

body of this order. The revised Data Element Dictionary shall be referred to as Version 1.41.

By the Commission.

David P. Boergers,
Secretary.

[FR Doc. 01-19398 Filed 8-3-01; 8:45 am]

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DEPARTMENT OF ENERGY

Southeastern Power Administration

Notice of Interim Approval

AGENCY: Southeastern Power Administration, DOE.

ACTION: Notice of rate order.

SUMMARY: The Deputy Secretary of Energy, confirmed and approved, on an interim basis, Rate Schedules VA-1, VA-2, VA-3, VA-4, CP&L-1, CP&L-2, CP&L-3, CP&L-4, AP-1, AP-2, AP-3, AP-4, and NC-1. The rates were approved on an interim basis through September 30, 2006, and are subject to confirmation and approval by the Federal Energy Regulatory Commission on a final basis.

DATES: Approval of rates on an interim basis is effective October 1, 2001.

FOR FURTHER INFORMATION CONTACT:

Leon Jourolmon, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-4578, (706) 213-3800.

SUPPLEMENTARY INFORMATION: The Federal Energy Regulatory Commission, by Order issued February 13, 1997, in Docket No. EF96-3041-000, confirmed and approved Wholesale Power Rate Schedules KP-1-D, JHK-2-B, JHK-3-B, and PH-1-B through September 30, 2001. This order replaces these rate schedules.

Dated: July 27, 2001.

Francis S. Blake,
Deputy Secretary.

Department of Energy Deputy Secretary

In the Matter of: Southeastern Power Administration—Kerr-Philpott System Power Rates; Rate Order No. SEPA-40.

Order Confirming and Approving Power Rates on an Interim Basis

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southeastern Power Administration

(Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 0204-108, effective May 30, 1986, 51 Fed. Reg. 19744 (May 30, 1986), the Secretary of Energy delegated to the Administrator the authority to develop power and transmission rates, and delegated to the Under Secretary the authority to confirm, approve, and place in effect such rates on an interim basis, and delegated to the Federal Energy Regulatory Commission (FERC) the authority to confirm and approve on a final basis or to disapprove rates developed by the Administrator under the delegation. This rate is issued by the Secretary pursuant to said notice.

Background

Power from the Kerr-Philpott Projects is presently sold under Wholesale Power Rate Schedules KP-1-D, JHK-2-B, JHK-3-B, and PH-1-B. These rate schedules were approved by the FERC on February 13, 1997, for a period ending September 30, 2001 (78 FERC 62112).

Public Notice and Comment

Southeastern prepared a Power Repayment Study, dated February 2001 for the Kerr-Philpott System, which showed that revenues at current rates were not adequate to meet repayment criteria. On March 15, 2001, (66 FR 15116) Southeastern proposed to replace the current Rate Schedules with new rate schedules VA-1, VA-2, VA-3, VA-4, CP&L-1, CP&L-2, CP&L-3, CP&L-4, AP-1, AP-2, AP-3, AP-4, and NC-1. The Notice also announced a Public Information and Comment Forum to be held April 17, 2001, in Raleigh, North Carolina, with a deadline for written comments on June 13, 2001. Southeastern received eight comments from one party, the Southeastern Federal Power Customers, Inc. (SeFPC). The following is a discussion of these comments.

Comment 1: SeFPC states that, until SEPA takes steps to address cost of service under the settlement agreement in *Virginia Electric and Power Company* (Virginia Power), Docket No. ER99-417-000, SEPA has not fulfilled the statutory obligation to ensure that the charges to the customers are the “lowest possible” and “consistent with sound business principles.”

Response 1: The cost of service filing under the settlement agreement reached by Southeastern, SeFPC and other Kerr-Philpott customers in Docket No. ER99-417-000 stipulated that it be filed on the “earliest of (1) January 1, 2001, (2) the effective date of a change of any rates of the rates for transmission service or

ancillary services under Virginia Power’s Open Access Transmission Tariff (OATT) or, (3) The effective date of Virginia Power’s participation in a Regional Transmission Organization (RTO) OATT tariff.” Page 2 of settlement agreement dated in July 15, 1999, in Docket No. ER99-417-000. The following year, Southeastern, SeFPC and other Kerr-Philpott customers agreed to amend the settlement agreement and extend the term from January 1, 2001, to January 1, 2002. See *Virginia Electric and Power Company*, Docket No. ER00-3785. Both were approved by the Federal Energy Regulatory Commission (FERC). These agreements have resulted in savings of approximately \$2.8 million to all the Kerr-Philpott customers. Southeastern will not pass any increased costs until that cost of service study is filed. Southeastern has developed a rate schedule that allows Southeastern to pass on to the preference customers any costs that are allowed by FERC at the time they are allowed by FERC.

Comment 2: In resolving that case (Virginia Power Docket ER99-417-000), SEPA only raised the question of whether the Kerr-Henderson line is integrated with the entire Virginia Power system and whether the average-system pricing of the service is just and reasonable under these circumstances. 85 FERC at 62,668. Ultimately, until additional steps are taken, the rates will not meet the standard for the lowest possible consistent with sound business principles.

Response 2: Southeastern raised other issues in Virginia Power Docket ER99-417-000 than just whether Virginia Power should be allowed to charge Southeastern a point-to-point transmission rate under Virginia Power’s OATT. Some of Southeastern’s arguments are summarized and rejected in the dissenting opinion of Chairman Hoecher and Commissioner Hebert at 85 FERC 62669-62670. Others appear in Southeastern’s Motion to Intervene and accompanying affidavit filed in the docket. The settlement agreements that Southeastern, SeFPC and the other customers signed allows for paying the point-to-point rate after Virginia Power files a cost of service study. When FERC approves such a rate that Southeastern must pay Virginia Power, Southeastern will pass that rate on to the preference customers.

Comment 3: The Alliance RTO will make a cost of service filing late this year. The Customers believe that SEPA has an obligation to examine and challenge in all appropriate forums the underlying cost of service filing.

Response 3: Southeastern has always sought the lowest possible costs in dealing with transmission providers as is demonstrated here. It will continue to make every effort to examine, evaluate, and, if necessary, challenge the relevant cost of service filings in appropriate forums.

Comment 4: SeFPC members believe that opportunity exists for SEPA to participate in Alliance and GridSouth meetings, as appropriate, to encourage appropriate reciprocity of transmission service. Until SEPA documents how it has participated in these meetings to encourage reciprocal rates for transmission service, thereby ensuring the lowest possible rates, the proposed rate increase for transmission service does not appear to provide the lowest possible cost.

Response 4: Southeastern is an intervenor in the GridSouth and Alliance filings and has attended many meetings on the creation of GridSouth and has discussed "seams" issues with GridSouth. It believes that the "seams" issues will be filed with FERC giving the preference customers as well as Southeastern the opportunity to intervene and have an input.

Comment 5: The members of the SeFPC understand that the development of reciprocal service between the GridSouth and Alliance RTO could eliminate a substantial portion of the tandem transmission charge as set forth in the proposed rate increase. Notably, the Alliance RTO will be holding meetings in the near future that will address this topic. Until SEPA documents how it has participated in these meetings to encourage reciprocal rates for transmission service, thereby ensuring the lowest possible rates, the proposed rate increase for transmission service does not appear to provide the lowest possible cost.

Response 5: Southeastern will continue to be directly involved in discussions on this matter and others with GridSouth and the Alliance and will continue to discuss our positions on RTO issues with the preference customers.

Comment 6: The recovery of CSRS benefits appears to be an expense for which the Customers pay twice, once as electric customers of the U.S. Government, and a second time as U.S. Taxpayers. While FERC has declined to disagree with the Department of Energy's previous decision to recover these costs in previous cases, the members of the SeFPC ask that policy makers in the current Administration examine the merits of this policy which double collects from electric consumers in the Southeast.

Response 6: The Department of Energy has determined that Southeastern will recover the cost of CSRS and pension health benefits funded by the Office of Personnel Management. The Customers have challenged this determination to the Department of Energy and to FERC in the Georgia-Alabama-South Carolina rate filing in 1998 and the Cumberland Basin System filing in 1999.

In the Georgia-Alabama-South Carolina System, FERC issued an order confirming and approving new rate schedules on a final basis on February 26, 1999, (86 FERC 61,195). On April 23, 1999, in docket no. EF98-3011-001, FERC issued an order granting rehearing of the order. This rehearing is pending.

In the Cumberland Basin System, FERC issued an order confirming and approving new rate schedules on a final basis on March 17, 2000, (90 FERC 61,266). On May 12, 2000, in docket no. EF99-3021-001, FERC issued an order granting rehearing of the order. On June 15, 2000, FERC issued an order denying rehearing on this docket (91 FERC 61,272).

CSRS benefits were included in the Jim Woodruff System new rate schedules submitted to the FERC in 2000. While the customers opposed the inclusion of these costs in their comments to Southeastern, they chose not to oppose them before FERC. FERC issued an order confirming and approving rate schedules for the Jim Woodruff System on November 9, 2000, (93 FERC 62,100).

Comment 7: The members of the SeFPC believe that SEPA must establish how the costs for the CSRS benefits are derived. In particular, the customers note that SEPA has recovered costs for CSRS benefits from customers served by the GA-AL-SC System of Projects and Cumberland System of Projects without any sufficient documentation as to how the costs for CSRS benefits are proportioned among all the customers relative to SEPA's actual costs for CSRS benefits. In this regard, the Customers believe that SEPA must demonstrate that the costs for CSRS benefits are proportional for the Kerr-Philpott System of Projects so that the customers served by these projects do not bear a disproportionate share of the cost for CSRS benefits.

Response 7: In computing CSRS costs, the Department of Energy follows the guidelines provided annually by the Office of Personnel Management (OPM). A copy of the most recent guidelines is attached. OPM follows the requirements of the Statement of Federal Financial Standards No. 5 (SFFAS-5)—Liabilities of the Federal Government.

The service cost included in Southeastern's financial statements represents an estimate of the amount of funds which, if accumulated annually and invested over the careers of covered employees, will be enough to pay their future benefits. For most "regular" CSRS covered employees, the service cost is 24.2 percent of basic pay. This exceeds the 14 percent of basic pay that is contributed by and for covered employees. Employing agencies must recognize the difference between the service cost and the contributions by and for their employees as an imputed financing source.

Southeastern's CSRS costs are then allocated to each of Southeastern's four systems using the same allocation factors as all other Southeastern marketing expenses.

The Corps of Engineers computes CSRS costs using the same guidelines. These costs are computed for each project and reported to Southeastern.

Comment 8: The projected increase in the repayment study of \$205,000 appears to be consistent with the revenue requirements for the rehabilitation [of the John H. Kerr Project].

Response 8: The comment refers to the portion of the rate increase that is attributed to the rehabilitation of the John H. Kerr Project currently underway. The customers do not appear to be opposed to this portion of the rate adjustment.

Discussion

System Repayment

An examination of Southeastern's revised system power repayment study, prepared in May 2001, for the Kerr-Philpott System shows that with the proposed rates, all system power costs are paid within the 50-year repayment period required by existing law and DOE Procedure RA 6120.2. The Administrator of Southeastern has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles.

Environmental Impact

Southeastern has reviewed the possible environmental impacts of the rate adjustment under consideration and has concluded that, because the adjusted rates would not significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969, the proposed action is not a major Federal action for which preparation of an Environmental Impact Statement is required.

Availability of Information

Information regarding these rates, including studies and other supporting materials, is available for public review in the offices of Southeastern Power Administration, 1166 Athens Tech Road, Elberton, Georgia 30635, and in the Power Marketing Liaison Office, James Forrestal Building, 1000 Independence Avenue, SW., Washington, DC 20585.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 2001, attached Wholesale Power Rate Schedules VA-1, VA-2, VA-3, VA-4, CP&L-1, CP&L-2, CP&L-3, CP&L-4, AP-1, AP-2, AP-3, AP-4, and NC-1. The Rate Schedules shall remain in effect on an interim basis through September 30, 2006, unless such period is extended or until the FERC confirms and approves them or substitutes Rate Schedules on a final basis.

Dated: July 27, 2001.

Francis S. Blake,
Deputy Secretary.

Wholesale Power Rate Schedule VA-1*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government and Virginia Electric and Power Company (hereinafter called the Company) and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on

the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.36 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before the Federal Energy Regulatory Commission (FERC) involving Virginia Electric and Power Company's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Electric and Power Company's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by Virginia Electric and Power Company under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-2*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted pursuant to contracts between the Government and Virginia Electric and Power Company (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling

arrangement with the Government. The Government is responsible for arranging transmission with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.36 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before the Federal Energy Regulatory Commission (FERC) involving Virginia Electric and Power Company's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all

separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Electric and Power Company's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by Virginia Electric and Power Company under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12:00

midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-3

Availability

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be scheduled pursuant to contracts between the Government and Virginia Electric and Power Company (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter referred to collectively as the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Electric and Power Company's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses).

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule VA-4*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina served through the transmission facilities of Virginia Electric and Power Company (hereinafter called the Company). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is

responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter referred to collectively as the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation

Services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Electric and Power Company's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses).

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule CP&L-1*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government and Carolina Power & Light Company (hereinafter called the Company) and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.044 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The rate is subject to periodic adjustment and will be computed in accordance with the terms of the Government-Company contract.

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and

subject to refund based upon the terms of the Government-Company contract.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule CP&L-2*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be transmitted pursuant to contracts between the Government and Carolina Power & Light Company (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government. The Government is responsible for arranging transmission with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the

John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.044 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The rate is subject to periodic adjustment and will be computed in accordance with the terms of the Government-Company contract.

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power

Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the terms of the Government-Company contract.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule CP&L-3

Availability

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Carolina Power & Light Company (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission

arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the

border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the terms of the Government-Company contract.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month

The billing month for power sold under this schedule shall end at 12 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule CP&L-4

Availability

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina served through the transmission facilities of Carolina Power & Light Company (hereinafter called the Company). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the terms of the Government-Company contract.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is

obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-1*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted and scheduled pursuant to contracts between the Government and American Electric Power Service Corporation (hereinafter called the Company) and the Customer. This rate schedule is applicable to customers receiving power from the Government on an arrangement where the Company schedules the power and provides the Customer a credit on their bill for Government power. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.66 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before the Federal Energy Regulatory Commission (FERC) involving American Electric Power Service Corporation's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving American Electric Power Service Corporation's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by American Electric Power Service Corporation under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-2*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia to whom power may be transmitted pursuant to contracts between the Government and American Electric Power Service Corporation (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government. The

Government is responsible for arranging transmission with the Company. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.

Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Transmission

\$1.66 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before the Federal Energy Regulatory Commission (FERC) involving American Electric Power Service Corporation's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution

charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving American Electric Power Service Corporation's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by American Electric Power Service Corporation under section 205 of the Federal Power Act or Southeastern Power Administration under section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-3*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia to whom power may be scheduled pursuant to contracts between the Government and American Electric Power Service Corporation (hereinafter called the Company) and the Customer. The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.
Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving American Electric Power Service Corporation's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by American Electric Power Service Corporation under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule AP-4*Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia to whom power

may be scheduled pursuant to contracts between the Government and American Electric Power Service Corporation (hereinafter called the Company). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.
Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border

of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving American Electric Power Service Corporation's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by American Electric Power Service Corporation under section 205 of the Federal Power Act or Southeastern Power Administration under section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12 midnight on the last day of each calendar month.

Wholesale Power Rate Schedule NC-1

Availability

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted pursuant to a contract between the Government and Virginia Electric and Power Company (hereinafter called the Virginia Power), scheduled pursuant to a contract between the Government and Carolina

Power & Light Company (hereinafter called CP&L), and billed pursuant to contracts between the Government and the Customer. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects and sold under appropriate contracts between the Government and the Customer.

Character of Service

The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Virginia Power's transmission and distribution system.

Monthly Rate

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge

\$1.96 Per kilowatt of total contract demand per month.

Energy Charge

8.25 Mills per kilowatt-hour.
Additional rates for Transmission, System Control, Reactive, and Regulation Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Virginia Power and CP&L. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of Virginia Power's or CP&L's rate.

Transmission

\$1.36 Per kilowatt of total contract demand per month as of February, 2001, is presented for illustrative purposes.

The initial transmission charge will be the Customer's ratable share of the transmission and distribution charges paid by the Government. The transmission charges are governed by and subject to refund based upon the determination in proceedings before the Federal Energy Regulatory Commission (FERC) involving Virginia Electric and Power Company's Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may

charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge

\$0.61 Per kilowatt of total contract demand per month, as an estimated cost as of January, 2002.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System.

Transmission, System Control, Reactive, and Regulation Services

The charges for Transmission, System Control, Reactive, and Regulation Services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Electric and Power Company's or Carolina Power & Light Company's Open Access Transmission Tariff.

Contract Demand

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

Energy To Be Furnished by the Government

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by Virginia Electric and Power Company under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month

The billing month for power sold under this schedule shall end at 12 midnight on the last day of each calendar month.

[FR Doc. 01-19574 Filed 8-3-01; 8:45 am]

BILLING CODE 6450-01-P

DEPARTMENT OF ENERGY**Southwestern Power Administration**

[Rate Order No. SWPA-45]

Integrated System Power Rate Schedules

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of extension.

SUMMARY: Pursuant to Delegation Order No. 0204-172, November 24, 1999, and pursuant to the implementation authorities in 10 CFR 903.22(h) and 903.23(a)(3), the Deputy Secretary of Energy has approved and placed into effect on an interim basis Rate Order No. SWPA-45 which extends the existing power rates for the Integrated System. This is an interim rate action effective October 1, 2001, extending for a period of one year through September 30, 2002.

FOR FURTHER INFORMATION CONTACT: Mr. Forrest E. Reeves, Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration, Department of Energy, One West Third Street, Tulsa, OK 74103, (918) 595-6696, reeves@swpa.gov.

SUPPLEMENTARY INFORMATION: The current rate schedules for the Integrated System were confirmed and approved on a final basis by the Federal Energy Regulatory Commission (FERC) on April 29, 1998, for the period January 1, 1998, through September 30, 2001.

Title 10, Part 903 Subpart A, of the Code of Federal Regulations, "Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions" (Part 903) have been followed in connection with the proposed extension of the rate schedules. An opportunity for customers and other interested members of the public to review and comment on the proposed extension was announced by notice published in the **Federal Register** (66 FR 24131), May 11, 2001, with written comments due on or before June 11, 2001. In addition, Southwestern held informal meetings with numerous customers in which proposed changes were discussed. No written comments were received.

Information regarding extension of these rate schedules, including studies and other supporting material, is available for public review and comment in the offices of Southwestern Power Administration, Suite 1400, One West Third Street, Tulsa, Oklahoma 74103. 10 CFR 903.22(h) and 903.23(a)(3) provide implementation authority for such extension to the Deputy Secretary.

Dated: July 26, 2001.

Francis S. Blake,
Deputy Secretary.

Order Approving Extension of Power Rates on an Interim Basis

Pursuant to Sections 301(b) and 302(a) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, for the Southwestern Power Administration were transferred to and vested in the Secretary of Energy. By Delegation Order No. 0204-108, effective December 14, 1983, 48 FR 55664, the Secretary of Energy delegated to the Deputy Secretary of Energy on a non-exclusive basis the authority to confirm, approve and place power and transmission rates into effect on an interim basis, and delegated to the Federal Energy Regulatory Commission (FERC) on an exclusive basis the authority to confirm, approve and place in effect on a final basis, or to disapprove power and transmission rates. Amendment No. 1 to Delegation Order No. 0204-108, effective May 30, 1986, 51 FR 19744, revised the delegation of authority to confirm, approve and place into effect on an interim basis power and transmission rates by delegating such authority to the Under Secretary of Energy rather than the Deputy Secretary of Energy. This delegation was reassigned to the Deputy Secretary of Energy by Department of Energy (DOE) Notice 1110.29, dated October 27, 1988, and clarified by Secretary of Energy Notice SEN-10-89, dated August 3, 1989, and subsequent revisions. By Amendment No. 2 to Delegation Order No. 0204-108, effective August 23, 1991, 56 FR 41835, the Secretary of the Department of Energy revised Delegation Order No. 0204-108 to delegate to the Assistant Secretary, Conservation and Renewable Energy, the authority which was previously delegated to the Deputy Secretary in that Delegation Order. By Amendment No. 3 to Delegation Order No. 0204-108, effective November 10, 1993, the Secretary of Energy re-delegated to the

Deputy Secretary of Energy, the authority to confirm, approve and place power and transmission rates of the Power Marketing Administrations into effect on an interim basis. By notice, dated April 15, 1999, the Secretary of Energy rescinded the authority of the Deputy Secretary of Energy under Delegation Order No. 0204-108. By Delegation Order No. 0204-172, effective November 24, 1999, the Secretary of Energy again provided interim rate approval authority to the Deputy Secretary of Energy.

This is an interim rate extension. 10 CFR 903.22(h) and 903.23(a)(3) provide implementation authority for such extension to the Deputy Secretary of Energy.

Background

Southwestern Power Administration (Southwestern) currently has marketing responsibility for 2.2 million kilowatts of power from 24 multiple-purpose reservoir projects with power facilities constructed and operated by the U.S. Army Corps of Engineers, generally in all or portions of the states of Arkansas, Kansas, Louisiana, Missouri, Oklahoma and Texas. The Integrated System, comprised of 22 of the projects, is interconnected through a transmission system presently consisting of 138-kV and 161-kV high-voltage transmission lines, 69-kV transmission lines, and numerous bulk power substations and switching stations. In addition, contractual transmission arrangements provide for integration of other projects into the system.

The remaining two projects, Sam Rayburn Dam and Robert Douglas Willis, are isolated hydrologically and electrically from the Southwestern transmission system, and their power is marketed under separate contracts through which the customer purchases the entire power output of the project at the dam. A separate Power Repayment Study (PRS) is prepared for each isolated project.

The current rate schedules for the Integrated System were confirmed and approved on a final basis by the Federal Energy Regulatory Commission (FERC) on April 29, 1998, for the period January 1, 1998, through September 30, 2001. Since initial FERC approval, specific provisions within rate schedules P-98A and NPTS-98 have been revised to address issues that have arisen from restructuring of the electric industry. Rate Schedules were designated 98B, 98C, and 98D with each revision. All subsequent revisions of the Integrated System rate schedules through 98C have been approved by FERC. Rate schedules P-98D and NPTS-98D are currently