listed in ascending order within each docket classification.

1. Sithe Energies, Inc., Apollo Energy LLC, Exelon (Fossil) Holdings, Inc., Exelon Power Holdings, LP, Exelon SHC, Inc., ExRes SHC, Inc. Marubeni Corporation, National Energy Development Inc. and RCSE, LLC.

[Docket No. EC03–122–000]

Take notice that on August 11, 2003, Sithe Energies, Inc. (Sithe), Apollo Energy LLC (Apollo Energy), Exelon (Fossil) Holdings, Inc. (Exelon Fossil), Exelon Power Holdings, LP (Exelon Power), Exelon SHC, Inc. (Exelon SHC), ExRes SHC, Inc., (ExRes SHC), Marubeni Corporation (Marubeni), National Energy Development Inc. (NEDI) and RCSE, LLC (RCSE and collectively, the Applicants) filed with the Federal Energy Regulatory Commission an application pursuant to section 203 of the Federal Power Act for authorization of a disposition of jurisdictional facilities. The Applicants state that the disposition will occur through a three-step Transaction whereby Apollo, Marubeni and Exelon Power will effectively transfer all of their interests in Sithe to Exelon SHC, which in turn, will contribute its interest in Sithe to ExRes SHC. The Applicants further state that in the final step of the transaction, RCSE will purchase a fifty percent interest in ExRes SHC, making Sithe an indirect subsidiary equally owned by Exelon SHC and RCSE. Sithe states it is engaged primarily, through various subsidiaries, in the development and operation of non-utility generation facilities. Applicants state that the transaction will have no adverse effect on competition, rates or regulation.

Comment Date: September 2, 2003.

2. PSEG Energy Holdings L.L.C., PSEG Energy Technologies Inc., Quonset Point Cogen, L.P., DG Kingston LLC.

[Docket No. EC03–123–000]

Take notice that on August 14, 2003, pursuant to Section 203 of the Federal Power Act (FPA), 16 U.S.C. 824b (2000), and part 33 of the regulations of the Federal Energy Regulatory Commission (Commission), 18 CFR part 33, Quonset Point Cogen, L.P. (Quonset), and DG Kingston LLC (DG Kingston or Buyer) (collectively, the Applicants) respectfully request Commission approval to permit PSEG Energy Holdings L.L.C. (PSEG Holdings) to sell and Buyer to acquire 100 percent of the shares of PSEG Holdings' wholly-owned subsidiary PSEG Energy Technologist Inc (PSEG ET). PSEG ET states that it currently owns 100 percent of the outstanding shares of 50 Belver Avenue Associates Corporation and QPC Corporation, the sole general and limited partners, respectively, of Quonset, a public utility subject to the Commission's jurisdiction under the FPA. The applicants state that the proposed transaction will result in DG Kingston indirectly acquiring control over Quonset's 7.5 MW gas-fired electric generating facility in Washington County, Rhode Island, as well as associated jurisdictional facilities, a wholesale power purchase agreement and Quonset's market-based rate schedule on file with the Commission.

DG Kingston states this is a new market entrant in New England that does not currently own or control generation or inputs to electric generation in the New England markets. The Applicants, therefore, request that Commission proceed in an expedited manner and issue an order granting this application by September 15, 2003 in order to facilitate closing of this transaction by September 20, 2003.

Comment Date: September 4, 2003.

3. Tenaska Virginia Partners, L.P.

[Docket No. EC03–124–000]

Take notice that on August 14, 2003, Tenaska Virginia Partners, L.P., 1044 North 115th Street, Suite 400, Omaha, Nebraska 68154 (Tenaska Virginia), tendered for filing with the Federal Energy Regulatory Commission (Commission) pursuant to Section 203 of the Federal Power Act and part 33 of the Commission's regulations, an Application for authorization to effect the transfer of a 30% indirect beneficial interest in Tenaska Virginia's Fluvanna County, Virginia electric generating project and the accompanying jurisdictional assets to affiliates of Harbert Power Corporation and The Northwestern Mutual Life Insurance Company.

Tenaska Viginia states that a copy of the filing was served on the Virginia State Corporation Commission.

Comment Date: September 4, 2003.

4. Cinergy Solutions Holding Company, Inc. Trigen Solutions, Inc.

[Docket No. EC03–125–000]

Take notice that on August 14, 2003, Cinergy Solutions Holding Company, Inc. (Cinergy Solutions) and Trigen Solutions, Inc. (Trigen, and collectively, Applicants) filed with the Federal Energy Regulatory Commission (Commission) an application pursuant to Section 203 of the Federal Power Act for authorization of a disposition of jurisdictional facilities whereby Trigen will transfer to Cinergy Solutions its indirect interests in a 35 megawatt electric generation facility located in St. Paul, Minnesota. Applicants state that the transaction will have no adverse effect on competition, rates or regulation.

Comment Date: September 4, 2003.

Standard Paragraph

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's Web site at *http://www.ferc.gov*, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at *FERCOnlineSupport@ferc.gov* or toll-free at (866)208–3676, or for TTY, contact (202)502–8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; *see* 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site under the ''e-Filing'' link. The Commission strongly encourages electronic filings.

Magalie R. Salas,

Secretary.

[FR Doc. 03–22350 Filed 8–29–03; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 1273–009]

Parowan City Utah; Notice of Availability of Draft Environmental Assessment

August 26, 2003.

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission)

regulations, 18 CFR part 380 (Order No. 486, 52 FR 47897), the Office of Energy Projects has reviewed the application for license for the Center Creek Hydroelectric Project located on Center Creek, in Iron County, Utah, and has prepared a draft Environmental Assessment (EA) for the project. The project occupies 21.43 acres of United States lands administered by the Bureau of Land Management.

The draft EA contains Commission staff's analysis of the potential environmental impacts of the project and concludes that licensing the project, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

A copy of the draft EA is available for review at the Commission in the Public Reference Room or may be viewed on the Commission's Web site at *http://www.ferc.gov* using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance contact FERC Online Support at *FERCOnlineSupport@ferc.gov* or toll-free at (866) 208–3676, or for TTY, (202) 502–8659.

Any comments on this draft EA should be filed within 30 days from the date of this notice and should be addressed to: Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. Please affix Project No. 1273–009 to all comments. Comments may be filed electronically via the Internet in lieu of paper. The Commission strongly encourages electronic filings. *See* 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site *http://www.ferc.gov* under the ''e-Filing'' link.

For further information, contact Gaylord Hoisington at (202) 502–6032 or *gaylord.hoisington@ferc.gov*.

Linda Mitry,

Acting Secretary.

Draft Environmental Assessment for Hydropower License, Center Creek Hydroelectric Project, Utah

[FERC Project No. 1273–009]

Federal Energy Regulatory Commission, Office of Energy Projects, Division of Hydropower—Environment and Engineering, 888 First Street, NE Washington, DC 20426, August 2003

Table of Contents

Section

List of Figures

Figure

List of Tables

Table

Summary

On November 15, 2002, Parowan City filed an application for a subsequent license for the existing 600-kilowatt, Center Creek Hydroelectric Project located at the confluence of Center Creek (aka Parowan Creek) and Bowery Creek (a tributary to Parowan Creek) near the City of Parowan, in Iron County, Utah. The project occupies 21.43 acres of land managed by the U.S. Department of the Interior, Bureau of Land Management. The project generates about 2,300 megawatt-hours (MWh) annually.

The issues addressed in this draft environmental assessment are the potential effects of the continued operation and maintenance of the proposed project on: (1) Aquatic resources; (2) terrestrial resources, (3) threatened and endangered species; and (4) cultural resources. There are no major issues with this project.

Parowan City's proposal to relicense the project includes the environmental measure to monitor and remove any noxious and undesirable plants after any ground-disturbing activities. Parowan City does not propose any changes to the project's facilities or operations.

In this draft environmental assessment (EA), Commission staff analyze the effects of Parowan City's proposed project, with one additional staff recommended environmental measure (to develop a cultural resources management plan if any new or undocumented archeological or historic sites are discovered during project operation or maintenance) and the no-action alternative.

We estimate the proposed project would generate an average of 2,300 MWh annually at an annual cost of $18,000 and an annual net power benefit of $56,000. The cost of the staff's measure is minimal and would not affect project economics.

Based on our independent analysis, we conclude that issuing a subsequent license for the project, with the environmental measure that we recommend, would not be a major federal action significantly affecting the quality of the human environment.

Environmental Assessment
Office of Energy Projects
Center Creek Hydroelectric Project

[FERC No. 1273–009-Utah]

I. Application

On November 15, 2002, Parowan City (Parowan) filed an application for a subsequent license for the existing 600-kilowatt (kW) Center Creek Hydroelectric Project (project), located at the confluence of Center Creek (aka Parowan Creek) and Bowery Creek (a tributary to Parowan Creek) near the City of Parowan, in Iron County, Utah (figure 1). The project occupies 21.43 acres of land managed by the U.S. Department of the Interior, Bureau of Land Management (BLM).

II. Purpose of Action and Need for Power

A. Purpose of Action

The Federal Power Act (FPA) provides the Commission with the exclusive authority to license non-federal water power projects on navigable waterways and federal lands.

For the project, the Commission must decide (1) whether to issue a license to Parowan, and if so, (2) what, if any, conditions should be placed on that license to protect or enhance existing

environmental resources and/or to mitigate for any adverse environmental impacts that would occur due to operation and maintenance of the project.

This draft environmental assessment (EA) assesses the effects associated with operation of the proposed project and alternatives to the proposed project, and makes recommendations to the Commission on whether to issue a license, and if so, recommends terms and conditions to become a part of any license issued. In deciding whether to issue a license for a hydroelectric project, the Commission must determine that.

Public access for the above information is available only through the Public Reference Room, or by e-mail at *public.refernceroom@ferc.gov.*

The project would be best adapted to a comprehensive plan for improving or developing the waterway. In addition to the power and developmental purposes for which licenses are issued, the Commission must give equal consideration to the purposes of energy conservation, the protection, mitigation of damage to, and enhancement of fish and wildlife (including related spawning grounds and habitat), the protection of recreational opportunities, and the preservation of other aspects of environmental quality.

In this draft EA, we, the Commission staff, assess the effects of operating the project as proposed by Parowan, and operating the project as proposed by Parowan with staff's mitigative and enhancement measures. We also consider the effects of the no-action alternative.

B. Need for Power

Parowan operates the Center Creek Project (FERC No. 1273) and Red Creek Project (FERC No. 2782) to provide power to its customers through its municipal power system. In addition to these two sources, Parowan also meets its power needs by: (1) purchasing power through the Utah Association of Municipal Power Systems (UAMPS), of which Parowan is a member, and (2) encouraging power conservation by its customers.

Power demand for Parowan in recent years is summarized in table 1. Included in this power demand are residential, commercial, and other customers. Over the given 4-year period, total demand has risen about 7 percent. As part of its energy conservation effort, Parowan annually distributes energy saving inserts that are provided by UAMPS. Additionally, Parowan is in the process of upgrading from a 2,400-volt delta system to a 12,470-volt wye system. Parowan is also converting street lighting from 200-watt mercury bulbs to 100-watt sodium fixtures.

TABLE 1.—RECENT RETAIL POWER LOAD FOR PAROWAN CITY

[Source: Parowan City]

Year	Retail power load (MWh)
1998	12.89
1999	13.07
2000	13.49
2001	13.81

The project is located in the Northwest Power Pool Area (NWPP) of the Western Electricity Coordinating Council (WECC) region of the North American Electric Reliability Council (NERC). WECC annually forecasts electrical supply and demand in the region for a 10-year period. The most recent report on annual supply and demand indicates that, for the period from 2002–2011, the average annual growth rate is projected to be 2.5 percent. In response to projected growth, WECC members will be adding or contracting for about 16,000 megawatts (MW) of new capacity generation during the 10-year period. The electricity generated from the project would benefit the region by providing a portion of the needed regional power.

If relicensed, the project would continue to contribute to Parowan's power needs as well as meeting a small portion of the regional need for power. The project would also continue to displace non-renewable fossil-fueled power generation used by some of the facilities in the UAMPS, thereby conserving fossil fuel resources and avoiding associated atmospheric emissions.

III. Proposed Action and Alternatives

A. Parowan's Proposal

1. Parowan's Project Facilities and Operation

The existing project consists of: (1) A 15-foot-high, 54-foot-long concrete overflow type diversion dam; (2) a radial gate; (3) trash racks; (4) a 19.9 acre-foot de-silting pond; (4) an 18 to 26-inch-diameter, 19,300-foot-long steel penstock; (5) a 600-kW powerhouse; (6) an 80-foot-long, 2.4-kilovolt underground transmission line; and (7) appurtenant facilities (figure 2).

Parowan proposes to continue operating the project run-of-river. When operating, the project diverts a maximum of 24 cubic feet per second (cfs) of stream flow from Center Creek. Water exiting the powerhouse goes into an irrigation canal for the use of downstream irrigation right-holders.

2. Proposed Environmental Measures

Parowan proposes to monitor and remove any noxious and undesirable plants after any ground-disturbing activities. Parowan does not propose any changes to project facilities or operation.

Public access for the above information is available only through the Public Reference Room, or by e-mail at *public.refernceroom@ferc.gov.*

B. Staff's Preferred Alternative

The staff considered what, if any, protection, mitigation, and enhancement measures would be beneficial to those resources affected by the project and its operation. We recommend in addition to Parowan's proposal that if any archeological or historic sites should be discovered during project operation or maintenance, Parowan prepare a site-specific plan in consultation with the Utah State Historic Preservation Officer (SHPO) and BLM to evaluate the significance of the sites and to mitigate impacts to those sites that are determined to be eligible for inclusion in the National Register of Historic Places.

C. No-Action Alternative

Under the no-action alternative, the project would continue to operate under the terms and conditions of the existing license, and no new environmental protection, mitigation, or enhancement measures would be implemented. We use this alternative to establish the baseline environmental condition for comparison with other alternatives.

D. Alternatives Considered But Eliminated From Detailed Study

We considered the following alternatives to Parowan's proposal but eliminated them from detailed study because they are not reasonable in the circumstances of this case.

1. Nonpower License

A nonpower license is a temporary license that the Commission would terminate whenever it would determine that another governmental agency would assume regulatory authority and supervision over the lands and facilities covered by the nonpower license. In this case, no government agency has suggested its willingness or ability to do so. No party has sought a nonpower license, and we have no basis for concluding that the project should no longer be used to produce power.

Issuing a nonpower license, therefore, is not a realistic alternative in these circumstances.

2. Denial of License and Decommissioning the Project

Project decommissioning could be accomplished with or without removing the project facilities. Either alternative would involve denial of the license application and surrender or termination of the existing license. In both cases, the energy that the project would generate would be lost, and consequently Parowan's need for the project's power would not be satisfied. Additionally, no participant has suggested decommissioning. For these reasons, we have no basis for recommending decommissioning of the project with or without removing the project facilities.

IV. Consultation and Compliance

A. Agency Consultation

The Commission's regulations (18 CFR Section 4.38) require applicants to consult with the appropriate resource agencies before filing an application for a license. This consultation is the first step in complying with the Fish and Wildlife Coordination Act, the Endangered Species Act, the National Historic Preservation Act, and other federal statutes. Pre-filing consultation must be complete and documented according to the Commission's regulations.

When the Commission issues a notice that the application is ready for environmental analysis, formal comments may be submitted by concerned entities in accordance with section 4.34(b) of the Commission's regulations under the FPA. The comments provided by concerned entities are made part of the record and are considered during review of the proposed project.

On May 8, 2003, the Commission issued a public notice indicating that the project was ready for environmental analysis, and soliciting motions to intervene, comments, terms and conditions, and prescriptions. We received one letter from the U.S. Department of the Interior's Fish and Wildlife Service (FWS) filed July 1, 2003, in response to that notice. FWS recommends that Parowan monitor and remove any noxious and undesirable plants after ground-disturbing activities. As discussed in Section V.2 of this draft EA, Parowan has agreed to this recommendation making the recommendation a part of its proposed project.

B. Interventions

In addition to filing comments, organizations and individuals may petition to intervene and become a party to the licensing proceedings. There are no interventions in this proceeding.

C. Scoping

We issued Scoping Document 1 (SD1) on March 4, 2003, to enable appropriate federal, state, and local resource agencies, Indian tribes, other nongovernmental organizations, and individuals to participate in the identification of issues, concerns, and opportunities associated with this proposed action. Specifically, we requested the entities to forward written information that they believed would assist the Commission in conducting an accurate and thorough analysis of the site-specific, as well as the cumulative effects of licensing the proposed project.

On April 7, 2003, the FWS filed comments recommending that we address the effects of the project on terrestrial resources and make two changes to the endangered species list. We have addressed the FWS comments in the draft EA. Also, after we received SD1 comments, we issued a letter saying we would not issue an SD2 but would use SD1 as a basis for the environmental assessment taking into account the recommendations of the FWS.

D. Water Quality Certification

Under Section 401(a) of the Clean Water Act,[1] the Commission may not issue a license for a hydroelectric project unless the state certifying agency has either issued water quality certification for the project or has waived certification by failing to act on a request for certification within a reasonable period of time, not to exceed 1 year.[2]

On April 13, 2001, Parowan applied to the Utah State Department of Environmental Quality (DEQ) for water quality certification (WQC) for the project. DEQ received the request on April 16, 2001. On June 17, 2002, DEQ granted certification to Parowan for the project. The WQC contains no conditions.

[1] 33 U.S.C. ''1341(a)(1).

[2] Section 401(a)(1) requires an applicant for a federal license or permit to conduct any activity that may result in any discharge into navigable waters to obtain from the state in which the discharge originates certification that any such discharge would comply with applicable water quality standards.

V. Environmental Analysis

A. General Description of Center Creek Basin

The project powerhouse is located near the south edge of town. The diversion structure is high in the mountains originating at the confluence of Center Creek (Parowan Creek) and Bowrey Creek. Parowan Creek upstream of the project area flows largely through the Dixie National Forest.

The climate in the lower part of the Parowan Valley is semi-arid, with the mountains having somewhat cooler temperates. The average annual precipitation recorded at Parowan is 12.4 inches/year. Record high and low temperatures are 101 and minus 23 degrees Fahrenheit, respectively.

The canyons have highly varied geologic formations with multicolored layers of rock, highly complex cliff formations, talus slopes, and towering spirals. Varied forms of shape, color, and complex patterns of rock and vegetation make the canyons in which the project is located, highly scenic. Natural vegetation is sparse in Parowan Valley but begins to increase gradually as increased elevation provides cooler temperatures and more precipitation. These higher and cooler canyons support different types and more abundant vegetation than is found in the arid foothills. East of the project, within the Dixie National Forest, mountain peaks range from 7,500 to 10,000 feet.

B. Cumulative Effects

According to the Council on Environmental Quality's regulations for implementing NEPA (§thnsp;1508.7), an action may cause cumulative impacts on the environment if its impacts overlap in time and/or space with the impacts of other past, present, and reasonably foreseeable future actions, regardless of what agency or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time, including hydropower and other land and water development activities.

Based on staff's review of Parowan's license application, and agency and public comments, we have determined that there are no cumulative impacts as a result of continued operation of the project. No other development activities exist or are anticipated, to the extent that we know, in the project area that, in conjunction with the continued operation of the project, would cumulatively affect resources within the project area.

C. Proposed Action and Action Alternatives

In this section, we discuss the effects of the project alternatives on environmental resources. For each resource, we first describe the affected environment, which is the existing condition and baseline against which we measure effects. We then discuss and analyze the specific environmental issues.

Only the resources that would be affected, or about which comments have been made by interested parties, are included in detail in this draft EA. At this time no new construction or modifications to the project are planned. Therefore, we have determined, based on our review of Parowan's license application, and as a result of our scoping process including agency and public comments, that geology and soils, aesthetics, recreation and land use, and socioeconomics would not be affected by the continued operation of the project and, therefore, will not be analyzed in detail in this EA.

1. Aquatic Resources

Affected Environment

Water Quantity

The project's diversion dam collects water from Parowan Creek immediately below the confluence with Bowery Creek at an elevation of about 6,275 feet. Parowan Creek at the diversion dam drains an area of about 50 square miles. Lands within the Parowan Creek subbasin upstream of the diversion dam are largely within the Dixie National Forest with a small amount of private lands scattered throughout the area. The average elevation of the subbasin is about 8,900 feet. Parowan Creek drains into the greater Bonneville Basin, which is a closed basin (letter by Willie R. Taylor, Director, Office of Environmental Policy and Compliance, USFWS, Washington, DC, July 1, 2003).

Surface water in Parowan Creek derives mostly from rainfall and snowmelt runoff. Snow is the dominant form of precipitation in the subbasin from October through April. Average total annual precipitation in the subbasin varies by elevation and temperature ranging from 12.4 inches at the project powerhouse (6,000 feet) in the hot and arid, lowest portion of the subbasin to 35.8 inches near Brian Head Station (9,770 feet) in the cooler and wetter, upper portion of the subbasin. Parowan calculates the average total annual precipitation at the diversion dam to be about 30.4 inches.

There are numerous springs in the project area fed by snowmelt originating in the upper subbasin. Additionally, the Parowan Creek bed is largely gravel and green vegetation carpets the landscape on both sides of the creek indicating that there is some sub-surface flow through the alluvium.

Parowan Reservoir Company,[3] at its Yankee Meadows Reservoir located on Bowery Creek about 7 creek miles upstream of the project diversion dam, largely regulates inflow to the immediate area of the project diversion dam intake. Parowan Reservoir Company impounds snowmelt runoff in the spring and releases it throughout the latter part of the summer to satisfy irrigation water supply needs. Under an unregulated flow condition, the annual hydrograph would show low or no flows occurring from November through March and again in July, peak flows in May and June, and transition flows in April and August through October (figure 1). Under the existing, regulated condition, the annual hydrograph is flat with flows ranging from a low of around 6.0 to 7.0 cfs from September through March to 8.0 to 10.0 cfs from April through August. Parowan calculates the existing average annual inflow at the diversion dam to be about 8.0 cfs.

Although the existing average monthly inflows at the diversion dam are much below the hydraulic capacity of the project (24 cfs),[4] peak flow data for the period of record 1964 to 1987 on Center Creek (USGS gage no. 10241470),[5] a tributary to Parowan Creek about 0.5 miles upstream of the diversion dam, shows that flows upwards of 200 cfs occur in the project area, although infrequently.[6]

Figure 3. Natural and regulated inflow at the project diversion dam as calculated by Parowan. ''Regulated inflow'' is a calculation of surface flow at the diversion based on the generation record. ''Natural inflow'' is a theoretical projection of the hydrograph based on the drainage area, mean annual precipitation, and main channel slope. The project does not account for surface flow that infiltrates the stream gravel before reaching the diversion dam; therefore, the projection somewhat overestimates surface flow at the project. (Source: staff)

Water Quality

Parowan Creek upstream of the project area flows largely through the Dixie National Forest. The drainage area is high elevation, remote, and sparsely populated. The Utah Water Quality Board classifies Parowan Creek in the project area as a Category 1 High Quality Water protected for secondary contact recreation (Class 2B), coldwater species of game fish and other cold water aquatic life (Class 3A), and agricultural uses, including irrigation of crops and stock watering (Class 4).[7]

There are no recent water quality data for Parowan Creek to our knowledge, however, because Parowan Creek largely flows through a sparsely populated area upstream of the project, we expect that the water quality of Parowan Creek in the project area is good.

Fisheries

Parowan Creek upstream of the project diversion dam contains a self-sustaining population of rainbow trout and brown trout; however, there are no known fish populations downstream of the project diversion dam. (letter by Willie R. Taylor, Director, Office of Environmental Policy and Compliance, USFWS, Washington, DC, July 1, 2003). A BLM habitat assessment of Parowan Creek conducted in 1982 [8] describes Parowan Creek as possessing Agood habitat'' overall but that trout habitat is limited to Parowan Creek upstream of the project diversion dam. The BLM assessment states that although the bypassed reach is dewatered during the summer months, the stream banks are stable and there is a Afair'' amount of cover.

Environmental Impacts and Recommendations

Project Operation

Parowan has a Utah state water right (#75–27) to divert up to 24.0 cfs, the hydraulic capacity of the project, out of Parowan Creek, Center Creek, and Bowery Creek and its tributaries to be used for power generation. Parowan's right to this water is for non-consumptive use; therefore, after using it for power generation, Parowan returns the diverted creek flows to an irrigation canal downstream of the powerhouse so as not to adversely affect downstream

[3] Parowan Reservoir Company is a separate company that controls flows the flows for irrigation and for Parowan City to use at the Center Creek Project. Yankee Meadows Reservoir is an irrigation storage reservoir owned and operated by the Parowan Reservoir Company.

[4] Because the flow on average is much below the hydraulic capacity of the project, Parowan normally diverts all the flow in Parowan Creek at the diversion dam.

[5] Flow data accessed from the USGS Web site (*http://waterdata.usgs.gov/nwis/peaks/?site no=10241470&agency cd=USGS*) on June 27, 2003.

[6] Parowan calculates that a 200-cfs flow at the diversion dam has a recurrence interval of about 10 years.

[7] Utah Administrative Code, R317–2, Standards of Quality for Waters of the State, effective March 1, 2003.

[8] Parowan included a copy of the BLM habitat assessment in Appendix E–7 of the license application.

irrigation water rights holders. By diverting the flow into the penstock, Parowan actually benefits some irrigators, because the diverted flow would otherwise pass downstream of the diversion dam and seep into the canyon alluvium where the water would have to be pumped to be utilized.

Parowan also possesses a state water right (#75–5) to pump 1.047 cfs from the project forebay well to be used for power generation at the project.[9] Parowan's right to the well water is for non-consumptive use, and Parowan utilizes the water to increase penstock flow and also to keep the project forebay, desilting pond, and penstock from freezing during the winter.

Parowan states that it generally operates the project run-of-river, but occasionally utilizes the 19.9 acre-foot desilting pond for peaking purposes. Parowan proposes to continue operating the project in this fashion, which they term Arun-of-the-river'with a minor peaking capability component.'' No federal or state agency or Indian tribe has filed recommendations related to project operation.

There is no indication that Parowan's mode of project operation in any way affects downstream water rights holders or aquatic resources. Parowan returns up to 24 cfs of diverted creek water to an irrigation canal after they use it for project generation, so there is no consumption of the diverted water. Because Parowan Creek drains into a closed basin where all the flow is either diverted by irrigators or lost to evaporation or seepage, there are no fisheries resources downstream of the project powerhouse affected by the project operation.

Project Flow Releases

By letter to the applicant dated May 17, 2001 (*see* appendix E–1 of the license application), the FWS inquired if the project had the flexibility to provide flows that follow a more natural hydrograph. The natural hydrograph for the project area shows annual high flows occurring in the months of April through May and lower down to no flow (freezing conditions in December) the remainder of the year (figure 1). Parowan Reservoir Company largely regulates the inflow that comes into the immediate area of the project intake. The regulation of the inflow is done to ensure that irrigation needs downstream of the project are met throughout the growing season and not for meeting hydroelectric operational needs. Parowan Reservoir Company stores flows at its Yankee Meadows Reservoir and then releases the flows more evenly throughout the course of the year, thereby flattening the annual hydrograph (figure 1). The project has minor storage capacity, and therefore, is incapable of re-regulating Parowan Reservoir Company's shaping of the river flows. By flattening the natural hydrograph, Parowan Reservoir Company causes monthly average inflows to the project in most years to never exceed 10 cfs, so there is very little flow during the months of April through June relative to natural conditions from which to work.[10] Therefore, we conclude that the project has no capacity to provide a flow regime that follows a more natural hydrograph.

Water Quality

Parowan proposes no new construction or land-disturbance at the project that would lead to water quality problems,[11] and there is no evidence to suggest that current project operation and maintenance adversely affect water quality. No federal or state agency or Indian tribe has filed recommendations related to water quality, and ODEQ's Section 401 WQC for the project has no water quality conditions.

Unavoidable Adverse Impacts

None.

2. Terrestrial Resources

Affected Environment

Vegetation

The project area is wooded with a mixture of riparian vegetation. In general, a narrow band of riparian vegetation gives way to drier pinyon-juniper and sagebrush plant communities. The riparian and upland vegetation along the creek is a mixture of large narrowleaf cottonwoods, sandbar willows, box elder, a few river birch and maples, pines, Gambel oaks, skunkbrush, Mountain juniper, and sagebrush. The presence of both riparian species and more upland-drier species creates good wildlife habitat with varied structure and streamside shading.

Green vegetation on both sides of the creek, above and below the diversion during low flow periods when the majority of the flow is diverted into the penstock signals the presence of sub-surface water flowing through the alluvium. Add to this, the flow from small springs and several smaller tributary canyons below the diversion, and the result is, the stream is seldom, if ever, completely without water and there is no evidence to suggest the riparian community will be affect by the continued operation and maintenance of the project.

Wildlife

The habitat along the penstock and in the vicinity of the diversion supports many different animals including: cottontail rabbit, ground squirrels, chipmunks, woodrat, western harvest mouse, porcupine, and deer mouse and a variety of birds, both neotropical migrants and residents such as the grosbeak, towhee, bunting, warbler and thrush.

Environmental Impacts and Recommendations

Parowan does not propose any ground-disturbing activities that would disturb or remove important riparian vegetation. Given there are no proposed changes to project structures or operations, riparian vegetation along the project area would likely remain the same.

In its letter filed July 1, 2003, the FWS makes the following Section 10(j) recommendation:

The licensee shall monitor for noxious and undesirable plant species in any areas of surface disturbance caused by project related activities, including maintenance activities. If noxious and undesirable plant species are located, they shall be removed or treated with appropriate herbicide applications until destroyed. Surface disturbance shall include any activity resulting in vegetation clearing or breaking of the soil surface.

FWS says the above condition is needed because noxious and undesirable plant species alter plant communities, generally resulting in a decline of native plant species which provide food and cover for wildlife. FWS says controlling noxious and

[9] Parowan states that they use the forbay well for irrigation as well as power generation, and therefore, that the well is not considered part of the project. However, we note that the water right for the well provides for the use of the well for power generation by Parowan. Water is pumped from the well to be used, at least in part, for the generation of electricity at the project.

[10] When we say ''from which to work,'' we envision a situation where we establish a relatively high bypassed reach minimum flow in April, May, and June, and a lower or no minimum flow requirement the remainder of the year so as to mimic the natural hydrograph.

[11] However, we note that on page 4 of the license application, Parowan states that it will at some point need to install a direct bypass line around the project desilting pond to allow the pond to be drained for cleaning. Parowan states that they are not certain whether they will seek authorization for this modification as part of this relicense proceeding or through a separate proceeding, presumably through amendment of any license issued for the project. Due to Parowan's uncertainty, we do not recognize the modification as part of their formal proposal for this relicense proceeding, and therefore, we do not discuss the water quality-related effects of this action in this EA.

undesirable plants is necessary to protect and enhance wildlife habitat in the project area.

Parowan agreed to implement this recommendation and Commission staff also agrees that this recommendation would ensure that noxious and undesirable plants do not become established because of project-related activities. We recommend Parowan prepare a plan to control noxious and invasive weeds.

Unavoidable Adverse Impacts

None.

3. Threatened and Endangered Species

Affected Environment

By letter dated December 3, 2002, Commission staff requested a list of any threatened and endangered species at the project from the FWS. The FWS responded on December 26, 2002, saying that the following listed or candidate species may occur in the project area:

Species	Status
Bald eagle	Threatened.
California condor	Endangered.
Mexican spotted owl	Threatened.
Utah prairie dog	Threatened.

Environmental Impacts and Recommendations

Parowan surveyed the project area for threatened and endangered species and did not observe any of the above species. We have no other sources of information indicating these species exist in the area. Because we have no data indicating the above species exist within the project area, and because Parowan does not propose any changes to project structures or operations, we find that the proposed project would have no effect on threatened and endangered species.

Unavoidable Adverse Impacts

None.

4. Cultural Resources

Affected Environment

On May 4, 2001, and March 21, 2002, the State Historic Preservation Officer (SHPO) commented that no cultural resources, listed or eligible for inclusion in the National Register of Historic Places would be affected by the continued operation and maintenance of the project (letter from Barbara L. Murphy and James L. Dykmann, respectively, State of Utah, Department of Community and Economic Development, Division of State History, Utah State Historical Society, Salt Lake City, Utah).

Environmental Impacts and Recommendations

If the project continues to operate as it has in the past, it is unlikely that any new sites would be discovered. However, if any new or undocumented archeological or historic sites are discovered during project operation or maintenance, Parowan should: (1) Consult with the SHPO and BLM about the discovered sites; (2) prepare a site-specific cultural resource management plan, including a schedule to evaluate the significance of the sites and to avoid or mitigate any impacts to sites found eligible for inclusion in the National Register of Historic Places; (3) base the site-specific plan on recommendations of the SHPO and BLM and the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation; (4) file the site-specific plan for Commission approval, together with the written comments of the SHPO and BLM; and (5) take the necessary steps to protect the discovered archeological or historic sites from further impact until notified by the Commission that all of these requirements have been satisfied.

The Commission may require cultural resources work and changes to cultural resources management plans based on the filings. Parowan would not be allowed to implement a cultural resources management plan or begin any land-clearing or land-disturbing activities in the vicinity of any discovered sites until informed by the Commission that the requirements have been fulfilled.

Unavoidable Adverse Impacts

None.

VI. Developmental Analysis

In previous sections of this draft EA, we assess the effects of continued operation of the project on the environment. In this section, we look at the effect proposed environmental measures would have on the project's power benefits and summarize the cost of environmental and developmental measures considered in our analysis. Also in this section, we show: (1) the cost of the proposed environmental measures for the project and (2) how the proposed environmental measures would affect the project's economics.

A. Power and Economic Benefits of the Project

The project has an installed capacity of 600 kW and provides an average annual energy generation of 2,300 MWh. Parowan does not propose any changes to project structures or operations. To calculate the economic benefits of the project, we equate the value of project power benefits to the current cost Parowan would have to pay for the same amount of energy and capacity using alternative generating resources. We do not consider future inflation effects in our analysis.

The cost of alternative power is used as a threshold in our determination of positive or negative project power benefits. A positive net annual power benefit shows how much less it would cost Parowan to use the project's power instead of the most likely alternative power source. A negative net annual power benefit shows how much more it would cost to use the project's power instead of the most likely alternative power source.

B. Cost of Environmental Enhancement Measures

Any measures proposed or recommended by Parowan, agencies, or Commission staff could affect project economics because of the cost of these measures or their effect on power generation.

In this draft EA, we consider the implementation of a plan to control noxious and invasive weeds. The added cost of this measure is considered minimal. Such a plan would have negligible effects on project economics and would not affect annual generation.

C. Cost of Proposed Project

The economic parameters we used for our analysis are shown in table 3. The project, as proposed by Parowan, would have an annual cost of $18,000 (7.4 mills/kWh). The current annual value of power from the project would be $74,000 (32.1 mills/kWh). To determine whether the proposed project is economically beneficial, we subtract the cost of the project from the value of its power. As proposed, this project would yield a net annual power benefit of about $56,000 (24.7 mills/kWh).

TABLE 2.—PARAMETERS FOR ECONOMIC ANALYSIS OF THE CENTER CREEK PROJECT

[Source: Parowan City and Commission staff]

Economic parameter	Value
Period of analysis	30 years.
Discount/interest rate	6.0 percent.[1]
Operation and maintenance.	$17,118 per year.[2]
Alternative energy value	32.1 mills per kWh.[3]

[1] The discount and interest rates of 6.0 percent are provided by Commission staff as typical values for this type of analysis.

[2] The annual operation and maintenance cost is estimated by Commission staff.

[3] The alternative energy value for the project is based on Utah Power & Light Company's current avoided cost as found in Electric Service Schedule No. 37, effective March 11, 2002.

D. Cost of Staff-Recommended Alternatives

Commission staff recommended one additional environmental measure: a cultural resource management plan, if during project operation and maintenance any new or undocumented archeological sites are discovered. The added cost of this measure and a plan to control noxious and invasive weeds is minimal and these measures would not affect project generation. Therefore, the staff-recommended alternative would have the same cost and generation benefits as the no-action alternative.

VII. Comprehensive Development and Recommended Alternative

Sections 4(e) and 10(a)(1) of the FPA require the Commission to give equal consideration to all uses of the waterway on which a project is located. When we review a proposed project, we equally consider the environmental, recreational, fish and wildlife, and other non-developmental values of the project, as well as power and developmental values. Accordingly, any license issued shall be best adapted to a comprehensive plan for improving or developing a waterway or waterways for all beneficial public uses.

Based on our independent review of agency and public comments filed on this project and our review of the environmental and economic effects of the proposed project and its alternatives, we selected the proposed project, with staff's additional measure, as the preferred option. We recommend this option because: (1) Issuance of a new hydropower license by the Commission would allow Parowan to operate the project as an economically beneficial and dependable source of electrical energy; (2) the 600-kW project would eliminate the need for an equivalent amount of fossil-fuel derived energy and capacity, which helps conserve these nonrenewable resources and limits atmospheric pollution; (3) the public benefits of the selected alternative would exceed those of Parowan's proposal and the no-action alternative, and (4) the recommended measures would protect existing environmental resources.

We recommend the following environmental measures be included in any license issued by the Commission for the Center Creek Project: (1) monitor and remove any noxious and undesirable plants after ground-disturbing activities; and (2) should archeological or historic sites be discovered during project operation or maintenance, prepare a site-specific cultural resource management plan in consultation with the SHPO and BLM to evaluate the significance of the sites and to mitigate impacts to those sites that are determined to be eligible for inclusion in the National Register of Historic Places.

From our evaluation of the environmental and economic effects of the project, we conclude that licensing the Center Creek Project with our additional recommended environmental protection measures would best adapt the project to a comprehensive plan for the Center Creek Basin.

VIII. Recommendations of Fish and Wildlife Agencies

Under the provisions of Section 10(j) of the FPA, each hydropower license issued by the Commission shall include conditions based on recommendations provided by federal and state fish and wildlife agencies for the protection, mitigation, and enhancement of fish and wildlife resources affected by the project, where those conditions are not inconsistent with the purpose and requirements of the FPA or other applicable law.

We received one Section 10(j) recommendation from the FWS in its letter filed July 1, 2003. FWS recommends that Parowan monitor and remove any noxious and undesirable plants after any ground-disturbing activities. As discussed in this draft EA, Parowan now includes this recommendation in its proposed project. Commission staff recommends Parowan prepare a plan to implement this recommendation.

IX. Consistency With Comprehensive Plans

Section 10(a)(2) of the FPA requires the Commission to consider the extent to which a project is consistent with federal or state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by the project. We identified 9 plans filed by federal, and state agencies that address various resources in Utah; however, none are relevant to the continued operation of the project.

X. Finding of No Significant Impact

We've prepared this environmental assessment for the project pursuant to the National Environmental Policy Act of 1969. Should the Commission decide to issue a license for the project, staff analysis shows that licensing the project would not be a major federal action significantly affecting the quality of the human environment. With our recommended measures existing environmental resources would be protected.

XI. Literature Cited

Sunrise Engineering, Inc., 2001. Application for a License for a Minor Water Power Project—Center Creek Hydroelectric Project—Parowan City (FERC Project No. 1273). November 15, 2002.

XII. List of Preparers

Gaylord W. Hoisington B Project Coordinator B Terrestrial, Cultural Resources, and Threatened and Endangered Species; Soil Conservationist; B.S., Recreation.

Nicholas Jayjack B Aquatic Resources B Fishery Biologist; M.S., Environmental Science in Civil Engineering; B.S., Fisheries and Aquatic Sciences.

Linda Lehman B Civil Engineer; M.S., Civil Engineering; B.S., Civil Engineering.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 178–017]

Notice of Application Accepted for Filing and Soliciting Motions To Intervene and Protests

August 26, 2003.

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection.

a. *Type of Application:* New Major License.

b. *Project No.:* 178–017.

c. *Date filed:* April 14, 2003.

d. *Applicant:* Pacific Gas and Electric Company.

e. *Name of Project:* Kern Canyon Hydroelectric Project.

f. *Location:* On the Kern River, near the Town of Bakersfield, Kern County, California. The project occupies approximately 11.26 acres of public land located within the Sequoia National Forest.

g. *Filed Pursuant to*: Federal Power Act, 16 U.S.C. §§ 791(a)–825(r).

h. *Applicant Contact:* Mr. Randal S. Livingston, Pacific Gas and Electric Company, Power Generation, Mail Code N11E, P.O. Box 770000, San Francisco, CA 94177 (415)973–7000.