

Operation and Maintenance, Southeastern Power Administration

Proposed Appropriation Language

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, [\$3,900,000] \$4,891,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, [amounts] up to \$8,000,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures.[as follows: for fiscal year 2001, up to \$34,463,000; for fiscal year 2002, up to \$26,463,000; for fiscal year 2003, up to \$20,000,000; and for fiscal year 2004, up to \$15,000,000.]

Explanation of Change

The language change deletes the prior year reference to FY 2001 purchase power and wheeling activity, and includes up to \$8,000,000 in use of offsetting collections for FY 2002 purchase power and wheeling requirements in addition to the \$26,463,000 made available for FY 2002 in FY 2001 in Public Law 106-377, providing a total of up to \$34,463,000 in use of offsetting collections for FY 2002.

Southeastern Power Administration

Executive Budget Summary

Mission

The Southeastern Power Administration (Southeastern) markets Federal hydroelectric power at the lowest possible cost, giving preference to public bodies and cooperatives in the southeastern United States.

Southeastern markets power generated at 23 U.S. Army Corps of Engineers (Corps) projects to preference customers in 11 southeastern states in accordance with the Flood Control Act of 1944. Southeastern does not own or operate any transmission lines and carries out its marketing program by utilizing the transmission systems of electric utilities in the area. Transmission of Federal power is accomplished through arrangements between Southeastern and each of the area utilities with transmission lines connected to the projects under which the utility agrees to deliver specified amounts of Federal power to customers of the Government, and Southeastern agrees to compensate the utility for the wheeling services performed.

Strategy

Maximizing the use of Federal assets to repay the Federal investment while balancing power needs with the diverse interests of other water resource users and implementing public policy requires Southeastern to participate in the public and investor owned utility arenas. As part of the Department of Energy's Strategic Plan in the Energy Resources and Corporate Management business lines, Southeastern's program promotes secure, reliable, competitive, and environmentally responsible energy systems by reducing the vulnerability of the U.S. economy to disruptions in energy supplies. Southeastern uses the following two strategic elements to implement its goals and objectives.

- # Southeastern takes the lead role in promoting communications between preference customers and the Corps of Engineers through two longstanding partnerships - the Southeastern Federal Power Alliance and Team Cumberland.
- # More intense water demand from municipal, industrial and environmental purposes has required increased involvement in water use and allocation issues. In order to preserve the viability of hydropower as a dependable resource, Southeastern participates in negotiations among state, Federal and municipal entities.

Major Changes

- # Revision of the Strategic Plan. The plan outlines the goals and objectives Southeastern expects to implement in five year increments.
- # Improved communication among Southeastern, its customers and the Corps improves the ability to schedule hourly generation of the hydroelectric projects.
- # Southeastern's total quality process continues to provide associates with training in the areas of team building and process improvement techniques. Southeastern's Total Quality Management initiatives continue to improve customer service.
- # Rising energy costs will shift the focus of the Competitive Resource Strategies Program toward efficient use of energy in residential, commercial and industrial applications. Distributed generation topics, including interconnection, efficient sizing, and appropriate applications will also be addressed. Passage of the Energy Policy Act of 1992 and subsequent implementing orders, direct Southeastern to support its preference customers as they address issues surrounding energy efficiency and alternative generation strategies in a more competitive energy market.
- # As of FY 2001, Southeastern has the authority to utilize purchase power and wheeling revenues to finance purchase power and wheeling expenses previously funded by direct appropriations.

Major Issues

- # The Corps has recently completed the Final Environmental Assessment report on the pump units at the Richard B. Russell Project. The Corps concluded the report with a finding of no significant impact. The Corps has filed and argued a summary judgement to lift the injunction which bans commercial operation of the project. A decision is not expected before mid-2001
- # Continuing drought conditions in the Southeast have required significant purchases of supplemental power from outside sources at very high rates. Supplemental power purchased using the Continuing Fund will be recovered from preference customers through the rate making process.
- # Regional Transmission Organization (RTO). Southeastern has been instructed to follow the developments surrounding RTO's and expects to be generally affiliated with one or more RTO's in the Southeast.
- # The Southeastern customers have filed a lawsuit against the Corps of Engineers that addresses the reallocation of water storage in the Federal multiple purpose projects. Customers feel that power interests are not being adequately compensated for reallocated hydro-power storage.

Site Funding and Federal Contractor Staffing Profiles

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
Program Direction ^a	11,579	4,991	4,891
Purchase Power & Wheeling	0	34,463	34,463
Total, Southeastern Program Level	11,579	39,454	39,354
Use of prior year balances	-3,000	-1,100	0
Use of offsetting collections	0	-34,463	-34,463
Transfer to Southwestern Power Administration	-773	0	0
Budget Authority, Southeastern Power Administration	7,806	3,891	4,891
Full-Time Equivalents	42	42	42
Contractor Staffing	0	2	2

^aIn FY 2000 Program Direction and Purchase Power and Wheeling funds were grouped together under the Program Direction heading. Had they been separate, Program Direction would have been \$4,727,000 and Purchase Power and Wheeling would have been \$6,867,000 for a total of \$11,594,000. A subsequent rescission of \$15,000 reduced the appropriation to \$11,579,000.

Program Performance Measures

Performance measures indicate the financial, operating, and rate performance of Southeastern Power Administration when compared to other standards that serve as a proxy for normal performance.

Repay the Federal investment.

< Meet planned repayment of principal on power investment.

Measure the safety performance by measuring the safety record against the industry average.

< Achieve a safety performance of at most a 3.3 recordable accident frequency rate for recordable injuries per 200,000 hours worked, or the Bureau of Labor Statistics industry rate, whichever is lower.

Measure the control area performance.

< Ensure that the power system control area administered by Southeastern receives, for each month of the fiscal year, a control compliance rating of “pass” using the North American Electric Reliability Council performance standard.

Charles A. Borchart
Administrator, Southeastern Power Administration

Date

Southeastern Power Administration

Program Mission

The Southeastern Power Administration (Southeastern) markets Federal hydroelectric power at the lowest possible cost, giving preference to public bodies and cooperatives in the southeastern United States.

Southeastern markets power generated at 23 Corps of Engineers projects, to preference customers in 11 southeastern states in accordance with the Flood Control Act of 1944. Southeastern does not own or operate any transmission lines. In the absence of transmission lines of its own, Southeastern carries out its marketing program by utilizing the transmission systems of electric utilities in the area. Transmission of Federal power is accomplished through arrangements between Southeastern and each of the area utilities with transmission lines connected to the projects under which the utility agrees to deliver specified amounts of Federal power to customers of the Government, and Southeastern agrees to compensate the utility for the wheeling services performed.

Program Goals

- # Encourage widespread use of available Federal power giving preference in the sale of power to state and Federal agencies, municipal governments, and cooperatives.
- # Promote energy and economic efficiency among preference customers.
- # Make the power available at the lowest possible rates to consumers consistent with sound business principles while repaying the Federal investment in a timely manner.
- # Operate projects as an integrated system to maximize SEPA's contribution to customer requirements.
- # Use existing area transmission systems for transmission of power to customers.
- # Expand training programs of associates that maximize their contribution to organization's vision and mission
- # Make maximum use of available technology.
- # Enhance and increase organizational communications and quality.

Program Objectives

- # Actively participate in electric industry issues. Demonstrate a willingness to change policy, contracts, and operating procedures to be more responsive to our customers.
- # Accomplish timely repayment and collections for power delivered to customers. Work with customers and Corps of Engineers to monitor costs and to work toward cost containment.
- # Formulate power rates to recover all costs of producing and transmitting power, including amortization of capital investment allocated to power, over a 50-year period and replacements over the service lives up to a maximum of 50 years.
- # Administer approximately 300 contracts which benefit more than 500 customers in a fair and effective manner that carries out the intent of contract provisions. This includes power delivery, contract service, billing and collection functions and daily coordination of reservoir operations to maximize power output and meet firm power commitments.
- # Promote effective methods for customers to implement energy- and economically-efficient strategies that take advantage of new marketing options in a deregulated environment through the Competitive Resources Strategies Program.
- # Coordinate with Corps of Engineers, preference customers, and other interested parties in the rehabilitation and upgrade of existing and new projects and in competing uses of water.
- # Coordinate, schedule and dispatch the power system generation to maximize the power benefits through improved technology to the electric grid and the preference customers through hourly communication and coordinated working relationships with various electric utilities. Continue to account and provide summaries of power transactions for the appropriate and timely power billing function of the Agency.

Significant Accomplishments and Program Shifts

- # Southeastern continues to take the lead in fostering communications with its customers and the Corps of Engineers through two previously-established partnerships - the Southeastern Federal Power Alliance and Team Cumberland. The Southeastern Federal Power Alliance provides suggestions which help the operations center identify customers' changing needs. Both partnerships meet periodically to exchange information and promote their visions.
- # Southeastern expanded its capability to schedule the hourly generation of the hydroelectric projects in Southeastern's marketing area.
- # Southeastern's efforts in Total Quality Management continue to lead us in improved processes and customer service.
- # Southeastern's Competitive Resource Strategies Program provides education and training opportunities to preference customers. Southeastern also maintains close contact with generation and transmission

cooperatives, joint action agencies, and customer associations across the Southeast to assess the need and scope of training initiatives that will address competitiveness issues.

- # Southeastern continues to revise its Strategic Plan. The Plan outlines the requirements under Government Performance and Results Act and DOE's plan that Southeastern anticipates implementing during the next five years.
- # The FY 2002 budget request relies on customer receipts and net billing to pay for purchased power, transmission wheeling and ancillary services. No Federal appropriation will be required to fund purchase power and wheeling expenses in FY 2002 and subsequent years. It is Southeastern's policy to encourage customers to assume advantages of purchasing independently of Southeastern for purchase power and transmission services.
- # In FY 2000, Southeastern marketed 4,640 gigawatthours (GWH) of clean renewable hydroelectric energy for \$142,229,319 in gross revenues, providing total proprietary receipts of \$93,592,016. Southeastern anticipates receipts of \$172,110,000 for FY 2001, and \$164,846,000 for FY 2002.

Funding Profile

(dollars in thousands)

	FY 2000 Comparable Appropriation	FY 2001 Original Appropriation	FY 2001 Adjustments	FY 2001 Comparable Appropriation	FY 2002 Request
Program Direction	11,579	5,000	-9 ^b	4,991	4,891
Purchase Power & Wheeling	0	34,463	0	34,463	34,463
Total SEPA Program Level	11,579	39,463	-9	39,454	39,354
Use of prior year balances	-3,000	-1,100	0	-1,100	0
Offsetting collections realized	0	-34,463	0	-34,463	-34,463
Transfer to Southwestern Power Administration	-773	0	0	0	0
Budget Authority, SEPA	7,806	3,900	-9	3,891	4,891

Public Law Authorization:

^b Reflects adjustment for .22% Omnibus Reduction, P.L. 106-554.

P.L. 78-534, "Flood Control Act of 1944"
P.L. 95-91, "DOE Organization Act of 1977", Section 302
P.L.102-485, "Energy Policy Act of 1992"

Funding by Site

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Total, SEPA Program Level	11,579	39,454	39,354	-100	-0.25%
Use of prior year balances	-3,000	-1,100	0	1,100	-100%
Offsetting collections realized	0	-34,463	-34,463	0	0%
Transfer to Southwestern Power Administration	-773	0	0	0	0%
Budget Authority SEPA	7,806	3,891	4,891	1,000	26%

Site Description

Southeastern Power Administration is located in Elberton, GA and has no field offices. It is one of the Department of Energy's four PMAs.

Program Direction

Mission Supporting Goals and Objectives

Program direction provides for: (1) scheduling the generation of power and supervision of power delivery, (2) negotiation and administration of contracts for the sale of power and energy and establishment of rates to assure repayment of power costs, (3) general administration and support of Southeastern's power marketing program, and (4) Competitive Resource Strategies Program. We coordinate and cooperate with our partners to operate projects in a manner that enhances the value and reliability of hydropower. Priority is given to integrating environmental concerns and determinations into program actions. Emerging energy efficiency technologies are integrated with marketing strategies and programs.

Southeastern's FTE activities and percentages are provided as follows:

- 7% The Office of the Administrator is responsible for marketing hydroelectric power and energy and includes the Office of Legal Affairs.
- 27% The Finance and Marketing Division negotiates, prepares and administers contracts for the sale, purchase/interchange, and wheeling of power, formulates rates to meet repayment requirements, is responsible for budget, accounting and financial management activities, customer service, public information program, and the Competitive Resource Strategies Program.
- 32% The Human Resource and Administration Division plans, develops, coordinates and administers administrative and management activities of Southeastern. It includes activities to support mission accomplishment, automated date processing (ADP) and telecommunications services, personnel, contracts and procurement, supply, security, technical library, facilities, and strategic planning.
- 34% The Power Resources Division studies power production to determine the amounts of available power and energy and studies methods of coordinating operation of present and proposed generating plants to obtain maximum utilization of water and power resources. This division coordinates, schedules, and dispatches system power generation on an hourly basis and is responsible for administering contractual operation requirements and performs billing operations for power sold by Southeastern.

In FY 2000, Southeastern marketed 4,640 GWH of clean renewable hydroelectric energy for \$142,229,319 in revenues, providing total proprietary receipts of \$93,592,016. Southeastern anticipates proprietary receipts of \$172,110,000 for FY 2001, and \$164,846,000 for FY 2002.

Funding Schedule

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Salary and Benefits/Purchase Power and Wheeling ^a	9,715	3,057	3,294	237	+ 8%
Travel	220	220	220	0	0%
Support Services	125	100	100	0	0%
Other Related Expenses	1,519	1,614	1,277	-337	-21%
Total, Program Direction	11,579	4,991	4,891	-100	-2%

Detailed Program Justification

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
Salaries and Benefits/Purchase Power and Wheeling	9,715	3,057	3,294

Provide negotiation, preparation, execution, and administration of all contracts for the disposition of electric power and to ensure and maintain continuity of electric service to customers. Also provides for Purchase Power and Wheeling in FY 2000.

Schedule pumping energy and coordinate between the providers of the pumping energy and the project and account for all transactions relative to pumping operations of the Carters Project and Richard B. Russell Project. Perform control area services for the three Savannah River Projects-Hartwell, Russell and Thurmond. Coordinate power operations of 23 projects with all parties making determinations of capacity and energy availability weekly. Performance is measured by achieving a control area compliance rating of "Pass" using the National Electric Reliability Council (NERC) performance standard.

^aSalary and Benefits were combined with Purchase Power and Wheeling in FY 2000 only.

(dollars in thousands)

FY 2000	FY 2001	FY 2002
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Provide billing, collection, and payment functions for approximately 300 contracts which benefit more than 500 preference customers. Execute budget, accounting and financial management activities for the office. Prepare repayment analyses of each system to determine rates and issue a formal rate presentation as needed. Performance is measured by meeting planned repayment of principal on power investment.

Perform continuing engineering studies and review of actual project operations. Evaluate any impacts of proposed or actual changes to project operations. The \$237,000 increase will cover inflation associated with salary and benefits.

Travel 220 220 220

Contract negotiations, preference customer meetings, rates (forums, hearings, meetings), Congressional hearings, site visits of existing and new projects, Competitive Resource Strategy meetings, operations meetings with industry self-regulating groups which include Southeastern Electric Reliability Council (SERC), Virginia Carolina Electric Reliability Group (VACAR), Florida Reliability Coordinating Council & NERC, hydropower task force meetings with the Corps, Customer, & SEPA Working Group (C2SWG), National Environmental Policy Act (NEPA) activities, training, Power Marketing Policy Forums, national & state customer meetings with the National Rural Electric Cooperative Association (NRECA), the American Public Power Association (APPA), Southeastern Federal Power Customers O&M Subcommittee meetings, Interagency Task Force on Finance, Technical Advisory Group meetings, FERC pre-filings and hearings, carrying out headquarters responsibilities.

Support Services 125 100 100

Continue Southeastern’s Competitive Resource Strategies Program, which helps customers address issues surrounding the implementation of energy efficiency and competitiveness in a restructured electricity market.

Other Related Expenses 1,519 1,614 1,277

Provide administrative support for the agency, rent, communications, maintenance, contract services (janitor services, library services, support for DOE Power Marketing Liaison Office, audit of the Southeastern Federal Power Program financial statements), supplies and materials, and equipment. Contract audit expenses include the power portion of the Corps. Installation of various electronic equipment and maintenance of interconnected fiber optic communication lines for the SCADA system. Expenses associated with telecommunications, printing, training, supplies, contract services and equipment will be decreased. Overall safety performance is measured by an accident frequency of 3.3 or fewer recordable accidents per 200,000 hours worked.

Total, Program Direction 11,579 4,991 4,891

Explanation of Funding Changes from FY 2001 to FY 2002

FY 2002 vs
FY 2001
(\$000)

Salaries and Benefits

# Increase in salaries and benefits due to cost-of-living and within-grade adjustments. Benefit costs to SEPA account for 21 percent of the total.	237
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Travel

# No change in funding level.	0
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Support Services

# No change in funding level.	0
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Other Related Expenses

# Increase in estimated audit expense is due to inflation.	2
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# Telecommunications reduction.	-11
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# Rent reflects increase in building lease expense.	6
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# Printing and reproduction reduction.	-3
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# Reduction will postpone lower priority training needs.	-40
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# Supplies, materials and software reduction will resulting in postponing software upgrades, and reducing the office supply and library materials budgets	-92
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# Contracts for equipment service will be reduced resulting in service at more lengthy intervals.	-98
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# Equipment budget decrease reflects slower acquisition of selected equipment.	-101
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Subtotal, Other Related Expenses	-337
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Total Funding Change, Program Direction	-100
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Support Services

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$Change	%Change
Energy Efficiency and Competitiveness Workshops	125	100	100	0	0.0%
Total, Support Services	125	100	100	0	0.0%

Other Related Expenses

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$Change	%Change
Audit of Financial Statements	99	110	112	2	1.8%
Communications	256	231	220	-11	-4.8%
Rental Space	200	300	306	6	2.0%
Maintenance Agreements	120	116	116	0	0.0%
Printing & Reproduction	12	12	9	-3	-25.0%
Tuition	80	80	40	-40	-50.0%
Supplies & Materials	196	236	144	-92	-39.0%
Contract Services	357	348	250	-98	-28.2%
Equipment (General and ADP)	99	181	80	-101	-55.8%
IM Hardware and Control Area Support for Operations Center	100	0	0	0	0.0%
Total, Other Related Services	1,519	1,614	1,277	-337	-20.9%

Purchase Power and Wheeling

Mission Supporting Goals and Objectives

For FY 2002, this activity provides for the payment of amounts charged the Government under contractual arrangements for: (1) delivery of power over non-Federal systems to load centers of preference customers for the account of the Government, (2) purchase of energy to firm-up Federally- generated power during adverse water periods, as well as purchases of power at the Carters Project and Richard B. Russell Project and purchases of default power, and (3) support capacity required to meet commitments for the Jim Woodruff Project under adverse water conditions. Priority is given to meeting contractual commitments and making arrangements for transmission of power and assisting other transmission providers in planning and constructing necessary facilities.

Funds used for transmission expenses are based on contracts Southeastern has with area transmission providers connected to the projects. These transmission providers agree to deliver specified amounts of Federal power to customers of the government, and Southeastern agrees to compensate the utility for the transmission services performed. Purchase power costs are estimated based on expected costs. Expected costs account for factors which are beyond the control of Southeastern, primarily drought and flood. Southeastern maintains a Continuing Fund that is used to finance power purchases under emergency conditions which include, but are not limited to adverse water conditions and unplanned generation outages.

Funding Schedule

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Purchase Power and Wheeling ^a . . .	0	34,463	34,463	0	0.0%
Offsetting collections realized . . .	0	-34,463	-34,463	0	0.0%
Total, Purchase Power and Wheeling	0	0	0	0	0.0%

^a In FY 2000 Purchase Power and Wheeling was grouped with Program Direction.

Detailed Program Justification

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
Transmission Charges	0	20,863	20,863
Payment for ancillary services and transmission service charges for delivery of power over non-Federal Systems.			
Pumping: Russell Project	0	8,000	8,000
Purchase of energy to pump water into the Richard B. Russell Project for later release.			
Pumping: Carters	0	4,000	4,000
Purchases of energy at the Carters Project to pump water from downstream up into the main storage reservoir to generate electricity during "peak" demand periods. This pumped water enables the generating equipment to be used more hours during "peak" demand periods than would otherwise be possible.			
Default power	0	1,000	1,000
Purchase of Default power to firm up ancillary service contractual obligations.			
Support Jim Woodruff Project	0	600	600
Provide support to the Jim Woodruff Project under adverse water conditions through purchases of energy necessary to provide support capacity.			
Use of Revenues	0	-34,463	-34,463
Total, Purchase Power and Wheeling	0	0	0

Explanation of Funding Changes from FY 2001 to FY 2002

	FY 2002 vs FY 2001 (\$000)
Purchase Power and Wheeling	
# No changes	0
Total Funding Change, Purchase Power and Wheeling	0

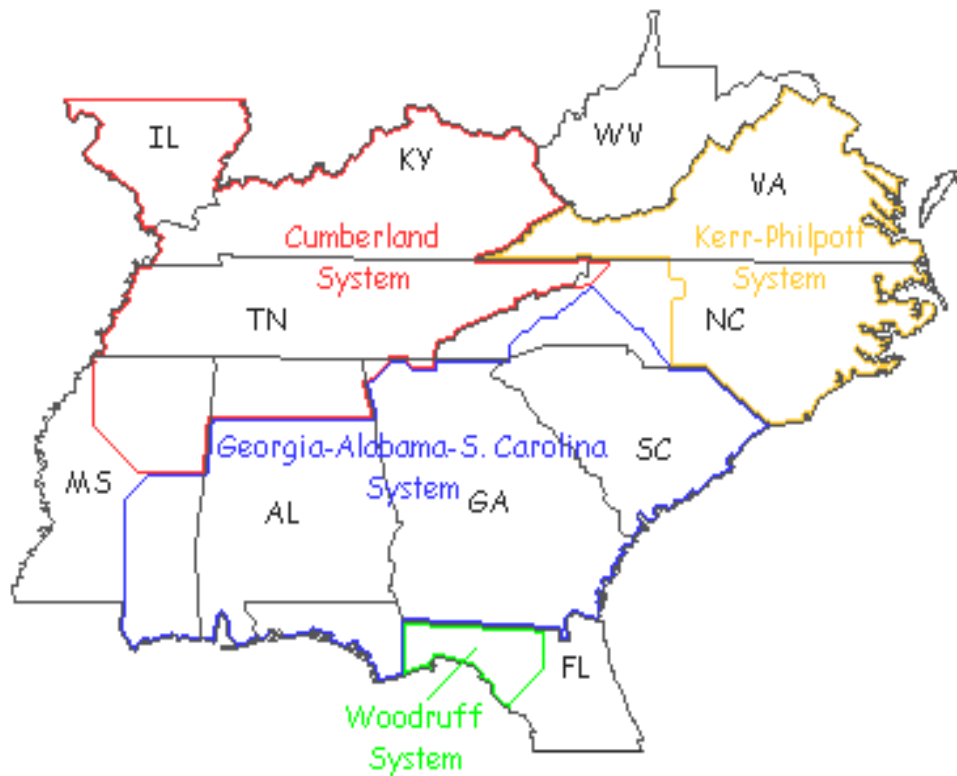
Operation and Maintenance
Southeastern Power Administration/
Purchase Power and Wheeling

FY 2002 Congressional Budget

Breakdown of Total Needs

	(dollars in thousands)	
Transmission	30,317	
Southern Company ancillary charges	4,428	
Subtotal Transmission	34,745	
Purchase Power	13,800	
Subtotal		48,545
Less Net Billing	-14,082	
Less Offsetting collections	-34,463	
Subtotal		-48,545
Subtotal Transmission and Purchase Power		0
Total Appropriated Funds		0

DEPARTMENT OF ENERGY
FY 2002 CONGRESSIONAL BUDGET REQUEST
MARKETING AREA MAP
SOUTHEASTERN POWER ADMINISTRATION



**DEPARTMENT OF ENERGY
 FY 2002 CONGRESSIONAL BUDGET REQUEST
 SOUTHEASTERN POWER ADMINISTRATION**

REVENUE AND RECEIPTS

(Dollars in Thousands)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<u>Southeastern Power Administration</u>							
Gross revenues ^a	142,229	219,274	213,391	214,432	215,525	218,223	219,426
Customer Reimbursement to SEPA for transmission overcharge	1,527	0	0	0	0	0	0
Less:							
Reimbursements	-28,000	0	0	0	0	0	0
Continuing Fund	-8,976	0	0	0	0	0	0
Accounts Receivable Difference	-527	0	0	0	0	0	0
Use of revenue to fund purchase power and wheeling credited as offsetting receipts	0	-34,463	-34,463	-35,358	-36,191	-37,066	-37,983
Net billing	-12,661	-12,701	-14,082	-14,328	-14,589	-14,862	-15,148
Total Proprietary Receipts	93,592	172,110	164,846	164,746	164,745	166,295	166,295
Percent of sales to preference customers ^b . . .	99%	99%	99%	99%	99%	99%	99%
Energy sales and power marketed (in billions of kilowatt hours)	8	8	8	8	8	8	8

^aFor FY 2001 - FY 2006 Gross revenues include \$45,206 in estimated Russell Pumped Storage revenue. Revenue includes estimated capacity and energy charges, as well as expenses associated with pumping energy and transmission.

^bIncludes TVA.

**DEPARTMENT OF ENERGY
FY 2002 CONGRESSIONAL BUDGET REQUEST
SYSTEM STATISTICS**

SOUTHEASTERN POWER ADMINISTRATION

(Dollars in thousands)

	FY 2000	FY 2001	FY 2002
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Generating Capacity:</u>			
Nameplate Capacity (KW)	3,092,675	3,092,675	3,392,675
Peak Capacity (KW) ^a	3,306,000	3,390,000	3,690,000
<u>Generating Stations:</u>			
Number of Generating Projects	23	23	23
<u>Available energy:</u>			
Energy from Streamflow	4,357,541	7,700,000	7,700,000
Energy from Pumping	326,968	200,000	470,400
Energy Purchased (MWH) ^b	339,113	75,000	75,000
Energy Available for Marketing (MWH) ^c	5,023,622	7,975,000	8,245,400

^aSEPA markets capacity based on nameplate capacity plus an overload factor. The Russell Pump Storage units are expected to be declared commercially operable in FY 2002. NERC requires that SEPA keep some capacity in reserve for emergency purposes and to cover losses.

^bFY 2000 - Jim Woodruff Project firming (130,111 mwh) and Georgia-Alabama-South Carolina System replacement power (209,002mwh) to meet contractual requirements. Amounts are higher than expected due to continuing drought conditions

^cGross amount. Transmission losses of approximately 250,000 mwh must be deducted from this quantity to calculate energy marketed to customers.

**DEPARTMENT OF ENERGY
FY 2002 CONGRESSIONAL BUDGET REQUEST**

POWER MARKETED, WHEELED, OR EXCHANGED BY PROJECT

SOUTHEASTERN POWER ADMINISTRATION

<u>Project</u>	<u>State</u>	<u>No. of Plants</u>	<u>Installed Capacity (KW)</u>	<u>FY 2000 Actual Power</u>	<u>FY 2001 Est. Power (GWH)</u>	<u>FY 2002 Est. Power (GWH)</u>
Kerr Philpott System				327	475	475
John H. Kerr	VA-NC	1	204,000			
Philpott	VA	1	14,000			
Georgia-Alabama-South Carolina System				2,331	4,097	4,097
Allatoona	GA	1	74,000			
Buford	GA	1	86,000			
Carters	GA	1	500,000			
J. Strom Thurmond	GA-SC	1	280,000			
Walter F. George	GA-AL	1	130,000			
Hartwell	GA-SC	1	344,000			
R. F. Henry	AL	1	68,000			
Millers Ferry	AL	1	75,000			
West Point	GA-AL	1	73,375			
Richard B. Russell	GA-SC	1	600,000 ^a			
Jim Woodruff Project				184	230	230
Cumberland System				1,797	3,260	3,260
Barkley	KY	1	130,000			
Center Hill	TN	1	135,000			
Cheatham	TN	1	36,000			
Cordell Hull	TN	1	100,000			
Dale Hollow	TN	1	54,000			
Old Hickory	TN	1	100,000			
J. Percy Priest	TN	1	28,000			
Wolf Creek	TN	1	270,000			
Laurel	TN	1	61,000			
Stonewall Jackson				1	1	1
<u>Total Power Marketed</u>		23	3,392,675	4,640	8,062	8,356

^aFour 75,000 KW pump-generators at the Richard B. Russell Project are scheduled to go into commercial operation in FY 2002, increasing total installed capacity from 300,000 KW to 600,000 KW.

**Operation and Maintenance
Southeastern Power Administration/
Power Marketed, Wheeled, or Exchanged by Project**

FY 2002 Congressional Budget

**DEPARTMENT OF ENERGY
FY 2002 CONGRESSIONAL BUDGET REQUEST**

PENDING LITIGATION

SOUTHEASTERN POWER ADMINISTRATION

In *Central Electric Power Cooperative, Inc., et al. vs. Southeastern Power Administration, et al.*, No. 3-91-2449-0 (D.C.S.C.; filed August 15, 1991), six customers in South Carolina filed suit against Southeastern in U. S. District Court requesting the court to declare illegal Southeastern's energy surcharge contained in its 1990 approved rates for the Georgia-Alabama-South Carolina System, as applied to these customers. These six customers (five cooperatives and South Carolina Public Service Authority) had declined to participate in a voluntary, short-term rate increase during 1989, while 168 other customers in the system participated in the voluntary rate increase earlier than allowed by their contracts. The short-term rate change was required to offset the effects of extensive droughts in the southeast and escalating Corps of Engineers operation and maintenance costs. The energy surcharge contained in those rates was to collect the portion of the costs not recovered from these six customers, and the costs were fully collected by September 1993. The parties have filed Motions for Summary Judgment which were argued in October 1992, and a ruling by the District Court is pending.