

*Frequency:* On occasion.

*Respondent's Obligation:* Voluntary.

*OMB Desk Officer:* Ms. Jasmeet

Seehra.

You may also submit comments and recommendations, identified by Docket ID number and title, by the following method:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

*Instructions:* All submissions received must include the agency name, Docket ID number, and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

*DOD Clearance Officer:* Ms. Angela James.

Requests for copies of the information collection proposal should be sent to Ms. James at [whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil](mailto:whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil).

Dated: August 19, 2020.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 2020-18869 Filed 8-26-20; 8:45 am]

**BILLING CODE 5001-06-P**

## DEPARTMENT OF ENERGY

### Southeastern Power Administration

#### Notice of Interim Approval of Rate Schedules for Kerr-Philpott System

**AGENCY:** Southeastern Power Administration, Energy (DOE).

**ACTION:** Notice of interim approval.

**SUMMARY:** The Administrator for the Southeastern Power Administration (Southeastern) has confirmed and approved, on an interim basis, new rate schedules VA-1-D, VA-2-D, VA-3-D, VA-4-D, DEP-1-D, DEP-2-D, DEP-3-D, DEP-4-D, AP-1-D, AP-2-D, AP-3-D, AP-4-D, NC-1-D, and Replacement-2-C. These rate schedules are applicable to Southeastern power sold to existing preference customers in the Virginia and North Carolina service area. The rate schedules are approved on an interim basis through September 30, 2025, and are subject to confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis.

**DATES:** The approval of rates on an interim basis is effective October 1, 2020.

#### FOR FURTHER INFORMATION CONTACT:

Cathy Stillson, Power Marketing Advisor, Finance and Marketing, Southeastern Power Administration, U.S. Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-6711, (706) 213-3847; Email: [Cathy.Stillson@sepa.doe.gov](mailto:Cathy.Stillson@sepa.doe.gov).

**SUPPLEMENTARY INFORMATION:** FERC, by order issued February 24, 2016, 154 FERC ¶ 62,129, confirmed and approved Rate Schedules VA-1-C, VA-2-C, VA-3-C, VA-4-C, DEP-1-C, DEP-2-C, DEP-3-C, DEP-4-C, AP-1-C, AP-2-C, AP-3-C, AP-4-C, NC-1-C, and Replacement-2-B, for the period October 1, 2015, through September 30, 2020. This order replaces these rate schedules on an interim basis, subject to final approval by FERC.

#### Signing Authority

This document of the Department of Energy was signed on August 18, 2020, by Virgil G. Hobbs, III, Administrator for Southeastern Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on August 21, 2020.

**Treena V. Garrett,**

*Federal Register Liaison Officer, U.S. Department of Energy.*

## DEPARTMENT OF ENERGY

### ADMINISTRATOR, SOUTHEASTERN POWER ADMINISTRATION

*In the Matter of:*

Southeastern Power Administration  
Kerr-Philpott System Power Rates  
Rate Order No. SEPA-63

#### Order Confirming and Approving Power Rates on an Interim Basis

Pursuant to Section 302(a) of the Department of Energy Organization Act (Pub. L. 95-91, 42 U.S.C. 7152(a)), 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. 00-037.00B,

effective November 19, 2016, the Secretary of Energy delegated to Southeastern's Administrator the authority to develop power and transmission rates, to the Deputy Secretary of Energy the authority to confirm, approve, and place such rates into effect on an interim basis, and to the Federal Energy Regulatory Commission (FERC) the authority to confirm, approve, and place into effect on a final basis, or to disapprove, rates developed by the Administrator under the delegation. By Delegation Order No. 00-002.00S, effective January 15, 2020, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy. By Redelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-03, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Administrator, Southeastern Power Administration. This rate is issued by the Administrator, Southeastern Power Administration pursuant to the authority delegated in Redelegation Order No. 00-002.10-03.

#### Background

Power from the Kerr-Philpott Projects is presently sold under Wholesale Power Rate Schedules VA-1-C, VA-2-C, VA-3-C, VA-4-C, DEP-1-C, DEP-2-C, DEP-3-C, DEP-4-C, AP-1-C, AP-2-C, AP-3-C, AP-4-C, NC-1-C, and Replacement-2-B. These rate schedules were approved by FERC on February 24, 2016, for a period ending September 30, 2020 (154 FERC ¶ 62,129).

#### Public Notice and Comment

Notice of proposed rates and opportunities for public review and comment for the Kerr-Philpott System was published in the **Federal Register** (85 FR 17572) on March 30, 2020. Southeastern proposed to update and extend existing schedules of rates and charges applicable to the sale of power from the Kerr Philpott System effective October 1, 2020, through September 30, 2025. The notice advised interested parties of Southeastern's determination that holding a public information and comment forum for this rate action, in accordance with 10 CFR 903.23(a), would not be necessary. Instead, Southeastern announced a 30-day

consultation and comment period to give the public an opportunity to comment, with written comments due on or before April 29, 2020.

The proposed rate schedules extended the existing initial base rate of \$4.40 per

kilowatt per month for capacity and the initial base rate of 17.80 mills per kilowatt-hour charge for energy, which expire September 30, 2020, through September 30, 2025. The rates are based

on a repayment study estimating the Kerr-Philpott System will produce the following net revenue available for repayment (rounded to the nearest \$10,000):

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The proposed rates continue a true-up of the capacity and energy rates based on the cumulative net revenue available for repayment from the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour. For every \$100,000 over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour, to be implemented April 1 of the next fiscal year. The extension of rates and the continuation of the true-up based on the updated amounts of cumulative net revenue available for repayment ensure repayment within cost recovery criteria.

#### Public Comments

Southeastern received no comments in response to the "Notice of proposed rates and opportunities for public review and comment" published in the **Federal Register** at 85 FR 17572 on March 30, 2020.

#### Discussion

#### System Repayment

An examination of Southeastern's revised system power repayment study, prepared in March 2020 for the Kerr-Philpott System, shows that with the proposed rates, all system power costs are repaid within the appropriate

repayment period and meet the cost recovery criteria set forth in DOE Order RA 6120.2. The Administrator of Southeastern Power Administration 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, as amended, the proposed action is not a major Federal action for which preparation of an Environmental Impact Statement is required.

#### Determination Under Executive Order 12866

Southeastern has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget 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 redelegated to me by the

Assistant Secretary for Electricity, I hereby confirm and approve on an interim basis, effective October 1, 2020, attached Wholesale Power Rate Schedules VA-1-D, VA-2-D, VA-3-D, VA-4-D, DEP-1-D, DEP-2-D, DEP-3-D, DEP-4-D, AP-1-D, AP-2-D, AP-3-D, AP-4-D, NC-1-D, and Replacement-2-C. The Rate Schedules shall remain in effect on an interim basis through September 30, 2025, unless such period is extended or until FERC confirms and approves them or substitutes Rate Schedules on a final basis.

Dated: August 18, 2020.

Virgil G. Hobbs, III,  
Administrator, Southeastern Power  
Administration.

#### Wholesale Power Rate Schedule VA-1-D

##### 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, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

#### Initial Base Capacity Charge:

\$4.40 per kilowatt of total contract demand per month.

#### Initial Base Energy Charge:

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt

per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and any ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

### Transmission

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

### Ancillary Services

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

### Tandem Transmission Charge

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

### Transmission and Ancillary Services

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

### Capacity Performance Non-Performance Charge

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

### 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 FERC, pursuant to application by the Company or PJM 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-D

### 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, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), 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 and PJM. 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

*Initial Base Capacity Charge:* \$4.40 per kilowatt of total contract demand per month.

*Initial Base Energy Charge:* 17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
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2024 .....	2,430,000	10,490,000
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2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and any ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

### Transmission

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

### Ancillary Services

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and ancillary services will be the

Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

### Tandem Transmission Charge

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

### Transmission and Ancillary Services

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

### Capacity Performance Non-Performance Charge

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

### 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 FERC, pursuant to application by the Company or PJM 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-D**

#### *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, Virginia Electric and Power Company (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for Transmission and Ancillary Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

#### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

### *Capacity Performance Non-Performance Charge*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

### *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 the Company or PJM 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-4-D**

### *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) and PJM Interconnection LLC (hereinafter called PJM). 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

#### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

#### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal

year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company's rate.

### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *Capacity Performance Non-Performance Charge*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

#### *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 FERC, pursuant to application by the Company or PJM 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 DEP-1-D**

#### *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 Duke Energy Progress (formerly known as Carolina Power & Light Company and 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net

revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

#### *Transmission*

\$1.5297 per kilowatt of total contract demand per month as of February 2020, 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 Company's Open Access Transmission Tariff (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. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

*Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

*Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

*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 DEP-2-D***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 Duke Energy Progress (formerly known as Carolina Power & Light Company and 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

*Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

*Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

*Transmission*

\$1.5297 per kilowatt of total contract demand per month as of February 2020, 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 Company's Open Access Transmission Tariff (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. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *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 DEP-3-D**

#### *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 Duke Energy Progress (formerly known as Carolina Power & Light Company and hereinafter called the Company) and the Customer. 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

Proceedings before FERC involving the Company's Open Access Transmission Tariff (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*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *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) percent. 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 DEP-4-D**

#### *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 Duke Energy Progress (formerly known as Carolina Power & Light Company and 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment,

Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *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-D**

#### *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 and scheduled pursuant to contracts between the Government, American Electric Power Service Corporation (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
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2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

#### *Transmission*

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

#### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *Capacity Performance Non-Performance Charges*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

*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 the Company or PJM 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-D***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, American Electric Power Service Corporation (hereinafter called the Company), the Company's Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

*Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

*Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base

capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

*Transmission*

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

*Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

*Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *Capacity Performance Non-Performance Charges*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

#### *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-D**

#### *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, American Electric Power Service Corporation (hereinafter called the Company), PJM Interconnection LLC (hereinafter called PJM), and the Customer. 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary 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 (FERC) of the Company's rate.

#### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be

recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *Capacity Performance Non-Performance Charges*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

#### *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 FERC, pursuant to application by the Company or PJM

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-4-D**

##### *Availability*

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia served through the facilities of American Electric Power Service Corporation (hereinafter called the Company) and PJM Interconnection LLC (hereinafter called PJM). 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 called 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for Transmission and Ancillary 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 (FERC) of the Company's rate.

##### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based

upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company's or PJM's OATT.

#### *Capacity Performance Non-Performance Charges*

Requirements of the PJM capacity performance market may lead to non-performance charges to Southeastern. These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts) in the month incurred.

#### *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 the Company or PJM 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 NC-1-D**

##### *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) and PJM Interconnection LLC (hereinafter called PJM), scheduled pursuant to a contract between the Government and Duke Energy Progress (formerly known as Carolina Power & Light and hereinafter called DEP), 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 initial base monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

##### *Initial Base Capacity Charge:*

\$4.40 per kilowatt of total contract demand per month.

##### *Initial Base Energy Charge:*

17.80 mills per kilowatt-hour.

The rates are based on a repayment study that projects that the Kerr-Philpott System will produce the following net revenue available for repayment by fiscal year and cumulative net revenue available for repayment by fiscal year:

Fiscal year	Estimated annual net revenue available for repayment	Cumulative net revenue available for repayment
2020 .....	\$200,000	\$200,000
2021 .....	2,560,000	2,760,000
2022 .....	2,940,000	5,700,000
2023 .....	2,360,000	8,060,000
2024 .....	2,430,000	10,490,000
2025 .....	2,130,000	12,620,000
2026 .....	2,210,000	14,830,000
2027 .....	2,310,000	17,140,000
2028 .....	2,420,000	19,560,000
2029 .....	2,530,000	22,090,000

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every \$100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every \$100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by

the Virginia Power and DEP. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of Virginia Power's or DEP's rate.

#### *Transmission*

\$7.32 per kilowatt of total contract demand per month estimated as of February 2020, is presented for illustrative purposes.

#### *Ancillary Services*

0.81 mills per kilowatt-hour of energy estimated as of February 2020, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer's ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before FERC involving the Company's or PJM'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, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Tandem Transmission Charge*

\$1.34 per kilowatt of total contract demand per month, as an estimated cost as of February 2020.

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 Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

#### *Transmission and Ancillary Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Virginia Power or PJM's OATT.

#### *Transmission, System Control, Reactive, and Regulation Services*

The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving Virginia Power's, DEP's, or PJM's OATT.

#### *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 Virginia Power (less applicable losses). The Customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Virginia Power's system. The applicable energy loss factor for transmission is specified in the OATT.

These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM

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 Replacement-2-B**

#### *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 Virginia to whom power is provided pursuant to contracts between the Government and the customer from the John H. Kerr and Philpott Projects (or Kerr-Philpott System).

#### *Applicability*

This rate schedule shall be applicable to the sale of wholesale energy purchased to meet contract minimum energy and sold under appropriate contracts between the Government and the Customer.

#### *Character of Service*

The energy supplied hereunder will be delivered at the delivery points provided for under appropriate contracts between the Government and the Customer.

#### *Monthly Charge*

The customer will pay its ratable share of Southeastern's monthly cost for replacement energy. The ratable share will be the cost allocation factor for the customer listed in the table below times Southeastern's monthly cost for replacement energy purchased for the Kerr-Philpott System, rounded to the nearest \$0.01.

Contract Number 89-00-1501-	Customer	Capacity allocation	Average energy	Cost allocation factor (percent)
1230 .....	Albemarle EMC .....	2,593	6,978,071	1.5868510
1221 .....	B-A-R-C EC .....	3,740	10,099,971	2.2967870
853 .....	Brunswick EMC .....	3,515	10,069,899	2.2899490
854 .....	Carteret-Craven EMC .....	2,679	7,674,895	1.7453120
869 .....	Carteret-Craven EMC .....	56	42,281	0.0096150
855 .....	Central EMC .....	1,239	3,549,532	0.8071830
1220 .....	Central Virginia EC .....	7,956	21,618,671	4.9162010
1203 .....	City of Bedford .....	1,200	906,166	0.2060670
1204 .....	City of Danville .....	5,600	4,228,775	0.9616460
895 .....	City of Elizabeth City .....	2,073	1,565,205	0.3559360



Contract Number 89-00-1501-	Customer	Capacity allocation	Average energy	Cost allocation factor (percent)
1215 .....	City of Franklin .....	1,003	754,359	0.1715450
878 .....	City of Kinston .....	1,466	1,106,893	0.2517130
880 .....	City of Laurinburg .....	415	313,343	0.0712560
881 .....	City of Lumberton .....	895	675,764	0.1536720
1205 .....	City of Martinsville .....	1,600	1,208,222	0.2747560
882 .....	City of New Bern .....	1,204	909,072	0.2067280
1206 .....	City of Radford .....	1,300	981,575	0.2232150
885 .....	City of Rocky Mount .....	2,538	1,916,300	0.4357770
1208 .....	City of Salem .....	2,200	1,661,127	0.3777490
892 .....	City of Washington .....	2,703	2,040,882	0.4641070
889 .....	City of Wilson .....	2,950	2,227,377	0.5065170
1222 .....	Community EC .....	4,230	11,439,200	2.6013350
1211 .....	Craig-Botetourt EC .....	1,692	4,593,320	1.0445460
1231 .....	Edgecombe-Martin County EMC .....	4,155	11,327,753	2.5759920
875 .....	Fayetteville Public Works Commission .....	5,431	4,100,640	0.9325070
856 .....	Four County EMC .....	4,198	12,026,581	2.7349090
891 .....	Greenville Utilities Commission .....	7,534	5,688,496	1.2935940
857 .....	Halifax EMC .....	585	1,675,929	0.3811150
1232 .....	Halifax EMC .....	2,021	5,499,876	1.2507010
1216 .....	Harrisonburg Electric Commission .....	2,691	2,050,360	0.4662630
858 .....	Jones-Onslow EMC .....	5,184	14,851,310	3.3772670
859 .....	Lumbee River EMC .....	3,729	10,682,974	2.4293650
1223 .....	Mecklenburg EMC .....	11,344	30,927,112	7.0329910
1224 .....	Northern Neck EC .....	3,944	10,613,786	2.4136320
1225 .....	Northern Virginia EC .....	3,268	8,910,499	2.0262950
860 .....	Pee Dee EMC .....	2,968	8,502,833	1.9335900
861 .....	Piedmont EMC .....	1,086	3,111,400	0.7075490
862 .....	Pitt & Greene EMC .....	1,580	4,526,441	1.0293370
1226 .....	Prince George EC .....	2,530	6,808,541	1.5482990
863 .....	Randolph EMC .....	3,608	10,336,328	2.3505360
1227 .....	Rappahannock EC .....	22,427	60,687,959	13.8007690
1233 .....	Roanoke EMC .....	5,528	14,963,086	3.4026860
1228 .....	Shenandoah Valley EMC .....	9,938	27,049,304	6.1511560
864 .....	South River EMC .....	6,119	17,529,931	3.9864000
1229 .....	Southside EC .....	14,575	39,223,111	8.9195450
865 .....	Tideland EMC .....	680	1,948,088	0.4430060
1234 .....	Tideland EMC .....	2,418	6,579,856	1.4962940
870 .....	Town of Apex .....	145	109,482	0.0248970
871 .....	Town of Ayden .....	208	157,049	0.0357140
893 .....	Town of Belhaven .....	182	137,418	0.0312500
872 .....	Town of Benson .....	120	90,605	0.0206040
1212 .....	Town of Blackstone .....	389	292,568	0.0665320
873 .....	Town of Clayton .....	161	121,562	0.0276440
1213 .....	Town of Culpepper .....	391	297,916	0.0677480
894 .....	Town of Edenton .....	775	585,159	0.1330680
1214 .....	Town of Elkton .....	171	128,609	0.0292460
1218 .....	Town of Enfield .....	259	194,810	0.0443010
874 .....	Town of Farmville .....	237	178,946	0.0406930
876 .....	Town of Fremont .....	60	45,303	0.0103020
896 .....	Town of Hamilton .....	40	30,202	0.0068680
897 .....	Town of Hertford .....	203	153,274	0.0348550
898 .....	Town of Hobgood .....	46	34,732	0.0078980
877 .....	Town of Hookerton .....	30	22,651	0.0051510
879 .....	Town of La Grange .....	93	70,219	0.0159680
868 .....	Town of Louisburg .....	857	2,455,632	0.5584240
883 .....	Town of Pikeville .....	40	30,202	0.0068680
884 .....	Town of Red Springs .....	117	88,340	0.0200890
1207 .....	Town of Richlands .....	500	377,569	0.0858610
899 .....	Town of Robersonville .....	232	175,170	0.0398350
900 .....	Town of Scotland Neck .....	304	229,533	0.0521970
886 .....	Town of Selma .....	183	138,173	0.0314210
887 .....	Town of Smithfield .....	378	285,407	0.0649030
901 .....	Town of Tarboro .....	2,145	1,619,568	0.3682980
888 .....	Town of Wake Forest .....	149	112,501	0.0255830
1217 .....	Town of Wakefield .....	106	79,723	0.0181290
1219 .....	Town of Windsor .....	331	248,946	0.0566120
866 .....	Tri-County EMC .....	3,096	8,869,532	2.0169790
867 .....	Wake EMC .....	2,164	6,199,505	1.4098010

Contract Number 89-00-1501-	Customer	Capacity allocation	Average energy	Cost allocation factor (percent)
Total .....	.....	196,500	439,743,400	100.0000000

### *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 Facilitator (less any losses required by the Facilitator). The customer's contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator's system.

### *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.

[FR Doc. 2020-18821 Filed 8-26-20; 8:45 am]

BILLING CODE 6450-01-P

## DEPARTMENT OF ENERGY

### Southeastern Power Administration

#### Notice of Interim Approval of Rate Schedules for Cumberland System

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

**ACTION:** Notice of interim approval.

**SUMMARY:** The Administrator for the Southeastern Power Administration (Southeastern) has confirmed and approved, on an interim basis, new rate schedules CBR-1-J, CSI-1-J, CEK-1-J, CM-1-J, CC-1-K, CK-1-J, CTV-1-J, CTVI-1-C, and Replacement-3. The rate schedules are approved on an interim basis through September 30, 2025, and are subject to confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis.

**DATES:** The approval of rates on an interim basis is effective October 1, 2020.

**FOR FURTHER INFORMATION CONTACT:** Cathy Stillson, Power Marketing Advisor, Finance and Marketing, Southeastern Power Administration, U.S. Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-6711, (706) 213-3847; Email: [Cathy.Stillson@sepa.doe.gov](mailto:Cathy.Stillson@sepa.doe.gov).

**SUPPLEMENTARY INFORMATION:** FERC, by order issued May 6, 2016, 155 FERC ¶ 62,092, confirmed and approved Rate Schedules CBR-1-I, CSI-1-I, CEK-1-I, CM-1-I, CC-1-J, CK-1-I, CTV-1-I, CTVI-1-B and Replacement-3 for the period from October 1, 2015, to September 30, 2020. This order replaces these rate schedules on an interim basis, subject to final approval by FERC.

The power marketing policy provides peaking capacity, along with 1500 kilowatt-hours (kWh) of energy with each kilowatt of capacity, to customers outside the Tennessee Valley Authority (TVA) transmission system.

A current repayment study using present rates, under the original marketing policy and the application of an annual true-up adjustment, shows that revenues will not be adequate to meet repayment criteria. A revised study shows that a revenue requirement increase of \$2,650,000, or about four percent, would be adequate to meet repayment criteria. The rate schedules CBR-1-J, CSI-1-J, and CM-1-J, include rates for customers who receive 1500 kWh of energy annually for each kilowatt of capacity. The transmission and scheduling arrangements under each of these rate schedules are different. Rate Schedule CEK-1-J is for East Kentucky Power Cooperative, which receives a fixed quantity of energy annually from projects connected to the TVA transmission system plus the output of the Laurel Project. Rate Schedule CK-1-J is for customers in Kentucky who receive 1800 kWh of energy annually for each kilowatt of capacity. Rate Schedule CC-1-K is for customers on the Duke Energy Progress, Western Division. Rate Schedule CTV-1-J is for TVA and Tennessee Valley Public Power Association (TVPPA). Rate Schedule CTVI-1-C is for customers inside the TVA system who choose a power supplier other than TVA. The rate schedules continue adjustments annually on April 1 of each year, based on transfers of specific power investment to plant-in-service for the preceding Fiscal Year, to the base demand charge and base additional energy charge. The annual adjustment will be, for each increase of \$1,000,000 to specific power plant-in-service, an

increase of \$0.003 per kilowatt per month added to the base capacity rate and an increase of 0.013 mills per kWh added to the base additional energy rate. Southeastern will give written notice to the customers of the amount of the true-up by February 1 of each year.

### Signing Authority

This document of the Department of Energy was signed on August 18, 2020, by Virgil G. Hobbs, III, Administrator for Southeastern Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on August 21, 2020.

**Treena V. Garrett,**

*Federal Register Liaison Officer, U.S. Department of Energy.*

### Department of Energy

#### Administrator, Southeastern Power Administration

#### *In the Matter of:*

Southeastern Power Administration  
Cumberland System Power Rates  
Rate Order No. SEPA-64

#### Order Confirming and Approving Power Rates on an Interim Basis

Pursuant to Section 302(a) of the Department of Energy Organization Act (Pub. L. 95-91, 42 U.S.C. 7152(a)), 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. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated to Southeastern's Administrator the authority to develop power and