

service that consists of (1) a rate for the firm transmission service from the existing 230/345-kV transmission lines and (2) a rate for the firm transmission service of the 500-kV transmission lines. The firm transmission service rate for the 500-kV transmission lines is designed to recover all annual costs for repayment of the new investment. Based upon its studies, Western expects that the marketable capacity used in the rate calculation for the 500-kV transmission

lines to be 668 megawatts (MW). Western is proposing a firm transmission service rate of \$7.37/kW/year for the 230/345-kV system and a firm transmission service rate of \$16.00/kW/year for the 500-kV system.

Western is also proposing a nonfirm transmission service rate of 2.11 mills/kWh for both the 230/345-kV and 500-kV system that will supersede the existing nonfirm transmission service rate of 1.00 mills/kWh. The non-firm

transmission service rate combines the rate of 1.40 mills/kWh for the 230/345-kV system and a rate of 3.04 mills/kWh for the 500-kV system for a combined rate of 2.11 mills/kWh.

The following table displays the existing rates, the step two of the previously approved rates, the proposed AC Intertie 230/345-kV transmission system rates, and the proposed 500-kV transmission system rates:

Type of service	Existing rates 230/345-kV system extended through 10/01/1996	Existing rates step two 230/345/500-kV system 07/31/98	Proposed rates 230/345-kV system 01/01/1996 through 09/30/2000	Proposed rates 500-kV system 01/01/1996 through 09/30/2000
Firm Transmission Service	\$4.46/kW/year	\$8.01/kW/year	\$7.37/kW/year	\$16.00/kW/year.
Combined Nonfirm Transmission Service	1.00 mills/kWh	1.52 mills/kWh	2.11 mills/kWh	2.11 mills/kWh.

The proposed rates for the 500-kV transmission lines are based on investments, an estimated marketable capacity, and a percentage distribution of the projected expenses and revenues. The final marketable capacity that will be contracted is not yet determined. Should there be contracts for more than the estimated marketable capacity of 668 MW, Western would foresee an increase in firm revenue, thereby, providing for a decrease to the proposed rate of \$16.00/kW/year. Conversely, if less than the estimated capacity is contracted, Western would increase the proposed rate of \$16.00/kW/year to ensure that the revenue requirement is satisfied. The proposed rate for the 230/345 kV system represents an 8.68 percent decrease from the existing step two rate of \$8.01/kW/year. The non-firm transmission rate represents an increase of 39 percent from the existing non-firm transmission service rate.

Since the proposed rates constitute a major rate adjustment for transmission service, as defined by the procedures for public participation in general rate adjustments, as cited below, both a public information forum and a public comment forum will be held. After review of public comments, Western will recommend the final proposed AC Intertie rates to the Deputy Secretary of the Department of Energy (Deputy Secretary). If approved by the Deputy Secretary, the provisional rates would remain in effect on an interim basis until confirmed and approved as final rates by FERC.

DATES: The consultation and comment period will begin with the publication of this notice in the **Federal Register** and will end not less than 90 days later, or October 17, 1995, whichever occurs later. A public information forum will

be held at 1 p.m. on August 24, 1995, at Western's Phoenix Area Office, 615 South 43rd Avenue, Phoenix Arizona. A public comment forum at which Western will receive oral and written comments will be held at 1 p.m. on September 18, 1995, also at Western's Phoenix Area Office.

Written comments regarding the proposed rates should be received by the end of the consultation and comment period to be assured consideration and should be sent to the address below.

ADDRESSES: For Further Information Contact: Mr. J. Tyler Carlson, Area Manager, Phoenix Area Office, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005, (602) 352-2521.

SUPPLEMENTARY INFORMATION: Transmission rates for the AC Intertie are established pursuant to the Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*); and the Reclamation Act of 1902 (43 U.S.C. 371 *et seq.*), as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Act of 1939 (43 U.S.C. 485h(c)), and section 8 of the Act of August 31, 1964 (16 U.S.C. 837g).

By Amendment No. 3 to Delegation Order No. 0204-108, published November 10, 1993 (58 FR 59716), the Secretary of DOE delegated (1) the authority to develop long term power and transmission rates on a nonexclusive basis to the Administrator of Western; (2) the authority to confirm, approve, and place such rates in effect on an interim basis to the Deputy Secretary; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Existing

DOE procedures for public participation in rate adjustments (10 CFR Part 903) became effective on September 18, 1985 (50 FR 37835).

Availability of Information

All brochures, studies, comments, letters, memorandums, and other documents made or kept by Western for the purpose of developing the proposed rates for transmission service are and will be available for inspection and copying at the Phoenix Area Office, located at 615 South 43rd Avenue, Phoenix, AZ 85005.

Determination Under Executive Order 12866

DOE has determined that this is not a significant regulatory action because it does not meet the criteria of Executive Order 12866 (58 FR 51735). Western 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.

Environmental Evaluation

In compliance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321 *et seq.*; Council On Environmental Quality (40 CFR Parts 1500-1508) and DOE NEPA regulations (10 CFR Part 1021), Western has determined that this action is categorically excluded from the preparation of an environmental assessment or an environmental impact statement.

Issued in Golden, Colorado, July 18, 1995.

J.M. Shafer,
Administrator.

[FR Doc. 95-18736 Filed 7-28-95; 8:45 am]

BILLING CODE 6450-01-P