(C) provide the lowest possible rates to consumers consistent with sound business principles.

10. Unlike the Commission’s statutory authority under the Federal Power Act, the Commission’s authority under sections 7(a) and 7(k) of the Northwest Power Act does not include the power to modify the rates. The responsibility for developing rates in the first instance is vested with Bonneville’s Administrator. The rates are then submitted to the Commission for approval or disapproval. In this regard, the Commission’s role can be viewed as an appellate one: to affirm or remand the rates submitted to it for review.23

11. Moreover, review at this interim stage is further limited. In view of the volume and complexity of a Bonneville rate application, such as the one now before the Commission in this filing, and the limited period in advance of the requested effective date in which to review the application,24 the Commission generally defers resolution of issues on the merits of Bonneville’s application until the order on final confirmation. Thus, the proposed rates, if not patently deficient, generally are approved on an interim basis and the parties are afforded an additional opportunity in which to raise issues with regard to Bonneville’s filing.25

12. The Commission declines at this time to grant final confirmation and approval of Bonneville’s proposed wholesale power and transmission rates. The Commission’s preliminary review nevertheless indicates that Bonneville’s wholesale power and transmission rates filing appears to meet the statutory standards and the minimum threshold filing requirements of Part 300 of the Commission’s regulations.26 Moreover, the Commission’s preliminary review of Bonneville’s submittal indicates that it does not contain any patent deficiencies. The proposed rates therefore will be approved on an interim basis pending our further review. We note, as well, that no one will be harmed by this decision because interim approval allows Bonneville’s rates to go into effect subject to refund with interest; the Commission may order refunds with interest if the Commission later determines in its final decision not to approve the rates.27

13. In addition, we will provide an additional period of time for parties to file comments and reply comments on issues related to final confirmation and approval of Bonneville’s proposed rates. This will ensure that the record in this proceeding is complete and fully developed.

The Commission orders:

(A) Interim approval of Bonneville’s proposed wholesale power and transmission rates is hereby granted, to become effective on October 1, 2015, through September 30, 2017, subject to refund with interest as set forth in section 300.20(c) of the Commission’s regulations pending final action and either their approval or disapproval.28

(B) Within thirty (30) days of the date of this order, parties who wish to do so may file additional comments regarding final confirmation and approval of Bonneville’s proposed rates. Parties who wish to do so may file reply comments within twenty (20) days thereafter.

(C) The Secretary shall promptly publish this order in the Federal Register.

By the Commission.

Issued: September 17, 2015.
Nathaniel J. Davis, Sr.,
Deputy Secretary.
[FR Doc. 2015–24136 Filed 9–22–15; 8:45 am]
BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Southeastern Power Administration

Kerr-Philpott System

AGENCY: Southeastern Power Administration, (Southeastern), Department of Energy.

ACTION: Notice of interim approval.

SUMMARY: The Deputy Secretary, Department of Energy, confirmed and approved, on an interim basis new rate schedules VA–1–C, VA–2–C, VA–3–C, VA–4–C, DEP–1–C, DEP–2–C, DEP–3–C, DEP–4–C, AP–1–C, AP–2–C, AP–3–C, AP–4–C, NC–1–C, and Replacement–2–B. These rate schedules are applicable to Southeastern power sold to existing preference customers in the Virginia and North Carolina service area. The rate schedules are approved on an interim basis through September 30, 2020, and are subject to confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis.

DATES: The rates are effective October 1, 2015.

FOR FURTHER INFORMATION CONTACT: Virgil G. Hobbs III, Assistant Administrator, Finance and Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia 30635–4578, (706) 213–3800.


Dated: September 16, 2015.

Elizabeth Sherwood-Randall,
Deputy Secretary of Energy.

Department of Energy

Deputy Secretary

In the Matter of: Southeastern Power Administration, Kerr-Philpott System Power Rates), Rate Order No. SEPA–58

Order Confirming and Approving Power Rates on an Interim Basis

Pursuant to Sections 302(a) of the Department of Energy Organization Act, Public Law 95–91, the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southeastern Power Administration (Southeastern), were transferred to and vested in the Secretary of Energy. By Delegation Order No. 00–037.00A, effective December 6, 2001, the Secretary of Energy delegated to Southeastern’s Administrator the authority to develop power and transmission rates, to the Deputy Secretary of Energy the authority to confirm, approve, and place in effect such rates on interim basis, and to the Federal Energy Regulatory Commission (FERC) the authority to confirm, approve, and place into effect on a final basis or to disapprove rates developed by the Administrator under the delegation. This rate is issued by the Deputy Secretary pursuant to that delegation order.

Background

Power from the Kerr-Philpott Projects is presently sold under Wholesale

Public Notice and Comment

Notice of a proposed rate adjustment for the Kerr-Philpott System was published in the Federal Register (80 FR 12819) on March 11, 2015. The notice advised interested parties that a public information and comment forum would be held in Boydton, Virginia on April 21, 2015. Written comments were due on or before June 9, 2015. The proposed rate adjustment was a reduction of about six percent (6%).

Subsequent to the Public Information and Comment Forum on April 21, Southeastern discovered an error due to omissions in the repayment study used to develop proposed rate schedules. Two accounting lines were omitted from the estimated Corps O&M expenses included in the study. The accounting lines were Work Category Code 602, Operation for Flood Damage Reduction, and Work Category Code 612, Maintenance for Flood Damage Reduction. On June 1, 2015, Southeastern sent a letter to all Kerr-Philpott customers notifying them of the error and notifying them Southeastern intended to add the omitted accounting lines and correct the error in the rate schedules Southeastern would recommend to the Deputy Secretary. After these corrections, the proposed rate is an increase of about 2.2 percent.

Southeastern received comments from one source, the Southeast Federal Power Customers, Inc., as a result of the above notifications. The comments and Southeastern’s response are below.

Comment: The SeFPC questions whether the expenses in accounts WCC 602 and 612 should properly be assigned to hydropower as a joint expense. Given the Congressional Mandate to provide flood control at the Kerr and Philpott projects, the assignment of these costs appears to be arbitrary, capricious, and not consistent with the authorizing statutes. The SeFPC would ask SEPA to review the inclusion of these costs and work with Corps representatives to remove such expenses as joint expense for purpose of the proposed rate. Failure to take this action would impose over $10 million in additional cost for the hydropower customers over the five year study period in the repayment study which should properly be borne by the flood control purpose.

The referenced Work Category Codes 602 and 612 contain operation and maintenance expenses associated with flood risk management. The Corps has taken the position the John H. Kerr and Philpott final cost allocations state that the only specific costs at these reservoirs are Power and Recreation, and that as a result, the Corps cannot charge costs to the flood control purpose at these projects.

The $10 million assigned to hydropower and disputed by SeFPC include the operations, maintenance and readiness of equipment associated with spillways, sluices, pumping plants and earthen dams. The Corps has included these costs in the O&M expenses included in the financial statements provided to Southeastern for the John H. Kerr and Philpott projects. SeFPC has raised legitimate questions about the nature and assignment of WCC’s 602 and 612. Further study of this issue is necessary. Southeastern will continue to discuss with the Corps the appropriateness of assigning these costs solely to hydropower.

Southeastern and the Corps have discussed the need for a new authorized purpose allocation study and agreed to jointly fund the effort. Once completed, Southeastern and the Corps will work together to determine whether costs in these accounts should be allocated to purposes other than Power and Recreation. A reallocation could significantly reduce the proportion of charges assigned to Southeastern’s power customers and ensure that costs are being assigned to appropriate cost-causers.

Discussion

System Repayment

An examination of Southeastern’s revised system power repayment study, prepared in July 2015, for the Kerr-Philpott System shows that with the proposed rates, all system power costs are paid within the appropriate repayment period required by existing law and DOE Procedure RA 6120.2. The Administrator of Southeastern Power Administration has certified that the rates are consistent with applicable law and that they are the lowest possible rates to customers consistent with sound business principles, pursuant to section 5 of the Flood Control Act (16 U.S.C.A. 835(s)).

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 (42 U.S.C.A 4332), 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 and transcripts of the public information and comment forum, is available for public review in the offices of Southeastern Power Administration, 1166 Athens Tech Road, Elberton, Georgia 30635, and in the Power Marketing Liaison Office, James Forrestal Building, 1000 Independence Avenue SW., Washington, DC 20585.

Order

In view of the foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm and approve on an interim basis, effective October 1, 2015, attached Wholesale Power Rate Schedules VA–1–C, VA–2–C, VA–3–C, VA–4–C, DEP–1–C, DEP–2–C, DEP–3–C, DEP–4–C, AP–1–C, AP–2–C, AP–3–C, AP–4–C, NC–1–C, and Replacement–2–B. The Rate Schedules shall remain in effect on an interim basis through September 30, 2020, unless such period is extended or until the FERC confirms and approves them or substitutes Rate Schedules on a final basis.

Dated: September 16, 2015.

Elizabeth Sherwood-Randall
Deputy Secretary of Energy

Wholesale Power Rate Schedule VA–1–C

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

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

**Character of Service:**
The electric capacity and energy supplied hereunder will be delivered at the delivery points of the Customer on the Company’s transmission and distribution system.

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

- **Initial Base Capacity Charge:** $4.40 per kilowatt of total contract demand per month.
- **Initial Base Energy Charge:** 17.80 mills per kilowatt-hour.

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

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Estimated annual net revenue available for repayment</th>
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<td>$9,460,000</td>
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<tr>
<td>2020</td>
<td>$2,010,000</td>
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</tr>
<tr>
<td>2024</td>
<td>$2,400,000</td>
<td>$20,460,000</td>
</tr>
</tbody>
</table>

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

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

**Transmission:**
$0.775 per kilowatt of total contract demand per month estimated as of April 2015, is presented for illustrative purposes.

**Ancillary Services:**
0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

**Transmission and Ancillary Services:**
The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company’s or PJM’s OATT.

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

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

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

These losses shall be effective until modified by the FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

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

Wholesale Power Rate Schedule VA–2–C

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

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

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

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

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

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

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

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

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

Transmission:
$0.775 per kilowatt of total contract demand per month estimated as of April 2015, is presented for illustrative purposes.

Ancillary Services:
0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and ancillary services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may
charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges be recovered through a capacity charge or an energy charge, as determined by the Government.

**Tandem Transmission Charge:**
$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

**Transmission and Ancillary Services:**
The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company’s or PJM’s OATT.

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

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

**Energy to be Furnished by the Government:**
The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer’s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company’s system. The applicable energy loss factor for transmission is specified in the OATT. These losses shall be effective until modified by FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

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

**Wholesale Power Rate Schedule VA–3–C**

**Availability:**
This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be scheduled pursuant to contracts between the Government, Virginia Electric and Power Company (hereinafter called the Company), the Company’s Transmission Operator, currently PJM Interconnection LLC (hereinafter called PJM), and the Customer. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

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

**Character of Service:**
The electric capacity and energy supplied hereunder will be delivered at the Projects.

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

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

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

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

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

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

Ancillary Services:
0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:
$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

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

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

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

Energy to be Furnished by the Government:
The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer’s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company’s system. The applicable energy loss factor for transmission is specified in the OATT. These losses shall be effective until modified by the Federal Energy Regulatory Commission, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

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

Wholesale Power Rate Schedule VA–4–C

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

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

Character of Service:
The electric capacity and energy supplied hereunder will be delivered at the Projects.

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

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

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

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

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

Additional rates for transmission and ancillary services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company or PJM. Future adjustments to these rates will become effective upon acceptance for filing by the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Transmission and Ancillary Services:

Transmission and ancillary services shall be governed by the Federal Energy Regulatory Commission (FERC) of the Company’s rate.

Ancillary Services:

0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Procedures before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

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

Capacity Performance Non-Performance Charge:

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

Contract Demand:

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

Energy to be Furnished by the Government:

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

These losses shall be effective until modified by the FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

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

Wholesale Power Rate Schedule DEP–1–C

**Availability:**

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

**Applicability:**

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

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

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

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

Transmission:
$1.546 per kilowatt of total contract demand per month as of April 2015, is presented for illustrative purposes.

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

Proceedings before FERC involving the Company’s Open Access Transmission Tariff (OATT) or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:
$0.42 per kilowatt of total contract demand per month, as estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

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

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

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

Billing Month:
The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.
Wholesale Power Rate Schedule DEP-2-C

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

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

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

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

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

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

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

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

Transmission: $1.546 per kilowatt of total contract demand per month as of April 2015. This is presented for illustrative purposes.

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

Proceedings before FERC involving the Company’s Open Access Transmission Tariff (OATT) or the distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge: $0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services: The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company’s or PJM’s OATT.
Contract Demand:
The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

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

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

Wholesale Power Rate Schedule DEP-3-C

Availability:
This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Energy Progress (formerly known as Carolina Power & Light Company and hereinafter called the Company) and the Customer. The Government is responsible for providing the scheduling. The Customer is responsible for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

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

Character of Service:
The electric capacity and energy supplied hereunder will be delivered at the Projects.

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

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

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

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

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Proceedings before FERC involving the Company’s Open Access Transmission Tariff (OATT) or the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission and distribution charges paid by the Government in behalf of the Customer.

Tandem Transmission Charge:
$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or
an energy charge, as determined by the Government.

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

Contract Demand:
The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is entitled to supply to the Company and is entitled to receive.

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

Billing Month:
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Wholesale Power Rate Schedule DEP–4–C

Availability:
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Applicability:
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Character of Service:
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Tandem Transmission Charge:
$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or

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<td>2,190,000</td>
<td>15,770,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,290,000</td>
<td>18,060,000</td>
</tr>
<tr>
<td>2024</td>
<td>2,400,000</td>
<td>20,460,000</td>
</tr>
</tbody>
</table>
an energy charge, as determined by the Government.

**Transmission and Ancillary Services:**
The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Company’s or PJM’s OATT.

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

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

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

**Wholesale Power Rate Schedule AP–1–C**

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

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Estimated annual net revenue available for repayment</th>
<th>Cumulative net revenue available for repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$490,000</td>
<td>$490,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,730,000</td>
<td>3,220,000</td>
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<td>2,420,000</td>
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<tr>
<td>2020</td>
<td>2,010,000</td>
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<td>2024</td>
<td>2,400,000</td>
<td>20,460,000</td>
</tr>
</tbody>
</table>

The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every $100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by $0.02 per kilowatt per month, up to a maximum of $0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour, to be implemented April 1 of the next fiscal year. For every $100,000 of over-recovery of the planned cumulative net revenue available for repayment, these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission (FERC) of the Company’s rate.

**Transmission:**
$0.775 per kilowatt-hour of total contract demand per month estimated as of April 2015, is a presented for illustrative purposes.

**Ancillary Services:**
0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and ancillary services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are
These non-performance charges, if incurred, will be allocated to the capacity delivered in PJM (currently 120,100 kilowatts).

**Contract Demand:**

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

**Energy to be Furnished by the Government:**

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

These losses shall be effective until modified by the FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Administration under Section 206 of the Federal Power Act or otherwise.

**Billing Month:**

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

**Wholesale Power Rate Schedule AP–2–C**

**Availability:**

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

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

**Applicability:**

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

**Character of Service:**

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

**Monthly Rate:**

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

**Initial Base Capacity Charge:**

$4.40 per kilowatt of total contract demand per month.

**Initial Base Energy Charge:**

17.80 mills per kilowatt-hour.

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

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Estimated annual net revenue available for repayment</th>
<th>Cumulative net revenue available for repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$490,000</td>
<td>$490,000</td>
</tr>
<tr>
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<td>2,730,000</td>
<td>3,220,000</td>
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<td>2017</td>
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</tr>
<tr>
<td>2024</td>
<td>2,400,000</td>
<td>20,460,000</td>
</tr>
</tbody>
</table>

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

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

Transmission:
$0.775 per kilowatt of total contract
demand per month estimated as of April
2015, is presented for illustrative
purposes.

Ancillary Services:
0.34 mills per kilowatt-hour of energy
estimated as of April 2015, is presented
for illustrative purposes.

The initial charge for transmission
and Ancillary Services will be the
Customer’s ratable share of the charges
for transmission, distribution, and
ancillary services paid by the
Government. The charges for
transmission and ancillary services are
governed by and subject to refund based
upon the determination in proceedings
before the FERC involving the
Company’s or PJM’s Open Access
Transmission Tariff (OATT).

Proceedings before FERC involving
the OATT or the Distribution charge
may result in the separation of charges
currently included in the transmission
rate. In this event, the Government may
charge the Customer for any and all
separate transmission, ancillary
services, and distribution charges paid
by the Government in behalf of the
Customer. These charges could be
recovered through a capacity charge or
an energy charge, as determined by the
Government.

Tandem Transmission Charge:
$0.42 per kilowatt of total contract
demand per month, as an estimated cost
as of April 2015

The tandem transmission charge will
recover the cost of transmitting power
from a project to the border of another
transmitting system. This rate will be a
formulary rate based on the cost to the
Government for transmission of power
from the Philpott project to the border of
the Virginia Electric and Power
Company System and the cost to the
Government for transmission of power
from the John H. Kerr Project to the
border of the Duke Energy Progress
System. These charges could be
recovered through a capacity charge or
an energy charge, as determined by the
Government.

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

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

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

Energy to be Furnished by the
Government:
The Government will sell to the
Customer and the Customer will
purchase from the Government energy
each billing month equivalent to a
percentage specified by contract of the
energy made available to the Company
(less applicable losses). The Customer’s
contract demand and accompanying
energy will be allocated proportionately
to its individual delivery points served
from the Company’s system. The
applicable energy loss factor for
transmission is specified in the OATT.
These losses shall be effective until
modified by the Federal Energy
Regulatory Commission, pursuant to
application by American Electric Power
Service Corporation under Section 205
of the Federal Power Act or
Southeastern Power Administration
under Section 206 of the Federal Power
Act or otherwise.

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

Wholesale Power Rate Schedule AP–3–C

Availability:
This rate schedule shall be available
to public bodies and cooperatives (any
one of whom is hereinafter called the
Customer) in Virginia to whom power
may be scheduled pursuant to contracts
between the Government, American
Electric Power Service Corporation
(hereinafter called the Company), PJM
Interconnection LLC (hereinafter called
PJM), and the Customer. The
Government is responsible for providing
the scheduling. The Customer is
responsible for providing a transmission
arrangement. Nothing in this rate
schedule shall preclude modifications
to the aforementioned contracts to allow
an eligible customer to elect service
under another rate schedule.

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

Character of Service:
The electric capacity and energy
supplied hereunder will be delivered at
the Projects.

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

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

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

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

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

Ancillary Services:

0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge:

$0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

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

Capacity Performance Non-Performance Charges:

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

Contract Demand:

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

Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer’s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company’s system. The applicable energy loss factor for transmission is specified in the OATT. These losses shall be effective until modified by the FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

Billing Month:

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

Wholesale Power Rate Schedule AP–4–C

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia served through the facilities of American Electric Power Service Corporation (hereinafter called the Company) and PJM Interconnection LLC (hereinafter called PJM). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer’s bill for Government power. The Customer is
The rates include a true-up of the capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment in the table above. For every $100,000 under-recovery of the planned cumulative net revenue available for repayment, Southeastern will increase the base capacity charge by $0.02 per kilowatt per month, up to a maximum of $0.75 per kilowatt per month, and increase the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. For every $100,000 of over-recovery of the planned cumulative net revenue available for repayment, Southeastern will reduce the base capacity charge by $0.02 per kilowatt per month, up to a maximum of $0.75 per kilowatt per month, and reduce the base energy charge by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt per hour, to be implemented April 1 of the next fiscal year. Southeastern will give written notice to the customers of the amount of the true-up to the capacity and energy rates by February 1 of the next fiscal year.

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

**Ancillary Services:**

0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

**Transmission and Ancillary Services:**

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

**Capacity Performance Non-Performance Charges:**

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

**Contract Demand:**

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

**Energy to be Furnished by the Government:**

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

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

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

Wholesale Power Rate Schedule NC–1–C
Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in Virginia and North Carolina to whom power may be transmitted pursuant to a contract between the Government and Virginia Electric and Power Company (hereinafter called the Virginia Power) and PJM Interconnection LLC (hereinafter called PJM), scheduled pursuant to a contract between the Government and the Customer. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

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

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

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

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

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

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

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<thead>
<tr>
<th>Fiscal year</th>
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<td>2,400,000</td>
<td>20,460,000</td>
</tr>
</tbody>
</table>

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

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

Transmission:
$0.775 per kilowatt of total contract demand per month estimated as of April 2015, is presented for illustrative purposes.

Ancillary Services:
0.34 mills per kilowatt-hour of energy estimated as of April 2015, is presented for illustrative purposes.

The initial charge for transmission and Ancillary Services will be the Customer’s ratable share of the charges for transmission, distribution, and ancillary services paid by the Government. The charges for transmission and ancillary services are governed by and subject to refund based upon the determination in proceedings before the FERC involving the Company’s or PJM’s Open Access Transmission Tariff (OATT).

Proceedings before FERC involving the OATT or the Distribution charge may result in the separation of charges currently included in the transmission rate. In this event, the Government may charge the Customer for any and all separate transmission, ancillary services, and distribution charges paid...
by the Government in behalf of the Customer. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Tandem Transmission Charge: $0.42 per kilowatt of total contract demand per month, as an estimated cost as of April 2015.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formulary rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Duke Energy Progress System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services: The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Virginian Power or PJM’s OATT.

Transmission, System Control, Reactive, and Regulation Services: The charges for transmission and ancillary services shall be governed by and subject to refund based upon the determination in the proceeding involving the Virginian Power or PJM’s OATT.

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

These losses shall be effective until modified by the FERC, pursuant to application by the Company or PJM under Section 205 of the Federal Power Act or Southeastern Power Administration under Section 206 of the Federal Power Act or otherwise.

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

<table>
<thead>
<tr>
<th>Contract No. 89-00-1501-</th>
<th>Customer</th>
<th>Capacity allocation</th>
<th>Average energy</th>
<th>Cost allocation factor</th>
</tr>
</thead>
<tbody>
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<td>1230</td>
<td>Albemarle EMC</td>
<td>2,589</td>
<td>6,950,707</td>
<td>1.565921%</td>
</tr>
<tr>
<td>1221</td>
<td>B-A-R-C EC</td>
<td>3,747</td>
<td>10,370,642</td>
<td>2.266518%</td>
</tr>
<tr>
<td>853</td>
<td>Brunswick EMC</td>
<td>3,515</td>
<td>10,468,686</td>
<td>2.358485%</td>
</tr>
<tr>
<td>854</td>
<td>Carteret-Craven EMC</td>
<td>2,679</td>
<td>7,978,836</td>
<td>1.451596%</td>
</tr>
<tr>
<td>869</td>
<td>Carteret-Craven EMC</td>
<td>56</td>
<td>42,281</td>
<td>0.009025%</td>
</tr>
<tr>
<td>855</td>
<td>Central EMC</td>
<td>1,239</td>
<td>3,690,100</td>
<td>0.831341%</td>
</tr>
<tr>
<td>1220</td>
<td>Central Virginia EC</td>
<td>7,956</td>
<td>21,534,960</td>
<td>4.851599%</td>
</tr>
<tr>
<td>1203</td>
<td>City of Bedford</td>
<td>1,100</td>
<td>906,166</td>
<td>0.204150%</td>
</tr>
<tr>
<td>1204</td>
<td>City of Danville</td>
<td>5,600</td>
<td>4,228,775</td>
<td>0.952698%</td>
</tr>
<tr>
<td>895</td>
<td>City of Elizabeth City</td>
<td>2,073</td>
<td>1,565,205</td>
<td>0.352624%</td>
</tr>
<tr>
<td>1215</td>
<td>City of Franklin</td>
<td>1,003</td>
<td>754,359</td>
<td>0.169949%</td>
</tr>
<tr>
<td>878</td>
<td>City of Kinston</td>
<td>1,466</td>
<td>1,106,893</td>
<td>0.294371%</td>
</tr>
<tr>
<td>880</td>
<td>City of Laurinburg</td>
<td>415</td>
<td>313,343</td>
<td>0.070593%</td>
</tr>
<tr>
<td>881</td>
<td>City of Lumberton</td>
<td>895</td>
<td>675,764</td>
<td>1.522422%</td>
</tr>
<tr>
<td>1205</td>
<td>City of Martinsville</td>
<td>1,600</td>
<td>1,208,222</td>
<td>0.272200%</td>
</tr>
<tr>
<td>882</td>
<td>City of New Bern</td>
<td>1,204</td>
<td>909,072</td>
<td>0.208040%</td>
</tr>
<tr>
<td>1206</td>
<td>City of Radford</td>
<td>1,300</td>
<td>981,575</td>
<td>0.221183%</td>
</tr>
<tr>
<td>885</td>
<td>City of Rocky Mount</td>
<td>2,538</td>
<td>1,916,300</td>
<td>0.431722%</td>
</tr>
<tr>
<td>1208</td>
<td>City of Salem</td>
<td>2,620</td>
<td>1,661,127</td>
<td>0.374234%</td>
</tr>
<tr>
<td>892</td>
<td>City of Washington</td>
<td>2,703</td>
<td>2,040,882</td>
<td>0.459789%</td>
</tr>
<tr>
<td>889</td>
<td>City of Wilson</td>
<td>2,950</td>
<td>2,227,377</td>
<td>0.501805%</td>
</tr>
<tr>
<td>1222</td>
<td>Community EC</td>
<td>4,230</td>
<td>11,394,466</td>
<td>2.565703%</td>
</tr>
<tr>
<td>1211</td>
<td>Craig-Boletourt EC</td>
<td>1,692</td>
<td>4,575,816</td>
<td>1.030883%</td>
</tr>
<tr>
<td>1231</td>
<td>Edgecombe-Martin County EMC</td>
<td>4,155</td>
<td>11,275,547</td>
<td>2.540262%</td>
</tr>
<tr>
<td>875</td>
<td>Fayetteville Public Works Commission</td>
<td>5,181</td>
<td>4,100,640</td>
<td>0.923831%</td>
</tr>
<tr>
<td>856</td>
<td>Four County EMC</td>
<td>4,198</td>
<td>12,502,857</td>
<td>2.816762%</td>
</tr>
<tr>
<td>891</td>
<td>Greenville Utilities Commission</td>
<td>7,534</td>
<td>5,688,496</td>
<td>1.281558%</td>
</tr>
<tr>
<td>857</td>
<td>Halifax EMC</td>
<td>585</td>
<td>1,742,299</td>
<td>0.392522%</td>
</tr>
<tr>
<td>1232</td>
<td>Halifax EMC</td>
<td>2,021</td>
<td>5,478,308</td>
<td>1.234205%</td>
</tr>
<tr>
<td>1216</td>
<td>Harrisonburg Electric Commission</td>
<td>2,691</td>
<td>2,050,360</td>
<td>0.461924%</td>
</tr>
<tr>
<td>858</td>
<td>Jones-Onslow EMC</td>
<td>5,184</td>
<td>15,439,495</td>
<td>3.785345%</td>
</tr>
<tr>
<td>859</td>
<td>Lumbee River EMC</td>
<td>3,729</td>
<td>11,106,040</td>
<td>2.502074%</td>
</tr>
</tbody>
</table>

Wholesale Power Rate Schedule Replacement—2–B

Availability:
This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and Virginia to whom power is provided pursuant to contracts between the Government and the Customer from the John H. Kerr and Philpott Projects (or Kerr-Philpott System).

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

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

Monthly Charge:
The customer will pay its ratable share of Southeastern’s monthly cost for replacement energy. The ratable share will be the cost allocation factor for the customer listed in the table below times Southeastern’s monthly cost for replacement energy purchased for the Kerr-Philpott System, rounded to the nearest $0.01.
The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The customer’s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator’s system.

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

**Energy to be Furnished by the Government:**

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Facilitator (less any losses required by the Facilitator). The customer’s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Facilitator’s system.

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