

Barbara F. Young, 395-6132

VETERANS ADMINISTRATION

Agency Clearance Officer—R. C. Whitt—389-2282

New Forms

Pension Verification-Interview Worksheet

Annually

VA pensioners, 3,800 responses, 3,800 hours

Richard Eisinger, 395-3214

Stanley E. Morris,

Deputy Associate Director for Regulatory Policy and Reports Management.

[FR Doc. 79-30024 Filed 9-26-79, 8:45 am]

BILLING CODE 3110-01-M

PANAMA CANAL COMPANY/CANAL ZONE GOVERNMENT

Privacy Act of 1974; Systems of Records; Annual Publication

AGENCY: Panama Canal Company and Canal Zone Government.

ACTION: Interim Notice—Annual Publication of Systems of Record.

SUMMARY: The Panama Canal Company and the Canal Zone Government are required by the Privacy Act of 1974, 5 U.S.C. 552a(e)(4), to give annual notice in the *Federal Register* of the character and existence of the systems of records they maintain. The purpose of this notice is to advise the public that the systems of records of the Canal agencies, as they appeared in the "Privacy Act Issuances—1978 Compilation, volume IV, page 521" published by the Office of the Federal Register, and the recently established system, Personnel Information System, PCC-CZG/PR-7, as published at 44 FR 42829-42830, July 20, 1979, will remain in effect until full-text publication of the revised systems can be accomplished. (The Canal agencies last published the full text of descriptions of their systems of records in the *Federal Register* of September 22, 1977 (42 FR 48182-48227).) As a result of the reorganization of the Canal agencies upon entry into force of the Panama Canal Treaty of 1977 and related agreements on October 1, 1979, it is expected that the nature and number of systems maintained and the number of individuals on whom records are maintained by the Canal agencies will change significantly. Publication of revised systems by the New Panama

Canal Commission (the new United States agency that will replace the present Canal agencies under the terms of the treaty) is expected to be accomplished by December 31, 1979.

FOR FURTHER INFORMATION CONTACT: Mrs. Hazel M. Murdock, Assistant to the Secretary, Panama Canal Company, Room 312, Pennsylvania Building, 425 13th Street N.W., Washington, D.C. 20004. (Telephone: 202-724-0104.)

SUPPLEMENTARY INFORMATION: The Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama will take effect on October 1, 1979. On that date, the Canal Zone Government will cease operations on the Isthmus of Panama and, under the terms of proposed legislation to implement the Treaty, the Panama Canal Company will be replaced by a new United States agency, the Panama Canal Commission. By the terms of the treaty, the Commission will be precluded from performing many significant functions of the existing Canal agencies. Some of these functions will be transferred to Panamanian administration. Several of the services now provided by the Canal Zone Government (CZG), such as schools and medical facilities, will be provided after the treaty's effect by other United States agencies, such as the Department of Defense. The impact of this organizational change is significant since sixty-nine (52%) of the Canal agencies' present systems of records are maintained in support of Canal Zone Government functions. The curtailment or discontinuance of other operations presently performed by the Canal agencies, with an accompanying 40% reduction in the total workforce, will also affect the number of systems of records maintained and the number of individuals on whom records are maintained by the new Canal agency.

Dated: September 27, 1979.

Clarence C. Payne,

Acting Administrative Assistant to the Governor-President.

[FR Doc. 79-30034 Filed 9-26-79, 8:45 am]

BILLING CODE 3540-01-M

TENNESSEE VALLEY AUTHORITY

Public Utility Regulatory Policies Act of 1978, Tennessee Valley Authority Act of 1933; Determinations on Service Practice Standards

AGENCY: Tennessee Valley Authority (TVA).

NOTICE: Notice of Determinations on service practice standards considered by the TVA Board

SUMMARY: The TVA Board has made its determinations on the service practice standards set out in the notice published in the *Federal Register* on January 11, 1979 (44 FR 2448) and the notice of proposed determinations set out in the *Federal Register* on July 6, 1979 (44 FR 39686). The standards considered include those listed in section 113 of the Public Utility Regulatory Policies Act of 1978 (Pub. L. 95-617), and other service practices affecting consumers of TVA power. The TVA Board considered the standards on the basis of their effect on conservation of energy, efficient use of facilities and resources, and equity among electrical consumers, and the objectives and requirements of the TVA Act.

DATES: The standards adopted by the TVA Board for TVA and the distributors of TVA power are effective as of October 1, 1979.

FOR FURTHER INFORMATION CONTACT: Dawn S. Ford, Tennessee Valley Authority, 400 Commerce Avenue, E12A2, Knoxville, Tennessee 37902, (615) 632-4402.

SUPPLEMENTAL INFORMATION: Of the standards considered, the Public Utility Regulatory Policies Act of 1978 (Pub. L. 95-617) (PUPPA) required that TVA consider standards 1-5. Standards 6-8 involve either provisions presently contained in the wholesale power contracts between TVA and the distributors of TVA power or generally included in individual distributors' Schedule of Rules and Regulations attached to the wholesale power contracts. Standard 9 was a new consideration.

Data, views, and comments were requested from the public as to the need and desirability of changes in the service practices affecting TVA consumers with respect to each of the nine standards. Public hearings, with both morning and evening sessions, were conducted at seven locations throughout the area in which TVA and the distributors serve. In addition to the notice in the *Federal Register* on January 11, 1979, which described the standards, news releases describing the standards and providing information as to the time and location of the hearings were furnished to the news media throughout the region. Also, advertising providing notification of the hearings and the standards being considered was placed in newspapers in the vicinity of each of the hearings. Arrangements were made at TVA expense with seven law firms for service as public counsel to represent the interests of consumers who otherwise could not afford to participate effectively in the hearings.

¹ Privacy Act Issuances, 1978 Compilation, volume IV, may be ordered through the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 the cost of the volume is \$10.50

Prior to the hearings, a Statement of the TVA Office of Power Staff, which described how the nine standards would apply to the TVA system and evaluated the standards in light of available data, was prepared and made available to the public.

Attendance at the public hearings totaled about 1,000 people, with nearly 200 speaking. In addition, considerable written data and information were submitted for consideration. Copies of verbatim transcripts of the public hearings and written materials submitted, totaling more than 9,000 pages, were made available for public use. These verbatim transcripts of the public hearings were placed in 26 public libraries throughout the region, in the eight TVA offices identified in the January 11, 1979 *Federal Register* notice, and in the principal offices of the 160 municipal and cooperative distributors of TVA power.

TVA's consideration of, and the determinations concerning, the nine service practice standards were carried out pursuant to the provisions of PURPA, under which TVA is identified as the regulatory authority for electric utilities over which TVA has ratemaking authority, and the Tennessee Valley Authority Act of 1933, 48 Stat. 58, *as amended*, 16 U.S.C. §§ 831-831dd (1976). After consideration of the comments and materials received in connection with public hearings on the standards, TVA developed proposed determinations which were set out in a notice in the *Federal Register* on July 6, 1979 (44 FR 39686). Comments were invited on the proposed determinations. Following review of public comments on the proposed determinations and further consideration, the TVA Board made final determinations as to the standards and whether they should be adopted for TVA and the distributors of TVA power. Comments received from the public on the proposed determinations and these determinations will be placed at those locations where the Transcript of Public Hearings has been made available for public use. (See 44 FR 2448.)

Determinations

The TVA Board has considered for adoption for itself and the distributors of TVA power nine service practice standards. The Board has determined that its consideration of the standards, and the determinations being made with respect thereto, are in accord with the provisions of the Tennessee Valley Authority Act of 1933 and the Public Utility Regulatory Policies Act of 1978. The first five standards are those set out in PURPA while the remaining four standards, which involve other service

practices affecting consumers of TVA power, are being considered by the Board under the provisions of the TVA Act.

The nine standards have been considered in light of the record developed during proceedings on the standards. The Board recognizes the importance of and concurs in the purposes of conservation of electrical energy, efficiency in the use of facilities and resources, and equitable rates as described in PURPA. These purposes were considered in reaching the determinations below. The Board also took into account the objectives and requirements of the TVA Act. In making its determinations the Board recognizes the many diverse conditions affecting the distribution of electric power in the region served by TVA. The Board is aware of the wide range of opinions and diversity of views expressed during the hearings.

As demonstrated by the data and information contained in the record, there is a great variety of conditions prevailing in the TVA region that can significantly affect the need for an effect of various service practices. Not only do conditions frequently differ between local distribution systems but there are often significant variations of conditions within individual systems. Among the factors that can cause such variations are the number of customers served (TVA distributors range in size from a few hundred customers to a quarter of a million), whether service principally involves rural or urban consumers, differing social and economic conditions, and differences in consumers' usage of electric power depending on the reliance on electricity for heating or cooling and the availability of alternative energy sources.

The determinations of the Board as to the standards reflect the recognition of such varying conditions and the initiative and ability individual distributors have demonstrated in dealing with these conditions. In some instances, it was therefore determined that the prescribed standards were not appropriate or needed. The adopted standards, to the extent practicable, are general in nature so as to permit local distributor managements to achieve the best match of service and consumer needs consistent with the desired purposes. TVA will negotiate with distributors appropriate amendments to the power contract implementing the adopted standards.

TVA is interested in seeing how well the adopted standards work as they are implemented on the systems of individual distributors and how

effective they are in carrying out the intended purposes. The Board will continue to actively review service practices in the region as data and information are developed and new problems arise.

The Board's determinations follow.

Standard 1—Master Metering

I. Standard Under Consideration

(1) *Master metering.* To the extent determined appropriate, master metering of electric service in the case of new buildings shall be prohibited or restricted to the extent necessary to carry out the purposes of Title I of the Public Utility Regulatory Policies Act of 1978 (Pub. L. 95-617). Separate metering shall be determined appropriate for any new building if—

(a) There is more than one unit in such building;

(b) The occupant of each such unit has control over a portion of the electric energy used in such unit; and

(c) With respect to such portion of electric energy used in such unit, the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.

II. Observations

The TVA Board believes that it is important that individual occupants be made to feel a responsibility for electric energy use in the units they occupy. However, information in the record indicates that in the TVA region the standard would not be particularly effective for achieving such response. One factor is the strong trend that has developed against the use of master metering. Individual metering is normally provided in construction of new multiunit residential buildings. The only significant exception is in the case of public housing. Individual metering is not cost effective in public housing where individual occupants pay rental charges, which cover utility services, based on the occupant's income rather than the consumption of services.

Part of the provisions of the standard which was considered are currently being met through requirements of Energy Conservation Codes for new construction. These codes have recently been adopted by a number of the States in the area served by TVA, and a majority of the consumers receiving TVA power are in these States. The codes in general require that, in all multifamily dwellings, provision shall be made to determine the energy consumed by each tenant by separately metering individual dwelling units. To the extent that such requirements lead to conservation of energy use, it is already accomplished through the application of the codes.

It is also recognized that there are possibilities for long-run energy-saving benefits to consumers through use of more efficient central equipment, renewable energy resources, and load management schemes. It is clearly not in the consumer's interest to require individual metering which could preclude the use of any such advantageous measures.

While the application of the standard in some cases would probably promote conservation of energy and efficient use of facilities, on balance the adoption of the standard would appear to be of marginal benefit in helping to achieve such purposes from an overall standpoint. With the strong trend toward voluntary application of metering of individual units and the need to retain flexibility to ensure that the most cost-effective measures are followed, the standard is not considered necessary or appropriate for the TVA area at this time.

Those commenting were in favor of the proposed determination as set out in the Federal Register (44 FR 39688) that the adoption of the standard is not considered necessary or appropriate.

III. Determination by the TVA Board

Adoption of the standard is not considered necessary or appropriate.

Standard 2—Automatic Adjustment Clauses

I. Standard Under Consideration

(2) *Automatic adjustment clauses.* No rate may be increased pursuant to an automatic adjustment clause unless it makes the following requirements:

(a) Such clause is determined, not less often than every four years, by TVA, after an evidentiary hearing, to provide incentives for efficient use of resources (including incentives for economical purchase and use of fuel and electrical energy) and

(b) Such clause is reviewed not less often than every two years, by TVA, to ensure the maximum economies in those operations and purchases which affect the rates to which such clause applies. In making such review TVA shall examine and, if appropriate, cause to be audited its practices relating to costs subject to an automatic adjustment clause and shall require such reports as may be necessary to carry out such review (including disclosure of any ownership or corporate relationship between TVA and sellers to it of fuel, electric energy, or other items).

The term "automatic adjustment clause" means a provision of a rate schedule which provides for increases or decreases (or both), without prior hearing, in rates reflecting increases or decreases (or both) in costs incurred by TVA or the distributors of TVA power. Such term does not include an interim rate which takes effect subject to a later determination of the appropriate amount of the rate.

II. Observations

Under the TVA Act, TVA establishes (1) the rates for electricity sold to all of the distributors of TVA power and to all customers served directly by TVA and (2) the resale rates applicable for all electricity sold by the distributors. The use of automatic adjustment clauses as a part of such rates has been discontinued by TVA. Adoption of the standard in the TVA area would not serve to carry out the purposes of PURPA. Of those commenting, most favored the proposed determination as set out in the Federal Register (44 FR 39688) that the adoption of the standard is not considered necessary or appropriate.

III. Determination by the TVA Board

Adoption of the standard is not considered necessary or appropriate.

Standard 3—Information to Consumers

I. Standard Under Consideration

(3) *Information to consumers.* TVA and the distributors of TVA power shall transmit to each of their electric consumers the following information regarding rate schedules:

(a) A clear and concise explanation of the existing rate schedule and any rate schedule applied for or proposed applicable to such consumer. Such statement shall be transmitted to each such consumer—

(i) Not later than 60 days after the date of commencement of service to such consumer or 90 days after this standard is adopted, whichever last occurs; and

(ii) Not later than 30 days (60 days in the case of a bimonthly billing system) after application for or proposal of any change in a rate schedule applicable to such consumer.

(b) Each electric consumer shall be given not less frequently than once each year

(i) A clear and concise summary of the existing rate schedules applicable to each of the major classes of electric consumers for which there is a separate rate and

(ii) An identification of any classes whose rates are not summarized.

Such summary may be transmitted together with such consumer's billing or in such other manner as TVA or the distributor deems appropriate.

(c) On request an electric consumer shall be given a clear and concise statement of the actual consumption (or degree-day adjusted consumption) of electric energy by such consumer for each billing period during the prior year (unless such consumption data is not reasonably ascertainable).

II. Observations

In a period of higher cost energy and public awareness, it is important that distributors take reasonable, positive actions to inform customers about such important matters as rates and service practice policies. Informed customers are better able to respond to changes in rates and act in their own interest and in the interest of all customers. A body of

informed customers is clearly a desirable goal in the face of the long-run rise in energy costs and the obvious possibility of energy shortages. Distributors are demonstrating an increasing awareness of the need to see that such information is available to consumers and the importance of furnishing it in the most cost-effective manner.

The availability of information about rates, consumption, and service practice policies is considered to be effective in helping customers achieve conservation of energy, the efficient use of facilities and resources, and equity among consumers. However, it is important from the customer's standpoint that such benefits be achieved as economically as possible. As indicated throughout the record, the mandatory requirements for transmitting information to each customer would result in little if any additional benefits while creating considerable additional cost. Based on information and data in the record, such provisions for the mandatory transmittal of information to all customers are not considered effective for achieving the purposes set out in PURPA and are not considered appropriate for adoption in the TVA area.

It is essential that the most effective means be used to provide information to consumers that will encourage conservation of energy. TVA expects to work closely with distributors in using present means, as well as developing more effective methods, of reaching consumers with information that will achieve such purposes.

The notice in the Federal Register proposed revisions, as set out at 44 FR 39689, of the standard under consideration and adoption of the revised standard. With a few exceptions, all those commenting favored the proposed determination.

III. Determination by the TVA Board

The standard under consideration is revised and adopted as follows:

Information to Consumers

Distributors shall reasonably inform customers about rates and service practice policies by making such information available upon application for service and at any other time upon request.

Distributor, on request, shall provide a statement of the monthly consumption for the prior 12 months if it is reasonably ascertainable.

Distributor, as it determines appropriate, shall utilize channels such as mail, newsletter, newspaper, radio, and television to inform customers about rates and service policies.

* * * * *

Each distributor shall, upon notice and opportunity for comment, develop and file with TVA within 60 days of the effective date of this standard an information service policy, which takes into account the considerations set out in the observations above, consistent with local circumstances.

Standard 4—Procedures for Termination of Electric Service

I. Standard Under Consideration

(4) *Procedures for termination of electric service.* Electric service to any Electric consumer may not be terminated except pursuant to procedures which provide that

(a) Reasonable prior notice (including notice of rights and remedies) is given to such consumer and such consumer has a reasonable opportunity to dispute the reasons for such termination and

(b) During any period when termination of service to an electric consumer would be especially dangerous to health, as determined by TVA, and such consumer establishes that

(i) He is unable to pay for such service in accordance with the requirements of the billing or

(ii) He is able to pay for such service but only in installments
such service may not be terminated.

Such procedures shall take into account the need to include reasonable provisions for elderly and handicapped consumers.

II. Observations

The importance of electricity to the well-being and health of individual consumers in the region in which TVA power is made available is widely understood. Termination of service for any reason is considered a matter of serious concern by TVA, distributors, and customers.

Several organizations commenting on the proposed determination on behalf of consumers advocated adoption of a standard containing detailed provisions specifically covering matters such as limitations on terminations, deferred payments of bills, and procedures to be followed. They felt that consumers would not fully understand their rights and the procedures available to them. It was suggested that a more detailed standard is necessary to ensure that customers will not be abused by distributors' termination procedures. Concern was expressed over terminations of electric service, particularly for the elderly and ill, during the winter months. Some suggested that the standard should prohibit termination during winter months, while one comment recommended that it provide for no termination when temperatures were below 32 degrees Fahrenheit. It was also suggested that a standard should require that, when service is in a landlord's

name, a termination notice should also be sent to the tenant.

The Board shares the concern that there be no abuse of ultimate consumers through the termination procedures of individual distributors. It is recognized, however, that circumstances and conditions affecting individual distributor systems vary considerably, demonstrating a need for each system to have flexibility in developing procedures for terminating service appropriate for that system. After consideration of the various views expressed and in light of the progress which distributors have made in developing reasonable termination policies reflecting humane concerns, the Board is of the opinion that a generalized standard, in contrast to a more detailed one, should be adopted. Consumer interests will be recognized as individual distributors, within the framework of this standard, develop specific termination policies reflecting local circumstances and conditions. In all circumstances, distributors are to satisfy due process and other legal requirements in terminating service to customers. Procedures must provide for adequate notice and opportunity for consideration of disputed bills.

While the Board is concerned as to health risks associated with termination during severe weather conditions and believes that distributors should give special consideration to termination of service during such periods, it does not believe that it would be in the overall best interest of consumers for the standard to require a moratorium on termination. In reaching this conclusion, the Board is aware of information in the record concerning the loss of Crisis Intervention Program funds in States with such moratoriums. It also recognizes the problems of accumulated bills which electric systems and consumers have experienced in other regions as a result of moratoriums. Recognizing the restraint demonstrated by most distributors in applying termination procedures, the Board believes it is unnecessary and undesirable to have the standard require a moratorium on terminations that would lead to such problems.

In the development of individual distributor service policies for termination of service, the following considerations must be taken into account.

(1) In establishing the amount of time that it considers to be reasonable notice for each class of service, each distributor should recognize the delays that frequently are now incurred in receiving mailings as well as the difficulties of taking immediate steps to

avoid terminations because of the work schedules of the customers or where elderly individuals or illness is involved.

(2) Notification on the customer's bill is not considered adequate for satisfying the requirement for a reasonable prior written notice under the adopted standard.

(3) Distributors are expected to consider the desirability of establishing, as part of termination procedures, efforts to actually contact customers prior to termination. Inasmuch as some customers are unable for health or other reasons to effectively respond to notice of termination, distributors are urged to include provisions permitting third-party notifications.

(4) In the case of tenants whose electric service is in the landlord's name, notification of termination of service should also be sent to the tenant(s) who may have far more interest in continuity of service than the landlord.

(5) All distributors are urged to consider the plight of consumers without electric service in severe weather as they develop and apply termination policies. In particular, they are urged to provide for deferred payment of power bills when termination would threaten health and the consumer is unable to pay except in installments. Programs at the Federal and State levels are available to help provide funds and other assistance in customer hardship situations. TVA will be working with distributors in placing greater emphasis on such programs, in helping to see that they are available for customer use, and in seeing that customers have knowledge of the availability.

The notice in the Federal Register proposed revisions, as set out at 44 FR 39689, of the standard under consideration and adoption of the revised standard.

III. Determination by the TVA Board

The standard under consideration is revised and adopted as follows:

Procedures for Termination of Electric Service. Service may not be terminated for nonpayment of a bill except after affording the affected customer due process. Reasonable prior written notice (including notice of available rights and remedies) shall be given before termination for nonpayment.

Each distributor shall, upon notice and opportunity for comment, develop and file with TVA within 60 days of the adoption of this standard a termination of service policy, which takes into account the considerations set out in the observations above consistent with local circumstances.

Standard 5—Advertising**I. Standard Under Consideration**

(5) *Advertising.* Neither TVA nor the distributors of TVA power may recover from any person other than their shareholders (or other owners) any direct or indirect expenditure for promotional or political advertising.

(a) The term "advertising" means the commercial use of any media, including newspaper, printed matter, radio, and television, in order to transmit a message to a substantial number of members of the public or to electric consumers.

(b) The term "political advertising" means any advertising for the purpose of influencing public opinion with respect to legislative, administrative, or electoral matters, or with respect to any controversial issue of public importance.

(c) The term "promotional advertising" means any advertising for the purpose of encouraging any person to select or use electric service or additional electric service or the selection or installation of any appliance or equipment designed to use electric service.

(d) The terms "political advertising" and "promotional advertising" do not include

(i) Advertising which informs electric consumers how they can conserve energy or can reduce peak demand for electric energy;

(ii) Advertising required by law or regulation, including advertising required under part 1 of Title II of the National Energy Conservation Policy Act;

(iii) Advertising regarding service interruptions, safety measures, or emergency conditions;

(iv) Advertising concerning employment opportunities;

(v) Advertising which promotes the use of energy efficient appliances, equipment, or service; or

(vi) Any explanation or justification of existing or proposed rate schedules or notifications of hearings thereon.

II. Observations

Advertising by TVA and the distributors of TVA power is presently used to encourage and emphasize the need for conservation through efficient use of electricity and is not now used to increase sales. TVA does not engage in political advertising, and provisions of the wholesale power contracts specifying the purposes for which revenues from the sale of power can be spent prevent the distributors from engaging in political advertising. Similarly, promotional advertising to promote the increased sale of electricity is considered an inappropriate use of power revenue. The standard would not appear to further the purposes of PURPA with respect to TVA or the distributors and is not considered necessary or appropriate for adoption.

Of those commenting, most favored the proposed determination as set out in the Federal Register (44 FR 39690) that

the adoption of the standard is not considered necessary or appropriate.

III. Determination by the TVA Board

Adoption of the standard is not considered necessary or appropriate.

Standard 6—Deposit**I. Standard Under Consideration**

(6) *Deposit.* A deposit or suitable guarantee approximately equal to twice the average monthly bill may be required of any Customer before electric service is supplied. Distributor may at its option return deposit to Customer after one year. Upon termination of service, deposit may be applied by Distributor against unpaid bills of Customer, and if any balance remains after such application is made, said balance shall be refunded to Customer.

II. Observations

The record contains information on the role of security deposits in helping reduce bad debt losses, and thereby protecting the mass of customers who pay their bills from unfairly having to pay for those who do not. There were comments that noted the frequent failure of new businesses, the sudden bankruptcy of established firms after years of good payment, and that residential customers sometimes owe for two months of service before it becomes apparent that payment will not be made.

However, there are also a number of comments in the record in opposition to security deposits. Some consider deposits to be an unfair burden for many consumers and that they should be waived for the poor and elderly. It was also suggested by some opposed to deposits that they did not find any correlation between deposits and bad debt losses resulting from failure to pay power bills. There was also objection to deposits on the basis that bad debt losses are an insignificant percentage of revenue.

There were comments that the size of deposits should be limited and the record shows that some consumers may be temporarily unable to obtain service unless they are allowed to pay their deposits in installments. On the other hand, data and information were submitted for the record for the purpose of showing the logic of permitting distributors to require deposit amounts of up to twice the average monthly bill, especially in the case of consumers with poor credit ratings. The distributors commented that they needed flexibility in order to meet local needs.

The record indicated that the prevailing practice throughout the nation is to require that interest be paid on consumer deposit balances. Some

argued that unless interest is paid the consumer is deprived of the use of his money without direct compensation. Also, security deposits can be used to meet a part of the distributor's capital requirements. On the other hand, the payment of interest increases administrative and accounting costs which are borne by the consumers. The record also indicates that some distributors require such small deposits that these handling costs could be prohibitive. The Board also recognizes that a portion of distributor administrative cost is associated with receiving and maintaining records on deposits and that such costs under certain circumstances could exceed interest earned on retained deposits for several months.

The Board understands both the need for local flexibility on the one hand and consumer objections to deposits and consumer arguments that deposits should earn interest on the other hand. The Board is also aware of distributor objections to mandatory payment of interest despite the prevailing national practice of requiring the payment of interest on utility deposits. The Board finds that the record supports the need for the collection of deposits under specified conditions as well as a requirement that interest payments should be required on any deposit kept after a specified period to time. The Board has concluded that deposits can serve to help reduce bad debt losses, thereby helping to protect paying customers from having to pay for those who do not pay. However, the Board also has concluded that it is unfair to customers for deposits equivalent to more than one month's average bill to be retained for an extended time with no interest being paid.

On balance, the Board is persuaded that local flexibility combined with interest rates on deposits is the proper approach. In recognition of the various conditions and circumstances affecting individual systems, it is felt that distributors should have flexibility to require or not to require deposits, to determine the size of and retention period of deposits, and to determine whether interest should be paid on deposits during the first several months of retention.

At the same time, provision for interest rates on deposits held for more than six months should provide encouragement for the refunding at the earliest practical date of deposits no longer considered necessary. However, when such deposits are retained for more than six months consumers would be compensated for the use of their

funds on deposit. After consultation with distributors and others, TVA will inform distributors annually of the interest rate to be applied during each year beginning July 1.

In establishing individual distributor policies, the following considerations must be taken into account:

(1) Deposits collected on the basis of race, color, creed, sex, national origin, or marital status are inappropriate.

(2) The size of deposits should be held to reasonable levels and distributors are urged to make provisions for installment payments for those who might otherwise be denied service.

The notice in the Federal Register proposed revisions, as set out at 44 FR 39690, of the standard under consideration and adoption of the revised standard.

III. Determination by the TVA Board

The standard under consideration is revised and adopted.

Deposit. A reasonable deposit may be required of any Customer. In cases of hardship of residential customers, distributor may accept installment payment of deposits. All deposits greater than one month's average bill and retained longer than 6 months shall earn interest at a rate to be specified by TVA from time to time after consultation with distributors and others. Such earned interest shall be paid, or credited against power bill(s), at least annually.

Each distributor shall, upon notice and opportunity for comment, develop and file with TVA within 60 days of the adoption of this standard a deposit policy, which takes into account the considerations set out in the observations above, consistent with local circumstances.

Standard 7—Connection, Reconnection, and Disconnection Charges

I. Standard Under Consideration

(7) **Connection, reconnection, and disconnection charges.** Distributor may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting or reconnecting service, or disconnecting service as provided above. Higher charges may be established and collected when connections and reconnections are performed after normal office hours or when special circumstances warrant.

II. Observations

The record indicates that there are relatively few problems with connection, reconnection, and disconnection charges as they are being applied by distributors. The record indicates that some individuals have difficulties in paying such charges. The

Board believes that individual distributors can help alleviate the difficulties of this small number of persons without adopting a mandatory standard containing such requirements. The Board further recognizes that, as shown in the record, because of a diversity of conditions prevailing throughout the Tennessee Valley area and from system to system, individual distributors are in the best position to establish the charges, if any, which are appropriate.

The majority of those commenting favored the proposed determination as set out in the Federal Register (44 FR 39690) that adoption of a new standard is not considered necessary.

III. Determination by the TVA Board

Adoption of a new standard is not considered necessary.

Standard 8—Billing

I. Standard Under Consideration

(8) **Billing.** Bills will be rendered monthly and shall be paid at the office of Distributor or at other locations designated by Distributor. Failure to receive bill will not release Customer from payment obligation. Should bills not be paid by due date specified on bill, Distributor may at any time thereafter, upon five (5) days' written notice to Customer, discontinue service. Bills paid after due date specified on bill may be subject to additional charges. Should the due date of bill fall on a Sunday or holiday, the business day next following the due date will be held as a day of grace for delivery of payment. Remittances received by mail after the due date will not be subject to such additional charges if the incoming envelope bears the United States Postal Service date stamp of the due date or any date prior thereto.

Distributor shall designate in its standard policy a period of not less than 10 days nor more than 20 days after date of the bill during which period the bill is payable as computed by application of the charges for service under the appropriate resale schedule and shall further designate in said policy the percentage or percentages, if any, not to exceed 10 percent of the bill, computed as above provided, which will be added to the bill as additional charges for payment after the period so designated.

II. Observations

Data and information in the record show that timely receipt of revenues is needed by distributors to meet expenses and to avoid incurring additional cost. At the same time as electric rates continue to increase, many customers, particularly those with low or fixed income, are having more difficulty making timely payments of power bills.

The record indicates that distributors are sensitive to the need to reach an appropriate balance between these two compelling factors. In this regard,

distributors are tending toward lengthening the net payment period (from previous limits of 10 days) and reducing the late payment charge (from previous levels of 10 percent). The offering by many distributors of special counseling in hardship cases (referral to public assistance agencies, installment payments, etc.) is proving effective in helping customers deal with payment problems. While it is considered appropriate to adopt a standard containing certain limits, it is recognized as shown in the record, that distributors need the flexibility to reflect individual system conditions in establishing billing policies. Considerable data and information as to an appropriate period for net payment of residential bills were provided in the record. The record indicates that the time required to read meters and prepare and deliver bills is such that the customer's bill in some cases covers electricity consumed considerably more than a month before receipt of the bill and even longer before the due date of the bill. As the record further shows, if the net payment period were to be extended much beyond 15 days, this would cause considerable billing problems and customer confusion resulting from overlaps of a notice of termination for nonpayment for one month's bill with the bill for the following month. After consideration of these circumstances, it appears appropriate that the standard provide a net payment period of at least 15 days. Although some have suggested substantially longer periods to pay, it seems likely that this would only tend to cause some customers to accumulate larger amounts in arrears making eventual payment even more difficult. It is also apparent that longer payment periods result in additional cost that must be recovered from paying customers. Such costs include increased administrative expense, bad debt, and cost of money due to delayed cash flow.

There were numerous objections to late payment charges in the record, especially late payment charges of 10 percent. In addition it was noted that late payment charges as high as 10 percent applied to today's higher bills may produce more revenue than the costs associated with late payments. Many advocated late payment charges of no more than 1½ percent per month. However, information and data provided for the record indicate that 1½ percent would not offset costs of followup billing, collection efforts, and cost of money. Distributors also expressed concern that late payment charges of 1½ percent would provide little incentive to pay bills promptly. The

conclusion drawn from the record is that for most distributors with service policies tailored to local conditions and adequate cost control a late payment charge in the order of 5 percent would be an adequate upper limit to cover the additional distributor costs imposed by late payments and, at the same time, encourage customers to pay before the due date. An increasing number of distributors are applying late payment charges of 5 percent or less. It is recognized charges of 5 percent are not needed in many cases and distributors, where possible, are encouraged to limit such charges to 1½ percent per month.

As indicated by the record, budget billing can be a helpful device for lessening the impact of higher seasonal bills of residential customers. While it is recognized that budget billing may not be readily adaptable for customers who change location often, distributors are strongly encouraged to include the availability of budget billing within the service policy provisions covering billing and to publicize its availability. The record also indicated that distributor policies under this standard should continue to provide for such related matters as payment locations, responsibilities in event of nonreceipt of bill, effect of holidays on due dates, and evidence as to the date of payment.

The notice in the Federal Register proposed revisions, as set out at 44 FR 39691, of the standard under consideration and adoption of the revised standard.

III. Determination by the TVA Board

The standard is revised and adopted.

Billing. Distributor shall designate a standard net payment period for residential customers of not less than 15 days, and for other classes of service not less than 10 days, after the date of the bill. Distributor may establish for any class of service a late payment charge of no more than 5 percent for any portion of bill paid after the net payment period.

* * *

Each distributor shall, upon notice and opportunity for comment, develop and file with TVA within 60 days of the adoption of this standard a service policy, which takes into account the consideration set out in the observations above, consistent with local circumstances.

I. Standard Under Consideration

(9) **Building standards.** New buildings, including homes, must meet energy conservation weatherization standards developed by TVA as a requirement for electric service.

II. Observations

The record indicates that most people are concerned about the high cost of energy and agree with the concept of energy-efficient homes and buildings but that it is difficult for consumers to discriminate between those homes which are in fact energy efficient and those which are not. Many of those commenting on the standard, including individuals and construction-related organizations, felt that traditional code-making and governmental enforcement bodies should be relied upon to develop and enforce conservation standards for new buildings and that such a role was inappropriate for TVA. However, statements received from Federal and State agencies indicated that adoption or development and/or enforcement of conservation standards may not be forthcoming from the various legislative or regulatory bodies. In the absence of legislative action, they encouraged TVA to develop and enforce conservation standards and related programs for new buildings.

Existing codes and those under development, if adopted by the States and stringently enforced, would greatly improve the energy efficiency of new commercial and industrial buildings. However, as indicated in the record, existing codes being adopted by the States for new homes are only minimally better than current practice. The potential exists for considerable conservation improvement in the residential sector with resulting savings of substantial sums of money to the homeowner over the life of the property. However, lack of reliable information about the efficiency of new homes is a barrier which needs to be breached if these savings of energy and money are to be fully captured.

Many participants expressed concern that increased housing costs due to conservation might squeeze potential home buyers out of the market. The record also reveals a lack of knowledge by consumers that energy savings quickly repay the cost of conservation investments and then the consumer will save money each year thereafter. Builders also indicated that lending institutions do not generally give credit for conservation measures in loan qualification procedures or appraisals. New home buyers generally are not able to estimate and compare accurately the utility costs between energy-efficient and energy-inefficient buildings and are thus unable to trade off the increased first cost of energy efficiency against decreased operating costs when making purchasing decisions.

These factors support the conclusion that the consuming public is not adequately informed so as to demand from builders the highly efficient homes along the lines of the TVA Super Saver. The record does show that most people would support a voluntary program designed both to upgrade the thermal characteristics of new homes and to provide trustworthy information about the energy efficiency of new construction.

The adoption of mandatory standards by TVA may in the future be a necessary and cost-effective way to ensure energy efficiency in new buildings. However, it will obviously be preferable if TVA could avoid taking on such a responsibility ordinarily carried out by agencies of government responsible for building codes. TVA will therefore actively encourage the responsible State and local governments to develop and adopt more than minimal codes and to enforce them strictly. In addition, a voluntary residential sector program, emphasizing education, energy-efficiency labeling, and technical assistance, will be established and monitored for effectiveness to encourage the construction and purchase of highly efficient homes. Financial incentives for energy-efficient construction may also be considered, but such consideration should more appropriately be taken up as part of proceedings dealing with section 111 of PURPA.

In lieu of adopting a mandatory standard, TVA will take the following steps to improve energy efficiency of new buildings. TVA will:

(1) Aid and encourage the Federal, State, and local governments to develop, adopt, and enforce building standards that optimize reduced utility costs with increased building costs to produce the lowest total cost to the consumer.

(2) Establish a residential program using education and technical assistance for consumers, builders, lending institutions, and realtors to encourage the construction of energy-efficient homes equivalent to:

Twenty-five percent of all new homes built to TVA's Super Saver specifications during the first year.

Forty percent of all new homes built to TVA's Super Saver specifications during the second year.

Sixty-five percent of all new homes built to TVA's Super Saver specifications during the third year.

(3) Inspect new homes and provide certification and labeling of those inspected homes that meet the energy efficiency equivalent of TVA's Super Saver standard. A TVA-approved "Energy Saving Home" seal of approval would be available for display. This will

better enable those in the home-buying market to choose the most efficient homes, as well as providing an additional market-related stimulus to meet the goals cited above.

In the event that this overall approach does not produce the desired improvements in the energy efficiency of new buildings, adoption of mandatory standards by TVA will be reconsidered.

With the exception of a few comments recommending the adoption of a mandatory building standard, most of those commenting favored the proposed determination. One comment on the proposed determination suggested adopting a broader standard that includes existing buildings. In the Board's view a standard for existing buildings is also unnecessary at this time. However, TVA and the distributors are involved in numerous demonstration projects and programs directed toward improved energy efficiency in existing buildings. Existing programs include the home insulation program with free energy surveys, interest-free financing of insulation and weatherization, and post installation inspections for upgrading the efficiency of dwellings. About 140,000 surveys have already been made in this program. Present programs also include (1) a commercial and industrial audit program under which financing is made available for acquiring equipment and materials to achieve greater energy efficiency and (2) a program under which financing is available for the purchase of heat pumps to replace resistance heating. Solar water heater programs underway will help to reduce electricity consumption for water heating for thousands of homes. These and other programs are being undertaken to help meet the need for conservation and to promote greater use of renewable energy resources in existing buildings. Existing programs will be modified and new programs will be developed as necessary to better meet changing needs in the future.

Most of those commenting were in favor of the proposed determination as set out in the **Federal Register** (44 FR 39692) that the adoption of the standard is not considered appropriate.

III. Determination by the TVA Board.

Adoption of the standard is not considered appropriate.

Dated: September 21, 1979.

W. F. Willis,
General Manager.

[FR Doc. 79-29942 Filed 9-26-79, 8:45 am]

BILLING CODE 8*20-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

General Aviation District Office and Air Carrier District Office at Tulsa, Okla.; Consolidation

Notice is hereby given that on or about October 1, 1979, the General Aviation District Office at Tulsa, Oklahoma, and the Air Carrier District Office at Tulsa, Oklahoma, will be consolidated. The consolidated office will be listed as the Flight Standards District Office, Tulsa, Oklahoma. All services to the public formerly provided by the individual offices will be provided by the consolidated office. This information will be reflected in the FAA Organization Statement the next time it is reissued.

Issued in Fort Worth, Texas, on September 18, 1979.

Paul J. Baker,
Acting Director, Southwest Region.

[FR Doc. 79-29948 Filed 9-26-79, 8:45 am]

BILLING CODE 4910-13-M

General Aviation District Office and Engineering and Manufacturing District Office at San Antonio, Tex.; Consolidation

Notice is hereby given that on or about October 1, 1979, the General Aviation District Office at San Antonio, Texas, and the Engineering and Manufacturing District Office at San Antonio, Texas, will be consolidated. The consolidated office will be listed as the Flight Standards District Office, San Antonio, Texas. All services to the public formerly provided by the individual offices will be provided by the consolidated office. This information will be reflected in the next FAA Organization Statement the next time it is reissued.

Issued in Fort Worth, Texas, on September 18, 1979.

Paul J. Baker,
Acting Director, Southwest Region.

[FR Doc. 79-29940 Filed 9-26-79, 8:45 am]

BILLING CODE 4910-13

[Summary Notice No. PE-79-22]

Petitions for Exemption; Summary of Petitions Received and Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for exemptions received and of dispositions of petitions issued.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption (14 CFR Part 11), this notice contains a summary of certain petitions seeking relief from specified requirements of the Federal Aviation Regulations (14 CFR Chapter I) and of dispositions of certain petitions previously received. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Publication of this notice and any information it contains or omits is not intended to affect the legal status of any petition or its final disposition.

DATES: Comments on petitions received must identify the petition docket number involved and must be received on or before: October 17, 1979.

ADDRESSES: Send comments on any petition in triplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attn: Rules Docket (AGC-24), Petition Docket No. —, 800 Independence Avenue, SW., Washington, D.C. 20591.

FOR FURTHER INFORMATION: The petition, any comments received and a copy of any final disposition are filed in the assigned regulatory docket and are available for examination in the Rules Docket (AGC-24), Room 916, FAA Headquarters Building (FOB 10A), 800 Independence Avenue, SW., Washington, D.C. 20591; telephone (202) 426-3644.

This notice is published pursuant to paragraphs (c), (e), and (g) of § 11.27 of Part 11 of the Federal Aviation Regulations (14 CFR Part 11).

Issued in Washington, D.C., on September 21, 1979.

Edward P. Faberman,
Acting Assistant Chief Counsel, Regulations and Enforcement Division.