



6450-01-P

DEPARTMENT OF ENERGY

Southwestern Power Administration

Robert D. Willis Hydropower Project Rate Schedule

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of extension of Robert D. Willis Hydropower Project rate schedule.

SUMMARY: The Assistant Secretary for Electricity has approved and placed into effect on an interim basis Rate Order No. SWPA-76, which extends the following existing Robert D. Willis Hydropower Project rate schedule for the Southwestern Power Administration: *Rate Schedule RDW-15, Wholesale Rates for Hydro Power and Energy*. This is an interim rate action effective October 1, 2019, extending for a period of two years through September 30, 2021.

DATES: The effective period for the rate schedule specified in Rate Order No. SWPA-76 is October 1, 2019, through September 30, 2021.

FOR FURTHER INFORMATION CONTACT: Ms. Fritha Ohlson, Director, Division of Resources and Rates, Office of Corporate Operations, Southwestern Power Administration, U.S. Department of Energy, One West Third Street, Tulsa, Oklahoma 74103, (918) 595-6684, fritha.ohlson@swpa.gov, or facsimile transmission (918) 595-6684.

SUPPLEMENTARY INFORMATION: Pursuant to Delegation Order Nos. 00-037.00B, effective November 19, 2016, and 00-002.00Q, effective November 1, 2018, and Redelelegation Order No. 00-002.10D, effective June 4, 2019, and pursuant to the implementation authorities in 10 CFR 903.22(h), 10 CFR 903.23(a)(3), and 10 CFR 903.23(b), as amended (84 FR 5347 (Feb. 21, 2019)), Rate Order No. SWPA-76 is approved and placed into effect on an interim basis for the period October 1, 2019 through September 30, 2021, for the following Southwestern Power

Administration (Southwestern) Robert D. Willis Hydropower Project (Robert D. Willis) rate schedule:

Rate Schedule RDW-15, Wholesale Rates for Hydro Power and Energy

The Robert D. Willis rate schedule (RDW-15) was placed into effect on an interim basis by the Deputy Secretary and was confirmed and approved on a final basis by the Federal Energy Regulatory Commission (FERC) on June 15, 2016, in Docket No. EF16-1-000 (155 FERC ¶ 62,213) for the period January 1, 2016 through September 30, 2019. The 2019 Robert D. Willis power repayment studies (PRSs) indicated the need for a 3.7 percent revenue increase to continue to satisfy cost recovery criteria. It is Southwestern's established practice for the Administrator to defer, on a case by case basis, revenue adjustments for an isolated project if such adjustments are within plus or minus five percent of the revenue estimated from the current rate schedule. The Administrator determined it to be prudent to defer the increase and allow the current rate schedule, which is set to expire September 30, 2019, to remain in effect.

The deferral of a revenue adjustment provides for rate stability and savings on the administrative cost of implementation, and recognizes that the revenue sufficiency will be re-examined in the following year's PRSs. Therefore, the Administrator proposes the two-year extension of the Robert D. Willis rate schedule for the period October 1, 2019 through September 30, 2021.

The Administrator has followed part 903, subpart A of Title 10 of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" for the proposed extension to the rate schedule. The public was advised by notice published in the *Federal Register* (84 FR 29,200 (June 21, 2019)) of the proposed extension of the rate schedules and of the opportunity to provide written comments for a period

of 30 days ending July 22, 2019. No comments were received.

Information regarding the extension of this rate schedule, including the rate schedule and other supporting material, is available for public review in the offices of Southwestern Power Administration, Williams Tower I, One West Third Street, Tulsa, Oklahoma 74103. I have reviewed the Southwestern proposal and I approve Rate Order No. SWPA-76.

Dated: September 22, 2019.

Bruce J. Walker,

Assistant Secretary for Electricity.

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
ASSISTANT SECRETARY**

In the matter of:

Southwestern Power Administration)	Rate Order
Robert D. Willis Hydropower Project Rate Schedule)	No. SWPA-76

**ORDER APPROVING EXTENSION OF RATE SCHEDULE
ON AN INTERIM BASIS
(September 22, 2019)**

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southwestern Power Administration (Southwestern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00B, the Secretary of Energy delegated to the Administrator of Southwestern (Administrator) the authority to develop power and transmission rates, and delegated to the Federal Energy Regulatory Commission (FERC) the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the delegation. By Delegation Order No. 00-002.00Q, the Secretary of Energy delegated to the Under Secretary (of Energy) the authority to confirm, approve, and place into effect on an interim basis rates developed by the Administrator under delegation. By Redelelegation Order No. 00-002.10D, the Under Secretary (of Energy) redelegated to the Assistant Secretary for Electricity (Assistant Secretary) the authority to confirm, approve, and place into effect such rates on an interim basis. Pursuant to that delegated authority, the Assistant Secretary has issued this interim rate order.

BACKGROUND

The following rate schedule for the Robert D. Willis Hydropower Project (Robert D.

Willis) was confirmed and approved on a final basis by FERC on June 15, 2016, in Docket No. EF16-1-000 (155 FERC ¶ 62,213) for the period January 1, 2016 through September 30, 2019.

Rate Schedule RDW-15, Wholesale Rates for Hydro Power and Energy

DISCUSSION

The existing Robert D. Willis rate schedule is based on the 2015 power repayment studies (PRSs). PRSs have been completed on the Robert D. Willis isolated project each year since approval of the existing rate schedule. The estimated revised annual revenue identified by the subsequent PRSs since the 2015 PRSs has indicated the need for minimal rate increases. Since the revenue changes reflected by the subsequent PRSs were all within the plus or minus five percent isolated project rate adjustment threshold practice established by the Administrator on September 8, 2003, these rate adjustments were deferred in the best interest of the government.

However, the existing rate schedule is set to expire on September 30, 2019. Consequently, Southwestern proposed to extend the existing rate schedule for a two-year period ending September 30, 2021, on an interim basis under the implementation authorities noted in 10 CFR 903.22(h) and 10 CFR 903.23(a)(3).

Southwestern followed Part 903 of Title 10 of the Code of Federal Regulations, “Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions” for the proposed extension of the rate schedule. An opportunity for customers and other interested members of the public to review and comment on the proposed extension of the rate schedule was announced by notice published in the *Federal Register* on June 21, 2019, (84 FR 29,200), with written comments due by July 22, 2019.

COMMENTS AND RESPONSES

Southwestern received no comments regarding the extension of the rate schedule.

AVAILABILITY OF INFORMATION

Information regarding the extension of the rate schedule is available for public review in the offices of Southwestern Power Administration, Williams Tower I, One West Third Street, Tulsa, Oklahoma 74103.

ADMINISTRATION'S CERTIFICATION

The 2015 Robert D. Willis PRSs indicated that the current rate schedule will repay all costs, including amortization of the power investment consistent with the provisions of Department of Energy Order No. RA 6120.2. The 2019 Robert D. Willis PRSs indicated the need for an annual revenue increase of 3.7 percent. However, the 2019 rate adjustment falls within Southwestern's established plus or minus five percent isolated project rate adjustment threshold practice and was deferred.

Southwestern's 2020 PRSs will determine the appropriate level of revenues needed for the next rate period. In accordance with Delegation Order No. 00-037.00B, effective November 19, 2016, and Section 5 of the Flood Control Act of 1944, the Administrator has determined that the existing rate schedule is the lowest possible rate consistent with sound business principles, and the extension is consistent with applicable law.

ENVIRONMENT

The Southwestern NEPA Compliance Officer determined that this class of actions is categorically excluded from the requirements of preparing either an Environmental Impact Statement or an Environmental Assessment. No additional evaluation of the environmental impact of the extension of the existing rate schedule was conducted, since no change in anticipated revenues has been made to the currently-approved rate schedule.

ADMINISTRATIVE PROCEDURES

Under the Administrative Procedure Act (5 U.S.C. 553(d)), publication or service of a substantive rule must be made not less than 30 days before its effective date, except (1) a substantive rule that grants or recognizes an exemption or relieves a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule. The Assistant Secretary finds good cause to waive the 30-day delay in the effective date of this action as unnecessary for the following reasons: 1) this is an extension of rates previously approved by FERC, pursuant to 10 CFR 903.23(a); 2) there are no substantive changes as the existing rate schedule and anticipated revenues remain the same; and 3) the Administrator provided notice and opportunity for public comment more than 30 days prior to the effective date of the rate extension and received no comments.

ORDER

In view of the foregoing, and pursuant to the authority redelegated to me by the Under Secretary (of Energy), I hereby extend on an interim basis, for the period of two years, effective October 1, 2019 through September 30, 2021, the current Robert D. Willis rate schedule:

Rate Schedule RDW-15, Wholesale Rates for Hydro Power and Energy

Dated: September 22, 2019b

Bruce J. Walker
Assistant Secretary for Electricity

**UNITED STATES DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION
RATE SCHEDULE RDW-15^{1**}
WHOLESALE RATES FOR HYDRO POWER AND ENERGY
SOLD TO SAM RAYBURN MUNICIPAL POWER AGENCY
(CONTRACT NO. DE-PM75-85SW00117)**

¹ Supersedes Rate Schedule RDW-13

^{**} Extended through September 30, 2021, by approval of Rate Order No. SWPA-76 by the Assistant Secretary for Electricity.

Effective:

During the period January 1, 2016, through September 30, 2021**, in accordance with Federal Energy Regulatory Commission (FERC) order issued in Docket No. EF16-1-000 (June 15, 2016) and extension approved by the Assistant Secretary in Rate Order No. 76.

Applicable:

To the power and energy purchased by Sam Rayburn Municipal Power Agency (SRMPA) from the Southwestern Power Administration (Southwestern) under the terms and conditions of the Power Sales Contract dated June 28, 1985, as amended, for the sale of all Hydro Power and Energy generated at the Robert Douglas Willis Hydropower Project (Robert D. Willis) (formerly designated as Town Bluff).

Character and Conditions of Service:

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage, at the point of delivery, and in such quantities as are specified by contract.

1.

Wholesale Rates, Terms, and Conditions for Hydro Power and Energy

- 1.1. These rates shall be applicable regardless of the quantity of Hydro Power and Energy available or delivered to SRMPA; provided, however, that if an Uncontrollable Force prevents utilization of both of the project's power generating units for an entire billing period, and if during such billing period water releases were being made which otherwise would have been used to generate Hydro Power and Energy, then Southwestern shall, upon request by SRMPA, suspend billing for subsequent billing periods, until such time as at least one of the project's generating units is again available.
- 1.2. The term "Uncontrollable Force," as used herein, shall mean any force which is not within the control of the party affected, including, but not limited to, failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, acts of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.
- 1.3. **Hydro Power Rates, Terms, and Conditions**
 - 1.3.1. Monthly Charge for the Period of January 1, 2016 through December 31, 2016

\$102,681 per month (\$1,232,166 per year) for Robert D. Willis Hydro Power and Energy purchased by SRMPA from January 1, 2016, through December 31, 2016.
 - 1.3.2. Monthly Charge for the Period of January 1, 2017 through December 31, 2021

\$106,903 per month (\$1,282,836 per year) for Robert D. Willis Hydro Power and Energy purchased by SRMPA from January 1, 2017, through September 30, 2021.

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