

On October 14, 2011, starting at 8:30 a.m., the Board will approve the agenda and hear remarks from the chair, Jon Baron. John Easton, IES Director, will introduce Deborah Speece, the newly appointed Commissioner of the National Center for Special Education Research. The Commissioners of the national centers will give an overview of recent developments at IES. From 9:30 to 10:45 a.m., Board members will consider the topic of "Peer Review of Research Proposals: The IES approach, and possible refinements to increase findings of policy importance." Opening remarks by Anne Ricciuti, the IES Deputy Director for Science, will be followed by Board discussion. A break will take place from 10:45 to 11:00 a.m.

From 11:00 a.m. to 12:00 noon, the Board will take up the topic, "The Administration's 'Tiered' Evidence Initiatives in Education and Other Areas." Following a brief presentation by Kathy Stack, Deputy Associate Director for Education and Human Resources, Office of Management and Budget, Board members will engage in a roundtable discussion of the issues raised by the presentation. The meeting will break for lunch from 12:00 to 1:00 p.m.

Following lunch the Board will turn to the topic, "The Congressionally-established Committee on Science, Technology, Engineering and Math Education (CoSTEM)" from 1:00 to 2:00 p.m. After opening remarks by Carl Wieman, Associate Director for Science at the White House Office of Science and Technology Policy, and Co-Chair of CoSTEM, the Board will discuss the issues raised.

Next, from 2:00 to 3:20 p.m., the Board will address "Continuous Improvement Research: Is it a path for achieving program effectiveness in large-scale implementation?" Following opening remarks by Gilbert Botvin of Weill Cornell Medical College and Anthony Bryk, an NBES member and President of the Carnegie Foundation for the Advancement of Teaching, the Board will engage in roundtable discussion.

An afternoon break from 3:20 to 3:30 p.m. will precede a discussion of "NBES Annual Reports" from 3:30 to 4:10 p.m. Monica Herk, NBES's Executive Director, will kickoff the discussion by laying out the statutory requirements for the annual report and describing how they have been produced in the past. Her remarks will be followed by Board discussion.

From 4:10 to 4:40 p.m., the Board will elect Board leaders. At approximately 4:40 p.m., there will be closing remarks and a consideration of next steps from

the IES Director and NBES Chair, with adjournment scheduled for 5:00 p.m.

Individuals who will need accommodations for a disability in order to attend the meeting (e.g., interpreting services, assistance listening devices, or materials in alternative format) should notify Monica Herk no later than September 30. We will attempt to meet requests for accommodations after this date but cannot guarantee their availability. The meeting site is accessible to individuals with disabilities.

There will not be an opportunity for public comment. However, members of the public are encouraged to submit written comments related to NBES to Monica Herk (see contact information above). A final agenda will be available from Monica Herk (see contact information above) on September 30 and will be posted on the Board Web site: <http://ies.ed.gov/director/board/agendas/index.asp>.

Records are kept of all Committee proceedings and are available for public inspection at 555 New Jersey Ave., NW., Room 602 K, Washington, DC 20208, from the hours of 9 a.m. to 5 p.m., Eastern Time Monday through Friday.

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John Q. Easton,

Director, Institute of Education Sciences.

[FR Doc. 2011-24409 Filed 9-21-11; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF ENERGY

Notice of Interim Approval

AGENCY: Southeastern Power Administration, DOE.

ACTION: Notice of interim approval for Southeastern Power Administration Cumberland System.

SUMMARY: The Deputy Secretary of Energy confirmed and approved, on an interim basis, Rate Schedules CBR-1-H, CSI-1-H, CEK-1-H, CM-1-H, CC-1-I, CK-1-H, CTV-1-H, CTVI-1-A, and Replacement-3. The rates were approved on an interim basis through September 30, 2013. The new rates take effect on October 1, 2011, and are subject to confirmation and approval on a final basis by the Federal Energy Regulatory Commission (Commission).

DATES: Approval of the rate schedules on an interim basis is effective October 1, 2011, through September 30, 2013.

FOR FURTHER INFORMATION CONTACT:

Virgil G. Hobbs, III, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635-6711, (706) 213-3800.

SUPPLEMENTARY INFORMATION: On May 6, 2009, the Commission confirmed and approved on a final basis Wholesale Power Rate Schedules CBR-1-G, CSI-1-G, CEK-1-G, CM-1-G, CC-1-H, CK-1-G, and CTV-1-G for the period from October 1, 2008, to September 30, 2013 (127 FERC ¶ 62,115). Rate Schedule CTVI-1 was approved by the Administrator, Southeastern Power Administration, for a period ending September 30, 2013.

The power marketing policy provides peaking capacity, along with 1500 hours of energy with each kilowatt of capacity, to customers outside the Tennessee Valley Authority (TVA) transmission system. Due to restrictions on the operations of the Wolf Creek and Center Hill Projects imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dam, Southeastern has not been able to provide peaking capacity to these customers. An interim operating plan for the Cumberland System provides these customers with energy that does not include capacity.

A current repayment study using present rates shows that revenues will not be adequate to meet repayment criteria. A revised study with a revenue requirement increase of \$9,570,000, or about eighteen percent, shows that these rates will be adequate to meet repayment criteria. Because the estimated annual energy delivered to the customers has been reduced, the rate increase under the interim operating plan is about 40 percent.

The rate schedules have been developed to cover the differing marketing arrangements in the Cumberland System under normal operation conditions. The Rate Schedules CBR-1-H, CSI-1-H, and

CM-1-H, include rates for customers who receive 1500 kilowatt-hours 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-H 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-H is for customers in Kentucky who receive 1800 kilowatt-hours of energy annually for each kilowatt of capacity. Rate Schedule CC-1-I is for customers on the Carolina Power & Light Western Division, (or Progress Energy Carolinas Western Division).

Rate Schedule CTV-1-H is for TVA and TVPPA. Rate Schedule CTVI-1-A is for customers inside the TVA system who choose a power supplier other than TVA.

Dated: September 12, 2011.

Daniel B. Poneman,
Deputy Secretary.

DEPARTMENT OF ENERGY

Deputy Secretary

[Rate Order No. SEPA-55]

In the Matter of: Southeastern Power Administration Cumberland System Rates; Order Confirming and Approving Power Rates on an Interim Basis

Pursuant to Sections 302(a) and 301(b) of the Department of Energy Organization Act, Public Law 95-91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southeastern Power Administration (Southeastern or SEPA) were transferred to and vested in the Secretary of Energy. DOE Delegation Order No. 00-037.00, issued on December 6, 2001, granted the Deputy Secretary authority to confirm, approve, and place into effect Southeastern's rates on an interim basis. This rate order is issued by the Deputy Secretary pursuant to this delegation.

Background

On May 9, 2009, the Commission issued an order approving Rate Schedules CBR-1-G, CSI-1-G, CEK-1-G, CM-1-G, CC-1-H, CK-1-G, and CTV-1-G on a final basis for the sale of power from the Cumberland System (127 FERC ¶ 62,115). The Administrator of Southeastern Power Administration approved Rate Schedule CTVI-1 for a period ending September 30, 2013.

The power marketing policy provides peaking capacity, along with 1500 hours of energy with each kilowatt of capacity,

to customers outside the Tennessee Valley Authority (TVA) transmission system. Due to restrictions on the operations of the Wolf Creek and Center Hill Projects imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dam, Southeastern has not been able to provide peaking capacity to these customers. An interim operating plan for the Cumberland System provides these customers with energy that does not include capacity.

Public Notice and Comment

Notice of a proposed rate adjustment was published in the **Federal Register** March 7, 2011 (76 FR 12354). The notice advised interested parties of a public information and comment forum to be held in Nashville, Tennessee on May 3, 2011. By notice published in the **Federal Register** May 20, 2011 (76 FR 29235), Southeastern extended the comment period to July 1, 2011. Written comments were received from six sources pursuant to this notice.

The comments have been condensed into the following seven major categories:

1. Replacement costs.
2. Average energy estimate/energy true-up.
3. Corps Operation and Maintenance (O&M).
4. Forced payments/repayment study method.
5. Energy shaping.
6. Dam safety.
7. SEPA Rates versus Market Cost of Power.

Southeastern's response follows each comment.

Category 1: Replacement Costs

Comment: SEPA should remove opportunity projects from projected replacements. In future studies, only those opportunity projects that are approved by the Project Coordinating Committee (PCC) for funding through the Long-Term Memorandum of Agreement (MOA) will be included in capitalized investments. It is premature to include opportunity projects in the current study.

Comment: SEPA should consider revising the cost for the 20-year rehabilitation plan so that renewals are completed over a 30-year period of time. To account for the differences between proposed and actual capital expenditures, a true-up mechanism for capital expenses could be implemented.

Comment: SEPA rates must be based on a realistic estimate of replacement costs actually expected to be incurred.

Response: Southeastern is required to include estimates of replacements and additions in the repayment study to support the proposed rate schedules. As a result of the comments received,

Southeastern has removed the opportunity projects from the plan of replacements. Southeastern expects future replacements and rehabilitation of the Cumberland Projects will be accomplished through customer funding. Because the customers are expected to control customer funding, they are not expected to fund the opportunity projects through the rate adjustments established in this document.

The proposed rate schedules are to be effective for a two-year period, from October 1, 2011 to September 30, 2013. Any true-up mechanism incorporated into the proposed rate schedules would be implemented beyond the term of the proposed rate schedules. As such, the proposed rate schedules do not include a true-up mechanism.

The rehabilitation plan for the Cumberland System is expected to be implemented over twenty years. It is possible that the implementation of the plan may extend to thirty years. However, the proposed rate schedules have been developed with the present twenty-year plan of implementation, as Southeastern considers this the best estimate currently available.

Category 2: Average Energy Estimate/ Energy True-Up

Comment: SEPA should consider revising the energy sales starting in the year 2014 to 3,000,000 hours to account for an improved generation due to head improvements once Wolf Creek and Center Hill project lake levels return to normal.

Comment: Annual energy sales for 2009 and 2010 were 2,654,328 MWh and 2,706,215 MWh respectively. In addition, the Tennessee Valley Authority (TVA) prepared an independent estimate of 2,707,500 MWh for energy sales in 2012 and 2013. SEPA's projected energy sales of 2,538,434 MWh are below actual energy sales for 2009 and 2010 and are below TVA's estimate. We recommend SEPA utilize TVA's estimated energy sales of 2,707,500 MWh for 2012-14.

Comment: SEPA should not base the proposed rate adjustment on an arbitrarily determined annual system generation amount.

Response: Based on the comments received from the customers in the Cumberland System, Southeastern has revised the energy estimate used in the repayment study. Based on the continued Interim operations due to the ongoing work at Wolf Creek and Center Hill, Southeastern does not use normal system generation for the term of the Interim Operating Plan and the development of rates under the Interim

Operating Plan. Southeastern revised the proposed rate under the interim Operating Plan to include the energy estimate determined in TVA's energy model. The primary difference between the estimates was that the period of record used by TVA is 24 years longer than the period of record used by Southeastern. This additional data allows for multiple year of additional river basin hydrology to be considered when analyzing system operations and in the determination of statistical average generation for the system. Both the TVA model and Southeastern's records are comprised of actual project generation averaged over the respective periods of record. The TVA model also includes reductions at Wolf Creek and Center Hill.

Category 3: Corps O&M Costs

Comment: Corps O&M expenses included in the repayment study should be verified in a detailed accounting.

Comment: SEPA should conduct a more intensive study and analysis of the Corps' request for increased revenues, and engage in collaboration with the Corps to make further introspective study and analysis of the scope and need of the Corps' request. SEPA and the Corps through a collaborative effort can help ameliorate the extreme impact of SEPA's proposed rate increase by both using more aggressive cost controls and applying the correct accounting procedures to capital expenditures as capital assets, thus amortizing those over the life of the cost-effective improvements to the Corps' facilities. This approach is used in private sector accounting principles for capital additions.

Comment: SEPA should reexamine Corps operation and maintenance ("O&M") cost because these costs are projected to be higher than a realistic forecast would indicate.

Response: Southeastern recognizes that the customers have an interest in the maintenance and operation expenses and funding of the Cumberland Projects. Southeastern shares the customers concern over the estimated Corps O&M expense included in the repayment study to support the proposed rate schedules. The estimates used to develop the current rate schedules in the Cumberland System were about 33 percent lower than the actual costs incurred. The estimates used to develop the proposed rate schedules were provided to Southeastern and the customers in April of 2010. Any variance of the actual costs incurred from these estimates will impact repayment of the federal investment and will be accounted for in

the next rate adjustment. Southeastern will work in collaboration with the Corps, the customers, and the O&M Committee to ensure that operation and maintenance is properly funded and charged consistent with generally accepted accounting principles.

Category 4: Forced Payments/Repayment Study Method

Comment: Following sound business principles would dictate that a revenue requirement for the last two years of a 50-year repayment study should not be driven by pinch points in years 49 and 50 of the study.

Comment: SEPA should consider spreading out forced payments for the Barkley and Cordell Hull projects over multiple years to reduce the required payments of these two projects in the years 2016 and 2024 respectively.

Comment: SEPA should revisit its ratemaking methodology to reflect a more common practice of meeting future revenue requirements through a series of rate adjustments versus a one-time rate adjustment for the entire study period.

Comment: Utilizing a series of rate adjustments will more accurately reflect the change in river operations that will occur after force majeure conditions are lifted in 2014 or 2015.

Comment: Instead of a single rate adjustment to meet a 50-year study period, three rate adjustments should be made to meet increasing revenue requirements in future years.

Comment: Forced payments for Barkley and Cordell Hull should be added to the repayment study if they will result in lower rates for 2012 and 2013 (e.g. two years of forced payments prior to the Barkley required payment in 2016, and five years of forced payments prior to the Cordell Hull required payment in 2024).

Response: The methodology the power marketing administrations are required to use is set forth in DOE Order RA 6120.2. It describes, among other things, the highest interest first method of amortization. Section 8c.(3) of the Order describes the priority of revenue application.

The power marketing administrations adopted highest interest bearing first amortization method because it resulted in the lowest possible rates. Under this method, annual revenues are applied first to operating expenses and interest. Remaining revenues are then applied first to any deferred or unpaid annual expense, and then to the Federal investment. To the extent possible, while still complying with the repayment periods established for each increment of investment, amortization is

accomplished by application to the highest interest-bearing investment first. Southeastern is not required to make any payments until the year that an investment is due for repayment. Southeastern includes early, or "forced," payments in a repayment study to override the normal priority of repayment and to comply with the repayment period for the investment.

Revising the schedule of forced payments as the customers have requested would result in a slight, though not material, increase in the revenue requirement than the proposed rate schedules were designed to recover. This is caused by the increase in expensed interest from the later payment of high interest rate investment.

Section 7 b. of DOE Order RA6120.2 defines the "Cost Evaluation Period" for the repayment study. The Cost Evaluation Period is the period of time during which estimates of future costs and revenues may be modified to reflect changing conditions. For these proposed rate schedules, the cost evaluation period is two years, fiscal year 2012 and fiscal year 2013. Any changes to the rates or estimates outside the cost evaluation period, as commenters have requested, are not permitted under DOE Order RA6120.2.

Category 5: Energy Shaping

Comment: While this is not expected to change over the next two years, the affected Customers would encourage SEPA to take steps to work with the Corps to encourage "shaping" of the available resource to provide delivery at times when energy markets recognize higher demand. This step alone would increase the value of the energy-only resource that is currently available from the Cumberland River basin Corps projects.

Comment: SEPA should press the Corps for increased coordination of stream flow water management and run-of-river energy scheduling to provide more on-peak energy and less off-peak energy to the extent possible.

Response: Because of the loss of storage operations at the Wolf Creek and Center Hill Projects Southeastern is unable to provide peaking operations for the Cumberland Projects. This is expected to continue until the rehabilitation work is complete and the reservoirs have refilled. Southeastern will work with the Corps to provide more on-peak energy and less off-peak energy to the extent feasible.

Category 6: Dam Safety

Comment: The customers want to express their concern that the seepage

repair costs for Wolf Creek and Center Hill as currently classified would present another rate hurdle.

Comment: Proper classification of costs for dam safety repairs at Wolf Creek and Center Hill is a significant concern for SEPA hydropower customers. Currently, combined costs for these two projects are expected to be over \$850 million, and, if not properly classified under provisions of the Dam Safety Act, will result in a significant rate increase for hydropower. This creates a significant concern that SEPA rates may become non-competitive with other energy resources available to SEPA's customers. Indeed, the proposed rates are already uneconomical at times over the next two-year time period. To protect the viability of the federal power program, SEPA should fully exercise its authority under the Flood Control Act of 1944 to develop the lowest possible rates to consumers consistent with sound business principles.

Comment: With the projected recovery of the investment needed to complete the projects in the Master Plan and potential inclusion of the costs related to the dam safety repairs at the Wolf Creek and Center Hill Projects, the affected customers recognize that the cost of the SEPA resource may soon become uneconomical.

Comment: The expenditures for repairs at the Wolf Creek and Center Hill Dam Projects should be classified as a dam safety project and therefore subject to reimbursement rates in accordance with the Dam Safety Act (Section 1203 of the WRDA 1986) rather than as maintenance costs.

Response: The rehabilitation work at the Wolf Creek and Center Hill Projects is currently expected to be complete in fiscal year 2014, which is beyond the two-year term of these proposed rate schedules. The cost associated with this rehabilitation work is not included with this rate adjustment.

Southeastern expects to receive from the Corps reports on the cost of the rehabilitation work that the Corps has determined should be allocated to power for cost recovery. After Southeastern has received these reports, Southeastern will develop proposed rate schedules to recover the costs.

Category 7: SEPA Rates Versus Market Cost of Power

Comment: If SEPA is seeking to recover from the additional funds required to pay for the dam safety repairs, the cost of power will likely exceed prevailing market rates. If this occurs, there's some speculation that some customers will relinquish their SEPA allocations. In light of this

potential scenario, has SEPA performed any modeling to calculate how costs will be recovered if the customer base continues to shrink?

Comment: In the instance that the eventual rate does exceed market rates, is there anything that would prevent SEPA from considering the option of exercising its authority under the Flood Control Act to ensure that the rates remain the lowest possible consistent with sound business principles?

Response: The provisions of section 5 of the Flood Control Act of 1944 require that Southeastern's "Rate Schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years." As such, Southeastern is required to develop and propose rate schedules that recover the cost. If such rates prove to be above market, Southeastern will make a determination of the appropriate steps necessary to market the power and meet its repayment obligation.

Discussion

System Repayment

An examination of Southeastern's revised system power repayment study, prepared in July, 2011, for the Cumberland System, shows that with the proposed rates, all system power costs are paid within the 50-year repayment period required by existing law and DOE Order RA 6120.2. The Administrator of Southeastern has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles.

Environmental Impact

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

Availability of Information

Information regarding these rates, including studies, and other supporting materials, is available for public review in the offices of Southeastern Power

Administration, 1166 Athens Tech Road, Elberton, Georgia 30635-6711.

Submission to the Federal Energy Regulatory Commission

The rates hereinafter confirmed and approved on an interim basis, together with supporting documents, will be submitted promptly to FERC for confirmation and approval on a final basis.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 2011, attached Wholesale Power Rate Schedules CBR-1-H, CSI-1-H, CEK-1-H, CM-1-H, CC-1-I, CK-1-H, CTV-1-H, CTVI-1-A, and Replacement-3. The rate schedules shall remain in effect on an interim basis through September 30, 2013, unless such period is extended or until FERC confirms and approves them or substitute rate schedules on a final basis.

Dated: September 12, 2011.
Daniel B. Poneman,
Deputy Secretary.

Wholesale Power Rate Schedule CBR-1-H

Availability:

This rate schedule shall be available to Big Rivers Electric Corporation and includes the City of Henderson, Kentucky (hereinafter called the Customer).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 13,800 volts and 161,000 volts to the transmission system of Big Rivers Electric Corporation.

Points of Delivery:

Capacity and energy delivered to the Customer will be delivered at points of interconnection of the Customer at the Barkley Project Switchyard, at a delivery point in the vicinity of the Paradise steam plant and at such other points of delivery as may hereafter be agreed upon by the Government and Tennessee Valley Authority (TVA).

Billing Month:

The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Conditions of Service:

The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment, and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of TVA on its side of the delivery point.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission:

The Customer will pay a ratable percent listed below of the credit the Administrator of Southeastern Power

Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

	Percent
Big Rivers Electric Corporation	32.660
City of Henderson, Kentucky	2.202

Energy to be Furnished by the Government:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U.S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$4.245 per kilowatt/month of total contract demand.

Energy Charge:

None.

Energy to be Furnished by the Government:

The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1500 kilowatt-hours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Service Interruption:

When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

$$\left(\begin{array}{l} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule CSI-1-H

Availability:

This rate schedule shall be available to Southern Illinois Power Cooperative (hereinafter the Customer).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 13,800 volts and 161,000 volts to the transmission system of Big Rivers Electric Corporation.

Points of Delivery:

Capacity and energy delivered to the Customer will be delivered at points of interconnection of the Customer at the Barkley Project Switchyard, at a delivery point in the vicinity of the Paradise steam plant and at such other points of delivery as may hereafter be agreed upon by the Government and Tennessee Valley Authority (TVA).

Billing Month:

The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim

Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission Charge:

The Customer will pay 5.138 percent of the credit the Administrator of Southeastern Power Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

Energy to be Furnished by the Government:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U.S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam

and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$4.245 per kilowatt/month of total contract demand.

Energy Charge:

None.

Energy to be Furnished by the Government:

The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1500 kilowatt-hours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Service Interruption:

When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

$$\left(\begin{array}{l} \text{Number of kilowatts unavailable} \\ \text{for at least 12 hours in any calendar day} \end{array} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

*Wholesale Power Rate Schedule
CEK-1-H*

Availability:

This rate schedule shall be available to East Kentucky Power Cooperative (hereinafter called the Customer).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and power available from the Laurel Project and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of the Customer.

Points of Delivery:

The points of delivery will be the 161,000 volt bus of the Wolf Creek Power Plant and the 161,000 volt bus of the Laurel Project. Other points of delivery may be as agreed upon.

Billing Month:

The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Conditions of Service:

The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system. In so doing, the installation, adjustment and setting of all such control and protective equipment at or near the point of delivery shall be coordinated with that which is installed by and at the expense of the Tennessee Valley Authority (TVA) on its side of the delivery point.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58

FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U. S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission Charge:

The Customer will pay 31.192 percent of the credit the Administrator of Southeastern Power Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

Energy to be Furnished by the Government:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U. S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered from Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder

from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$2.950 per kilowatt/month of total contract demand.

Energy Charge:

10.358 mills per kilowatt-hour.

Energy to be Furnished by the Government:

The Government shall make available each contract year to the customer from the Projects through the customer's interconnections with TVA and the customer will schedule and accept an allocation of 1500 kilowatt-hours of energy delivered at the TVA border for each kilowatt of contract demand plus 369 kilowatt-hours of energy delivered for each kilowatt of contract demand to supplement energy available at the Laurel Project. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the customer's contract demand. The customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the customer's

contract demand; provided, that the combined schedule of all Southeastern customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these customers.

Service Interruption:

When delivery of capacity is interrupted or reduced due to

conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the

Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

$$\left(\text{Number of kilowatts unavailable for at least 12 hours in any calendar day} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule CM-1-H

Availability:

This rate schedule shall be available to the South Mississippi Electric Power Association, Municipal Energy Agency of Mississippi, and Mississippi Delta Energy Agency (hereinafter called the Customers).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of Mississippi Power and Light.

Points of Delivery

The points of delivery will be at interconnection points of the Tennessee Valley Authority (TVA) system and the Mississippi Power and Light system. Other points of delivery may be as agreed upon.

Billing Month:

The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective on the last day of each calendar month.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in

the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission Charge:

The Customer will pay a ratable percent listed below of the credit the Administrator of Southeastern Power Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

	Percent
Mississippi Delta Energy Agency	2.058
Municipal Energy Agency of Mississippi	3.447
South Mississippi EPA	9.358

Energy to be Furnished by the Government:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U.S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$4.245 per kilowatt/month of total contract demand.

Energy Charge:

None.

Energy to be Furnished by the Government:

The Government shall make available each contract year to the Customer from the Projects through the Customer's interconnections with TVA and the Customer will schedule and accept an allocation of 1500 kilowatt-hours of energy delivered at the TVA border for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the Customer's contract demand and the minimum amount scheduled in any month shall not be

less than 60 hours per kilowatt of the Customer's contract demand. The Customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the Customer's contract demand; provided, that the combined schedule of all Southeastern Customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these Customers.

In the event that any portion of the capacity allocated to the Customers is not initially delivered to the Customers as of the beginning of a full contract year, the 1500 kilowatt hours shall be reduced 1/12 for each month of that year prior to initial delivery of such capacity.

Service Interruption:

When delivery of capacity is interrupted or reduced due to conditions on the Administrator's system beyond his control, the Administrator will continue to make available the portion of his declaration of energy that can be generated with the capacity available.

For such interruption or reduction due to conditions on the Administrator's system which have not been arranged for and agreed to in advance, the demand charge for capacity made available will be reduced as to the kilowatts of such capacity which have been interrupted or reduced in accordance with the following formula:

$$\left(\text{Number of kilowatts unavailable for at least 12 hours in any calendar day} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right)$$

Wholesale Power Rate Schedule CC-1-1

Availability:

This rate schedule shall be available to public bodies and cooperatives served through the facilities of Carolina Power & Light Company, Western Division (hereinafter called the Customers).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission system of Carolina Power & Light Company, Western Division.

Points of Delivery:

The points of delivery will be at interconnecting points of the Tennessee Valley Authority (TVA) system and the Carolina Power & Light Company, Western Division system. Other points of delivery may be as agreed upon.

Billing Month:

The billing month for power sold under this schedule shall end at 2400

hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U. S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

TVA Transmission Charge:

The Customer will pay a ratable percent listed below of the credit the Administrator of Southeastern Power Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

	Percent
French Broad EMC	1.713
Haywood EMC	0.501
Town of Waynesville	0.355

CP&L Transmission Charge:

The Customer will pay a ratable percent listed below of the charge for transmission service furnished by Carolina Power & Light Company, Western Division.

	Percent
French Broad EMC	66.667
Haywood EMC	19.512
Town of Waynesville	13.821

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 Carolina Power & Light Company (less applicable losses). The Customer's contract demand and accompanying energy allocation will be divided pro rata among its individual delivery points served from the Carolina Power & Light Company's Western Division transmission system.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$4.832 per kilowatt/month of total contract demand.

Energy Charge:

None.

CP&L Transmission Charge:

\$1.3334 per kilowatt/month of total contract demand (As of July 2011 and provided for illustrative purposes.).

The CP&L transmission rate is subject to annual adjustment on April 1 of each year and will be computed subject to the formula in Appendix A attached to the Government—Carolina Power & Light Company contract.

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 Carolina Power & Light Company (less six percent [6%] losses). The Customer's contract demand and accompanying energy allocation will be divided pro rata among its individual delivery points served from the Carolina Power & Light Company's, Western Division transmission system.

Wholesale Power Rate Schedule CK-1-H

Availability:

This rate schedule shall be available to public bodies served through the facilities of Kentucky Utilities Company, (hereinafter called the Customers.).

Applicability:

This rate schedule shall be applicable to electric capacity and energy available from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereinafter called collectively the "Cumberland Projects") and sold in wholesale quantities.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a nominal frequency of 60 hertz. The power shall be delivered at nominal voltages of 161,000 volts to the transmission systems of Kentucky Utilities Company.

Points of Delivery:

The points of delivery will be at interconnecting points between the Tennessee Valley Authority (TVA) system and the Kentucky Utilities Company system. Other points of delivery may be as agreed upon.

Billing Month:

The billing month for power sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective on the last day of each calendar month.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides

peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission Charge:

The Customer will pay a ratable percent listed below of the credit the Administrator of Southeastern Power Administration (Administrator) provides to the TVA as consideration for delivering capacity and energy for the account of the Administrator to points of delivery of Other Customers or interconnection points of delivery with other electric systems for the benefit of Other Customers, as agreed by contract between the Administrator and TVA.

	Percent
City of Barbourville	0.404
City of Bardstown	0.412
City of Bardwell	0.099
City of Benham	0.046
City of Corbin	0.477
City of Falmouth	0.108
City of Frankfort	2.866
City of Madisonville	1.432
City of Nicholasville	0.469
City of Owensboro	4.587
City of Paris	0.250
City of Providence	0.226

Energy to be Furnished by the Government:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U.S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement

under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$4.245 per kilowatt/month of total contract demand.

Energy Charge:

None.

Additional Energy Charge:

10.358 mills per kilowatt-hour.

Energy to be Furnished by the

Government:

The Government shall make available each contract year to the Customer from the Projects and the Customer will accept an allocation of 1500 kilowatt-hours of energy for each kilowatt of contract demand. A contract year is defined as the 12 months beginning July 1 and ending at midnight June 30 of the following calendar year. The energy made available for a contract year shall be scheduled monthly such that the maximum amount scheduled in any month shall not exceed 240 hours per kilowatt of the Customer's contract demand and the minimum amount scheduled in any month shall not be less than 60 hours per kilowatt of the Customer's contract demand. The Customer may request and the Government may approve energy scheduled for a month greater than 240 hours per kilowatt of the Customer's contract demand; provided, that the combined schedule of all Southeastern Customers outside TVA and served by TVA does not exceed 240 hours per kilowatt of the total contract demands of these Customers.

In the event that any portion of the capacity allocated to the Customers is not initially delivered to the Customers as of the beginning of a full contract year, the 1500 kilowatt hours shall be reduced $\frac{1}{2}$ for each month of that year prior to initial delivery of such capacity.

For billing purposes, each kilowatt of capacity will include 1500 kilowatt-hours energy per year. Customers will pay for additional energy at the additional energy rate.

Wholesale Power Rate Schedule CTV-1-H

Availability:

This rate schedule shall be available to the Tennessee Valley Authority (hereinafter called TVA).

Applicability:

This rate schedule shall be applicable to electric capacity and energy generated at the Dale Hollow, Center Hill, Wolf Creek, Old Hickory, Cheatham, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereafter called collectively the "Cumberland Projects") and the Laurel Project sold under agreement between the Department of Energy and TVA.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a frequency of approximately 60 hertz at the outgoing terminals of the Cumberland Projects' switchyards.

Billing Month:

The billing month for capacity and energy sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Contract Year:

For purposes of this rate schedule, a contract year shall be as in Section 13.1 of the Southeastern Power Administration—Tennessee Valley Authority Contract.

Power Factor:

TVA shall take capacity and energy from the Department of Energy at such power factor as will best serve TVA's system from time to time; provided, that TVA shall not impose a power factor of less than .85 lagging on the Department of Energy's facilities which requires operation contrary to good operating practice or results in overload or impairment of such facilities.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U.S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rates:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Energy to be Made Available:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U.S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. Under Scenario 2, the cost of the TVA transmission credit will be passed to customers outside the TVA System. This rate alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$2.779 per kilowatt/month of total contract demand.

Energy Charge:

None.

Additional Energy Charge:

10.358 mills per kilowatt-hour.

Energy to be Made Available:

The Department of Energy shall determine the energy that is available for the projects for declaration in the billing month.

To meet the energy requirements of the Department of Energy's customers outside the TVA area (hereinafter called Other Customers), 768,000 megawatt-hours of net energy shall be available annually (including 36,900 megawatt-hours of annual net energy to supplement energy available at Laurel

Project). The energy requirement of the Other Customers shall be available annually, divided monthly such that the maximum available in any month shall not exceed 240 hours per kilowatt of total Other Customers contract demand, and the minimum amount available in any month shall not be less than 60 hours per kilowatt of total Other Customers demand.

In the event that any portion of the capacity allocated to Other Customers is not initially delivered to the Other Customers as of the beginning of a full contract year, (July through June), the 1500 hours, plus any such additional energy required as discussed above, shall be reduced $\frac{1}{12}$ for each month of that year prior to initial delivery of such capacity.

The energy scheduled by TVA for use within the TVA System in any billing month shall be the total energy delivered to TVA less (1) An adjustment for fast or slow meters, if any, (2) an adjustment for Barkley-Kentucky Canal of 15,000 megawatt-hours of energy each month which is delivered to TVA under the agreement from the Cumberland Projects without charge to TVA, (3) the energy scheduled by the Department of Energy in said month for

the Other Customers plus losses of two percent [2%], and (4) station service energy furnished by TVA.

Each kilowatt of capacity will include 1500 kilowatt-hours of energy per year, which is defined as base energy. Energy received in excess of 1500 kilowatt-hours per kilowatt will be subject to an additional energy charge identified in the monthly rates section of this rate schedule.

Service Interruption:

When delivery of capacity to TVA is interrupted or reduced due to conditions on the Department of Energy's system that are beyond its control, the Department of Energy will continue to make available the portion of its declaration of energy that can be generated with the capacity available.

For such interruption or reduction (exclusive of any restrictions provided in the agreement) due to conditions on the Department of Energy's system which have not been arranged for and agreed to in advance, the demand charge for scheduled capacity made available to TVA will be reduced as to the kilowatts of such scheduled capacity which have been so interrupted or reduced for each day in accordance with the following formula:

$$\left(\text{Number of kilowatts unavailable for at least 12 hours in any calendar day} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right) \times \left(\frac{\text{Contract Demand}}{880,000 \text{ Kilowatts}} \right)$$

Wholesale Power Rate Schedule CTVI-1-A*Availability:*

This rate schedule shall be available to customers (hereinafter called the Customer) who are or were formerly in the Tennessee Valley Authority (hereinafter called TVA) service area.

Applicability:

This rate schedule shall be applicable to electric capacity and energy generated at the Dale Hollow, Center Hill, Wolf Creek, Old Hickory, Cheatham, Barkley, J. Percy Priest, and Cordell Hull Projects (all of such projects being hereafter called collectively the "Cumberland Projects") and the Laurel Project sold under agreement between the Department of Energy and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be three-phase alternating current at a frequency of approximately 60 hertz at the outgoing terminals of the Cumberland Projects' switchyards.

Billing Month:

The billing month for capacity and energy sold under this schedule shall end at 2400 hours CDT or CST, whichever is currently effective, on the last day of each calendar month.

Contract Year:

For purposes of this rate schedule, a contract year shall be as in Section 13.1 of the Southeastern Power Administration—Tennessee Valley Authority Contract.

Southeastern Power Administration (Southeastern) is including three rate alternatives. All of the rate alternatives have a revenue requirement of \$59,600,000.

Rate Scenario 1—Interim Operating Plan

The final marketing policy for the Cumberland System was published in the **Federal Register** August 5, 1993 (58 FR 41762). The marketing policy for the Cumberland System of Projects provides peaking capacity, along with 1500 hours of energy annually with each kilowatt of

capacity, to customers outside the TVA transmission system. Due to restrictions on the operation of the Wolf Creek Project and the Center Hill Project imposed by the U. S. Army Corps of Engineers (Corps) as a precaution to prevent failure of the dams, Southeastern is not able to provide peaking capacity to these customers. Southeastern implemented an Interim Operating Plan for the Cumberland System to provide these customers with energy that did not include capacity. The rates under Scenario 1 will remain in effect for the duration of the Interim Operating Plan.

Monthly Rates:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

None.

Energy Charge:

17.69 mills per kilowatt-hour.

Transmission Charge:

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 the Federal Energy Regulatory Commission (FERC) or other overseeing entity involving the TVA's and other transmission provider's Open Access Transmission Tariff (OATT).

Proceedings before FERC or other overseeing entity 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.

Energy to be Made Available:

The Customer will receive a ratable share of the energy made available by the Nashville District of the U. S. Army Corps of Engineers.

Rate Scenario 2—Cost Recovered From Capacity and Energy

This rate alternative will be implemented if a portion of the Cumberland Capacity can be scheduled, though not all the capacity in the published marketing policy can be scheduled. The revenue requirement under this alternative is \$59,600,000, the same as the revenue requirement in Scenarios 1 and 3. The Rate Scenario 2 will receive revenues from capacity that can be scheduled and the remainder from energy, at charges that will be determined at the time. This rate

alternative will be in effect when the Corps modifies operation of the Wolf Creek Project and the Center Hill Project to allow some of the capacity scheduled. When the lake level rises and capacity is available, the capacity will be allocated on an interim basis to the customers. The Customer will pay the same rate for capacity and energy as TVA. The Customer will pay their ratable share of any transmission charges paid in behalf of the Customer.

Rate Scenario 3—Original Cumberland Marketing Policy

The third rate alternative will go into effect once the Corps lifts all restrictions on the operation of the Wolf Creek Dam and Center Hill Dam and Southeastern returns to operations that support the published marketing policy.

Monthly Rate:

The monthly rate for capacity and energy sold under this rate schedule shall be:

Demand Charge:

\$2.779 per kilowatt/month of total contract demand.

Energy Charge:

None.

Additional Energy Charge:

10.358 mills per kilowatt-hour.

Transmission Charge:

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 or other overseeing entity involving the TVA's and other transmission provider's Open Access Transmission Tariff (OATT).

Proceedings before FERC or other overseeing entity 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.

Energy To Be Made Available:

The energy will be scheduled by TVA and the Customer will receive their ratable share, in accordance with the Government-Customer Contract. Energy shall be accounted for, in accordance with agreements with TVA.

The Customer will receive a ratable share of their capacity, in accordance with the Government-Customer Contract.

Service Interruption:

When delivery of capacity to TVA is interrupted or reduced due to conditions on the Department of Energy's system that are beyond its control, the Department of Energy will continue to make available the portion of its declaration of energy that can be generated with the capacity available. The customer will receive a ratable share of this capacity.

For such interruption or reduction (exclusive of any restrictions provided in the agreement) due to conditions on the Department of Energy's system which have not been arranged for and agreed to in advance, the demand charge for scheduled capacity made available to the Customer will be reduced as to the kilowatts of such scheduled capacity which have been so interrupted or reduced for each day in accordance with the following formula:

$$\left(\text{Number of kilowatts unavailable for at least 12 hours in any calendar day} \right) \times \left(\frac{\text{Monthly Capacity Charge}}{\text{Number of Days in Billing Month}} \right) \times \left(\frac{\text{Contract Demand}}{880,000 \text{ Kilowatts}} \right)$$

Wholesale Rate Schedule Replacement-3

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia, North Carolina, Tennessee, Georgia, Alabama, Mississippi, Kentucky and southern Illinois to whom power is provided pursuant to contracts between the

Government and the customer from the Dale Hollow, Center Hill, Wolf Creek, Cheatham, Old Hickory, Barkley, J. Percy Priest, Cordell Hull, and Laurel Projects (all of such projects being hereinafter called collectively the "Cumberland Projects").

Applicability:

This rate schedule shall be applicable to the sale of wholesale energy purchased to meet contract minimum energy 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 rate for replacement energy will be a formulary capacity charge based on the monthly cost to the Government to

purchase replacement energy necessary to support capacity in the Cumberland System divided by the capacity available from the Cumberland System, which is 950,000 kilowatts in the published power marketing policy. The capacity rate will be adjusted for any capacity retained by the Customer's transmission facilitator.

Conditions of Service:

The customer shall at its own expense provide, install, and maintain on its side of each delivery point the equipment necessary to protect and control its own system.

[FR Doc. 2011-24224 Filed 9-21-11; 8:45 am]

BILLING CODE 6450-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RD11-4-000]

Commission Information Collection Activities (FERC-725A); Comment Request; Submitted for OMB Review

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice.

SUMMARY: In compliance with the requirements of section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507, the Federal Energy Regulatory Commission (Commission or FERC) has submitted the information collection described below to the Office of Management and Budget (OMB) for review of the information collection requirements. Any interested person may file comments directly with OMB and should address a copy of those comments to the Commission as explained below. The Commission issued a Notice in the **Federal Register** (76 FR 23801, 04/28/2011) requesting public comments. FERC received no comments on the FERC-725A and has made this notation in its submission to OMB.

DATES: Comments in consideration of the collection of information are due October 24, 2011.

ADDRESSES: Comments may be filed either electronically (eFiled) or in paper format, and should refer to Docket No. RD11-4-000. Documents must be prepared in an acceptable filing format and in compliance with Commission

submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. eFiling instructions are available at: <http://www.ferc.gov/docs-filing/efiling.asp>. First time users must follow eRegister instructions at: <http://www.ferc.gov/docs-filing/eregistration.asp>, to establish a username and password before eFiling. The Commission will send an automatic acknowledgement to the sender's e-mail address upon receipt of eFiled comments. Commenters making an eFiling should not make a paper filing. Commenters that are not able to file electronically must send an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE., Washington, DC 20426.

Users interested in receiving automatic notification of activity in this docket may do so through eSubscription at <http://www.ferc.gov/docs-filing/esubscription.asp>. In addition, all comments and FERC issuances may be viewed, printed or downloaded remotely through FERC's eLibrary at <http://www.ferc.gov/docs-filing/elibrary.asp>, by searching on Docket No. RD11-4-000. For user assistance, contact FERC Online Support by e-mail at ferconlinesupport@ferc.gov, or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

FOR FURTHER INFORMATION CONTACT: Ellen Brown may be reached by e-mail at DataClearance@FERC.gov, telephone at (202) 502-8663, and fax at (202) 273-0873.

SUPPLEMENTARY INFORMATION: The information collected under the order in Docket No. RD11-4-000 under the requirements of FERC-725A, "Mandatory Reliability Standards for the Bulk-Power System" (OMB No. 1902-0244), is required by Commission-approved Reliability Standard EOP-008-1 (Loss of Control Center Functionality) that requires reliability coordinators, transmission operators, and balancing authorities to have an operating plan and facilities for backup functionality to ensure Bulk-Power System reliability in the event that a control center becomes inoperable. The standard consists of eight requirements.

Requirement R1 requires each applicable entity to have a current operating plan describing the manner in which it will continue to meet its functional obligations in the event that its primary control center functionality

is lost. Requirement R2 instructs each applicable entity to have a copy of its current plan for backup functionality at its primary control center and at the location providing backup functionality. Requirement R3 mandates that each reliability coordinator have a backup control center that provides functionality sufficient to maintain compliance with all Reliability Standards that depend on primary control center functionality.

Requirement R4 directs balancing authorities and transmission operators to have a backup functionality, either through a facility or contracted services, to maintain compliance with all Reliability Standards that depend on their primary control center functionality. Requirement R5 requires each applicable entity to review annually and approve its plan for backup functionality. Requirement R6 mandates that primary and backup functionality cannot depend on each other, and Requirement R7 requires each applicable entity to annually test and document the results of its plan demonstrating the transition time between the simulated loss of the primary control center and the full implementation of the backup functionality. Finally, each reliability coordinator, balancing authority or transmission operator that experiences a loss of either primary or backup functionality anticipated to last for more than six months must, in accordance with Requirement R8, provide a plan to its Regional Entity within six calendar months of the date when functionality is lost showing how it will re-establish such functionality.

Rather than creating entirely new obligations with respect to the loss of control center functionality, Reliability Standard EOP-008-1 upgrades existing planning requirements. The standard does not impose entirely new burdens on the effected entities, but it does impose new requirements regarding the approval, placement, documentation and updating of plans as well as requires entities that may not already possess backup functionality to obtain, possibly through contractual arrangements, backup capabilities.

Burden Statement: Public reporting burden resulting from the approval of Reliability Standard EOP-008-1 is estimated as:

Changes to FERC-725A data collection	Number of respondents annually (A)	Number of responses per respondent (B)	Average burden hours per response (C)	Total annual hours (A x B x C)
Review and possible revision of plan (one-time)	215	1	20	4,300