Filed Date: 11/30/17.
Accession Number: 20171130–5214.
Comments Due: 5 p.m. ET 12/21/17.

Docket Numbers: ER18–364–000.
Applicants: Midcontinent Independent System Operator, Inc.
Description: § 205(d) Rate Filing: 2017–11–30_Revisions to LRZ for the States of Louisiana and Texas to be effective 12/1/2017.
Filed Date: 11/30/17.
Accession Number: 20171130–5223.
Comments Due: 5 p.m. ET 12/21/17.

Docket Numbers: ER18–365–000.
Applicants: Access Energy Solutions, LLC.
Description: Baseline eTariff Filing: Market Based Rate Tariff to be effective 1/29/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5002.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–366–000.
Applicants: Midcontinent Independent System Operator, Inc., Ameren Illinois Company.
Description: § 205(d) Rate Filing: 2017–12–1_SA 2022 Ameren-Kirkwood 1st Rev WDS to be effective 11/1/2017.
Filed Date: 12/1/17.
Accession Number: 20171201–5056.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–367–000.
Applicants: Midcontinent Independent System Operator, Inc., Ameren Illinois Company.
Description: § 205(d) Rate Filing: 2017–12–1_Ameren-RECC WCA/UCA/WDS to be effective 1/1/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5067.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–368–000.
Applicants: Southern California Edison Company.
Description: § 205(d) Rate Filing: LGIA Arlington Solar, LLC Service Agreement No. 205, TOT781 to be effective 1/31/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5137.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–369–000.
Applicants: Southern California Edison Company.
Description: Tariff Cancellation: Notices of Cancellation GIA and Distrib Serv Agmt Ellwood Storage Project to be effective 1/23/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5140.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–370–000.
Applicants: Southern California Edison Company.
Description: § 205(d) Rate Filing: TO Tariff Amendment New Appendix XI to be effective 3/31/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5188.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–371–000.
Applicants: ISO New England Inc., New England Power Pool Participants Committee.
Description: Installed Capacity Requirements, Hydro-Quebec Interconnection Capability Credits and Related Values for 2018/2019, 2019/2020 and 2010/2021 Annual Reconfiguration Auctions of ISO New England, Inc., et al.
Filed Date: 12/1/17.
Accession Number: 20171201–5189.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–372–000.
Applicants: Southern California Edison Company.
Description: § 205(d) Rate Filing: Memorandum of Agreement on the Pacific Direct Current Intertie to be effective 2/1/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5244.
Comments Due: 5 p.m. ET 12/22/17.

Docket Numbers: ER18–373–000.
Applicants: American Transmission Systems, Incorporated, PJM Interconnection, L.L.C.
Description: § 205(d) Rate Filing: ATSI submits Engineering and Construction Services Agreement SA No. 4716 to be effective 1/31/2018.
Filed Date: 12/1/17.
Accession Number: 20171201–5253.
Comments Due: 5 p.m. ET 12/22/17.

Take notice that the Commission received the following qualifying facility filings:

Docket Numbers: QF18–30–000.
Applicants: Flambeau Solar Partners, LLC.
Description: Refund Report of Flambeau Solar Partners, LLC.
Filed Date: 12/1/17.
Accession Number: 20171201–5209.
Comments Due: 5 p.m. ET 12/22/17.

The filings are accessible in the Commission's eLibrary system by clicking on the links or querying the docket number.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Dated: December 1, 2017.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2017–26392 Filed 12–6–17; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects—Rate Order No. WAPA–179

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of order concerning firm electric service and sale of surplus products formula rates.

SUMMARY: The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA–179 and Rate Schedules L–F11 and L–M2, placing firm electric service and sale of surplus products formula rates for the Western Area Power Administration (WAPA) Loveland Area Projects (LAP) into effect on an interim basis (Provisional Formula Rates).

DATES: The Provisional Formula Rate Schedules L–F11 and L–M2 are effective on the first day of the first full billing period beginning on or after January 1, 2018, and will remain in effect through December 31, 2022, pending confirmation and approval by Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Michael D. McElhany, Regional Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7201, or Mrs. Sheila D. Cook, Rates Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538–8986, telephone (970) 461–7211, email *scook@wapa.gov.*

SUPPLEMENTARY INFORMATION:

Firm Electric Service

On December 2, 2014, the Deputy Secretary of Energy approved, on an interim basis, Rate Schedule L–F10 under Rate Order No. WAPA–167 for a 5-year period beginning January 1, 2015, and ending December 31, 2019 (79 FR 72663–72670 (Dec. 8, 2014)).[1] This rate

[1] FERC confirmed and approved Rate Order WAPA–167 on a final basis on June 25, 2015, in Docket No. EF15–4–000. See *United States*

schedule is formula-based, providing for adjustments to the Drought Adder component.[2] On January 1, 2017, the Drought Adder component of the LAP effective rate schedule was adjusted downward, recognizing repayment of drought costs included in the Drought Adder component of the approved formula rates. Under Rate Schedule L–F10 with adjusted Drought Adder component as of January 1, 2017, the composite rate is 36.56 mills per kilowatt-hour (mills/kWh) (a Base component of 29.90 mills/kWh and a Drought Adder component of 6.66 mills/kWh), the firm energy rate is 18.28 mills/kWh, and the firm capacity rate is $4.79 per kilowatt-month (kWmonth).

Effective January 1, 2018, WAPA is adjusting the overall composite rate, which is reflected in adjustments to the formula-based charge components. The Drought Adder component will go down to zero and the Base component will be adjusted upward to reflect present costs attributed to both charge components. Rate Schedule L–F10 is being superseded by Rate Schedule L–F11. Under Rate Schedule L–F11, the Provisional Formula Rates for firm electric service will result in a composite rate of 31.44 mills/kWh (a Base component of 31.44 mills/kWh and a Drought Adder component of 0 mills/kWh), the firm energy rate will be 15.72 mills/kWh, and the firm capacity rate will be $4.12/kWmonth. This is a 14 percent decrease when compared to the LAP firm electric rates under Rate Schedule L–F10.

Sale of Surplus Products

On August 12, 2016, the Deputy Secretary of Energy approved, on an interim basis, Rate Schedule L–M1 under Rate Order No. WAPA–174, for a 5-year period beginning October 1, 2016, and ending September 30, 2021 (81 FR 56632–56652 (August 22, 2016)).[3] This Rate Schedule is formula-based, providing for LAP Marketing to sell LAP surplus energy and capacity products; currently reserves, regulation, and frequency response. If LAP surplus products are available, the charge for each product will be determined based on market rates plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s), for which a separate charge may be incurred. Rate Schedule L–M1 is being superseded by Rate Schedule L–M2. Rate Schedule L–M2 will include ''energy'' as a fourth surplus product offered under this rate schedule.

Legal Authority

By Delegation Order No. 00–037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to the Administrator of WAPA; (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 FERC. Federal rules (10 CFR part 903) govern DOE procedures for public participation in power rate adjustments.

Under Delegation Order Nos. 00–037.00B and 00–001.00F and in compliance with 10 CFR part 903 and 18 CFR part 300, I hereby confirm, approve, and place Rate Order No. WAPA–179, which provides the formula rates for LAP firm electric service and sale of surplus products, into effect on an interim basis. The new Rate Schedules L–F11 and L–M2 will be submitted to FERC for confirmation and approval on a final basis.

Dated: November 30, 2017.

Dan Brouillette,

Deputy Secretary of Energy.

DEPARTMENT OF ENERGY

DEPUTY SECRETARY

In the matter of: Western Area Power Administration Rate Adjustment for the Loveland Area Projects

Rate Order No. WAPA–179

ORDER CONFIRMING, APPROVING, AND PLACING THE LOVELAND AREA PROJECTS FIRM ELECTRIC SERVICE AND SALE OF SURPLUS PRODUCTS FORMULA RATES INTO EFFECT ON AN INTERIM BASIS

The firm electric service and sale of surplus products rates for the Loveland Area Projects (LAP) set forth in this order are established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Act of 1939 (43 U.S.C. 485h(c)) and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and other acts that specifically apply to the projects involved.

By Delegation Order No. 00–037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western Area Power Administration (WAPA); (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 Federal Energy Regulatory Commission (FERC). Federal rules (10 CFR part 903) govern DOE procedures for public participation in power rate adjustments.

Acronyms, Terms, and Definitions

As used in this Rate Order, the following acronyms, terms, and definitions apply:

Base: A fixed revenue requirement that includes O&M expenses, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs.

Capacity: The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kilowatts.

Capacity Rate: The rate which sets forth the charges for capacity. It is expressed in dollars per kilowatt-month and applied to each kilowatt of the Contract Rate of Delivery (CROD).

Composite Rate: The Power Repayment Study (PRS) rate for commercial firm power, which is the

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Department of Energy, Western Area Power Administration (Loveland Area Projects), 151 FERC ¶ 62,222.

[2] The Drought Adder component is a formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. *See* 72 FR 64061 (November 14, 2007). The Drought Adder was added as a component to the energy and capacity rates in Rate Order No. WAPA–134, which was approved by the Deputy Secretary on an interim basis on November 14, 2007, (72 FR 64061). FERC confirmed and approved Rate Order WAPA–134 on a final basis on May 16, 2008, in Docket No. EF08–5181. See *United States Department of Energy, Western Area Power Administration (Loveland Area Projects),* 123 FERC ¶ 62,137. WAPA reviews the Drought Adder component each September to determine if drought costs differ from those projected in the Power Repayment Study and whether an adjustment to the Drought Adder component is necessary. *See* 72 FR 64065. The Drought Adder component may be adjusted downward using the approved annual Drought Adder adjustment process, whereas an incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh requires a public rate process. *See* 72 FR 64065.

[3] FERC confirmed and approved Rate Order WAPA–174 on a final basis on March 9, 2017, in Docket Nos. EF16–5–000 and EF16–5–001. See *United States Department of Energy, Western Area Power Administration (Loveland Area Projects),* 158 FERC ¶ 62,181.

total annual revenue requirement for capacity and energy divided by the total annual energy sales. It is expressed in mills per kilowatt-hour and used only for comparison purposes.

Customer: An entity with a contract that is receiving firm electric service from WAPA.

Deficits: Deferred or unrecovered annual and/or interest expenses.

DOE Order RA 6120.2: An order outlining power marketing administration financial reporting and rate-making procedures.

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits.

Energy: Measured in terms of the work it is capable of doing over a period of time. Electric energy is expressed in kilowatt-hours.

Energy Charge: The charge under the rate schedule for energy. It is expressed in mills per kilowatt-hour and applied to each kilowatt-hour delivered to each Customer.

Firm: A type of product and/or service always available at the time requested by a Customer.

FY: Fiscal year; October 1 to September 30.

kW: Kilowatt—the electrical unit of capacity that equals 1,000 watts.

kWh: Kilowatt-hour—the electrical unit of energy that equals 1,000 watts in 1 hour.

kWmonth: Kilowatt-month—the electrical unit of the monthly amount of capacity.

mills/kWh: Mills per kilowatt-hour—the unit of charge for energy (equal to one tenth of a cent or one thousandth of a dollar).

MW: Megawatt—the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.

Non-timing Power Purchases: Power purchases that are not related to operational constraints such as management of endangered species, species habitat, water quality, navigation, control area purposes, etc.

O&M: Operation and Maintenance.

P-SMBP: The Pick-Sloan Missouri Basin Program.

P-SMBP—ED: Pick-Sloan Missouri Basin Program—Eastern Division.

P-SMBP—WD: Pick-Sloan Missouri Basin Program—Western Division.

Power: Capacity and energy.

Power Factor: The ratio of real to apparent power at any given point and time in an electrical circuit. Generally, it is expressed as a percentage.

Preference: The provisions of Reclamation Law that require WAPA to first make Federal Power available to certain entities. For example, section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) states that preference in the sale of Federal Power shall be given to municipalities and other public corporations or agencies and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made under the Rural Electrification Act of 1936.

Provisional Formula Rate: A formula rate confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of Energy.

Ratesetting PRS: The Power Repayment Study used for the rate adjustment period.

Regions: WAPA's Rocky Mountain Region (RMR) and Upper Great Plains Region (UGP).

Revenue Requirement: The revenue required by the PRS to recover annual expenses (such as O&M, purchase power, transmission service expenses, interest, and deferred expenses) and repay Federal investments and other assigned costs.

Effective Date

The Provisional Formula Rate Schedules L–F11 and L–M2 will take effect on the first day of the first full billing period beginning on or after January 1, 2018, and will remain in effect through December 31, 2022, pending approval by FERC on a final basis or until superseded.

Public Notice and Comment

WAPA followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these rates and schedules. The steps WAPA took to involve interested parties in the rate process were:

1. A **Federal Register** notice, published on July 3, 2017 (82 FR 30856) (Proposal FRN), announced the proposed rates for LAP and began the 90-day public consultation and comment period.

2. On July 5, 2017, WAPA emailed letters to LAP Preference Customers and interested parties transmitting a copy of the Proposal FRN.

3. On August 22, 2017, at 9 a.m. (MDT), WAPA held a public information forum at the Denver Embassy Suites, 7000 Yampa Street, Denver, Colorado. WAPA provided updates to the proposed firm electric service and sale of surplus products formula rates for both LAP and P-SMBP—ED. WAPA also answered questions and gave notice that more information was available in the customer rate brochure.

4. On August 22, 2017, at 11 a.m. (MDT), following the public information forum, at the same location, WAPA held a public comment forum to provide an opportunity for customers and other interested parties to comment for the record. No oral or written comments were received at this forum.

5. On August 23, 2017, at 9 a.m. (CDT), WAPA held a public information forum at the Holiday Inn, 100 West 8th Street, Sioux Falls, South Dakota. WAPA provided updates to the proposed firm electric service and sale of surplus product formula rates for both the P-SMBP—ED and LAP. WAPA also answered questions and gave notice that more information was available in the customer rate brochure.

6. On August 23, 2017, at 11 a.m. (CDT), following the public information forum, at the same location, a public comment forum was held. The comment forum gave the public an opportunity to comment for the record. Two oral comments were received at this forum.

7. WAPA provided a website that contains all dates, customer letters, presentations, FRNs, customer brochure, and other information about this rate process. The website is located at *https://www.wapa.gov/regions/RM/rates/Pages/2018-Rate-Adjustment-Firm-Power.aspx.*

8. During the 90-day consultation and comment period, which ended on October 2, 2017, WAPA received two oral comments (from the August 23 public comment forum). The comments and WAPA's responses are addressed below. All comments have been considered in the preparation of this Rate Order.

Two representatives of the following organizations made oral comments:

Mid-West Electric Consumers Association, Colorado

Missouri River Energy Services, South Dakota

Project Descriptions

Loveland Area Projects

The Post–1989 General Power Marketing and Allocation Criteria (Criteria), published in the **Federal Register** on January 31, 1986 (51 FR 4012), integrated the resources of the P-SMBP—WD and the Fryingpan-Arkansas Project (Fry-Ark). This operational and contractual integration, known as LAP, allowed an increase in marketable resource, simplified contract administration, and established a blended rate for LAP power sales. WAPA markets LAP power in northeastern Colorado, east of the

Continental Divide in Wyoming, west of the 101st meridian in Nebraska, and most of Kansas.

The P-SMBP—WD and Fry-Ark retain separate financial status. For this reason, separate PRSs are prepared annually for each project. These PRSs are used to determine the sufficiency of the firm electric service rate to generate adequate revenue to repay project investment and costs during each project's prescribed repayment period. The revenue requirement of the Fry-Ark PRS is combined with the P-SMBP—WD revenue requirement, derived from the P-SMBP PRS, to develop one rate for LAP firm electric sales.

Pick-Sloan Missouri Basin Program—Western Division

The P-SMBP, originally the Missouri River Basin Project, was authorized by Congress in section 9 of the Flood Control Act of December 22, 1944 (Pub. L. 534, 58 Stat. 887, 891). This multipurpose program provides flood control, irrigation, navigation, recreation, preservation and enhancement of fish and wildlife, and power generation. Multipurpose projects have been developed on the Missouri River and its tributaries in Colorado, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

In addition to the multipurpose water projects authorized by section 9 of the Flood Control Act of 1944, certain other existing projects have been integrated with the P-SMBP for power marketing, operation, and repayment purposes. The Colorado-Big Thompson, Kendrick, Riverton, and Shoshone Projects were combined with the P-SMBP in 1954, followed by the North Platte Project in 1959. These projects are referred to as the ''Integrated Projects'' of the P-SMBP.

The Flood Control Act of 1944 also authorized the inclusion of the Fort Peck Project with the P-SMBP for operation and repayment purposes. The Riverton Project was reauthorized as a unit of P-SMBP in 1970. Together the P-SMBP—WD and the Integrated Projects have 19 power plants.

The P-SMBP is marketed by two Regions. The RMR, with a regional office in Loveland, Colorado, markets the Western Division power of P-SMBP through LAP to approximately 75 customers. The UGP Region, with a regional office in Billings, Montana, markets power from the Eastern Division of P-SMBP to approximately 340 customers.

The adjustment to the P-SMBP—ED rate is in a separate formal rate process, which is documented in Rate Order No. WAPA–180. Rate Order No. WAPA–180 is also scheduled to go into effect on the first day of the first full billing period on or after January 1, 2018.

Fryingpan-Arkansas Project

Fry-Ark is a trans-mountain diversion development in southeastern Colorado authorized by the Act of Congress on August 16, 1962 (Pub. L. 87–590, 76 Stat. 389, as amended by Title XI of the Act of Congress on October 27, 1974 (Pub. L. 93–493, 88 Stat. 1486, 1497)). The Fry-Ark diverts water from the Fryingpan River and other tributaries of the Roaring Fork River in the Colorado River Basin on the Western Slope of the Rocky Mountains to the Arkansas River on the Eastern Slope of the Rocky Mountains. The water diverted from the Western Slope, together with regulated Arkansas River water, provides supplemental irrigation and M&I water supplies, and produces hydroelectric power. Flood control, fish and wildlife enhancement, and recreation are other important purposes of Fry-Ark. The only generating facility in Fry-Ark is the Mt. Elbert Pumped-Storage powerplant on the Eastern Slope.

Power Repayment Study—Firm Electric Service Rate

WAPA prepares PRSs each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the LAP. Repayment criteria are based on WAPA's applicable laws and legislation, as well as policies including DOE Order RA 6120.2. To meet the Cost Recovery Criteria outlined in DOE Order RA 6120.2, revised PRSs and rate adjustments have been developed to demonstrate sufficient revenues will be collected under the Provisional Formula Rates to meet future obligations. The revenue requirement and composite rate for LAP firm electric service are being reduced, as indicated in Table 1:

TABLE 1—COMPARISON OF REVENUE REQUIREMENTS AND COMPOSITE RATES

Firm Electric Service	Existing requirements (January 1, 2017)	Provisional requirements (January 1, 2018)	Percent Change
LAP Revenue Requirement (million $)	$74.5	$64.1	−14%
LAP Composite Rate (mills/kWh)	36.56	31.44	−14%

Under the existing rate methodology, rates for LAP firm electric service are designed to recover an annual revenue requirement that includes power investment repayment, aid to irrigation repayment, interest, purchase power, O&M, and other expenses within the allowable period. The annual revenue requirement continues to be allocated equally between capacity and energy.

Existing and Provisional Formula Rates

The existing Rate Schedule L–F10 and provisional Rate Schedule L–F11 continue to be formula-based, with Base and Drought Adder components, and provide for an annual incremental upward adjustment to the Drought Adder up to 2 mills/kWh. An incremental increase to the Drought Adder component greater than 2 mills/kWh, requires a public process. The Drought Adder may be adjusted downward pursuant to the formula, by using the approved annual Drought Adder adjustment process. A comparison of the existing and Provisional Formula Rates for LAP firm electric service is listed in Table 2:

TABLE 2—COMPARISON OF EXISTING AND PROVISIONAL FORMULA RATES

Firm Electric Service	Existing Charges Under Rate Schedule L–F10 With Modified Drought Adder As of January 1, 2017	Provisional Charges Under Rate Schedule L–F11 As of January 1, 2018	Percent Change
Firm Energy Rate (mills/kWh)	18.28	15.72	−14%
Firm Capacity Rate ($/kWmonth)	$4.79	$4.12	−14%

Under Rate Schedule L–M2, the Provisional Formula Rate will consist of a charge for products listed in the rate schedule that will be determined at the time of the sale based on market rates, plus administrative costs.

Certification of Rates

WAPA's Administrator certified that the Provisional Formula Rates for LAP firm electric service under Rate Schedule L–F11 and sale of surplus products under Rate Schedule L-M2 are the lowest possible rates consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

LAP Firm Electric Service Rate Discussion

According to Reclamation Law, WAPA is required to establish power rates sufficient to recover O&M, purchased power and interest expenses, and repay power investment and irrigation aid.

The Criteria, published in the **Federal Register** on January 31, 1986 (51 FR 4012), operationally and contractually integrated the resources of the P-SMBP—WD and Fry-Ark (thereafter referred to as LAP). A blended rate was established for the sale of LAP firm electric service.

P-SMBP—WD

The P-SMBP—WD portion of the revenue requirement was developed from the revenue requirement calculated in the P-SMBP Ratesetting PRS. The P-SMBP—WD revenue requirement decreased approximately 14 percent from the previous revenue requirement primarily as a result of the Drought Adder component being reduced to zero, as the P-SMBP drought-related debts are projected to be fully repaid in 2018. The Base component costs for the P-SMBP—WD have increased primarily due to inflationary annual and capital cost increases associated with incorporating three new out-year projections into the 5-year cost evaluation period into the P-SMBP Ratesetting PRS. The revenue requirements for P-SMBP—WD are as follows:

TABLE 3—SUMMARY OF P-SMBP—WD REVENUE REQUIREMENTS ($000)

Current Revenue Requirement (Jan 2017):	
(29.80 mills/kWh × 1,988,000,000 kWh)	$59,242
Provisional Decrease:	
Base: 2.41 mills/kWh × 1,988,000,000 kWh	5,129
Drought Adder: −6.66 mills/kWh × 1,988,000,000 kWh	−13,578
	−8,449
Provisional Revenue Requirement (29.80 − 4.25 = 25.55 mills/kWh × 1,988,000,000 kWh)	50,793

Fry-Ark

The Fry-Ark portion of the revenue requirement was developed from the revenue requirement calculated in the Fry-Ark Ratesetting PRS. The Fry-Ark revenue requirement decreased approximately 13 percent due to the Base component costs decreasing, even though the three new out-year projections for annual expenses and capital costs within the 5-year cost evaluation period include inflation. This decrease is caused by the annual expense projections in the current Fry-Ark Ratesetting PRS being an average of $0.3 million per year lower than the annual expense projections in the previous Fry-Ark Ratesetting PRS. In addition to lower annual expenses, ancillary service revenue projections have increased an average of $1.1 million per year over the previous projections; resulting in a net revenue increase of approximately $1.4 million per year. This net revenue helps offset the revenue requirement for firm electric service. The revenue requirements for Fry-Ark are as follows:

TABLE 4—SUMMARY OF FRY-ARK REVENUE REQUIREMENTS ($000)

Current Revenue Requirement (Jan 2017)	$15,328
Provisional Decrease:	
Base	−1,978
Drought Adder	0
	−1,978
Provisional Revenue Requirement	13,350

The net effect of the P-SMBP—WD and Fry-Ark adjustments to the Drought Adder and Base components results in an overall decrease to the LAP revenue requirement. The following Table 5 compares LAP existing revenue requirements to the proposed revenue requirements:

TABLE 5—SUMMARY OF LAP REVENUE REQUIREMENTS ($000)

	Existing (January 2017)	Provisional (January 2018)
P-SMBP—WD	$59,242	$50,793
Fry-Ark	15,328	13,350
Total LAP	74,571	64,144

As a part of the current and provisional rate schedules, WAPA provides for a formula-based adjustment of the Drought Adder component of up to 2 mills/kWh. The 2 mills/kWh cap places a limit on the amount the Drought Adder component can be adjusted relative to associated drought costs to recover costs attributable to the Drought Adder formula rate for any one-year cycle. Continuing to identify the firm electric service revenue requirement using Base and Drought Adder components will assist WAPA in the presentation of future impacts of droughts, demonstrate repayment of drought-related costs in the PRSs, and allow WAPA to be more responsive to changes caused by drought-related expenses. WAPA will continue to charge and bill its Preference Customers firm electric service rates for energy and capacity, which are the sum of the Base and Drought Adder components.

Under Rate Schedule L–F11, WAPA will continue to identify its firm electric service revenue requirement using Base and Drought Adder components. The Base component is a fixed revenue requirement for each project that includes annual O&M expenses, investment repayment and associated interest, normal timing power purchases, and transmission costs. Normal timing power purchases are purchases due to operational constraints (e.g., management of endangered species habitat, water quality, navigation, control area purposes, etc.) and are not associated with drought. WAPA cannot adjust the Base component without a public process.

The Drought Adder component is a formula-based revenue requirement that includes costs attributable to the drought conditions in the Regions. The Drought Adder component includes costs associated with future Non-timing Power Purchases to meet firm electric service contractual obligations not covered with available system generation due to a drought, previously incurred deficits due to purchased power debt that resulted from Non-timing Power Purchases made during a drought, and the interest associated with drought debt. The Drought Adder component is designed to repay the drought debt within 10 years from the time the debt was incurred, using balloon-payment methodology. For example, the drought debt incurred in FY 2009 will be repaid by FY 2019.

The annual revenue requirement calculation will continue to be summarized by the following formula: Annual Revenue Requirement = Base Revenue Requirement + Drought Adder Revenue Requirement. Under this Provisional Rate, the LAP annual revenue requirement equals $64.1 million and is comprised of a Base revenue requirement of $64.1 million plus a Drought Adder revenue requirement of $0. A comparison of the existing and provisional charge components is listed in Table 6:

TABLE 6—SUMMARY OF LAP CHARGE COMPONENTS

	Existing Charges Under Rate Schedule L–F10 with Modified Drought Adder As of January 1, 2017			Provisional Charges Under Rate Schedule L–F11 As of January 1, 2018			Percent Change
	Base Component	Drought Adder Component	Total Charge	Base Component	Drought Adder Component	Total Charge	
Firm Capacity (/kWmonth)	$3.92	$0.87	$4.79	$4.12	$0	$4.12	−14
Firm Energy (mills/kWh)	14.95	3.33	18.28	15.72	0	15.72	−14

WAPA reviews its firm electric service rates annually. WAPA will review the Base and Drought Adder components after the annual PRSs are complete, generally in the first quarter of the calendar year. If an adjustment to the Base component is necessary, or if an incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the PRS Composite Rate is necessary, WAPA will initiate a public process pursuant to 10 CFR part 903 prior to making an adjustment.

In accordance with the approved annual Drought Adder adjustment process, WAPA will review the Drought Adder component annually in early summer to determine if drought costs differ from those projected in the PRSs. In October, WAPA will determine if a change to the Drought Adder component is necessary, either incremental or decremental. Any adjustments to the Drought Adder component, up to 2 mills/kWh, will be implemented in the following January billing cycle. Although decremental adjustments to the Drought Adder component will occur as drought costs are repaid, the adjustments cannot result in a negative Drought Adder component. Implementing the Drought Adder component adjustment on January 1 of each year will help keep the drought deficits from escalating as quickly, will lower the interest expense due to drought deficits, will demonstrate responsible deficit management, and will provide prompt drought deficit repayments.

Statement of Revenue and Related Expenses

The following Table 7 provides a summary of projected revenue and expense data for the Fry–Ark firm electric service revenue requirement through the 5–year provisional rate approval period:

TABLE 7—FRY-ARK COMPARISON OF 5-YEAR RATE PERIOD (FY 2018–2022) TOTAL REVENUES AND EXPENSES

	Existing Rate ($000)	Provisional Rate ($000)	Difference ($000)
Total Revenues [1]	$89,012	$84,359	$ −4,653
Revenue Distribution:			
Expenses:			
O&M	32,322	31,334	−988
Purchase Power	691	724	33
Transmission [1]	12,663	12,248	−415
Interest	16,080	14,779	−1,301
Total Expenses	61,756	59,085	−2,671
Principal Payments:			
Capitalized Expenses (deficits)	0	0	0
Original Project and Additions	21,757	14,893	−6,864
Replacements	5,499	10,381	4,882
Total Principal Payments [2]	27,256	25,274	−1,982
Total Revenue Distribution	89,012	84,359	−4,653

[1] Excludes $7,033M of pass-through transmission revenue and expense projections related to network service contract No. 13–RMR–2368 with Public Service Company of Colorado.
[2] The difference in principal payments is due to changes between the FY15 and FY18 work plans, as well as the decrease in revenue being available for repayment during the 5-year period due to the revenue requirement decrease.

The summary of P-SMBP—WD projected revenues and expenses for the 5–year provisional rate approval period is included in the P-SMBP Statement of Revenue and Related Expenses that is part of Rate Order No. WAPA–180.

Sale of Surplus Products Discussion

The existing Rate Schedule L–M1 is formula-based, providing for LAP Marketing to sell LAP surplus energy and capacity products; currently reserves, regulation, and frequency response. If LAP surplus products are available, the charge will be determined at the time of the sale based on market rates, plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s), for which a separate charge may be incurred. Rate Schedule L–M1 is being superseded by Rate Schedule L–M2. Rate Schedule L–M2 will include ''energy'' as a fourth surplus product offered under this rate schedule.

Basis for Rate Development

WAPA is lowering the overall charges for firm electric service by 14 percent, by reducing the Drought Adder component to zero and increasing the Base component to reflect present costs. The Provisional Formula Rates under Rate Schedule L–F11 will provide sufficient revenue to pay all annual costs, including interest expenses, and repay investments and irrigation aid within the allowable periods. In addition, WAPA is modifying language in the Sale of Surplus Products rate schedule to include ''energy'' as a fourth surplus product offered under this rate schedule. This change will be included in a new Rate Schedule L–M2.

Comments

WAPA received two oral comments during the public consultation and comment period. The comments expressed have been paraphrased, where appropriate, without compromising the meaning of the comments.

A. *Comment:* Both customer representatives supported the rate adjustment as proposed, and emphasized the need for continued cost control regarding the Base component.

Response: WAPA is committed to keeping the power rates at the lowest possible rates while maintaining sound business principles.

Availability of Information

Information about this rate adjustment, including the customer rate brochure, PRSs, comments, letters, memorandums, and other supporting materials that were used to develop the Provisional Formula Rates, is available for inspection and copying at the Rocky Mountain Regional Office, 5555 East Crossroads Boulevard, Loveland, Colorado. Many of these documents are also available on WAPA's Web site at *https://www.wapa.gov/regions/RM/rates/Pages/2018-Rate-Adjustment-Firm-Power.aspx.*

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321–4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), WAPA has determined that this action is categorically excluded from the preparation of an environmental assessment or an environmental impact statement. A copy of the categorical exclusion determination is available on WAPA's Web site at *https://www.wapa.gov/regions/RM/environment/Pages/CX2017.aspx.* Look for file entitled ''LAP WAPA–179 FES Rate Adjustment.''

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Submission to the Federal Energy Regulatory Commission

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

ORDER

In view of the foregoing, and under the authority delegated to me, I confirm and approve on an interim basis, effective the first full billing period on or after January 1, 2018, Rate Schedules L–F11 and L–M2 for the Loveland Area Projects of the Western Area Power Administration. These rate schedules shall remain in effect on an interim basis, pending the Federal Energy Regulatory Commission's confirmation and approval of them, or substitute rates, on a final basis through December 31, 2022, or until superseded.

Dated: November 30, 2017

Dan Brouillette

Deputy Secretary of Energy

Rate Schedule L–F11

(Supersedes Rate Schedule L–F10)

UNITED STATES DEPARTMENT OF ENERGY

WESTERN AREA POWER ADMINISTRATION

ROCKY MOUNTAIN REGION

Loveland Area Projects

FIRM ELECTRIC SERVICE

(Approved Under Rate Order No. WAPA–179)

Effective

The first day of the first full billing period beginning on or after January 1, 2018, and extending through December 31, 2022, or until superseded by another rate schedule, whichever occurs earlier.

Available

Within the marketing area served by the Loveland Area Projects; parts of Colorado, Kansas, Nebraska, and Wyoming.

Applicable

To the firm electric service delivered at specific point(s) of delivery, as established by contract.

Character

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Formula Rate and Charge Components

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2018, under the Rate:

CAPACITY CHARGE:

$4.12 per kilowatt per month (kWmonth) of billing capacity.

ENERGY CHARGE:

15.72 mills per kilowatt-hour (kWh) of monthly entitlement.

BILLING CAPACITY:

Unless otherwise specified by contract, the billing capacity will be the seasonal contract rate of delivery.

Base Component: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. Any proposed change to the Base component will require a public process.

The Base revenue requirement is $64.1 million and the charges under the formulas are:

$$\text{Base Capacity} = \frac{50\% \text{ X Base Revenue Requirement}}{\text{Firm Billing Capacity}} = \$4.12/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \text{ X Base Revenue Requirement}}{\text{Annual Energy}} = 15.72 \text{ mills/kWh}$$

Drought Adder Component: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. As of January 1, 2018, the Drought Adder component revenue requirement is $0.0 million and the charges under the formulas are:

$$\text{Drought Adder Capacity} = \frac{50\% \text{ X Drought Adder Revenue Requirement}}{\text{Firm Billing Capacity}} = \$0.00/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \text{ X Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 0.00 \text{ mills/kWh}$$

Annual Drought Adder Adjustment Process: The Drought Adder component may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

The annual review process is initiated in early summer when WAPA reviews the Drought Adder component and provides notice of any estimated change to the Drought Adder component charge under the formula. In October, WAPA will make a final determination of any change to the Drought Adder component charge, either incremental or decremental. If a Drought Adder component change is required, a modified Drought Adder revenue requirement and the associated charges will become effective the following January 1 and will be identified in a Drought Adder modification update. WAPA will inform customers of updates by letter and post updates to WAPA's external website.

Adjustments

For Transformer Losses: If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided for in the contract.

For Power Factor: None. The customer will be required to maintain a power factor at all points of measurement between 95-percent lagging and 95-percent leading.

Rate Schedule L–M2

(Supersedes Rate Schedule L–M1)

UNITED STATES DEPARTMENT OF ENERGY

WESTERN AREA POWER ADMINISTRATION

ROCKY MOUNTAIN REGION

Loveland Area Projects

SALE OF SURPLUS PRODUCTS

(Approved Under Rate Order No. WAPA–179)

Effective

The first day of the first full billing period beginning on or after January 1, 2018, and extending through December 31, 2022, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to Loveland Area Projects (LAP) Marketing and is applicable to the sale of the following LAP surplus energy and capacity products: energy, frequency response, regulation, and reserves. If any of the above LAP surplus products are available, LAP can make the product(s) available for sale, providing entities enter into separate agreement(s) with LAP Marketing which will specify the terms of sale(s).

Formula Rate

The charge for each product will be determined at the time of the sale based on market rates, plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s), for which a separate charge may be incurred.

[FR Doc. 2017–26375 Filed 12–6–17; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division—Rate Order No. WAPA–180

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of order concerning firm power, firm peaking power, and sale of surplus product formula rates.

SUMMARY: The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA–180 and Rate Schedules P-SED-F13, P-SED-FP13, and P–SED–M1 for firm power service, firm peaking power service, and a new formula rate for sale of surplus products for the Western Area Power Administration (WAPA) Pick-Sloan Missouri Basin Program—Eastern Division (P-SMBP—ED) into effect on an interim basis (Provisional Formula Rates).

DATES: The Rate Schedules P-SED-F13, P-SED-FP13, and P-SED-M1 are effective on the first day of the first full billing period beginning on or after January 1, 2018, and will remain in effect through December 31, 2022, pending confirmation and approval by Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT: Mr. Jody S. Sundsted, Acting Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101–1266, telephone (406) 255–2800, or Ms. Linda Cady-Hoffman, Rates Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, Billings, MT 59101–1266, telephone (406) 255–2920, email *cady@wapa.gov.*

SUPPLEMENTARY INFORMATION:

Firm Electric Service

On December 2, 2014, the Deputy Secretary of Energy approved, on an interim basis, Rate Schedules P-SED-F12 and P-SED-FP12 under Rate Order No. WAPA–166 for the 5-year period beginning January 1, 2015, and ending December 31, 2019 (79 FR 72670–72677 (Dec. 8, 2014)).[1] These rate schedules are formula-based, providing for adjustments to the Drought Adder component.[2] On January 1, 2017, the Drought Adder component of the P–SMBP—ED effective rate schedule was adjusted downward, recognizing repayment of drought costs included in the Drought Adder component of the approved formula rates. Under Rate Schedule P–SED–F12 with adjusted Drought Adder component as of January 1, 2017, the firm capacity charge is $6.50/kWmonth and the firm energy charge is 16.18 mills/kWh. Under Rate Schedule P-SED-FP12, the firm peaking capacity charge is $5.85/kWmonth. Firm peaking energy is normally returned. A firm peaking energy charge of 16.18 mills/kWh will be assessed in the event energy is not returned.

Effective January 1, 2018, WAPA is adjusting the overall composite rate of the Pick-Sloan Missouri Basin Program, which is reflected in an adjustment to the formula-based charge components of the firm power rate schedules. The Drought Adder component of the firm power rate schedules will go down to zero and the Base component will be adjusted upward to reflect present costs attributed to the charge components. WAPA's Upper Great Plains Region (UGP) is removing the 5 percent voltage discount in the existing P-SMBP—ED firm power rate schedule P-SED-F12 and removing the voltage discount from the firm power revenue requirement. The total annual revenue requirement for P-SMBP—ED is $230.1 million for firm power service and firm peaking power service. Under Rate Schedule P-SED-F13, the firm capacity charge is $5.25/kWmonth and the firm energy charge is 13.27 mills/kWh. Under Rate Schedule P-SED-FP13, the firm peaking capacity charge is $4.75/kWmonth. Firm Peaking Energy is normally returned. A

[1] FERC confirmed and approved Rate Order WAPA–166 on a final basis on March 18, 2015, in Docket No. EF15–3–000. See *United States Department of Energy, Western Area Power Administration (Pick-Sloan Missouri Basin Program—Eastern Division),* 150 FERC ¶ 62,170.

[2] The Drought Adder component is a formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. *See* 72 FR 64067 (November 14, 2007). The Drought Adder was added as a component to the energy and capacity rates in Rate Order No. WAPA–135, which was approved by the Deputy Secretary on an interim basis on November 14, 2007 (72 FR 64067). FERC confirmed and approved Rate Order WAPA–135 on a final basis on April 14, 2008, in Docket No. EF08–5031. See *United States Department of Energy, Western Area Power Administration (Pick-Sloan Missouri Basin Program-Eastern Division),* 123 FERC ¶ 62,048. WAPA reviews the Drought Adder component each September to determine if drought costs differ from those projected in the Power Repayment Study and whether an adjustment to the Drought Adder component is necessary. See 72 FR 64071. The Drought Adder component may be adjusted downward using the approved annual Drought Adder adjustment process, whereas an incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh requires a public rate process. *See* 72 FR 64071.