

would adversely affect the rights of a property holder in a manner not contemplated by the license; or involves an appeal by an agency or entity specifically given a consultation role by the license article pursuant to which the compliance filing is made.<sup>2</sup> None of these circumstances was present here,<sup>3</sup> and accordingly the Commission did not issue notice of, or entertain non-consulted entities' intervention motions concerning, Tacoma Power's Article 405 compliance filing.<sup>4</sup> In light of this, the rehearing request filed by Friends of the Cowlitz and CPR-Fish is rejected.

This notice constitutes final agency action. Request for rehearing by the Commission of this rejection notice must be filed within 30 days of the date of issuance of this notice, pursuant to 18 CFR 385.713 (2004).

**Magalie R. Salas,**

*Secretary.*

[FR Doc. E4-1837 Filed 8-18-04; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. RP04-449-000]

#### Trunkline Gas Company, LLC; Notice of Proposed Changes in FERC Gas Tariff

August 11, 2004.

Take notice that on August 9, 2004, Trunkline Gas Company, LLC (Trunkline) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, the revised tariff sheets listed on Appendix A attached to the filing proposed to become effective September 10, 2004.

Trunkline states that this filing is being made to propose generally applicable tariff provisions that offer contract demand reduction rights under specified circumstances. Trunkline also states that it proposes to allow shippers to elect from four types of contract demand reduction options if they meet the eligibility requirements set forth in the tariff. They include (1) regulatory unbundling; (2) loss of load; (3) plant outage and (4) buyout.

Any person desiring to intervene or to protest this filing must file 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 notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed in accordance with the provisions of section 154.210 of the Commission's regulations (18 CFR 154.210). Anyone filing an intervention or protest must serve a copy of that document on the Applicant. Anyone filing an intervention or protest on or before the intervention or protest date need not serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an "eSubscription" link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

**Magalie R. Salas,**

*Secretary.*

[FR Doc. E4-1835 Filed 8-18-04; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Boulder Canyon Project—Base Charge and Rates

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of Base Charge and Rates.

**SUMMARY:** The Deputy Secretary of the Department of Energy (DOE) has approved the FY 2005 Base Charge and Rates (Rates) for Boulder Canyon Project

(BCP) electric service provided by the Western Area Power Administration (Western). The Rates will provide sufficient revenue to pay all annual costs, including interest expense, and investment repayment within the allowable period.

**DATES:** The Rates will be effective the first day of the first full billing period beginning on or after October 1, 2004. These Rates will stay in effect through September 30, 2005, or until superseded by other rates.

**FOR FURTHER INFORMATION CONTACT:** Mr. Jack Murray, Rates Team Lead, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, telephone (602) 352-2442, e-mail [jmurray@wapa.gov](mailto:jmurray@wapa.gov).

**SUPPLEMENTARY INFORMATION:** The Deputy Secretary of Energy approved the existing Rate Schedule BCP-F6 for BCP electric service on September 18, 2000 (Rate Order No. WAPA-94, 65 FR 60932, October 13, 2000), on an interim basis. Rate Schedule BCP-F6, effective October 1, 2000, through September 30, 2005, allows for an annual recalculation of the rates. On July 31, 2001, the Federal Energy Regulatory Commission (Commission) approved Rate Order No. WAPA-94 on a final basis.

Under Rate Schedule BCP-F6, the existing composite rate, effective on October 1, 2003, was 12.91 mills per kilowatthour (mills/kWh), the base charge was \$51,719,075, the energy rate was 6.46 mills/kWh, and the capacity rate was \$1.17 per kilowattmonth (kWmonth). The newly calculated Rates for BCP electric service, to be effective October 1, 2004, will result in an overall composite rate of 14.82 mills/kWh. This is an increase of approximately 15 percent when compared with the existing BCP electric service composite rate. The increase is due to an increase in the annual base charge and a decrease in the projected energy sales. The Fiscal Year (FY) 2005 base charge is increasing to \$57,654,683. The increase is due mainly to an increase in annual operation, maintenance, visitor services expenses, and replacement costs. A contributing factor to the increases is the additional security costs incurred at the Hoover Dam. The FY 2005 energy rate of 7.41 mills/kWh is approximately a 15-percent increase from the existing energy rate of 6.46 mills/kWh. The increase in the energy rate is due to a decrease in the projected energy sales resulting from a continuing drop in lake elevations due to poor hydrology in the lower Colorado River basin. The FY 2005 capacity rate of \$1.39/kWmonth is approximately a 19-percent increase

<sup>2</sup> Kings River Conservation District, 36 FERC ¶61,365 (1986). In addition, intervention in a relicensing proceeding does not carry over into post-licensing proceedings. See Pacific Gas and Electric Company, 40 FERC ¶61,035 (1987).

<sup>3</sup> Article 405 gave neither of these entities a consultation role. See 98 FERC ¶61,274 at 62,110 (2002).

<sup>4</sup> Even if their rehearing requests would have been entertained, Friends of the Cowlitz and CPR-Fish did not move to intervene in this proceeding.

from the existing \$1.17/kWmonth capacity rate. The capacity rate is increasing due to decreased generation ratings resulting from lower lake elevations. Another factor that contributes to the increase in the energy and capacity rates is the increase in the annual base charge due to increasing annual costs.

The following summarizes the steps taken by Western to ensure involvement of all interested parties in determining the Rates:

1. A **Federal Register** (FR) notice was published on February 18, 2004 (69 FR 7627), announcing the proposed rate adjustment process, initiating a public consultation and comment period, announcing public information and public comment forums, and presenting procedures for public participation.

2. On February 27, 2004, a letter was mailed from Western's Desert Southwest Customer Service Region to the BCP Contractors and other interested parties announcing an informal customer meeting and public information and comment forums.

3. Discussion of the proposed Rates was initiated at an informal BCP Contractor meeting held March 11, 2004, in Phoenix, Arizona. At this informal meeting, representatives from Western and the Bureau of Reclamation (Reclamation) explained the basis for estimates used to calculate the Rates and held a question and answer session.

4. At the public information forum held on March 25, 2004, in Phoenix, Arizona, Western and Reclamation representatives explained the proposed Rates for FY 2005 in greater detail and held a question and answer session.

5. A public comment forum held on April 15, 2004, in Phoenix, Arizona, gave the public an opportunity to comment for the record. Five persons representing the BCP Contractors and Interested Parties made oral comments.

6. Western received three comment letters during the 90-day consultation and comment period. The consultation and comment period ended May 18, 2004. All comments were considered in developing the Rates for FY 2005. Written comments were received from: Irrigation & Electrical Districts Association of Arizona, Metropolitan Water District of Southern California, Southern California Edison.

Comments and responses, paraphrased for brevity, are presented below.

### Security Costs

*Comment:* A number of Contractors expressed concern about the additional security costs that Hoover Dam is incurring in FY 2005. It is troubling to

the BCP Contractors that Hoover Dam, as one of the five national critical infrastructures in the Western United States, is unable to receive annual nonreimbursable security funding, which in FY 2005 would total approximately \$4 million. The BCP Contractors stated that if the Federal Government is unwilling to spread the costs to all beneficiaries of the multi-purpose facility (flood control, river regulation, water storage and irrigation, municipal and industrial uses, international treaties, power generation, recreation, and environmental mitigation), then the government should assume the obligation to pay for the increased security costs. One Contractor asked Western to represent its position on increased security costs during discussions concerning the FY 2005 Energy and Water Appropriations Development Bill.

*Response:* Western and Reclamation recognize the concerns the BCP Contractors have regarding additional security costs at Hoover Dam. The decision regarding reimbursement of security costs is based on congressional enactment of the annual budget for Federal agencies and reflects a decision of reimbursability adopted during the President's budget formulation process. The beneficiaries' reimbursable obligations in FY 2005 are being determined consistent with Reclamation policy and Hoover Dam's specific authorizations. Western will implement any congressional decision to make these costs nonreimbursable in its rate development and project repayment.

*Comment:* What happens if the Contractors are successful in getting the additional costs declared nonreimbursable in FY 2005? How do the Contractors get the benefit of this?

*Response:* If the Contractors are successful in obtaining nonreimbursable authority for the additional Hoover security costs, and depending on the timing, the benefit to the BCP Contractors would occur at year end when actual expenses are reconciled with estimated expenses.

*Comment:* In Reclamation's green book provided to a House subcommittee just a few weeks ago, Hoover Dam was among other Reclamation facilities singled out to pay for security costs. If Hoover Dam is a national critical infrastructure, why are security costs for Hoover Dam not a national obligation, instead of being treated as reimbursable in Western's power rates?

*Response:* Reimbursability of security costs at Hoover Dam is being determined consistent with Reclamation policy and Hoover Dam's specific authorizations. Security upgrades at

Hoover Dam continue to be critical to improving our security posture and improving effectiveness. Hoover Dam has received substantial support for security through the appropriation process in the past 2 years. Reclamation is aggressively pursuing appropriations to complete upgrades to systems and processes in future years.

*Comment:* An Interested Party stated that Reclamation has an obligation to assess a surcharge associated with incurred security costs similar to those imposed at airports, Disneyland, and entertainment facilities.

*Response:* Reclamation has no obligation to assess a surcharge, but will review this option for possible implementation in the future.

### Visitor Center

*Comment:* The Contractors have stressed the importance of Reclamation's efforts to manage the Visitor Center budget. With rising costs, fewer visitors, and reduced revenues since the September 11, 2001, terrorist attack, the BCP Contractors feel the need to find other sources of income. The BCP Contractors claim they were promised that Reclamation would manage the Visitor Center so that revenues would offset at least 50 percent of the capital repayment requirements so that the Visitor Center did not cause high power rate increases.

*Response:* Reclamation agreed to strive for generation of revenues to fund operation, maintenance, and replacement expenses associated with the Visitor Facilities, together with approximately 50 percent of the capital repayment requirements. Refurbishment of the exhibits and ongoing new product development are aimed at bringing repeat and new business to the facility. Reclamation has received a \$538,000 grant for renovating the old exhibit building, a \$275,000 grant for the canoe launch area, a \$545,000 grant for the River Mountains Loop pedestrian trail, and is pursuing other grant opportunities.

### Future Budgets

*Comment:* An Interested Party suggested Reclamation postpone every possible replacement in FY 2005 to mitigate the increase in replacement costs in the proposed base charge and rates. They further state that replacements need to be prioritized and only those absolutely necessary should be made in FY 2005.

*Response:* Reclamation agrees and supports efforts to mitigate the increase in the proposed base charge and rates. Reclamation's effort is demonstrated and implemented during the annual

Technical Review Committee (TRC) process. FY 2005 replacement costs were examined and reviewed during the TRC process in September 2003, by Reclamation, Western, and the BCP Contractors. The FY 2005 Final Ten Year Operating Plan includes the increased replacement costs that are included in the upcoming proposed FY 2005 Base Charge and Rates.

*Comment:* A Contractor asked Western to consider deferring principal payments in FY 2005 and the next couple of years while the replacement costs are abnormally high. They also suggested that Western investigate the ability to refinance over a longer period or find another way to finance future replacement costs.

*Response:* Western and Reclamation are open to any discussions with the BCP Contractors related to lowering the annual revenue requirement. The existing rate methodology is designed to recover all annual costs including principal payments and complies with Department of Energy Order RA 6120.2, Basic Policy for Rate Adjustments. Additionally, the Boulder Canyon Project Implementation Agreement (BCPIA) sets forth the expectation that the project's full revenue requirement will be funded each year, including the principal payments on a "house type" levelized debt payment. While there may be some flexibility to defer principal payments, Western and Reclamation believe the Contractors must raise this issue to the Engineering and Operating Committee (E&OC) for resolution. Likewise, the BCP Contractors must bring up proposals for alternate methods of financing future replacement costs (*i.e.*, capitalizing replacements vs. annual expensing) to the E&OC for review, discussion, and resolution before implementation by Western.

*Comment:* An Interested Party expressed concern over the effects of the anticipated long-term drought. The BCP Contractors are faced with less energy and capacity due to less water storage behind Hoover Dam and the falling level of Lake Mead means units are de-rated. He said it is time for a new paradigm on financial planning for this Project and suggested that the BCP Contractors, Western, and Reclamation take a hard look at costs and do some inventive thinking about future costs.

*Response:* Both Western and Reclamation have expended significant effort on keeping costs down and increasing efficiency and productivity, and will continue their ongoing effort to manage costs. If a constant 3 percent escalation factor used for budgeting was applied to Western's actual expenses

beginning in FY 1998, Western would have expended approximately \$806,000.00 more in FY 2003 than the actual expenditures. FY 2003 demonstrates Western's success in cost containment. See table below:

Fiscal year	Western's actual O&M program	3% annual inflation rate from FY 1998 actuals
1998 .....	\$3,814,306	\$3,814,306
1999 .....	4,431,417	3,928,735
2000 .....	4,606,203	4,046,597
2001 .....	4,321,965	4,167,995
2002 .....	4,353,469	4,293,035
2003 .....	3,615,829	4,421,826

In addition to ongoing cost containment, Western will continue to identify sources that have historically provided additional revenue to the BCP, which reduces the amount paid by the BCP Contractors. For FY 1998 through FY 2003 other revenues transferred to the BCP totaled \$5,049,942. See table below:

Fiscal year	Western's other revenues transferred to BCP
1998 .....	\$1,195,321
1999 .....	1,382,369
2000 .....	1,738,317
2001 .....	238,657
2002 .....	64,318
2003 .....	430,960

In FY 2004, approximately \$2 million in sales of generator-based ancillary services provided by the BCP will be credited to help reduce the overall revenue requirement. While Western does not expect these amounts to continue at this magnitude, it illustrates Western's commitment to minimizing the net revenue requirement.

As one customer pointed out, over the past few years, Reclamation has improved unit availability and dramatically reduced critical items identified in the comprehensive power review. In FY 2004, Reclamation will have completed two overhauls using roughly the same number of employees required for one unit due to improvements in productivity, planning, and scheduling. High costs to establish reliability should taper off somewhat in the future years. See table below:

Fiscal year	Reclamation's actual O&M program <sup>1</sup>	3% annual inflation rate from FY 1998 actuals
1998 .....	\$27,134,796	\$27,134,796
1999 .....	28,145,636	27,948,840

Fiscal year	Reclamation's actual O&M program <sup>1</sup>	3% annual inflation rate from FY 1998 actuals
2000 .....	29,699,462	28,787,305
2001 .....	34,579,410	29,650,924
2002 .....	33,567,080	30,540,452
2003 .....	36,507,037	31,456,666

<sup>1</sup> Includes Operations, Maintenance, Post Civil Service Retirement, Administrative & General Expenses, Extraordinary Operation and Maintenance, Replacements, Visitor Services.

### Rate Adjustment

*Comment:* An Interested Party commented that adding the additional security costs to the FY 2005 rate base at this time is premature. He further commented that Western and Reclamation need to face the reality of the budgeting situation and not raise rates until they have some specific authorization from Congress concerning FY 2005. Since both agencies will be operating under continuing resolutions for some time into FY 2005, the rate increase can be planned, but any rate increase should be postponed until a budget is finally decided upon.

*Response:* The BCP Base Charge and Rates are determined by using the most current budget projections. The costs are all estimated based on historical data and inflation. Under Hoover Dam legislation, we cannot allow for a deficiency in any given year, nor does the existing rate methodology allow for delaying annual repayment of the BCP. Section 13.12 under the BCPIA requires an annual rate review to adjust the base charge either upward or downward annually to assure sufficient revenues to pay all costs and financial obligations associated with the BCP. Any under- or over-collection of revenues is recognized at year end when actual expenses are reconciled with estimated expenses. It is true that Western has operated under a continuing resolution at times in the past. FY 2005 could be similar; however, waiting until Western receives legislative direction is not justification for postponing an annual rate adjustment.

### BCP Electric Service Rates

BCP electric service rates are designed to recover an annual revenue requirement that includes operation and maintenance expenses, payments to States, visitor services, uprating program, replacements, investment repayment, and interest expense. Western's power repayment study (PRS) allocates the projected annual revenue requirement for electric service equally between capacity and energy.

## Procedural Requirements

BCP electric service rates are developed under the Department of Energy Organization Act (42 U.S.C. 7101–7352), through which the power marketing functions of the Secretary of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the project involved, were transferred to and vested in the Secretary of Energy, acting by and through Western.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated (1) the authority to develop long-term power and transmission rates on a nonexclusive basis to Western's Administrator, (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy, and (3) the authority to confirm, approve, and place into effect on a final basis, to remand or to disapprove such rates to the Commission. Existing DOE procedures for public participation in electric service rate adjustments are located at 10 CFR 903, effective September 18, 1985 (50 FR 37835). DOE procedures were followed by Western in developing the rate formula approved by the Commission on July 31, 2001, at 96 FERC ¶ 61,171.

The Boulder Canyon Project Implementation Agreement Contract No. 95–PAO–10616 requires Western, prior to October 1 of each rate year, to determine the annual rates for the next fiscal year. The rates for the first rate year and each fifth rate year thereafter, will become effective provisionally upon approval by the Deputy Secretary of Energy subject to final approval by the Commission. For all other rate years, the rates will become effective on a final basis upon approval by the Deputy Secretary of Energy.

Western will continue to provide the BCP Contractors annual rates by October 1 of each year using the same ratesetting formula. The rates are reviewed annually and adjusted upward or downward to assure sufficient revenues to achieve payment of all costs and financial obligations associated with the project. Each fiscal year, Western prepares a PRS that updates actual revenues and expenses and includes future estimates of annual revenues and expenses for the BCP including interest and capitalized costs.

Western's BCP electric service ratesetting formula set forth in Rate Order No. WAPA–70 was approved on April 19, 1996, in Docket No. EF96–5091–000 at 75 FERC ¶ 62,050, for the period beginning November 1, 1995, and ending September 30, 2000. Rate Order No. WAPA–94 extended the existing ratesetting formula beginning on October 1, 2000, and ending September 30, 2005. The BCP ratesetting formula includes a base charge, an energy rate, and a capacity rate. The ratesetting formula was used to determine the BCP FY 2005 Base Charge and Rates.

Western proposes the FY 2005 base charge of \$57,654,683, the energy rate of 7.41 mills/kWh, and the capacity rate of \$1.39/kWmonth be approved on a final basis.

Consistent with procedures set forth in 10 CFR 903, Western held a consultation and comment period. The notice of the proposed FY 2005 Rates for electric service was published in the **Federal Register** on February 18, 2004.

Following review of Western's proposal, I approve the FY 2005 Rates, on a final basis for the BCP electric service, under Rate Schedule BCP–F6, through September 30, 2005.

Dated: August 5, 2004.

**Kyle E. McSlarrow,**

*Deputy Secretary.*

[FR Doc. 04–19046 Filed 8–18–04; 8:45 am]

**BILLING CODE 6450–01–P**

## ENVIRONMENTAL PROTECTION AGENCY

[OA–2004–0005, FRL–7803–1]

### Agency Information Collection Activities: Proposed Collection; Comment Request; Pilot Test of the Pollution and Abatement Costs and Expenditures (PACE) Survey, EPA ICR Number 2158.01

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice.

**SUMMARY:** In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this document announces that EPA is planning to submit a proposed Information Collection Request (ICR) to the Office of Management and Budget (OMB). This is a request for a new collection. Before submitting the ICR to OMB for review and approval, EPA is soliciting comments on specific aspects of the proposed information collection as described below.

**DATES:** Comments must be submitted on or before October 18, 2004.

**ADDRESSES:** Submit your comments, referencing docket ID number OA–2004–0005, to EPA online using EDOCKET (our preferred method), by e-mail to [oei.docket@epa.gov](mailto:oei.docket@epa.gov), or by mail to: EPA Docket Center, Environmental Protection Agency, Office of Environmental Information Docket, Mail Code 2822T, 1200 Pennsylvania Ave., NW., Washington, DC 20460.

**FOR FURTHER INFORMATION CONTACT:** Dr. Kelly Maguire, Office of Policy, Economics, and Innovation, National Center for Environmental Economics, MC 1809T, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460; telephone number: (202) 566–2273; fax number: (202) 566–2339; e-mail address: [maguire.kelly@epa.gov](mailto:maguire.kelly@epa.gov).

**SUPPLEMENTARY INFORMATION:** EPA has established a public docket for this ICR under Docket ID number OA–2004–0005, which is available for public viewing at the Office of Environmental Information Docket in the EPA Docket Center (EPA/DC), EPA West, Room B102, 1301 Constitution Ave., NW., Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566–1744, and the telephone number for the Office of Environmental Information Docket is (202) 566–1752. An electronic version of the public docket is available through EPA Dockets (EDOCKET) at <http://www.epa.gov/edocket>. Use EDOCKET to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select “search,” then key in the docket ID number identified above.

Any comments related to this ICR should be submitted to EPA within 60 days of this notice. EPA's policy is that public comments, whether submitted electronically or in paper, will be made available for public viewing in EDOCKET as EPA receives them and without change, unless the comment contains copyrighted material, CBI, or other information whose public disclosure is restricted by statute. When EPA identifies a comment containing copyrighted material, EPA will provide a reference to that material in the version of the comment that is placed in EDOCKET. The entire printed comment, including the copyrighted material, will