



6450-01-P

## DEPARTMENT OF ENERGY

### Southeastern Power Administration

#### Proposed Rate Adjustment, Public Forum, and Opportunities for Public Review and Comment for Georgia-Alabama-South Carolina System of Projects

**AGENCY:** Southeastern Power Administration, DOE.

**ACTION:** Notice of proposed rate.

**SUMMARY:** Southeastern Power Administration (Southeastern) proposes to revise existing schedules of rates and charges applicable to the sale of power from the Georgia-Alabama-South Carolina System of Projects effective for a 5-year period, October 1, 2017, through September 30, 2022. Additionally, opportunities will be available for interested persons to review the present rates and the proposed rates and supporting studies, to participate in a public forum and to submit written comments. Southeastern will evaluate all comments received in this process.

**DATES:** Written comments are due on or before **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. A public information and comment forum will be held in Savannah, Georgia, at 2:30 P.M. on May 9, 2017. Persons desiring to attend the forum should notify Southeastern by May 2, 2017, so that a list of forum participants can be prepared. Persons desiring to speak at the forum should specify this in their notification to Southeastern; others may speak if time permits. If Southeastern has not been notified by close of business on May 2, 2017, that at least one person intends to be present at the forum, the forum may be canceled with no further notice.

**ADDRESSES:** Written comments should be submitted to: Administrator, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia,

30635-6711. The public information and comment forum for the Georgia-Alabama-South Carolina System of Projects will be at the DoubleTree Hotel Savannah Historic District, 411 West Bay Street, Savannah, Georgia, 31401, Phone: (912) 790-7000.

**FOR FURTHER INFORMATION CONTACT:** Virgil Hobbs, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia, 30635, (706) 213-3838.

**SUPPLEMENTARY INFORMATION:** The Federal Energy Regulatory Commission (FERC) confirmed and approved on a final basis Wholesale Power Rate Schedules SOCO-1-E, SOCO-2-E, SOCO-3-E, SOCO-4-E, ALA-1-N, MISS-1-N, Duke-1-E, Duke-2-E, Duke-3-E, Duke-4-E, Santee-1-E, Santee-2-E, Santee-3-E, Santee-4-E, SCE&G-1-E, SCE&G-2-E, SCE&G-3-E, SCE&G-4-E, Pump-1-A, Pump-2, Regulation-1, and Replacement-1 applicable to Georgia-Alabama-South Carolina System of Projects' power for a period ending September 30, 2017. (143 FERC ¶ 62,002; Apr. 2, 2013).

**DISCUSSION:** The Georgia-Alabama-South Carolina System (System) consists of ten projects in or on the border of the states of Georgia, Alabama, and South Carolina. The power generated at these projects is sold to 170 preference entities serving 203 preference customers in Alabama, Florida, Georgia, Mississippi, South Carolina, and North Carolina. The System provides 2,184,232 kilowatts of capacity and about 3,381,000 MWh of average annual energy from stream-flow based on modeling for the period of record.

Existing rate schedules are predicated upon a July 2012 repayment study and other supporting data. A repayment study prepared in February of 2017 shows that existing rates meet repayment criteria and would generate a large surplus.

The revised repayment study shows that a revenue reduction of \$18,991,000 in Fiscal Year 2018 and all future years over the current repayment study will result in all costs being repaid within the term of these rate schedules or their service life. The revenue requirement is \$200,000,000 per year. Southeastern is proposing to revise the existing rate schedules to generate this revenue. The rate adjustment reduces the Revenue Requirement by about nine percent (9%). To collect this reduced revenue requirement, rates for capacity have been reduced by fifteen percent (15%). The current energy rate will be extended.

This rate reduction is due to capitalized deficits that were unpaid in 2012 being recovered, and required payments due in the last five years being met.<sup>1</sup> Southeastern is proposing the following rate schedules to be effective for the period from October 1, 2017, through September 30, 2022.

*Rate Schedule SOCO-1-F*

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled and scheduled pursuant to contracts between the Government and Southern Company Services, Inc.

*Rate Schedule SOCO-2-F*

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled pursuant to contracts between the Government and Southern Company Services, Inc. The customer is responsible for providing a scheduling arrangement with the Government.

*Rate Schedule SOCO-3-F*

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<sup>1</sup> In 2012, Southeastern had large repayment obligations on two system projects as well as outstanding capitalized

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be scheduled pursuant to contracts between the Government and Southern Company Services, Inc. The customer is responsible for providing a transmission arrangement.

*Rate Schedule SOCO-4-F*

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida served through the transmission facilities of Southern Company Services, Inc. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

*Rate Schedule ALA-1-O*

Available to PowerSouth Energy Cooperative.

*Rate Schedule Duke-1-F*

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and Duke Energy Carolinas.

*Rate Schedule Duke-2-F*

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled pursuant to contracts between the Government and Duke Energy Carolinas. The customer is responsible for providing a scheduling arrangement with the Government.

*Rate Schedule Duke-3-F*

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deferred expenses. These have all been repaid in the term of the current rate schedule.

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Energy Carolinas. The customer is responsible for providing a transmission arrangement.

*Rate Schedule Duke-4-F*

Available to public bodies and cooperatives in North Carolina and South Carolina served through the transmission facilities of Duke Energy Carolinas. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

*Rate Schedule Santee-1-F*

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and South Carolina Public Service Authority.

*Rate Schedule Santee-2-F*

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled pursuant to contracts between the Government and South Carolina Public Service Authority. The customer is responsible for providing a scheduling arrangement with the Government.

*Rate Schedule Santee-3-F*

Available to public bodies and cooperatives in South Carolina to whom power may be scheduled pursuant to contracts between the Government and South Carolina Public Service Authority. The customer is responsible for providing a transmission arrangement.

*Rate Schedule Santee-4-F*

Available to public bodies and cooperatives in South Carolina served through the transmission facilities of South Carolina Public Service Authority. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

*Rate Schedule SCE&G-1-F*

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and South Carolina Electric & Gas Company.

*Rate Schedule SCE&G-2-F*

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled pursuant to contracts between the Government and South Carolina Electric & Gas Company. The customer is responsible for providing a scheduling arrangement with the Government.

*Rate Schedule SCE&G-3-F*

Available to public bodies and cooperatives in South Carolina to whom power may be scheduled pursuant to contracts between the Government and South Carolina Electric & Gas Company. The customer is responsible for providing a transmission arrangement.

*Rate Schedule SCE&G-4-F*

Available to public bodies and cooperatives in South Carolina served through the transmission facilities of South Carolina Electric & Gas Company. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

*Rate Schedule Pump-1-A*

Available to all customers of the Georgia-Alabama-South Carolina System and applicable to energy from pumping operations at the Carters and Richard B. Russell Projects.

*Rate Schedule Replacement-1*

Available to all customers in the Georgia-Alabama-South Carolina System and applicable to replacement energy.

The proposed rates for capacity, energy, and generation services are as follows:

Capacity	\$4.09	per kW per month
Energy	12.33	mills per kWh
Generation Services	\$0.12	per kW per month

Under this scenario, 75 percent of generation revenues are recovered from capacity sales and 25 percent are recovered from energy sales. These rates are expected to produce an average revenue of \$200,119,000 in FY 2018, \$200,030,000 in FY 2019, and \$200,011,000 in FY 2020 and all future years. The change in revenue for FY 2018 to FY 2020 is due to changing transmission arrangements.

The rates for transmission, scheduling, reactive supply, and regulation and frequency response apply to all four scenarios and are illustrated in Table 1.

**Southeastern Power Administration Proposed Rates for  
Transmission Scheduling, Reactive, and Regulation Charges**

Rate Schedule	Transmission Charge \$/kW/month	Scheduling charge \$/kW/month	Reactive charge \$/kW/month	Regulation charge \$/kW/month
SOCO-1-F	3.54	0.0806	0.11	0.0483
SOCO-2-F	3.54	-	0.11	-
SOCO-3-F	-	0.0806	-	0.0483
SOCO-4-F	-	-	-	-
ALA-1-O	-	-	-	-
Duke-1-F	1.36	-	-	-
Duke-2-F	1.36	-	-	-
Duke-3-F	-	-	-	-
Duke-4-F	-	-	-	-
Santee-1-F	1.86	-	-	-
Santee-2-F	1.86	-	-	-
Santee-3-F	-	-	-	-
Santee-4-F	-	-	-	-
SCE&G-1-F	2.86	-	-	-
SCE&G-2-F	2.86	-	-	-
SCE&G-3-F	-	-	-	-
SCE&G-4-F	-	-	-	-
Pump-1-A	-	-	-	-
Replacement-1	-	-	-	-

The referenced repayment studies are available for examination at 1166 Athens Tech Road, Elberton, Georgia 30635-6711. Proposed Rate Schedules SOCO-1-F, SOCO-2-F, SOCO-3-F, SOCO-4-F, ALA-1-O, Duke-1-F, Duke-2-F, Duke-3-F, Duke-4-F, Santee-1-F, Santee-2-F, Santee-3-F, Santee-4-F, SCE&G-1-F, SCE&G-2-F, SCE&G-3-F, SCE&G-4-F, Pump-1-A, and Replacement-1 are also available.

**Dated:** March 9, 2017

Kenneth E. Legg  
Administrator

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