



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Falcon and Amistad Projects' Rate Order No. WAPA-164

AGENCY: Western Area Power Administration (Western), DOE.

ACTION: Notice of Proposed Extension for the Falcon and Amistad Projects' Power Rate Formula.

SUMMARY: This action is a proposal to extend the existing Falcon and Amistad Projects' Firm Power Rate Formula through June 7, 2019. The Falcon and Amistad Projects' Firm Power Rate Formula will expire on June 7, 2014.

DATES: Thirty days after this notice is published, Western will take further action on the proposed formula rate extension consistent with 10 CFR 903.

FOR FURTHER INFORMATION CONTACT: Ms. Lynn C. Jeka, CRSP Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580, (801) 524-6372, e-mail: jeka@wapa.gov, or Mr. Rodney Bailey, Power Marketing Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580, (801) 524-4007, e-mail: rbailey@wapa.gov.

SUPPLEMENTARY INFORMATION: By Delegation Order No. 00-037.00A, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place in effect such rates on an interim basis to the Deputy Secretary of the Department of Energy; and (3) the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the

delegation to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

The Falcon and Amistad Dams are features of international water storage projects located on the Rio Grande River between Texas and Mexico. Under the terms of Contract No. 7-07-50-P0890 (Contract), dated August 9, 1977, as amended, Western marketed the power from these dams to two electric cooperatives, South Texas Electric Cooperative, Inc., and Medina Electric Cooperative. The power rate formula of the Contract was initially approved by the Federal Power Commission, predecessor to FERC, in Docket No. E-9566 on August 12, 1977 (59 FPC 1653), for a 5-year period effective on the date of initial operation of Amistad Power Plant, June 8, 1983.¹

According to article 9(a) of the Contract, Western calculates the annual installment to be paid by the customer for the power generated at the Falcon and Amistad power plants. The annual installment is adjusted on or before August 31 of the year preceding the fiscal year to which it pertains and Western identifies this amount in a revised Exhibit A to the Contract. Each annual installment pays the annual amortized portion of the United States' investment in the Falcon and Amistad hydroelectric facilities with interest and the associated operation, maintenance, and administrative costs. This repayment schedule is not dependent upon the power and energy made available for sale or the rate of generation each year.

¹/ A 5-year rate extension of this same rate formula through June 7, 1993, was approved by FERC on July 20, 1988, at 44 FERC ¶ 62,058. Subsequent 5-year extensions of the rate formula have been approved by FERC. The most recent approval was on December 17, 2009, in Docket No. EF09-5101-000, which approved the same rate formula through June 7, 2014 (129 FERC ¶ 62,206).

Thirty days after this notice is published, Western will take further action on the proposed formula rate extension for the Falcon and Amistad Projects, pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

Dated: February 4, 2014.

Mark A. Gabriel,
Administrator.

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