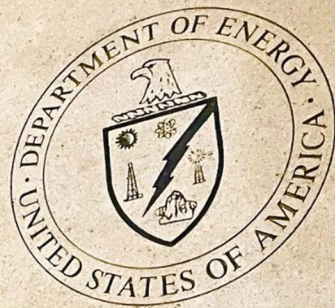


Southeastern Power Administration

2024 Annual Report

*Southeastern
Power
Administration*



U.S. Department of Energy

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Fast Facts

Administrator & Chief Executive:

Virgil G. Hobbs III

Headquarters:

1166 Athens Tech Road
Elberton, GA 30635-6711
Telephone: 706-213-3800

Website:

energy.gov/sepa/southeastern-power-administration

Marketing Area:

Alabama, Florida, Georgia, Illinois, Kentucky,
Mississippi, North Carolina, South Carolina,
Tennessee, Virginia and West Virginia

Customers:

Electric Cooperatives	191
Public Bodies	280
Total	471

Financial Data:

Power and Other Operating Revenues	\$ 319 million
Total Capital Investment	\$ 3.0 billion
Investment Remaining	\$ 1.7 billion
Cumulative Investment Repaid	\$ 1.4 billion
Cumulative Investment Interest Paid	\$ 2.8 billion

* Front cover image of aurora borealis taken at SEPA Headquarters on May 10, 2024. Photo credit goes to SEPA Power System Dispatcher, Daniel Higgins.



Chief Financial Officer Carter Edge administers the oath of office to new accountant Joy Kimbrough as she joins the Finance and Marketing division.



Virgil Hobbs honors Sonya Hulme, Budget Analyst, on her retirement after almost 33 years of faithful service on May 31, 2024. Sonya was an integral part of our finance team.

Administrator's Report

Secretary Wright:

It is my pleasure to present the Southeastern Power Administration (Southeastern) Annual Report for Fiscal Year 2024. This report highlights the agency's programs, accomplishments, operational functions, and financial activities for the period beginning October 1, 2023, and ending September 30, 2024.



Southeastern sold nearly seven and a half billion kilowatt-hours of energy to 471 wholesale customers with revenue totaling \$307 million. Additionally, over four million Renewable Energy Certificate (REC) distributions associated with generation at 22 federal hydropower plants were made to customers across all four of Southeastern's marketed systems. Southeastern's energy and related attributes extend to nearly 14 million residential and industrial consumers in an 11-state service territory.

Southeastern's hydropower products remained important energy resources for the rural electric cooperative and municipal electric utilities we serve, not only in meeting everyday power requirements but also assisting during extreme weather and volatile energy market challenges. Customers specifically recognized Southeastern's reliable hydropower energy delivery through Winter Storm Heather in January and Hurricane Helene in September.

Drought conditions impacted reservoir levels, water releases and power generation on the upper Savannah River throughout the year but Southeastern was able to mitigate the drought's financial impact on power rates through the use of pump back generation capability. Pump storage generation available at Richard B. Russell and Carters power plants utilize lower cost off-peak energy to pump water from the lower to upper reservoirs for re-release during the high demand, higher market cost daytime use periods. This optimizes the use of available water and offsets the need to buy more expensive on-peak replacement energy to meet customer demand.

Valued partnerships between Southeastern, the U.S. Army Corps of Engineers (Corps), and the Federal power customers enabled the approval of \$60 million this year for capital hydropower infrastructure improvement investment across all four marketing systems. This ongoing commitment not only allows for immediate power needs but also improves the dependability of the Federal hydropower assets and grid reliability in the Southeastern service area. Southeastern remains resolute in the multiyear effort with other Power Marketing Administrations and Corps headquarters leadership to resolve long-standing policy concerns critical to the sustainability of our jointly managed Federal Hydroelectric Power Systems.

Southeastern's senior leadership team remains committed to employee wellbeing and professional development. An employee developed 2024-2029 Strategic Plan is being implemented with initiatives dedicated to improving the workplace through employee engagement, relationship enhancement and organizational modernization. I am extremely proud to work with the dedicated Southeastern staff here in rural northeast Georgia as we continue our mission essential work in delivering affordable, reliable power every day to our customers and their energy consumers.

Sincerely,

A handwritten signature in black ink that reads "Virgil G. Hobbs III".

Virgil G. Hobbs III
Administrator & Chief Executive

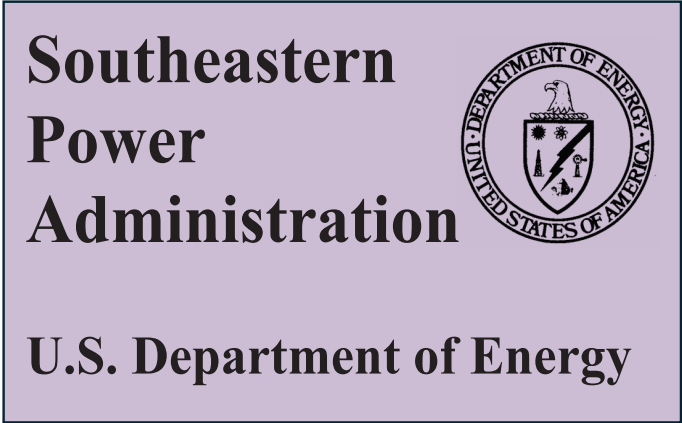
Mission, Vision & Organization

Mission

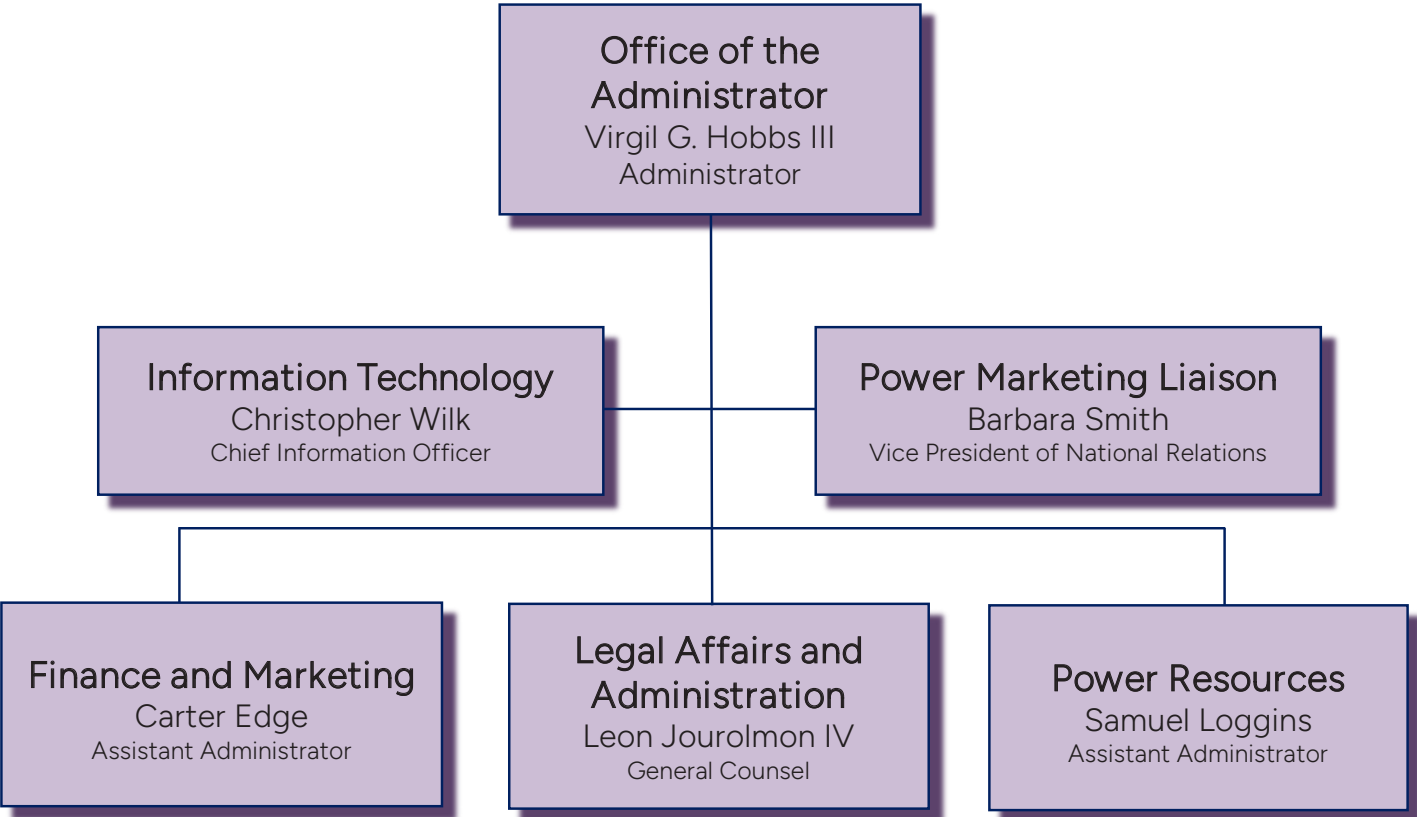
Market and deliver Federal hydroelectric power, at the lowest possible cost, to public bodies and cooperatives in the Southeastern United States.

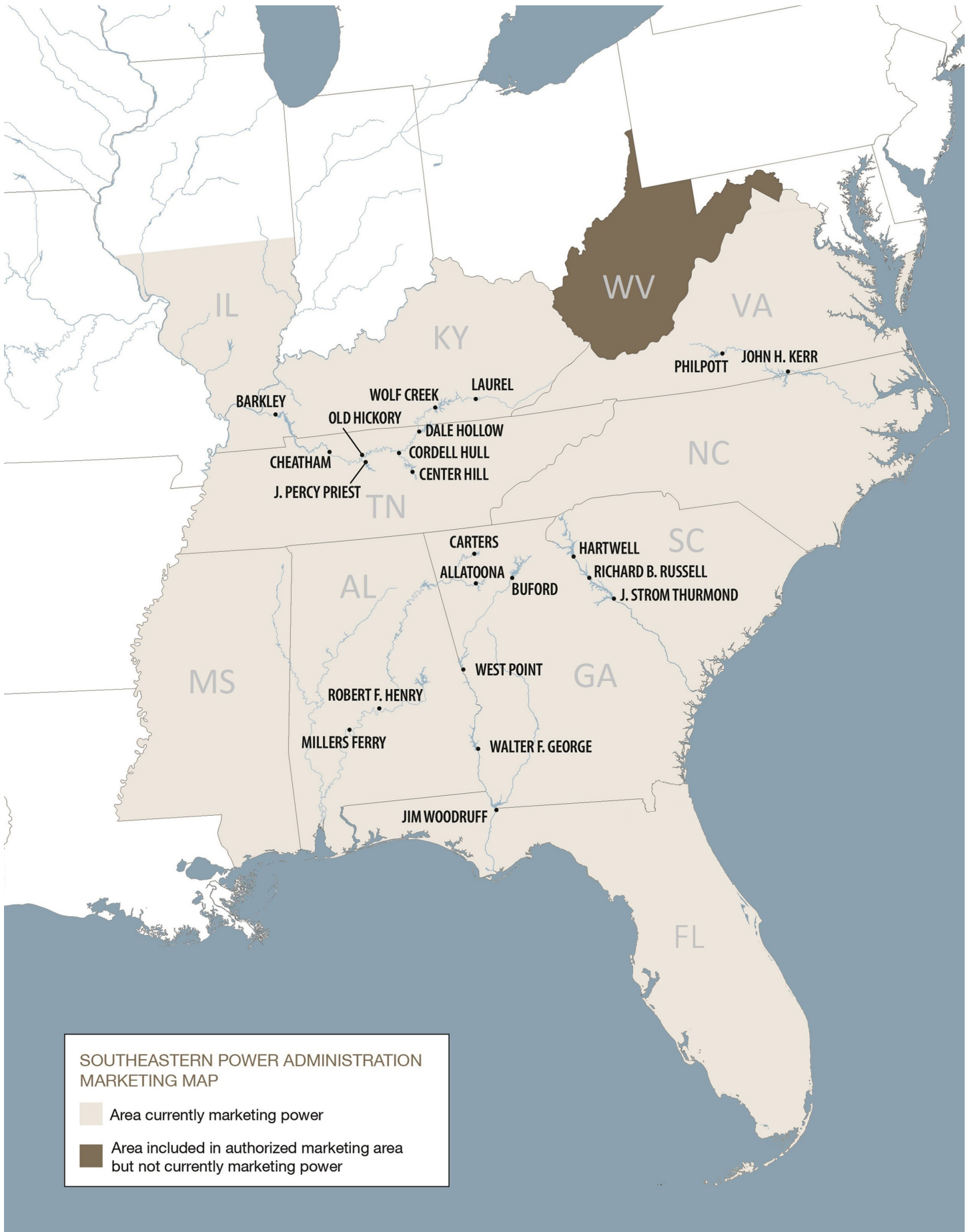
Vision

Excel in an evolving energy market by maintaining a well-trained, flexible workforce in an open, rewarding and safe environment.



Organizational Chart





Marketing Objectives

Southeastern was created in 1950 by the Secretary of the Interior to carry out the functions assigned to the Secretary by the Flood Control Act of 1944. In 1977, Southeastern was transferred to the newly created Department of Energy (DOE). Headquartered in Elberton, Georgia, Southeastern has the authority to market hydroelectric power and energy from reservoir projects operated by the Corps in the states of Alabama, Florida, Georgia, Illinois, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

The objectives of Southeastern are to market the electric power and energy generated by the Federal reservoir projects and to encourage widespread use of the power at the lowest possible cost to consumers.

Power rates are formulated based on sound financial principles. Preference in the sale of power is given to public bodies and cooperatives. Southeastern does not own transmission lines and contracts with neighboring utilities to provide transmission service for the delivery of Federal power.

Southeastern's responsibilities include negotiating, preparing, executing and administering contracts for the sale of electric power. Southeastern prepares wholesale rates and repayment studies for the regional interconnected reservoir projects, supporting deliveries made to serve contractual loads. Southeastern is responsible for scheduling hydropower generation at the Corps' facilities within the marketing area to ensure continuity of electric service for our customers.

Flood Control Act of 1944, Section 5

"Electric power and energy generated at reservoir projects under the control of the Department of the Army not required in the operation of such projects shall be delivered to the Secretary of Energy, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Secretary of Energy. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of Energy is authorized, from funds to be appropriated by Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives and privately owned companies. All monies received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts."

Cumberland

Cumberland System rate schedules were effective on October 1, 2020, and approved by the Federal Energy Regulatory Commission (FERC) on a final basis November 5, 2020 in Docket No. EF-20-6.

Georgia-Alabama-South Carolina

Georgia-Alabama-South Carolina System rate schedules were effective October 1, 2022, and approved by FERC on a final basis on December 16, 2022 in Docket No. EF-22-3.

Jim Woodruff

Jim Woodruff System rate schedules were effective on October 1, 2021, and approved by FERC on a final basis on February 10, 2022 in Docket No. EF-21-4.

Kerr-Philpott

Kerr-Philpott System rate schedules were effective October 1, 2020, and approved by FERC on a final basis December 11, 2020 in Docket No. EF-20-5.

Repayment Studies

One of the major responsibilities of Southeastern is to design, formulate and justify rates. Repayment studies prepared by the agency determine revenue requirements and appropriate rate levels.

Repayment studies for each of Southeastern's four power marketing systems are updated annually and demonstrate the adequacy of the rates for each system. Rates are considered to be adequate when revenues are sufficient to repay all costs associated with power production and transmission costs. Power production and transmission costs include the amortization of Federal investment allocated to power. An outline of the status of repayment is included in Table 1.

Status of Repayment as of September 30, 2024 (in millions) - Table 1

System	Initial Year of Repayment Studies	Cumulative Revenue \$	Cumulative Expenses and Interest \$	Total Investment to be Repaid \$	Investment Repaid to Date \$	Unpaid Balance of Investment \$
Cumberland	1949	2,230	1,803	758	427	331
GA-AL-SC	1950	6,493	5,708	1,959	785	1,174
Kerr-Philpott	1953	886	772	241	114	127
Jim Woodruff	1957	344	302	87	42	45
Total		9,953	8,585	3,045	1,368	1,677

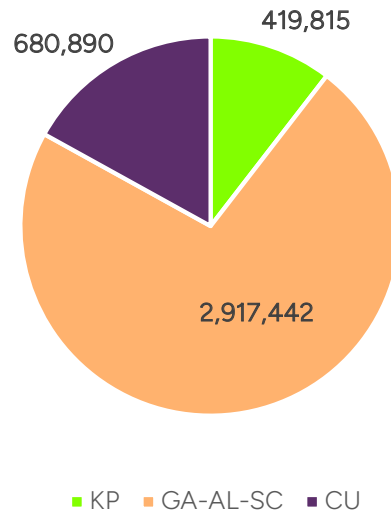
Program Direction

Program Direction

Southeastern is constantly evaluating and improving the management of our workforce, facilities, and the operating systems supporting our functions. We are very aware of the overhead expenses associated with executing our program and constantly strive to manage these expenses and their impact on power rates.

In FY 2024, Southeastern pursued workforce efficiencies, improved Information Technology, and regional partnerships such as through the Southeastern Federal Power Alliance and Team Cumberland semiannual meetings. Southeastern engaged in the Federal Hydropower Council, a coordinated effort to explore nationwide program improvements.

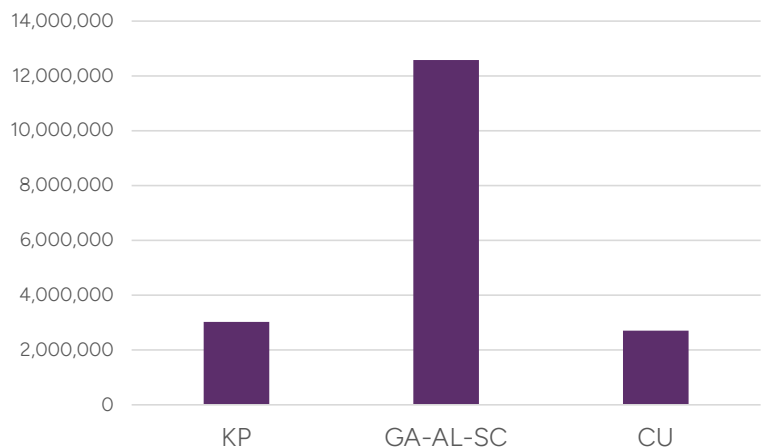
FY 24 REC Distributions



Renewable Energy Certificates

Efforts to provide Renewable Energy Certificates (REC) associated with Southeastern's Federal hydropower generation began in 2019 and REC distributions are enthusiastically proceeding. The potential REC volume is approximately six million per year across all four of Southeastern's marketed systems. Since program inception, over 25 million RECs have been verified as generated and 15 million RECs have been distributed to our Federal power customers purchasing the associated energy. Although RECs have been accumulated in Jim Woodruff, none have been distributed. Southeastern distributed 4 million RECs in 2024.

REC Cumulative Distributions



Cumberland

The Short-Term Memorandum of Agreement Sub-Agreement 12 was signed in July 2024 on behalf of 153 Tennessee Valley Authority preference customers. \$25 million of customer funds was provided of the total \$160 million needed to complete the major rehabilitation of hydroelectric generation equipment in accordance with the scope of work outlined in the Wolf Creek Project Hydropower Rehabilitation Analysis Report.

Kerr-Philpott

The Corps' South Atlantic Division (SAD) is pursuing a Division-wide Centralized Operations strategy to reduce cost and improve operating efficiency for all SAD power plants. In October 2023, Sub-Agreement 7 was signed for the Wilmington District, Kerr Powerhouse, to provide \$105,000 for planning activities related to the construction of two Regional Operations Centers located at the Carters and Russell Powerhouses.

Georgia-Alabama-South Carolina

In November 2022, the Project Review Committee (PRC) authorized funding to conduct planning for two Regional Operations Centers, each located at Carters and Russell Powerhouses. On October 3, 2023, Sub-Agreement 32 was signed to provide \$850,000 for planning activities related to the construction of the Regional Operations Centers for the Mobile and Savannah Districts.

The PRC approved Amendment 8 to Sub-Agreement 10 to increase the funding amount by \$7.6 million for Hartwell Unit 3 and 4 generator rewinds. Stator repair work on Unit 3 began in 2010, and Sub-Agreement 10 was amended in 2015 to include Unit 4 stator repairs. Sub-Agreement 10 was amended again in 2020 to include \$18.75 million for Unit 3 and 4 generator rewind repairs. Amendment 8 was signed in January 2024 increasing the funding requirement for Sub-Agreement 10 to over \$32 million.

Sub-Agreement 33 was approved by the PRC and signed in February 2024 to provide \$3.8 million of customer funds for the replacement of the Oxygen Diffuser System at Russell Powerhouse and \$4.8 million for Generator Step-Up Transformer Repairs at Hartwell and J. Strom Thurmond Powerhouses. The work will be completed by the Tennessee Valley Authority under an interagency agreement.

Customer Funding Approval Summary

Carters.....	\$494,000
Hartwell.....	\$9,893,000
Kerr.....	\$105,000
Richard B. Russell.....	\$3,938,000
J. Strom Thurmond.....	\$2,725,000
Wolf Creek.....	\$25,000,000
Total Approved.....	\$42,155,000

Georgia-Alabama-South Carolina

The Georgia-Alabama-South Carolina System consists of ten projects located in or on the border of Alabama, Georgia and South Carolina. The power generated at these projects is purchased by and benefits 189 preference customers in Alabama, Florida, Georgia, Mississippi, North Carolina and South Carolina.

Operational Performance

Generation from streamflow for FY 2024 was 87% of the annual average. Figure A illustrates the percentage of the average generation by project. Figure B shows system generation for the years 2015 through 2024.

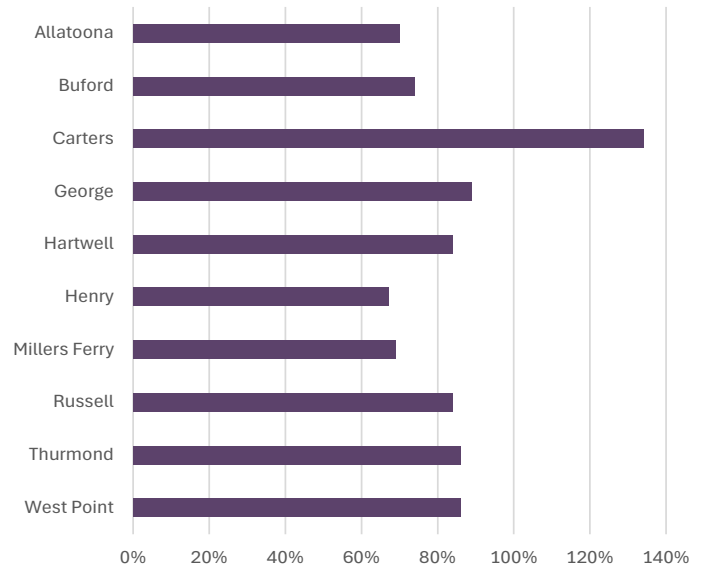
Hartwell Generator 3 remains out of service awaiting stator rewind. The selected contractor has delivered the replacement lifting beam and work on site has resumed. A contract modification is in progress for sole plate work. The estimated return to service for Hartwell Generator 3 is the second quarter of FY 2025.

The contractor continues work on the vibration issue for Russell Generator 5. The Corps has completed repairs on the radial keys, sole plate concrete repairs and installation of additional instrumentation to monitor ongoing vibration. Russell Generator 5 is expected to be placed back in service in the first quarter of FY 2025.

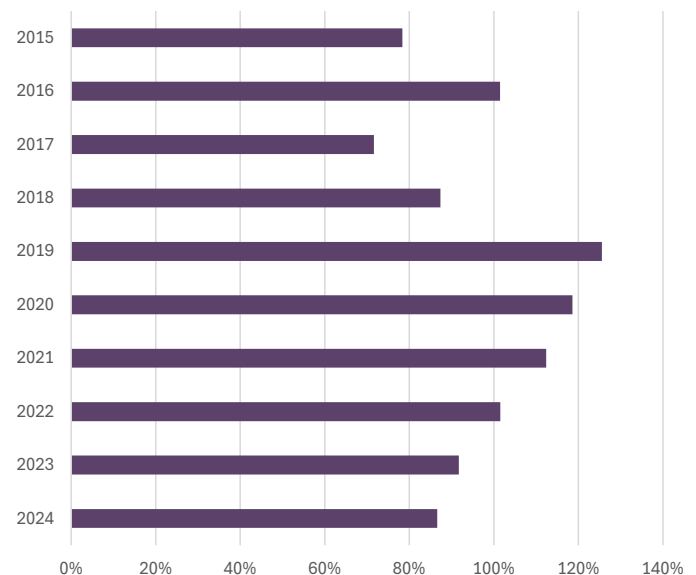


SEPA Assistant Administrator for Finance and Marketing, Carter Edge, explains impacts of project cost allocations on customer rates as Daniel Rabon, USACE HQ National Hydropower Program manager listens.

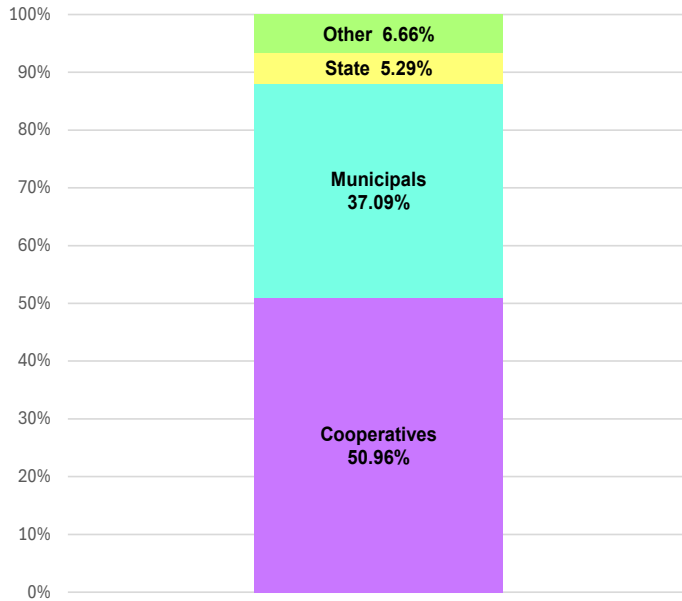
Actual Generation as a Percentage of Average Project Generation - Figure A



Actual Generation as a Percentage of Average System Generation - Figure B



FY 2024 Revenue by Source - Figure C



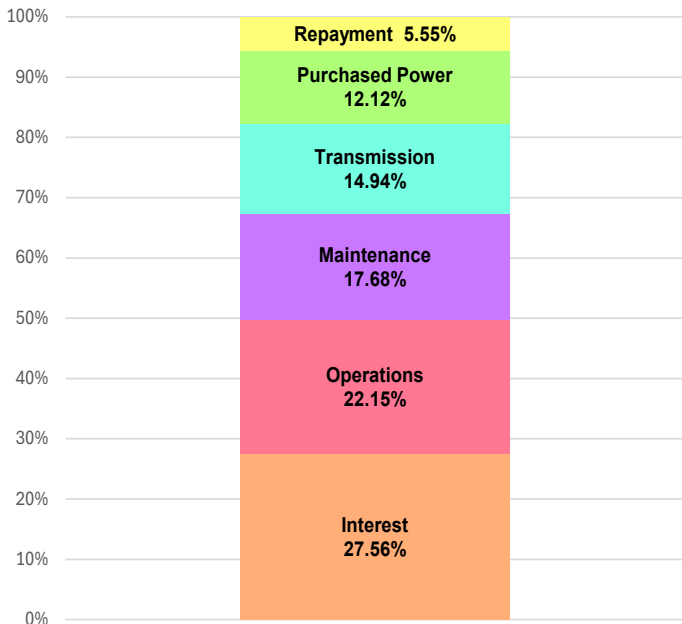
Financial Performance

Total revenue for the Georgia-Alabama-South Carolina System in FY 2024 was \$212.7 million. Of this amount, \$198.6 million was derived from the sale of 3,158,472 megawatt-hours of energy and 2,184.3 megawatts of capacity. Total operating expenses, excluding depreciation, were \$142.3 million. Interest charged to Federal investment was \$58.6 million and repayment of the Federal investment was \$11.8 million.

Figure C shows the revenue by source for this system and Figure D shows the application of revenues. Table 2 indicates the current rates.

Base rates were approved by FERC on a final basis on December 16, 2022 for the period of October 1, 2022, through September 30, 2027.

FY 2024 Application of Revenues - Figure D



Power Rates - Table 2

Product	Through September 30, 2027
Capacity	4.04 \$ / kW / Month
Energy	12.80 mill / kWh
Generation Services	0.12 \$kW / Month

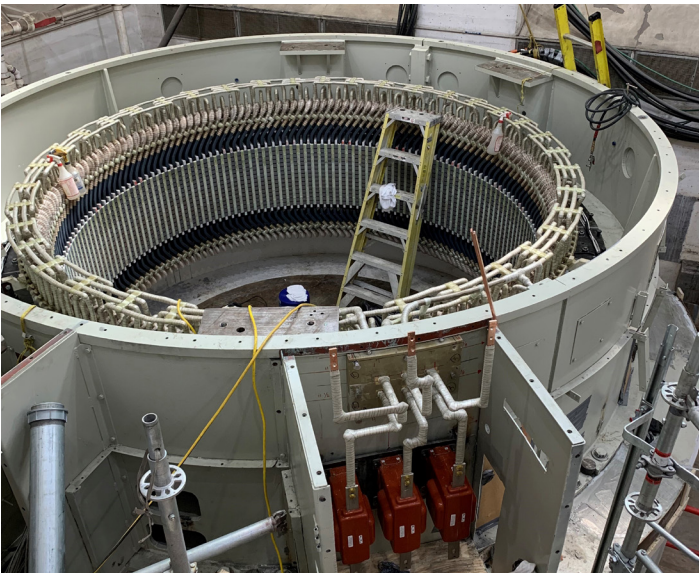
Rate schedules provide for a monthly pass-through of actual purchase power, transmission and ancillary service expense.

The Kerr-Philpott System consists of two projects in Virginia, John H. Kerr on the Roanoke River and Philpott on the Smith River. Power generated at the projects is marketed to 75 preference customers in North Carolina and Virginia.

Operational Performance

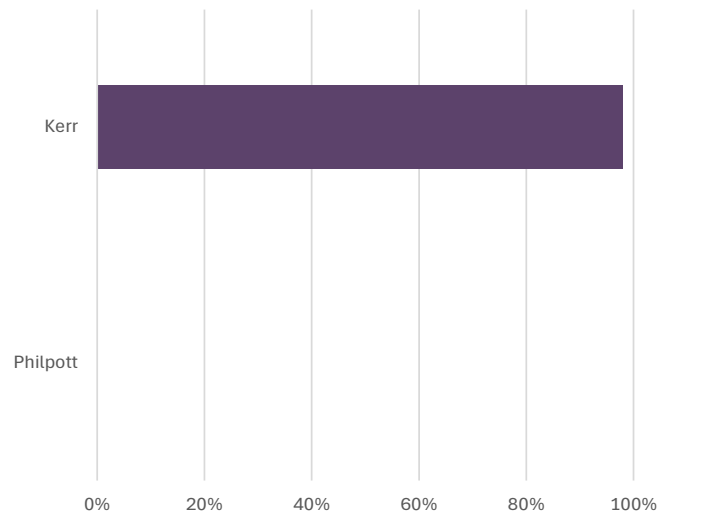
Generation for FY 2024 was 93% of the annual average. Figure E illustrates the percentage of the average generation by project for the year. Figure F shows the system generation by year from 2015 through 2024.

The Philpott Project remediation efforts continue with a plant outage due to the May 2020 landslide. The Wilmington District of the Corps of Engineers has awarded contracts for the hillside stabilization. The generator rehabilitation project is expected to return to service by March 2026.

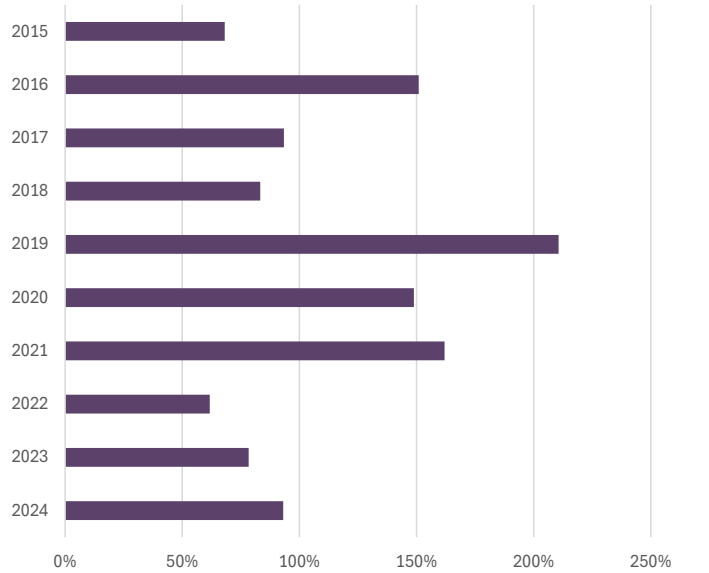


The restoration of Philpott power operations continue with rewinds of Units 1 & 2. The generator contractor completed a major portion of the onsite work but was demobilized until the landslide contractor could sufficiently stabilize the hillside.

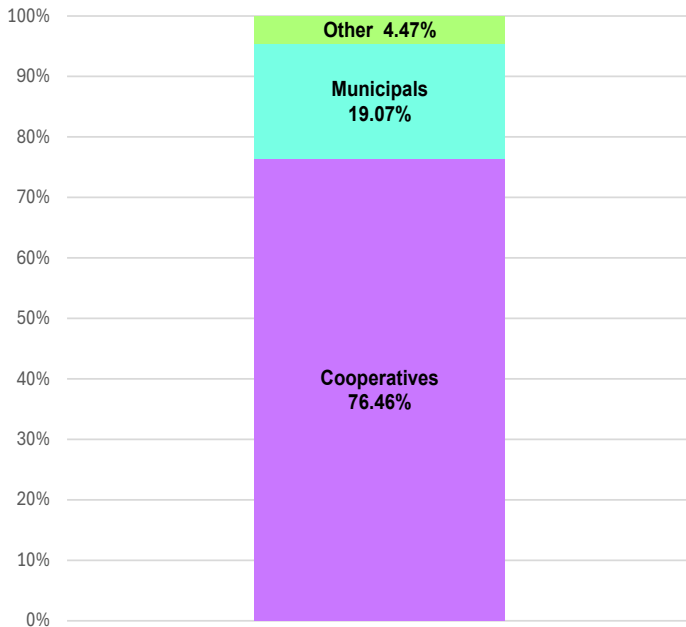
Actual Generation as a Percentage of Average Project Generation - Figure E



Actual Generation as a Percentage of Average System Generation - Figure F



FY 2024 Revenue by Source - Figure G



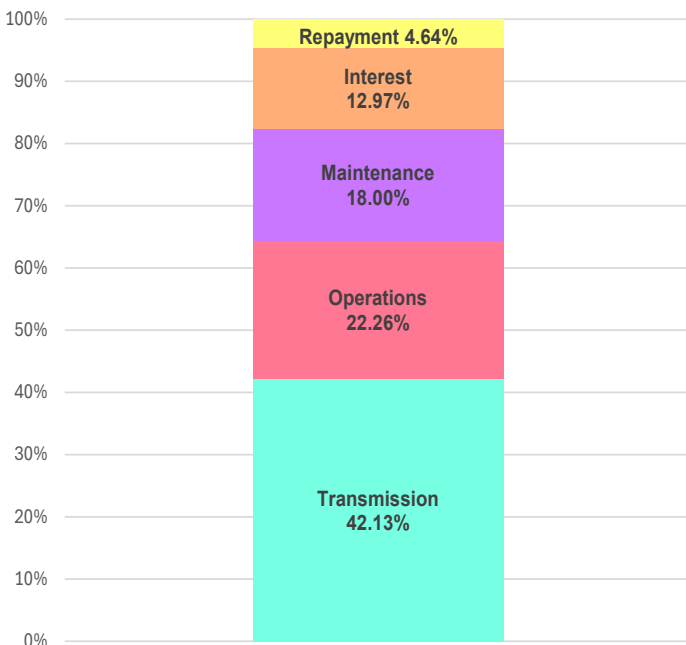
Financial Performance

Total revenue for the Kerr-Philpott System in FY 2024 was \$38.6 million. Of this amount, \$36.9 million was derived from the sale of 418,794 megawatt-hours of energy and 196.5 megawatts of capacity. Total operating expenses, excluding depreciation, were \$31.8 million. Interest charged to Federal investment was \$5.0 million and repayment of the Federal investment was \$1.8 million for FY 2024.

Figure G shows the revenue by source for the Kerr-Philpott system and Figure H shows the application of revenues. Table 3 indicates the current rates for the Kerr-Philpott System.

Base rates were approved by FERC on a final basis on December 11, 2020. The rate schedules are effective for the period October 1, 2020, through September 30, 2025.

FY 2024 Application of Revenues - Figure H



Power Rates - Table 3

Product	Through March 31, 2025
Capacity	5.15 \$ / kW / Month
Energy	20.80 mill / kWh

Rate schedules also provide an adjustment to true-up energy and capacity rates based on the cumulative net revenue available for repayment. The rates for capacity and energy for the period April 1, 2025, through September 30, 2025, will remain as follows:

Capacity 5.15 \$ / kW / Month
Energy 20.80 mills / kWh

Cumberland

There are nine projects in the Cumberland System located in Kentucky and Tennessee. The power produced at these projects is delivered to 25 entities serving 208 preference customers in Alabama, Georgia, Illinois, Kentucky, Mississippi, North Carolina, Tennessee and Virginia.

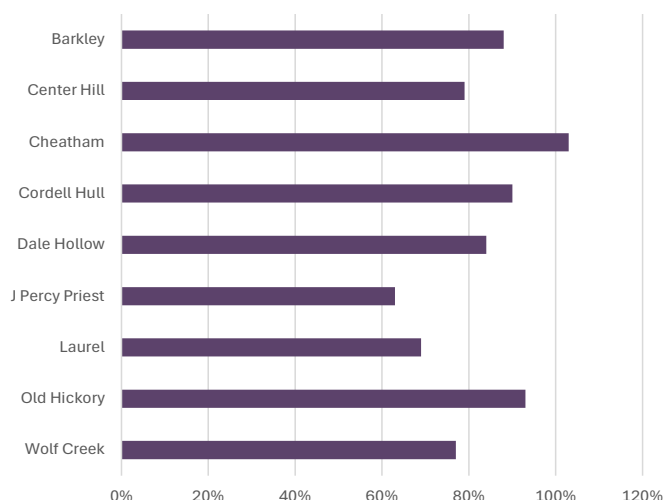
Operational Performance

Generation for the system during FY 2024 was 84% of the annual average. The percentage of average generation by project is shown in Figure I. The system generation for the years 2015 through 2024 is shown in Figure J.

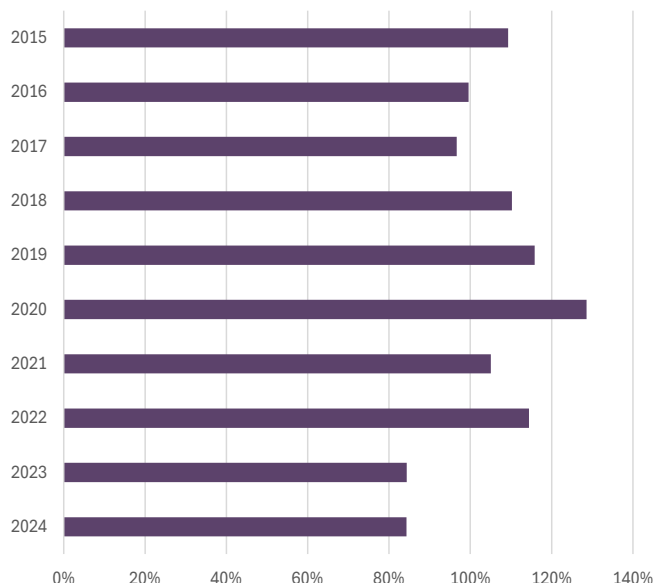
Barkley Generators 3 and 4 are out of service for the installation of intake crane rails and rehabilitation of Unit 4. Both units are expected to return to service in September 2025. Old Hickory Unit 4 is out for excitation replacement with an expected return to service in the first quarter FY 2025. J Percy Priest Generator 1 continues to be unavailable for generation each year during the months of May through November due to water quality limitations.

The Nashville District of the Corps of Engineers continues non-routine maintenance, rehabilitation, and the modernization of the Cumberland System hydropower facilities as specified in their Capital Improvement Plan. Reductions to contract capacity are reconciled through the monthly delivered power invoicing process by providing customers with capacity credits. These customer capacity credits totaled \$10.7 million in FY 2024.

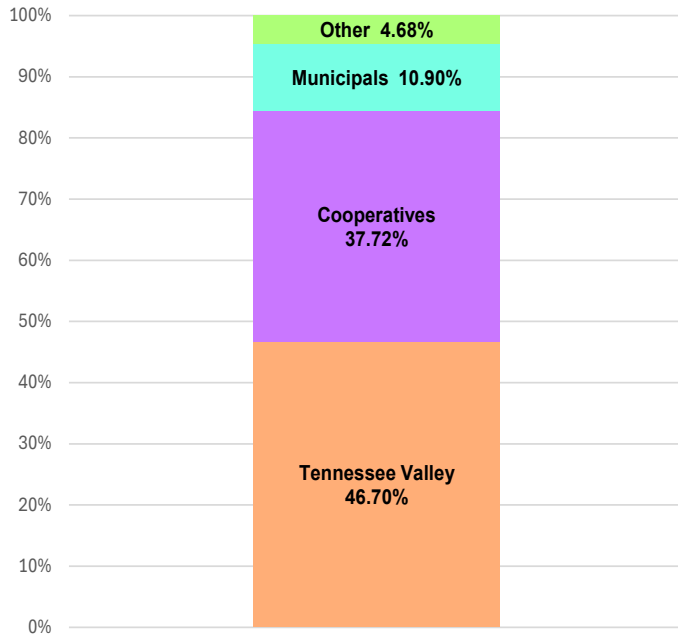
Actual Generation as a Percentage of Average Project Generation - Figure I



Actual Generation as a Percentage of Average System Generation - Figure J



FY 2024 Revenue by Source - Figure K



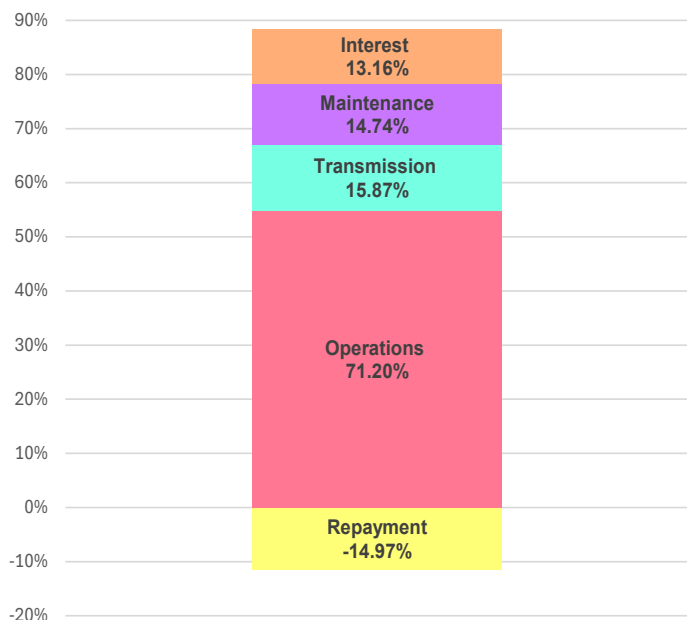
Financial Performance

Total revenue for the Cumberland System in FY 2024 was \$59.8 million. Of this amount, \$57.0 million was derived from the sale of 2,430,682 megawatt-hours of energy and 948.3 megawatts of capacity. Total operating expenses, excluding depreciation, were \$60.9 million. Interest charged to Federal investment was \$7.9 million and a repayment deficit of \$9.0 million in FY 2024.

Figure K shows the revenue by source for the Cumberland system and Figure L shows the application of revenues. Table 4 indicates the current rates.

Base rates were approved by FERC on a final basis on November 5, 2020. The rate schedules are effective for the period October 1, 2020, through September 20, 2025.

FY 2024 Application of Revenues - Figure L



Power Rates - Table 4

Product	Through March 31, 2025
Capacity	3.83 \$ / kW / Month
Energy	14.55 mill / kWh

Rate schedules provide for a monthly pass through of actual purchase power, transmission and ancillary service expense. Rate schedules also provide an adjustment to true-up capacity and energy rates based on transfers of specific power investment to plant in service for the preceding fiscal year. The rates for capacity and energy for the period April 1, 2025, through September 30, 2025, will be as follows:

Capacity	3.88 \$ / kW / Month
Energy	14.80 mills / kWh

The Jim Woodruff System is a single project system located on the border of Florida and Georgia. This system has four cooperatives, two municipals and one investor owned utility customers located in the central panhandle of Florida.

Operational Performance

Generation during FY 2024 was 71% of the annual average. Figure M illustrates the project's generation for the years 2015 through 2024.

This single-project system operates as a run of the river project. The original 1957 contract with Florida Power Corporation was terminated in April 2024. A new power marketing policy is in place which defines plant operations and specifies direct power delivery quantities with four cooperatives and two municipalities.

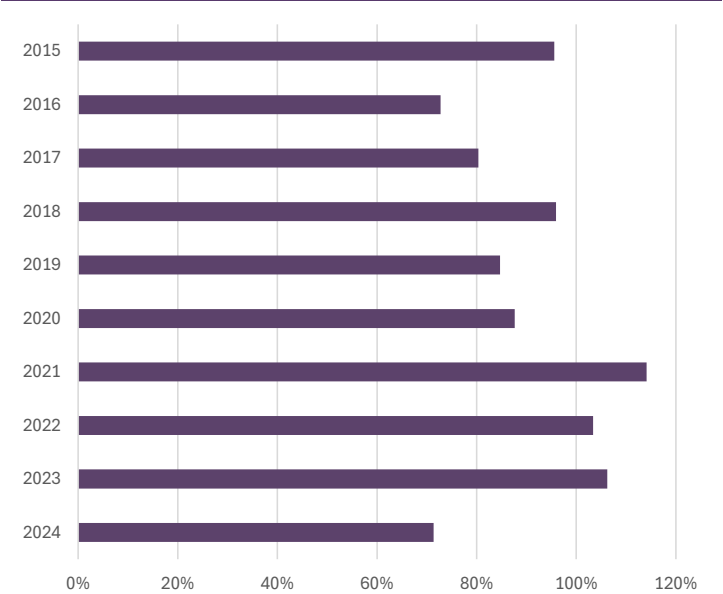


Jim Woodruff Powerplant time capsule.

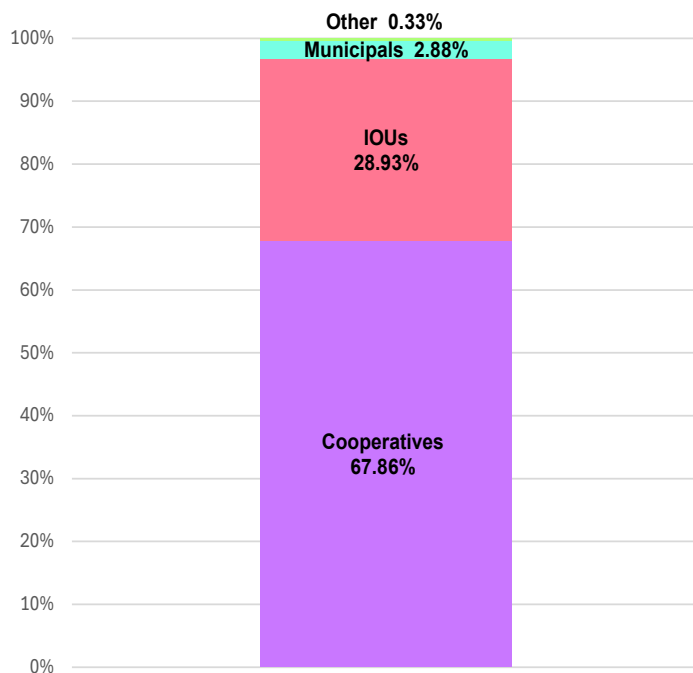


Assistant Administrators Leon Jourolmon and Samuel Loggins brief Rep. Mike Collins' (GA-10) staff on preference in the sale of federal hydropower to public bodies and cooperatives.

Actual Generation as a Percentage of Average System Generation - Figure M



FY 2024 Revenue by Source - Figure N



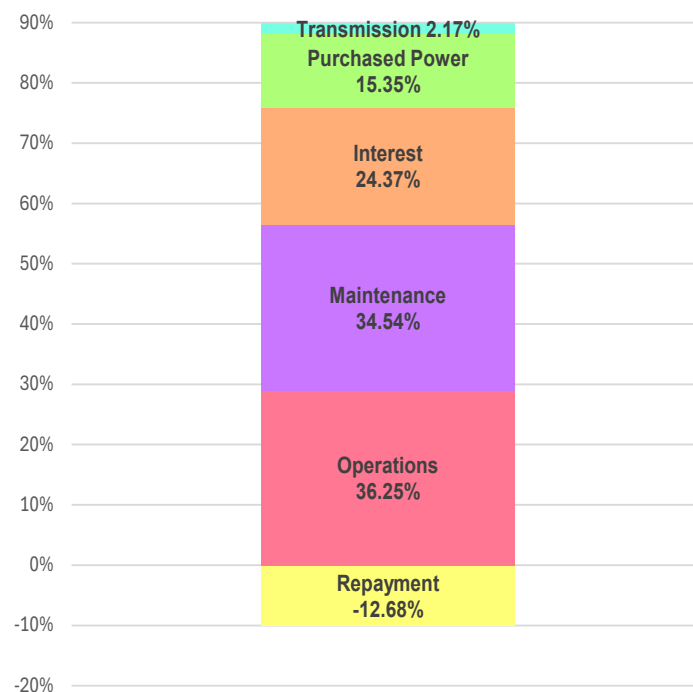
Financial Performance

Total revenue for the Jim Woodruff System in FY 2024 was \$8.0 million. Of this amount, \$8.0 million was derived from the sale of 182,013 megawatt-hours of energy and 36 megawatts of capacity. Total operating expenses, excluding depreciation, were \$7.1 million. Interest charged to Federal investment was \$2.0 million and a repayment deficit of \$1.0 million.

Figure N shows the revenue by source for this system and Figure O shows the application of revenues. Table 5 indicates the current rates for the Jim Woodruff System.

Base rates were approved by FERC on a final basis on February 10, 2022. The rate schedules are effective for the period October 1, 2021, through September 30, 2026.

FY 2024 Application of Revenues - Figure O



Power Rates - Table 5

Product	Through September 30, 2026
Capacity	4.04 \$ / kW / Month
Energy	12.80 mill / kWh

Rate schedules provide for a monthly pass-through of actual purchase power.



Virgil Hobbs, Leon Jourolmon, Douglas Spencer, Carter Edge, Sam Loggins, Jason Ward, and Chris Wilk all pose for a selfie before the Southeastern Federal Power Alliance meeting held in Charleston, SC.

Customer Sales

CUSTOMER	CAPACITY (kW)	ENERGY (kWh)	REVENUE (\$)	CUSTOMER	CAPACITY (kW)	ENERGY (kWh)	REVENUE (\$)
GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM							
ALABAMA							
Baldwin County EMC	17,284	27,886,375	2,393,768.42	City of Cairo	6,253	9,971,564	514,638.94
Black Warrior EMC	18,494	29,469,110	2,557,619.13	City of Calhoun	7,660	12,220,870	630,546.87
Central Alabama EC	18,660	30,028,586	2,583,473.73	City of Camilla	6,072	9,672,649	499,543.44
Clarke-Washington EMC	6,678	10,548,188	922,402.98	City of Cartersville	17,152	27,338,410	1,411,392.73
Coosa Valley EC	5,728	9,175,266	792,667.38	City of College Park	15,559	24,816,616	1,280,643.40
Dixie EC	7,273	11,720,444	1,007,235.29	City of Commerce	4,456	7,096,359	366,556.28
Pea River EC	3,422	5,401,489	472,594.23	City of Covington	9,382	14,959,004	772,119.33
Pioneer EC	10,056	16,172,352	1,392,058.32	City of Dalton	45,822	75,928,892	3,800,272.71
Tallapoosa River EC	11,494	18,305,476	1,589,363.66	City of Doerun	629	1,002,442	51,756.67
Tombigbee EC	8,038	12,724,917	1,110,807.23	City of Douglas	10,180	16,224,024	837,651.11
Wiregrass EC	8,467	13,517,103	1,171,274.40	City of East Point	33,488	53,363,899	2,755,401.54
PowerSouth Energy Cooperative	100,000	176,472,000	8,445,932.70	City of Elberton	11,447	18,232,212	941,691.22
City of Alexander City	7,846	12,668,044	1,086,698.28	City of Ellaville	936	1,492,927	77,041.33
City of Dothan	61,759	99,753,235	8,554,564.93	City of Fairburn	1,799	2,870,252	148,089.68
City of Fairhope	7,686	12,410,642	1,064,555.50	City of Forsyth	3,720	5,928,775	306,099.44
City of Foley	27,407	44,255,968	3,796,060.29	City of Fort Valley	9,417	15,010,198	774,910.36
City of Hartford	3,050	3,900,753	409,284.39	City of Grantville	470	748,115	38,655.38
City of LaFayette	2,358	3,804,944	326,548.13	City of Griffin	18,157	28,941,980	1,494,124.64
City of Lanett	5,321	8,591,319	736,978.95	City of Hampton	832	1,005,776	105,942.77
City of Luverne	3,158	5,098,420	437,385.35	City of Jackson	2,067	3,294,678	170,090.11
City of Opelika	20,809	33,605,980	2,882,329.39	City of LaFayette	6,607	10,529,758	543,651.70
City of Piedmont	4,609	7,292,247	636,856.52	City of LaGrange	17,096	27,260,795	1,407,009.90
City of Robertsdale	3,372	5,438,982	466,929.79	City of Lawrenceville	4,795	7,652,908	394,765.43
City of Sylacauga	19,624	31,025,747	2,711,136.39	City of Marietta	37,172	59,291,026	3,059,616.74
City of Troy	10,079	12,953,610	1,336,437.52	City of Monroe	8,408	13,297,800	689,868.35
City of Tuskegee	11,689	18,682,418	1,617,014.01	City of Monticello	1,836	2,924,751	151,047.98
ALABAMA TOTAL	404,361	660,903,615	50,501,976.91	City of Moultrie	15,480	24,671,283	1,273,767.16
				City of Newman	6,893	10,987,223	567,217.36
FLORIDA				City of Norcross	1,736	2,769,512	142,899.55
Choctawhatchee EC	1,231	1,984,376	170,436.96	City of Oxford	458	731,597	37,718.34
West Florida ECA	8,402	13,580,267	1,163,984.70	City of Palmetto	923	1,471,456	75,956.88
FLORIDA TOTAL	9,633	15,564,643	1,334,421.66	City of Quitman	4,428	7,053,421	364,284.64
				City of Sandersville	4,997	7,961,731	411,133.13
GEORGIA				City of Sylvester	3,952	6,302,001	325,256.56
Altamaha EMC	10,956	13,699,064	787,400.41	City of Thomaston	7,687	12,258,851	632,670.78
Amicalola EMC	11,513	14,390,295	827,339.86	City of Thomasville	25,053	39,934,158	2,061,592.51
Canoochee EMC	9,392	11,745,755	675,036.63	City of West Point	4,683	7,456,378	385,200.64
Carroll EMC	17,032	21,290,957	1,223,984.34	City of Whigam	319	508,651	26,253.50
Coastal EMC	3,157	3,950,630	226,947.80	Crisp County Power Commission	18,068	28,796,651	1,486,734.08
Cobb EMC	42,613	53,329,653	3,063,403.22	Town of Mansfield	379	602,781	31,161.61
Colquitt EMC	38,410	48,004,325	2,760,107.26	GEORGIA TOTAL	1,014,175	1,419,964,767	77,544,049.67
Diverse Power, Inc.	12,050	15,075,057	866,167.38				
Flint EMC	55,744	66,197,247	3,961,344.02	MISSISSIPPI			
Grady EMC	10,439	13,046,666	750,139.30	Coast EPA	26,863	43,433,042	3,721,778.03
Greystone Power Corporation	43,317	54,203,807	3,113,891.97	East Mississippi EPA	13,758	22,191,571	1,905,608.07
Habersham EMC	10,176	12,719,171	731,261.41	Singing River EPA	33,684	54,473,759	4,667,040.11
Hart EMC	18,630	23,276,629	1,338,613.46	Cooperative Energy	68,000	89,882,000	4,953,564.01
Irwin EMC	8,246	10,303,746	592,514.88	MISSISSIPPI TOTAL	142,305	209,980,372	15,247,990.22
Jackson EMC	48,415	60,543,572	3,479,673.86				
Jefferson EMC	14,188	17,750,663	1,019,864.52	NORTH CAROLINA			
Little Ocmulgee EMC	7,754	9,686,298	557,115.43	Blue Ridge EMC	7,311	13,646,157	655,056.34
Middle Georgia EMC	6,028	7,533,643	433,165.21	EnergyUnited EMC	18,210	33,962,238	1,504,227.43
Mitchell EMC	18,023	22,525,851	1,295,132.66	Haywood EMC	926	1,735,908	82,972.19
Ocmulgee EMC	8,188	10,231,259	588,347.08	Pee Dee EMC	455	936,619	41,787.22
Oconee EMC	8,018	10,025,443	576,247.58	Rutherford EMC	26,829	47,684,001	2,356,391.41
Okefenoke Rural EMC	9,487	11,859,663	681,778.63	Union EMC	11,633	24,217,701	1,073,894.51
Planters EMC	10,258	12,820,140	737,127.32	City of Cherryville	1,651	1,327,685	110,781.77
Rayle EMC	10,350	12,934,050	743,719.63	City of Concord	9,179	9,928,920	647,812.07
Satilla Rural EMC	30,374	37,960,763	2,182,642.91	City of Gastonia	17,840	14,341,886	1,196,962.57
Sawnee EMC	19,423	24,288,883	1,395,969.31	City of Kings Mountain	3,320	3,536,620	233,901.55
Slash Pine EMC	4,785	5,980,314	343,847.13	City of Lincolnton	1,762	1,416,423	118,218.54
Southern Rivers Energy	6,842	8,556,254	491,751.33	City of Monroe	8,593	6,909,183	576,565.45
Sumter EMC	11,437	14,300,980	821,978.02	City of Morganton	10,651	18,852,543	934,450.10
Three Notch EMC	12,194	15,243,333	876,309.81	City of Newton	2,309	1,855,545	154,905.74
Tri-County EMC	6,416	8,028,121	461,214.45	City of Shelby	6,582	5,290,711	441,600.42
Walton EMC	31,322	39,212,485	2,251,940.11	City of Statesville	10,841	8,714,993	727,363.58
Washington EMC	14,249	17,812,796	1,024,000.51	Town of Bostic	512	884,917	44,463.72
City of Acworth	2,303	3,671,215	189,517.27	Town of Cornelius	461	395,924	31,471.47
City of Albany	60,831	96,979,172	5,006,033.02	Town of Dallas	1,299	1,355,460	118,701.79
City of Barnesville	2,635	4,199,684	216,822.88	Town of Drexel	982	1,741,522	86,226.06
City of Brinson	156	249,373	12,850.82	Town of Forest City	2,721	2,842,077	248,697.05
City of Buford	2,356	3,755,436	193,873.45	Town of Granite Falls	928	747,059	62,285.55
				Town of Huntersville	590	492,394	39,971.94
				Town of Landis	1,227	985,921	82,314.40
				Town of Maiden	1,380	1,109,026	92,582.07
				Town of Pineville	590	492,394	39,971.94
				NORTH CAROLINA TOTAL	148,782	205,403,827	11,703,576.88

Customer Sales

CUSTOMER	CAPACITY (kW)	ENERGY (kWh)	REVENUE (\$)	CUSTOMER	CAPACITY (kW)	ENERGY (kWh)	REVENUE (\$)
SOUTH CAROLINA				VIRGINIA			
Central Electric Power Cooperative	201,852	303,838,687	20,729,362.85	B-A-R-C EC	3,740	9,473,866	840,051.33
Little River EC	572	948,919	72,709.12	Central Virginia EC	7,956	20,141,945	1,786,448.94
City of Abbeville	3,305	5,625,267	254,610.61	Community EC	4,230	10,735,409	950,641.77
City of Clinton	3,323	2,411,861	210,014.11	Craig-Botetourt EC	1,692	5,304,719	400,482.67
City of Easley	9,669	15,471,718	765,763.70	Mecklenburg EC	11,344	29,009,909	2,554,859.47
City of Gaffney	7,804	12,493,856	618,176.69	Northern Neck EC	3,944	9,955,826	885,002.62
City of Georgetown	5,300	7,950,398	583,769.74	Northern Virginia EC	3,268	8,091,130	729,280.55
City of Greenwood	12,739	23,965,430	1,137,488.27	Prince George EC	2,530	6,386,463	567,711.93
City of Greer	10,231	16,434,166	811,428.65	Rappahannock EC	22,427	56,612,406	5,032,442.93
City of Laurens	6,581	10,560,537	521,750.44	Shenandoah Valley EC	9,938	25,372,495	2,237,158.38
City of Newberry	3,661	2,656,969	231,371.80	Southside EC	14,575	36,791,625	3,270,515.64
City of Orangeburg	15,090	22,525,899	2,228,664.87	City of Bedford	1,200	907,989	135,989.10
City of Rock Hill	21,352	34,165,519	1,691,020.87	City of Danville	5,600	4,237,283	634,615.79
City of Seneca	2,688	2,891,919	188,691.17	City of Franklin	1,003	756,928	182,279.25
City of Union	3,892	2,825,622	245,989.28	City of Martinsville	1,600	1,210,652	181,318.79
City of Westminster	778	572,125	49,305.99	City of Radford	1,300	915,922	147,332.34
Town of Bamberg	2,569	3,725,958	280,190.12	City of Salem	2,200	1,550,021	249,331.61
Town of Due West	285	297,448	26,044.37	Harrisonburg Electric Commission	2,691	2,057,342	489,764.94
Town of McCormick	522	880,936	85,858.57	Town of Blackstone	389	293,564	70,694.55
Town of Prosperity	620	1,054,674	54,329.18	Town of Culpeper	391	298,931	71,162.44
Town of Winsboro	1,366	1,798,288	202,077.57	Town of Elkton	171	129,048	31,076.54
South Carolina PSA	150,802	173,559,078	11,251,802.47	Town of Richlands	500	378,328	56,662.09
SOUTH CAROLINA TOTAL	465,001	646,655,274	42,240,420.44	Town of Wakefield	106	79,994	19,263.78
GEORGIA-ALABAMA-				VIRGINIA TOTAL	102,795	230,691,795	21,524,087.45
SOUTH CAROLINA SYSTEM TOTAL	2,184,257	3,158,472,498	198,572,435.78	KERR-PHILPOTT SYSTEM TOTAL	196,500	418,793,980	36,859,074.05
KERR-PHILPOTT SYSTEM				JIM WOODRUFF SYSTEM			
NORTH CAROLINA				FLORIDA			
Albemarle EMC	2,593	6,521,206	402,663.76	Central Florida EC	2,300	11,078,767	481,717.31
Brunswick EMC	3,515	9,763,047	632,585.04	Suwannee Valley EC	4,800	22,770,940	978,431.71
Carteret-Craven EMC	2,735	7,482,931	489,891.16	Talquin EC	13,500	64,896,612	2,834,870.39
Central EMC	1,239	3,441,372	222,979.57	Tri-County EC	5,200	25,890,768	1,153,043.65
Edgecombe-Martin County EMC	4,155	10,586,117	648,635.60	City of Chattahoochee	1,800	9,490,937	452,731.53
Four County EMC	4,198	11,660,108	755,502.77	City of Quincy	8,400	41,341,524	1,870,108.69
Halifax EMC	2,606	6,764,658	420,546.03	Duke Energy Florida	-	6,543,133	230,858.70
Jones-Onslow EMC	5,184	14,398,761	932,950.55	JIM WOODRUFF SYSTEM TOTAL	36,000	182,012,681	8,001,761.98
Lumbee River EMC	3,729	10,357,441	671,098.20	CUMBERLAND SYSTEM			
Pee Dee EMC	2,968	8,243,735	534,142.94	ILLINOIS			
Piedmont EMC	1,086	2,882,040	192,770.09	Southern Illinois Power Cooperative	28,000	41,994,000	1,295,175.00
Pitt & Greene EMC	1,580	4,388,511	284,348.43	KENTUCKY			
Randolph EMC	3,608	10,021,363	649,322.08	Big Rivers Electric Corporation	178,000	269,291,000	8,217,260.23
Roanoke EMC	5,528	13,983,437	860,456.88	East Kentucky Power Cooperative	170,000	241,993,000	9,954,423.32
South River EMC	6,119	16,995,758	1,101,220.05	City of Barbourville	2,200	4,058,286	148,093.02
Tideland EMC	3,098	8,037,794	499,563.43	City of Bardstown	2,247	4,063,000	151,263.15
Tri-County EMC	3,096	8,599,260	557,178.74	City of Bardwell	542	999,814	36,484.73
Wake EMC	2,164	6,010,592	389,449.34	City of Benham	248	457,477	16,694.10
City of Elizabeth City	2,073	1,550,955	376,595.48	City of Corbin	2,598	4,792,465	174,884.39
City of Kinston	1,466	1,096,817	203,106.35	City of Falmouth	590	1,088,359	39,715.80
City of Laurinburg	415	310,488	57,495.94	City of Frankfort	15,621	28,815,669	1,051,527.56
City of Lumberton	895	669,611	123,997.45	City of Henderson	12,000	18,414,000	556,911.65
City of New Bern	1,204	900,798	166,807.76	City of Madisonville	7,803	14,393,998	525,258.95
City of Rocky Mount	2,538	1,898,854	351,626.08	City of Nicholasville	2,556	4,597,000	172,060.76
City of Washington	2,703	2,022,305	374,485.99	City of Owensboro	25,000	43,985,000	1,682,881.62
City of Wilson	2,950	2,207,102	408,706.58	City of Paris	1,364	2,516,136	91,817.55
Fayetteville Public Works Commission	5,431	4,063,307	752,435.49	City of Providence	1,231	2,270,796	82,864.73
Greenville Utilities Commission	7,534	5,636,709	1,043,794.70	City of Princeton	362	1,487,610	36,160.53
Town of Apex	145	108,485	19,413.52	City of Paducah	2,526	10,380,390	252,357.19
Town of Ayden	208	155,620	28,817.26	KENTUCKY TOTAL	424,888	653,604,000	23,190,659.27
Town of Belhaven	182	136,168	33,063.42	MISSISSIPPI			
Town of Benson	120	89,779	16,625.30	Cooperative Energy	51,000	78,692,000	2,354,942.24
Town of Clayton	161	120,456	22,305.71	Mississippi Delta Energy Agency	11,000	17,224,000	511,754.01
Town of Edenton	775	579,831	140,791.86	Municipal Energy Agency of Mississippi	19,000	29,184,000	869,571.04
Town of Enfield	259	194,809	29,239.69	MISSISSIPPI TOTAL	81,000	125,100,000	3,736,267.29
Town of Farmville	237	177,315	32,835.05	NORTH CAROLINA			
Town of Fremont	60	44,889	8,312.62	French Broad EMC	8,200	14,206,740	582,365.46
Town of Hamilton	40	29,927	7,266.70	Haywood EMC	2,400	4,158,072	170,448.36
Town of Hertford	203	151,879	36,878.42	Town of Waynesville	1,700	2,838,012	120,734.28
Town of Hobgood	46	34,416	8,356.68	NORTH CAROLINA TOTAL	12,300	21,202,824	873,548.10
Town of Hookerton	30	22,446	4,156.38	TENNESSEE VALLEY REGION			
Town of La Grange	93	69,582	12,884.71	TVA Acquisition for			
Town of Louisburg	857	2,787,202	162,361.48	153 TVPPA Members	402,112	1,588,781,000	27,946,598.38
Town of Pikeville	40	29,927	5,541.81	CUMBERLAND SYSTEM TOTAL	948,300	2,430,681,824	57,042,248.04
Town of Red Springs	117	87,538	16,209.75	GRAND TOTAL			
Town of Robersonville	232	173,575	42,146.74		3,365,057	6,189,960,983	300,475,519.85
Town of Scotland Neck	304	227,446	55,226.79				
Town of Selma	183	136,915	25,353.70				
Town of Smithfield	378	282,808	52,369.85				
Town of Tarboro	2,145	1,604,825	389,675.55				
Town of Wake Forest	149	111,477	20,643.16				
Town of Windsor	331	249,793	60,153.97				
NORTH CAROLINA TOTAL	93,705	188,102,185	15,334,986.60				



From Page 20

Top left: Roger Brand, Municipal Electric Authority of Georgia joins Carter Edge and Leon Jourolmon for a tour of the Charleston District's St. Stephen Powerhouse.

Top right: Terry Wright, Big Rivers Electric Cooperative, Stephen Sims, Cooperative Energy, Barbara Smith, Power Marketing Liaison Office with Virgil Hobbs at the Barkley Lock and Dam in Grand Rivers, KY.

Middle pictures: Staff visit Richard B. Russell and Lake Hartwell Dams learning about the amazing federal hydropower product marketed by SEPA.

Bottom left: Nate Dye, Cameron Gault and Jason Ward of SEPA join Gwinnett County Utilities department staff in a tour of Buford Dam to learn more about the site.

Bottom right: James Everett, Robin Robertson, Darrell Guinn, and Michael Hicks from Tennessee Valley Authority and SEPA staff meet in Elberton to discuss mutual river scheduling and power operations issues.

Southeastern Power Administration

2024 Financial Overview and Financial Statements

2024 Financial Overview & Financial Statements

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The Southeastern Federal Power Program (the Program) consists of all activities associated with the production, transmission and disposition of Federal power marketed under Section 5 of the Flood Control Act of 1944 in 11 states. These states are: Alabama, Florida, Georgia, Illinois, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. The Program includes the accounts of two separate Federal government agencies — the Southeastern Power Administration (Southeastern), an agency of the United States Department of Energy, and the hydroelectric generating plants and power operations of the United States Army Corps of Engineers (Corps), an agency of the United States Department of Defense for which Southeastern markets the power. Southeastern purchases, transmits, and markets power within four separate power systems (each including one or more Corps generating projects for which rates are set). These systems are: Georgia-Alabama-South Carolina; Jim Woodruff; Cumberland; and Kerr-Philpott.

The Corps operates 22 Federal hydroelectric generating projects in commercial service as of September 30, 2024, for which Southeastern is the power marketing agency. The Corps and Southeastern are separately managed and financed; however, the financial statements are combined under the Program title. Costs of multiple-purpose Corps projects are allocated to individual purposes (e.g., power, recreation, navigation and flood control) through a cost allocation process. Specific and joint-function costs allocated to power are included in the attached combined balance sheets.

The Program accounts are maintained in conformity with accounting principles generally accepted in the United States and with the Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission. The Program's accounting policies also reflect requirements of specific legislation and executive directives issued by the applicable government agencies.

Southeastern and the Corps receive Congressional appropriations through the Department of Energy and the Department of Defense to finance their operations. The Corps has also received Congressional appropriations to finance construction of its hydroelectric projects. In accordance with the Flood Control Act of 1944, Southeastern is responsible for repayment, with interest, of its appropriations, as well as Corps construction and operation appropriations allocated to power.

Program Performance

During FY 2024, Southeastern marketed 6.2 billion kilowatt-hours of energy to 471 wholesale customers. The Program’s revenues totaled \$319 million, \$12.6 million more than in FY 2023.

Financial Performance

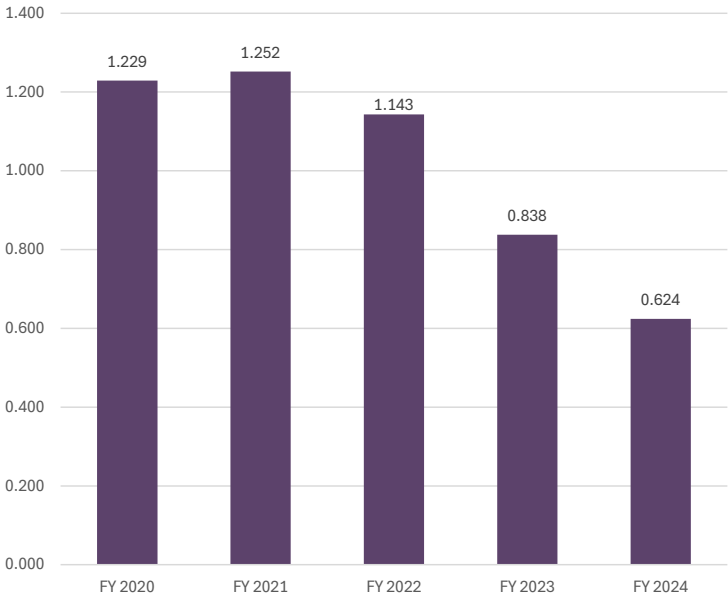
Debt Service Coverage Ratio

The debt service coverage ratio measures the adequacy of a utility’s cash flow to cover debt service cash, both principal and interest. Specifically, the debt service coverage ratio measures revenues in excess of operating expenses requiring cash, or cash flow from operations available to make debt service payments of principal and interest. A ratio of 1.0 would generally indicate just enough cash flow to make principal and interest payments on outstanding debt, in addition to meeting all other cash expenses. A ratio of 1.5 would indicate sufficient cash flow to pay 1.5 times the amount of debt service actually due.

Debt service coverage is an important measure of financial health, particularly for public power systems with no significant surplus or equity as a cushion. Since the revenues of a power marketing administration are applied to operating expenses and debt service requirements with typically no return built into rates, the level of debt service coverage is viewed as an important means of determining the revenue shortfalls that could be sustained before debt service payments were adversely affected. A balance exists between maintaining a sound financial condition and maintaining the lowest rates consistent with the not-for-profit orientation of power marketing agencies.

Over the last five years, the Program’s debt service ratio has ranged from about 0.624 to 1.252. For FY 2020 through FY 2022 generation was slightly higher than average, while generation was below average in FY 2023 and FY 2024. The Program’s debt service coverage ratio for fiscal years 2020 through 2024 is illustrated in Figure P.

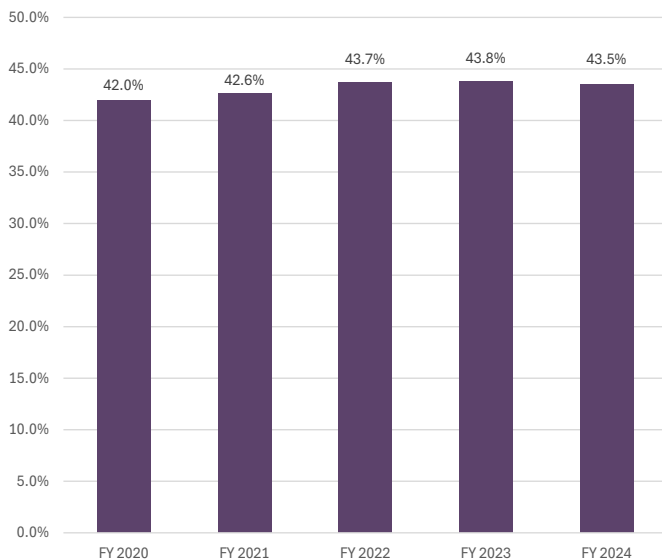
Debt Service Coverage Ratio - Figure P



Cumulative Principal as a Percentage of Total Federal Investment (Plant-in-Service)

This indicator is a cumulative cash flow measure. It measures the cumulative principal payments made relative to the total Federal investment to date. During a period of capital expansion, this ratio would tend to decrease, whereas increases in cumulative payments over time would be expected for a mature system. Thus, a system with little time remaining in its repayment period would be expected to have a ratio of cumulative principal payments relative to total Federal investment that approaches 100%. This indicator provides useful information by showing the relationship between the cumulative amount of principal paid to date by the Program, as well as the progress made over the period studied. While analysis of this indicator does not necessarily provide conclusive information without further analysis of additional factors, such as the average age of the system, the measure nevertheless provides valuable information on the status of repayment. The Program's principal payments as a percentage of total investment is now 43.5% for FY 2024. Payments as a percent of total investment are illustrated in Figure Q.

Cumulative Principal as a Percentage of Total Federal Investment - Figure Q



Variance of Actual from Planned Principal Payment

The Power Marketing Administrations show relatively large fluctuations between actual and planned revenues due to the high variability of water over the years analyzed. A negative number means that actual repayment is not as large as expected. A positive number means that actual repayment is larger than expected.

The FY 2020 - FY 2022 ratios reflect a higher amount for repayment than planned while the FY 2023 and FY 2024 ratios were less than planned due to lower streamflow conditions and higher than expected operating expenses. The variance of actual from planned payment ratios range from -93.3% to 57.9% as found in Figure R.

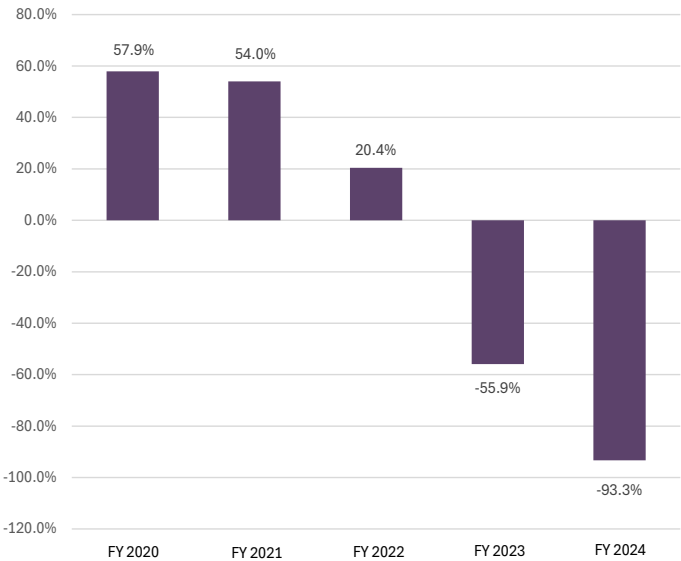
Net Cash to the Treasury

Net cash flow to the Treasury measures the actual net cash flow, both inflows and outflows, to the U.S. Treasury, excluding revenue from the Tennessee Valley Authority (TVA). This indicator focuses on cash flows as opposed to accrual accounting results.

Because of its cash nature, this indicator is negatively influenced during years of large capital expenditures. Even in years of favorable financial performance, small or negative cash flow to the U.S. Treasury may result. In addition, the variability of water levels explains some of the fluctuation of this measure.

This indicator provides valuable financial information related to the annual effect of the power marketing administrations on the cash position of the U.S. Treasury. The measure should be used only in combination with other financial indicators to assess the Program’s financial performance. Net cash flow to the U.S. Treasury is illustrated in Figure S.

Percent Variance of Actual From Planned Principal Payments - Figure R



Net Cash Flow to the Treasury - Figure S





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Independent Auditors' Report

Administrator
Southeastern Power Administration

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of the Southeastern Federal Power Program (the Program), which comprise the combined balance sheets as of September 30, 2024 and 2023, and the related combined statements of revenues and expenses, changes in capitalization, and cash flows for the years then ended, and the related notes to the combined financial statements. The combined financial statements include the Southeastern Power Administration (SEPA), a component of the U.S. Department of Energy, and the hydroelectric power generating function of the U.S. Department of Defense, Army Corps of Engineers (the generating agency) for which SEPA markets the related power.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Program as of September 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Information

Management is responsible for the other information included in the 2024 Annual Report. The other information comprises all sections within the 2024 Annual Report and schedule 3 but does not include the combined financial statements and our auditors' report thereon. Our opinion on the combined financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by Government Auditing Standards

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements as of and for the year ended September 30, 2024, we considered the Program's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described below as item 24-01, that we consider to be a significant deficiency.

Controls over Manual Journal Entries (24-01)

Condition

During walkthroughs and related audit procedures for the Program's fiscal year 2024 financial statement audit, we identified that manual journal entries recorded by SEPA's finance office did not enforce segregation of duties and multiple journal entries were approved by the same individual as the preparer. While SEPA maintained its policy requiring documented support behind manual journal entries, multiple entries were not subjected to segregation of duties. Despite the lack of segregation of duties, no manual journal entries tested were found to be unsupported.

Criteria

The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government (Green Book), principle 10, paragraph 13, states, "Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management override circumvents existing control activities and increases fraud risk. Management addresses this risk through segregation of duties." Paragraph 14 further states, "If segregation of duties is not practical within an organizational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process."

Cause and Effect

SEPA employs 40-50 individuals and segregation of duties can be disrupted when a key team member retires or transfers to another federal agency. In this case, a key member of the finance team involved in the review and approval of journal entries transferred and the position was not backfilled timely. While segregation of duties over the review and approval of manual journal entries was not enforced, SEPA's rates group did perform certain revenue and purchased power reconciliations and SEPA performs fluctuation analytics, both of which reduce the likelihood that a material misstatement may occur through manual journal entries.



Nonetheless, the lack of segregation of duties may result in misstatements to the financial statements, either due to error or fraud.

Recommendation

We recommend that the Assistant Administrator, SEPA:

1. Establish policies and procedures to enforce appropriate segregation of duties relating to all manual journal entries.

Management's Response to Recommendation

Management concurs with the finding and recommendation. In March 2024, SEPA hired and trained additional staff and began enforcing segregation of duties. In fiscal year 2025, SEPA is finalizing formal responsibilities and approving authorities.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's combined financial statements as of and for the year ended September 30, 2024 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Denver, Colorado
February 14, 2025

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Balance Sheets

September 30, 2024 and 2023

(In thousands)

Assets	2024	2023
Utility plant in service (note 5)	\$ 2,972,170	2,951,321
Accumulated depreciation	<u>(1,409,804)</u>	<u>(1,363,596)</u>
Net completed plant	1,562,366	1,587,725
Construction work-in-progress	<u>163,267</u>	<u>111,684</u>
Net utility plant	1,725,633	1,699,409
Cash	873,793	801,388
Accounts receivable, net	27,128	28,862
Regulatory assets	17,175	16,186
Other assets	<u>146</u>	<u>483</u>
Total assets	<u><u>\$ 2,643,875</u></u>	<u><u>2,546,328</u></u>
Total Liabilities and Capitalization		
Liabilities:		
Accounts payable and accrued liabilities	\$ 24,095	21,038
Workers' compensation actuarial liability	<u>17,175</u>	<u>16,186</u>
Total liabilities	<u>41,270</u>	<u>37,224</u>
Capitalization:		
Payable to U.S. Treasury (notes 4 and 5(a))	2,719,688	2,581,062
Accumulated net deficit	<u>(117,083)</u>	<u>(71,958)</u>
Total capitalization	2,602,605	2,509,104
Commitments and contingencies (note 6)	<u>—</u>	<u>—</u>
Total liabilities and capitalization	<u><u>\$ 2,643,875</u></u>	<u><u>2,546,328</u></u>

See accompanying notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Statements of Revenues and Expenses

Years ended September 30, 2024 and 2023

(In thousands)

	2024	2023
Operating revenues:		
Sales of electric power	\$ 300,475	289,225
Other operating revenues	18,717	17,408
Total operating revenues	319,192	306,633
Operating expenses, excluding depreciation expense:		
Operations	101,230	96,001
Maintenance	56,152	52,250
Purchased power	27,005	17,141
Purchased transmission services	57,712	51,293
Total operating expenses, excluding depreciation expense	242,099	216,685
Depreciation expense	48,751	48,412
Total operating expenses	290,850	265,097
Net operating revenues	28,342	41,536
Interest expenses:		
Interest on payable to U.S. Treasury	76,643	75,905
Interest charged to construction	(3,176)	(2,592)
Net interest expenses	73,467	73,313
Net revenues	\$ (45,125)	(31,777)

See accompanying notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Statements of Changes in Capitalization

Years ended September 30, 2024 and 2023

(In thousands)

	Payable to U.S. Treasury	Accumulated net deficit	Total capitalization
Total capitalization as of September 30, 2022	\$ 2,472,955	(40,181)	2,432,774
Additions:			
Congressional appropriations	163,202	—	163,202
Interest	75,905	—	75,905
Transfers of property and services, net	23,523	—	23,523
Total additions to capitalization	262,630	—	262,630
Deductions:			
Payments to U.S. Treasury	(154,138)	—	(154,138)
Rate adjustments to congressional appropriations (note 5(a))	(385)	—	(385)
Total deductions to capitalization	(154,523)	—	(154,523)
Net revenues for the year ended September 30, 2023	—	(31,777)	(31,777)
Total capitalization as of September 30, 2023	2,581,062	(71,958)	2,509,104
Additions:			
Congressional appropriations	221,298	—	221,298
Interest	76,642	—	76,642
Transfers of property and services, net	24,924	—	24,924
Total additions to capitalization	322,864	—	322,864
Deductions:			
Payments to U.S. Treasury	(184,246)	—	(184,246)
Rate adjustments to congressional appropriations (note 5(a))	8	—	8
Total deductions to capitalization	(184,238)	—	(184,238)
Net revenues for the year ended September 30, 2024	—	(45,125)	(45,125)
Total capitalization as of September 30, 2024	\$ 2,719,688	(117,083)	2,602,605

See accompanying notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Statements of Cash Flows

Years ended September 30, 2024 and 2023

(In thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net revenues	\$ (45,125)	(31,777)
Adjustments to reconcile net revenues to net cash provided by operating activities:		
Depreciation expense	48,751	48,412
Interest on payable to U.S. Treasury, net	73,467	73,313
Unfunded retirement benefits	20,722	16,552
(Increase) decrease in assets:		
Accounts receivable, net	1,734	4,788
Other assets	337	(338)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	3,057	(4,687)
Net cash provided by operating activities	<u>102,943</u>	<u>106,263</u>
Cash flows used in investing activities:		
Investment in utility plant	<u>(71,792)</u>	<u>(38,202)</u>
Cash flows used in financing activities:		
Congressional appropriations	221,298	163,202
Payments to U.S. Treasury	(184,246)	(154,138)
Transfers from other federal agencies, net	4,202	6,971
Net cash provided by financing activities	<u>41,254</u>	<u>16,035</u>
Net increase in cash	72,405	84,096
Cash, beginning of year	<u>801,388</u>	<u>717,292</u>
Cash, end of year	<u>\$ 873,793</u>	<u>801,388</u>
Supplemental disclosures:		
Cash paid for interest	\$ 73,467	73,313
Interest charged to construction	3,176	2,592
Adjustments to power allocations impacting (note 5(a)):		
Congressional appropriations	8	385
Investment in utility plant	8	385

See accompanying notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

(1) Organization and Basis of Presentation

The Southeastern Federal Power Program (the "Program") consists of all activities associated with the production, transmission, and disposition of all federal power marketed under Section 5 of the Flood Control Act of 1944 (the "Flood Control Act") in the 11 states of Alabama, Florida, Georgia, Illinois, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. The accompanying combined financial statements of the Program include the accounts of two separate federal government agencies—the Southeastern Power Administration ("Southeastern"), a component of the United States Department of Energy ("DOE"), and the hydroelectric generating plants and power operations of the United States Army Corps of Engineers (the "Corps of Engineers", the "Corps", or the "generating agency"), an agency of the United States Department of Defense ("DOD"), for which Southeastern markets the related power. Southeastern and the Corps are separately managed and financed, and each maintains its own accounting records. For purposes of financial and operational reporting, the facilities and related operations of Southeastern and the respective hydroelectric generating activity of the Corps are combined as the Program. U.S. government agencies are exempt from all income taxes imposed by any governing body, whether it is a federal, state, or commonwealth of the United States, or a local government.

Southeastern purchases, transmits, and markets power within four separate power systems: Georgia-Alabama-South Carolina; Jim Woodruff; Cumberland; and Kerr-Philpott. As of September 30, 2024, the four power systems include 22 hydroelectric generating projects owned and operated by the Corps of Engineers. The projects serve multiple purposes, including power, recreation, navigation, and flood control. The costs of multipurpose generating agency projects are assigned to specific hydroelectric power functions through a cost allocation process administratively developed pursuant to relevant law. These combined financial statements include only those expenses and net assets of the Corps that are expected to be recovered through sales of power and other related revenues. Costs of multipurpose Corps projects are allocated to power and non-power purposes. The portion of total project costs allocated to power is included in the accompanying combined financial statements.

Over the life of the combined hydroelectric power systems, the accumulated net deficit represents timing differences between the recognition of expenses and related revenues. Southeastern and the generating agency are nonprofit federal agencies; therefore, ultimately the agencies will collect funds through power rates to repay all congressional appropriations amounts as discussed in note 2(b). Thus, the individual power systems may at any point in time have an accumulated deficit, but there are no operating or going-concern implications because of the federal government's backing of the DOE and DOD and the liquidity and positive cash flows from operations of the Program.

(2) Summary of Significant Accounting Policies

(a) General

The combined financial statements are prepared following accounting principles generally accepted in the United States of America ("U.S. GAAP"). The combined financial statements also reflect Federal Energy Regulatory Commission ("FERC") regulations, FERC's prescribed uniform system of accounts for electric utilities and DOE's accounting practices.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

(b) Congressional Authority and Financing

Southeastern and the Corps of Engineers receive congressional appropriations through the Energy and Water Development and Related Agencies Appropriations Bill to finance their operations.

Southeastern's appropriations are fully offset by the use of receipts collected from the sale of Federal hydroelectric power, resulting in a net zero appropriation. The Corps also receives appropriations to finance construction of its hydroelectric projects; however, the Corps' operations are not fully offset by the use of receipts. In accordance with the Flood Control Act, Southeastern is responsible for repayment to the federal government, with interest, of its appropriations and the portion of Corps appropriations allocated for construction and operation of the power projects.

Congressional appropriations received by the Corps are authorized and allocated to individual projects. It is the intent of the Corps' project management to distribute congressional appropriations in amounts approximating estimated current year expenses and to adjust the distribution as necessary within the limits of the Corps' transfer authority. Project costs that are not specific to a project purpose are distributed between power and non-power purposes based on project cost allocations.

(c) Operating Revenues

The Program recognizes operating revenues in accordance with ASU No. 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. The core principle of ASC Topic 606 is for the entity to recognize revenue upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which an entity expects to be entitled in exchange for those goods or services.

Under the provisions of ASC Topic 606, the Program has elected the following practical expedients:

- Recognize revenue in the amount the Program has the right to invoice a customer.
- Apply the standard to a portfolio of contracts with similar characteristics, as the effects of applying the guidance to the portfolio would not differ materially from applying this guidance to the individual contracts.

Cash received from sales, less amounts legislatively authorized for use in operations, is deposited directly with the U.S. Treasury and is reflected as repayments to the U.S. Treasury, which is included in the payable to U.S. Treasury in the combined balance sheets. Southeastern markets federal power and provides services necessary to market power on behalf of nonfederal entities under long-term contracts. Electric power revenues are billed monthly based on meter readings or estimates. Revenues can vary from period to period as a result of weather and hydrological conditions.

Accounts receivable, net represents amounts billed to customers but not collected, net of the allowance of \$0 as of September 30, 2024 and 2023. The estimate of the allowance is based on past experience in the collection of receivables and an analysis of the outstanding balances. Interest may be charged on the principal portion of delinquent receivables based on rates published by the U.S. Treasury for the period in which the debt became delinquent. Delinquent receivables are charged off against the allowance once they are deemed uncollectible.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

(d) Confirmation and Approval of Rates

The Flood Control Act requires rates to be set to encourage widespread use of electricity at the lowest possible cost, consistent with sound business principles, to preference customers (i.e., public bodies and cooperatives). Rates are established under the requirements of the Flood Control Act, related legislation, and executive departmental directives, and are intended to provide sufficient revenues to meet all required payments of Program costs. Such Program costs include operation and maintenance expenses, wheeling fees to connecting utilities for transmission of power to customers, purchased power costs to meet firm power sale requirements, and payment to the U.S. Treasury for the investment in utility plant and interest thereon. Southeastern has established rate schedules for each of the four power systems. These rates generally are adjusted at five-year intervals, or less, under the terms of Southeastern's current power sales contracts and DOE Order RA 6120.2.

The rates required under present DOE policy make provision for recovery of the federal investment in generating facilities within the service lives of the assets, not to exceed 50 years from the date placed in service. Operation and maintenance expenses and expensed interest are intended to be recovered annually. Utility plant assets are depreciated on a straight-line basis over their estimated service lives, which differ from the established repayment period. Accordingly, there are differences in the amortization of utility plant for financial reporting and for rate-setting purposes.

The Program's combined financial statements are presented in accordance with the provisions of ASC Topic 980, *Regulated Operations*. The provisions of ASC Topic 980 require, among other things, regulated enterprises to reflect rate actions of the regulator in their financial statements, when appropriate. These rate actions can provide reasonable assurance of the existence of an asset, reduce or eliminate the value of an asset, or impose a liability on a regulated enterprise. Rate actions received after the balance sheet date but prior to the completion of the combined financial statements are considered conditions that existed at the balance sheet date unless the rate action addressed a specific event that occurred after the balance sheet date.

The Secretary of Energy (the "Secretary") has delegated authority to the Administrator of Southeastern to develop power and transmission rates for the power projects. The Administrator, Southeastern Power Administration, has the authority to confirm, approve, and place such rates in effect on an interim basis, effective June 13, 2022, through Redelelegation Order No. S3-DEL-SEPA1-2022 by the Under Secretary (for Infrastructure). Projects under construction are included in the combined financial statements at the multi-purpose allocation rate specific to the related project. Any adjustments to the multi-purpose allocation rate, as determined necessary by Southeastern's Administrator, are recorded at the time the asset is placed into service and subjected to repayment (note 5(a)).

The Secretary has delegated to FERC the authority to confirm, approve, and place such rates in effect on a final basis and to remand or to disapprove such rates. FERC's review is limited to (1) whether the rates are the lowest possible consistent with sound business principles; (2) whether the revenue levels generated are sufficient to recover the costs of producing and transmitting electric energy including repayment within the period permitted by law; and (3) the assumptions and projections used in developing the rates. FERC shall reject decisions of Southeastern's Administrator only if it finds them to be arbitrary, capricious, or in violation of the law. Refunds with interest, as determined by FERC, are authorized if final approved rates are lower than rates approved on an interim basis. However, if at any time FERC determines that the administrative cost of a refund would exceed the amount to be

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

refunded, no refunds will be required. As of September 30, 2024, rates for the Cumberland, Jim Woodruff, Kerr-Philpott, and the Georgia-Alabama-South Carolina Systems were approved on a final basis by FERC. There were no revenues subject to refund.

(e) Cash

Cash consists of power receipts authorized by Congress for use in operations and the unexpended balance of funds appropriated by Congress for the Program-related activities of Southeastern and the Corps of Engineers, and is maintained by the U.S. Treasury.

(f) Utility Plant

Utility plant in service and construction work-in-progress consist principally of generating facilities and are stated at cost, net of contributions by entities outside the Program. Cost includes direct labor and materials; payments to contractors; indirect charges for engineering, supervision, and similar overhead items; and interest on federal funds used during construction. The costs of additions, replacements, and betterments are capitalized, while repairs and minor replacement costs are charged to operation and maintenance expenses. The cost of utility plant retired, together with removal costs less salvage, is charged against accumulated depreciation when the property is removed from service. There were no material asset retirements or asset retirement obligations as of September 30, 2024 and 2023.

The policy of the Program is to move capitalized costs into completed utility plant at the time a project or feature of a project is deemed to be substantially complete. A project is substantially complete when it is providing benefits and services for the intended purpose, and is generating project purpose revenue, where applicable.

Plant assets of the Program are currently depreciated using the straight line method over the estimated service lives ranging from 5 to 100 years for transmission and generation assets. Moveable equipment includes computers, copiers, mobile cranes, energy testing equipment, trucks, and wood chippers. Moveable equipment is currently depreciated using the straight line method over the estimated service lives ranging from 5 to 50 years.

Most completed utility plant, as required by law, is recovered through the rates, regardless of whether an asset is abandoned, loses value, is disposed of significantly before the end of its estimated useful life, or is destroyed. Consequently, the cash flow is not impaired, regardless of the condition of the asset.

(g) Interest on the Payable to U.S. Treasury

Interest, a component of total capitalization, is accrued annually on the outstanding payable to the U.S. Treasury based on federal statutes and power system legislation. Such interest is reflected as an expense in the combined financial statements. Interest rates on unpaid balances ranged from 1.625% to 6.125% for the years ended September 30, 2024 and 2023.

Interest charged to construction represents interest on federal funds used during utility plant construction and is included in the cost of completed projects. Applicable interest rates ranged from 1.625% to 4.125% for the years ended September 30, 2024 and 2023, depending on the year in which construction of the transmission and generation facilities was initiated and requirements of the authorizing legislation.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

(h) *Transfer of Property and Services, Net*

Transfer of property and services, net is a component of total capitalization that represents the cumulative receipt of transfers of assets or costs offset by the cumulative disbursement of transfers of revenues. Transfers are recognized upon physical delivery of the asset or performance of the service. Transfers occur between projects, project types, and other federal entities. Transfers between Southeastern and the generating agency eliminate upon combination.

(i) *Retirement Benefits*

Substantially all employees engaged in Program activities participate in either the Civil Service Retirement System ("CSRS") or the Federal Employees Retirement System ("FERS"). Both are contributory defined benefit pension plans and are not covered under the Employee Retirement Income Security Act of 1974. Pension benefit expense under CSRS and FERS is equivalent to 7.0% and up to 18.2%, respectively, of eligible employee compensation. Program contributions to these plans are submitted to benefit program trust funds administered by the Office of Personnel Management (OPM) and totaled \$29.3 million and \$26.7 million for the years ended September 30, 2024 and 2023, respectively. The contribution levels, as legislatively mandated, do not reflect the total current cost/full cost requirements to fund the pension plans. Additional sources of funding for CSRS and FERS benefits include direct appropriations to the OPM, not Southeastern or the Corps, and is approximately 46.2% and 20.4% of base salary, respectively. In addition to the amounts contributed to the CSRS and FERS, the Program has recorded \$20.8 million and \$16.5 million of annual pension and retirement benefits expense for the years ended September 30, 2024 and 2023, respectively. This amount reflects the contribution made on behalf of Southeastern and the Corps by OPM to benefit program trust funds. This expense will be recovered from power customers through the future sale of power. Costs incurred by OPM on behalf of the Program are included as transfers of property and services, net within the payable to U.S. Treasury on the combined balance sheets.

Other retirement benefits administered by the OPM include the Federal Employees Health Benefits Program ("FEHB") and the Federal Employee Group Life Insurance Program ("FEGLI"). FEHB is calculated at \$9,445 and \$9,640 per employee in fiscal years 2024 and 2023, respectively, and FEGLI is based on 0.02% of base salary for each employee enrolled in these programs.

As a federal agency, all postretirement activity is managed by OPM; therefore, neither the assets of the plans nor the actuarial data with respect to the accumulated plan benefits relative to Program employees are included in the Program's combined financial statements.

(j) *Derivative and Hedging Activities*

The Program analyzes derivative financial instruments under ASC Topic 815, *Derivatives and Hedging*, subsequently updated by ASU No. 2010-11, Scope Exception Related to Embedded Credit Derivatives. This standard requires that all derivative instruments, as defined by ASC Topic 815, be recorded on the combined balance sheets at fair value, unless exempted. Changes in a derivative instrument's fair value must be recognized currently in the combined statements of revenues and expenses unless the derivative has been designated in a qualifying hedging relationship. The application of hedge accounting allows a derivative instrument's gains and losses to offset related results of the hedged item in the combined statements of revenues and expenses to the extent effective. ASC Topic 815 requires

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

that the hedging relationship be highly effective and that an organization formally designate a hedging relationship at the inception of the contract to apply hedge accounting.

The Program enters into contracts for the purchase and sale of electricity for use in its business operations. ASC Topic 815 requires the Program to evaluate these contracts to determine whether the contracts are derivatives. Certain contracts that literally meet the definition of a derivative may be exempted from ASC Topic 815 as normal purchases or normal sales. Normal purchases and sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases or sales are documented and exempted from the accounting and reporting requirements of ASC Topic 815.

The Program's policy is to fulfill all derivative and hedging contracts by either providing power to a third party or by taking delivery of power from a third party as provided for in each contract. The Program's policy does not authorize the use of derivative or hedging instruments for speculative purposes, such as hedging electricity pricing fluctuations beyond the Program's estimated capacity to deliver or receive power. Accordingly, the Program evaluates all of its contracts to determine if they are derivatives and, if applicable, to ensure that they qualify and meet the normal purchases and normal sales designation requirements under ASC Topic 815. Normal purchases and normal sales contracts are accounted for as executory contracts as required under accounting principles generally accepted in the United States. As of September 30, 2024 and 2023, the Program has no contracts accounted for as derivatives.

(k) Concentrations of Credit Risk

Financial instruments, which potentially subject the Program to credit risk, include accounts receivable for customer purchases of power, transmission, or other products and services. These receivables are primarily held with a group of diverse customers that are generally large, stable, and established organizations, which do not represent a significant credit risk. Although the Program is affected by the business environment of the utility industry, management does not believe a significant risk of loss from a concentration of credit exists.

(l) Regulatory Assets

Regulatory assets are assets that result from rate actions of Southeastern's Administrator and other regulatory agencies. These assets arise from specific costs that would have been included in the determination of net revenue or deficit in one period but are deferred until a different period for purposes of developing rates to charge for services, per the requirements of ASC Topic 980. The Program defers costs as regulatory assets so that the costs will be recovered through the rates during the periods when the costs are scheduled to be repaid. This ensures the matching of revenues and expenses. The Program does not earn a rate of return on its regulatory assets. The asset listed below is regulatory in nature:

Workers' Compensation Actuarial Cost

Workers' compensation consists of two elements: (i) the actuarial liability associated with workers' compensation cases incurred for which additional claims may still be made in the future ("future claims"); and (ii) a liability for expenses associated with actual claims incurred and paid by the U.S. Department of Labor ("DOL"), the program administrator, to whom Southeastern and the Corps must

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

reimburse. The DOL, the DOE, and the DOD determine the Program's actuarial liability associated with workers' compensation cases. The actuarial liability for future claims was determined using historical benefit payment patterns and the U.S. Treasury discount rates.

The recovery of these future claims will be deferred for purposes of the rate-making process until such time the future claims are actually submitted and paid by the DOL. Therefore, the recognition of the expense associated with this actuarially determined liability has been recorded as a regulatory asset in the combined balance sheets to reflect the effects of the rate-making process. The Program's cumulative unpaid expenses associated with estimated future claims are approximately \$17.1 million and \$16.2 million as of September 30, 2024 and 2023, respectively.

(m) Fair Value of Financial Instruments

ASC Topic 825, *Financial Instruments*, requires disclosure of the fair value of financial instruments. The carrying (recorded) value of short-term financial instruments, including cash, accounts receivable, accounts payable, accrued liabilities, and other assets, approximates the fair value of these instruments because of the short maturity of these instruments. The fair value of the payable to U.S. Treasury and of certain unfunded and actuarially based liabilities cannot be determined as the future payout dates have yet to be determined.

(n) Use of Estimates

The preparation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America requires Program management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Items subject to such estimates and assumptions include the useful lives of completed utility plant; allowance for doubtful accounts; employee benefit obligations; and other contingencies. Actual results could differ from those estimates.

(o) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The Program adopted Topic 842 as of October 1, 2022, using the non-comparative transition option pursuant to ASU 2018-11.

The Program elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, (i) allowed the Program to carry forward the historical lease classification; (ii) did not require the Program to reassess whether any expired or existing contracts are or contain leases under the new definition of a lease; and (iii) did not require the Program to reassess whether previously capitalized initial direct costs for any existing leases would qualify for capitalization under Topic 842. The Program also elected the practical expedients related to (i) use of risk-free discount rate for the entire population of their leases when an incremental borrowing rate is not readily available; (ii) short-term lease exemption, which allows the Program to not recognize leases with the total lease term of 12 months or less on the balance sheet; and (iii) non-separation of lease and non-lease components (such a common area maintenance) and treating them as a single lease component.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

Adoption of the new standard did not result in the recording of operating lease right-of-use assets or operating lease liabilities, or finance lease assets and finance lease liabilities, as of October 1, 2022. Further, no cumulative adjustment to accumulated net deficit was required as of October 1, 2022, for the impact of the new accounting standard. The Program's financial position for reporting periods beginning on or after October 1, 2022, is presented under the new guidance, as discussed above. The standards did not materially impact the combined balance sheets, statement of revenues and expenses, or cash flows as of and for the year ended September 30, 2023.

(3) Operating Revenues

(a) *Disaggregated Revenues*

Disaggregated revenues as of September 30, 2024 and 2023 consist of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Sales:		
Power	\$ 300,475	289,225
Revenue from contracts with customers	300,475	289,225
Non-contract revenues	18,717	17,408
Total operating revenues	\$ <u>319,192</u>	<u>306,633</u>

(b) *Revenue from Contracts with Customers*

The majority of the Program's revenue is derived from the sale of power through power sales contracts with customers. The Program provides wholesale electric energy and capacity to preference power customers under long-term and non-firm contracts. The Program establishes rates for power in a formal rate proceeding. Rate schedules establish rates that provide sufficient revenues to meet all program costs. Electric power revenues are billed monthly based on usage and rates specified in rate schedules. Revenues can vary from period to period due to weather, hydrological conditions, and customer usage requirements.

Non-reimbursable revenue is money received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to offset power-related expenses incurred that are excluded for rate-making purposes. Revenues are recognized as expenditures are incurred.

(c) *Non-contract Revenues*

Non-contract revenues consist primarily of headwater benefits and water revenues at the Corps of Engineers attributable to the power function, timber sales, and miscellaneous fees. Revenues are recognized upon receipt.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

(d) *Contract Balances*

All accounts receivable is billed as of September 30, 2024 and 2023. Contract advances represent the Program's unsatisfied performance obligation to transfer goods or service to a customer from which the Program has received consideration. As of September 30, 2024 and 2023, the Program has no contract advances.

(4) **Payable to U.S. Treasury**

The payable to U.S. Treasury in each of the generating projects is to be repaid to the U.S. Treasury within the service lives of the assets, not to exceed 50 years from the time the facility is placed in service. There is no requirement for repayment of a specific amount on an annual basis.

Southeastern follows the provisions of DOE Order RA 6120.2 in setting priorities for repayment. Order RA 6120.2 requires that annual revenues be first applied to current year operating expenses, excluding depreciation, and interest, net of interest charged to construction, and interest credited on operating revenues deposited with the U.S. Treasury. All annual amounts for such expenses have been paid through fiscal year 2024. Remaining revenues are to be first applied to repayment of operating deficits, if any, and then to repayment of the outstanding principal. Annual net revenues available for repayment are generally applied first against investments in projects bearing the highest interest rates.

Capitalization in certain multipurpose facilities, primarily dams and structures integral to hydroelectric power generation required to be repaid from the power revenues, has been determined from final cost allocation studies based on project evaluation standards approved by Congress.

(5) **Utility Plant**

Utility plant as of September 30, 2024 and 2023 consists of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Utility plant:		
Structures and facilities	\$ 2,531,175	2,511,416
Buildings	52,623	52,691
Land	364,084	364,080
Movable equipment	<u>24,288</u>	<u>23,134</u>
Gross completed plant	2,972,170	2,951,321
Accumulated depreciation	<u>(1,409,804)</u>	<u>(1,363,596)</u>
Net completed plant	1,562,366	1,587,725
Construction work-in-progress	<u>163,267</u>	<u>111,684</u>
Net utility plant	<u>\$ 1,725,633</u>	<u>1,699,409</u>

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

In accordance with FERC guidelines, the Program excludes contributed plant within the combined balance sheets to eliminate the impact on power rates. As of September 30, 2024 and 2023, contributed plant, net, used in the Program's operations totaled approximately \$586.000.

As of September 30, 2024, major projects included in construction work-in-progress included General Data Acquisition and Control Systems (GDACS) upgrades at all four power systems; electrical substation work at Island Creek pumping station (Kerr), Philpott powerhouse and switchgear rehabilitation; and Philpott landslide stabilization system in the Kerr-Philpott power system; environmental mitigation system work at Russell in the Georgia-Alabama-South Carolina power system; station service transformer replacement in the Jim Woodruff power system; and Wolf Creek and Center Hill spillway gate work, Barkley and Old Hickory rehabilitation systems, and Wolf Creek dissolved oxygen system installation in the Cumberland power system.

As of September 30, 2023, major projects included in construction work-in-progress included an Island Creek transformer replacement, GDACS upgrades, replacing a power plant control system, a landslide stabilization system, and turbines and generator upgrades in the Kerr-Philpott power system; GDACS improvements, security system upgrades, fish deterrent system installation, powerhouse rock fall prevention, switchgear replacements, turbine runner upgrades, and an oxygen diffuser line replacement in the Georgia-Alabama-South Carolina power system; GDACS upgrades and circuit switch upgrades in the Jim Woodruff power system; and hydropower trash screens, turbine and generator upgrades and rehabilitations, security system upgrades, generator stator winding, medium voltage cables and busses upgrades, spillway gate upgrades, replacement of powerhouse generator roof and transformer replacements in the Cumberland power system.

(a) Adjustments to Multi-Purpose Utility Plant Allocation Rates

In fiscal year 2014, scheduled remediation efforts to the Wolf Creek project within the Cumberland power system were completed and placed into service. The remediation efforts addressed problems with karst foundation seepage. Total project costs of \$656.9 million included \$555.3 million in construction remediation costs and \$101.6 million in interest during construction. Typically, multi-purpose rehabilitation costs are allocated to the power function based on established cost studies at 55.113%.

In evaluating the impact of the construction remediation efforts on the Program's rates, Southeastern's Administrator determined the costs represented dam safety remediation costs under the Dam Safety Act (Section 1203 of the Water Resources Development Act of 1986) rather than major rehabilitation costs. Further, Southeastern's Administrator determined that including the remediation costs at the typical multi-purpose allocation rate would not provide for the lowest possible rate consistent with sound business principles, as required under the Secretary's delegation order (note 2(d)). Accordingly, effective September 30, 2014, Southeastern's Administrator recommended a rate action to the Deputy Secretary, U.S. Department of Energy. The Deputy Secretary approved the rate order. The rate action was to cap repayment of the remediation costs at 15% under the Dam Safety Act. These costs were then allocated at the project's multi-purpose allocation rate of 55.113%. Consequently, Program management recorded a rate action adjustment to the Wolf Creek project of \$260.1 million to utility plant in service and \$47.6 million to accumulated interest payable, resulting in a reduction of \$307.7 million in the payable to U.S. Treasury.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

Since fiscal year 2014, additional remediation efforts to the Wolf Creek project were completed and placed into service as follows (in thousands):

	<u>Total project costs</u>	<u>Multi-purpose allocation</u>	<u>Dam Safety Act adjustment</u>	<u>Allocated to power</u>
2015	\$ 2,759	1,521	1,293	228
2016	3,721	2,051	1,743	308
2017	1,211	667	567	100
2018	132	73	62	11
2019	494	272	231	41
2020	488	269	229	40
2021	92	51	43	8
Total	<u>\$ 8,897</u>	<u>4,904</u>	<u>4,168</u>	<u>736</u>

As of September 30, 2015, scheduled remediation efforts to the Center Hill project within the Cumberland system were completed and placed into service. Total project costs of \$280.7 million included \$236.9 million in construction remediation and \$43.8 million in interest during construction. Typically, multipurpose rehabilitation costs are allocated to the power function based on established cost studies at 42.545%. Southeastern's Administrator imposed a rate action to cap repayment at 15% under the Dam Safety Act. Consequently, Program management recorded a rate action adjustment to the Center Hill project of \$85.7 million to utility plant in service and \$15.8 million to accumulated interest payable, resulting in a reduction of \$101.5 million in payable to U.S. Treasury.

Since fiscal year 2016, additional remediation efforts to the Center Hill project were completed and placed into service as follows (in thousands):

	<u>Total project costs</u>	<u>Multi-purpose allocation</u>	<u>Dam Safety Act adjustment</u>	<u>Allocated to power</u>
2016	\$ 13,812	5,876	4,995	881
2017	2,119	902	767	135
2018	2,130	906	770	136
2019	2,268	965	820	145
2020	85,872	36,534	31,054	5,480
2021	2,705	1,151	978	173
2022	986	419	356	63
2023	1,067	454	385	68
2024	(23)	(10)	(8)	(1)
Total	<u>\$ 110,936</u>	<u>47,197</u>	<u>40,117</u>	<u>7,080</u>

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combined Financial Statements

September 30, 2024 and 2023

As of September 30, 2023, remediation efforts are substantially complete in both the Wolf Creek and Center Hill projects.

(6) Commitments and Contingencies

(a) General

Southeastern and the Corps of Engineers are presently parties to certain claims and legal actions arising in the ordinary course of Program activities. However, in the opinions of management, the claims and actions will not have a material adverse impact on the Program's financial position, results of operations, or cash flows. Power-related claims against the Corps of Engineers, whose ultimate disposition will be paid by the U.S. Treasury Judgment Fund and are not subject to reimbursement from power revenues, are excluded from the combined financial statements and notes thereto.

(b) Transmission Contract Commitments

Southeastern has entered into agreements for transmission services that vary in length. Southeastern's long-term commitments for these transmission contracts are subject to the availability of federal funds and contingent upon authority from Congress. To fulfill its contractual obligations to deliver power, Southeastern has historically had to purchase a certain level of transmission services under these arrangements. The budgeted amounts are as follows (in thousands):

		Commitments for transmission services
Fiscal year ending September 30,		
2025	\$	63,682
2026		66,138
2027		68,717
2028		71,424
2029		74,266
	\$	<u>344,227</u>

(7) Subsequent Events

The Program has evaluated subsequent events as of September 30, 2024, through the date the combined financial statements were available to be issued on February 14, 2025 and identified no subsequent events requiring disclosure.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combining Schedule of Balance Sheet Data

September 30, 2024

(In thousands)

Assets	GA-AL-SC	Jim Woodruff	Kerr-Philpott	Cumberland	Total
Utility plant in service	\$ 1,925,598	82,915	220,461	743,196	2,972,170
Accumulated depreciation	(915,956)	(44,566)	(109,288)	(339,994)	(1,409,804)
Net completed plant	1,009,642	38,349	111,173	403,202	1,562,366
Construction work-in-progress	27,533	500	24,750	110,484	163,267
Net utility plant	1,037,175	38,849	135,923	513,686	1,725,633
Cash	191,068	19,055	62,776	600,894	873,793
Accounts receivable, net	19,409	1,156	3,394	3,169	27,128
Regulatory assets	14,939	—	—	2,236	17,175
Other assets	72	2	16	56	146
Total assets	\$ 1,262,663	59,062	202,109	1,120,041	2,643,875
Total Liabilities and Capitalization					
Liabilities:					
Accounts payable and accrued liabilities	\$ 10,939	140	2,701	10,315	24,095
Workers' compensation actuarial liability	14,939	—	—	2,236	17,175
Total liabilities	25,878	140	2,701	12,551	41,270
Capitalization:					
Payable to U.S. Treasury	1,402,316	65,982	215,658	1,035,732	2,719,688
Accumulated net revenues (deficit)	(165,531)	(7,060)	(16,250)	71,758	(117,083)
Total capitalization	1,236,785	58,922	199,408	1,107,490	2,602,605
Commitments and contingencies	—	—	—	—	—
Total liabilities and capitalization	\$ 1,262,663	59,062	202,109	1,120,041	2,643,875

See accompanying independent auditors' report.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combining Schedule of Balance Sheet Data

September 30, 2023

(In thousands)

Assets	GA-AL-SC	Jim Woodruff	Kerr-Philpott	Cumberland	Total
Utility plant in service	\$ 1,921,963	82,383	220,680	726,295	2,951,321
Accumulated depreciation	(884,780)	(42,663)	(104,957)	(331,196)	(1,363,596)
Net completed plant	1,037,183	39,720	115,723	395,099	1,587,725
Construction work-in-progress	22,840	461	15,635	72,748	111,684
Net utility plant	1,060,023	40,181	131,358	467,847	1,699,409
Cash	140,735	3,591	70,111	586,951	801,388
Accounts receivable, net	22,653	957	2,872	2,380	28,862
Regulatory assets	13,771	232	—	2,183	16,186
Other assets	288	9	57	129	483
Total assets	\$ 1,237,470	44,970	204,398	1,059,490	2,546,328
Total Liabilities and Capitalization					
Liabilities:					
Accounts payable and accrued liabilities	\$ 9,132	217	2,401	9,288	21,038
Workers' compensation actuarial liability	13,771	232	—	2,183	16,186
Total liabilities	22,903	449	2,401	11,471	37,224
Capitalization:					
Payable to U.S. Treasury	1,360,991	48,669	215,312	956,090	2,581,062
Accumulated net revenues (deficit)	(146,424)	(4,148)	(13,315)	91,929	(71,958)
Total capitalization	1,214,567	44,521	201,997	1,048,019	2,509,104
Commitments and contingencies	—	—	—	—	—
Total liabilities and capitalization	\$ 1,237,470	44,970	204,398	1,059,490	2,546,328

See accompanying independent auditors' report.

SOUTHEASTERN FEDERAL POWER PROGRAM

Combining Schedule of Revenues and Expenses Data

Year ended September 30, 2024

(In thousands)

	GA-AL-SC	Jim Woodruff	Kerr-Philpott	Cumberland	Total
Operating revenues:					
Sales of electric power	\$ 198,572	8,002	36,859	57,042	300,475
Other operating revenues	14,163	26	1,723	2,805	18,717
Total operating revenues	212,735	8,028	38,582	59,847	319,192
Operating expenses, excluding depreciation expense:					
Operations	47,125	2,910	8,588	42,607	101,230
Maintenance	37,613	2,773	6,946	8,820	56,152
Purchased power	25,773	1,232	—	—	27,005
Purchased transmission services	31,784	175	16,254	9,499	57,712
Total operating expenses, excluding depreciation expense	142,295	7,090	31,788	60,926	242,099
Depreciation expense	30,919	1,894	4,724	11,214	48,751
Total operating expenses	173,214	8,984	36,512	72,140	290,850
Net operating revenues	39,521	(956)	2,070	(12,293)	28,342
Interest expenses:					
Interest on payable to U.S. Treasury	59,302	1,972	5,445	9,924	76,643
Interest charged to construction	(674)	(16)	(440)	(2,046)	(3,176)
Net interest expenses	58,628	1,956	5,005	7,878	73,467
Net revenues	<u>\$ (19,107)</u>	<u>(2,912)</u>	<u>(2,935)</u>	<u>(20,171)</u>	<u>(45,125)</u>

See accompanying independent auditors' report.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Combining Schedule of Revenues and Expenses Data

Year ended September 30, 2023

(In thousands)

	<u>GA-AL-SC</u>	<u>Jim Woodruff</u>	<u>Kerr-Philpott</u>	<u>Cumberland</u>	<u>Total</u>
Operating revenues:					
Sales of electric power	\$ 192,075	9,500	27,166	60,484	289,225
Other operating revenues	12,656	22	1,151	3,579	17,408
Total operating revenues	204,731	9,522	28,317	64,063	306,633
Operating expenses, excluding depreciation expense:					
Operations	44,908	2,975	9,134	38,984	96,001
Maintenance	37,346	2,980	6,014	5,910	52,250
Purchased power	15,658	1,483	—	—	17,141
Purchased transmission services	30,675	354	10,652	9,612	51,293
Total operating expenses, excluding depreciation expense	128,587	7,792	25,800	54,506	216,685
Depreciation expense	31,049	1,873	4,470	11,020	48,412
Total operating expenses	159,636	9,665	30,270	65,526	265,097
Net operating revenues	45,095	(143)	(1,953)	(1,463)	41,536
Interest expenses:					
Interest on payable to U.S. Treasury	59,907	1,921	5,235	8,842	75,905
Interest charged to construction	(796)	(23)	(216)	(1,557)	(2,592)
Net interest expenses	59,111	1,898	5,019	7,285	73,313
Net revenues	<u>\$ (14,016)</u>	<u>(2,041)</u>	<u>(6,972)</u>	<u>(8,748)</u>	<u>(31,777)</u>

See accompanying independent auditors' report.

(Continued)

SOUTHEASTERN FEDERAL POWER PROGRAM

Schedule of Amount and Allocation of Gross Utility Plant Investment (unaudited)

As of September 30, 2024

(In thousands)

Projects in service and other	Total	Allocated to:						Percent of total plant investment returnable from power revenue
		Power	Navigation	Flood Risk Management	Fish and Wildlife	Recreation	Dam Safety	Other
Allatoona	\$ 90,070	67,434	—	10,309	—	12,095	—	232
Buford	107,859	86,498	2,158	4,782	—	14,421	—	—
Carters	208,791	176,820	—	19,961	—	12,010	—	—
J. Strom Thurmond	197,954	172,020	4,475	4,214	—	17,245	—	—
Walter F. George	323,535	213,989	95,476	—	348	13,722	—	—
Hartwell	218,891	182,868	3,999	19,112	—	12,911	—	1
Millers Ferry/Henry	263,643	154,810	86,959	—	—	21,874	—	—
West Point	184,631	95,323	2,817	22,921	14,435	49,135	—	—
Richard B. Russell	912,963	799,202	—	874	—	112,887	—	—
Marketing facilities	4,167	—	—	—	—	—	—	—
Total GA-AL-SC System	2,512,504	1,953,131	195,884	82,173	14,783	266,300	—	233
Jim Woodruff	135,340	83,285	43,600	—	—	8,455	—	—
Marketing facilities	130	—	—	—	—	—	—	—
Total Jim Woodruff System	135,470	83,415	43,600	—	—	8,455	—	—
Barkley	317,539	122,364	155,109	31,113	—	8,953	—	—
J. Percy Priest	76,872	18,123	—	27,742	—	31,007	—	—
Cheatham	103,448	32,579	66,059	—	—	4,810	—	—
Cordell Hull	107,805	53,550	17,806	—	—	29,560	—	6,889
Old Hickory	149,247	106,918	36,314	—	—	6,015	—	—
Center Hill	616,031	182,948	—	84,696	—	14,813	332,877	697
Dale Hollow	61,447	39,961	—	15,943	—	5,543	—	—
Wolf Creek	993,825	263,052	—	143,922	—	20,689	565,916	246
Laurel	57,540	33,339	—	—	—	17,798	—	6,403
Marketing facilities	1,432	1,432	—	—	—	—	—	—
Contributions in aid of construction	(586)	(586)	—	—	—	—	—	—
Total Cumberland Basin System	2,484,600	853,680	275,288	303,416	—	139,188	898,793	14,235
John H. Kerr	235,058	198,763	—	27,151	—	9,144	—	—
Philpott	66,933	45,667	—	15,786	—	5,480	—	—
Marketing facilities	781	781	—	—	—	—	—	—
Total Kerr-Philpott System	302,772	245,211	—	42,937	—	14,624	—	—
Total	\$ 5,435,346	3,135,437	514,772	428,526	14,783	428,567	898,793	14,468

(a) Water supply

(b) Area redevelopment

(c) World War II suspension costs

See accompanying independent auditors' report.



SEPA Administrator, Virgil Hobbs, South Atlantic Division Commander, BG Daniel Hibner, SeFPC President, Kevin Josupait, and other Alliance participants pose for a picture out front of the United States Custom House located in Charleston, SC after their meeting on November 14, 2023.



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