Department of Energy
Southeastern Power Administration
Elberton, Georgia 30635-6711

August 31, 2010

MEMORANDUM

To: Files

From: Kenneth E. Legg
Administrator

Subject: Order Number Change

On May 17, 2010, the Administrator, Southeastern Power Administration, signed an order approving rate schedule CTVI-1 effective March 1, 2010. The order was assigned order number SEPA-52. By this memorandum, the order number is hereby changed to order number SEPA-50A.

Southeastern Power Administration – Cumberland	)	Rate Order No. SEPA-52

ORDER CONFIRMING AND APPROVING POWER RATES FOR SHORT-TERM ENERGY SALES ON A FINAL 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 Southeastern Power Administration (Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated to the Administrator the authority to develop and place into effect on a final basis rates for short-term sales of capacity, energy, or transmission service. Existing DOE procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

BACKGROUND

The Electric Plant Board of the City of Paducah, Kentucky and the Electric Plant Board of the City of Princeton, Kentucky ended their wholesale all-requirements contracts with TVA on December 21, 2009. They each requested Southeastern Power Administration to enter into separate two-party direct contracts with them for the sale and delivery of their respective allocations of capacity and energy upon the termination of their wholesale all-requirements power supply contracts. Existing rate schedules do not provide a rate for service under the terms of these new contracts. New Wholesale Power Rate Schedule CTVI-1 will be available to customers who are or were formerly in the Tennessee Valley Authority service area.

Public Notice and Comment

Existing DOE procedures for public participation in power rate adjustments are documented in 10 CFR part 903. Section 903.1 (c) exempts short term sales of capacity, energy, and transmission from public participation.

DISCUSSION

The rate schedule is based upon a repayment study submitted to FERC September 2008 in support of the existing rate schedules. An update of this repayment study submitted to the Deputy Secretary, Department of Energy, on April 1, 2010, demonstrated that rates were adequate to meet repayment criteria as required by existing law and DOE Procedure RA 6120.2. The Administrator

hereby certifies 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 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.

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 a final basis, effective March 1, 2010, attached Rate Schedule CTVI-1. The Rate Schedule shall remain in effect through September 30, 2013.

Dated: May 17, 2010

Kenneth E. Legg
Administrator