Annual Drought Adder Adjustment Process

The Drought Adder component may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Rate. Any planned incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the Rate will require a public process.

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

Adjustments

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

For Power Factor: None. Customers will be required to maintain a power factor within the range of 95-percent leading to 95-percent lagging, measured at the point of interconnection.

Rate Schedule L–M3

(Supersedes Rate Schedule L–M2)

Effective January 1, 2023

United States Department of Energy

Western Area Power Administration

Rocky Mountain Region

Loveland Area Projects

Sale of Surplus Products

(Approved Under Rate Order No. WAPA–202)

Effective

The first day of the first full billing period beginning on or after January 1, 2023, and extending through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

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

Formula Rate

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

[FR Doc. 2022–25266 Filed 11–18–22; 8:45 am]

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DEPARTMENT OF ENERGY

Western Area Power Administration

Pick-Sloan Missouri Basin Program—Eastern Division-Rate Order No. WAPA–203

AGENCY: Western Area Power Administration, DOE.

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

SUMMARY: The formula rates for the Upper Great Plains Region (UGP) Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) firm power service, firm peaking power service, and sale of surplus products have been confirmed, approved, and placed into effect on an interim basis (Provisional Formula Rates). These new formula rates replace the existing formula rates for these services under Rate Schedules P–SED–F13, P–SED–FP13, and P–SED–M1, which expire on December 31, 2022. The P–SMBP—ED firm power service composite rate is increasing 16.3 percent. There are no changes to the formula rate for sale of surplus products.

DATES: The Provisional Formula Rates under Rate Schedules P–SED–F14, Firm Power Service; P–SED–FP14, Firm Peaking Power Service; and Rate Schedule P–SED–M2, Sale of Surplus Products, are effective on the first day of the first full billing period beginning on or after January 1, 2023, and will remain in effect through December 31, 2027, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT: Lloyd Linke, Regional Manager, Upper Great Plains Region, Western Area Power Administration, 2900 4th Avenue North, 6th Floor, Billings, MT 59101–1266, or email: *ugpfirmrate@wapa.gov,* or Linda Cady-Hoffman, Rates Manager, Upper Great Plains Region, Western Area Power Administration, (406) 255–2920, or email: *cady@wapa.gov* or *ugpfirmrate@wapa.gov.*

SUPPLEMENTARY INFORMATION: On April 16, 2018, FERC confirmed and approved Formula Rate Schedules P–SED–F13, P–SED–FP13, and P–SED–M1, under Rate Order No. WAPA–180, on a final basis through December 31, 2022.[1] These schedules apply to P–SMBP—ED firm power service, firm peaking power service, and sale of surplus products. Western Area Power Administration (WAPA) published a **Federal Register** notice (Proposed FRN) on May 25, 2022 (87 FR 31878), proposing increases to both the base component and the drought adder component of the P–SMBP—ED firm power service and firm peaking power service and to put new 5-year rate schedules in place. The Proposed FRN also initiated a 90-day public consultation and comment period and set forth the dates and locations of the public information and public comment forums.

Legal Authority

By Delegation Order No. S1–DEL–RATES–2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA 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, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1–DEL–S3–2022–2, effective June 13, 2022, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3–DEL–WAPA1–2022, effective June 13, 2022, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. S3–DEL–WAPA1–2022 and

[1] Order Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. EF18–2–000, 163 FERC ¶ 62,039 (2018).

Department of Energy procedures for public participation in rate adjustments set forth at 10 CFR part 903.[2]

Following review of UGP's proposal, Rate Order No. WAPA–203, which provides the formula rates for the P–SMBP—ED firm power service, firm peaking power service, and sale of surplus products, is hereby confirmed, approved, and placed into effect on an interim basis. WAPA will submit Rate Order No. WAPA–203 to FERC for confirmation and approval on a final basis.

Department of Energy Administrator, Western Area Power Administration

In the Matter of: Western Area Power Administration, Upper Great Plains Region, Rate Adjustment for the Pick-Sloan Missouri Basin Program—Eastern Division, Firm Power Service, Firm Peaking Power Service, and Sale of Surplus Products Formula Rates

Rate Order No. WAPA–203

Order Confirming, Approving, and Placing the Formula Rates for the Pick-Sloan Missouri Basin Program—Eastern Division Into Effect on an Interim Basis

The formula rates in Rate Order No. WAPA–203 are established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).[3]

By Delegation Order No. S1–DEL–RATES–2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration (WAPA) 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, or to remand or disapprove such rates, to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1–DEL–S3–2022–2, effective June 13, 2022, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3–DEL–WAPA1–2022, effective June 13, 2022, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. S3–DEL–WAPA1–2022 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.[4]

Acronyms, Terms, and Definitions

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

Base: A component of the firm power and firm peaking power rate design that is a fixed revenue requirement that includes operation and maintenance expenses (O&M), investments and replacements, interest on investments and replacements, normal timing power purchases, and transmission costs.

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

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

Composite Rate: The Power Repayment Study (PRS) rate for commercial firm power, which is the total annual revenue requirement for capacity and energy divided by the total annual energy sales. It is expressed in mills per kilowatt-hour (mills/kWh) and used only for comparison purposes.

Corps of Engineers Annual Operating Plan (AOP): The Corps of Engineers water management guidelines designed to meet the reservoir regulation objectives.

Customer: An entity with a contract that is receiving Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) firm power service from WAPA.

Customer Rate Brochure: A document prepared for public distribution explaining the rationale and background for the information contained in the Proposed FRN and in this rate order.

Deficit(s): Deferred or unrecovered annual and/or interest expenses.

Demand: The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW) or megawatts (MW), at a given instant or averaged over any designated interval of time.

Drought Adder: A component of the firm power and firm peaking power rate design that is a formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related Deficits, and interest on the purchase power drought-related Deficits.

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

Energy Charge: The charge under the rate schedule for energy. It is expressed in mills/kWh and applied to each kWh delivered to each Customer.

Firm: Power intended to be available at all times during the period covered by a guaranteed commitment to deliver, even under adverse conditions.

FRN: **Federal Register** Notice—a document published in the **Federal Register** *in order for* WAPA to provide information of public interest.

FY: WAPA's fiscal year; October 1 to September 30.

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

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

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

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

NEPA: National Environmental Policy Act of 1969, as amended.

Non-timing Power Purchases: Power purchases related to drought conditions, not related to operational constraints.

Normal Timing Power Purchases: Power purchases related to operational constraints (*e.g.,* management of endangered species habitat, water quality, navigation, balancing authority purposes, market events, etc.), not associated with drought conditions.

O&M: Operation and maintenance expenses.

OM&R: Operation, maintenance, and replacement expenses.

Order RA 6120.2: DOE Order outlining Power Marketing Administration (PMA) financial reporting and rate-making procedures.

Power: Capacity and energy.

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

Power Repayment Study (PRS): Defined in Order RA 6120.2 as a study portraying the annual repayment of power production and transmission costs of a power system through the application of revenues over the repayment period of the power system.

[2] 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

[3] This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

[4] 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

The study shows, among other items, estimated revenues and expenses, year by year, over the remainder of the power system's repayment period (based upon conditions prevailing over the cost evaluation period), the estimated amount of Federal investment amortized during each year, and the total estimated amount of Federal investment remaining to be amortized.

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

Provisional Formula Rates: Formula rates confirmed, approved, and placed into effect on an interim basis by the Secretary of Energy or his/her designee.

Rate-setting PRS: The PRS used for the rate adjustment proposal.

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

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

Webex: Webex is an online secure invite-only meeting platform used by WAPA. The general website is *https://doe.webex.com.*

Western Energy Imbalance Service Market (WEIS Market): The market for imbalance energy administered by the Southwest Power Pool in the Western Interconnection. The market footprint encompasses the loads and resources that are located within a participating Balancing Authority Area. The Western Area Colorado Missouri Balancing Authority or WACM (operated by RMR) and the Western Area Upper Great Plains West Balancing Authority or WAUW (operated by UGP) are both participating Balancing Authority Areas.

Winter Storm Uri: A severe winter storm in February 2021 that had widespread impacts across UGP and RMR regions.

Effective Date

The Provisional Formula Rate Schedules P–SED–F14, Firm Power Service; P–SED–FP14, Firm Peaking Power Service; and P–SED–M2, Sale of Surplus Products, will take effect on the first day of the first full billing period beginning on or after January 1, 2023, and will remain in effect through December 31, 2027, pending approval by FERC on a final basis or until superseded.

Public Notice and Comment

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

1. On May 25, 2022, a **Federal Register** notice (87 FR 31878) (Proposed FRN) announced the proposed formula rates and launched the 90-day public consultation and comment period.
2. On May 25, 2022, UGP notified Preference Customers and interested parties of the proposed rates and provided a copy of the published Proposed FRN.
3. On June 15, 2022, UGP held a public information forum via Webex. UGP's representatives explained the proposed formula rates, answered questions, and gave notice that more information was available in the Customer Rate Brochure.
4. On June 29, 2022, UGP held a public comment forum via Webex to provide an opportunity for customers and other interested parties to comment for the record.
5. UGP provided a website that contains important dates, letters, presentations, FRNs, Customer Rate Brochure, and other information about this rate process. The website is located at *www.wapa.gov/regions/UGP/rates/pages/2023-firm-rate-adjustment.aspx.*
6. During the 90-day consultation and comment period, which ended on August 23, 2022, UGP received 2 oral comment submissions and 16 written comment letters. The comments and UGP's responses are addressed in the ''Comments'' section. All comments have been considered in the preparation of this Rate Order.

Oral comments were received from the following organizations:

Missouri River Energy Services (MRES), South Dakota
Mid-West Electric Consumers Association, Colorado

Written comments were received from the following organizations:

Missouri River Energy Services (MRES), South Dakota
Worthington Public Utilities, Minnesota
Valley City Public Works, North Dakota
Lakota Municipal Utilities, North Dakota
Elbow Lake Municipal Power, Minnesota
Hartley Municipal Utilities, Iowa
Hawarden Municipal Utilities, Iowa
City of Wadena, Minnesota
City of Vermillion Light & Power, South Dakota
Jackson, Minnesota
Willmar Municipal Utilities, Minnesota
Denison Municipal Utilities Denison, Iowa
Orange City, Iowa
City of Melrose Public Utility, Minnesota
East River Electric Power Cooperative, Inc., South Dakota
Mid-West Electric Consumers Association, Colorado

Power Repayment Study—Firm Power Service Rate Discussion

A PRS is prepared each FY to determine if revenues will be sufficient to repay, within the required time, all costs assigned to the Pick-Sloan Missouri Basin Program (P–SMBP). Repayment criteria are based on applicable laws and legislation as well as policies including Order RA 6120.2. To meet the Cost Recovery Criteria outlined in Order RA 6120.2, UGP developed a rate adjustment to demonstrate sufficient revenues will be collected under the Provisional Formula Rates to meet future obligations. The revenue requirement for P–SMBP is recovered by both the UGP in the P–SMB—ED rates and by RMR in the Loveland Area Projects (LAP) rate. The revenue requirement and composite rate for P–SMBP—ED firm power service are being increased, as indicated in Table 1:

TABLE 1—COMPARISON OF EXISTING AND PROVISIONAL REVENUE REQUIREMENTS AND COMPOSITE RATES

Firm power service	Existing requirements under P–SED–F13 as of January 1, 2018	Provisional requirements under P–SED–F14 as of January 1, 2023	Percent change
P–SMBP—ED Revenue [1/] Requirement (million $)	$230.1	$268.4	16.6
P–SMBP—ED Composite Rate (mills/kWh)	24.00	27.91	16.3

[1/] The Pick-Sloan—WD revenue requirement is recovered under the LAP rate schedule, which can be found under Rate Order No. WAPA–202 and on RMR's website at *www.wapa.gov/regions/RM/rates/Pages/2023-Rate-Adjustment---Firm-Power.aspx.*

Firm Power Service—Existing and Provisional Formula Rates

Under the current rate methodology, rates for P–SMBP—ED firm power and firm peaking power services are designed to recover an annual revenue requirement that includes investment repayment (including aid to irrigation), interest, purchase power, OM&R, and other expenses within the allowable period. The annual revenue requirement continues to be allocated equally between demand and energy.

The Base component costs for the P–SMBP PRS have increased primarily due to: (1) increased OM&R from WAPA and the generating agencies; (2) increased purchase power, including during the Winter Storm Uri; (3) pricing volatility; (4) reduced surplus energy sales; and (5) the loss of certain balancing authority revenues for services that are no longer provided after RMR joined the WEIS Market. Winter Storm Uri was not a water or generation issue; therefore, its costs only impact the Base component.

The driver behind the P–SMBP PRS Drought Adder component increase is the AOP projecting less than average generation for the next several years in the P–SMBP mainstem dams. Uncertainties with water inflows, hydro generation, and replacement energy prices continue to pose potential risks for meeting firm power contractual commitments.

The net effect of these changes to the PRS Base and Drought Adder components results in an overall increase to the P–SMBP—ED rate. A comparison of the existing and Provisional Formula Rates for firm power and firm peaking power service is shown in Table 2:

TABLE 2—COMPARISON OF EXISTING AND PROVISIONAL FORMULA RATES

Firm power & firm peaking power service	Existing charges under rate schedule P–SED–F13 & P–SED–FP13 as of January 1, 2018	Provisional charges under rate schedule P–SED–F14 & P–SED–FP14 as of January 1, 2023	Percent change
Firm Demand ($/kWmonth)	$5.25	$6.20	18.1
Firm Energy (mills/kWh)	13.27	15.27	15.1
Firm Peaking Demand ($/kWmonth)	4.75	5.70	20.0
Firm Peaking Energy [1/] (mills/kWh)	13.27	15.27	15.1

[1/] Firm Peaking Energy is normally returned. This charge will be assessed in the event Firm Peaking Energy is not returned.

As a part of the existing and provisional rate schedules, UGP provides for a formula-based adjustment of the Drought Adder component, with an annual increase of up to 2 mills/kWh each year. The 2 mills/kWh cap places a limit on the amount the Drought Adder component can be adjusted upward relative to associated drought costs included in the Drought Adder formula rate for any 1-year cycle. The Drought Adder component may be adjusted downward by any amount. Continuing to identify the firm power service revenue requirement using Base and Drought Adder components will assist the Regions in presenting the future impacts of droughts, demonstrate repayment of drought-related costs in the PRS, and allow the Regions to be more responsive to changes caused by drought-related expenses. UGP will continue to charge and bill its customers firm power and firm peaking power service rates for energy and demand, which are the sum of the Base and Drought Adder components.

Under Rate Schedule P–SED–F14, UGP will continue to identify its P–SMBP—ED firm power service revenue requirement using Base and Drought Adder components. The Base component is a fixed revenue requirement that includes annual O&M, investment repayment and associated interest, Normal Timing Power Purchases, and transmission costs. UGP cannot adjust the Base component without a public process. The Drought Adder component is a formula-based revenue requirement that includes costs attributable to drought conditions in the Regions. The Drought Adder component includes costs associated with future Non-timing Power Purchases to meet firm power service contractual obligations not covered with available system generation due to a drought, previously incurred Deficits due to purchased power debt that resulted from Non-timing Power Purchases made during a drought, and the interest associated with drought-related Deficits. The Drought Adder component is designed to repay drought-related Deficits within 10 years from the time the Deficit was incurred, using balloon-payment methodology. For example, a drought-related Deficit incurred in FY 2022 will be repaid by FY 2032.

The annual revenue requirement calculation will continue to be summarized by the following formula: Annual Revenue Requirement = Base Revenue Requirement + Drought Adder Revenue Requirement.

The Provisional charge components update the Base component with present costs from a revenue requirement of $230.1 million to $235.4 million and increases the Drought Adder component revenue requirement. For rate year 2023, the Drought Adder revenue requirement increases from zero to $33 million. A comparison of the existing and provisional components is shown in Table 3:

TABLE 3—SUMMARY OF P–SMBP—ED EXISTING AND PROVISIONAL CHARGE COMPONENTS

Firm power & firm peaking power service	Existing charges under rate schedules P–SED–F13 & P–SED–FP13 as of January 1, 2018			Provisional charges under rate schedules P–SED–F14 & P–SED–FP14 as of January 1, 2023			Percent change
	Base component	Drought adder component	Total charge	Base component	Drought adder component	Total charge	
Firm Demand (/kWmonth)	$5.25	$0.00	$5.25	$5.45	$0.75	$6.20	18.1
Firm Energy (mills/kWh)	13.27	0.00	13.27	13.36	1.91	15.27	15.1
Firm Peaking Demand ($/kWmonth)	4.75	0.00	4.75	5.00	0.70	5.70	20
Firm Peaking Energy [1/] (mills/kWh)	13.27	0.00	13.27	13.36	1.91	15.27	15.1

[1/] Firm peaking energy is normally returned. This charge will be assessed in the event firm peaking energy is not returned.

The Regions review the inputs for the P–SMBP Base and Drought Adder components after the annual PRS is complete, generally in the first quarter of the calendar year. If an adjustment to the P–SMBP Base component is necessary, or if an incremental upward adjustment to the P–SMBP PRS Drought Adder component greater than the equivalent of 2 mills/kWh to the P–SMBP Composite Rate is necessary, the Regions will initiate a public process pursuant to 10 CFR part 903 prior to making adjustments.

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

Statement of Revenue and Related Expenses

The following Table 4 provides a summary of the projected revenue and expense data for the P–SMBP revenue requirement during the 5-year rate-setting periods:

TABLE 4—P–SMBP COMPARISON OF 5-YEAR RATE PERIODS TOTAL REVENUES AND EXPENSES

	Existing rate FY2018–FY2022 ($000)	Provisional rate FY2023–FY2027 ($000)	Difference ($000)
Total Revenues	$2,720.2	$3,185.8	$465.6
Revenue Distribution.			
Expenses			
O&M	1,158.9	1,376.5	217.6
Purchase Power	124.8	288.0	163.2
Transmission	461.0	845.2	384.2
Interest	556.3	516.5	(39.8)
Total Expenses	2,301.0	3,026.2	725.2
Principal Payments:			
Capitalized Expenses (Deficits)	113.4	111.2	(2.2)
Original Project and Additions	187.2	38.2	(149.0)
Irrigation Aid	45.7	0.0	(45.7)
Replacements	72.9	10.2	(62.7)
Total Principal Payments	419.2	159.6	(259.6)
Total Revenue Distribution	2,720.2	3,185.8	465.6

Sale of Surplus Products Rate Discussion

The sale of surplus products rate schedule is formula-based, providing for P–SMBP—ED Marketing Office to sell P–SMBP—ED surplus energy and demand products. If P–SMBP—ED surplus products are available, as specified in the rate schedule, the charge will be based on market rates plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s) for which a separate charge may be incurred. Rate

Schedule P–SED–M1 is being superseded by the Provisional Rate Schedule P–SED–M2 and continues to allow for the sale of energy, frequency response, regulation, and reserves.

Comments

UGP received 2 oral and 16 written submissions during the public consultation and comment period. Comments expressed have been paraphrased and/or combined, where appropriate, without compromising the meaning of the comments:

A. *Comment:* The customer association, member utility, and the action agency commented that they understand a rate increase is warranted due to several factors: (1) persistent low water conditions in the P–SMBP—ED, (2) increasing market power pricing, (3) costs incurred during the Winter Storm Uri, and (4) inflation on O&M and capital investments for the system. They encourage WAPA to continue focus on identifying and reducing controllable costs within the Regions and at WAPA's Headquarters. The action agency understands the full rate increase of 16.3 percent is necessary in 2023.

Response: The Regions appreciate the commentors' recognition of the specific costs and repayment obligations of the PRS and the need for the rate adjustments. The Regions are committed to developing rates that are the lowest possible, consistent with sound business principles.

B. *Comment:* The action agency commented that they understand the need to cover expenses necessary to provide firm, reliable service that is sustainable, and wants to ensure that proper planning is in place in order to guarantee the solvency of the system and not get into the situation the P–SMBP—ED experienced during the last drought.

Response: UGP appreciates the commentor's understanding of the impacts of drought conditions in the P–SMBP—ED. UGP intends to continue transparency and data sharing to encourage a strong working relationship with our Customers as we continue to provide products that are reliable and sustainable and meet repayment obligations of the power system.

C. *Comment:* Several Customers commented that this rate adjustment is substantial for the communities they serve, and they would have preferred for this increase to be implemented in multiple stages rather than one large increase beginning in 2023. They stated perhaps this could have been achieved by starting a few years earlier in planning for rate adjustments.

Response: The 10-month timeline associated with a public process is a major factor when initiating rate adjustments. Given the required timeline, in addition to the timing of the data to effectively evaluate impacts to the rate, UGP was as timely as could be when initiating this rate adjustment. UGP did notify Customers in both the spring 2021 and fall 2021 Drought Adder review letters that the rate schedules were expiring December 31, 2022, and that we would be in a formal rate process in 2022 to put new rates in place.

D. *Comment:* The action agency and customer association commented that they recommend the Rate's staff and Regional leadership continue to meet regularly with the Mid-West Electric Consumers Association's (Mid-West) Water and Power Committee on a quarterly basis to update and advise the members on the latest information on hydrology outlook, power supply costs, system storage, and potential need for future adjustments as this will allow more advance notice for dealing with future issues.

Response: Customer meeting attendance is outside the scope of this rate process; however, the Regions do intend to continue communication with our Customers and customer groups, as appropriate.

E. *Comment:* The action agency commented they prefer WAPA return to meeting with Customers/customer groups in person, as many in the industry have been meeting face-to-face for several months (post-COVID), and that it is important to have those in-person meetings to deal with issues more fully as this is the means to further understanding and to more efficiently resolve issues.

Response: Customer meeting attendance is outside the scope of this rate process; however, the Regions appreciate the comments and strive to communicate as broadly as possible with our Customers. It is the Regions' observation that the virtual meetings held for this rate process had greater attendance than when in person meetings were held prior to March 2020.

F. *Comment:* The action agency commented that the Regions should provide for more comprehensive and rigorous scenario analysis as part of the PRS and show details related to the assumptions and the results to Customers/customer groups. It also was noted that the new PRS system utilized by WAPA does not have the transparency promised and has not been as successful or open to customer access through the PRS customer portal.

Response: UGP intends to continue transparency and data sharing to encourage a strong working relationship with our Customers/customer groups. The PRS software tool is outside the scope of this rate process; however, WAPA's Information Technology (IT) and Rates staff have been evaluating the concerns with the PRS software. IT has contacted the vendor to address the issues and developed a plan to hopefully address the interface issue for external entity interfacing.

G. *Comment:* The action agency, customer association, and member utility request WAPA staff continue transparent engagements with the Customers and customer groups to better understand WAPA's efforts to control and mitigate costs, rate impacts, impacts of drought conditions, importance of rate stability, and need for risk mitigation through regular meetings with the Mid-West Water and Power Committee and impacted customer groups. The strong collaboration between customers and WAPA benefits everyone and improves the value we all provide to the consumer-owners at the end of the line.

Response: The Regions appreciate the support of our Customers and customer groups and agree that collaboration is vital when faced with uncertain drought conditions and other impacts to the firm power rates. The Regions intend to continue communication with our Customers and customer groups as appropriate.

H. *Comment:* The customer association and member utility commented that they appreciated the efforts of the UGP and RMR Rates staff for understanding Customer concerns regarding the rate.

Response: The Regions thank the commentors for recognizing the UGP and RMR Rates staff and their efforts to ensure Customer concerns are addressed.

I. *Comment:* A customer association and a member utility commented their customers are already feeling the impacts of the current drought in the P–SMBP—ED and understand the need for the Drought Adder and the process for the Drought Adder evaluation. They requested debt strategy and rate design options be discussed with customers before any final decisions are made as a part of the annual Drought Adder review process.

Response: The Regions agree with the need for continued transparency regarding debt strategy and rate options related to the annual Drought Adder adjustment process. The proposed rates did not reflect any change to the Regions' existing rate designs or annual

Drought Adder adjustment process. Changes to the rate designs or adjustment process would require a separate rate process where Customers and interested parties would have the opportunity to participate in the process. The 2007 rate orders implementing the Drought Adder component provided the framework for the annual Drought Adder adjustment process, which has not been modified in subsequent rate orders.

J. *Comment:* The member utility encourages WAPA to focus on its core function of marketing and delivering Preference Power to Preference Customers.

Response: The Regions appreciate the comment and intend to continue to fulfill our mission of marketing to Preference Power Customers consistent with current marketing plans.

K. *Comment:* The customer association commented that they support the comments of their member utilities and fellow customer groups.

Response: The Regions appreciate the commentor's feedback. The Regions conducted a combined public process for the rate adjustments under Rate Order Nos. WAPA–202 and WAPA–203 and have coordinated all responses. Comments received specifically by RMR for the LAP rate process are recognized as being addressed in RMR's Rate Order No. WAPA–202.

L. *Comment:* The customer association and member utility appreciated the opportunity to comment on the rate process, stating that any rate increase has a direct impact on the energy affordability of the members it serves.

Response: The Regions recognize the impact of the rate increases on Customers and strive to find ways to mitigate impacts of the drought and operational costs to keep rates as low as possible.

Certification of Rates

I have certified that the Provisional Formula Rates for P–SMBP—ED firm power service under Rate Schedule P–SED–F14, P–SMBP—ED firm peaking power service under Rate Schedule P–SED–FP14, and P–SMBP—ED sale of surplus products under Rate Schedule P–SED–M2 are the lowest possible rates, consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

Availability of Information

Information about this rate adjustment, including the Customer Rate Brochure, PRSs, comments, letters, memorandums, and other supporting materials that were used to develop the Provisional Formula Rates, is available for inspection and copying at the Upper Great Plains Regional Office located at 2900 4th Avenue North, 6th Floor, Billings, Montana. Many of these documents are also available on UGP's website at *www.wapa.gov/regions/UGP/rates/Pages/2023-firm-rate-adjustment.aspx*

Ratemaking Procedure Requirements

Environmental Compliance

WAPA has determined that this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR part 1021.410: B4.3 (Electric power marketing rate changes). Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment.[5] A copy of the categorical exclusion determination is available on WAPA's website at *www.wapa.gov/regions/UGP/Environment/Pages/CX2022.aspx.*

Determination Under Executive Order 12866

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

Submission to the Federal Energy Regulatory Commission

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

Order

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA–203. The rates will remain in effect on an interim basis until: (1) FERC confirms and approves them on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

Signing Authority

This document of the Department of Energy was signed on November 9, 2022, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on November 16, 2022.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

Rate Schedule P–SED–F14 (Supersedes Rate Schedule P–SED–F13): Effective January 1, 2023

United States Department of Energy, Western Area Power Administration

Upper Great Plains Region Pick-Sloan Missouri Basin Program—Eastern Division

Firm Power Service (Approved Under Rate Order No. WAPA–203)

Effective

The first day of the first full billing period beginning on or after January 1, 2023, through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program, within Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska.

Applicable

To the power and energy delivered to customers as firm power service, as established in the contract for service.

Character

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

Formula Rate and Charge Components

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2023, under the Rate:

CAPACITY CHARGE: $6.20 for each kilowatt per month (kWmonth) of billing capacity.

[5] The determination was done in compliance with NEPA (42 U.S.C. 4321–4347); the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

ENERGY CHARGE: 15.27 mills for each kilowatt-hour (kWh) for all energy delivered as firm power service.

BILLING CAPACITY: The billing capacity will be as defined by the power sales contract.

Charge Components

Base Component: A fixed-revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. Any proposed change to the Base component will require a public process. As of January 1, 2023, the Base component revenue requirement is $213.8 million and the charges under the formulas are:

$$\text{Base Capacity} = \frac{\text{50\% X Base Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$5.45/\text{kWmonth}$$

$$\text{Base Energy} = \frac{\text{50\% X Base Revenue Requirement}}{\text{Annual Energy}} = 13.36\ \text{mills/kWh}$$

Drought Adder Component: A formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related deficits, and interest on the purchase power drought-related deficits. As of January 1, 2023, the Drought Adder component revenue requirement is $30.0 million and the charges under the formulas are:

$$\text{Drought Adder Capacity} = \frac{\text{50\% X Drought Adder Revenue Requirement}}{\text{Firm Metered Billing Units}} = 0.75/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{\text{50\% X Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 1.91\ \text{mills/kWh}$$

Annual Drought Adder Adjustment Process

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

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

Adjustments

For Billing of Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the formula rate.

For Power Factor: None. Customers will be required to maintain a power factor within the range of 95-percent leading and 95-percent lagging, measured at the point of interconnection.

Rate Schedule P–SED–FP14 (Supersedes Rate Schedule P–SED–FP13): Effective January 1, 2023

United States Department of Energy, Western Area Power Administration

Upper Great Plains Region Pick-Sloan Missouri Basin Program—Eastern Division

Firm Peaking Power Service (Under Rate Order No. WAPA–203)

Effective

The first day of the first full billing period beginning on or after January 1, 2023, through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program, within Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska.

Applicable

To the power sold to customers as firm peaking power service, as established in the contract for service.

Character

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

Formula Rate and Charge Components

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2023, under the Rate:

CAPACITY CHARGE: $5.70 for each kilowatt per month (kWmonth) of the effective contract rate of delivery for peaking power or the maximum amount scheduled, whichever is greater.

ENERGY CHARGE: 15.27 mills for each kilowatt-hour (kWh) for all energy scheduled for delivery without return.

Charge Components

Base Component: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. Any proposed change to the Base component will require a public process. As of January 1, 2023, the Base component revenue requirement is $21.6 million and the charges under the formulas are:

$$\text{Base Capacity} = \frac{\text{Base Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$5.00/\text{kWmonth}$$

Drought Adder Component: A formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related deficits, and interest on the purchase power drought-related deficits. As of January 1, 2023, the Drought Adder component revenue requirement is $3.0 million and the charges under the formulas are:

$$\text{Drought Adder Capacity} = \frac{\text{Drought Adder Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = 0.70/\text{kWmonth}$$

Annual Drought Adder Adjustment Process

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Pick-Sloan Missouri Basin Program Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

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

BILLING CAPACITY: The billing capacity will be the greater of (1) the highest 30-minute integrated capacity measured during the month up to, but not in excess of, the delivery obligation under the power sales contract, or (2) the contract rate of delivery.

Adjustments

Billing for Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual obligation for peaking capacity and/or energy, such overrun shall be billed at 10 times the above rate.

Rate Schedule P–SED–M2 (Supersedes Rate Schedule P–SED–M1): Effective January 1, 2023

United States Department of Energy, Western Area Power Administration

Upper Great Plains Region Pick-Sloan Missouri Basin Program—Eastern Division

Sale of Surplus Products (Under Rate Order No. WAPA–203)

Effective

The first day of the first full billing period beginning on or after January 1, 2023, through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to Pick-Sloan Missouri Basin Program—Eastern Division (P–SMBP—ED) Marketing and is applicable to the sale of the following P–SMBP—ED surplus energy and capacity products: energy, frequency response, regulation, and reserves. If any P–SMBP—ED surplus energy and capacity products are available, the Upper Great Plains Region (UGP) can make the product(s) available for sale, providing entities enter into a separate agreement(s) with the UGP Marketing Office which will specify the terms of sale(s).

Formula Rate

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

[FR Doc. 2022–25267 Filed 11–18–22; 8:45 am]

BILLING CODE 6450–01–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPPT–2017–0631; FRL–10433–01–OMS]

Information Collection Request Submitted to OMB for Review and Approval; Comment Request; Residential Lead-Based Paint Hazards Disclosure Requirements (Renewal)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has submitted an information collection request (ICR), Residential Lead-Based Paint Hazards Disclosure Requirements (EPA ICR Number 1710.09, OMB Control Number 2070–0151) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act. This is a proposed extension of the ICR, which is currently approved through November 30, 2022. Public comments were previously requested via the **Federal Register** on March 1, 2022, during a 60-day comment period. This notice allows for an additional 30 days for public comments. A fuller description of the ICR is given below, including its estimated burden and cost to the public. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

DATES: Additional comments must be received on or before December 21, 2022.

ADDRESSES: Submit your comments to EPA, referencing Docket ID No. EPA–HQ–OPPT–2017–0631, online *www.regulations.gov* (our preferred method), by email to *www.epa.gov/dockets,* or by mail to: EPA Docket Center, Environmental Protection