

**Rebecca K. Miller**

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**From:** DSW-PowerMarketing DSW-PowerMarketing <DSWPWRMRK@wapa.gov>  
**Sent:** Monday, June 18, 2012 11:43 AM  
**To:** DSWPWRMRK@wapa.gov  
**Cc:** Brian Young; Penny Casey; Darren Buck; Debby Emler; Doug Harness; Jack Murray; Darrick Moe; Tina Ramsey; Ethel Redhair; Rachel Martinez; Mike Simonton  
**Subject:** BCP Post 2017 FRN  
**Attachments:** BCP 6.14.12 Conformance FRN.pdf

Dear Western Customers and Interested Parties:

Attached for your information, is a copy of the *Federal Register* Notice (FRN) published in the *Federal Register* dated June 14, 2012 (77 FR 35671) entitled "Conformed Power Marketing Criteria or Regulations for the Boulder Canyon Project" related to Western's Boulder Canyon Project (BCP) post-2017 marketing effort.

Western published this FRN to conform its 1984 Marketing Criteria to the Hoover Power Allocation Act of 2011 (HPAA) and implement several key aspects of the HPAA.

This FRN, along with all other FRNs, comments, and presentations related to this effort are posted to Western's website located here:

[http://www.wapa.gov/dsw/pwrmt/BCP\\_Remarketing/BCP\\_Remarketing.htm](http://www.wapa.gov/dsw/pwrmt/BCP_Remarketing/BCP_Remarketing.htm)

If you have any questions, please contact Mr. Mike Simonton, Public Utilities Specialist, at 602-605-2675 or by e-mail at [Post2017BCP@wapa.gov](mailto:Post2017BCP@wapa.gov).

Best Regards,

Debby Emler  
DSW Power Marketing Manager  
602-605-2555

Wind III, LLC application for market-based rate authority, with an accompanying rate tariff, noting that such application includes a request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability.

Any person desiring to intervene or to protest should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant.

Notice is hereby given that the deadline for filing protests with regard to the applicant's request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability, is June 21, 2012.

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 Street NE., Washington, DC 20426.

The filings in the above-referenced proceeding 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 email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Dated: June 1, 2012.

**Nathaniel J. Davis, Sr.,**  
Deputy Secretary.

[FR Doc. 2012-14519 Filed 6-13-12; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. ER12-1916-000]

#### RE McKenzie 5 LLC; Supplemental Notice That Initial Market-Based Rate Filing Includes Request for Blanket Section 204 Authorization

This is a supplemental notice in the above-referenced proceeding of RE McKenzie 5 LLC application for market-based rate authority, with an accompanying rate tariff, noting that such application includes a request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability.

Any person desiring to intervene or to protest should file with the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant.

Notice is hereby given that the deadline for filing protests with regard to the applicant's request for blanket authorization, under 18 CFR part 34, of future issuances of securities and assumptions of liability, is June 21, 2012.

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[FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Dated: June 1, 2012.

**Nathaniel J. Davis, Sr.,**  
Deputy Secretary.

[FR Doc. 2012-14514 Filed 6-13-12; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Conformed Power Marketing Criteria or Regulations for the Boulder Canyon Project

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

**ACTION:** Conformance of power marketing criteria in accordance with the Hoover Power Allocation Act of 2011.

**SUMMARY:** The Western Area Power Administration (Western), a Federal power marketing agency of the Department of Energy (DOE), is modifying Part C of its Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (1984 Conformed Criteria) published in the **Federal Register** on December 28, 1984, as required by the Hoover Power Allocation Act of 2011 (HPAA) described herein. This modification will result in the conformance of the 1984 Conformed Criteria to the HPAA. The 2012 Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (2012 Conformed Criteria) will provide the basis for marketing the long-term hydroelectric resources of the Boulder Canyon Project (BCP) beyond September 30, 2017, when Western's current electric service contracts expire. Additional power marketing criteria for new allocations will be established by Western through a subsequent public process. This **Federal Register** notice (FRN) is not a call for applications. A call for applications from those interested in an allocation of BCP power will be provided for in a future notice.

**DATES:** The 2012 Conformed Criteria will become effective July 16, 2012.

**ADDRESSES:** Information regarding the 2012 Conformed Criteria is available for public inspection at the Desert Southwest Customer Service Regional Office, Western Area Power Administration, 615 South 43rd Avenue, Phoenix, AZ 85005 or at its Web site: <http://www.wapa.gov/dsw/pwrmtkt>.

**FOR FURTHER INFORMATION CONTACT:** Mr. Mike Simonton, Public Utilities Specialist, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005, telephone (602) 605-2675, email [Post2017BCP@wapa.gov](mailto:Post2017BCP@wapa.gov).

**SUPPLEMENTARY INFORMATION:**

The BCP was authorized by the Boulder Canyon Project Act of 1928 (Act) (43 U.S.C. 617). Under Section 5 of the Act, the Secretary of the Interior marketed the capacity and energy from the BCP under electric service contracts effective through May 31, 1987. On December 28, 1984, Western published the 1984 Conformed Criteria (49 FR 50582) to implement applicable provisions of the Hoover Power Plant Act of 1984 (43 U.S.C. 619) for the marketing of BCP power through September 30, 2017. On December 20, 2011, Congress enacted the Hoover Power Allocation Act of 2011 (Pub. L. 112-72), which provides direction and guidance in several key aspects of marketing BCP power after the existing contracts expire in 2017.

Section 2(f) of the HPAA provides that Subdivision C of the 1984 Conformed Criteria shall be deemed to have been modified to conform to the HPAA, and the Secretary of Energy shall cause to be included in the **Federal Register** notice conforming the text of the regulations to such modifications. This FRN conforms the text of the 1984 Conformed Criteria, as appropriate, to the HPAA.

**Description of Revisions to Subdivision C of the 1984 Conformed Criteria Required by the Enactment of HPAA**

*Part 1. General*

**Section A—Purpose and Scope**

A reference to HPAA has been integrated into the purpose and scope section.

**Section B—Authorities**

The HPAA has been added to the listed authorities.

**Section C—Contractual Information**

The section has been updated to incorporate the following provisions of HPAA:

(1) Section 2(d)(2)(E) that requires each contract offered pursuant to Schedule D shall include a provision requiring the new allottee to pay a proportionate share of its State's respective contribution (determined in accordance with each State's applicable funding agreement) to the cost of the Lower Colorado River Multi-Species Conservation Program (MSCP) (as defined in Section 9401 of the Omnibus

Public Land Management Act of 2009 (Pub. L. 111-11; 123 Stat.1327)), and to execute the Boulder Canyon Project Implementation Agreement Contract No. 95-PAO-10616 (Implementation Agreement).

(2) Section 2(g)(1)(A) that requires each contract offered shall expire on September 30, 2067.

(3) Section 2(g)(2)(A) that prescribes the contract offered to the Metropolitan Water District of Southern California (MWD) will not restrict use of capacity and energy, provided that to the extent practicable and consistent with sound water management and conservation practice, MWD shall allocate such capacity and energy to pump available Colorado River water prior to using such capacity and energy to pump California State project water.

(4) Section 2(g)(4) that requires each contract offered shall (i) authorize and require Western to collect from new allottees a pro rata share of Hoover Dam repayable advances paid for by contractors prior to October 1, 2017, and remit such amounts to the contractors that paid such advances in proportion to the amounts paid by such contractors as specified in Section 6.4 of the Implementation Agreement; (ii) permit transactions with an independent system operator; and (iii) contain the same material terms included in Section 5.6 of the current BCP firm electric service power sales contracts in existence on December 20, 2011, the date of enactment of the HPAA.

*Part VI. Boulder Canyon Project*

Part VI of the 1984 Conformed Criteria is replaced in its entirety in order to conform to and facilitate the following provisions of Section 2 of the HPAA:

(1) Section 2(a) that provides for contract offers to existing Schedule A contractors in predefined contract quantities for delivery commencing October 1, 2017.

(2) Section 2(b) that provides for contract offers to existing Schedule B contractors in predefined contract quantities for delivery commencing October 1, 2017.

(3) Section 2(c) that provides for excess energy provisions for deliveries commencing October 1, 2017.

(4) Section 2(d)(2) that provides for the following:

(i) The creation of a resource pool equal to 5 percent of BCP's full rated capacity of 2,074,000 kilowatts, and associated firm energy, as depicted in Schedule D. Western shall offer prescribed portions of Schedule D contingent capacity and firm energy to entities not receiving contingent capacity and firm energy under

Schedule A and/or Schedule B for deliveries commencing October 1, 2017.

(ii) Additional guidance related to the disposition of contingent capacity and firm energy to existing contractors and potential new allottees as described in the 2012 Conformed Criteria.

(iii) Guidance related to the disposition Schedule D contingent capacity and firm energy that is not allocated and contracted for prior to October 1, 2017, as described in the 2012 Conformed Criteria.

(5) Section 2(i) that provides guidance in the event any existing contractor fails to accept an offered contract as described in the 2012 Conformed Criteria.

(6) Section 2(j) that provides guidance regarding Western's obligations in the event water is not available to produce the contingent capacity and firm energy set forth in Schedule A, Schedule B, and Schedule D, as described in the 2012 Conformed Criteria.

**Regulatory Procedure Requirements**

*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.

*Environmental Compliance*

In accordance with the DOE National Environmental Policy Act Implementing Procedures (10 CFR 1021), Western has determined that these actions fit within a class of action B4.1 Contracts, policies, and marketing and allocation plans for electric power, in Appendix B to Subpart D to Part 1021—Categorical Exclusions Applicable to Specific Agency Actions.

**Revised 2012 Conformed Criteria**

Part I and Part VI of Section C of the 1984 Conformed Criteria are amended to read as follows:

**C. Conformed General Consolidated Power Marketing Criteria or Regulations for Desert Southwest Region Projects**

*Part I. General*

Section A. Purpose and Scope. In accordance with Federal power marketing authorities in Reclamation Law and the Department of Energy Organization Act of 1977, Western has developed and, pursuant to the Hoover Power Allocation Act of 2011 (Pub. L. 112-72) (HPAA), has modified the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (1984 Conformed Criteria) published in the **Federal Register** (49 FR 50582) on December 28, 1984. These 2012 Conformed Criteria establish general marketing principles for power generated at

Federal projects under the marketing jurisdiction of Western's Desert Southwest Regional Office (DSW). This document will serve as new general power marketing criteria for the Boulder Canyon Project (BCP) resource. Western may establish additional power marketing criteria, as deemed necessary and appropriate as determined by Western, in a subsequent public process. The power marketing criteria for the Parker-Davis Project (PDP) and Central Arizona Project (CAP) remain unchanged with the implementation of the 2012 Conformed Criteria. The establishment of these 2012 Conformed Criteria shall serve as conformance of the 1984 Conformed Criteria pursuant to Section 2 (f) of the HPAA.

Section B. Authorities. Federal power in the Desert Southwest Region is marketed in accordance with the power marketing authorities in Federal Reclamation Law (Act of June 17, 1902, (32 Stat. 388), and all acts amendatory thereof or supplementary thereto); the Department of Energy Organization Act of 1977 (91 Stat. 565); and in particular, those acts and amendments enabling the Boulder Canyon Project (45 Stat. 1057); Hoover Power Plant Act of 1984 (Pub. L. 98-381); Hoover Power Allocation Act of 2011 (Pub. L. 112-72); Parker-Davis Project (49 Stat. 1028, 1039; 68 Stat. 143); and the Colorado River Basin Project (82 Stat. 885).

Section C. Contractual Information. Power contracts will be implemented as existing contracts terminate. The existing BCP contracts terminate on September 30, 2017.

Western will offer power contracts to each contractor containing the terms and conditions and any special provisions that may be applicable to the power marketed under the 2012 Conformed Criteria. The contracts will identify the amounts of capacity and energy to be delivered, the point(s) of delivery, and the maximum rate of delivery at each point of delivery. The contracts will be prepared and modified as necessary. Western shall endeavor to maintain similar, if not identical, contractual terms and conditions and any special provisions amongst all BCP contractors.

Each long-term power service contract entered into or amended shall contain provisions requiring the contractor to develop and implement energy conservation measures as demonstrated in integrated resource planning documents.

The PDP, CAP, and BCP projects shall be operationally integrated to improve the efficiency of the Federal system in accordance with: the operational constraints of the Colorado River, hydro-project power plants, as may be imposed by the Secretary of the Interior or authorized representatives; applicable laws; the general terms, conditions, and principles contained in these 2012 Conformed Criteria; and the General Power Contract Provisions in effect.

Long-term contracts for BCP power will commence on October 1, 2017, and terminate on September 30, 2067.

Contingent capacity is capacity that is normally available, except during either forced or planned outages, or unit de-ratings that affect power plant capability. All BCP capacity shall be marketed by Western as contingent capacity to the contractors.

Western's obligations to deliver BCP power to the contractors will be subject to availability of the water needed to produce such contingent capacity and firm energy. In the event that water is not available to produce the contingent capacity and firm energy set forth in Schedule A, Schedule B, and Schedule D, Western shall adjust the contingent capacity and firm energy offered under those schedules in the same proportion as those contractors' allocations of Schedule A, Schedule B, and Schedule D contingent capacity and firm energy bears to the full rated contingent capacity and firm energy obligations.

Contracts for BCP power will allow for reductions in capacity due to generating unit outages or available capacity reductions caused by forced outages, planned or unplanned maintenance activities, or reservoir drawdown. These reductions will also be applied on a proportionate basis as previously described.

Each BCP contractor will be required to contractually agree to supply its own reserves for power that meet or exceed the Western Electricity Coordinating Council's minimum reserve requirements.

Each contract for BCP power will contain a provision by which any dispute or disagreement as to interpretation or performance of the provisions of the Hoover Power Allocation Act of 2011, or of applicable regulations or of the contract may be determined by arbitration or court proceedings.

The contract offer to the Metropolitan Water District of Southern California for BCP capacity and energy will not restrict the use to which capacity and energy contracted for by the Metropolitan Water District of Southern California may be placed within the State of California; provided, that to the extent practicable and consistent with sound water management and conservation practice, the Metropolitan Water District of Southern California shall allocate such capacity and energy to pump available Colorado River water prior to using such capacity and energy to pump California State water project water.

Contracts offered shall contain the same material terms included in Section 5.6 of those long-term contracts for purchases from the Hoover Power Plant that were made in accordance with the Hoover Power Plant Act of 1984 and are in existence as of December 20, 2011, the enactment date of the Hoover Power Allocation Act of 2011. These provisions outline the use of generation by the contractor. Within the constraints of river operation, each BCP power contractor is permitted to schedule loaded and unloaded synchronized generation, the sum of which cannot exceed the amount of contingent capacity reserved for the individual contractor. To the extent that energy entitlements are not exceeded, such previously scheduled unloaded synchronized generation may be used for regulation, ramping, and spinning reserves through the use of a dynamic signal. These functions will be deployed by Western and the Bureau of Reclamation (Reclamation), in cooperation with the BCP power contractors, and implemented by contract through written

operating or scheduling instructions. Energy used for the purpose of supplying unloaded synchronized generation to BCP power contractors will be accounted for on a monthly basis, and will be supplied by the individual contractors through reductions in energy deliveries, in subsequent months, or as otherwise mutually agreed by Western and the contractor, as specified in the power contracts.

Whenever actual generation in any year is less than the firm commitments (4,527,001 million kilowatt-hours (kWh)), such deficiency shall be borne by the holders of contracts in the ratio that the sum of the quantities of firm energy to which each contractor is entitled, to the total firm commitments. Upon an individual contractor's request, Western will purchase energy, if necessary, specifically for the purpose of fulfilling the energy obligations resulting from Schedule A, Schedule B, and Schedule D allocations. Any costs incurred as a result of the contractor's request for firming energy shall be borne solely by the requesting contractor and will be reimbursed in the year in which the costs were incurred.

The individual projects will remain financially segregated for the purposes of accounting and project repayment. The Desert Southwest Region rate schedules for each individual project will be developed to satisfy cost recovery criteria for each project. In general, the cost recovery criteria will include components such as operation and maintenance, replacements, betterments, amortization of long-term debt with interest, and other financial obligations of the project. Until the end of the repayment period for the CAP, BCP and PDP will provide for surplus revenues by including the equivalent of 4½ mills per kWh in the rates charged to contractors in Arizona and by including the equivalent of 2½ mills per kWh in the rates charged to contractors in California and Nevada. After the repayment period of the CAP, the equivalent of 2½ mills per kWh shall be included in the rates charged to all contractors in Arizona, Nevada, and California.

In order to allow Reclamation to comply with required minimum water releases and to allow Western to receive purchased energy during offpeak load hours, all power contractors may be required to schedule a minimum rate of delivery during such offpeak load hours. The percentage of energy to be taken by the contractors at the minimum scheduled rate of delivery shall be established on a seasonal basis, and may be increased or decreased as conditions dictate. The monthly minimum rate of delivery for each power contractor will be computed by dividing the number of kilowatt-hours to be taken during the month by a contractor at the minimum rate of delivery, by the number of offpeak load hours in the month. The number of kilowatt-hours to be taken during offpeak load hours at the minimum rate of delivery will not exceed 25 percent of the contractor's monthly energy entitlement. Offpeak load hours will be defined in the contracts based on individual system characteristics.

No contractor shall sell for profit any of its allocated capacity and energy to any customer of the contractor for resale by that customer.

Contracts for BCP power shall permit transactions with an independent system operator.

Contract offers shall contain a provision requiring the new allottee to execute the Boulder Canyon Project Implementation Agreement Contract No. 95-PAO-10616 (Implementation Agreement).

Any new allottees or existing contractors with an increased allocation shall be required to pay a pro rata share of Hoover Dam repayable advances paid for by contractors prior to October 1, 2017. Western shall

collect such payments from new allottees or existing contractors with an increased allocation and remit such amounts to the contractors that paid such advances in proportion to the amounts paid by such contractors as specified in Section 6.4 of the Implementation Agreement.

Contract offers shall contain a provision requiring the new allottee to pay a proportionate share of its State's respective contribution (determined in accordance with each State's applicable funding agreement) to the cost of the Lower Colorado River Multi-

Species Conservation Program (as defined in Section 9401 of the Omnibus Public Land Management Act of 2009 (Pub. L. 111-11; 123 Stat. 1327)).

Parts II through V remain unchanged.

*Part VI. Boulder Canyon Project*

Section A. Schedule A Long-Term Contingent Power. Electric service contracts for long-term contingent capacity and firm energy under new terms and conditions will be offered to existing Boulder Canyon Project contractors in the following amounts:

**Schedule A**  
**Long-term Schedule A contingent capacity and associated firm energy for offers of contracts to Boulder Canyon Project contractors**

Contractor	Contingent Capacity (kW)	Firm energy (thousands of kWh)		
		Summer	Winter	Total
Metropolitan Water District of Southern California.....	249,948	859,163	368,212	1,227,375
City of Los Angeles.....	495,732	464,108	199,175	663,283
Southern California Edison Company....	280,245	166,712	71,448	238,160
City of Glendale.....	18,178	45,028	19,297	64,325
City of Pasadena.....	11,108	38,622	16,553	55,175
City of Burbank.....	5,176	14,070	6,030	20,100
Arizona Power Authority.....	190,869	429,582	184,107	613,689
Colorado River Commission of Nevada.....	190,869	429,582	184,107	613,689
United States, for Boulder City.....	20,198	53,200	22,800	76,000
Totals.....	1,462,323	2,500,067	1,071,729	3,571,796

Section B. Schedule B Long-Term Contingent Power. Electric service contracts

for long-term contingent capacity and firm energy under new terms and conditions will

be offered to existing Boulder Canyon Project contractors in the following amounts:

**Schedule B**  
**Long-term Schedule B contingent capacity and associated firm energy for offers of contracts to**  
**Boulder Canyon Project contractors**

Contractor	Contingent Capacity (kW)	Firm energy (thousands of kWh)		
		Summer	Winter	Total
City of Glendale.....	2,020	2,749	1,194	3,943
City of Pasadena.....	9,089	2,399	1,041	3,440
City of Burbank.....	15,149	3,604	1,566	5,170
City of Anaheim.....	40,396	34,442	14,958	49,400
City of Azusa.....	4,039	3,312	1,438	4,750
City of Banning.....	2,020	1,324	576	1,900
City of Colton.....	3,030	2,650	1,150	3,800
City of Riverside.....	30,296	25,831	11,219	37,050
City of Vernon.....	22,218	18,546	8,054	26,600
Arizona.....	189,860	140,600	60,800	201,400
Nevada.....	189,860	273,600	117,800	391,400
<b>Totals.....</b>	<b>507,977</b>	<b>509,057</b>	<b>219,796</b>	<b>728,853</b>

Contracts for the amounts of capacity and associated energy for the States of Arizona and Nevada resulting from Schedule B shall be offered to the Arizona Power Authority and the Colorado River Commission of

Nevada respectively, as the agency specified by State law as the agent of such State for purchasing power from the Boulder Canyon Project.

Section C. Energy in Excess of Firm Commitments. Energy generated in any year of operation in excess of 4,501.001 million kilowatt-hours shall be delivered in the following order:

**SCHEDULE C—EXCESS ENERGY**

Priority of excess energy

- A. First: The first 200 million kWh for use within the State of Arizona; Provided, That in the event excess energy in the amount of 200 million kWh is not generated during any year of operation, Arizona shall accumulate a first right to delivery of excess energy subsequently generated in an amount not to exceed 600 million kWh, inclusive of the current year's 200 million kWh. Said first right of delivery shall accrue at a rate of 200 million kWh per year for each year excess energy in the amount of 200 million kWh is not generated, less amounts of excess energy delivered.
- B. Second: Meeting Hoover Dam contractual obligations under Section A (Schedule A), Section B (Schedule B), and Section D (Schedule D), not to exceed 26 million kWh in each year of operation.
- C. Third: Meeting the energy requirements of the States of Arizona, California, and Nevada; such available excess energy to be divided equally among the three States.

Section D. Schedule D Long-term Contingent Power. A resource pool of contingent capacity and associated firm energy is created for allocation by Western to eligible entities. Western shall offer Schedule D contingent capacity and firm energy to

entities not receiving contingent capacity and firm energy under Section A (Schedule A) or Section B (Schedule B) (referred to herein as "New Allottees") for delivery commencing October 1, 2017.

Electric service contracts for long-term contingent capacity and firm energy under new terms and conditions will be offered to eligible entities in the following amounts:

**Schedule D**  
**Long-term Schedule D resource pool of contingent capacity and associated firm energy for New Allottees**

State	Contingent Capacity (kW)	Firm energy (thousands of kWh)		
		Summer	Winter	Total
New Entities Allocated by the Secretary of Energy	69,170	105,637	45,376	151,013
New Entities Allocated by State				
Arizona.....	11,510	17,580	7,533	25,113
California.....	11,510	17,580	7,533	25,113
Nevada.....	11,510	17,580	7,533	25,113
Totals.....	103,700	158,377	67,975	226,352

In the case of resources committed to New Entities Allocated by State referred to in Schedule D, the following is prescribed:

A. Western is allocating 11.1 percent of the total Schedule D contingent capacity and firm energy to the Arizona Power Authority for allocation to New Allottees in the State of Arizona, for delivery commencing October 1, 2017, for use in the Boulder City Area marketing area.

B. Western is allocating 11.1 percent of the total Schedule D contingent capacity and firm energy to the Colorado River Commission of Nevada for allocation to New Allottees in the State of Nevada, for delivery commencing October 1, 2017, for use in the Boulder City Area marketing area.

C. Western shall allocate 11.1 percent of the total Schedule D contingent capacity and firm energy to New Allottees within the State of California, for delivery commencing October 1, 2017, for use in the Boulder City Area marketing area.

Section E. General Marketing Criteria. Western is establishing the following general marketing criteria to be used in the allocation of Schedule D contingent capacity and firm energy:

**A. General Eligibility Criteria**

Western will apply the following general eligibility criteria to applicants seeking a power allocation:

(1) All qualified applicants must be eligible to enter into contracts under Section 5 of the Boulder Canyon Project Act (43 U.S.C. 617d) or be Federally recognized Indian tribes.

(2) All qualified applicants must be located within the established Boulder City Area marketing area.

**B. General Allocation Criteria**

Western will apply the following general allocation criteria to applicants seeking an allocation of the 11.1 percent of Schedule D contingent capacity and firm energy to New Entities Allocated by State and the remaining

66.7 percent of Schedule D contingent capacity and firm energy:

(1) In the case of Arizona and Nevada, Schedule D contingent capacity and firm energy for New Allottees other than federally recognized Indian tribes shall be offered through the Arizona Power Authority and the Colorado River Commission of Nevada, respectively. Schedule D contingent capacity and firm energy allocated to federally recognized Indian tribes shall be contracted for directly with Western.

(2) Western shall prescribe additional marketing criteria developed pursuant to a public process.

Section F. Contract Offer Schedule. In the event that contract offers for Schedule A, Schedule B, or Schedule D are not accepted by existing contractors or new allottees, the following shall determine the distribution of the associated contingent capacity and firm energy:

**A. Schedule A and Schedule B**

If any existing contractor fails to accept an offered contract, Western shall offer the contingent capacity and firm energy thus available first to other entities in the same State listed in Schedule A and Schedule B, second to other entities listed in Schedule A and Schedule B, third to other entities in the same State that receive contingent capacity and firm energy under Schedule D, and last to other entities that receive contingent capacity and firm energy under Schedule D.

**B. Schedule D—66.7 Percent Allocated by Western**

Any of the 66.7 percent of Schedule D contingent capacity and firm energy that is to be allocated by Western that is not allocated and placed under contract by October 1, 2017, shall be returned to those contractors shown in Schedule A and Schedule B in the same proportion as those contracts' allocations of Schedule A and Schedule B contingent capacity and firm energy.

**C. Schedule D—33.3 Percent Allocated by State**

Any of the 33.3 percent of Schedule D contingent capacity and firm energy that is to be distributed within the States of Arizona, Nevada, and California that is not allocated and placed under contract by October 1, 2017, shall be returned to the Schedule A and Schedule B contractors within the State in which the Schedule D contingent capacity and firm energy were to be distributed, in the same proportion as those contractors' allocations of Schedule A and Schedule B contingent capacity and firm energy.

Parts VII through VIII remain unchanged.

Dated: June 7, 2012.  
**Anthony H. Montoya,**  
*Acting Administrator.*

[FR Doc. 2012-14572 Filed 6-13-12; 8:45 am]

**BILLING CODE 6450-01-P**

**ENVIRONMENTAL PROTECTION AGENCY**

[FRL-9687-5]

**Public Water System Supervision Program Revision for the State of Texas**

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

**ACTION:** Notice of tentative approval.

**SUMMARY:** Notice is hereby given that the State of Texas is revising its approved Public Water System Supervision Program. Texas has adopted the Lead and Copper Rule (LCR) Short-Term Revisions. EPA has determined that the proposed LCR

**Rebecca K. Miller**

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**From:** Macfarlane, Sylvia <Macfarl@WAPA.GOV> on behalf of DSW-PowerMarketing <DSWPWRMRK@WAPA.GOV>  
**Sent:** Thursday, November 01, 2012 10:24 AM  
**To:** DSW-PowerMarketing  
**Cc:** Simonton, Mike  
**Subject:** BCP Post2017 FRN  
**Attachments:** BCP 10 30 12 FRN.pdf

Dear Western Customers and Interested Parties,

Attached, for your information, is a copy of the Federal Register Notice (FRN) published in the Federal Register dated October 30, 2012 (Volume 77, No. 210) entitled "Notice of proposed marketing criteria". This FRN announces Western's proposals relative to marketing criteria to be used in the allocation of the Boulder Canyon Project (BCP) Post 2017 marketing effort. These proposals are announced for the public to consider and provide feedback through a public process. Western will make a decision on final BCP Post 2017 marketing criteria after considering comments received on these proposals.

Western notes that contrary to information provided at previous public meetings, such as the June 19, 2012, informational meeting, Western is not calling for applications from interested parties at this time. Western will make a call for applications after finalizing these marketing criteria pursuant to this public process. This process change was made in light of input received from interested parties throughout the last few months.

Western will present information on the proposals at public information forums to be held November 27-29, 2012, as described in the FRN.

Public comment forums for oral and written comments will be held December 18-20, 2012, as described in the FRN.

Western will accept written comments any time during the comment period.

If you have any questions, please contact Mr. Mike Simonton, Project Manager, at 602-605-2675 or by e-mail at [Post2017BCP@wapa.gov](mailto:Post2017BCP@wapa.gov).

Best Regards,  
Deborah K. Emler  
Assistant Regional Manager  
for Power Marketing



Dated: October 23, 2012.

Kimberly D. Bose,  
Secretary.

[FR Doc. 2012-26595 Filed 10-29-12; 8:45 am]

BILLING CODE 8717-01-P

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Boulder Canyon Project—Post-2017 Resource Pool

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

**ACTION:** Notice of proposed marketing criteria.

**SUMMARY:** The Western Area Power Administration (Western), a Federal power marketing agency of the Department of Energy (DOE), is seeking comments on proposed marketing criteria for allocating the Federal power from the Boulder Canyon Project (BCP). The Conformed Power Marketing Criteria or Regulations for the Boulder Canyon Project (2012 Conformed Criteria) published in the *Federal Register* on June 14, 2012, as required by the Hoover Power Allocation Act of 2011, established a resource pool (Post-2017 Resource Pool) to be allocated to new allottees and general eligibility criteria. Western is proposing for comment additional marketing criteria to be used to allocate the Post-2017 Resource Pool that will become available October 1, 2017. Once determined, these marketing criteria, in conjunction with the 2012 Conformed Criteria, will establish the framework for allocating power from the Post-2017 Resource Pool. This *Federal Register* notice (FRN) is not a call for applications. A call for applications from those interested in an allocation of BCP power will occur in a future notice.

**DATES:** Entities interested in commenting on proposed marketing criteria must submit written comments to Western's Desert Southwest Customer Service Regional Office at the address below. Western will accept written comments received on or before January 11, 2013. Western reserves the right to not consider any comments received after this date.

Western will hold three public information forums on the proposed marketing criteria. The dates for the public information forums are:

1. November 27, 2012, 1 p.m., PST, Las Vegas, Nevada.
2. November 28, 2012, 1 p.m., MST, Phoenix, Arizona.
3. November 29, 2012, 10 a.m., PST, Ontario, California.

Following the public information forums, Western will hold three public comment forums. The dates for the public comment forums are:

1. December 18, 2012, 1 p.m., PST, Las Vegas, Nevada.
2. December 19, 2012, 10 a.m., PST, Ontario, California.
3. December 20, 2012, 10 a.m., MST, Phoenix, Arizona.

**ADDRESSES:** Written comments regarding these proposed marketing criteria should be sent to: Mr. Darrick Moe, Desert Southwest Regional Manager, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457. Comments may also be faxed to (602) 605-2490 or emailed to [Post2017BCP@wapa.gov](mailto:Post2017BCP@wapa.gov).

The public information and public comment forums will be held at: The New Las Vegas Tropicana, 3801 Las Vegas Boulevard South, Las Vegas, Nevada; Fiesta Resort Conference Center, 2100 S. Priest Drive, Tempe, Arizona; DoubleTree Ontario Airport, 222 N. Vineyard, Ontario, California. **FOR FURTHER INFORMATION CONTACT:** Mr. Mike Simonton, Public Utilities Specialist, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, telephone number (602) 605-2675, email [Post2017BCP@wapa.gov](mailto:Post2017BCP@wapa.gov). All comments received in response to this FRN will be posted to Western's Web site at <http://www.wapa.gov/dsw/pwrmtk>.

**SUPPLEMENTARY INFORMATION:** The BCP was authorized by the Boulder Canyon Project Act of 1928 (Act) (43 U.S.C. 617). Under Section 5 of the Act, the Secretary of the Interior marketed the capacity and energy from the BCP under electric service contracts effective through May 31, 1987. In 1977 the power marketing functions of the Secretary of Interior were transferred to Western by Section 302 of the Department of Energy Organization Act (42 U.S.C. 7152). Thereafter, on December 28, 1984, Western published the Conformed General Consolidated Criteria or Regulations for Boulder City Area Projects (1984 Conformed Criteria) (49 FR 50582) to implement applicable provisions of the Hoover Power Plant Act of 1984 (43 U.S.C. 619) for the marketing of BCP power through September 30, 2017.

On December 20, 2011, Congress enacted the Hoover Power Allocation Act of 2011 (Pub. L. 112-72) (HPAA), which provides direction and guidance in marketing BCP power after the existing contracts expire September 30, 2017. On June 14, 2012, Western published the 2012 Conformed Criteria

(77 FR 35671) to implement applicable provisions of the HPAA for the marketing of BCP power from October 1, 2017 through September 30, 2067. The 2012 Conformed Criteria formally established a resource pool defined as "Schedule D" to be allocated to new allottees. In accordance with the HPAA, Western allocated portions of Schedule D to the Arizona Power Authority (APA) and the Colorado River Commission of Nevada (CRC), respectively, as described in the June 14, 2012, FRN. Of the remaining portions of Schedule D, Western is to allocate 11,510 kilowatts (kW) of contingent capacity and associated firm energy to new allottees within the State of California, and 69,170 kW of contingent capacity and associated firm energy to new allottees within the Boulder City Area marketing area.

#### Proposed Post-2017 Resource Pool Marketing Criteria

Western proposes to apply the following general marketing criteria to applicants seeking an allocation of power from the Post-2017 Resource Pool. This includes all prescribed portions of Schedule D power to be allocated by Western as described above.

**A.** Allocations of power will be made in amounts determined solely by Western in exercise of its discretion under Reclamation Law, including the HPAA.

**B.** An allottee may purchase power only upon the execution of an electric service contract and satisfaction of all conditions stated within that contract.

**C.** Eligible applicants, except Native American tribes, must be ready, willing, and able to receive and distribute or use power from Western. Ready, willing, and able means the eligible applicant has the facilities needed for the receipt of power or has made the necessary arrangements for transmission and/or distribution service, and its power supply contracts with third parties permit the delivery of Western's power. Eligible applicants must have the necessary arrangements for transmission and/or distribution service in place by October 1, 2016.

**D.** An eligible Native American applicant must be an Indian tribe as defined in the Indian Self Determination Act of 1975, 25 U.S.C. 450b, as amended.

**E.** In determining allocations, Western will give priority consideration in the following order to entities satisfying these marketing criteria:

1. Federally recognized Native American tribes.

2. Municipal corporations and political subdivisions including irrigation or other districts, municipalities, and other governmental organizations; that have electric utility status by April 1, 2014. "Electric utility status" means that the entity has responsibility to meet load growth, has a distribution system, and is ready, willing, and able to purchase Federal power from Western on a wholesale basis.

3. Electric cooperatives and public utilities other than electric utilities that are recognized as utilities by their applicable legal authorities, are nonprofit in nature, have electrical facilities, and are independently governed and financed.

4. Other eligible applicants.

F. In determining allocations, Western will consider existing Federal power resource allocations of the applicants.

G. Western will base allocations to Native American tribes on actual loads experienced in the most recent calendar year. Western may use estimated load values if actual load data is not available. Western will evaluate and may adjust inconsistent estimates during the allocation process. Western is available to assist tribes in developing load estimates.

H. Western will base allocations to eligible applicants on the actual loads experienced in the most recent calendar year and will apply current marketing criteria to these loads.

I. The minimum allocation will be 1,000 kW. Applicants will be allowed to aggregate their loads to meet minimum requirements provided Western is able to schedule power deliveries in quantities of 1,000 kW or greater to the aggregated group. Western will consider making allocations under the 1,000 kW minimum conditioned upon an applicant's ability to aggregate to 1,000 kW or greater for scheduling purposes prior to final allocation determinations.

J. Applicants seeking an allocation as an aggregated group must demonstrate to Western's satisfaction the existence of a contractual aggregation arrangement prior to final allocation determinations. Each member of an aggregated group must meet all eligibility requirements.

K. Contractors must execute electric service contracts within six months of receiving a contract offer from Western, unless Western agrees otherwise in writing.

L. If unanticipated obstacles to the delivery of electric service to a Native American tribe arise, Western retains the right to provide the economic benefit of the resource directly to the tribe.

### Regulatory Procedure Requirements

#### 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.

#### Environmental Compliance

In accordance with the DOE National Environmental Policy Act Implementing Procedures (10 CFR part 1021), Western has determined that these actions fit within a class of action B4.1 Contracts, policies, and marketing and allocation plans for electric power, in Appendix B to Subpart D to Part 1021—Categorical Exclusions Applicable to Specific Agency Actions.

Dated: October 22, 2012.

Anita J. Decker,

Acting Administrator.

[FR Doc. 2012-26685 Filed 10-29-12; 8:45 am]

BILLING CODE 6450-01-P

### ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPPT-2011-0966; FRL-9523-7]

#### Agency Information Collection Activities; Submission to OMB for Review and Approval; Comment Request; Tier 1 Screening of Certain Chemicals Under the Endocrine Disruptor Screening Program (EDSP) (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

**SUMMARY:** In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this document announces that an Information Collection Request (ICR) has been forwarded to the Office of Management and Budget (OMB) for review and approval. The ICR, which is abstracted below, describes the nature of the information collection activity and its expected burden and costs.

**DATES:** Additional comments may be submitted on or before November 29, 2012.

**ADDRESSES:** Submit your comments, referencing Docket identification (ID) number (No.) EPA-HQ-OPPT-2011-0966, to (1) EPA online using [www.regulations.gov](http://www.regulations.gov) (our preferred method) or by mail to: Pollution Prevention and Toxics Docket, Environmental Protection Agency Docket Center (EPA/DC), Mailcode: 28221T, 1200 Pennsylvania Ave. NW.,

Washington, DC 20460, and (2) OMB by mail to: Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Attention: Desk Officer for EPA, 725 17th Street NW., Washington, DC 20503.

#### FOR FURTHER INFORMATION CONTACT:

William Wooge, (7203M), Office of Science Coordination and Policy (OSCP), Environmental Protection Agency, 1200 Pennsylvania Ave. NW., Washington, DC 20460-0001; telephone number: (202) 564-8476; fax number: (202) 564-8482; email address: [wooge.william@epa.gov](mailto:wooge.william@epa.gov).

**SUPPLEMENTARY INFORMATION:** EPA has submitted the following ICR to OMB for review and approval according to the procedures prescribed in 5 CFR 1320.12. On August 9, 2012 (77 FR 47640), EPA sought comments on this renewal pursuant to 5 CFR 1320.8(d), and the ICR submitted to OMB includes EPA's responses to the four comments that were received. Any additional comments on the revised ICR should be submitted to EPA and OMB within 30 days of this notice.

EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OPPT-2011-0966, which is available online at <http://www.regulations.gov>, or in person at the OPPT Docket in the EPA/DC, EPA West Room 3334, 1301 Constitution Ave. NW., Washington, DC. The EPA/DC Public Reading Room is open from 8 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is 202-566-1744, and the telephone number for the OPPT Docket is 202-566-0280. Use [www.regulations.gov](http://www.regulations.gov) to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select "search," then key in the docket ID number identified for this ICR. Please note that EPA's policy is that public comments, whether submitted electronically or in paper, will be made available for public viewing in [www.regulations.gov](http://www.regulations.gov) as EPA receives them and without change, unless the comment contains copyrighted material, confidential business information (CBI), or other information whose public disclosure is restricted by statute. For further information about the docket, go to [www.regulations.gov](http://www.regulations.gov).

**Title:** Tier 1 Screening of Certain Chemicals Under the Endocrine Disruptor Screening Program (EDSP) (Renewal).

JIM GIBBONS, *Governor*

JAY D. BINGHAM, *Chairman*

ACE I. ROBISON, *Vice Chairman*

GEORGE M. CAAN, *Executive Director*

STATE OF NEVADA



ANDREA ANDERSON, *Commissioner*

MARYBEL BATJER, *Commissioner*

TOM COLLINS, *Commissioner*

GEORGE F. OGILVIE III, *Commissioner*

LOIS TARKANIAN, *Commissioner*

**COLORADO RIVER COMMISSION  
OF NEVADA**

May 4, 2009

BY EMAIL

Mr. Darrick Moe  
Regional Manager  
Western Area Power Administration  
Desert Southwest Region  
P.O. Box 6457  
Phoenix, AZ 85005-6457

Re: Boulder Canyon Project FY 2010 Annual Rate Process

Dear Mr. Moe:

We appreciate this opportunity to participate with Western and Reclamation in developing the work plan and budget for the Boulder Canyon Project (BCP). Please accept the following written comments for consideration in your current rate process.

Let me begin by commending Western and Reclamation for their support of the goals set forth in the Boulder Canyon Project Implementation Agreement and the committees that were established "... to provide for the exchange of facts and information, and avoid disputes and disagreements under the Contracts regarding the criteria, policies, and procedures by which the Project will be operated, maintained, marketed, and kept in good repair so that capacity and energy rates will be at the lowest possible cost consistent with sound business principles..." This has been demonstrated by Reclamations recent efforts to implement new business plans and pricing structures that have reduced the Visitor Center subsidy borne by the power customers. Also, Reclamation has presented and implemented plans to increase capacity during low head conditions which has been of great benefit.

We have previously submitted comments regarding the Post 9-11 Security Cost cap that was enacted by Congress. We are currently reviewing Reclamations draft Directive and Standard regarding the Reimbursability of Security Costs and will be providing comments to that as well. Whether this directive is implemented or not, Western and Reclamation will need to continue providing detailed reports to the BCP customers regarding post 9-11 security costs so we will be able to follow how the law is being applied to the Boulder Canyon Project as well as all Reclamation projects.

The CRC again wishes to thank Western and Reclamation for this opportunity to discuss and exchange ideas and information that are important to the State of Nevada as well as to all of us who share in the resources provided by the Boulder Canyon Project.

Sincerely,



George M. Caan  
Executive Director

Cc: Kenneth Rice  
Jack Murray

GMC/CNP/AP

KENNY C. GUINN, *Governor*  
RICHARD W. BUNKER, *Chairman*  
JAY D. BINGHAM, *Vice Chairman*  
GEORGE M. CAAN, *Director*

STATE OF NEVADA



SHARI BUCK, *Commissioner*  
LAMOND R. MILLS, *Commissioner*  
BRYAN NIX, *Commissioner*  
ROLAND D. WESTERGARD, *Commissioner*  
MYRNA WILLIAMS, *Commissioner*

**COLORADO RIVER COMMISSION**  
OF NEVADA

November 22, 2002

BY FACSIMILE; HARD COPY TO FOLLOW

Mr. J. Tyler Carlson  
Regional Manager  
Western Area Power Administration  
Desert Southwest Region  
P.O. Box 6457  
Phoenix, Arizona 85005-6457

Re: Supplemental Comments on the Applicability of the Power Marketing Initiative to the Parker-Davis Project

Dear Tyler:

Please accept the following comments as supplemental to those submitted in our letter to you dated November 4, 2002. We believe there is good cause for you to accept them out of time because some of the written comments made by others, which we have seen for the first time only recently, contain incorrect, misleading and unsupported statements about the CRC and its allocation of Parker-Davis power that cannot, in fairness and in the public interest, be left unanswered.

It is apparent that erroneous information about CRC's sale of Parker-Davis Project (P-DP) preference power to nonpreference customers has been given to various commenters outside the state of Nevada. In its most specific expression, the claim, as best we can understand it, is that CRC is "wholesaling" preference power to nonpreference entities that are, in turn, reselling the power. Such a claim is groundless. As explained in our comments of November 4, 2002, CRC resells its Parker-Davis power only to Overton Power District No 5, an electric improvement district; Valley Electric Association, an electric cooperative nonprofit membership corporation; and Basic Water Company and five manufacturing companies, *end-users* that comprise the Basic Industrial Complex near Henderson, Nevada. (It should be noted that CRC does not sell Parker-Davis power to Nevada Power Company as one commenter at the Ontario public comment forum erroneously seemed to think.) Both Overton and Valley themselves would qualify for a preference under federal reclamation law and Western policies. In fact, Western's previous contract with CRC for Parker-Davis power, effective for 16 years between 1972 and 1988, contained a provision entitled "Alternative Delivery to Other Preference Customers" in which Western promised to contract directly with Overton and Valley if CRC did not supply them with Parker-Davis power "on terms and conditions which are *without restriction for ultimate use as to purposes or geographical areas.*" (Emphasis added.) Recognizing that the CRC would continue to supply Overton and Valley

555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1048

Phone: (702) 486-2670

Fax: (702) 486-2695

TDD (702) 486-2698

[http://www.state.nv.us/colorado\\_river/](http://www.state.nv.us/colorado_river/)

with Parker-Davis power post-1988, Western felt no need to repeat that provision in its present P-DP contract with CRC, but did include a provision (subsection 9.2) imposing certain reporting requirements on CRC's "resale customers."

As to CRC's retail industrial customers, it apparently is not well understood by the commenters that these customers actually are end users of the Parker-Davis power they receive from CRC. In fact, their contracts with CRC expressly prohibit any resale of the power by them, and CRC monitors their activities to ensure that this prohibition is being fully honored. It was interesting to see the June 3, 1948, letter from the Commissioner of Reclamation to the Secretary of the Interior, found in the Duncan-Allen Report and attached to IID's comments, in which the commissioner, with no apparent concern regarding a possible preference violation, expresses his understanding that Nevada's share of Davis power would eventually be used by the industries at the Basic Magnesium Plant. And so it has—continuously—since the early 1950s, and CRC's sales to these customers have been and continue to be on a retail basis, not on a wholesale basis as erroneously asserted by one commenter.

CRC has served Overton, Valley and its retail customers at the Basic Industrial Complex with P-DP power for many decades now, consistent with preference law and with Western's knowledge. We cannot overemphasize what we said in our original written comments: CRC's service of P-DP power to these customers spreads the use of that power widely in the rural areas of southern Nevada as well as in an important sector of Nevada's economy, where it is as vitally needed as anywhere else in Western's P-DP marketing area.

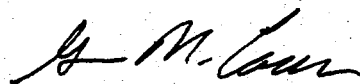
A number of commenters have called for a set-aside pool in a range approximating 29 to 36 MW. This size is hugely larger than the "modest" size contemplated by the PMI and the amount Western proposed for this project and finally determined for the Salt Lake City Area Integrated Projects and the other projects to which the PMI was made to apply. No adequate analysis is offered to support a set-aside resource pool of such an unprecedented size. Moreover, some commenters would have Western take this set-aside from only the "larger" customers—at least one commenter targeting those with an entitlement of 40 MW or more which, in effect, names only the State of Nevada, or targeting only nonwithdrawable power, which constitutes the larger part of Nevada's entitlement. Parker-Davis power is not an exclusively Arizona resource. There are three states in Western's marketing area for this power and, as it is, Nevada gets the smallest percentage of the marketable resource: on average 25.28 percent to California's 27.24 percent and Arizona's 47.48 percent, not including the one-half of Parker's output to southern California's Metropolitan Water District. The need for this power in Nevada is just as acute as it may be elsewhere.

Most commenters expressed concern that the present process not harm existing customers. We agree. CRC's Parker-Davis customers are relatively small entities themselves, and are easily hurt by reductions to their hydropower resources—all the more so for those who have already suffered from reductions in their resources from the Salt Lake City Area Integrated Projects. CRC has indicated that the benefit of Parker-Davis power to users in Nevada amounts to almost \$11

million per year when the price of this federal power is compared with the cost of replacement power on the electric energy market. The reduction of firm Parker-Davis allocations to existing customers, even by the amount proposed by Western—let alone the substantially larger amounts proposed by some commenters—could very well endanger the well-being of those customers. As pointed out earlier, they will now be required to replace economical P-DP resources with market resources, which in the future may be even higher-priced than present opportunities. This potential harm needs to be minimized, not exacerbated by proposals that would place the burden of reductions solely on one state or one customer. A six percent reduction across the board fairly imposes the burden on everyone, but the harm is equitably spread in proportion to the size of their entitlements.

Several commenters have opposed application of the PMI to the P-DP and called for a complete reallocation of the resource “conditioned” on their receiving a renewal of their allocations. We fail to see how Western can fairly conduct a complete reallocation outside the PMI and still guarantee a reallocation to anyone. Also, some commenters have based their opposition to the PMI on changing conditions and requirements in the power industry and they recommend that Western evaluate the Parker-Davis resource in relation to those changes. We would urge Western to review its comprehensive analysis of the impact of electric utility industry restructuring on Western’s power allocation policies published in the *Federal Register* on June 25, 1999, at 64 FR 34433. Contemporaneously, Western published the final marketing criteria for Salt Lake City Area Integrated Projects, which applied the PMI to extend existing firm electric contract commitments. Although these impacts are or likely will be evaluated periodically, it appears to us that current conditions or requirements do not require another prolonged study that would delay the progress of the P-DP PMI process. It is essential that CRC and its customers be able to plan their power resources as early as possible.

Sincerely,



George M. Caan  
Executive Director

Xc: CRC Commissioners  
CRC P-DP Power Customers

GMC/GAL

Via phone:

Hilary Logue, Clark County; Priscilla Howell, City of Henderson; Darrel (Lewis) Lacy, Nye County; Brenda Gilbert, Nye County; Peter Wong, Bureau of Reclamation; Tom Perrigo, City of Las Vegas; Chris Chimits, State of Nevada; and Dave Luttrell, Lincoln County Power District No. 1

## State of Nevada



## Colorado River Commission of Nevada

**Meeting Group:**

*Informal Meeting on Western's Proposed Marketing Criteria*

**Meeting Date/Time:**

*December 10, 2012 - 1:00 p.m.*

**Location:**

*Colorado River Commission, Large Conference Room*

Name	Title	Organization	Telephone No.	E-Mail Address
Randall Ozaki		OPD #5	702-789-8833	rozaki@OPD5.COM
Mendis Cooper	Asst GM	OPD 5	702-397-3025	coop@opd5.com
Susan Santaranga	Writer	Wordspring (OPD #5)	702-233-3709	SAS.wordspring.com
John Taylor	Reporter	Mesaute	702-3457599	MESAJNEWSDESK@gmail.com
Yvette Chevalier	Atty	Moapa	702 544 0085	ychevalier@mvdsl.ca
Randy Ewell	GM	MWP	775-289-8981	randy.e@mwpower.org