### **DEPARTMENT OF COMMERCE**

National Oceanic and Atmospheric Administration

Call for Application for a Representative and Alternate to the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve Advisory Council for the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve

AGENCY: National Marine Sanctuary Program (NMSP), National Ocean Service (NOS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC).

**ACTION:** Notice and request for applications.

**SUMMARY:** The Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve is seeking applicants for the following vacant primary seat on its Reserve Advisory Council (Council): (1) Native Hawaiian and also for the following vacant alternate seat on the Council: (1) Research. Council Representatives and Alternates are chosen based upon their particular expertise and experience in relation to the seat for which they are applying; community and professional affiliations; philosophy regarding the protection and management of marine resources; and possibly the length of residence in the State of Hawaii. The applicant who is chosen as the Native Hawaiian Representative should expect to serve the remainder of this seat's term which is due to expire in February 2004. The applicant who is chosen as the Research Alternate should expect to serve a concurrent term with the existing Research Member, which will expire in September 2006, pursuant to the Council's Charter. Persons who are interested in applying on the Council as either a Representative or Alternate may obtain an application from the person or website identified under the ADDRESSES section below. This notice extends and original application period that began September 8 and ended on September 19 for the Native Hawaiian Representative but also opens the application period for the Research Alternate.

**DATES:** Completed applications must be postmarked no later than November 15, 2003.

ADDRESSES: Applications may be obtained from Moani Pai, 6700 Kalanianaole Highway, Suite 215, Honolulu, Hawaii 96825, (808) 397–2661 or online at http://hawaiireef.noaa.gov. Completed applications should be sent to the same address.

#### FOR FURTHER INFORMATION CONTACT:

Aulani Wilhelm, 6700 Kalanianaole Highway, Suite 215, Honolulu, Hawaii 96825, (808) 397–2657, Aulani.Wilhelm@noaa.gov.

SUPPLEMENTARY INFORMATION: The NWHI Coral Reef Ecosystem Reserve is a new marine protected area designed to conserve and protect the coral reef ecosystem and related natural and cultural resources of the area. The Reserve was established by Executive Order pursuant to the National Marine Sanctuaries Amendments Act of 2000 (Pub. L. 106–513). The NWHI Reserve was established by Executive Order 13178 (12/00), as finalized by Executive Order 13196 (1/01).

The Reserve encompasses an area of the marine waters and submerged lands of the Northwestern Hawaiian Islands, extending approximately 1200 nautical miles long and 100 nautical miles wide. The Reserve is adjacent to and seaward of the seaward boundary of Hawaii State waters and submerged lands and the Midway Atoll National Wildlife Refuge, and includes the Hawaiian Islands National Wildlife Refuge to the extent that any such refuge waters extends beyond Hawaii State waters and submerged lands. The Reserve is managed by the Secretary of Commerce pursuant to the National Marine Sanctuaries Act and the Executive Orders. The Secretary has also initiated the process to designate the Reserve as a National Marine Sanctuary. The management principles and implementation strategy and requirements for the Reserve are found in the enabling Executive Orders, which are part of the application kit and can be found on the website listed above.

In designating the Reserve, the Secretary of Commerce was directed to establish a Coral Reef Ecosystem Reserve Advisory Council, pursuant to section 315 of the National Marine Sanctuaries Act, to provide advice and recommendations on the development of the Reserve Operations Plan and the proposal to designate and manage a Northwestern Hawaiian Islands National Marine Sanctuary by the Secretary.

The National Marine Sanctuary Program (NMSP) has established the Reserve Advisory Council and is now accepting applications from interested individuals for a Council Representative for the following citizen/constituent position on the Council:

1. One (1) representative from the Native Hawaiian community with experience or knowledge regarding Native Hawaiian subsistence, cultural, religious, or other activities in the Northwestern Hawaiian Islands.

Current Reserve Council Representatives and Alternates may apply for this vacant seat.

The Council consists of 25 members, 14 of which are non-government voting members (the State of Hawaii representative is a voting member) and 10 of which are government non-voting members. The voting members are representatives of the following constituencies: Conservation, Citizen-At-Large, Ocean-Related Tourism, Recreational Fishing, Research, Commercial Fishing, Education, State of Hawaii and Native Hawaiian. The government non-voting seats are represented by the following agencies: Department of Defense, Department of the Interior, Department of State, Marine Mammal Commission, NOAA's Hawaiian Islands Humpback Whale National Marine Sanctuary, NOAA's National Marine Fisheries Service, National Science Foundation, U.S. Coast Guard, Western Pacific Regional Fishery Management Council, and NOAA's National Ocean Service.

Authority: 16 U.S.C. Sections 1431, et seq.

(Federal Domestic Assistance Catalog Number 11.429 Marine Sanctuary Program) Dated: October 2, 2003.

## Jamison S. Hawkins,

Deputy Assistant Administrator for Management, Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration.

[FR Doc. 03-25484 Filed 10-7-03; 8:45 am]

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# **DEPARTMENT OF ENERGY**

# **Cumberland System of Projects**

**AGENCY:** Southeastern Power Administration, DOE. **ACTION:** Notice of rate order.

**SUMMARY:** The Deputy Secretary of the Department of Energy, confirmed and approved, on an interim basis, Rate Schedules CBR-1–E, CSI–1–E, CEK–1–E, CM–1–E, CC–1–F, CK–1–E, CTV–1–E, and SJ–1–B. The rates were approved on an interim basis, effective on October 1, 2003 and expire on September 30, 2008, and are subject to confirmation and final approval by the Federal Energy Regulatory Commission.

**DATES:** Approval of rate on an interim basis is effective through September 30, 2008.

### FOR FURTHER INFORMATION CONTACT:

Leon Jourolmon, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635–6711, (706) 213–3800.

SUPPLEMENTARY INFORMATION: The Federal Energy Regulatory Commission, by Order issued March 17, 2000, in Docket No. EF99–3021–000 (rehearing denied), confirmed and approved Wholesale Power Rate Schedules CBR–1–D, CSI–1–D, CK–1–D, CM–1–D, CC–1–E, CK–1–D, CEK–1–D, CTV–1–D, and SJ–1–A. Rate schedules CBR–1–E, CSI–1–E, CEK–1–E, CM–1–E, CC–1–F, CK–1–E, CTV–1–E, and SJ–1–B replace these schedules.

Dated: September 26, 2003.

Kyle E. McSlarrow,

Deputy Secretary.

## Order Confirming and Approving Power Rates on an Interim Basis

[Rate Order; No. SEPA-43]

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 Southeastern Power Administration (Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00 (December 6, 2001), the Secretary of Energy delegated to the Administrator of Southeastern the authority to develop power and transmission rates, and delegated to the Deputy Secretary of the Department of Energy the authority to confirm, approve, and place in effect such rates on an interim basis, 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. This rate order is issued by the Deputy Secretary pursuant to said delegation.

### **Background**

Power from the Cumberland System of Projects is presently sold under Wholesale Power Rate Schedules CBR-1-D, CSI-1-D, CEK-1-D, CM-1-D, CC-1-E,CK-1-D, CTV-1-D, and SJ-1-A. These rate schedules were approved by the FERC on March 17, 2000 (90 FERC 61266).

## Discussion

System Repayment

An examination of Southeastern's revised system power repayment study, prepared in July 2003, for the Cumberland System shows that with an annual revenue increase of \$6,230,000 over the revenues in the current

repayment study using current rates, all system power costs are paid within the 50-year repayment period required by existing law and DOE Procedure RA 6120.2. The Administrator of Southeastern has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles.

Public Notice and Comment

Opportunities for Public Review and Comment on Wholesale Power Rate Schedules CBR-1-E, CSI-1-E, CEK-1-E, CM-1-E, CC-1-F, CK-1-E, CTV-1-E, and SJ-1-B, was announced by notice published in the Federal Register on March 25, 2003. A Public Information and Comment Forum was held May 1, 2003, in Nashville, Tennessee, and written comments were invited through June 23, 2003. The notice proposed rates with a revenue increase of \$8,063,000 in Fiscal Year 2004 and all future years. Based on comments received, Southeastern revised the proposed rates. The proposed rate adjustment now shows a revenue increase of \$6,230,000. Transcripts of the Public Information and Comment Forums are included as Exhibit A-4. A review of comments is included as Exhibit A-5. The following is a summary of the comments.

Staff Evaluation of Public Comments

Notice of proposed rate adjustment was published in the **Federal Register** March 25, 2003 (68 FR 14418). The notice advised interested parties of a public information and comment forum that would be held in Nashville, Tennessee on May 1, 2003. Written comments were accepted on or before June 23, 2003. Written comments were received from six sources pursuant to this notice.

# A. Comments Regarding Cost Estimates

- 1. Many comments pertained to the inclusion of a plan of rehabilitation for the Cumberland Projects provided by the Corps of Engineers. The Customers, the Corps of Engineers, and Southeastern are in the process of drafting a Memorandum of Agreement (MOA) that would provide for Customer funding of Renewals and Replacements. Many of the comments stated that the customers did not believe it was appropriate to include costs in the Cumberland System rates until the MOA was executed. These comments include the following:
- The proposed rate over collects funds for the Corps Operations and Maintenance ("O&M") and Renewals and Replacements ("R&R") activities. (SeFPC, SMEPA)

- The members of the SeFPC believe that Southeastern should only include those amounts in rates for O&M and R&R that reflect the amounts that the Corps actually allocates to hydropower activities in the Cumberland System of Projects. (SeFPC)
- Unless and until an MOA is in place, the Customers believe that only those amounts that Corps will receive in appropriations should be included in the rates. (SeFPC)
- The SeFPC submits that the proposed rate increase should only include those amounts where Southeastern can verify that the funds provided to the Corps are actually spent for hydropower purposes. (SeFPC)
- If Congress does not intend to provide Construction General funds in the Fiscal Year 2004 Appropriations for the Corps and there is no MOA to provide funding of renewals, replacements, and rehabilitation work, the Customers contend that Southeastern cannot legally recover the amounts in the rates for these activities. (SeFPC)
- In light of the fact that the President's budget request does not contain any construction general funds for the projects on the Cumberland River Basin, the SeFPC notes that Southeastern should not recover any joint capitalized cost from the hydropower customers. (SeFPC)
- Only in the event that the Customers, Southeastern, and the Corps find consensus for an MOA should Southeastern include amounts in the 20-rates for renewals and replacements. Unless this occurs prior to the implementation of the rate[s] on an interim basis Southeastern should not include these amounts in the proposed rate schedule[s]. (SeFPC)
- Southeastern will be collecting revenue for capital improvements that do not have guaranteed funds available. Southeastern customers may end up paying more for less reliable power. (KU Municipals)
- TVA strongly recommends that Southeastern make the implementation of the Rehabilitation funding components of the proposed rate increase, and the proposed changes in Southeastern's billing of TVA, conditioned upon mutual agreement being reached by the various parties on a funding mechanism that will result in the Corps actually receiving the funding generated by the Rehabilitation funding component of the proposed rate increase for those Rehabilitation work items which have been approved by Southeastern customers. (TVA)
- Southeastern has included in its rates future costs of replacements or

other capital costs when Southeastern is fully aware that under the current state of affairs there is no reasonable certainty that such capital costs will be incurred. TVPPA, on behalf of the TVA area preference customers, cannot support the continued collection of funds through the Southeastern rates that simply are sent to the U.S. Treasury, and ultimately either never used, or used for some purpose other than rehabilitating the projects for which they were collected. The inclusion in the rate design of such Phantom Capital Costs is contrary to statute. (TVPPA)

• By including the Phantom Capital Costs as stated above, Southeastern fails to charge the lowest possible rates to consumers consistent with sound business practices as required by statute. (TVPPA)

 We do not see any basis for attempting to recover, in the form of proposed increases in Southeastern rates in accordance with section 5 of the Flood Control Act of 1944, costs that have not yet been incurred (and which may never be incurred unless a contractual funding mechanism is implemented), except where Southeastern customers have agreed in accordance with the type of funding mechanisms referenced earlier. It seems challenging to justify use of rate-setting methodology that is based upon amortization and repayment of appropriation investments to recover, in rates charged to TVA, investments that have not yet been made, and which might never be made. (TVA)

• Given the financial impacts that assuming the financing responsibility for as much as \$260 million of Rehabilitation capital expenditures over the next 20 or more years will have on Southeastern customers, it appears appropriate that, as part of any funding mechanism, Southeastern customers should have approval and oversight rights with regard to those Cumberland Basin Project work items they would be financing. (TVA)

 Under any funding mechanism, it also would be more appropriate for the Rehabilitation funding component of Southeastern rates for any given year to be governed by the funding requirements of work items approved by Southeastern customers, and not by the amount of funding proposed for work

items that are not yet approved. (TVA)
• Southeastern customers, by virtue of their assuming of future financing responsibility under a funding mechanism that offers no prospect of their being financially repaid, deserve a role in:

1. Helping determine what specific work items at the Cumberland Basin

Projects warrant the funding they will provide;

2. Exercising reasonable oversight over the performance of such work to help assure that it is completed as intended; and

3. Having appropriate guarantees to help assure that they will ultimately receive the intended value from the funding they will provide. (TVA)

Response: Based on the comments received, Southeastern has revised the projected hydropower replacement costs for the Cumberland System. The revised projections for the cost evaluation period will reflect the amount the Corps actually allocated to hydropower activities in the Cumberland System. After the cost evaluation period, projections will be based on a statistical projection of replacements from a Corps of Engineers depreciation study.

Section 10 (l.) of DOE Procedure RA 6120.2 requires that "Future replacement costs will be included in the repayment studies by adding the estimated capital cost of replacement to the unpaid Federal Investment in the year each replacement is estimated to go into service, and adding it to the allowable unamortized investment."

If an MOA is executed and the customers agree to fund the Corps' plan to rehabilitate the Cumberland projects, it may be necessary for Southeastern to file another rate adjustment.

2. It is TVA's understanding that approximately three-fourths of the proposed rate increase is designed to recover amounts to fund, over the next 20 or more years, approximately \$260 million of new projects for renewals, rehabilitations, and replacements (Rehabilitation) work at Corps hydroelectric projects in the Cumberland Basin System. (TVA)

Response: The comment overstates the impact of the Corps' Rehabilitation program on Southeastern's rates. Without including the Corps' 20-year plan for renewals, rehabilitations, and replacements, Southeastern will propose a rate increase of about fifteen percent (15%). The proposed rate adjustment, with the Corps' 20-year plan of renewals, rehabilitations, and replacements, is an increase of about twenty percent (20%). As such, the Corps' plan for rehabilitation of the Cumberland projects accounts for about one-fourth of the rate adjustment proposed in the **Federal Register** on March 25, 2003, (68 FR 14419).

3. Southeastern is proposing a rate that will satisfy expense and repayment requirements for capital additions over the next 50 years. However, Southeastern is not offering a 50 year contract or any guarantee that the improvements will be made or the power will be available over the next 50 years. It would be more appropriate to propose a rate for a five-year period that provides revenue for projected expenses and repayment requirements over that same 5 years. (KU Municipals)

Response: To conform to requirements of RA 6120.2, the repayment study must extend to the end of the repayment life of the repayment period for the last investment in service. It is Southeastern's opinion that the proposal in this comment does not conform to the requirements of RA 6120.2.

# B. Comments Regarding Purchased Power Costs

- 4. Southeastern received comments that Southeastern overstated the impact of replacement energy costs on the proposed rates. These comments included the following:
- There is little evidence to support the claim in the **Federal Register** Notice that the rate adjustment is driven by increased purchased power costs. (SeFPC)
- The SeFPC understands replacement energy expenditures have only amounted to a little over \$3.5 million since the implementation of the last rate increase in 1999. There appears to be little foundation therefore for Southeastern to raise rates over \$40 million for a five year period to account for purchased power costs that have averaged a little over \$1 million in each year since the last rate increase. (SeFPC)

Response: The Federal Register
Notice reads "Existing rates have been in effect since July 1, 1999. The
Cumberland System region has incurred a severe drought since that time. This has impacted repayment in two ways. First, revenues have been reduced because Southeastern has had less energy available for sale. Second, expenses have increased because it has been necessary for Southeastern to purchase replacement energy to meet its minimum energy obligations."

The notice further states, "The Corps of Engineers has provided Southeastern with a plan of capital expenditures necessary to rehabilitate the projects in the Cumberland System. These costs are included in the proposed rates."

Cumberland System purchased power totaled about \$3.5 million since rates for the Cumberland System were last adjusted in 1999. The 1999 rate adjustment for the Cumberland System included no estimate for purchased power. As such, the purchased power costs are a factor in the proposed rate adjustment. However, Southeastern does not claim that this proposed rate

adjustment is driven exclusively by purchased power costs. Purchased power costs are among the factors causing this rate adjustment.

- 5. Some comments requested Southeastern implement a pass-though charge for purchases of replacement energy. These comments included the following:
- The SeFPC would encourage Southeastern to implement a rate recovery mechanism that would allow immediate pass through of purchased power costs for the Cumberland System of Projects. (SeFPC, SMEPA)
- When the Southeastern anticipates making expenditures for purchased power, the Customers would ask Southeastern to work with Team Cumberland Group to minimize high costs. In the event Southeastern expects to make extended replacement power purchases, the Customers would ask Southeastern to implement a consultation process that involves more frequent coordination with the Customers so that replacement power purchases are the lowest possible consistent with sound business principles. (SeFPC)
- Because of the need to raise rates in light of previous purchases of replacement energy, the SeFPC submits that Southeastern needs to revise the rate proposal to account for the purchased power costs in a more transparent manner so that the Customers can accurately measure the costs in the Customers' individual resource portfolios. In this regard, the SeFPC recommends changing the rate schedule to provide for the immediate pass through of purchased power cost and coordination with the Team Cumberland Group to ensure that such costs are incurred in a manner consistent with sound business principles. (SeFPC)

Response: Southeastern implemented a pass-through mechanism to recover purchases of replacement energy in Southeastern's Georgia-Alabama-South Carolina System starting in fiscal year 2003. However, marketing arrangements and rate design issues make implementation of a replacement energy pass-through rate on the Cumberland System complex. As the rates are proposed, most of the customers outside the TVA system have no energy charge. Most of Southeastern's Cumberland customers outside the TVA system receive a firm energy allocation of 1500 kilowatt-hours of energy for each kilowatt of capacity. TVA and the 160 preference entities on the TVA system receive the residual output of the Cumberland Projects.

Southeastern believes it is inappropriate to propose a pass-through to attempt to implement a replacement energy pass-through without soliciting comments from all interested parties. Southeastern will consider developing a proposed pass-through mechanism for comment from all interested parties. As such, Southeastern will give consideration to the comment and may propose a pass-through of replacement energy costs with the next proposed rate adjustment for the Cumberland Projects.

## C. Comments Regarding Sales of Water Storage

6. The proposed rate does not accurately capture the revenues that the Corps should be receiving from sale of water storage at Corps projects. The Southeastern should verify whether the Corps has executed all necessary contracts for water storage at facilities in the Cumberland River Basin system. To remain consistent with the Flood Control Act, Southeastern must factor into rates the recovery of the revenues to be provided in Water Storage contracts. In the event that Southeastern is aware of non-authorized use of water storage at the projects for which the Corps has not executed a water storage contract, the members of the SeFPC believe that Southeastern has an obligation to disclose such use in the rate schedules. (SeFPC, SMEPA)

Response: The Corps expects to execute and collect new water storage agreements for projects in the Cumberland System in the near future. When the Corps has executed these agreements and collects funds for the sale of water storage, Southeastern will include these revenues as part of the cost recovery for the Cumberland System projects.

# D. Comments Regarding TVA Transmission

7. The proposed rate includes Tennessee Valley Authority ("TVA") transmission charges that have not been deemed to be just and reasonable. As the Customers have held longstanding concerns regarding the appropriateness of the TVA transmission rate, the detailed concerns of the SeFPC on this specific topic, which were not addressed in Southeastern's prior rate proposal, are incorporated herein by reference. (SeFPC, SMEPA)

Response: The review of public comments in Southeastern's prior rate proposal states "Section 9.1 of the TVA-Southeastern Contract, executed October 1, 1997, allows TVA to adjust rates for delivering power to the points of delivery to the "Other Customers" defined as customers outside the TVA

area. Section 9.1 does not provide any means for Southeastern to determine an appropriate transmission rate. TVA and "Other Customers" are disagreeing over the appropriateness of the rate increase." The comments further state "Southeastern will support discussions between TVA and the customers outside the TVA system in an effort to reach a negotiated settlement on an appropriate amount for the TVA transmission charge."

As such, Southeastern's role in this issue is as a facilitator. Southeastern remains willing to support discussions between TVA and the customers outside the TVA system in an effort to reach a negotiated settlement on an appropriate amount for the TVA transmission charge.

## E. Comments Regarding Marketing

8. In Southeastern's forum exhibit 6 the base energy shown for East Kentucky Power Cooperative (EKPC) is 251,618 MWh. Based on EKPC's entitlement to 1500 kWh/kW capacity (170 MW), this should be 255,000 MWh. (East Kentucky)

Response: Southeastern's marketing arrangements with East Kentucky provide that East Kentucky receive the entire output of the Laurel Project (70 megawatt), plus 100 megawatt from the other projects in the Cumberland System. East Kentucky receives 36,900 megawatt-hours of additional energy from the other Cumberland projects to supplement the generation available at the Laurel Project. With the additional energy from the other Cumberland projects, the Laurel Project was expected to provide an average of 1500 megawatt-hours of energy per megawatt of capacity per contract year. In actual operation during the past few years, the Laurel Project has produced less energy, on average, than was forecast. The average energy available to East Kentucky has been 251,618 megawatthours per year. Southeastern has revised the repayment study to show that East Kentucky is expected to receive an estimated average of 255,000 megawatt-

hours of energy per contract year.
9. Since 70 MW of EKPC's total
Southeastern allocation of 170 MW and related energy is to be produced by the Laurel Project, EKPC is at the mercy of the actual annual rainfall in the Laurel Lake watershed and resulting power production. EKPC asks that provisions be made to guarantee that EKPC receive its entitlement of a minimum of 255,000 MWh each and every year. (East Kentucky)

Response: The comment relates to Southeastern's marketing arrangements with East Kentucky, and is not pertinent to the proposed rates. Southeastern's marketing arrangements with East Kentucky are discussed in the response to comment 8 above. Southeastern is willing to consider any revisions to the contract between Southeastern and East Kentucky that East Kentucky may propose. Such revisions would have to be evaluated for their impact on other customers of the Cumberland System.

### F. Comments Regarding Rate Design

10. East Kentucky Power Cooperative requests that Southeastern revise its Proposed Wholesale Power Rate Schedule CEK-1-E as follows: [The design includes an energy charge for energy from the Laurel Project and reduces the capacity charge for capacity from the Laurel Project by the anticipated 1500 hours energy per year] (East Kentucky)

Response: Southeastern will revise the proposed rate schedule CEK-1-E to provide no energy with the capacity charge. All energy provided under this rate schedule will be billed at the additional energy rate.

#### Order

In view of the foregoing and pursuant to the authority vested in me as the Deputy Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 2003, attached Wholesale Power Rate Schedules CBR–1–E, CSI–1–E, CEK–1–E, CM–1–E, CC–1–F, CK–1–E, CTV–1–E, and SJ–1–B.

The Rate Schedules shall remain in effect on an interim basis through September 30, 2008, unless such period is extended or until the FERC confirms and approves them or substitutes Rate Schedules on a final basis.

Dated: September 26, 2003 **Kyle E. McSlarrow**, *Deputy Secretary*.

## Wholesale Power Rate Schedule CBR-1-E

Availability: This rate schedule shall be available to Big Rivers Electric

Corporation and includes the City of Henderson, Kentucky, (hereinafter called the Customer).

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 13,800 volts and 161,000 volts to the transmission system of Big Rivers Electric Corporation.

Points of Delivery: Capacity and energy delivered to the Customer will be delivered at points of interconnection of the Customer at the Barkley Project Switchyard, at a delivery point in the vicinity of the Paradise steam plant and at such other points of delivery as may hereafter be agreed upon by the Government and TVA.

Monthly Rate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$3.373 per kilowatt/ month of total contract demand. Energy Charge: None.

Energy to be Furnished by the Government: The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1,500 kilowatthours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per

kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Conditions of Service: The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of TVA on its side of the delivery point.

Service Interruption: When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

 $\left(\begin{array}{c}
\text{Number of kilowatts unavailable} \\
\text{for at least 12 hours in any calendar day}\right) \times \left(\begin{array}{c}
\text{Monthly Capacity Charge} \\
\text{Number of Days in} \\
\text{Billing Month}
\end{array}\right)$ 

# Wholesale Power Rate Schedule CSI-1-E

Availability: This rate schedule shall be available to Southern Illinois Power Cooperative (hereinafter the Customer).

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder

will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 13,800 volts and 161,000 volts to the transmission system of Big Rivers Electric Corporation.

Points of Delivery: Capacity and energy delivered to the Customer will be

delivered at points of interconnection of the Customer at the Barkley Project Switchyard, at a delivery point in the vicinity of the Paradise steam plant and at such other points of delivery as may hereafter be agreed upon by the Government and TVA.

Monthly Rate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$3.373 per kilowatt/ month of total contract demand Energy Charge: None

Energy to be Furnished by the Government: The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1,500 kilowatthours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as

the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Service Interruption: When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

 $\begin{pmatrix}
\text{Number of kilowatts unavailable} \\
\text{for at least 12 hours in any calendar day}
\end{pmatrix} \times \begin{pmatrix}
\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}}
\end{pmatrix}$ 

### Wholesale Power Rate Schedule CEK-1-E

Availability: This rate schedule shall be available to East Kentucky Power Cooperative (hereinafter called the Customer).

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and power available from the Laurel Project and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of the Customer.

Points of Delivery: The points of delivery will be the 161,000 volt bus of the Wolf Creek Power Plant and the 161,000 volt bus of the Laurel Project. Other points of delivery may be as agreed upon.

Monthly Rate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$2.232 per kilowatt/ month of total contract demand Energy Charge: 9.13 mills per kilowatthour

Energy to be Furnished by the Government: The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1,500 kilowatthours of energy delivered at the TVA border for each kilowatt of contract demand plus 369 kilowatt-hours of energy delivered for each kilowatt of contract demand to supplement energy available at the Laurel Project. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Conditions of Service: The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of TVA on its side of the delivery point.

Service Interruption: When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

(for at least 12 hours in any calendar day) × (Monthly Capacity Charge Number of Days in Billing Month

# Wholesale Power Rate Schedule CM-1-E

Availability: This rate schedule shall be available to the South Mississippi Electric Power Association, Municipal Energy Agency of Mississippi, and Mississippi Delta Energy Agency (hereinafter called the Customers).

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of Mississippi Power and Light.

Points of Delivery: The points of delivery will be at interconnection points of the Tennessee Valley Authority system and the Mississippi Power and Light system. Other points of delivery may be as agreed upon.

Monthly Kate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$3.373 per kilowatt/ month of total contract demand

Energy Charge: None

Energy to be Furnished by the Government: The Government shall make available each contract year to the Customer from the Projects through the Customer's interconnections with TVA and the Customer will schedule and accept an allocation of 1,500 kilowatthours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the Customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the Customer's contract demand. The Customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the Customer's contract demand; provided, that the combined schedule of all Southeastern Customers outside TVA and served by TVA does not exceed 240 hours per

kilowatt of the total contract demands of these Customers.

In the event that any portion of the capacity allocated to the Customers is not initially delivered to the Customers as of the beginning of a full contract year, the 1500 kilowatt hours shall be reduced 1/12 for each month of that year prior to initial delivery of such capacity.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective on the last day of each calendar month.

Service Interruption: When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

(number of kilowatts unavailable for at least 12 hours in any calendar day) × (monthly Capacity Charge Number of Days in Billing Month

# Wholesale Power Rate Schedule CC-1-F

Availability: This rate schedule shall be available to public bodies and cooperatives served through the facilities of Carolina Power & Light Company, Western Division (hereinafter called the Customers).

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder

will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission system of Carolina Power & Light Company, Western Division.

Points of Delivery: The points of delivery will be at interconnecting points of the Tennessee Valley Authority system and the Carolina Power & Light Company, Western Division system. Other points of delivery may be as agreed upon.

Monthly Rate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$3.839 per kilowatt/ month of total contract demand Energy Charge: None CP&L Transmission Charge: \$1.2493 per kilowatt/month of total contract demand

The CP&L transmission rate is subject to annual adjustment on April 1 of each year and will be computed subject to the formula in Appendix A attached to the Government—Carolina Power & Light Company contract.

Energy to be Furnished by the Government: The Government will sell to the customer and the customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to Carolina Power & Light Company (less six percent (6%) losses). The Customer's contract demand and accompanying

energy allocation will be divided pro rata among its individual delivery points served from the Carolina Power & Light Company's, Western Division transmission system.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

# Wholesale Power Rate Schedule CK-1-E

Availability: This rate schedule shall be available to public bodies served through the facilities of Kentucky Utilities Company, (hereinafter called the Customers.)

Applicability: This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of sixty hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of Kentucky Utilities Company.

Points of Delivery: The points of delivery will be at interconnecting points between the Tennessee Valley Authority system and the Kentucky Utilities Company system. Other points of delivery may be as agreed upon.

Monthly Rate: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand charge: \$3.373 per kilowatt/ month of total contract demand Energy Charge: None Additional Energy Charge: 9.13 mills per kilowatt-hour

Energy to be Furnished by the Government: The Government shall make available each contract year to the Customer from the Projects and the Customer will accept an allocation of 1,500 kilowatt-hours of energy for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the Customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the Customer's contract demand. The

Customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the Customer's contract demand; provided, that the combined schedule of all Southeastern Customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these Customers.In the event that any portion of the capacity allocated to the Customers is not initially delivered to the Customers as of the beginning of a full contract year, the 1500 kilowatt hours shall be reduced 1/12 for each month of that year prior to initial delivery of such capacity.

For billing purposes, each kilowatt of capacity will include 1500 kilowatt-hours energy per year. Customers will pay for additional energy at the additional energy rate.

Billing Month: The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective on the last day of each calendar month.

#### Wholesale Power Rate Schedule CTV-1\_F

Availability: This rate schedule shall be available to the Tennessee Valley Authority (hereinafter called TVA).

Applicability: This rate schedule shall be applicable to electric capacity and energy generated at the Dale Hollow, Center Hill, Wolf Creek, Old Hickory, Cheatham, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereafter called collectively the "Cumberland Projects") and the Laurel Project sold under agreement between the Department of Energy and TVA.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a frequency of approximately 60 Hertz at the outgoing terminals of the Cumberland Projects' switchyards.

Monthly Rates: The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge: \$1.907 per kilowatt/ month of total demand as determined by the agreement between the Department of Energy and TVA. Energy Charge: None Additional Energy Charge: 9.13 mills

Additional Energy Charge: 9.13 mills per kilowatt-hour

Energy to be Made Available: The Department of Energy shall determine the energy that is available from the projects for declaration in the billing month.

To meet the energy requirements of the Department of Energy's customers outside the TVA area (hereinafter called Other Customers), 768,000 megawatt-hours of net energy shall be available annually (including 36,900 megawatt-hours of annual net energy to supplement energy available at Laurel Project). The energy requirement of the Other Customers shall be available annually, divided monthly such that the maximum available in any month shall not exceed 240 hours per kilowatt of total Other Customers contract demand, and the minimum amount available in any month shall not be less than 60 hours per kilowatt of total Other Customers demand.

In the event that any portion of the capacity allocated to Other Customers is not initially delivered to the Other Customers as of the beginning of a full contract year, (July through June), the 1500 hours, plus any such additional energy required as discussed above, shall be reduced ½12 for each month of that year prior to initial delivery of such capacity.

The energy scheduled by TVA for use within the TVA System in any billing month shall be the total energy delivered to TVA less (1) an adjustment for fast or slow meters, if any, (2) an adjustment for Barkley-Kentucky Canal of 15,000 megawatt-hours of energy each month which is delivered to TVA under the agreement from the Cumberland Projects without charge to TVA, (3) the energy scheduled by the Department of Energy in said month for the Other Customers plus losses of two (2) percent, and (4) station service energy furnished by TVA.

Each kilowatt of capacity will include 1500 kilowatt-hours of energy per year, which is defined as base energy. Energy received in excess of 1500 kilowatt-hours per kilowatt will be subject to an additional energy charge identified in the monthly rates section of this rate schedule.

Billing Month: The billing month for capacity and energy sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Contract Year: For purposes of this rate schedule, a contract year shall be as in Section 13.1 of the Southeastern Power Administration—Tennessee Valley Authority Contract.

Service Interruption: When delivery of capacity to TVA is interrupted or reduced due to conditions on the Department of Energy's system that are beyond its control, the Department of Energy will continue to make available the portion of its declaration of energy that can be generated with the capacity available.

For such interruption or reduction (exclusive of any restrictions provided

in the agreement) due to conditions on the Department of Energy's system which have not been arranged for and agreed to in advance, the demand charge for scheduled capacity made available to TVA will be reduced as to the kilowatts of such scheduled capacity which have been so interrupted or reduced for each day in accordance with the following formula:

Power Factor: TVA shall take capacity and energy from the Department of Energy at such power factor as will best serve TVA's system from time to time; provided, that TVA shall not impose a power factor of less than .85 lagging on the Department of Energy's facilities which requires operation contrary to good operating practice or results in overload or impairment of such facilities.

# Wholesale Power Rate Schedule SJ-1-B

Availability: This rate schedule shall be available to Monongahela Power Company for energy from the Stonewall Jackson Project (hereinafter called the Project).

Applicability: This rate schedule shall be applicable to energy made available by the Government from the Project and sold in wholesale quantities.

Character of Service: The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 cycles per second delivered at the delivery points of the customer.

Monthly Rate: The monthly rate for energy made available or delivered under this rate schedule shall be the lower of:

(a) The energy equivalent rate of Cumberland Rate Schedule CC-1-F, which is 38.1 mills per kwh, or;

(b) The sum, as reasonably determined by Monongahela Power Company (Buyer), of (1) and (2) below calculated for each period as to which the determination is being made, (normally monthly) based on costs and net generation of Buyer and other regulated subsidiaries of Allegheny Power System, Inc. to produce energy from: Ft. Martin Units Nos. 1 and 2, Hatfield Ferry Units Nos. 1, 2, and 3, Harrison Units Nos. 1, 2, 3, and Pleasants Units Nos. 1 and 2.

(1) The accrued expense in FERC Account 501 (fuel expense) or such appropriate similar account as the FERC may from time to time establish for fuel expense for steam power generation, divided by the actual net generation in kilowatt-hours, exclusive of plan use, plus

(2) One-half of the accrued expenses in FERC Accounts 510–514 (maintenance expense), inclusive, of such other appropriate similar accounts as FERC may from time to time establish for maintenance expense for steam power generation, divided by the actual net generation in kilowatt-hours, exclusive of plant use.

Energy Made Available: Project energy generated by the District at the Project except energy use in the production of such energy or utilized by the District for its operations at the location of the project.

Billing Month: Buyer shall read the metering devices within three business days of the end of each calendar month and will render payment within 15 days of such reading.

Conditions of Service: The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Monongahela Power Company on its side of the delivery point.

[FR Doc. 03–25501 Filed 10–7–03; 8:45 am] BILLING CODE 6450–01–P

### **DEPARTMENT OF ENERGY**

## Georgia-Alabama-South Carolina System

**AGENCY:** Southeastern Power Administration, DOE. **ACTION:** Notice of Rate Order.

SUMMARY: The Deputy Secretary of the Department of Energy, confirmed and approved, on an interim basis, Rate Schedules SOCO-1-B, SOCO-2-B, SOCO-3-B, SOCO-4-B, ALA-1-K, MISS-1-K, Duke-1-B, Duke-2-B, Duke-3-B, Duke-4-B, Santee-1-B, Santee-2-B, Santee-3-B, Santee-4-B, SCE&G-1-B, SCE&G-2-B, SCE&G-3-B, SCE&G-4-B, Regulation-1, Replacement-1, Pump-1-A, and Pump-2. The rates were

approved on an interim basis, effective on October 1, 2003, and through September 30, 2007, and are subject to confirmation and final approval by the Federal Energy Regulatory Commission.

**DATES:** Approval of rate on an interim basis is effective through September 30, 2007.

### FOR FURTHER INFORMATION CONTACT:

Leon Jourolmon, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635– 6711, (706)–213–3800.

SUPPLEMENTARY INFORMATION: The Federal Energy Regulatory Commission, by Order issued July 15, 2003, in Docket No. EF02-3011-000, confirmed and approved Wholesale Power Rate Schedules SOCO-1-A, SOCO-2-A, SOCO-3-A, SOCO-4-A, ALA-1-J, MISS-1-J, Duke-1-A, Duke-2-A, Duke-3-A, Duke-4-A, Santee-1-A, Santee-2-A, Santee-3-A, Santee-4-A, SCE&G-1-A, SCE&G-2-A, SCE&G-3-A, SCE&G-4-A, Regulation-1, Replacement-1, Pump-1–A, and Pump-2. Rate schedules SOCO-1-B, SOCO-2-B, SOCO-3-B, SOCO-4-B, ALA-1-K, MISS-1-K, Duke-1-B, Duke-2-B, Duke-3-B, Duke-4-B, Santee-1-B, Santee-2-B, Santee-3-B, Santee-4-B, SCE&G-1-B, SCE&G-2-B, SCE&G-3-B, SCE&G-4-B, Regulation-1, Replacement-1, Pump-1-A, and Pump-2 replace these schedules.

Dated: September 26, 2003.

# Kyle E. McSlarrow,

Deputy Secretary.

In the Matter of Southeastern Power Administration B;—Georgia-Alabama-South Carolina Rates; Rate Order; No. Southeastern-44

# Order Confirming and Approving Power Rates on an Interim Basis

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 Southeastern Power Administration (Southeastern) were transferred to and