served by this powerplant since there will be no outage as a result of a Prohibition Order.

PSCC has indicated that Valmont 5 was designed to burn natural gas and coal and is currently burning coal. Therefore, there will be no impairment of reliability of service within the meaning of ESECA in the area served by Valmont 5 as a result of this Prohibition Order.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that the prohibition of the burning of natural gas or petroleum products as the powerplant's primary energy source will not impair the reliability of service in the area served by the affected powerplant.

The prohibition of the burning of natural gas or petroleum products as the primary energy source by Valmont 5 shall not become effective (1) until either (a) the Administrator of the Environmental Protection Agency (EPA) has notified DOE, as required by Section 2(b) of ESECA, that the particular powerplant will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a delayed compliance order pursuant to the provisions of the Clean Air Act, as amended, (CAA), 42 U.S.C. 7413(d)(5) and the Act of August 7, 1977, Pub. L. 95-95, 112, or (b) if no such notification is given DOE by EPA, the date that the Administrator of EPA certifies is the earliest date that a particular powerplant will be able to burn coal and to comply with all applicable air pollution requirements, CAA, *supra;* Pub. L. 95-95, *supra;* and (2) until DOE has performed an analysis of the environmental impact of the issuance of a Notice of Effectiveness, pursuant to 10 CFR 208.3(a)(4) and 305.9, and has served the affected powerplant a Notice of Effectiveness, as provided in 10 CFR 303.10(b), 303.37(b) and 305.7.

The date stated in the Notice of Effectiveness shall be either (a) the date EPA determines in accordance with Section 113(d) of the CAA, *supra;* Pub. L. 95-95, *supra*, or (b) the date marking termination of the period of time that DOE determines is required by the affected powerplant to acquire or refurbish equipment or facilities necessary to comply with the CAA, *supra;* Pub. L. 95-95, *supra*, whichever date is later.

This Prohibition Order does not constitute a final agency action and is not effective prior to service of the Notice of Effectiveness. In accordance with 10 CFR 303.38, any person aggrieved by this Order may file an appeal with DOE's Office of Hearings and Appeals, in accordance with 10 CFR Part 303, Subpart H, but such appeal cannot be filed prior to service by DOE of the Notice of Effectiveness and, if filed, shall be filed within 30 days after service of such notice.

There has not been an exhaustion of administrative remedies until an appeal has been filed pursuant to Subpart H of Part 303 and the appellate proceeding is completed by the issuance of an order granting or denying the appeal.

Application may be made for modification or rescission of this Prohibition Order in accordance with the provisions of 10 CFR Part 303, Subpart J. An application for modification or rescission of a Prohibition Order based on significantly changed circumstances, which may occur during the interval between issuance of this Order and service of the Notice of Effectiveness, shall be filed within 30 days of such service of such notice. Application for modification or rescission based on significantly changed circumstances occurring after the service of such notice may be filed at any time.

If an application for modification or rescission of this Prohibition Order is made in accordance with Subpart J of Part 303, any appeal of this Order under 10 CFR Part 303 Subpart H, shall be suspended until 30 days after an order has been issued in accordance with Subpart J or until 30 days from the date on which such application for modification or rescission may be treated as having been denied in all respects.

If made effective this Prohibition Order will be effective against any persons that, as of the date stated in the Notice of Effectiveness of this Order own, lease, operate or control the above listed powerplant and against any successors-in-interest or assignees of such persons. Any terms utilized in this Prohibition Order have the same meaning as such terms have in 10 CFR Part 303 and 305.

Any questions regarding this Prohibition Order should be directed to Mr. Robert L. Davies, Deputy Assistant Administrator for Fuels Conversion, Department of Energy, 2000 M Street NW., Washington, D.C., 20461, (202) 254-3910.

(Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 791 *et seq.*) as amended by Pub. L. 95-70; Federal Energy Adminsitration Act of 1974 (15 U.S.C. 761 *et seq.*) as amended by Pub. L. 95-70; Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*); E. O. 11790 (39 FR 23185); E. O. 12009 (42 FR 46267))

Issued in Washington, D. C., December 26, 1978.

BARTON R. HOUSE,
Assistance Administrator, Fuels Regulation, Economic Regulatory Administration.

[FR Doc. 78-36371 Filed 12-29-78; 8:45 am]

[6450-01-M]

ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

Prohibition Order

Docket Number	Owner	Generating Station	Powerplant Number	Location
DCU-169	Public Service Company of Colorado.	Cameo	1	Palisade, Colorado
DCU-170	Public Service Company of Colorado.	Cameo	2	Palisade, Colorado

Pursuant to Section 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, as amended, 15 U.S.C. 791 *et seq.* (ESECA), and Chapter II, Title 10 of the Code of Federal Regulations (CFR), Parts 303 and 305, (10 CFR Parts 303 and 305, *as amended*, 42 FR 23132 (1977)), the Department of Energy (DOE) hereby orders that the above listed powerplants shall be prohibited from burning natural gas or petroleum products as their primary energy source. Such prohibition shall become effective on the date stated in the Notice of Effectiveness to be served on the powerplants, pursuant to 10 CFR 303.10(b), 303.37(b) and 305.7, subsequent to issuance of this Prohibition Order.

Section 2 of ESECA requires that DOE make certain findings prior to issuing a Prohibition Order. On July 31, 1978, DOE published a notice of "Intention to Issue Prohibition Orders to Certain Powerplants" (43 FR 33288, as amended by 43 FR 38742, August 30, 1978) that contained DOE's proposed conclusions with respect to those findings and the rationale therefor that DOE proposed to make with respect to the powerplants listed above. That notice invited interested persons to make written or oral presentation of data, views and arguments regarding the proposed findings and other matters. A public hearing was held in

Denver, Colorado on September 26, 1978, for the purpose of receiving the oral presentation of data, views and arguments. In addition, DOE provided an opportunity subsequent to the public hearing for supplemental written comments.

Based on a consideration of the data, views and arguments received by DOE at the public hearing as well as supplemental data, views and arguments received during the public comment period, and an analysis of other information submitted to or otherwise available to DOE, DOE hereby finds with respect to the above listed powerplants that:

1. On June 22, 1974, each powerplant had the capability and necessary plant equipment to burn coal;

2. The burning of coal by each powerplant, in lieu of petroleum products or natural gas, is practicable and consistent with the purposes of ESECA;

3. Coal and coal transportation facilities are expected to be available during the remaining useful actual service life of these powerplants, which is the period the orders are in effect; and

4. The prohibition of each powerplant from burning natural gas or petroleum products as its primary energy source will not impair the reliability of service by such powerplant.

Stated below is the rationale for each finding ESECA requires DOE to make prior to issuing a Prohibition Order, and an evaluation of the significant, material issues raised by interested persons in their oral or written presentations of data, views and arguments. Such presentations were made in response to the notice of "Intention to Issue Prohibition Orders to Certain Powerplants" published in the FEDERAL REGISTER on July 31, 1978 (43 FR 33288, as amended by 43 FR 38742, August 30, 1978). Where such presentations were adopted by DOE and resulted in changes in DOE's calculations these are reflected in the specific findings. After an evaluation of the data, views and arguments presented by interested persons, DOE concludes that no issues or facts were presented that render DOE unable to make the findings and therefore it must proceed with the issuance of the instant order.

Public Service Company of Colorado shall be referred to as the "utility" and as "PSCC".

I. *Capability and necessary plant equipment to burn coal.* DOE finds that, on June 22, 1974, Powerplants Number 1 and 2 at Cameo Generating Station (Cameo 1 and 2) had, or thereafter acquired or were designed with the capability and necessary plant equipment to burn coal. This finding is based on the facts and interpretations stated below:

A. Based on information supplied to the Federal Energy Regulatory Commission by PSCC and a site visit performed by PEDCo Environmental, Inc. (PEDCo) and DOE representatives, it has been determined that Cameo 1 and 2 had in place, on June 22, 1974, boilers that were capable of burning coal. The boilers had been designed and constructed or modified to burn coal as their primary energy source.

An historical profile of coal burned as a percentage of total heat input at the Cameo Generating Station is set forth below:

Percentages

Powerplant No.	1974 Coal/Oil/Gas	1975 Coal/Oil/Gas	1976 Coal/Oil/Gas	1977 Coal/Oil/Gas
1	2/0/98	6/0/94	0.4/0.2/99.4	0/1/99
2	84/0/16	91/0/9	89/0/11	88/0/12

B. Based on post hearing information submitted by PSCC, Cameo 1 lacks necessary air pollution control equipment and has burned gas or mixed-fuels on a regular basis. PSCC plans to add a new fabric filter dust collector on Cameo 1 and may modify the air pollution control equipment on Cameo 2 (such as, by installation of a new fabric filter dust collector).

C. DOE finds that on June 22, 1974, Cameo 1 and 2 had all other significant plant equipment and facilities associated with the burning of coal.

D. Within the meaning of ESECA and the regulations promulgated pursuant thereto, absence of the facilities listed in paragraph B, above, does not constitute a lack of capability and necessary plant equipment to burn coal as of June 22, 1974.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that Cameo 1 and 2 have the capability and necessary plant equipment to burn coal as stated above.

II. *The burning of coal in lieu of natural gas or petroleum products is practicable and consistent with the purposes of ESECA.* DOE finds that the burning of coal at Cameo 1 and 2 in lieu of petroleum products or natural gas is practicable and consistent with the purposes of ESECA. This finding is based upon the presumption that Cameo 1 and 2 will be operated at a 51.8 percent capacity factor (this represents a weighted average of each powerplant's projected capacity factor), have an average remaining useful life of 26 years (as of the date of this Prohibition Order), are expected to have at least 24 years of remaining useful life after conversion of the powerplants, and on the facts and interpretations stated below:

A. *The burning of coal is practicable*—1. *Costs associated with burning coal*—a. *Capital investment costs.* The total initial capital investment costs, exclusive of financing costs, that would result from the acquisition of equipment and facilities associated with the burning of coal in compliance at Cameo 1 and 2 are estimated to be approximately $4,066,000 for air pollution control equipment and coal handling equipment.

Upon completion of DOE's environmental analysis following the issuance of this Prohibition Order, should it be determined that different or additional air pollution control equipment is required other than that presently planned by PSCC and accepted by DOE for purposes of the findings of this Prohibition Order, DOE will update its statutory findings prior to the issuance of a Notice of Effectiveness to PSCC. It should be noted, however, that Cameo 1 and 2 are currently in compliance with the Clean Air Act.

b. *Annual operating and maintenance costs.* Based upon information provided by PEDCo and discussed with PSCC after the public hearing, the expected increase in operating and maintenance costs, exclusive of fuel costs, that would result from the burning of coal at Cameo 1 and 2 is estimated to be approximately $289,000 per year.

c. *Fuel costs.* (i) Based on information provided by the utility, the price of natural gas available to Cameo 1 and 2 is approximately $.95 per million BTU's. This represents $.95 per Mcf of natural gas, assuming 1,000,000 BTU's per Mcf.

(ii) Based on post hearing information supplied by the utility, the price of coal available to Cameo 1 and 2 is approximately $.90 per million BTU's. This represents $21.97 per ton of coal, assuming 24.5 million BTU's per ton or 12,250 BTU's per pound.

(iii) DOE estimates that the burning of 100% coal in lieu of natural gas by these powerplants will result in an overall reduction of approximately

$0.5 per million BTU's or $132,000 per year in fuel costs.

(iv) Based on information supplied by PSCC, DOE finds that Cameo 2 should continue to burn coal as its primary energy source, and Cameo 1 should convert from natural gas to coal as its primary energy source. It is expected that a decrease in fuel costs will result from the issuance of a Prohibition Order.

d. *Total annual costs associated with conversion.* As a result of this Prohibition Order to Cameo 1 and 2, it is estimated that the total annual increase in costs incurred, exclusive of fuel costs, is approximately $1,076,000.

2. *Reasonableness of costs of conversion.* The foregoing analysis of the costs of conversion provides the basis for deciding whether the conversion of Cameo 1 and 2 is reasonable. Financial impacts of the conversion will be felt by the utility and by the consumer.

As a result of total conversion, the utility will incur additional capital investment costs, including financial costs, of approximately $787,000 (this is based on a fixed charge rate of 19.4% of the total initial capital investment of $4,066,000), and additional annual operating and maintenance costs, exclusive of fuel costs, of approximately $289,000 (these figures are derived from the figures in paragraphs A.1.a. and b.), but will experience an annual fuel cost savings of approximately $132,000 (see paragraph A.1.c.). The estimated net annual increase in cost of producing electricity at Cameo 1 and 2 after conversion is estimated to be $944,000.

The burning of coal instead of natural gas at Cameo 1 and 2 will result in an estimated annual equivalent savings of 1,508,000 Mcf of natural gas (or approximately 246,333 barrels of oil equivalent) that would otherwise be used in providing steam for electric power generation. The cost of conversion per Mcf of natural gas is estimated to be $0.63.

Although conversion to the burning of coal would be expected to increase the cost of producing electricity at Cameo 1 and 2, DOE concludes that the cost, even using current prices per Mcf of natural gas saved, is not unreasonable. This determination is based on consideration of the substantial savings of natural gas that will result from this conversion.

DOE's determination that the costs of conversion are not unreasonable is further supported by consideration of such costs in relation to the expected 24 years remaining useful life of the powerplants after conversion, the size and resources of the utility as examined in the following analysis of financial capability, the nature of the expected operations of these powerplants, and potential future increase in the fuel cost difference in favor of coal.

3. *Financial capabilities of PSCC*—a. *Recovery of capital investment.* DOE finds that compliance with a Prohibition Order to Cameo 1 and 2 will be economically feasible. DOE's analysis took into consideration the total estimated $4,066,000 additional capital investment costs required for PSCC to comply with this Prohibition Order, as well as additional capital investment costs that would result from all other Prohibition Orders issued to date under authority of Section 2 (a) and (c) of ESECA to PSCC powerplants.

DOE related these additional capital investment costs to PSCC's estimate of its 1977 construction budget of $158,000,000, the total capitalization of the utility of $1,200,000,000 and the average remaining useful life of 24 years after conversion of Cameo 1 and 2.

DOE does not consider the effect of this added capital investment cost to represent an unreasonable burden, given the financial capabilities of PSCC to assume such costs.

b. *Total annual costs associated with conversion.* The total estimated annual increase in costs (amortized increased capital investment costs and other costs, exclusive of fuel costs) that would be associated with the burning of coal, as opposed to natural gas, attributable to compliance with this Prohibition Order would be $1,076,000. (DOE also took into consideration costs to PSCC that may result from compliance with all other Prohibition Orders issued to date under authority of Section 2 (a) and (c) of ESECA to PSCC powerplants.) This estimate of $1,076,000 is based on an investment oriented analysis described in an Ultrasystems Inc. report entitled *Computer Methodology For Coal Conversion Cost Determination*, August 1976, (hereafter "Ultrasystems Computer Model").

The total estimated annual increase in costs of $1,076,000 associated with conversion ultimately will be recovered in rates. However, due to the potential offsetting aggregate value of fuel cost savings of approximately $1,522,000 attributable to compliance with this and other outstanding Prohibition Orders, the net annual revenue requirements of PSCC should decrease by approximately $446,000.

4. *Consumer impact.* The impact as a result of the Prohibition Order to Cameo 1 and 2 alone would result in a net increase of $.000079 per kilowatt hour sold. The impact of this Prohibition Order and all other Prohibition Orders would be a net decrease in revenues required from PSCC consumers of approximately $.000038 per kilowatt hour of electricity sold by the PSCC system.

These estimates are based on DOE's analysis of the "Ultrasystem Computer Model" result.

The eventual amount of the decrease would depend on the actual amount of the investment necessary to comply with these Prohibition Orders, the methods which PSCC selects to finance the increased costs associated with burning coal as a primary energy source at both Cameo 1 and 2, the extent to which the cost increase is spread among PSCC customers, the regulations or policies of the regulatory agencies with jurisdiction over PSCC regarding inclusion of such cost decrease in consumer rates, the actual amount of the fuel cost differential, and other factors.

B. *Consistency with the purposes of ESECA.* Because the issuance of a Prohibition Order to Cameo 1 and 2 will discourage the use of natural gas or petroleum products and encourage the increased use of coal, DOE concludes that this action will be consistent with the purposes of ESECA to provide for a means to assist in meeting the essential needs of the United States for fuels. On the basis of the environmental analysis which DOE is required to conduct prior to issuance of a Notice of Effectiveness of a Prohibition Order, as well as the necessity for these powerplants to comply with the Clean Air Act, as amended (42 U.S.C. 7401 *et seq.*) and other applicable environmental protection requirements, DOE finds that issuance of a Prohibition Order to Cameo 1 and 2 will be consistent with the purposes of ESECA to provide for a means to assist in meeting the essential needs of the United States for fuels in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that the burning of coal in lieu of natural gas or petroleum products is practicable and consistent with the purposes of ESECA as stated above.

III. *Coal and coal transportation facilities are expected to be available during the remaining actual service life of these powerplants.*—A. *Coal availability.*—1. *National coal reserves.* United States coal reserves are more than sufficient to supply national needs for the foreseeable future. United States Department of the Interior, Bureau of Mines data show a demonstrated coal reserve base of over 438 billion tons (*Demonstrated Coal Reserve Base of the United States on January 1, 1976*, Bureau of Mines (August 1977) [hereafter "BOM Survey"]). Mining experience in the United States has indicated that, on a national basis at least one-half of the

coal, 219 billion tons, in the reserves base may be technically and economically recoverable. The nation's uncommitted coal reserves are sufficient to reasonably conclude that coal is expected to be available during the remaining actual service life of these powerplants. To determine when certain quantities of these reserves are expected to be available, DOE has examined several studies, referenced herein, which together provide the best current evidence as to coal availability.

2. *National coal production and demand.* The comparison stated below of estimated national coal production, and national coal demand shows that there should be sufficient production of coal to meet the total national demand through the remaining actual service life of these powerplants.

a. *National coal production.* It is conservatively estimated that it will be practicable to produce coal nationally in at least the following quantities:

Year:	Production Potential (million tons)
1979	781
1980	818
1981	858
1982	899
1983	942
1984	987
1985	1,034

The figures shown above are derived from *Projections of Energy Supply and Demand and Their Impacts, Energy Information Administration,* (DOE/EIA 0036/2) dated April 1978 (hereafter "Energy Supply and Demand Report"). The coal production forecast was derived from analytic procedures utilizing historic coal consumption patterns, in addition to derived demand under a forecast economic and energy case. These projections of national coal production generally reflect the coal industries plans for additional increments of coal production over the next several years. Throughout the period of these projections it is expected that total national production will equal or exceed total national demand. DOE intends to fully update, for purposes of being current, its coal availability finding pertinent to Cameo 1 and 2 prior to the issuance of a Notice of Effectiveness.

b. *National demand including ESECA Prohibition Order demand.* The estimated national demand, including any increased demand resulting from DOE actions under the authority of Section 2(a) of ESECA, is projected as follows (Energy Supply and Demand Report):

Year:	Demand (million tons)
1979	758
1980	798
1981	841
1982	885
1983	932
1984	982
1985	1,034

These demand projections include the actions taken under ESECA.

C. *National ESECA Prohibition Order demand.* DOE has estimated potential demand for coal resulting from this Prohibition Order and from all other outstanding Prohibition Orders issued to date under authority of Section 2(a) of ESECA to be as follows:

Year:	Demand (million tons)
1979	15.0
1980	21.4
1981	23.6
1982	30.0
1983	30.3
1984	30.3

(The above estimated demand figures include projections for Prohibition Orders issued on June 30, 1975.)

3. *Characteristic coal production and demand*—a. *Characteristic coal requirements for these powerplants.* Based on information provided by PSCC in its written comments, DOE concludes that dry-bottom boilers, of the type used at Cameo 1 and 2, will be able to burn coal with the following characteristics and comply with all applicable air pollution control requirements:

	Approximate Values
BTU's/lb	12,250
moisture	8.77%
ash	8.66%
volatile	38.59%
ash softening temp	2130-2500 (°F)
sulfur	.48%
grindability	44-50

b. *Characteristic coal demand from these powerplants.* The potential increased annual demand for coal of the type described above, which would result from this Prohibition Order, is estimated to be as follows:

Year:	Potential Annual Demand (thousand tons)
1981	65

c. *Characteristic coal available to these powerplants.* Based on post hearing information provided by PSCC, the utility has two long-term contracts with Energy Fuels Corporation, the first of which is for 2 million tons of coal per fiscal year, ending on June 30, 1987, and a second contract for 3,650,000 tons of coal to be furnished between 1978 and 1981. This contract coal can be burned at Cameo, Arapahoe, and Valmont Generating Stations.

PSCC has a yearly contract with the Bear Coal Company for 100,000 tons through the end of 1979.

DOE has examined the quantities of coal for Cameo, Arapahoe, and Valmont Generating Stations and finds that there is sufficient characteristic coal available to satisfy the increase in demand represented by these Prohibition Orders.

4. *State and local laws.* DOE has found no state or local laws or policies limiting the extraction or untilization of coal that would adversely affect these production figures, and none have been brought to DOE's attention.

5. *Conclusion.* On the basis of PSCC's present coal contract commitments, DOE finds that coal of the characteristics required will be available to Cameo 1 and 2. Furthermore, on the basis of the Bureau on Mines Survey and the Energy Supply and Demand Report, DOE expects that national coal production potential will exceed the total national demand for coal in amounts sufficient in any year to meet the estimated potential additional demand represented by this Prohibition Order and from all other outstanding Prohibition Orders issued to date under authority of Section 2(a) of ESECA.

B. *Coal transportaton*—1. *Location of powerplants and coal supply.* Based on information provided by PSCC, coal for Cameo 1 and 2 will be supplied and transported from Energy Fuels Company, which is located in Routt County, Colorado and from the Bear Coal Company in Somerset, Colorado to Cameo 1 and 2 at Palisade, Colorado.

2. *Route of coal shipment.* Based on information provided to DOE by PSCC and the railroads, the primary route for coal deliveries from the Energy Mine and Bear Mine originates on and is brought into the Cameo Generating Stations by the Denver & Rio Grande Western Railroad (D&RGW).

3. *Originating trunk carrier.* D&RGW has indicated that it is able and willing to provide any additional capacity required for coal shipments to Cameo 1 and 2. D&RGW indicated that the rail facilities at Energy Fuels Company in Routt County, Colorado and at Bear Coal Company in Somerset, Colorado are readily available to PSCC and that the D&RGW has adequate handling and loading facilities to service any required increases in coal volumes. DOE has not found nor has it been informed of any apparent constraints to transporting coal.

4. *Powerplant facilities.* Cameo 1 and 2 presently have coal handling and unloading facilities which the railroads advised DOE are adequate to handle the projected coal demand. There are no apparent obstacles to the handling and delivery of coal to Cameo 1 and 2.

5. *Conclusion.* On the basis of the information discussed above, DOE finds that coal transportation facilities will be available since no significant constraints to coal delivery over the primary route to Cameo 1 and 2 presently exist.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's

finding that coal transportation facilities will be available to these powerplants.

IV. *The prohibition of the burning of natural gas or petroleum products as their primary energy source will not impair the reliability of service in the area served by the affected powerplants.* At the public hearing and in post hearing PSCC submissions, the utility requested that DOE include in any order an expanded definition of "primary energy source" with at least as much flexibility as the definition in the "Powerplant and Industrial Fuel Use Act of 1978" Senate Conference Report No. 95-988 (Pub L. 95-620, November 9, 1978). PSCC stated that to limit burning of gas and petroleum products to minimum amounts for start-up and flame stabilization will have a serious effect upon PSCC's ability to maintain a reliable generation system. PSCC's contention is that the ESECA "primary energy source" definition does not offer flexibility to meet the temporary conditions, such as occurrences involving labor problems, accidents or other disruptions at the coal mines supplying the coal or the railroad transporting it.

DOE interprets this voicing of concern as constituting a request for anticipatory relief, on the face of the Order, from the potential effects of the Order prior to its being made effective by issuance of a Notice of Effectiveness (NOE).

Should a problem arise after receipt of an NOE, DOE is prepared to respond and work with the utility in a timely manner.

Based on an analysis of the information submitted to DOE by PSSC, DOE finds that the issuance of a Prohibition Order to Cameo will not impair the reliability of service in the area served by these powerplants since there will be no outage as a result of a Prohibition Order.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that the prohibition of the burning of natural gas or petroleum products as the powerplant's primary energy source will not impair the reliability of service in the area served by the affected powerplants.

The prohibition of the burning of natural gas or petroleum products as the primary energy source by Cameo 1 and 2 shall not become effective (1) until either (a) the Administrator of the Environmental Protection Agency (EPA) has notified DOE, as required by Section 2(b) of ESECA, that the particular powerplant will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a delayed compliance order pursuant to the provisions of the Clean Air Act, as amended, (CAA), 42 U.S.C. 7413(d)(5) and the Act of August 7, 1977, Pub. L. 95-95, section 112, or (b) if no such notification is given DOE by EPA, the date that the Administrator of EPA certifies is the earliest date that a particular powerplant will be able to burn coal and to comply with all applicable air pollution requirements, CAA, *supra;* Pub. L. 95-95, *supra;* and (2) until DOE has performed an analysis of a Notice of Effectiveness, pursuant to 10 CFR 208.3(a)(4) and 305.9, and has served the affected powerplant a Notice of Effectiveness, as provided in 10 CFR 303.10(b), 303.37(b) and 305.7.

The date stated in the Notice of Effectiveness shall be either (a) the date EPA determines in accordance with 113(d) of the CAA, *supra;* Pub. L. 95-95, *supra,* or (b) the date marking termination of the period of time that DOE determines is required by the affected powerplant to acquire or refurbish equipment or facilities necessary to comply with the CAA, *supra;* Pub. L. 95-95, *supra,* whichever date is later.

This Prohibition Order does not constitute a final agency action and is not effective prior to service of the Notice of Effectiveness. In accordance with 10 CFR 303.38, any person aggrieved by this Order may file an appeal with DOE's Office of Hearings and Appeals, in accordance with 10 CFR Part 303, Subpart H, but such appeal cannot be filed prior to service by DOE of the Notice of Effectiveness and, if filed, shall be filed within 30 days after service of such notice.

There has not been an exhaustion of administrative remedies until an appeal has been filed pursuant to Subpart H of Part 303 and the appellate proceeding is completed by the issuance of an order granting or denying the appeal.

Application may be made for modification or rescission of this Prohibition Order in accordance with the provisions of 10 CFR Part 303, Subpart J. An application for modification or rescission of a Prohibition Order based on significantly changed circumstances, which may occur during the interval between issuance of this Order and service of the Notice of Effectiveness, shall be filed within 30 days of such service of such notice. Application for modification or rescission based on significantly changed circumstances occurring after the service of such notice may be filed at any time.

If an application for modification or rescission of this Prohibtion Order is made in accordance with Subpart J of Part 303, any appeal of this Order under 10 CFR Part 303 Subpart H, shall be suspended until 30 days after an order has been issued in accordance with Subpart J or until 30 days from the date on which such application for modification or rescission may be treated as having been denied in all respects.

If made effective, this Prohibition Order will be effective against any person that, as of the date stated in the Notice of Effectiveness of this Order owns, leases, operates or controls the above listed powerplant and against any successors-in-interest or assignees of such person.

Any terms utilized in this Prohibition Order have the same meaning as such terms have in 10 CFR Part 303 and 305.

Any questions regarding this Prohibition Order should be directed to Mr. Robert L. Davies, Deputy Assistant Adminstrator for Fuels Conversion, Department of Energy, 2000 M Street, NW., Washington, D.C. 20461, (202) 254-3910.

(Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 791 *et. seq.*) as amended by Pub. L. 95-70; Federal Energy Administration Act of 1974 (15 U.S.C. 761 *et seq.*) as amended by Pub. L. 95-70; Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*); E. O. 11790 (39 FR 23185); E. O. 12009 (42 FR 46267))

Issued in Washington, D.C., December 26, 1978.

BARTON R. HOUSE,
Assistant Administrator, Fuels Regulation, Economic Regulatory Administration.

[FR Doc. 78-36372 Filed 12-29-78; 8:45 am]

[6450-01-M]

ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

Prohibition Order

Docket Number	Owner	Generating Station	Powerplant Number	Location
DCU-175	Public Service Company of Colorado.	Arapahoe	1	Denver, Colorado
DCU-176	Public Service Company of Colorado.	Arapahoe	2	Denver, Colorado
DCU-177	Public Service Company of Colorado.	Arapahoe	3	Denver, Colorado
DCU-178	Public Service Company of Colorado.	Arapahoe	4	Denver, Colorado

Pursuant to Section 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, as amended, 15 U.S.C. 791 *et seq.*, (ESECA), and Chapter II, Title 10 of the Code of Federal Regulations (CFR), Parts 303 and 305, [10 CFR Parts 303 and 305, *as amended*, 42 FR 23132 (1977)], the Department of Energy (DOE) hereby orders that the above listed powerplants shall be prohibited from burning natural gas or petroleum products as their primary energy source. Such prohibition shall become effective on the date stated in a Notice of Effectiveness to be served on the powerplants, pursuant to 10 CFR 303.10(b), 303.37(b) and 305.7, subsequent to issuance of this Prohibition Order.

Section 2 of ESECA requires that DOE make certain findings prior to issuing a Prohibition Order. On July 31, 1978, DOE published a notice of "Intention to Issue Prohibition Orders to Certain Powerplants" (43 FR 33300 as amended by 43 FR 38742, August 30, 1978) that contained DOE's proposed conclusions with respect to those findings and the rationale therefor that DOE proposed to make with respect to the powerplants listed above. That notice invited interested persons to make written or oral presentation of data, views and arguments regarding the proposed findings and other matters. A public hearing was held in Denver, Colorado on September 26, 1978, for the purpose of receiving the oral presentation of data, views and arguments. In addition, DOE provided an opportunity subsequent to the public hearing for supplemental written comments.

Based on a consideration of the data, views and arguments received by DOE at the public hearing as well as supplemental data, views and arguments received during the public comment period, and an analysis of other information submitted to or otherwise available to DOE, DOE hereby finds with respect to the above listed powerplants that:

1. On June 22, 1974, each powerplant had the capability and necessary plant equipment to burn coal;

2. The burning of coal by each powerplant, in lieu of petroleum products or natural gas, is practicable and consistent with the purposes of ESECA;

3. Coal and coal transportation facilities are expected to be available during the remaining actual service life of these powerplants, which is the period the orders are in effect; and

4. The prohibition of each powerplant from burning natural gas or petroleum as its primary energy source will not impair the reliability of service by such powerplant.

Stated below is the rationale for each finding ESECA requires DOE to make prior to issuing a Prohibition Order, and an evaluation of the significant, material issues raised by interested persons in their oral or written presentations of data, views and arguments. Such presentations were made in response to the notice of "Intention to Issue Prohibition Orders to Certain Powerplants" published in the FEDERAL REGISTER on July 31, 1978 (43 FR 33300 as amended by 43 FR 38742, August 30, 1978). Where such presentations were adopted by DOE and resulted in changes in DOE's calculations these are reflected in the specific findings. After an evaluation of the data, views and arguments presented by interested persons, DOE concludes that no issues or facts were presented that render DOE unable to make the findings and therefore it must proceed with the issuance of the instant order.

Public Service Company of Colorado shall be referred to as the "utility" and as "PSCC".

I. *Capability and necessary plant equipment to burn coal.* DOE finds that, on June 22, 1974, Powerplants Number 1, 2, 3 and 4 at Arapahoe Generating Station (Arapahoe 1, 2, 3 and 4) had, or thereafter acquired or were designed with the capability and necessary plant equipment to burn coal. This finding is based on the facts and interpretations stated below:.

A. Based on information supplied to the Federal Energy Regulatory Commission by PSCC and a site visit performed by PEDCo Environmental, Inc. (PEDCo) and DOE representatives, it has been determined that each powerplant had in place, on June 22, 1974, boilers that were capable of burning coal. The boilers had been designed and constructed or modified to burn coal as their primary energy source.

A historical profile of coal burned, as a percentage of total heat input at the Arapahoe Generating Station is set forth below:

Percentages

Powerplant No.	1974 Coal/Gas	1975 Coal/Gas	1976 Coal/Gas	1977 Coal/Gas
1	2-98	23-77	21-79	99-1
2	48-52	62-38	72-28	99-1
3	55-45	66-34	87-13	99-1
4	59-41	80-20	79-21	87-13

Even though Arapahoe Generating Station tended to decrease gas consumption during 1977, PSCC's post hearing submission stated that the Arapahoe 3 and 4 were issued Notices of Violation and Cease and Desist Orders by the Colorado Department of Health for opacity violations. According to the utility, a hearing on PSCC's variance request was held on July 20, 1978, at which time the variance was granted to enable the affected powerplants to burn coal out of compliance until June 15, 1979, when major modifications will be completed to the air pollution control equipment.

Potentially, the relative share of the total natural gas consumed at the Arapahoe Generating Station may fluctuate signficantly since each powerplant has the capability to burn substantial amounts of natural gas. The issuance of a Prohibition Order to all the powerplants located at Arapahoe appears necessary to preclude potential increased use of natural gas by any of the powerplants which is not issued a Prohibition Order or that may have a Cease and Desist Order issued. In issuing a Prohibition Order to each powerplant at the Arapahoe Generating Station, DOE has considered and evaluated the effect of issuing an order to some of the individual powerplants and not to others and concluded that the purposes of ESECA are best accomplished by issuing a Prohibition Order to all the powerplants at Arapahoe Generating Station.

B. Based on information provided by PSCC to DOE during the above-mentioned site visit and other information available to DOE, Arapahoe 3 and 4 will require air pollution control equipment when this generating station is converted to total coal firing. Arapahoe 1 and 2 presently have adequate air pollution control equipment.

C. DOE finds that, on June 22, 1974, Arapahoe 1, 2, 3 and 4 had all other significant plant equipment and facilities associated with the burning of coal.

D. Within the meaning of ESECA and the regulations promulgated pursuant thereto, absence of the facilities listed in paragraph B, above, does not constitute a lack of capability and nec-

essary plant equipment to burn coal as of June 22, 1974.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that Arapahoe 1, 2, 3 and 4 had the capability and necessary plant equipment to burn coal as stated above.

II. *The burning of coal in lieu of natural gas or petroleum products is practicable and consistent with the purposes of ESECA.* DOE finds that the burning of coal at Arapahoe 1, 2, 3 and 4 in lieu of petroleum products or natural gas is practicable and consistent with the purposes of ESECA. This finding is based upon the presumption that Arapahoe 1, 2, 3 and 4 will be operated at a 49.3 percent capacity factor (this represents a weighted average of each powerplant's projected capacity factor), have an average remaining useful life of 20 years (as of the date of this Prohibition Order), are expected to have at least 19.25 years of remaining useful life after conversion of the powerplants, and on the facts and interpretations stated below:

A. *The burning of coal is practicable*—1. *Costs associated with burning coal*—a. *Capital investment costs.* Based upon information provided by PSCC after the public hearing, DOE finds that capital investment costs of $5,007,000 for air pollution control equipment as stated in Section II.A.1.a. of the Notice of Intention (NOI) should not be included, since PSCC had made commitments for this equipment prior to the issuance of DOE's NOI. Therefore, the ordering of such equipment was not a result of DOE's order.

b. *Annual operating and maintenance costs.* The expected increase in operating and maintenance costs of $382,000 exclusive of fuel costs, as stated in Section II.A.1.b. of the Notice of Intention was based on costs related to the air pollution control equipment. Since PSCC had made commitments for this equipment prior to the issuance of DOE's NOI these costs are not incurred as a result of DOE's order. Therefore, DOE finds that any operating and maintenance costs due to the issuance of a Prohibition Order will be negligible and should be excluded.

c. *Fuel costs.* (i) Based on information provided by the utility, the price of natural gas available to Arapahoe 1, 2, 3 and 4 is approximately $1.43 per million BTU's. This represents $1.43 per Mcf of natural gas, assuming 1,000,000 BTU's per Mcf.

(ii) Based on information supplied by PSCC and the Federal Energy Regulatory Commission (FERC), the price of coal available to Arapahoe 1, 2, 3 and 4 is approximately $0.78 per million BTU's. This represents $17.25 per ton of coal, assuming 22 million BTU's per ton, or 11,000 BTU's per pound. This characterictic falls within the range stated in III.A.3.a. below.

(iii) DOE estimates that the burning of 100% coal in lieu of natural gas by these powerplants will result in an overall reduction of approximately $0.65 per million BTU's, or $574,000 per year in fuel costs.

(iv) Based on information supplied by PSCC, DOE finds that Arapahoe 1, 2, 3 and 4 should continue to burn coal as their primary energy source. It is expected that a decrease in fuel costs will result from the issuance of a Prohibition Order.

d. *Total annual costs associated with conversion.* As a result of this Prohibition Order to Arapahoe 1, 2, 3 and 4, there will be no increase in the total annual costs incurred.

2. *Reasonableness of costs of conversion.* The foregoing analysis of the cost of conversion provides the basis for deciding whether the conversion of Arapahoe 1, 2, 3 and 4 is reasonable. As a result of total conversion, the utility will not incur additional annual capital investment costs, or significant operating and maintenance costs and will experience an annual fuel cost savings of approximately $574,000. Therefore, the estimated net annual decrease in cost of producing electricity at Arapahoe 1, 2, 3 and 4 after total conversion is estimated to be $574,000.

The burning of coal instead of natural gas at Arapahoe 1, 2, 3 and 4 will result in an estimated annual equivalent savings of 887, 067 Mcf of natural gas (or approximately 147,833 barrels of oil equivalent) that would otherwise be used in providing steam for electric power generation. The cost savings of conversion per Mcf of natural gas is estimated to be $0.65.

DOE finds that since the burning of coal will not increase the cost of producing electricity at Arapahoe 1, 2, 3 and 4 and there are significant potential savings as a result of the fuel costs differential between natural gas and coal burning at the powerplant and because of potential future increases in the fuel cost differential in favor of coal, the reduced costs associated with burning coal confirm the reasonableness of conversion from the standpoint of costs.

3. *Financial capabilities of PSCC.* The utility will not incur additional capital investment costs or significant operating and maintenance costs as a result of total conversion of Arapahoe 1, 2, 3 and 4. In addition, DOE's analysis took into consideration PSCC's estimate of its 1977 construction budget of $158,000,000, the total capitalization of the utility of $1,200,000,000 and the average remaining useful life of 19.25 years after conversion of Arapahoe 1, 2, 3 and 4. Accordingly, such conversion does not create an unreasonable burden on the financial capabilities of PSCC.

Total annual costs associated with conversion. The total estimated annual increase in costs (amortized increased capital investment costs and other costs, exclusive of fuel costs) that would be associated with the burning of coal, as opposed to natural gas, attributable to compliance with this and other outstanding Prohibition Orders would be $1,076,000. DOE has taken into consideration costs to PSCC that may result from compliance with all other Prohibition Orders issued to date under authority of Section 2(a) and (c) of ESECA to PSCC powerplants. This estimate of $1,076,000 is based on an investment oriented analysis described in an Ultrasystems Inc. report entitled *Computer methodology For Coal Conversion Cost Determination* August 1976, (hereafter "Ultrasystems Computer Model").

The total estimated annual increase in costs of $1,076,000 associated with conversion ultimately will be recovered in rates. However, due to the potential offsetting aggregate value of fuel cost savings of approximately $1,522,000 attributable to compliance with this and other outstanding Prohibition Orders, the net annual revenue requirements of PSCC should decrease by approximately $466,000.

4. *Consumer impact.* The impact as a result of the Prohibition Order to Arapahoe 1, 2, 3 and 4 alone would result in a net decrease of $.000048 per kilowatt hour sold. The impact of this Prohibition Order and all other outstanding Prohibition Orders would be a net decrease in revenue required from PSCC consumers of approximately $.000038 per kilowatt hour of electricity sold by the PSCC system.

These estimates are based on DOE's analysis of the "Ultrasystem Computer Model" result.

The eventual amount of the decrease would depend on the actual amount of the investment necessary to comply with this and other outstanding Prohibition Orders, the methods which PSCC selects to finance the increased costs associated with burning coal as a primary energy source at Arapahoe 1, 2, 3 and 4 and PSCC's other facilities, the extent to which the cost increase is spread among PSCC customers, the regulations or policies of the regulatory agencies with jurisdiction over PSCC regarding inclusion of such cost decrease in consumer rates, the actual amount of the fuel cost differential, and other factors.

B. *Consistency with the purposes of ESECA.* Because the issuance of a Prohibition Order to Arapahoe 1, 2, 3 and 4 will discourage the use of natural gas

or petroleum products and encourage the increased use of coal. DOE concludes that this action will be consistent with the purposes of ESECA to provide for a means to assist in meeting the essential needs of the United States for fuels. On the basis of the environmental analysis which DOE is required to conduct prior to issuance of a Notice of Effectiveness of a Prohibition Order, as well as the necessity for this powerplant to comply with the Clean Air Act, as amended (42 U.S.C. 7401 *et seq.*), and other applicable environmental protection requirements, DOE concludes that issuance of a Prohibition Order to Arapahoe 1, 2, 3 and 4 will be consistent with the purposes of ESECA to provide for a means to assist in meeting the essential needs of the United States for fuels in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that the burning of coal in lieu of natural gas or petroleum products is practicable and consistent with the purposes of ESECA as stated above.

III. *Coal and coal transportation facilities are expected to be available during the remaining actual service life of these powerplants.*—A. *Coal availability.*—1. *National coal reserves.* United States coal reserves are more than sufficient to supply national needs for the foreseeable future. United States Department of the Interior, Bureau of Mines data show a demonstrated coal reserve base of over approximately 438 billion tons. (*Demonstrated Coal Reserve Base of the United States on January 1, 1976,* Bureau of Mines (August 1977) (hereafter "BOM Survey")). Mining experience in the United States has indicated that on a national basis, at least one-half of the coal, 219 billion tons, in the reserve base may be technically and economically recoverable. The nation's uncommitted coal reserves are sufficient to reasonably conclude that coal is expected to be available during the remaining actual service life of these powerplants. To determine when certain quantities of these reserves are expected to be available, DOE has examined several studies, referenced herein, which together provide the best current evidence as to coal availability.

2. *National coal production and demand.* The comparison stated below of estimated national coal production, and national coal demand shows that there should be sufficient production of coal to meet the total national demand through the remaining actual service life of these powerplants.

a. *National coal production.* It is conservatively estimated that it will be practicable to produce coal nationally in at least the following quantities:

Year:	*Production Potential (million tons)*
1979	781
1980	818
1981	858
1982	899
1983	942
1984	987
1985	1,034

The figures shown above are derived from *Projections of Energy Supply and Demand and Their Impacts, Energy Information Administration.* (DOE/EIA 0036/2) dated April 1978 (hereafter "Energy Supply and Demand Report"). The coal production forecast was derived from analytical procedures utilizing historic coal consumption patterns, in addition to derived demand under a forecast economic and energy case. These projections of national coal production generally reflect the coal industries plans for additional increments of coal production over the next several years. Throughout the period of these projections it is expected that total national production will equal or exceed total national demand. DOE intends to fully update, for purposes of being current, its coal availability finding pertinent to Arapahoe 1, 2, 3 and 4 prior to the issuance of a Notice of Effectiveness.

b. *National demand including ESECA Prohibition Order demand.* The estimated national demand, including any increased demand resulting from DOE actions under the authority of Section 2(a) of ESECA, is as follows (Energy Supply and Demand Report):

Year:	*Demand (millions of tons)*
1979	758
1980	798
1981	841
1982	885
1983	932
1984	982
1985	1,034

These demand projections include the actions taken under ESECA.

c. *National ESECA Prohibition Order demand.* DOE has estimated potential demand for coal resulting from this Prohibition Order and from all other outstanding Prohibition Orders issued to date under authority of Section 2(a) of ESECA to be as follows:

Year:	*Demand (million tons)*
1979	15.0
1980	21.4
1981	23.6
1982	30.0
1983	30.3
1984	30.3

(The above estimated demand figures include projections for Prohibition Orders issued on June 30, 1975.)

3. *Characteristic coal production and demand*—a. *Characteristic coal requirements for these powerplants.* Based on information provided by PSCC, DOE concludes that dry-bottom boilers, of the type used at Arapahoe 1, 2, 3 and 4, will be able to burn coal with the following characteristics and comply with all applicable air pollution control requirements:

	Approximate Values
BTU's/lb	11,000.
Moisture	11.38 pct.
Ash	8.74 pct.
Volatile	33.5 pct.
Ash softening temp	2,130–2,500 (°F).
Sulfur	.47 pct.
Grindability	45–50.

b. *Characteristic coal demand from these powerplants.* The potential increased annual demand for coal, of the type described above, which would result from this Prohibition Order, is estimated to be as follows:

	Potential annual demand (thousand tons)
Year: 1980	40

c. *Characteristic coal available to these powerplants.* Based on post hearing information provided by PSCC, the utility has two long-term contracts with Energy Fuels Corporation, the first of which is for 2 million tons of coal per fiscal year, ending on June 30, 1987, and a second contract for 3,650,000 tons of coal to be furnished between 1978 and 1981. This contract coal can be burned at Arapahoe, Valmont and Cameo Generating Stations.

In addition, Colowyo Coal Company provides characteristic coal to Arapahoe and Valmont under a short term 1978 contract for 350,000 tons.

DOE has examined the quantities of coal for Arapahoe, Cameo and Valmont Generating Stations and finds that there is sufficient characteristic coal available to satisfy the increase in demand represented by these Prohibition Orders.

4. *State and local laws.* DOE has found no state or local laws or policies limiting the extraction or utilization of coal that would adversely affect these production figures, and none have been brought to DOE's attention.

5. *Conclusion.* On the basis of PSCC's present coal contract commitments, DOE finds that coal of the characteristics required will be available at Arapahoe 1, 2, 3 and 4. Furthermore, on the basis of the Bureau of Mines Survey and the Energy Supply and Demand Report, DOE expects that national coal production potential will exceed the total national demand for coal in amounts sufficient in any year to meet the estimated potential demand represented by this Prohibition Order and from all other outstanding Prohibition Orders issued

to date under authority of Section 2(a) of ESECA.

B. *Coal transportation—1. Location of powerplants and coal supply.* Based on information provided by PSCC, coal for Arapahoe 1, 2, 3 and 4 will be supplied and transported from Energy Fuels Company, which is located in Routt County, Colorado to Arapahoe 1, 2, 3 and 4 in Denver, Colorado.

2. *Route of coal shipment.* Based on information provided to DOE by PSCC and the railroads, the primary route for coal delivery from the Energy Mine originates on the Denver & Rio Grande Western Railroad (D&RGW) and is transferred to the Colorado & Southern Railway (C&S) in Denver, Colorado. The C&S delivers the coal into the Arapahoe Plant.

3. *Originating trunk carrier.* D&RGW and C&S Railroads have indicated that they are able and willing to provide any additional capacity required for coal shipments to Arapahoe 1, 2, 3 and 4. The D&RGW has stated that the rail facilities at Energy Fuels Company in Routt County, Colorado are readily available to PSCC. C&S has stated that it has adequate coal handling and unloading facilities to service any required increases in coal volumes.

DOE has not found nor has it been informed of any apparent constraints to transporting coal.

4. *Powerplant facilities.* Arapahoe 1, 2, 3 and 4 presently have coal unloading facilities, which C&S indicates are adequate to handle the projected increased coal demand: *Provided*, That the utility adds the required manpower to unload the delivered coal. There are no other apparent obstacles to the handling and delivery of coal to Arapahoe 1, 2, 3 and 4.

5. *Conclusion.* On the basis of the information discussed above, DOE finds that coal transportation facilities will be available since no significant constraints to coal delivery over the primary route to Arapahoe 1, 2, 3 and 4 presently exist.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that coal transportation facilities will be available to these powerplants.

IV. *The prohibition of the burning of natural gas or petroleum products as their primary energy source will not impair the reliability of service in the area served by the affected powerplants.* At the public hearing and post hearing PSCC submissions, the utility requested that DOE include in any order an expanded definition of "primary energy source" with at least as much flexibility as the definition in the "Powerplant and Industrial Fuel Use Act of 1978" Senate Conference Report No. 95-988 (Pub. L. 95-620, November 9, 1978). PSCC stated that to limit burning of gas and petroleum products to minimum amounts for start-up and flame stabilization will have a serious effect upon PSCC's ability to maintain a reliable generation system. PSCC's contention is that the ESECA "primary energy source" definition does not offer flexibility to meet the temporary conditions, such as occurrences involving labor problems, accidents or other disruptions at the coal mines supplying the coal or the railroad transporting it.

DOE interprets this voicing of concern as constituting a request for anticipatory relief, on the face of the Orders, from the potential effects of the Orders prior to their being made effective by issuance of a Notice of Effectiveness (NOE). Should a problem arise after receipt of an NOE, DOE is prepared to respond and work with the utility in a timely manner.

Based on an analysis of the information submitted to DOE by PSCC, DOE finds that the issuance of a Prohibition Order to Arapahoe will not impair the reliability of service in the area served by this powerplant since there will be no outage as a result of a Prohibition Order.

PSCC has indicated that Arapahoe 1, 2, 3 and 4 were designed to burn natural gas and coal and are currently burning coal. Therefore, there will be no impairment of reliability of service within the meaning of ESECA in the area served by Arapahoe 1, 2, 3 and 4 as a result of this Prohibition Order.

DOE has not received any written or oral presentation of data, views or arguments that would negate DOE's finding that the prohibition of the burning of natural gas or petroleum products as the powerplant's primary energy source will not impair the reliability of service in the area served by the affected powerplant.

The prohibition of the burning of natural gas or petroleum products as the primary energy source by Arapahoe 1, 2, 3 and 4 shall not become effective (1) until either (a) the Administrator of the Environmental Protection Agency (EPA) has notified DOE, as required by Section 2(b) of ESECA, that the particular powerplant will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a delayed compliance order pursuant to the provisions of the Clean Air Act, as amended, (CAA), 42 U.S.C. 7413(d)(5) and the Act of August 7, 1977, Pub. L. 95-95, Section 112, or (b) if no such notification is given DOE by EPA, the date that the Administrator of EPA certifies is the earliest date that a particular powerplant will be able to burn coal and to comply with all applicable air pollution requirements, CAA, *supra*; Pub. L. 95-95, *supra*; and (2) until DOE has performed an analysis of the environmental impact of the issuance of a Notice of Effectiveness, pursuant to 10 CFR 208.3(a)(4) and 305.9, and has served the affected powerplant a Notice of Effectiveness, as provided in 10 CFR 303.10(b), 303.37(b) and 305.7.

The date stated in the Notice of Effectiveness shall be either (a) the date EPA determines in accordance with Section 113(d) of the CAA, *supra*; Pub. L. 95-95, *supra*, or (b) the date marking termination of the period of time that DOE determines is required by the affected powerplant to acquire or refurbish equipment or facilities necessary to comply with the CAA, *supra*; Pub. L. 95-95, *supra*, whichever date is later.

This Prohibition Order does not constitute a final agency action and is not effective prior to service of the Notice of Effectiveness. In accordance with 10 CFR 303.38, any person aggrieved by this order may file an appeal with DOE's Office of Hearings and Appeals, in accordance with 10 CFR Part 303, Subpart H, but such appeal cannot be filed prior to service by DOE of the Notice of Effectiveness and, if filed, shall be filed within 30 days after service of such notice.

There has not been an exhaustion of administrative remedies until an appeal has been filed pursuant to Subpart H of Part 303 and the appellate proceeding is completed by the issuance of an order granting or denying the appeal.

Application may be made for modification or rescission of this Prohibition Order in accordance with the provisions of 10 CFR Part 303, Subpart J. An application for modification or rescission of a Prohibition Order based on significantly changed circumstances, which may occur during the interval between issuance of this Order and service of the Notice of Effectiveness, shall be filed within 30 days of such service of such notice. Application for modification or rescission based on significantly changed circumstances occurring after the service of such notice may be filed at any time.

If an application for modification or rescission of this Prohibition Order is made in accordance with Subpart J of Part 303, any appeal of this Order under 10 CFR Part 303 Subpart H, shall be suspended until 30 days after an order has been issued in accordance with Subpart J or until 30 days from the date on which such application for modification or rescission may be treated as having been denied in all respects.

If made effective this Prohibition Order will be effective against any persons that, as of the date stated in the Notice of Effectiveness of this Order

own, lease, operate or control the above listed powerplant and against any successors-in-interest or assignees of such persons.

Any terms utilized in this Prohibition Order have the same meaning as such terms have in 10 CFR Part 303 and 305.

Any questions regarding this Prohibition Order should be directed to Mr. Robert L. Davies, Deputy Assistant Administrator for Fuels Conversion, Department of Energy, 2000 M Street NW., Washington, D.C. 20461, (202) 254-3910

Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 791 *et seq.*) as amended by Pub. L. 95-70; Federal Energy Administration Act of 1974 (15 U.S.C. 761 *et seq.*) as amended by Pub. L. 95-70; Department of Energy Organization Act (42 U.S.C. 7101 *et seq.*); E.O. 11790 (39 FR 23185); E.O. 12009 (42 FR 46267).)

Issued in Washington, D.C., December 26, 1978.

BARTON R. HOUSE,
Assistant Administrator, Fuels Regulation, Economic Regulatory Administration.

[FR Doc. 78-36373 Filed 12-29-78; 8:45 am]

[6450-01-M]

Southeastern Power Administration

INTENT TO REVISE RATES AND CHARGES

AGENCY: Southeastern Power Administration (SEPA), Department of Energy.

ACTION: Proposed rate revision.

SUMMARY: SEPA proposes to revise existing schedules of rates and charges applicable to the sale of power from the Georgia-Alabama System of Projects effective October 1, 1979. An increase in rates and charges of approximately 13 percent is proposed for the four year period ending September 30, 1983. It is the purpose of this notice to (1) invite interested persons to submit written comments, and to (2) advise that a public comment forum will be held to permit interested persons the opportunity to present views, data or arguments in oral and/or written form regarding the proposed rates.

DATES: Written comments are due on or before April 6, 1979. The public comment forum will be held in Atlanta, Ga., on March 20, 1979.

ADDRESSES: Five copies of written comments should be submitted to: Administrator, Southeastern Power Administration, Department of Energy, Samuel Elbert Building, Elberton, Ga. 30635.

The public comment forum will be held beginning at 10:00 a.m., March 20, 1979, in a conference room at the Holiday Inn, 1380 Virginia Avenue, Atlanta, Ga. 30320.

FOR FURTHER INFORMATION CONTACT:

Mr. Curtis H. Bell, Southeastern Power Administration, Department of Energy, Samuel Elbert Building, Elberton, Ga. 30635, 404-283-3261.

SUPPLEMENTARY INFORMATION: Revision in rates and changes is required to provide for increased operation and maintenance expenses at the nine projects, increased marketing costs and increased costs for additions and replacements.

It is proposed that revised rate schedules applicable to customers purchasing power from the Georgia-Alabama System of Projects contain the following monthly unit rates:

Proposed unit rates

Dependable Capacity/kw	$1.02
Delivered Energy/kwh (mills)	3.65
Energy at Projects/kwh (mills)	3.00
Dump & Excess Energy/kwh (mills)	2.25
Standby Capacity/kw	$0.28
Use Charge/day	$0.035

Copies of proposed rate schedules are available upon request and studies and other information used in developing the proposed rates are available for inspection and/or copying at the headquarters' offices of Southeastern Power Administration.

Additionally, a finding has been made that the proposed revised rates will not have a significant effect upon the quality of the human environment. The finding is likewise available for inspection and/or copying at SEPA headquarters.

The public comment forum will not be adjudicative in nature. A SEPA designated official will preside, SEPA representatives will give background information and explanations supporting the proposed revised rates and charges and answer questions relevant thereto, and those making oral presentations may be questioned by the presiding official and other participating SEPA representatives. Any further procedural rules needed for the proper conduct of the forum will be announced prior to the forum by the presiding official. Forum proceedings will be transcribed. Copies of the transcript may be purchased from the reporter. Written comments, written answers to questions, and any other documents submitted to SEPA and not included in the forum transcript will be available for inspection and/or copying at the SEPA headquarters' offices in Elberton, Ga., between the hours of 8 a.m. and 5 p.m., Monday through Friday. The forum transcript will likewise be available for inspection at the SEPA headquarters' offices.

Issued in Elberton, Ga., December 20, 1978.

HARRY F. WRIGHT,
Administrator.

[FR Doc. 78-36456 Filed 12-29-78; 8:45 am]

[6560-01-M]

ENVIRONMENTAL PROTECTION AGENCY

[FRL 1031-5]

POLYCHLORINATED BIPHENYLS (PCBs)

Toxic Substances Control Act; Policy for Implementation and Enforcement

AGENCY: Environmental Protection Agency (EPA).

ACTION: Policy for implementation and enforcement of Sections 6(e)(2) and 6(e)(3) of the Toxic Substances Control Act (TSCA).

SUMMARY: EPA will not implement or enforce the prohibitions on PCB manufacturing (including importation), processing, distribution in commerce or use established by Sections 6(e)(2) and 6(e)(3) of TSCA, 15 U.S.C. 2605(e)(2) and 2605(e)(3), until thirty days after the proposed regulation implementing Sections 6(e)(2) and 6(e)(3) of TSCA (43 FR 24802-17, June 7, 1978) is promulgated in final form. With respect to PCB manufacturing activities (including importation) for which petitions for exemptions have been filed pursuant to Section 6(e)(3)(B) of TSCA, enforcement will not occur until EPA has acted on the pertinent petition.

FOR FURTHER INFORMATION CONTACT:

Peter P. Principe, Office of Toxic Substances (TS-794), Environmental Protection Agency, 401 M Street SW., Washington, D.C. 20460, telephone: (202) 755-0920.

SUPPLEMENTARY INFORMATION: Section 6(e)(2) of TSCA (Pub. L. 94-469, 90 Stat. 2003, 15 U.S.C. 2601 *et seq.*) prohibits PCB manufacture (including importation), processing, distribution in commerce and use on any manner other than in a totally enclosed manner on or after January 1, 1978. However, Section 6(e)(2)(B) of TSCA allows the Agency to authorize continuation of PCB activities in other than a totally enclosed manner. The final regulation for Sections 6(e)(2) and 6(e)(3) will define key terms, such as "PCB" and "totally enclosed manner", which will affect the scope of the 6(e)(2) prohibitions. The regulation is also expected to authorize some PCB activities which are not totally enclosed pursuant to Section 6(e)(2)(B). Therefore, enforcement of Section 6(e)(2) is not considered appropriate by EPA until it has promul-

gated the forthcoming regulation. EPA announced on December 30, 1977 that it is not implementing and enforcing Section 6(e)(2) until 30 days after the regulation for that section is promulgated by the Agency. See 42 FR 65264, December 30, 1977.

Pursuant to Section 6(e)(3) of TSCA, all PCB manufacture (including importation) is prohibited effective January 1, 1979. However, under Section 6(e)(3)(B), persons affected by the Section 6(e)(3) PCB prohibitions have the right to petition EPA for exemptions from the prohibitions. On November 1, 1978, EPA published interim procedures for the filing of petitions for exemptions to the prohibition on manufacturing. (43 FR 50905). Numerous exemption petitions have been received by the Agency. The Agency does not consider enforcement of the manufacturing prohibition of Section 6(e)(3) against a particular activity appropriate (1) until EPA has issued the regulation for Section 6(e)(3), and (2) if a petition for an exemption for the particular activity has been filed, until EPA has ruled on that petition.

The Agency expects to promulgate the regulation implementing Sections 6(e)(2) and 6(e)(3) of TSCA in the near future. To accomplish that objective, EPA published its proposed regulation on June 7, 1978 (43 FR 24802). A comment period followed, and the Agency held ten days of informal hearings and one day of cross-examination of an Agency contractor by hearing participants. The Agency also provided a reply comment period which closed on October 10, 1978.

Although EPA expects to issue the TSCA §§ 6(e)(2) and 6(e)(3) regulation shortly, the regulation will not be ready for promulgation by January 1, 1979. Therefore, EPA will not implement and enforce Sections 6(e)(2) and 6(e)(3) until thirty days after promulgation of the regulation. Persons who have filed petitions for exemptions from the forthcoming Section 6(e)(3) prohibition on PCB manufacturing (including importation) may continue the activity for which exemption is sought until EPA has acted on the particular pending petition. The question of whether petitions may be filed on a class basis is expected to be addressed in the forthcoming Notice of Proposed Rulemaking concerning the exemption petitions.

Dated: December 26, 1978.

JOHN P. DEKANY,
Acting Assistant Administrator for Toxic Substances.

[FR Doc. 78-36361 Filed 12-29-78; 8:45 am]

[6560-01-M]

[FRL 1032-4]

RECEIPT OF ENVIRONMENTAL IMPACT STATEMENTS

President Carter's Reorganization Plan No. 1 (see President's Message of July 15, 1977) transferred certain functions from the Council on Environmental Quality (CEQ) to the Environmental Protection Agency (EPA). Some of these functions relate to operational duties associated with the administrative aspects of the environmental impact statement (EIS) process. In Memorandum of Agreement No. 1 entered into between CEQ and EPA, dated March 29, 1978, it was agreed that EPA would be the official recipient of EIS's and would publish the availability of each EIS received on a weekly basis. This is the duty formerly carried out by CEQ pursuant to Section 1500.11(c) of the CEQ Guidelines.

Review periods for draft and final EIS will be computed as follows: the 45 day review period for draft EIS's will be computed from the Friday following the week which is being reported; the 30 day wait period for final EIS's will be computed from the date of receipt of the EIS by EPA and commenting parties.

The following is a list of environmental impact statements received by the Environmental Protection Agency from December 18, 1978 through December 22, 1978; the date of submission of comments on draft EIS's as computed from December 29, 1978 is February 12, 1979.

Copies of individual statements are available for review from the originating agency. Back copies are also available at 10 cents per page from the Environmental Law Institute, 1346 Connecticut Avenue, Washington, D.C. 20036.

Dated: December 27, 1978.

THOMAS R. SHECKELLS,
Acting Director, Office of Federal Activities.

DEPARTMENT OF AGRICULTURE

Contact: Mr. Barry Flamm, Coordinator, Environmental Quality Activities, U.S. Department of Agriculture, Room 359A, Washington, D.C. 20250, 202-447-3965.

FOREST SERVICE

Draft

115KV Transmission Line, Troy to Mt. Vernon Mine Lincoln County, Montana, December 19: Proposed is the construction of a 115KV transmission line from Troy to Mt. Vernon Mine, Lincoln County, Montana. The proposed line would be approximately 17 miles long and, for the most part, would run north-south along the Lake Creek Valley. The applicant proposes to upgrade an existing 12.47KV line along part of the preferred route to 29.4KV and underbuild it on the proposed 115KV line. The total right-of-way width will vary from 30 ft. or 50 ft. depending on the pole structures used. (EIS ORDER No. 81346.)

U.S. ARMY CORPS OF ENGINEERS

Contact: Dr. C. Grant Ash, Office of Environmental Policy, Attn: DAEN-CWR P, Office of the Chief of Engineers, U.S. Army Corps of Engineers, 1000 Independence Avenue, SW., Washington, D.C. 20314, 202-693-6795.

Draft

Dickey-Lincoln School Lakes Project, several counties, Maine, New Hampshire, Vermont, December 18: Proposed is a multi-purpose project on the upper reaches of the St. John River, Aroostook County, Maine. The plan consists of 2 dams with associated reservoirs and hydroelectric generating facilities, 5 dikes and transmission facilities. The transmission facilities involve 365 miles of line extending from Maine, through New Hampshire, and into Vermont. The action also includes: (1) Construction of 3 substations and 12 microwave communication stations, and (2) expansion of 3 existing substations. This revised draft EIS replaces both a COE draft, No. 71083, dated 8/31/77 and a DOE draft, No. 80337, dated 4/6/78, on the Dickey-Lincoln Project. (NEW ENGLAND DIVISION.) (EIS ORDER No. 81339)

DEPARTMENT OF COMMERCE

Contact: Dr. Sidney R. Galler, Assistant Secretary for Environmental Affairs, Department of Commerce, Washington, D.C 20230, (202) 377-4335.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Final Supplement

Northwest Atlantic Mackerel, FMP 1979, December 22: This statement supplements a final EIS filed in May, 1978 and concerns the management unit for the plan, which is defined as all Atlantic mackerel under U.S. jurisdiction. The objectives of the plan are to: (1) increase domestic recreational and commercial catch; (2) maximize economy contribution; (3) maintain spawning stock size at or above 1978 size, (4) provide effi cient allocation of capital and labor; and (5) minimize cost of development, research, management and enforcement. Comments made by: EPA, DOS, DOI, CGD, State agency and Japan organization, university and individuals (EPA Order No. 81364).

DEPARTMENT OF DEFENSE, AIR FORCE

Contact: Col. Luis F. Dominguez, Department of the Air Force, Room 5D431, Pentagon, Washington, D.C. 20330, (202) 697 7799.

Draft

Pave Paws Radar System Operation, Otis AFB, Barnstable County, Mass., December 22: Proposed is the operation of the Pave Paws Radar System located at Otis Air Force Base, Barnstable County, Massachusetts. Pave Paws is a new surveillance and tracking radar and its primary purpose is to detect, track and provide early warning of sea-launched ballistic missiles. Also, Pave Paws will be used to assist the USAF space track system to track objects orbiting the