, the Federal Energy Regulatory Commission (FERC) confirmed, approved, and placed into effect Rate Order No. WAPA-149 for a 5-year period through March 31, 2015. Subsequently, WAPA-165 extended the formula rate for another 5-year period

¹ 59 FR 60,007.

² WAPA Contract Nos. 94-SLC-0254 (Dec. 22, 1994), 94-SLC-0253 (Jan. 19, 1995), and 07-SLC-0601 (Mar. 28, 2007).

through March 31, 2020.³ The existing formula rate provides sufficient revenue to recover annual expenses, interest, and capital replacements within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2.

Legal Authority

The proposed action is a minor rate adjustment, as defined by 10 CFR 903.2(f). In accordance with 10 CFR 903.15(a) and 10 CFR 903.16(a), WAPA has determined it is not necessary to hold public information and public comment forums for this rate action.

Nonetheless, WAPA is initiating a 30-day consultation and comment period to give the public an opportunity to comment on the proposed formula rate. WAPA will review and consider all timely public comments at the conclusion of the consultation and comment period and make amendments or adjustments to the proposal as appropriate.

WAPA is establishing the PRP formula rate in accordance with Section 302 of the DOE Organization Act (42 U.S.C. 7152), which transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary 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 PRP.

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 into effect such rates on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a

³ FERC approved consecutive 5-year rate extensions of the same formula rate in Docket Nos. EF15-5-000 (133 FERC ¶ 62,112) and EF15-6-000 (151 FERC ¶ 62,223), extending the rate through March 31, 2020.

final basis, or to remand or disapprove such rates, to FERC. In Delegation Order No. 00-002.00Q, effective November 1, 2018, the Secretary of Energy also delegated to the Under Secretary of Energy the authority to confirm, approve, and place into effect on an interim basis power and transmission rates for WAPA. By Redefinition Order No. 00-002.10D, effective June 4, 2019, the Under Secretary of Energy further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity.

Availability of Information

All brochures, studies, comments, letters, memoranda, or other documents that WAPA initiates or uses to develop the proposed formula rate are available for inspection and copying at the Colorado River Storage Project Management Center located at 299 South Main Street, Suite 200, Salt Lake City, Utah. Many of these documents and supporting information are also available on WAPA's website at: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

In compliance with the National Environmental Policy Act of 1969, as amended (NEPA) (42 U.S.C. 4321 *et seq.*); 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 is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared, or if this action can be categorically excluded from those requirements.

Determination Under Executive Order 12866

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

Dated: June 26, 2019.

Mark A. Gabriel,
Administrator.

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