Time on the specified comment date. It is not necessary to separately intervene again in a subdocket related to a compliance filing if you have previously intervened in the same docket. 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. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. In reference to filings initiating a new proceeding, interventions or protests submitted on or before the comment deadline need not be served on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper, using the FERC Online links at *http://www.ferc.gov*. To facilitate electronic service, persons with Internet access who will eFile a document and/or be listed as a contact for an intervenor must create and validate an eRegistration account using the eRegistration link. Select the eFiling link to log on and submit the intervention or protests.

Persons unable to file electronically should submit an original and 14 copies of the intervention or protest to the Federal Energy Regulatory Commission, 888 First St. NE., Washington, DC 20426.

The filings in the above proceedings are accessible in the Commission's eLibrary system by clicking on the appropriate link in the above list. They are also 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 dockets(s). For assistance with any FERC Online service, please e-mail *FERCOnlineSupport@ferc.gov*. or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Magalie R. Salas,

Secretary.

[FR Doc. E6–9978 Filed 6–23–06; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Western Area Power Administration

Desert Southwest Customer Service Region-Rate Order No. WAPA–127

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Order Concerning Network Integration Transmission and Ancillary Services Rates.

SUMMARY: The Deputy Secretary of Energy confirmed and approved Rate Order No. WAPA–127 and Rate Schedules PD–NTS2 and INT–NTS2, placing rates for Network Integration Transmission Service (Network Service) for the Parker-Davis Project (PDP) and the Pacific Northwest-Pacific Southwest Intertie Project (Intertie) of the Western Area Power Administration (Western) into effect on an interim basis. The Deputy Secretary of Energy also confirmed Rate Schedules DSW–SD2, DSW–RS2, DSW–FR2, DSW–EI2, DSW–SPR2, and DSW–SUR2, placing ancillary services rates from the PDP, Boulder Canyon Project (BCP), Central Arizona Project (CAP), and that part of the Colorado River Storage Project (CRSP) located in the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO) into effect on an interim basis. The provisional rates will be in effect until the Federal Energy Regulatory Commission (Commission) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, and repay power investment and irrigation aid, within the allowable periods.

DATES: Rate Schedules DSW–SD2, DSW–RS2, DSW–FR2, DSW–EI2, DSW–SPR2, DSW–SUR2, PD–NTS2, and INT–NTS2 will be placed into effect on an interim basis on the first day of the first full billing period beginning on or after July 1, 2006, and will be in effect until the Commission confirms, approves, and places the rate schedules in effect on a final basis through June 30, 2011, or until the rate schedules are superseded.

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; (602) 605–2442, e-mail *jmurray@wapa.gov*.

SUPPLEMENTARY INFORMATION: The Secretary of Energy approved Rate Schedules DSW–SD1, DSW–RS1, DSW–FR1, DSW–EI1, DSW–SPR1, DSW–SUR1, PD–NTS1, and INT–NTS1 for the Desert Southwest Region (DSWR) network service for PDP and Intertie, and ancillary services for the WALC BATO on May 3, 1999 (Rate Order No. WAPA–84, 64 FR 25323, May 11, 1999). The Commission confirmed and approved the rate schedules on January 20, 2000, in FERC Docket No. EF99–5041–000, (90 FERC 62,032). Approval for Rate Schedules DSW–SD1, DSW–RS1, DSW–FR1, DSW–EI1, DSW–SPR1, DSW–SUR1, PD–NTS1, and INT–NTS1 covered 5 years beginning on April 1, 1999, and ending on March 31, 2004. These rate schedules were extended by a series of Rate Orders through September 30, 2006, with the most recent Rate Order being Rate Order No. WAPA–129 (71 FR 16572, April 3, 2006). The rate schedules were extended to accommodate the Desert Southwest Region (DSWR) Multi-System Transmission Rate (MSTR) process. An MSTR has not been approved. However, Western plans to seek approval of an MSTR for short-term and non-firm transactions in the future.

The provisional formula for Network Service in Rate Schedules PD–NTS2 and INT–NTS2 will be the same as the existing formula rates for Network Service under Rate Schedules PD–NTS1 and INT–NTS1.

The existing transmission rates include costs for Scheduling, System Control, and Dispatch Services. The transmission provisional formula rates include the costs of these services.

Rate Schedules DSW–SD2, DSW–RS2, DSW–FR2, DSW–EI2, DSW–SPR2, and DSW–SUR2 supersede Rate Schedules DSW–SD1, DSW–RS1, DSW–FR1, DSW–EI1, DSW–SPR1, and DSW–SUR1, respectively. Spinning Reserve and Supplemental Reserve ancillary services are being updated slightly to reflect minor changes.

Under Schedule DSW–SD2, Scheduling, System Control, and Dispatch Service (Scheduling Service), the rate is applied on a per tag basis. The rate is calculated in two major steps. First, the yearly costs associated with capital improvements are determined and divided by the number of tags issued during the previous year. Second, the average labor cost per tag is determined and added to the capital cost per tag. This methodology differs from the previous methodology in that it is based on tags rather than schedules and a single rate is applied to all transactions. These changes were made because the tag was not used as a billing unit when the rates under Rate Order No. WAPA–84 were developed.

Under Schedule DSW–RS2, Reactive Supply and Voltage Control Service from Generation Sources (Voltage Support Service), the rate is determined by dividing the revenue requirement for the service by the reservations for the service. The revenue requirement for the service is one minus the power factor (1 − PF) times the combined generation

revenue requirement of the PDP, BCP, and CRSP. The previous methodology used the factor $(1 - PF^2)$ to determine the Voltage Support revenue requirement for BCP and PDP.

Under Schedule DSW–FR2, Regulation and Frequency Response Service (Regulation Service), the rate for standard loads is determined using the revenue requirement for the service divided by the load in the WALC BATO requiring the service. The revenue requirement for the service is the product of the generation capacity that is used for regulation times the capacity rate of the Project, plus any regulation purchases the transmission provider must make. This total is multiplied by a use factor, which takes into consideration the customer load in the WALC BATO. The denominator in the equation and the load in the BATO requiring the service include a portion of the CRSP load and the DSWR load.

Long-term Regulation Service is not available from DSWR resources. However, if necessary, DSWR will purchase long-term regulation service on a pass-through cost basis on the open market for a charge that covers the cost of procuring and supplying the service. Short-term Regulation Service will be supplied from DSWR resources if such resources are available. Under Rate Schedule DSW–FR1, Western offered this service for short-term sales, but set the charge equal to the capacity rate of the Project supplying the service rather than basing the charge on a formula. The provisional methodology is being used because existing technology gives Western the ability to measure Regulation Service more accurately than when the previous rate was developed.

Non-conforming loads are volatile loads (such as those associated with certain smelters and arc furnaces) that can require a BATO to acquire significant amounts of generation capacity for regulation. Such non-conforming loads require separate metering of their moment-to-moment load values to accurately calculate their effects on the system and will not be covered under the provisional Regulation Service rate.

DSWR defines a non-conforming load as either a single plant or site with a regulation capacity requirement of 5 megawatts (MW) or greater on a recurring basis and a capacity requirement that is equal to 10 percent or greater of its average load. Regulation Service for non-conforming loads, as determined by Western, must be delineated in a service agreement and charged an amount that includes the cost to procure the service and the additional cost required to monitor and supply this service.

Rate Schedule DSW–EI2, Energy Imbalance Service, establishes a bandwidth to differentiate the settlement percentage required for deviations between scheduled and actual load. That portion of the customer's energy imbalance that is within the bandwidth will be settled with a one to one return of energy. In lieu of an energy settlement, Western, at its discretion, can use a financial settlement equal to a weighted index price (described below) times the energy.

The bandwidth for on-peak is plus or minus 1.5 percent of the customer's load with a minimum of 5 MW for either over-delivery or under-delivery. The off-peak bandwidth is plus 1.5 percent to negative 3 percent of a customer's load with a minimum of 2 MW for over-delivery and 5 MW for under-delivery.

For that portion of the customer's energy imbalance that is outside the bandwidth during on-peak hours, the settlement is 110 percent of the energy imbalance for under-deliveries and 90 percent of the energy imbalance for over-deliveries. In lieu of an energy settlement, Western, at its discretion, can use a financial settlement equal to 110 percent of a weighted index price for under-deliveries and 90 percent of a weighted index price for over-deliveries.

For that portion of the customer's energy imbalance that is outside the bandwidth during the off-peak hours, the settlement is 110 percent of the energy imbalance for under-deliveries. However, for over-deliveries in the off-peak hours, the settlement is 60 percent of the energy imbalance. In lieu of an energy settlement, Western, at its discretion, can use a financial settlement equal to 110 percent of a weighted index price for under-deliveries, and for over-deliveries, 60 percent of either a weighted index price or a WALC weighted sales price, whichever is the lesser. In the event that Western accepts a financial settlement, the index used to calculate the settlement will be posted on the Open Access Same-Time Information System (OASIS) at the beginning of each fiscal year. The index will be the Dow Jones Palo Verde average monthly index or an index identified on the OASIS at the beginning of each fiscal year. Settlement for the hourly deviations will occur on a monthly basis.

The provisional rate methodology differs from the previous methodology in that previously, DSWR used the Commission pro-forma methodology to define the service. Under the provisional rate, the bandwidth was increased to equitably treat customers that do not have generation capabilities. The settlement for over-deliveries during the off-peak hours is set at 60 percent of the energy imbalance to discourage over-deliveries at a time when WALC has the least amount of load in the BATO. The 100 mills per kilowatthour penalty established in the pro-forma methodology was replaced with the percent of an index in the provisional methodology to reflect the volatility of the energy market.

Under Schedule DSW–SPR2, Operating Reserves-Spinning Reserve Service (Spinning Service) is not available from DSWR resources on a long-term firm basis. If a customer cannot self-supply or purchase this service from another provider, Western may obtain the Spinning Service on the open market on a pass-through cost basis for a charge that covers the cost of procuring the service. The transmission customer will be responsible for the transmission service to get this Spinning Service to the destination.

Under Schedule DSW–SUR2, Operating Reserves-Supplemental Reserve Service (Supplemental Service) is not available from DSWR resources on a long-term firm basis. If a customer cannot self-supply or purchase this service from another provider, Western may obtain Supplemental Service on the open market on a pass-through cost basis for a charge that covers the cost of procuring the service. The transmission customer will be responsible for the transmission service to get this Supplemental Service to the destination.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to Western's Administrator, (2) the authority to confirm, approve, and place 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 power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Under Delegation Order Nos. 00–037.00 and 00–001.00B, 10 CFR part 903, and 18 CFR part 300, I hereby confirm, approve, and place Rate Order No. WAPA–127, the provisional network service for the PDP and Intertie systems, and for ancillary services from the PDP, BCP, and that part of the CRSP located in the WALC BATO into effect on an interim basis. The new Rate Schedules DSW–SD2, DSW–RS2, DSW–

FR2, DSW–EI2, DSW–SPR2, DSW–SUR2, PD–NTS2, and INT–NTS2, will be submitted promptly to the Commission for confirmation and approval on a final basis.

Dated: June 13, 2006.

Clay Sell,

Deputy Secretary.

Department of Energy, Deputy Secretary

In the Matter of: Western Area Power Administration Rate Adjustment for the Desert Southwest Customer Service Region

[Rate Order No. WAPA–127]

Order Confirming, Approving, and Placing the Desert Southwest Customer Service Region Network Integration Transmission and Ancillary Services Rates Into Effect on an Interim Basis

This rate was 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 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 Project Act of 1939 (43 U.S.C. 485h(c)), and other Acts that specifically apply to the project involved.

By Delegation Order No. 00–037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to Western's Administrator, (2) the authority to confirm, approve, and place 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 power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Acronyms and Definitions

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

12-CP: 12-month coincident peak average.

Administrator: The Administrator of the Western Area Power Administration.

Ancillary Services: Those services necessary to support the transfer of electricity while maintaining reliable operation of the transmission system in accordance with standard utility practice.

BATO: Balancing Authority and Transmission Operations area. Formerly referred to as a Control Area.

BCP: Boulder Canyon Project.

CAP: Central Arizona Project.

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 $ per kilowattmonth.

Commission: Federal Energy Regulatory Commission.

CROD: Contract rate of delivery. The maximum amount of capacity made available to a preference customer for a period specified under a contract.

CRSP: Colorado River Storage Project.

CRSP MC: The CRSP Management Center of Western.

Customer: An entity with a contract that is receiving service from Western's DSWR or CRSP MC.

DOE: United States Department of Energy.

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

DSWR: The Desert Southwest Region of Western.

Energy: Measured in terms of the work it is capable of doing over a period of time. It is expressed in kilowatthours.

FERC: The Commission (to be used when referencing Commission Orders).

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

FRN: **Federal Register** notice.

FY: Fiscal year; October 1 to September 30.

Integrated Projects: The resources and revenue requirements of the Collbran, Dolores, Rio Grande, and Seedskadee projects blended together with the CRSP to create the SLCA/IP resources and rate.

Intertie: Pacific Northwest-Pacific Southwest Intertie Project.

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

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

kWmonth: Kilowattmonth—the electrical unit of the monthly amount of capacity.

Load: The amount of electric power or energy delivered or required at any specified point(s) on a system.

Merchant Function: A power marketing function within the CRSP MC and DSWR that balances loads and resources for the CRSP MC, DSWR, other regions within Western, and customers, and purchases and sells energy on the open market.

mill: A monetary denomination of the United States that equals one tenth of a cent or one thousandth of a dollar.

mills/kWh: Mills per kilowatthour—the unit of charge for energy.

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

Non-firm: A type of product and/or service not always available at the time requested by the customer.

O&M: Operation and Maintenance.

OASIS: Open Access Same-Time Information System—provides access to information on transmission pricing and availability for potential transmission customers.

OATT: Open Access Transmission Tariff.

PDP: Parker-Davis Project.

Power: Capacity and energy.

Project Use Power: Capacity and energy reserved for Federal Reclamation project use and irrigation pumping for PDP, CAP, and SLCA/IP under Reclamation Law.

Provisional Rate: A rate that has been confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary.

PRS: Power Repayment Study.

Rate Brochure: A document explaining the rationale and background for the rate proposal contained in this Rate Order.

Reclamation: United States Department of the Interior, Bureau of Reclamation.

Reclamation Law: A series of Federal laws. Viewed as a whole, these laws create the originating framework under which Western markets power.

Revenue Requirement: The revenue required 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.

SCADA: Supervisory Control and Data Acquisition.

SLCA/IP: Salt Lake City Area Integrated Projects—The resources and revenue requirements of the Collbran, Dolores, Rio Grande, and Seedskadee projects blended together with the CRSP to create the SLCA/IP resources and rate.

Supporting Documentation: A compilation of data and documents

that support the Rate Brochure and the rate proposal.

WALC: Western Area Lower Colorado BATO, operated by DSWR.

Western: United States Department of Energy, Western Area Power Administration.

Effective Date

The new interim rates will take effect on the first day of the first full billing period beginning on or after July 1, 2006, and will remain in effect until June 30, 2011, pending approval by the Commission on a final basis.

Public Notice and Comment

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

1. The rate adjustment process began June 14, 2005, when Western mailed a notice announcing informal customer meetings to all DSWR customers and interested parties.

2. Western held an informal meeting on June 27, 2005, in Phoenix, Arizona. At this informal meeting, Western explained the rationale for the rate adjustment, presented rate designs and methodologies, and answered questions.

3. A **Federal Register** notice, published on October 12, 2005 (70 FR 59335), announced the proposed rates for DSWR, began a public consultation and comment period, and announced the public information and public comment forums.

4. On October 21, 2005, Western mailed letters to all DSWR customers and interested parties transmitting the **Federal Register** notice and announcing the posting of the Brochure for Proposed Rates on the DSWR Web site.

5. On November 2, 2005, beginning at 1 p.m., Western held a public information forum at the DSWR office in Phoenix, Arizona. Western provided detailed explanations of the proposed rates and answered questions. Western provided documentation and informational handouts.

6. On November 29, 2005, beginning at 1 p.m., Western held a public comment forum at the DSWR Office in Phoenix, Arizona to give the public an opportunity to comment for the record. One individual spoke at this meeting.

7. On December 12, 2005, Western sent letters to all DSWR customers and interested parties clarifying answers to several questions from customers attending the public information forum and an informational request from a customer at the public comment forum.

8. Western received one comment letter during the consultation and comment period, which ended January 10, 2006. All formally submitted comments have been considered in preparing this Rate Order.

Comments

Written comments were received from the Navajo Agricultural Products Industry, New Mexico.

Representatives of Utility Strategies Consulting Group, Arizona, and Salt River Project, Arizona, made oral comments at either the public information forum or the public comment forum.

Project Description

Parker-Davis Project

The PDP was formed by consolidating two projects, Davis Dam and Parker Dam, under terms of the Act of May 28, 1954. Parker Dam and Powerplant, which created Lake Havasu 155 miles below Hoover Dam on the Colorado River, was authorized by the Rivers and Harbors Act of August 30, 1935. Reclamation constructed the project partly with funds advanced by the Metropolitan Water District (MWD) of Southern California, which now diverts nearly 1.2 million acre-feet of water each year by pumping it from Lake Havasu. The cooperative contract for construction and operation of Parker Dam was executed in 1933, under which MWD receives half of the capacity and energy from four generating units. The Federal share of the Parker Powerplant capacity, as determined by Reclamation, is 54,000 kW.

Power generated from the PDP is marketed to customers in Nevada, Arizona, and California. Excluding project use, the marketing criteria provide for marketing 185,530 kW of capacity in the winter season and 242,515 kW of capacity in the summer season. Customers receive 1,703 kWh per kW in the winter season and 3,441 kWh per kW in the summer season. Excluding project use, total marketable energy is 316 million kWh in the winter season and 835 million kWh in the summer season.

A portion of the resource marketed is reserved for United States use, but is not presently needed. This portion (9,460 kW of capacity and associated energy in the winter season and 16,030 kW of capacity and associated energy in the summer season) is withdrawable from existing customers upon two years' written notice. Existing PDP firm power contracts have been extended to September 30, 2028. About 72 percent of PDP firm energy sales are made to 5 of the 46 customers, with about 50 percent of the energy marketed to customers in Arizona.

Pacific Northwest-Pacific Southwest Intertie Project

The Intertie was authorized by section 8 of the Pacific Northwest Power Marketing Act of August 31, 1964. Originally, the Intertie was to be a combined alternating current (AC) and direct current (DC) system, which was to connect the Pacific Northwest with the Desert Southwest. As authorized, the overall project was to be a cooperative construction venture between Federal and non-Federal entities.

Due to delays in construction funding, the estimated in-service date of the Intertie was revised to the point that interest by potential users waned. These events resulted in the indefinite postponement of DC line construction. Consequently, the facilities constructed provide only AC transmission service.

Western's portion of the Intertie consists of two parts—a northern portion and a southern portion. The northern portion is administered by Western's Sierra Nevada Region and is incorporated, for repayment and operation, with the Central Valley Project. The northern portion consists of a 94-mile, 500-kV transmission line from Malin Substation in Oregon to Round Mountain to Cottonwood Substation in California.

The southern portion of the Intertie is administered by Western's Desert Southwest Region and is treated as a separate stand-alone project for repayment and operational purposes. It consists of a 238-mile, 345-kV transmission line from Mead Substation in Nevada to Liberty Substation in Arizona; a 19-mile, 230-kV transmission line from Liberty to Westwing Substation in Arizona; a 22-mile, 230-kV transmission line from Westwing to Pinnacle Peak Substation in Arizona; and two segments that came on-line in April 1996: the 256-mile Mead-Phoenix 500-kV AC Transmission Line between Marketplace Substation in Nevada and Perkins Substation in Arizona and the 202-mile Mead-Adelanto 500-kV AC Transmission Line between Marketplace in Nevada and the existing Adelanto Switching Substation in southern California.

Boulder Canyon Project

Hoover Dam, the highest and third largest concrete dam in the United States, sits on the Colorado River along the Arizona/Nevada border. Lake Mead, the reservoir formed behind Hoover

Dam, is the nation's largest man-made reservoir. It can hold a 2-year supply of the average flow from the Colorado River with its storage capacity of 27.38 million acre-feet.

Power from the BCP is marketed as long-term contingent capacity with associated energy. The contingent capacity and associated energy are available as long as, among other restrictions, sufficient water in the reservoir allows for release of water to meet water delivery obligations. If sufficient power to support the customer capacity entitlements is not available, each customer's capacity entitlement is temporarily reduced. Customers are entitled to receive 4.527 billion kWh of energy (associated with contingent capacity) each year. If generation at Hoover Powerplant is insufficient, Western can purchase energy to make up the shortfall at the individual customer's request on a pass-through cost basis.

Project power is sold in three states: Arizona, California, and Nevada. About 56 percent of BCP energy sales revenue comes from California customers. Of the Boulder Canyon Project's 15 customers, 11 are municipalities. These municipalities provide only 28 percent of the revenue. Four customers account for 82 percent of the power revenue from the project: the MWD of Southern California, Colorado River Commission of Nevada, Arizona Power Authority, and the Los Angeles Department of Water and Power. Existing power contracts for the BCP expire on September 30, 2017.

Central Arizona Project

The CAP is one of three related water development projects that make up the Colorado River Basin Project; the others are the Dixie and the Upper Basin Projects. The CAP was developed for Arizona and western New Mexico; the Dixie Project for southeastern Utah; and the Upper Basin Project for Colorado and New Mexico.

Congress authorized the project in 1968 to improve water resources in the Colorado River Basin. Segments of the 1968 authorization allowed Federal participation in the Navajo Generating Station, which has three coal-fired steam electric generating units for a combined capacity of 2,250 MW. The rate methodology for Network Integration Transmission Service over CAP 115-kV and 230-kV transmission lines went into effect on January 1, 2001, and has been revised effective January 1, 2006 through December 31, 2010, Rate Order WAPA–124 (71 FR 1533, January 10, 2006).

Salt Lake City Area/Integrated Projects

The SLCA/IP consists of the CRSP, Rio Grande, and Collbran Projects. The CRSP includes two participating projects that have power facilities: the Dolores and Seedskadee Projects. Western integrated the Rio Grande and Collbran Projects with CRSP for marketing and ratemaking purposes on October 1, 1987. The goals of integration were to increase marketable resources and to simplify contract and rate development and project administration by creating one rate and assuring repayment of the Projects' costs. All Integrated Projects maintain their individual identities for financial accounting and repayment purposes, but their revenue requirements are integrated into one SLCA/IP PRS for ratemaking.

Power Repayment Studies

Western prepares a separate PRS for PDP, Intertie, BCP, and SLCA/IP and a transmission rate study for CAP each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the respective projects. Repayment criteria are based on law, policies, including DOE Order RA 6120.2, and authorizing legislation.

The PRS for PDP and Intertie yield revenue requirements that are used to calculate firm transmission rates in DSWR. The PRS for PDP, BCP, and SLCA/IP are used to determine part of the revenue requirements for the ancillary services.

Network Integration Transmission Service

Under Rate Schedules PD–NTS2 and INT–NTS2, the methodology for calculating the customer's monthly charge is the product of the transmission customer's load-ratio share times one-twelfth (1/12) of the annual transmission revenue requirement. The load-ratio share will be based on the network customers' hourly load coincident with appropriate power or system monthly transmission system peak, which will be calculated on a rolling 12–CP basis. The transmission system peak includes the sum of capacity reserved for point-to-point transmission and the average 12–CP monthly system peak for network transmission service.

The monthly hour of the system peak is determined as the hour that the sum of the network customers' metered loads is the greatest. The firm point-to-point transmission reservations include the OATT firm point-to-point reservations, the PDP Firm Electric Service (FES) contract rates of delivery, the pre-OATT Firm Transmission Service, and the SLCA/IP FES with delivery points on the PDP.

Ancillary Services

Six ancillary services will be offered by DSWR, two of which (Scheduling, System Control, and Dispatch Service; and Reactive Supply and Voltage Control Service) are required to be purchased from the WALC BATO. The remaining four ancillary services are Regulation and Frequency Response Service, Energy Imbalance Service, Spinning Reserve Service, and Supplemental Reserve Service. These four services will be offered either from the BATO, or the DSWR or CRSP Merchant Function, and may be taken from WALC, self-provided, or provided by another party acceptable to Western. Sales of Regulation and Frequency Response, Energy Imbalance, Spinning Reserve, and Supplemental Reserve Services from WALC power resources are limited since Western has allocated all of its power resources to preference entities under long-term commitments. Western will determine the availability and type of Ancillary Services based on excess resources available when the service is requested.

The provisional rates for Ancillary Services are designed to recover only the costs associated with providing the service(s). The costs for providing Scheduling, System Control, and Dispatch Service are included in the appropriate existing and provisional transmission services rates.

Existing and Provisional Rates

Various levels of difference exist between the existing and provisional Ancillary Service rates due to changes in the provisional rate methodologies. The provisional Scheduling, System Control, and Dispatch Ancillary Service methodology differs from the existing methodology in its assessment of charges by tags instead of by schedules, and the elimination of multiple rates distinguished by inter-bus transfers and new versus existing schedules. The difference in the rates is shown in Table 1.

TABLE 1.—SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE

Existing		Provisional	
Description	Rates	Description	Rates
DSW–SD1	Per Schedule per Day	DSW–SD2	Per Tag.
Existing No SCADA programming or Intra-bus Transfer.	$54.99	All applicable transactions	$18.55.
Existing No SCADA programming requires Intra-bus Transfer.	$73.05.		
New Schedule w/SCADA no Inter-bus Transfer.	$51.10.		
New Schedule w/SCADA and Intra-bus Transfer.	$75.26.		

The Reactive Supply and Voltage Control Service uses a slightly different multiplier (1–PF versus 1–PF^2) and removes the entities with generation agreements to supply Voltage Support to WALC from the denominator. The effect of these changes on the provisional rate is shown in Table 2.

TABLE 2.—REACTIVE SUPPLY AND VOLTAGE CONTROL SERVICE

Existing		Provisional	
Description	Rates	Description	Rates
DSW–RS1	$/kWmonth	DSW–RS2	$/kWmonth.
All applicable transactions	$0.05	All applicable transactions	$0.043.
If resources are not available	Market Rates + 10%	Non-conforming Loads	Cost to procure and monitor.

The Regulation and Frequency Response Service is similar to the existing methodology in that it highlights the lack of DSWR resources available to supply this service on a long-term basis but instead of using the capacity rate of the project for short-term sales, as with the existing methodology, it specifies a rate based on the revenue requirement for the service divided by the load requiring the service. The rate schedule for the provisional rates defines non-conforming loads and spells out the requirement that services for these loads will be charged an amount that includes regulation purchased on the open market plus the cost to procure and monitor the service. The comparison of the existing rate to the provisional rate is shown in Table 3.

TABLE 3.—REGULATION AND FREQUENCY RESPONSE SERVICE

Existing		Provisional	
Description	Rates	Description	Rates
DSW–FR1	mills/kWh	DSW–FR2	mills/kWh.
If available from DSWR Resources	Capacity charge of supplying project.	If available for short term sales	0.2049.
		Non-conforming loads	Cost to procure and monitor.

The methodology for the Energy Imbalance Service for the provisional rate differs from the existing rate in several key ways: The bandwidth differs for on and off peak, the minimum load differs for over- and under-deliveries, and the settlement is based on a market index rather than a penalty. The index will be the Dow Jones Palo Verde Index unless modified as posted on the OASIS. Table 4 shows these differences specifically.

TABLE 4.—ENERGY IMBALANCE SERVICE

Description	Existing	Provisional	
		On/off peak	
Bandwidth	+/−1.5%	On	+/−1.5%.
Minimum	3 MW		5 MW.
Bandwidth	+/−1.5%	Off	+1.5% to −3%.
Minimum	3 MW		2 MW (Over Delivery).
			5 MW (Under Delivery).
Energy Within Bandwidth	No Penalty (Return 100% of Energy).	On	100% of Weighted Index Price.

TABLE 4.—ENERGY IMBALANCE SERVICE—Continued

Description	Existing	Provisional	
		On/off peak	
		Off	100% of Weighted Index Price (Under Delivery).
Energy Outside Bandwidth	100 mills/kWh + Return of Energy.	On	110% of Weighted Index Price (Under Delivery). 90% of Weighted Index Price (Over Delivery).
		Off	110% of Weighted Index Price (Under Delivery). The lesser of 60% of Weighted Index Price or WALC Weighted Sales Price (Over Delivery).

The Spinning and Supplemental Reserve Services under the provisional rate methodology does not differ from the previous rate methodology, except that the charge associated with procuring and supplying the service is the capacity rate of the Project supplying the service under the existing methodology and cost to procure the service on the open market under the provisional rate methodology.

Ancillary Services Discussion

Ancillary services are necessary to provide basic transmission service and to capture the costs associated with undertaking a transmission transaction within a BATO. To this end, DSWR will provide ancillary services, subject to provisions in Western's OATT. The provisional rates for these services are designed to recover all costs incurred for each service.

The annual generation costs included in the development of the revenue requirement consist of operation and maintenance expenses, administrative and general expenses, and interest and principal capital payments. The annual PRS is the primary tool utilized to derive the revenue requirement to be recovered from the ancillary services. Additional tools include meter and SCADA data, and power flow studies.

Currently, DSWR is offering the following ancillary services: (1) Scheduling, System Control, and Dispatch Service; (2) Reactive Supply and Voltage Control Service; (3) Regulation and Frequency Response Service; (4) Energy Imbalance Service; (5) Spinning Reserve Service; and 6) Supplemental Reserve Service. The existing rates will expire September 30, 2006.

The provisional rates and descriptions for the six ancillary services are:

PROVISIONAL ANCILLARY SERVICES RATES

Ancillary service type	Ancillary service description	Provisional rate
Scheduling, System Control, and Dispatch	Required to schedule the movement of power through, out of, within, or into a control area.	Included in appropriate transmission rates.
Reactive Supply and Voltage Control	Reactive power support provided from generation facilities that is necessary to maintain transmission voltages within acceptable limits of the system.	$0.043/kWmonth.
Regulation and Frequency Response	Generation provided to match resources and loads on a real-time continuous basis.	0.2049 mills/kWh[1].
Regulation for Non-conforming loads	Volatile loads-regulation capacity >5 MW on a regular basis and regulation capacity requirement > 10 percent of average load.	Cost to procure and monitor the load.
Energy Imbalance	Provided when a difference occurs between the scheduled and actual delivery of energy to a load located in the WALC BATO.	Bandwidth = +or − 1.5% of load for On-peak and +1.5% and − 3% for Off-peak. Within bandwidth 100% of energy.[2] Outside of bandwidth, On-peak 110% of energy (Under del) 90% of energy (Over del).[3] Outside of bandwidth, Off-peak 110% of energy (Under del) 60% of energy (Over del).[4]
Spinning Reserve	Needed to serve load immediately in the event of a system contingency.	Not available for long term sales.[5]
Supplemental Reserve	Needed to serve load in the event of a system contingency; however, it is not available immediately to serve load, but rather within a short period of time.	Not available for long term sales.[6]

[1] Not available for long term. DSWR will provide from available resources short term for rate shown.
[2] Western, at its discretion, can accept a financial payment equal to a weighted index price of the imbalance energy. Index will be Dow Jones Palo Verde index or as modified by posting on the OASIS.
[3] 110% of weighted index or 90% of weighted index.
[4] 110% of index price or the lesser of the index price or WALC weighted sales times 60%.
[5] DSWR will purchase on the open market on a pass-through cost basis plus cost associated with purchase as appropriate or provide from available resources short term for market price of service.
[6] DSWR will purchase on the open market on a pass-through cost basis plus cost associated with purchase as appropriate or provide from available resources short term for market price of service.

Comments

Comments and responses regarding ancillary service rates, paraphrased for brevity when not affecting the meaning of the statements, are discussed below. Direct quotes from comment letters are used for clarification where necessary. Responses to the two oral comments were included in the December 12, 2005, customer letter and are not in this document.

Comment: A customer stated that their organization was ''in the early stages of developing and coordinating an energy demand schedule'' and requested that Western not impose the ''imbalance penalty charges.''

Response: DSWR included the penalties in the energy imbalance service to encourage customers to accurately estimate their loads when requesting schedules. The penalties are also designed to reduce the opportunity for an entity to reduce its energy costs by using DSWR's resources. This practice will help Western provide BATO services at the lowest possible cost.

Availability of Information

Information about this rate adjustment, including PRSs, comments, letters, memorandums, and other supporting material made or kept by Western and used to develop the provisional rates, is available for public review in the Desert Southwest Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, Arizona.

Regulatory Procedure Requirements

Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601, *et seq.*) requires Federal agencies to perform a regulatory flexibility analysis if a final rule is likely to have a significant economic impact on a substantial number of small entities and there is a legal requirement to issue a general notice of proposed rulemaking. Western has determined that this action does not require a regulatory flexibility analysis since it is a rulemaking of particular applicability involving rates or services applicable to public property.

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321, *et seq.*); Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), Western has determined that this action is categorically excluded from preparing an environmental assessment or an environmental impact statement.

Determination Under Executive Order 12866

Western 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.

Small Business Regulatory Enforcement Fairness Act

Western has determined that this rule is exempt from congressional notification requirements under 5 U.S.C. 801 because the action is a rulemaking of particular applicability relating to rates or services and involves matters of procedure.

Submission to the Federal Energy Regulatory Commission

The interim rates herein confirmed, approved, and placed into effect, together with supporting documents, will be submitted to the Commission 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 July 1, 2006, Rate Schedules PD–NTS2, and INT–NTS2 for the Parker-Davis Project (PDP) and the Pacific Northwest-Pacific Southwest Intertie Project, and Rate Schedules DSW–SD2, DSW–RS2, DSW–FR2, DSW–EI2, DSW–SPR2, and DSW–SUR2, for the PDP, the Boulder Canyon Project (BCP), the Central Arizona Project (CAP), and that part of the Colorado River Storage Project located in the WALC Balancing Authority and Transmission Operations Area of the Western Area Power Administration. The rate schedules shall remain in effect on an interim basis pending the Commission's confirmation and approval of them or substitute rates on a final basis through June 30, 2011.

Dated: June 13, 2006.

Clay Sell,

Deputy Secretary.

Rate Schedule PD–NTS2; Attachment H–1 to Tariff (Supersedes Rate Schedule PD–NTS1)

United States Department of Energy, Western Area Power Administration

Network Integration Transmission Service on the Parker-Davis Project

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Parker-Davis Project (PDP) transmission facilities.

Applicable

To Network Integration Transmission Service (Network Service) customers where capacity and energy are supplied to the PDP transmission system from designated resources, transmitted subject to the availability of the transmission capacity, and delivered, less losses, to designated points of delivery on the PDP system specified in the network service agreement.

Character and Conditions of Service

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by the network service agreement.

Monthly Rate

Network Service Charge: Each Contractor shall be billed an amount based on the contractor's load ratio share times one-twelfth of the PDP annual revenue requirement. The load ratio share will be determined by the contractor's coincidental peak load averaged with the coincidental peak loads of the previous 11 months divided by the average PDP system peak for the same time period.

Revenue Requirement

The projected annual revenue requirement allocated to transmission for FY 2006 for the PDP is $32,826,345. Based on updated financial and load data, a recalculated revenue requirement will go into effect on October 1 of each year during the effective rate schedule period.

Adjustment for Ancillary Services

Network Service is offered under Western's Open Access Transmission Tariff and contractors are responsible for all ancillary services set forth in the applicable rate schedules specified in the customer's network service agreement.

Adjustment for Losses

Capacity and energy losses incurred in connection with the transmission and delivery of power and energy under this rate schedule shall be supplied by the customer in accordance with the network service agreement.

Modifications

The Desert Southwest Customer Service Region may modify the charges for Network Service upon written notice to the transmission customer. Any change to the charges to the transmission customer for Network Service shall be as set forth in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies, and made part of the applicable network service agreement.

Rate Schedule INT–NTS2; Schedule H–2 to Tariff (Supersedes Rate Schedule INT–NTS1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Network Integration Transmission Service on the Pacific Northwest-Pacific Southwest Intertie Project

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

Within the marketing area serviced by the Pacific Northwest-Pacific Southwest Intertie Project (Intertie) transmission facilities.

Applicable

To Network Integration Transmission Service (Network Service) customers where capacity and energy are supplied to the Intertie from designated resources, transmitted subject to the availability of the transmission capacity, and delivered, less losses, to designated points of delivery on the Intertie system specified in the network service agreement.

Character and Conditions of Service

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by the network service agreement.

Monthly Rate

Network Service Charge: Each contractor shall be billed an amount based on the contractor's load ratio share times one-twelfth of the Intertie annual revenue requirement. The load ratio share will be determined by the contractor's coincidental peak load averaged with the coincidental peak loads of the previous 11 months divided by the average Intertie system peak for the same time period.

Revenue Requirement

The projected annual revenue requirement allocated to transmission for FY 2006 for the Intertie is $22,742,569. Based on updated financial and load data, a recalculated revenue requirement will go into effect on October 1 of each year during the effective rate schedule period.

Adjustments for Ancillary Services

Network Service is offered under the Open Access Transmission Tariff and contractors are responsible for all ancillary services set forth in the applicable rate schedules specified in the customer's network service agreement.

Adjustments for Losses

Capacity and energy losses incurred in connection with the transmission and delivery of power and energy under this rate schedule shall be supplied by the customer in accordance with the network service agreement.

Modifications

The Desert Southwest Customer Service Region may modify the charges for Network Service upon written notice to the transmission customer. Any change to the charges to the transmission customer for Network Service shall be as set forth in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies and made part of the applicable network service agreement.

Rate Schedule DSW–SD2; Schedule 1 to Tariff (Supersedes Rate Schedule DSW–SD1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Scheduling, System Control, and Dispatch Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations area (BATO).

Applicable

To transactions with entities not taking transmission service in WALC. For entities taking transmission service from Western in the WALC BATO, the Scheduling, System Control, and Dispatch Service (Scheduling Service) charge is included in the transmission rate.

Character of Service

Scheduling Service is required to schedule the movement of power through, out of, within, or into the WALC BATO.

Formula Rate

The charges for Scheduling Service are to be based on the following formula rate where the Rate per Tag equals: Annual Capital Cost per Tag + Hourly Labor Rate X Average Time to Execute Tag

Rate

The rate charged for the Scheduling Service is $18.55 per tag. This rate is based on FY 2004 financial and load data, and will be in effect July 1, 2006, through September 30, 2006. Based on updated financial and load data, a recalculated rate will go into effect on October 1 of each year during the effective rate period.

The Desert Southwest Customer Service Region's charge for Scheduling Service may be modified upon written notice to the customer and any change to the charges for the service shall be as set forth in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

Rate Schedule DSW–RS2; Schedule 2 to Tariff (Supersedes Rate Schedule DSW–RS1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Reactive Supply and Voltage Control From Generation Sources Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO).

Applicable

To all customers in the WALC BATO taking transmission service under the

Open Access Transmission Tariff. The customer must purchase this service from WALC, unless the entity has a separate generation agreement to supply Reactive Supply and Voltage Control from Generation Sources Service (Voltage Support Service) to WALC.

Character of Service

Voltage Support Service is needed to maintain transmission voltages on all transmission facilities within acceptable limits. To accomplish this, generation facilities under the control of the WALC BATO are operated to produce or absorb reactive power.

Formula Rate

The charges for Voltage Support Service are based on the following formula rate.

$$\text{WALC Voltage Support Rate} = \frac{\text{Revenue Requirement for Service}}{\text{Transmission Reservations Requiring Service}}$$

The revenue requirement for the service is the sum of the service for each generation project in WALC determined by multiplying the generation revenue requirement by one minus the power factor for the supplying plants.

WALC Transmission Reservations are the total firm point-to-point reservations minus reservations by entities with generation agreements to supply Voltage Support Service to WALC.

Rate:

The rate to be in effect July 1, 2006, through September 30, 2006, is:
Monthly: $0.043/kWmonth.
Weekly: 9.92 mills/kWweek.
Daily: 1.42 mills/kWday.
Hourly: 0.059 mills/kWh.

This rate is based on the above formula and on FY 2004 financial and calendar year 2004 load data, and will be in effect July 1, 2006, through September 30, 2006. Based on updated financial and load data, a recalculated rate will go into effect on October 1 of each year during the effective rate period.

The Desert Southwest Customer Service Region (DSWR) charges for Voltage Support Service may be modified upon written notice to the customer. Any change to the charges for Voltage Support Service shall be as set forth in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies and made part of the applicable service agreement. DSWR shall charge the customer in accordance with the rate then in effect.

Rate Schedule DSW–FR2; Schedule 3 to Tariff (Supersedes Rate Schedule DSW–FR1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Regulation and Frequency Response Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO).

Applicable

To all customers with standard loads in the WALC BATO taking this service under the Open Access Transmission Tariff. Customers with non-conforming loads will be charged differently as stated below. A non-conforming load is defined as a single plant or site with a regulation capacity requirement of 5 megawatts (MW) or greater on a recurring basis and whose capacity requirement is equal to 10 percent or greater of its average load.

Character of Service

Regulation and Frequency Response Service (Regulation Service) is necessary to provide for the continuous balancing of resources, generation, and interchange with load, and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered, predominantly through the use of automatic generating control equipment, as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the transmission provider. The transmission customer must either purchase this service from the WALC BATO, or make alternative comparable arrangements satisfactory to Western to meet its Regulation Service requirements.

Formula Rate

The charges for Regulation Service are based on the following formula rate.

$$\text{DSWR Regulation Rate} = \frac{\text{Revenue Requirement for the Service}}{\text{Load Requiring the Service}}$$

Where:

Revenue requirement for the service is the product of the generation capacity for the regulation times the capacity rate of supplying projects, plus any regulation purchases the transmission provider must make, multiplied by a use factor; and Load requiring the service is the sum of the loads in the WALC BATO.

Rate

The rate to be in effect July 1, 2006, through September 30, 2006, is:

0.2049 mills/kWh.

Regulation Service for non-conforming loads, as determined by Western, must be delineated in a service agreement and charged an amount which includes the cost to procure the service and the additional amount required to monitor and supply this service.

This rate is based on the above formula and on FY 2004 financial and load data, and will be in effect July 1, 2006, through September 30, 2006. Based on updated financial and load data, a recalculated rate will go into effect on October 1 of each year during the effective rate period.

The DSWR charges for Regulation Service may be modified upon written

notice to the customer. Any change to the charges for regulation shall be as set forth in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies and made part of the applicable service agreement. The DSWR shall charge the customer in accordance with the rate then in effect.

Rate Schedule DSW–EI2; Schedule 4 to Tariff (Supersedes Rate Schedule DSW–EI1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Energy Imbalance Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO).

Applicable

To all customers receiving Energy Imbalance Service from the Desert Southwest Customer Service Region (DSWR) for the WALC.

Character of Service

Provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the WALC BATO. The transmission customer and customers on non-Western transmission systems within WALC BATO must either obtain this service from WALC, or make alternative comparable arrangements to satisfy its energy imbalance service obligation. The transmission customer must either purchase this service from the WALC BATO, or make alternative comparable arrangements satisfactory to Western to meets its Energy Imbalance Service requirements.

Formula Rate

Bandwidth: The WALC has established a deviation bandwidth for on-peak of plus or minus 1.5 percent of the customer's load with a minimum of 5 MW either over or under delivery and an off-peak bandwidth of 1.5 percent to a negative 3 percent of a customer's load with a minimum of 2 MW over delivery and 5 MW under delivery.

Within the bandwidth: For Energy Imbalance within the bandwidth for both on-peak and off-peak, settlement between the customer and Western will be 100 percent of the Energy Imbalance. In lieu of an energy settlement, Western, at its discretion, may accept a financial payment equal to a weighted index price (described below) of the energy.

Outside the bandwidth: For that portion of the customer's energy imbalance that is outside the bandwidth during on-peak hours, the settlement is 110 percent of the energy imbalance for under-deliveries and 90 percent of the energy imbalance for over-deliveries. In lieu of an energy settlement, Western, at its discretion, may accept a financial settlement equal to 110 percent of a weighted index price for under-deliveries and 90 percent of a weighted index price for over-deliveries.

For that portion of the customer's energy imbalance that is outside the bandwidth during the off-peak hours, the settlement is 110 percent of the energy imbalance for under-deliveries and 60 percent of the energy imbalance for over-deliveries. In lieu of an energy settlement, Western, at its discretion, may accept a financial settlement equal to 110 percent of a weighted index price for under-deliveries and for over-deliveries 60 percent of either a weighted index price or a WALC weighted sales price, whichever is the least. If Western uses a financial settlement for transactions, the index used to calculate the settlement will be the Dow Jones Palo Verde average monthly index or an index identified on the OASIS at the beginning of each fiscal year. Settlement for the hourly deviations will occur on a monthly basis.

The energy imbalance service compensation may be modified upon written notice to the customer. Any change to the customer compensation for energy imbalance service shall be as set forth in a revision to this schedule promulgated pursuant to applicable Federal laws, regulations, and policies and made part of the applicable service agreement. The DSWR shall charge the customer in accordance with the rate then in effect.

Rate Schedule DSW–SPR2; Schedule 5 to Tariff (Supersedes Rate Schedule DSW–SPR1)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Operating Reserve—Spinning Reserve Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO).

Applicable

To all customers receiving Spinning Reserve Service from the Desert Southwest Customer Service Region (DSWR) for the WALC BATO.

Character of the Service

Spinning reserve service (Spinning Service) is needed to serve load immediately in the event of a system contingency. Spinning Service may be provided by generating units that are on-line and loaded at less than maximum output. The transmission customer must either purchase this service from the Western WALC BATO, or make alternative comparable arrangements satisfactory to Western to meet its Spinning Service requirements.

Formula Rate

Spinning Service will not be available from DSWR resources on a long-term basis. If a customer cannot self-supply or purchase this service from another provider, Western may obtain the Spinning Service on a pass-through cost basis at market price plus a charge that covers the cost of procuring and supplying the service. The transmission customer will be responsible for the transmission service to get Spinning Service to the designated point of delivery.

Cost for Spinning Service = market price + cost to procure service.

Rate Schedule DSW–SUR2; Schedule 6 to Tariff (Supersedes Rate Schedule DSW–SUR2)

United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region

Operating Reserve—Supplemental Reserve Service

Effective

The first day of the first full billing period beginning on or after July 1, 2006, through June 30, 2011.

Available

In the area served by the Western Area Lower Colorado (WALC) Balancing Authority and Transmission Operations Area (BATO).

Applicable

To all customers receiving supplemental reserve service from the Desert Southwest Customer Service Region (DSWR) for the WALC BATO.

Character of the Service

Supplemental Reserve Service (Supplemental Service) is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load. Supplemental Service may be provided by generating units that can be synchronized to the system within 10 minutes and loaded within 30 minutes. The transmission customer must either purchase this service from the WALC BATO, or make alternative comparable arrangements satisfactory to Western to meet its Supplemental Service requirements. The charges for Supplemental Service are referred to below.

Formula Rate

Supplemental Service will not be available from DSWR resources on a long-term basis. If a customer cannot self-supply or purchase this service from another provider, Western may obtain the Supplemental Service on a pass-through cost basis at market price plus a charge that covers the cost of procuring and supplying the service. The transmission customer will be responsible for the transmission service to get Supplemental Service to the designated point of delivery.

Cost for Supplemental Service = market price + cost to procure service.

[FR Doc. E6–10000 Filed 6–23–06; 8:45 am]

BILLING CODE 6450–01–P

FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 21, 2006.

A. Federal Reserve Bank of Chicago (Patrick M. Wilder, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. Ohnward Bancshares Inc., Maquoketa, Iowa; to acquire 100 percent of the voting shares of United Security Financial Corporation, Cedar Rapids, Iowa, and thereby indirectly acquire United Security Savings Bank, F.S.B., Cedar Rapids, Iowa, and thereby engage in operating a savings association, pursuant to section 225.28(b)(4)(ii) of Regulation Y.

Board of Governors of the Federal Reserve System, June 21, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–10018 Filed 6–23–06; 8:45 am]

BILLING CODE 6210–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day-06–06BI]

Proposed Data Collections Submitted for Public Comment and Recommendations

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 for opportunity for public comment on proposed data collection projects, the Centers for Disease Control and Prevention (CDC) will publish periodic summaries of proposed projects. To request more information on the proposed projects or to obtain a copy of the data collection plans and instruments, call 404–639–5960 and send comments to Seleda Perryman, CDC Assistant Reports Clearance Officer, 1600 Clifton Road, MS–D74, Atlanta, GA 30333 or send an e-mail to *omb@cdc.gov*.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Written comments should be received within 60 days of this notice.

Proposed Project

Determining Stakeholder Awareness and Use of Products Developed by the Evaluation of Genomic Applications in Practice and Prevention (EGAPP) Project—New—National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP)/Office of Genomics and Disease Prevention (OGDP) Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The success of the Human Genome Project has led to increasingly rapid translation of genomic information into clinical applications. Genetic tests for about 1,200 diseases have been developed, with more than 900 currently available for clinical testing. Most are used for diagnosis of rare genetic diseases, but a growing number have population-based applications, including carrier identification, predictive testing for inherited risk for common diseases, and pharmacogenetic testing for variation in drug response. These tests have the potential for broad public health impact. Currently, most genetic testing offered in the United States does not involve the use of U.S. Food and Drug Administration (FDA) approved test kits. Tests are developed as in-house or ''home brew'' assays and marketed by laboratories as clinical laboratory services with limited oversight. A number of issues have been raised about the current status of genetic testing implementation, including the need to develop evidence to establish efficacy and cost-effectiveness before tests are commercialized. There is also an increasingly urgent need for timely and reliable information that allows health professionals to distinguish genetic tests that have demonstrated validity and utility in clinical practice.

Recommendations on the development of safe and effective genetic tests have been produced by advisory panels (e.g. Task Force on Genetic Testing, Secretary's Advisory Committee on Genetic Testing), professional organizations, and clinical experts since 1995. However, a