

students would be housed in suites. Therefore, the University has claimed that, in approving the grants, the Department had accepted the University's dormitory costs as fixed costs of the grants. Since the University's possible failure to serve sufficient migrant students is not a part of the audit determination, the University has contended that the Department's approval of its applications constitutes approval of the housing costs in question.

In the area of commuter meal costs (approximately \$4,000), the University has presented a recreation of data on the number of enrolled HEP students that, while not directly linked to meal charges, could explain some of the excess in meal charges that the audit determination attributes to commuters. Finally, University records do not adequately suggest how its sole migrant student recruiter spent his time between August of 1982 and January of 1983 when he was largely on a travel status. However the conclusion that both his salary and fringe benefits (\$7,034) and travel reimbursement (\$5,948) for that period be returned might be partially offset by the migrant student recruitment that apparently did occur during this five-month period.

Given each of these factors, the percentage of the claim the University has agreed to repay, and the cost of litigating the claim through the appeal process, the Department has determined that it would not be practical or in the public interest to continue this proceeding. Moreover, the Department is satisfied that since the University no longer operates a HEP program, the practices that resulted in the claim will not recur.

The public is invited to comment on the Department's intent to compromise this claim. Additional information may be obtained by writing to Richard B. Mellman, Esq., at the address given at the beginning of the notice.

(20 U.S.C. 1234a(f))

(Catalog of Federal Domestic Assistance No. 84-141 Migrant Education—High School Equivalency Program)

Dated: August 3, 1988.

Bruce M. Carnes,

Acting Deputy Under Secretary for Management.

[FR Doc. 88-17934 Filed 8-8-88; 8:45 am]

BILLING CODE 4000-01-M

## DEPARTMENT OF ENERGY

### Financial Assistance Award; Benedict College

AGENCY: Department of Energy.

**ACTION:** Notice of restriction of eligibility for grant award.

**SUMMARY:** DOE announces that it plans to award a grant to Benedict College to conduct an HBCU (Historically Black Colleges and Universities) regional workshop. The term of the grant will be for one year; DOE funding level is approximately \$44,902. Pursuant to § 600.7(b) of the Financial Assistance Rules, 10 CFR Part 600, DOE has determined that eligibility for this grant award shall be limited to Benedict College.

*Procurement Request Number:* 09-88SR18055.000.

*Project Scope:* Benedict College will conduct a workshop to inform HBCU's in the Southeastern United States of the opportunities available in the HBCU program. Invitations will be sent to approximately 59 HBCU's inviting each to send two (2) representatives. DOE funds will pay for travel and lodging for these representatives. The three-day workshop will be held in Augusta, GA. The objectives of the workshop are: (1) To increase participation of HBCU's in DOE's research and development activities in both nuclear and non-nuclear programs; (2) to develop long and short-term interactions between DOE and HBCU's; and (3) to implement the President's HBCU initiative.

Benedict College is a predominantly black institution located in Columbia, SC. The participation of Historically Black Colleges and Universities (HBCU's) in federally supported research, education and training is relatively limited. In order to overcome some of these limitations, the President's Executive Order 12320 directed federal agencies to increase the participation of HBCU's in federally-funded programs and to strengthen their capabilities to provide quality education. This award represents an effort to strengthen the HBCU community and provide the HBCU's within the Southeastern United States an opportunity to more fully understand the HBCU program.

DOE has determined that this award to Benedict College on a restricted eligibility basis is appropriate.

**FOR FURTHER INFORMATION CONTACT:** Ronald D. Simpson, Chief, Contracts and Procurement Branch, U.S. Department of Energy, Savannah River Operations Office, P.O. Box A, Aiken, SC 29802. Telephone: (803) 725-2096.

Issued in Aiken, SC, on July 25, 1988

P.W. Kaspar,

Manager, Savannah River Operations Office.

[FR Doc. 88-17868 Filed 8-8-88; 8:45 am]

BILLING CODE 6450-01-M

### Compliance with the National Environmental Policy Act (NEPA); Amendments to the DOE NEPA Guidelines

AGENCY: Department of Energy.

**ACTION:** Notice of proposed amendments to the Department of Energy's NEPA guidelines.

**SUMMARY:** The Department of Energy (DOE) proposes to amend section D of its NEPA guidelines by adding to its list of categorical exclusions the approval or disapproval of an import/export authorization for natural gas under Section 3 of the Natural Gas Act, in cases not involving new construction. A categorical exclusion is a class of DOE actions which normally does not require the preparation of either an environmental impact statement (EIS) or environmental assessment (EA). The DOE also proposes to change the classification in section D of approval or disapproval of an import/export authorization involving minor new construction from the type of actions normally requiring preparation of an EIS to the type of actions normally requiring preparation of an EA but not necessarily an EIS. Public comment is invited on these proposals. Pending final adoption or rejection of the proposed amendment, the Department of Energy will utilize the revised classifications for the approval/disapproval of import/export authorizations.

**DATE:** Comments by September 8, 1988.

**FOR FURTHER INFORMATION CONTACT:** Carol M. Borgstrom, Director, Office of NEPA Project Assistance, U.S. Department of Energy, 1000 Independence Avenue, SW., Room 3E-080, Washington, DC 20585, (202) 586-4600

William Dennison, Esq., Acting Assistant General Counsel for Environment, U.S. Department of Energy, 1000 Independence Avenue, SW., Room 6A-113, Washington, DC 20585, (202) 586-8947.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

On March 28, 1980, the Department of Energy (DOE) published in the Federal Register (45 FR 20695) final guidelines for implementing the procedural provisions of NEPA as required by the Council on Environmental Quality (CEQ) regulations (40 CFR 1500-1508). In accordance with these regulations, section D of the DOE guidelines lists three classes of agency action: (1) Those which normally require an environmental impact statement (EIS); (2) those which normally require an

environmental assessment (EA) but not necessarily an EIS and; (3) those which normally do not require either an EA or an EIS. This third class was identified pursuant to § 1507.3(b)(2)(ii) of the CEQ regulations and are termed "categorical exclusions." The CEQ regulations define a categorical exclusion as a "category of actions which do not individually or cumulatively have a significant effect on the human environment and for which, therefore, neither an environmental assessment nor an environmental impact statement is required." The regulations permit agency discretion, in that "an agency may decide in its procedures or otherwise to prepare environmental assessments even though it is not required to do so. Any procedures under this section shall provide for extraordinary circumstances in which a normally excluded action may have a significant environmental effect." The DOE NEPA guidelines state that "DOE may add actions to or remove actions from the categories in Section D based on experience gained during the implementation of the CEQ regulations and these guidelines." Pursuant to the guidelines, substantive revisions are to be published in the *Federal Register* and adopted only after opportunity for public review. The last amendments to section D were published in the *Federal Register* on December 15, 1987, concurrently with republication of the DOE's NEPA guidelines in their entirety.

#### B. Proposed Amendments

The DOE proposes to further amend section D of its guidelines by adding to the list of categorical exclusions in section D, the approval or disapproval of an import/export authorization for natural gas under Section 3 of the Natural Gas Act, in cases not involving new construction. In addition, the DOE proposes to change the classification in section D of approval or disapproval of an import/export authorization involving minor new construction from the type of actions normally requiring preparation of an EIS to the type of actions normally requiring preparation of an EA but not necessarily an EIS. This action is being taken because ten years of experience has shown that DOE's original estimate as to which actions would normally require preparation of an EIS or an EA was overly conservative. Normally, natural gas import/export approval actions involving minor new construction have not required the preparation of an EIS. Normally, actions in which no new construction is involved have not required the preparation of either an EA or an EIS. The proposed amendments to section D, therefore, would establish

categories that are appropriate for the type of action involved, consistent with DOE's experience.

The listing of certain classes of actions which are categorically excluded from NEPA only raises a presumption that any such actions will not significantly affect the quality of the human environment. For those circumstances where the DOE has reason to believe that a significant import could arise from the grant or denial of a specific natural gas import/export authorization, the DOE's NEPA guidelines provide that individual proposed actions will be reviewed to ascertain whether an EA or an EIS would be required for any individual action which is listed in Subpart D of the guidelines as categorically excluded from NEPA. Likewise, actions classified as normally requiring an EA but not necessarily an EIS will be evaluated on a case by case basis.

Currently, Section D of the DOE NEPA guidelines lists the approval/disapproval of a natural gas import/export license under Section 3 of the NGA in cases not involving new construction as an action which normally requires an EA. Where new construction is involved, Section D classifies the approval/disapproval of an import/export license for natural gas as the type of action which normally requires the preparation of an EIS.

During the more than ten years since the inception of the DOE in 1977, the ERA has granted 123 blanket import/export authorizations for short-term and spot market sales of natural gas and 61 authorizations for long-term natural gas import/export arrangements. In addition, 34 approval actions have been taken on applications for extension, amendment or reassignment of existing authorizations for a complete final case action total, as of May 31, 1988, of 218. Of this total, nine cases involved new construction and 209 did not. Each of the cases not involving new construction where individually examined and found not to have a significant effect on the human environment. Accordingly, based on this experience, the DOE has concluded that such actions or functions do not normally constitute major federal actions significantly affecting the quality of the human environment and should be added to the list of categorical exclusions in Section D of the DOE NEPA guidelines. Although under the proposed change, such actions will be presumed not to cause any significant direct or indirect environmental impact, this presumption does not foreclose an environmental review if unusual circumstances indicate that such an

action might, in a particular case, have a significant environmental impact.

This proposed change to section D will reduce the regulatory burden on persons wishing to import or export natural gas through existing facilities by eliminating environmental studies that are not warranted. It is noted in this regard that the Federal Energy Regulatory Commission (FERC) has recently included in the categorical exclusion category the sale, exchange and transportation of natural gas that does not involve the construction of new facilities and the approval of natural gas import/export sites in which no new construction is involved. See 18 CFR 380.4(a)(27) and (31) (52 FR 47897, December 17, 1987), as amended by 53 FR 8177, March 14, 1988.

The DOE also proposes to change the classification in Section D of its NEPA guidelines for approval actions on natural gas imports/exports that involve minor new construction. As stated above, DOE NEPA guidelines now provide that all natural gas import/export authorization approval actions involving new construction normally require preparation of an EIS. However, the DOE's experience over the past ten years reveals that of the nine cases which involved new construction, four required preparation of an EA, two required the preparation of an EIS, and three were terminated before any NEPA determination was made. Those cases which required preparation of an EA involved relatively minor new construction, such as construction of a short pipeline, adding new connections, looping or compression to an existing natural gas interstate pipeline, or converting an existing interstate oil pipeline to an interstate natural gas pipeline using the existing right-of-way. Conversely, the two cases which required preparation of an EIS involved in one case the construction of 36 miles of pipeline looping and a new gas-fired combined cycle powerplant, and in the other case, 257 miles of pipeline looping in five states plus related facilities. Accordingly, the DOE proposes to include natural gas import/export approval actions involving minor new construction in the category of actions in section D that normally require an EA but not necessarily an EIS.

If section D is amended, as proposed, approval actions that involve major pipeline construction, the construction of LNG terminals, regasification or storage facilities, or other related facilities; or the significant expansion of such facilities, pipelines, or LNG terminals would continue to be classified as actions normally requiring

an EIS. Thus, no change is being proposed for actions involving new construction of major industrial facilities or significant expansion of such facilities.

Comments concerning the proposed amendments to section D of the DOE's NEPA guidelines should be submitted to Ms. Carol M. Borgstrom at the address given above. Pending final adoption or rejection of the proposed action, the DOE will effect the proposed changes on an interim basis.

Issued in Washington, DC, on August 3, 1988.

Ernest C. Baynard, III,

Assistant Secretary, Environment, Safety and Health.

The DOE NEPA Guidelines are hereby amended in Section D with respect to natural gas actions and functions to read as follows:

**DOE NEPA Guidelines**

- Section A—[no change]
- Section B—[no change]
- Section C—[no change]
- Section D—[Typical Classes of Actions]

**CLASSES OF ACTIONS GENERALLY APPLICABLE TO AUTHORIZATIONS TO IMPORT/EXPORT NATURAL GAS PURSUANT TO SECTION 3 OF THE NATURAL GAS ACT**

Normally do not require EA's or EIS's	Normally requires EA's but not necessarily EIS's	Normally requires EIS's
Approval of new authorization or amendment of existing authorization which does not involve new construction but only requires operational changes, such as an increase in natural gas throughput, change in transportation or change in storage operations..	Approval or disapproval of an application involving minor new construction, such as a relatively short pipeline, adding new connections, looping or compression to an existing natural gas pipeline or converting an existing oil pipeline to a natural gas pipeline using the same right-of-way..	Approval or disapproval of an application involving major new natural gas pipeline construction or related facilities, such as construction of new liquid natural gas (LNG) terminals, regasification or storage facilities; or a significant expansion of an existing pipeline or related facility, or LNG terminal, regasification or storage facility.

[FR Doc. 88-17986 Filed 8-8-88; 8:45 am]  
BILLING CODE 6450-01-M

**Bonneville Power Administration**

[BPA File No. SCE-86M]

**Proposed Modification of Southern California Edison Formula Rate Schedule SC-86 and Opportunity for Public Review and Comment**

**AGENCY:** Bonneville Power Administration (BPA), DOE.

**ACTION:** Notice and request for comments. BPA requests in the process of modifying Southern California Edison Formula Rate Schedule SC-86 reference the file designation SCE-86M.

**SUMMARY:** BPA seeks to modify its existing Southern California Edison Contract Formula Rate Schedule by reopening and supplementing BPA's official record. This rate is available to the Southern California Edison Company (SCE or Edison) for the purchase of surplus firm power. The existing schedule, SC-86, approved in 1986 by the Federal Energy Regulatory Commission (FERC) for 20 years, defines a rate that is no longer useful for marketing BPA's surplus firm power in today's West Coast energy markets, and is no longer acceptable to SCE. BPA and SCE have negotiated a rate that escalates with SCE's alternate generation cost, i.e., the cost of natural gas and fuel oil. In addition, the proposed rate is bounded by floor and ceiling rates. The proposed rate will recover more revenues than BPA's alternative of sales in the economy energy markets over the term of the power sale.

**Responsible Official:** Shirley R. Melton, Director, Division of Contracts and Rates, is the official responsible for the modification of the SC-86 formula rate schedule.

**DATE:** Any interested person may submit written comments to BPA no later than 5 p.m., September 16, 1988, at the address listed below.

**ADDRESSES:** Written comments should be submitted to Ms. Jo Ann C. Scott, Public Involvement Manager, Bonneville Power Administration, P.O. Box 12999, Portland, Oregon 97212.

**FOR FURTHER INFORMATION CONTACT:** Mr. Wayne Sugai, Public Involvement Office, at the address listed above, 503-230-3478. Oregon callers outside Portland may use 800-452-8429; callers in California, Idaho, Montana, Nevada, Utah, Washington, and Wyoming may use 800-547-6048. Information may also be obtained from:

Mr. George E. Gwinnutt, Lower Columbia Area Manager, Suite 243, 1500 NE Irving Street, Portland, Oregon 97232, 503-230-4551.

Mr. Ladd Sutton, Eugene District Manager, Room 206, 211 East Seventh Avenue, Eugene, Oregon 97401, 503-687-6952.

Mr. Wayne R. Lee, Upper Columbia Area Manager, Room 581, West 920 Riverside Avenue, Spokane, Washington 99201, 509-456-2518.

Mr. George E. Eskridge, Montana District Manager, 800 Kensington, Missoula, Montana 59801, 406-326-3060.

Mr. Ronald K. Rodewald, Wenatchee District Manager, 301 Yakima Street, Room 307, Wenatchee, Washington 98801, 509-662-4377, extension 379.

Mr. Terry G. Esvelt, Puget Sound Area Manager, 201 Queen Anne Avenue, Suite 400, Seattle, Washington 98109, 206-442-4130.

Mr. Thomas V. Wagenhoffer, Snake River Area Manager, West 101 Poplar, Walla Walla, Washington 99382, 509-522-8228.

Mr. Robert N. Laffel, Idaho Falls District Manager, 531 Lomax Street, Idaho Falls, Idaho 83401, 208-523-2706.

Mr. Tom Blankenship, Boise District Manager, Room 494, 550 West Fort Street, Boise, Idaho 83724, 208-334-9137.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

**A. The Original SC-86 Contract Formula Rate Schedule**

**i. Proceedings Before BPA**

BPA's original SC-86 rate proposal was published in the *Federal Register* on March 31, 1986. See Proposed Southern California Edison Contract Rates and Opportunity for Public Review and Comment, 51 *Federal Register* 10911 (1986). This notice initiated an original agency proceeding under section 7(i) of the Pacific Northwest Electric Power Planning and Conservation Act [Northwest Power Act], 16 U.S.C. 839e(i). Subsequently, a prehearing conference was held before an independent hearing officer on April 8, 1986, at which time 13 intervenors were granted party status and a procedural schedule was established.

BPA's initial proposal included the written testimony and exhibits of its witness. Parties were afforded the opportunity to conduct discovery on BPA's rate proposal, and then filed direct and rebuttal testimony on April 28, 1986. Additional rebuttal testimony was filed by BPA on May 9, 1986. Cross-examination of all witnesses was conducted on May 14, 1986. The parties filed briefs on May 27, 1986. BPA issued a Draft Record of Decision on June 13, 1986. In response to the Draft Record of Decision, the parties presented oral arguments to the Administrator's designees on June 20, 1986.

Pursuant to section 7(i)(5) of the Northwest Power Act, 16 U.S.C. 839e(i)(5), the Administrator issued a final Record of Decision on July 10, 1986.