under this program by the deadline date in this notice. Eligible applicants that submitted their applications in a timely manner for the Star Schools program FY 2005 competition to the Department on or prior to the competition's original deadline date of May 9, 2005, are not required to re-submit their applications or re-apply in order to be considered for FY 2005 awards under this program. We encourage eligible applicants to submit their applications as soon as possible to avoid any problems with filing electronic applications on the last day. The deadline for submission of applications will not be extended any further.

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Dated: May 11, 2005.

Nina Shokraii Rees,

Assistant Deputy Secretary for Innovation and Improvement.

[FR Doc. 05–9728 Filed 5–13–05; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL05–108–000]

Longview Power, LLC, Complainant, v. Monongahela Power Company, Doing Business as Allegheny Power, and Allegheny Energy Supply Company, LLC, Respondents; Notice of Complaint and Request for Fast Track Processing

May 10, 2005.

Take notice that on May 9, 2005, Longview Power, LLC (Longview) filed a formal complaint against Monongahela Power Company, doing business as Allegheny Power, and Allegheny Energy Supply Company, LLC (collectively, Allegheny) pursuant to section 206 of the Federal Power Act, 16 U.S.C. 824e (2000), and Rule 206 of the Commission's Rules of Practice and Procedure, 18 CFR 385.206 (2004), alleging that Allegheny has violated the interconnection requirements of both the Commission and PJM Interconnection, L.L.C. (PJM). Longview has requested Fast Track Processing of the complaint pursuant to 18 CFR 385.206(h) (2004).

Longview certifies that a copy of the complaint was served on the contacts for Monongahela Power Company, Allegheny Energy Supply Company, LLC, and PJM, as listed on the Commission's list of Corporate Officials, and on the Public Service Commission of West Virginia.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondent's answer and all interventions, or protests must be filed on or before the comment date. The Respondent's answer, motions to intervene, and protest must be served on the Complainants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the ''eFiling'' link at *http://www.ferc.gov.* Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

This filing is accessible on-line at *http://www.ferc.gov,* using the ''eLibrary'' link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an ''eSubscription'' link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail *FERCOnlineSupport@ferc.gov,* or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Comment Date: 5 p.m. eastern time on May 31, 2005.

Linda Mitry,

Deputy Secretary.

[FR Doc. E5–2435 Filed 5–13–05; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. ER01–545–006, et al.]

Duke Energy Lee, LLC, et al. Electric Rate and Corporate Filings

May 10, 2005.

The following filings have been made with the Commission. The filings are listed in ascending order within each docket classification.

1. Duke Energy Lee, LLC

[Docket No. ER01–545–006]

Take notice that, on May 3, 2005, Duke Energy Lee, LLC (Duke Lee) submitted for filing revisions to its market-based rate tariff, designated as FERC Electric Tariff, Original Volume No. 1, to include the change in status reporting requirements adopted in *Reporting Requirement for Changes in Status For Public Utilities With Market-Based Rate Authority,* Order No. 652, 110 FERC ¶ 61,097 (2005).

Duke Lee states that copies of the filing were served upon the parties on the official service list in the Docket No. ER01–545–000.

Comment Date: 5 p.m. eastern time on May 24, 2005.

2. Hermiston Power Partnership, Zion Energy LLC, Auburndale Peaker Energy Center L.L.C.

[Docket Nos. ER02–1257–002, ER02–1319–002, and ER02–1633–002]

Take notice that on May 3, 2005, Hermiston Power Partnership; Zion Energy LLC; and Auburndale Peaker Energy Center L.L.C. submitted a joint triennial updated market power analysis and revised market-based rate schedules to incorporate: (1) the reporting requirements adopted by the Commission in Order No. 652, *Reporting Requirements for Changes in Status for Public Utilities with Market-Based Rate Authority,* 110 FERC ¶ 61,097 (2005), and (2) the required affiliates sales language pursuant to *Aquila, Inc.,* 101 FERC ¶ 61,331 (2002).

Comment Date: 5 p.m. eastern time on May 24, 2005.

3. Midwest Independent Transmission System Operator, Inc. PJM Interconnection, L.L.C.

[Docket No. ER04–375–021]

Take notice that on May 2, 2005 as amended on May 4, 2005, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and PJM Interconnection, L.L.C. (PJM), submitted revisions to the Joint Operating

Agreement between the Midwest ISO and PJM in compliance with the Commission's order issued March 3, 2005 in *Midwest Independent Transmission System Operator, Inc.,* 110 FERC ¶ 61,226 (2005).

Comment Date: 5 p.m. eastern time on May 23, 2005.

4. New York Independent System Operator, Inc.

[Docket Nos. ER04–449–007 and ER04–449–008]

Take notice that on February 28, 2005, the New York Transmission Owners and the New York Independent System Operator, Inc., submitted a schedule for the continuation of stakeholder discussions related to compliance with the Commission's order issued August 6, 2004, 108 FERC ¶ 61,159.

On April 29, 2005 the New York Independent System Operator, Inc., submitted an informational filing of work plan for deliverability analysis.

Comment Date: 5 p.m. eastern time on May 20, 2005.

5. New England Power Company

[Docket Nos. ER05–541–001, ER05–542–001, ER05–543–001, ER05–544–001, ER05–545–001, ER05–546–001, ER05–547–001, ER05–548–001, ER05–549–001, ER05–550–001, ER05–551–001, ER05–552–001, and ER05–553–001 (Not Consolidated)]

Take notice that on May 4, 2005, New England Power Company (NEP) submitted a filing in compliance with the Commission's April 4, 2005 letter order in the captioned dockets.

NEP states that a copy of this filing has been served upon all parties on the official service lists for the captioned dockets.

Comment Date: 5 p.m. eastern time on May 25, 2005.

6. Midwest Independent Transmission System Operator, Inc., Midwest Independent TransmissionSystem Operator, Inc., and PJM Interconnection, LLC, et al., Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, LLC, et al., Ameren Services Company, et al.

[Docket Nos. ER05–6–021, EL04–135–023, EL02–111–041, EL03–212–037]

Take notice that, on April 29, 2005, as amended on May 3, 2005, American Electric Power Service Corporation (on behalf of Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company), Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc., Dayton Power and Light Company and Dominion Virginia Power (collectively Companies) submitted for filing revisions to Attachments X and R of the PJM Interconnection, L.L.C.'s (PJM) Open Access Transmission Tariff, effective May 1, 2005.

The Companies state that a copy of this filing has been served on the official service list.

Comment Date: 5 p.m. eastern time on May 24, 2005.

7. South Carolina Electric & Gas Company

[Docket No. ER05–649–001]

Take notice that on May 3, 2005, South Carolina Electric & Gas Company submitted an amendment to its February 25, 2005 filing in Docket No. ER05–649–000 of revised tariff sheets reflecting the revisions to the *pro forma* Standard Large Generator Interconnection Procedures and Standard Large Generator Interconnection Agreement set out in Appendix B of Order No. 2003–B.

Comment Date: 5 p.m. eastern time on May 24, 2005.

8. California Independent System Operator Corporation

[Docket No. ER05–849–001]

Take notice that, on May 3, 2005, the California Independent System Operator Corporation (CAISO) submitted an Errata to its April 18, 2005, filing of Amendment No. 68 to the ISO Tariff. The CAISO states that the Amendment No. 68 relates to the self-supply of Station Power, either remotely or on-site, by Generating Units operating under the CAISO Tariff.

The CAISO states that it has served copies of this Amendment on the California Public Utilities Commission, the California Energy Commission, the California Electricity Oversight Board, all parties with effective Scheduling Coordinator Agreements under the ISO Tariff, and all parties on the service list maintained by the Secretary in Docket No. EL04–130.

Comment Date: 5 p.m. eastern time on May 24, 2005.

9. Florida Power Corporation

[Docket No. ER05–931–000]

Take notice that on May 3, 2005, Florida Power Corporation (Florida Power), submitted for filing cost support updates for its interchange service agreements pursuant to part 35 of the Commission's regulations. Florida Power also filed revised rate schedule sheets incorporating necessary rate changes reflecting the cost updates. Florida Powers states that the filing also updates the Real Power Loss Factors in the Open Access Transmission Tariffs of Florida Power and Carolina Power and Light Company. Florida Power requests an effective date of May 1, 2005.

Florida Power states that copies of the filing letter (which identifies the updated charges) have been served on the counter-parties to the interchange service agreements and the interested state utility commissions. Florida Power also states that the entire submittal has been posted on the Florida Power and Carolina Power & Light Company Web site at: *http://www.progress-energy.com*.

Comment Date: 5 p.m. eastern time on May 24, 2005.

10. Midwest Independent Transmission System Operator, Inc.

[Docket No. ER05–932–000]

Take notice that on May 2, 2005, as amended on May 3, 2005, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed proposed revisions to its Open Access Transmission and Energy Markets Tariff to clarify certain provisions of the Tariff.

Comment Date: 5 p.m. eastern time on May 23, 2005.

11. Midwest Independent Transmission System Operator, Inc.

[Docket No. ER05–933–000]

Take notice that on May 4, 2005, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) submitted an unexecuted Interconnection and Operating Agreement among Java, LLC, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. and the Midwest ISO. Midwest ISO requests an effective date of October 27, 2004.

Midwest ISO states that a copy of this filing was served on Java, LLC and Montana-Dakota Utilities Co.

Comment Date: 5 p.m. eastern time on May 25, 2005.

12. Kentucky Utilities Company

[Docket No. ER05–934–000]

Take notice that on May 3, 2005, Kentucky Utilities Company submitted for filing an Assignment, Assumption and Consent Agreement between Berea College, the City of Berea, Kentucky, and KU (Assignment Agreement). KU requests an effective date of July 2, 2005.

Comment Date: 5 p.m. eastern time on May 24, 2005.

13. Black Hills Power, Inc.

[Docket No. ER05–936–000]

Take notice that on May 4, 2005, Black Hills Power, Inc. (Black Hills Power) filed a notice of cancellation of

Black Hills Power and Light Company, FERC Electric Rate Schedule No. 31, which is on file with the Commission in Docket No. ER88–133–000. Black Hills Power requests an effective date of October 15, 2003.

Comment Date: 5 p.m. eastern time on May 25, 2005.

14. Oklahoma Gas and Electric Company

[Docket No. ER05–937–000]

Take notice that on May 4, 2005, Oklahoma Gas and Electric Company (OG&E) submitted an agreement for self-provision of losses between OG&E and Oklahoma Municipal Power Authority. OG&E requests an effective date of April 1, 2005.

OG&E states that copies of the filing were served upon Oklahoma Corporation Commission, the Southwest Power Pool, the Arkansas Public Service Commission, and the Oklahoma Municipal Power Authority.

Comment Date: 5 p.m. eastern time on May 25, 2005.

Standard Paragraph

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant and all parties to this proceeding.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the ''eFiling'' link at *http://www.ferc.gov*. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

This filing is accessible on-line at *http://www.ferc.gov*, using the ''eLibrary'' link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an ''eSubscription'' link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please e-mail *FERCOnlineSupport@ferc.gov*, or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Linda Mitry,

Deputy Secretary.

[FR Doc. E5–2437 Filed 5–13–05; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. PL 05–5–000]

Inquiry Regarding Income Tax Allowances; Policy Statement on Income Tax Allowances

(Issued May 4, 2005)

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell,
Joseph T. Kelliher, and
Suedeen G. Kelly

1. On December 2, 2004, the Commission issued a notice of inquiry regarding income tax allowances. The Commission asked interested parties to comment when, if ever, it is appropriate to provide an income tax allowance for partnerships or similar pass-through entities that hold interests in a regulated public utility. The Commission concludes that such an allowance should be permitted on all partnership interests, or similar legal interests, if the owner of that interest has an actual or potential income tax liability on the public utility income earned through the interest. This order serves the public because it allows rate recovery of the income tax liability attributable to regulated utility income, facilitates investment in public utility assets, and assures just and reasonable rates.

I. Background

2. The instant proceeding was initiated by the Commission in response to the U.S. Court of Appeals for the District of Columbia remand in *BP West Coast Products, LLC*, v. *FERC*,[1] in which the court held that the Commission had not justified the so-called *Lakehead* policy regarding the eligibility of partnerships for income tax allowances. The *Lakehead* case [2] held that a limited partnership would be permitted to include an income tax allowance in its rates equal to the proportion of its limited partnership interests owned by corporate partners, but could not include a tax allowance for its partnership interests that were not owned by corporations. Prior to *Lakehead*, the Commission's policy provided a limited partnership with an income tax allowance for all of its partnership interests, but did so in the context that most partnerships were owned by corporations. This ruling was not appealed until a series of orders involving SFPP, L.P. in the proceedings underlying the remand.[3] The Commission's rationales for permitting a tax allowance for corporate partner interests were (1) the double taxation of corporate earnings, (2) the equalization of returns between different types of publicly held interests, *i.e.* the stock of the corporate partner (which involves two layers of taxation of partnership earnings) and the limited partnership interests (which involve only one), and (3) encouraging capital formation and investment.

3. The court found all of these rationales unconvincing. First, the court rejected the double taxation rationale in *Lakehead*, concluding that (1) only the costs of the regulated entity may be recovered, and (2) taxes are but one cost paid by a corporate partner as part of its cost of doing business.[4] The court also rejected the rationale that the investor should be able to obtain the same returns without regard to which instrument the investor purchases. The court rejected this argument by noting that if any income tax allowance is provided, this benefits all investors holding instruments proportionately because the additional income is shared on a *pro rata* basis.[5] Given this *pro rata* distribution of income by the partnership, the court concluded that non-corporate partners would receive an excess rate of return.

4. Thus, while the double taxation function may affect the eventual return for the investor, the court made clear that this is a function of corporate structure and the attendant tax consequences, not the regulated utility's risk.[6] The court therefore concluded

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[1] *BP West Coast Products, LLC* v. *FERC*, 374 F.3d 1263 (D.C. Cir. 2004) *(BP West Coast), reh'g denied*, 2004 U.S. App. LEXIS 20976–98 (2004).

[2] *Lakehead Pipe Line Company, L.P.*, 71 FERC ¶ 61,388 (1995), *reh'g denied*, 75 FERC ¶ 61,181 (1996) (*Lakehead*).

[3] *Opinion No. 435* (86 FERC ¶ 61,022 (1999)), *Opinion No. 435-A* (91 FERC ¶ 61,135 (2000)), *Opinion No. 435-B* (96 FERC ¶ 61,281 (2001)), and an *Order on Clarification and Rehearing* (97 FERC ¶ 61,138 (2001)) (collectively the Opinion No. 435 orders.) These are now pending before the Commission on remand and rehearing in Docket Nos. OR92–8–000, *et al.*, and OR96–2–000, *et al.*, respectively.

[4] *BP West Coast* at 1288.

[5] *Id.* at 1292–93.

[6] In making a decision whether to buy a limited partnership interest (where only the unit holder's income is taxed), or a share of a corporate partner (where the corporate income is taxed as well), it should be the individual investor that makes the adjustment for the double taxation. The individual investor can do this by paying prices that equalize