

SOUTHEASTERN FEDERAL POWER ALLIANCE

December 2, 2025

*Hybrid Meeting will begin at 8:30am Eastern
Conference Room B, 2nd Floor
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, GA 30303*

Virtual Link: **[Join the meeting now](#)**

Dial in: +1 945-468-5504; Conference ID: 633 177 009#

1. Welcome, Announcements & Introductions (10 min)..... Leon Jourolmon
2. Opening Comments (15 min) BG Zachary Miller, Julius Hackett, Virgil Hobbs
3. Washington Update & FHC (20 min) Stephanie Pullen/Scott Romero
4. Financial Statements/Repayment Studies (20 min) Carter Edge
- Break (15 mins)
5. WRDA 2000 Section 212 Funding Program (20 min) Gerry Fleming/Sirisha Rayaprolu
6. SAD Water Management (15 min) Trent Ferguson
 - Water Reallocation Studies: Hartwell and John H Kerr
7. O&M Update (10 min) Chris Ludwig
8. Post Retirement Benefits Restatements (10 min) Carter Edge
9. Other Discussion Items All
10. Summation & Close (15 min) BG Zachary Miller, Julius Hackett, Virgil Hobbs

Southeastern Federal Power Alliance Meeting

December 2, 2025





U.S. DEPARTMENT *of* ENERGY

Southeastern Power Administration

Southeastern Federal Power Alliance

Financial Statements/Repayment Studies
Southeastern Federal Power Program (SeFPP)

Carter B. Edge

December 2, 2025



U.S. DEPARTMENT
of **ENERGY**

Southeastern Power
Administration

Consolidated Financial Reporting

- The Southeastern Federal Power Program (SeFPP) 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 to include 22 Corps hydropower projects and the Southeastern Power Administration
- The Program accounts are maintained in conformity with generally accepted accounting principles and with the Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission.
- Southeastern is responsible for repayment, with interest, of its appropriations, as well as Corps construction and operation appropriations allocated to power.
- Audited consolidated financial statements of the SeFPP can be found in the Annual Reports posted on SEPA's website.

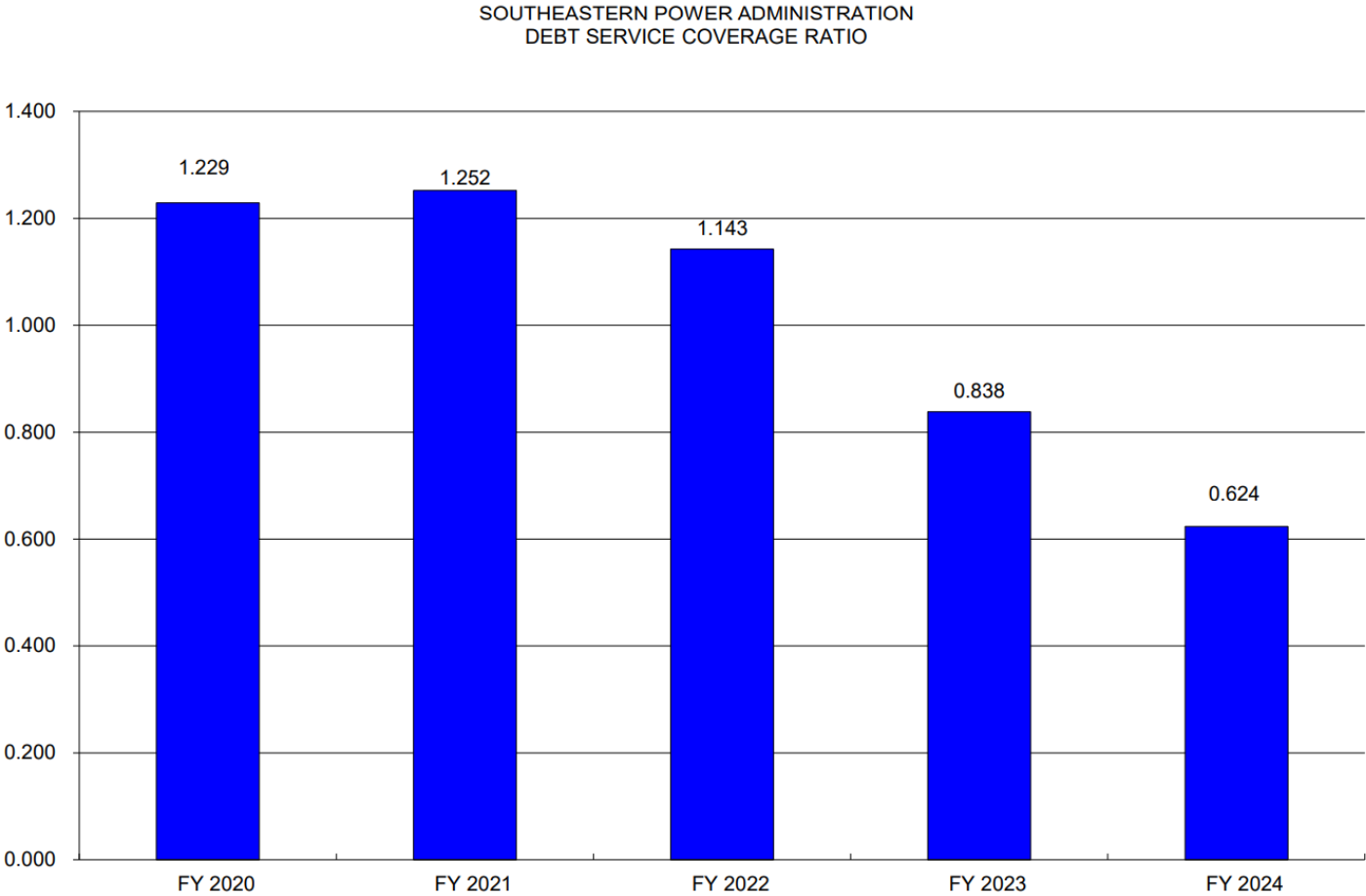


Repayment and Repayment Studies

- Consolidated financial statements and projections are used by SEPA for:
 - End of year reconciliation of investment and interest calculations
 - Method by which revenue available for repayment is calculated
 - Determination of which investments are added to and which are eliminated (paid off) from the remaining investment
 - Results in updates to the portfolio of investments, grouped by applicable interest rates and service lives
- When combined with forecasts of additions and replacements they are used for repayment studies performed annually by SEPA
 - Validate the sufficiency of current power rates projected 50 years into the future
 - Produce annual O&M Reports based on actual and forecasted expenditures
 - Produce program financial performance metrics

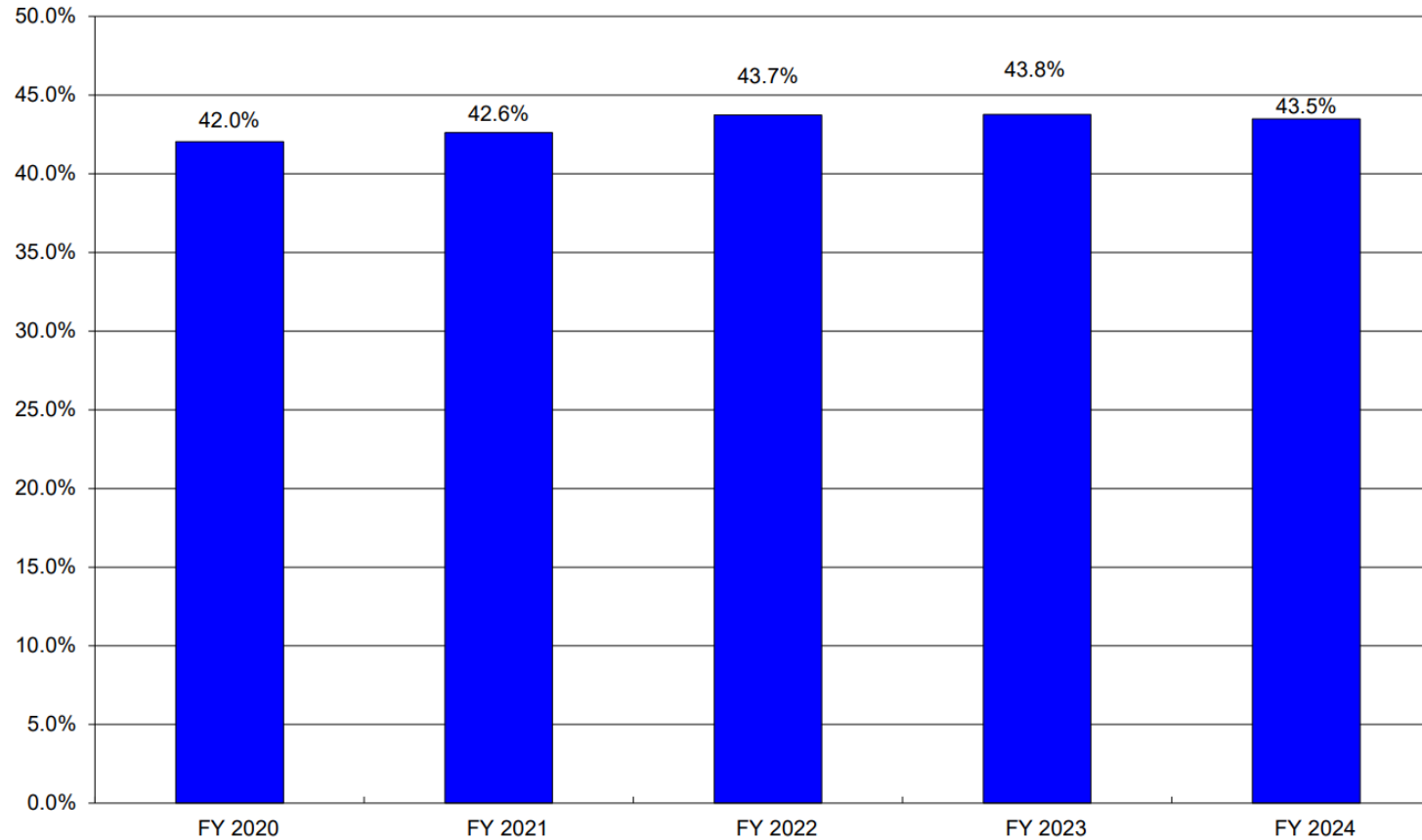


Debt Service Coverage Ratio

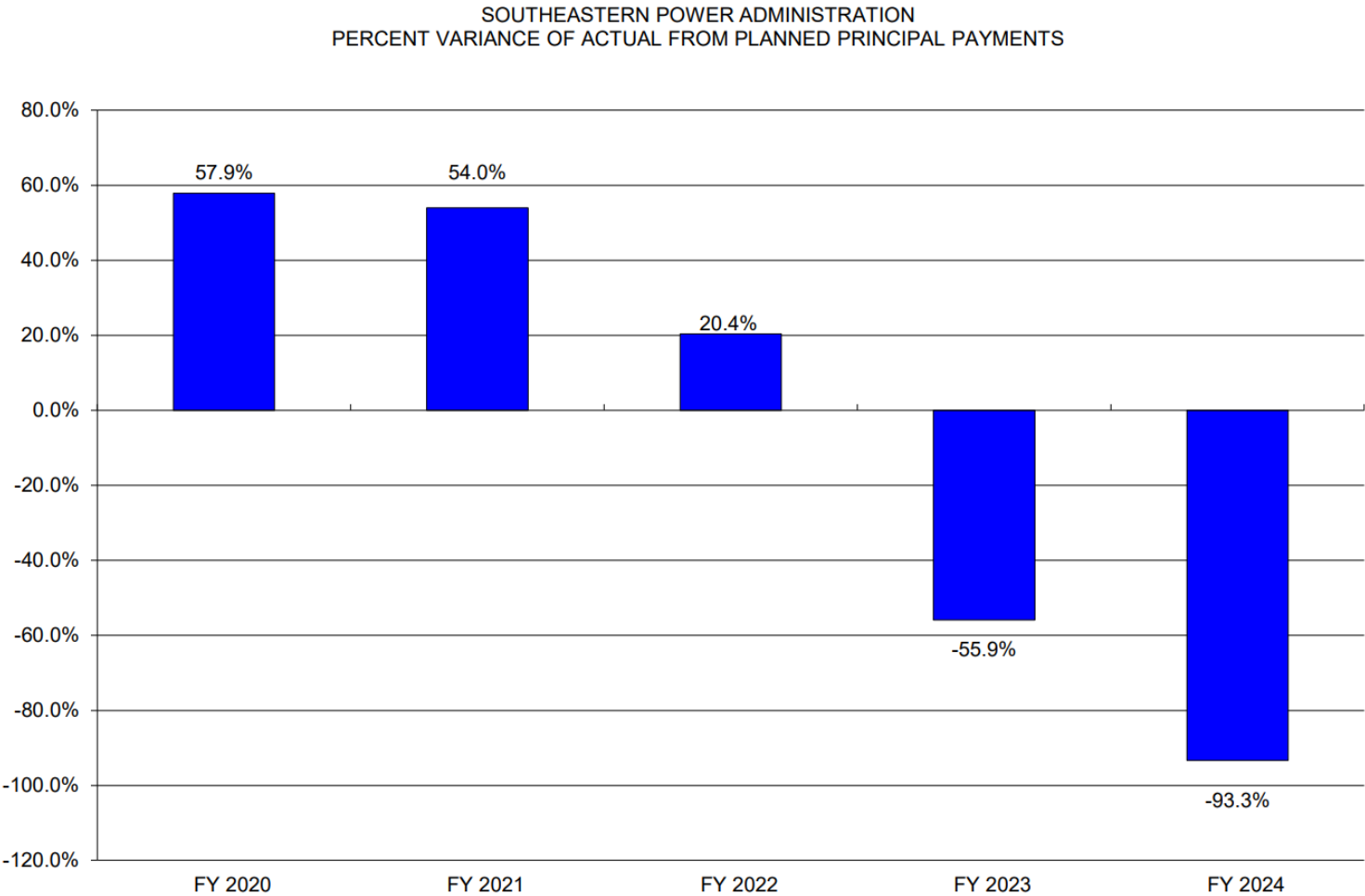


Cumulative Principal as a Percentage of Total Federal Investment (Plant-in-Service)

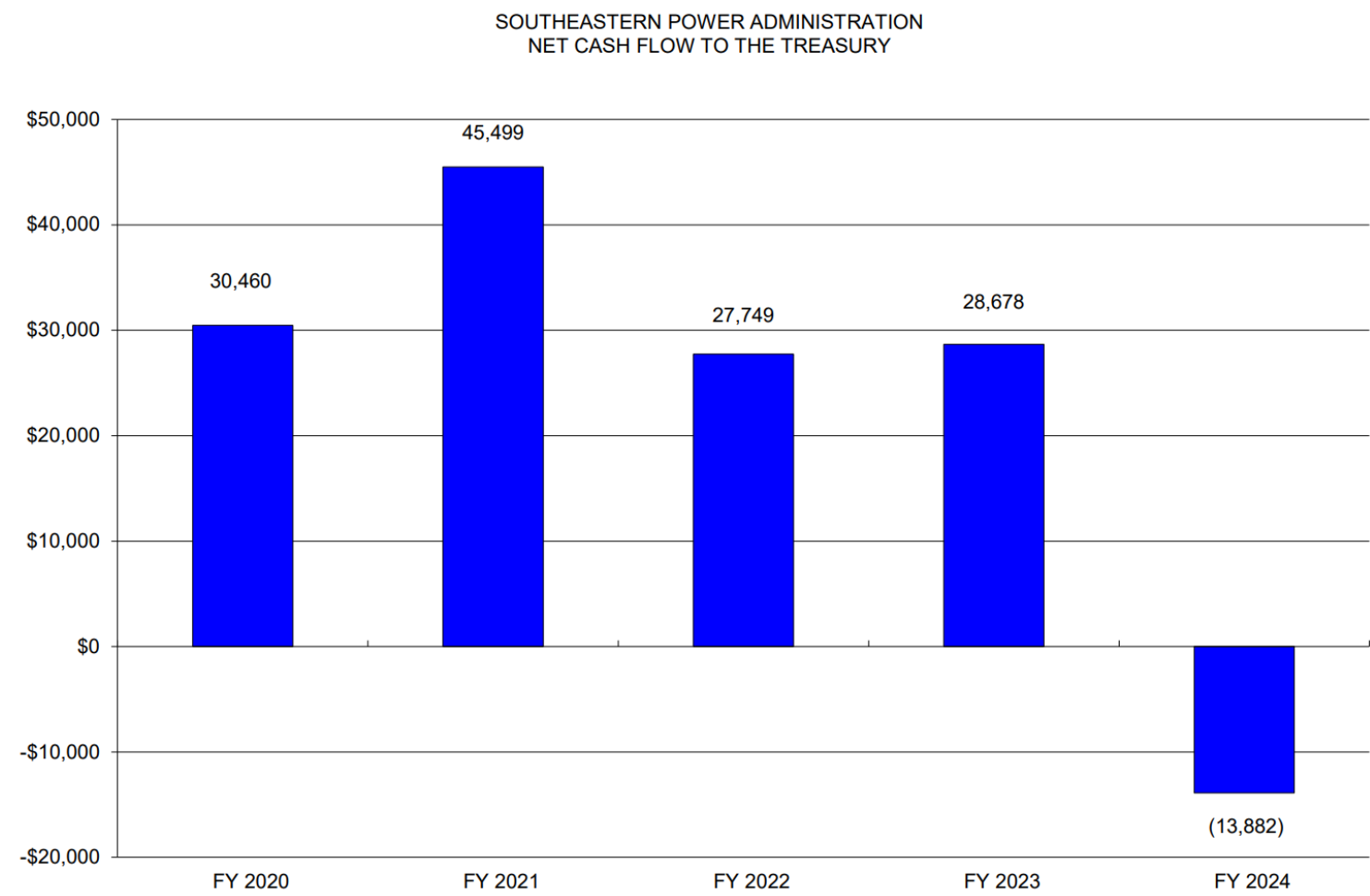
SOUTHEASTERN POWER ADMINISTRATION
CUMULATIVE PRINCIPAL PAYMENTS AS A PERCENT OF TOTAL INVESTMENT



Variance of Actual from Planned Principal Payment



Net Cash to the Treasury



Data Request to Corps of Engineers

- Actuals:
 - Statement of Revenues and Expenses.
 - Statement of Assets and Liabilities.
 - Statement of Assets and Liabilities worksheets (COEWS).
 - Civil Service Retirement Service and Workers Compensation Information.
 - Supplemental information on capitalized items; and
 - Other revenue information (water supply, headwater benefits, salvage, etc.)
- Footnote information
 - Capitalized asset breakout; service life and Interest During Construction range
 - Major projects in Construction Work-in-progress category



Data Request to Corps of Engineers (cont'd)

- Projections:
 - Five-year O&M projection files (by FY of expenditure)
 - Five-year Capitalized projection files (by FY placed in service; Addition or Replacement)





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Southeastern Power Administration



Break

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SECTION 212 FUNDING PROGRAM UPDATE

Sirisha Rayaprolu

SAD Hydropower Program Mgr (Acting)

U.S. Army Corps of Engineers

South Atlantic Division

December 2025



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CURRENT STATUS

Since Spring 2025 Alliance Meeting

Executed following **new** agreements:

- **Sub-Agreement #34 (GA-AL-SC)**
 - Lifting Device Compliances
 - Excitation System Replacement
- **Sub-Agreement #2 (Woodruff)**
 - Lifting Device Compliance
- **Sub-Agreement #8 (Kerr-Philpott)**
 - Lifting Device Compliance

Long-Range Investment Plan
(LRIP):

- LRIP Tool Development
COMPLETE
- Initial LRIP list developed and
QA/QC of data ONGOING

Next Steps:

- Initial list to be finalized by JAN 2026
- Schedule follow-on discussion with SEPA and SeFPC by 2Q26

Upcoming **PRC Meetings:**

- Millers Ferry Raw System Replacement
- Buford Governor Replacement



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PROJECTS CLOSED

GA-AL-SC System

Sub-Agreement	Project	Work Item
Sub-Agreement #9	Allatoona	Work Item A Allatoona Switchyard Construction
Sub-Agreement #9	Allatoona	Work Item B Allatoona Plant Controls Replacement
Sub-Agreement #12	J. Strom Thurmond	Work Item B Thurmond Transmission Line Protection Replacement
Sub-Agreement #12	Mobile District	Work Item D Mobile District Motor Control Centers Installation
Sub-Agreement #16	Carters	Work Item. Carters Units 3 & 4 Generator Rewind
Sub-Agreement #19	Allatoona	Work Item. Allatoona Fire Restoration
Sub-Agreement #28	System Wide	Work Item A Mobile And Savannah District - Model Testing And Validation
Sub-Agreement #28	Richard B. Russell	Work Item B Richard B. Russell - Circuit Breaker Hydraulic Operator Replacement

Woodruff System

Sub-Agreement	Project	Work Item
Sub-Agreement #1	Jim Woodruff	Work Item A Jim Woodruff Station Service Transformer Replacement
Sub-Agreement #5	John H. Kerr	Work Item A John H. Kerr - Model Testing And Validation

Kerr-Philpott System

Sub-Agreement	Project	Work Item
Sub-Agreement #5	John H. Kerr	Work Item A John H. Kerr - Model Testing And Validation



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CENTRALIZED OPERATIONS

- SAD revisiting the funds request and reviewing cost estimates.
- De-coupling required infrastructure upgrades and remote operations.
 - Current SCADA system is not compliant with NERC standards and there is significant risk of failure due to age and condition.
 - Existing electro-mechanical controls are 40-50 years old and have exceeded their expected life.
 - Modernized control will comply with NERC standards, ability to quickly adapt to future requirements, and reduced maintenance time & costs.
- Developing various Courses of Actions (COAs) with scope, cost, and schedule.

Timeline: Anticipate final COAs and meeting with SEPA/SeFPC by 2Q26



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Q&A



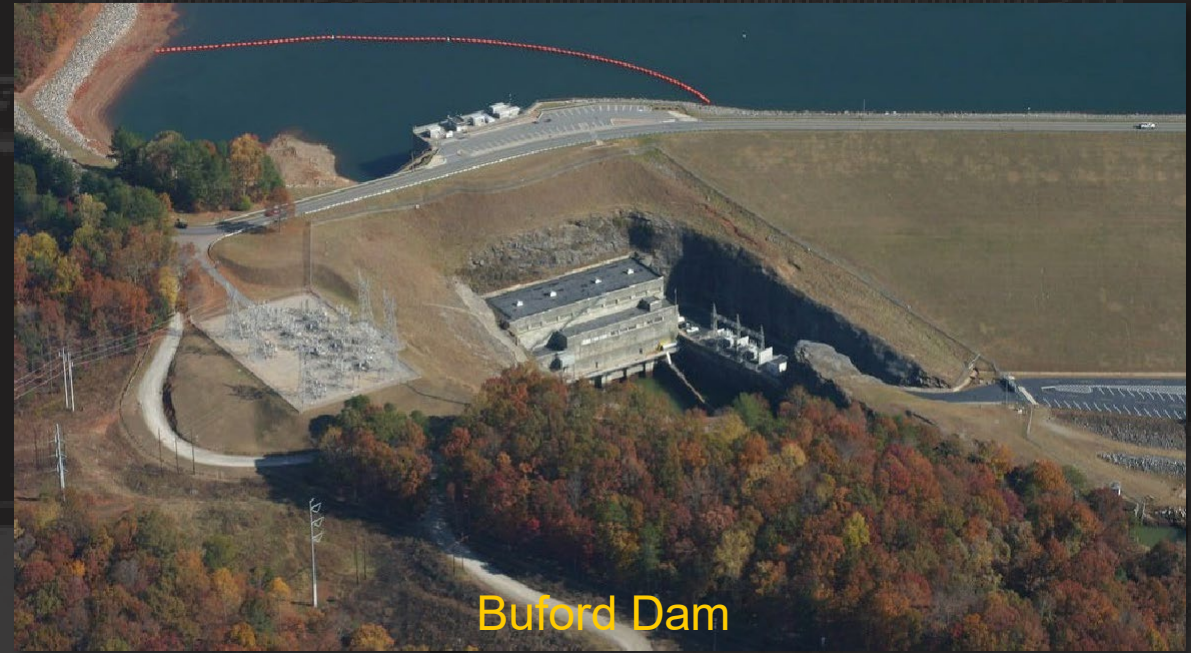
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SOUTHEASTERN FEDERAL POWER ALLIANCE SAD WATER MANAGEMENT

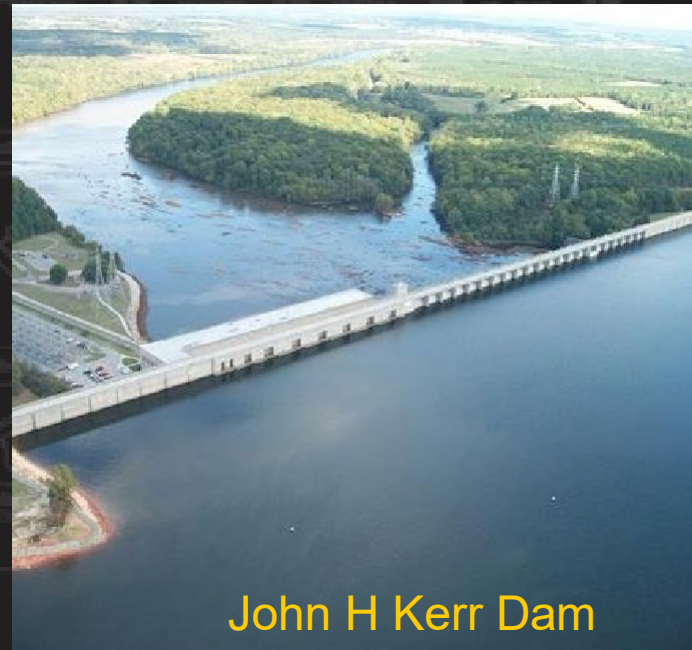
Trent Ferguson, P.E.
Water Management
South Atlantic Division
2 December 2025



Buford Dam



Allatoona Dam



John H Kerr Dam



J. Strom Thurmond Dam



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- Rainfall Departure Last 90 Days
- U.S. Drought Monitor
- WPC Three Month Outlook
- Current and Forecasted Reservoir Conditions
 - Mobile District
 - Savannah District
 - Wilmington District
- Questions

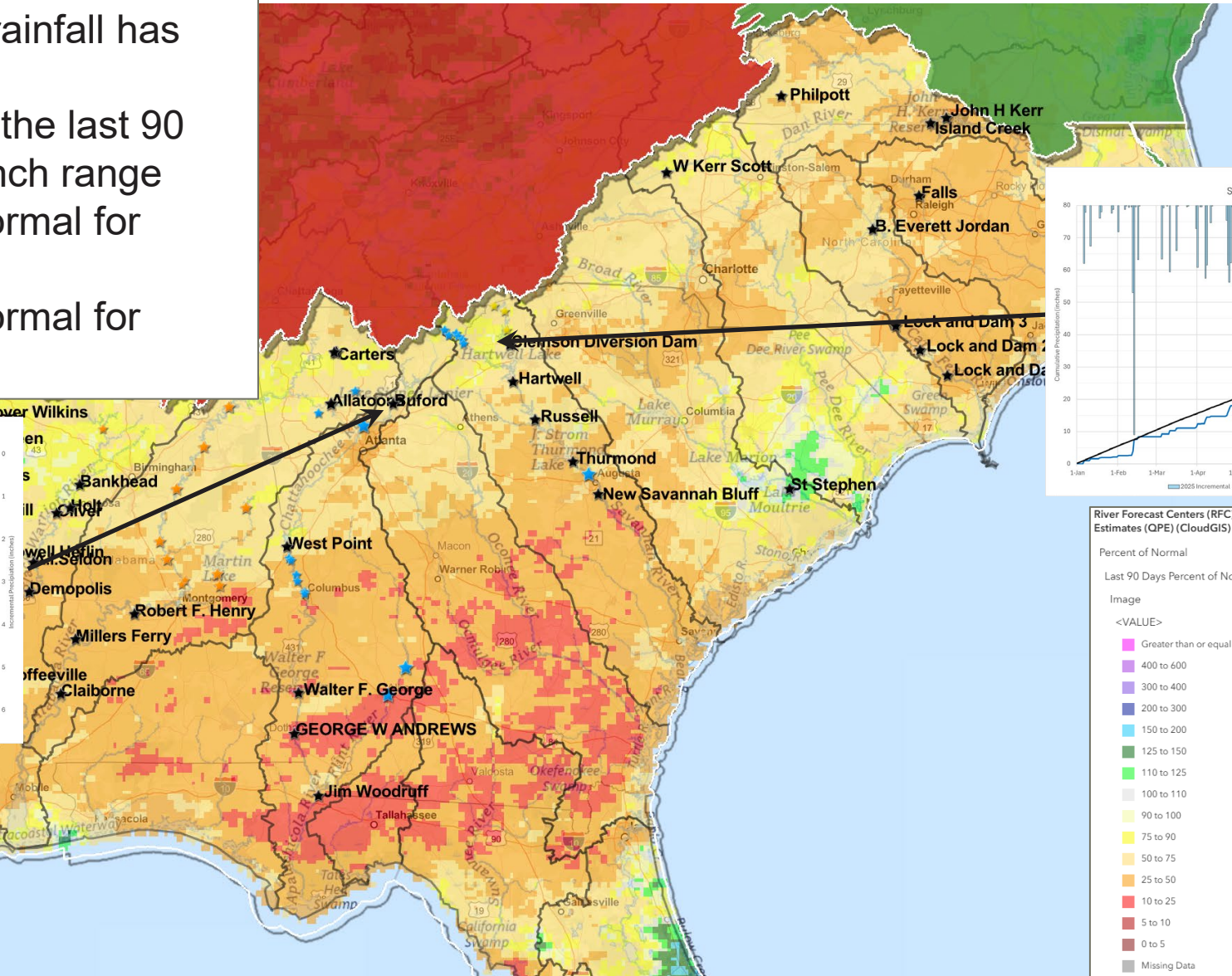
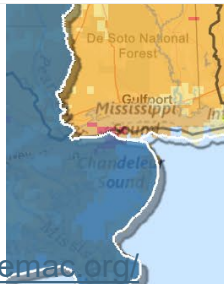
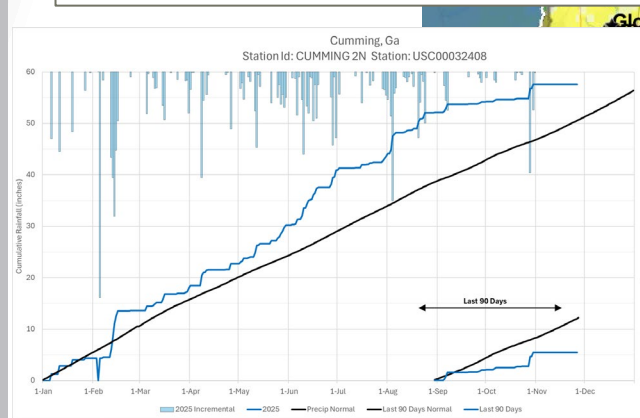


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RAINFALL DEPARTURE FROM NORMAL (LAST 90 DAYS)



- Over the past 90 Days rainfall has been:
 - Normal Rainfall for the last 90 days in the 10-15 inch range
 - 50-75 percent of normal for projects in GA
 - 25-75 percent of normal for projects in NC/VA.



Graphic as of 19 November 2025

<https://crt-climate-explorer.nemas.org/>

<https://www.cpc.ncep.noaa.gov/products/timeseries/>



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DROUGHT MONITOR (RELEASED 11 NOV 2025)

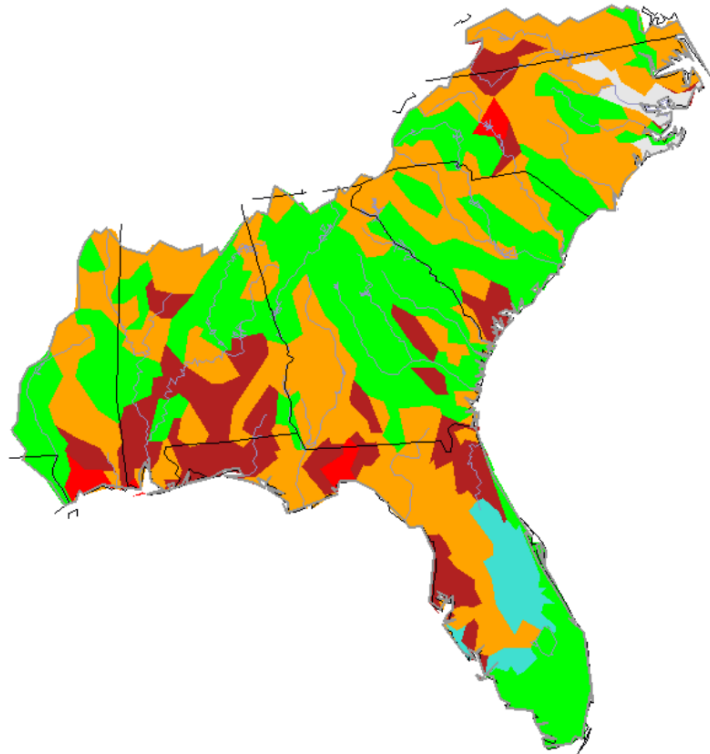
22



Map of 28-day average streamflow compared to historical streamflow for the day of the year (South Atlantic-Gulf)

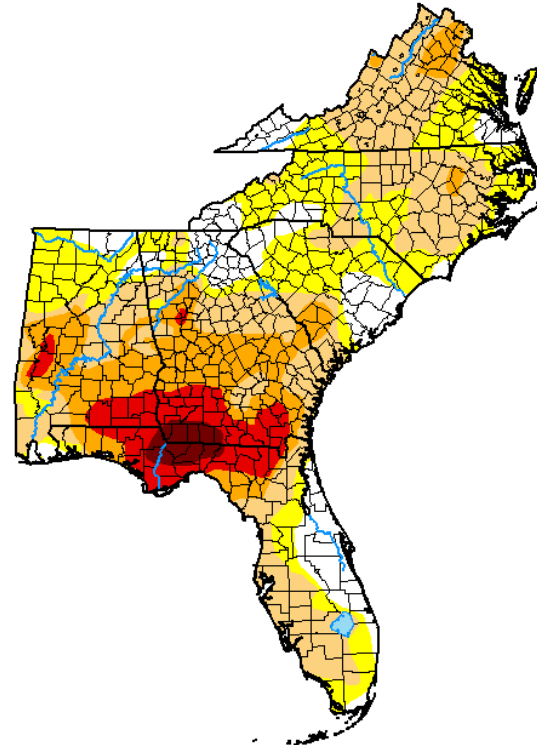
State or 03 South Atlantic-Gulf

Sunday, November 30, 2025



Explanation - Percentile classes							
Low	<10	10-24	25-75	76-90	>90	High	No Data
	Much below normal	Below normal	Normal	Above normal	Much above normal		

U.S. Drought Monitor Southeast



November 25, 2025

(Released Wednesday, Nov. 26, 2025)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	14.55	85.45	58.87	26.19	10.04	1.95
Last Week 11-18-2025	17.23	82.77	56.79	24.71	7.29	0.85
3 Months Ago 08-26-2025	89.62	10.38	2.37	0.49	0.09	0.00
Start of Calendar Year 01-07-2025	25.92	74.08	29.55	2.03	0.00	0.00
Start of Water Year 09-30-2025	17.60	82.40	37.52	6.29	0.23	0.00
One Year Ago 11-26-2024	20.04	79.96	31.82	6.60	0.54	0.00

Intensity:

	None		D2 Severe Drought
	D0 Abnormally Dry		D3 Extreme Drought
	D1 Moderate Drought		D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

David Simeral
Western Regional Climate Center



droughtmonitor.unl.edu



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WEATHER PREDICTION CENTER (WPC) THREE MONTH OUTLOOK

23

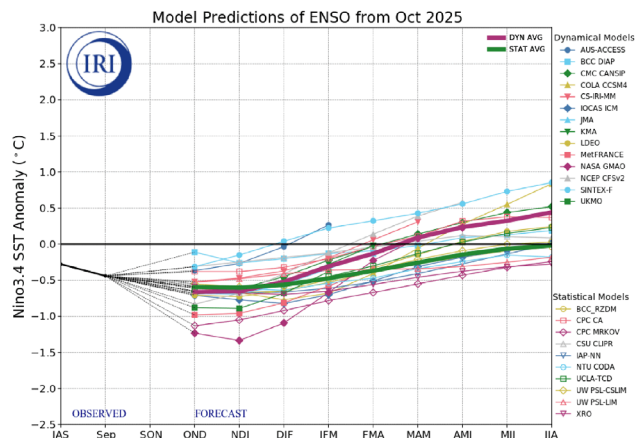


Figure 6. Forecasts of sea surface temperature (SST) anomalies for the Niño 3.4 region (5°N-5°S, 120°W-170°W). Figure updated 20 October 2025 by the International Research Institute (IRI) for Climate and Society.

Official NOAA CPC ENSO Probabilities (issued November 2025)

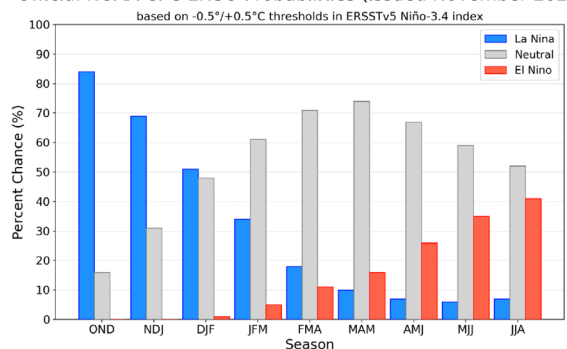
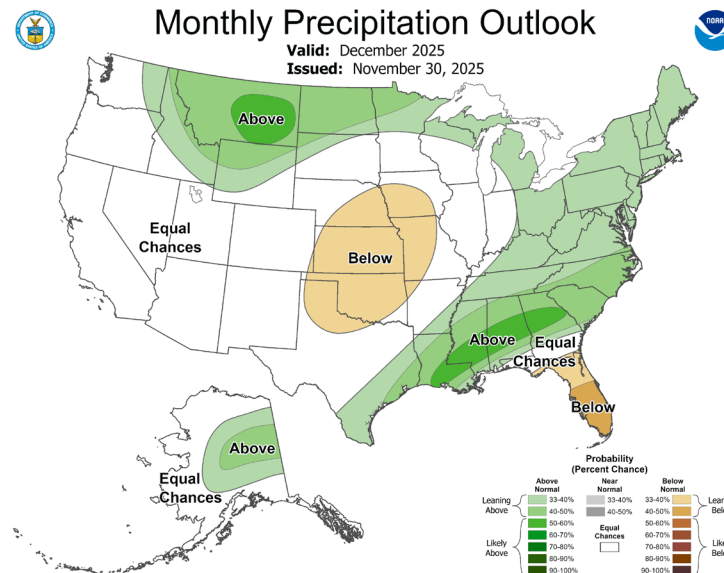


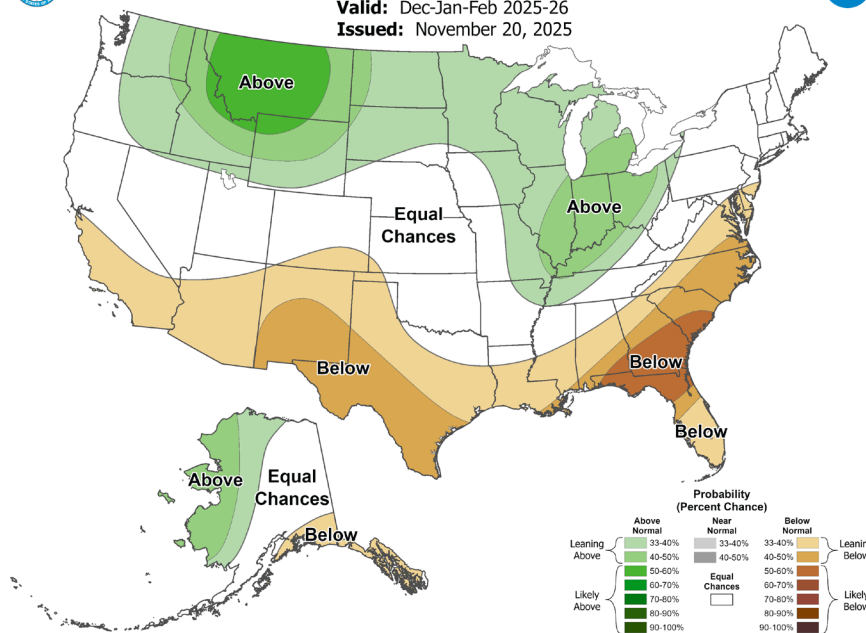
Figure 7. Official ENSO probabilities for the Niño 3.4 sea surface temperature index (5°N-5°S, 120°W-170°W). Figure updated 13 November 2025.

- Currently in La Nina Conditions
- La Nina is generally associated with dry than normal winter weather patterns across the Southeast.



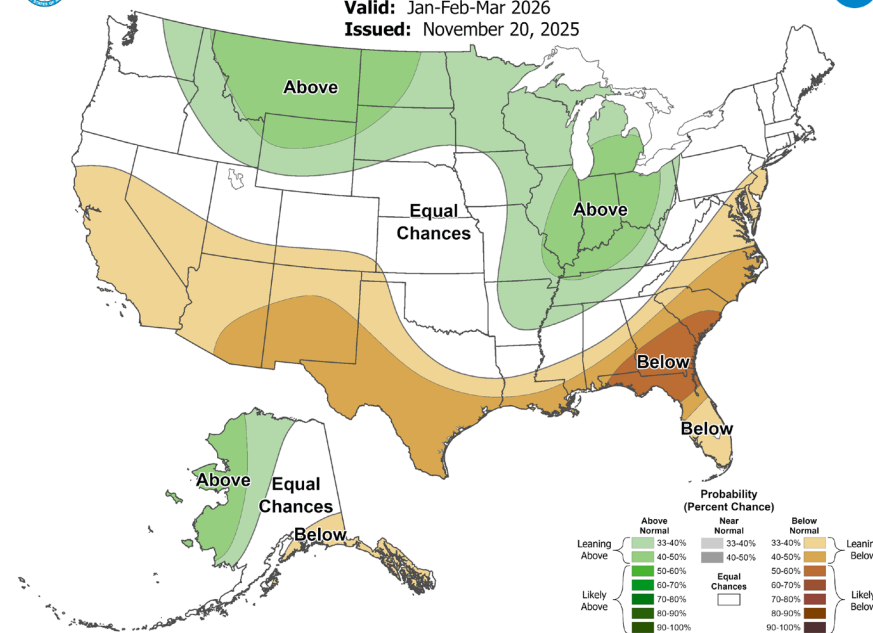
Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2025-26
Issued: November 20, 2025



Seasonal Precipitation Outlook

Valid: Jan-Feb-Mar 2026
Issued: November 20, 2025

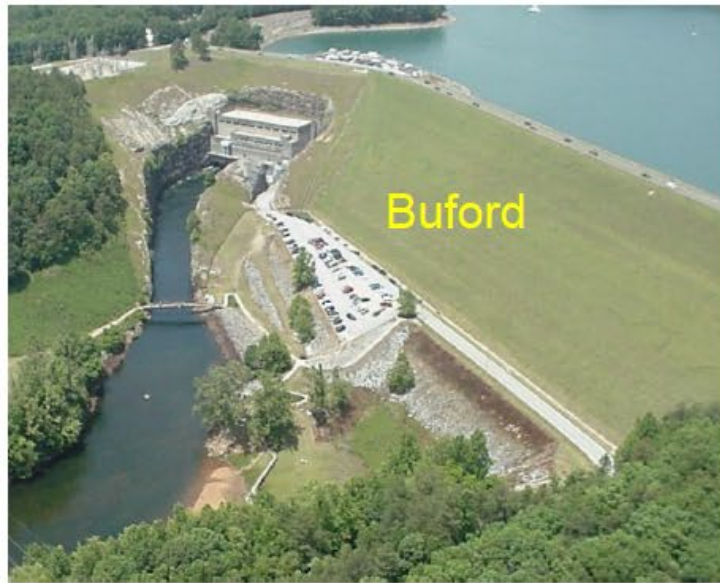




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MOBILE DISTRICT

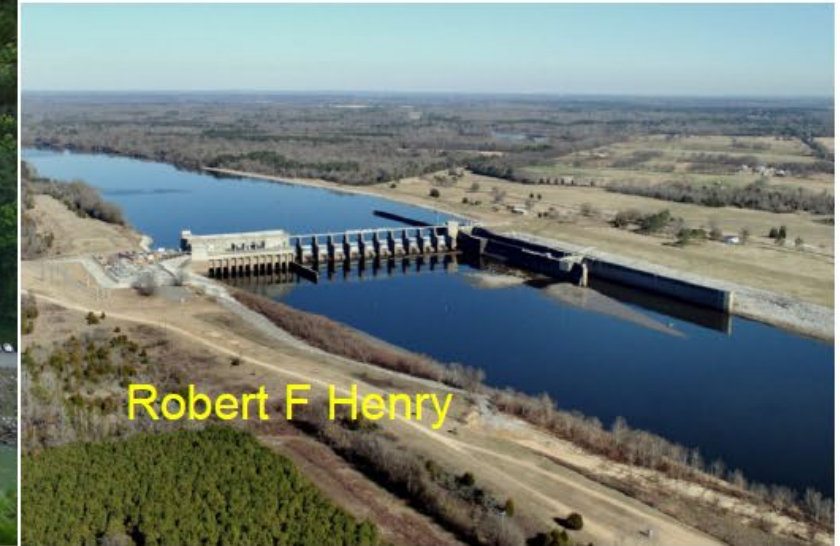
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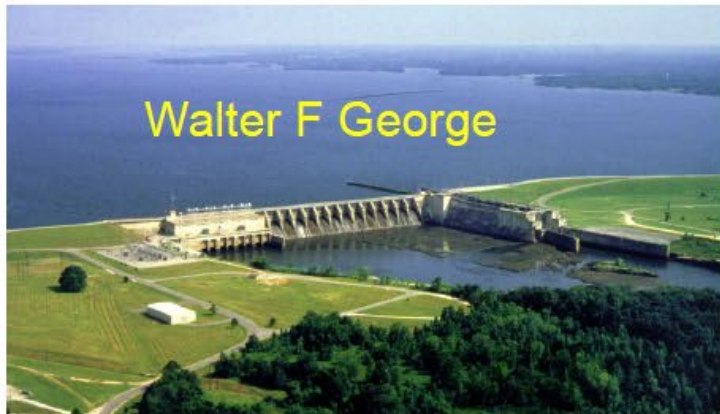
Buford



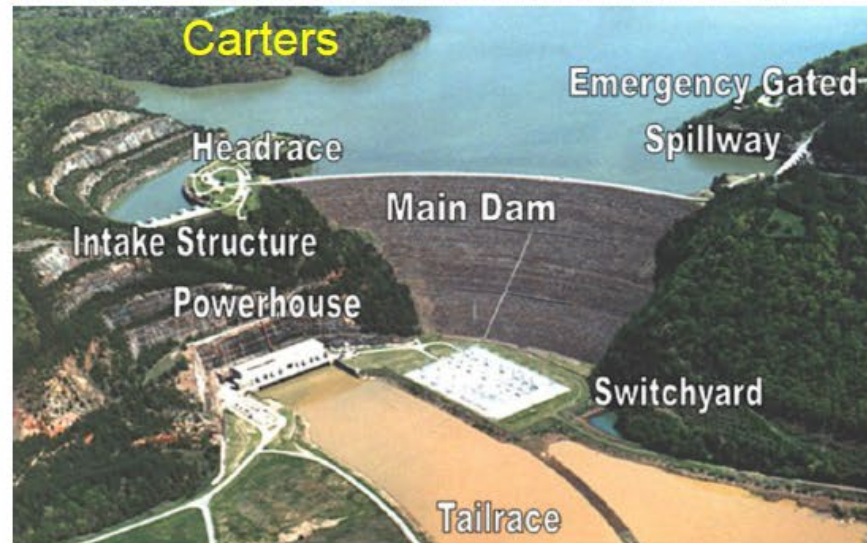
Allatoona



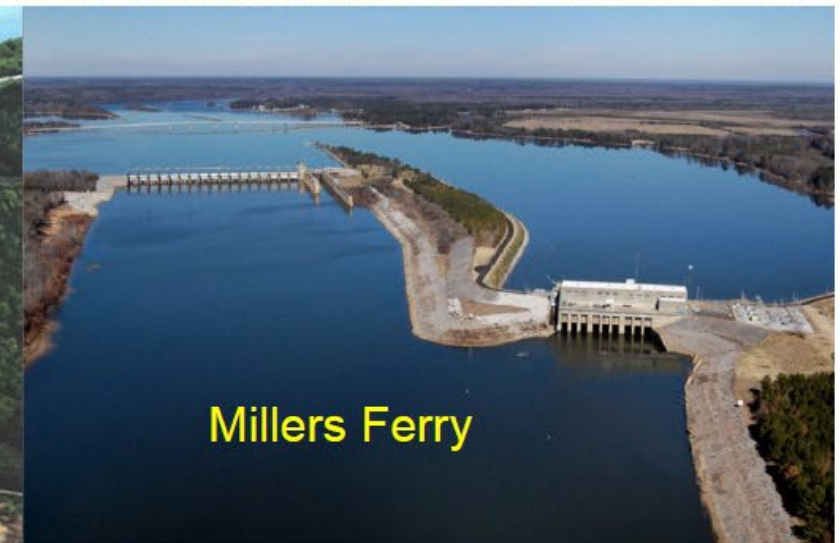
Robert F Henry



Walter F George



Carters



Millers Ferry



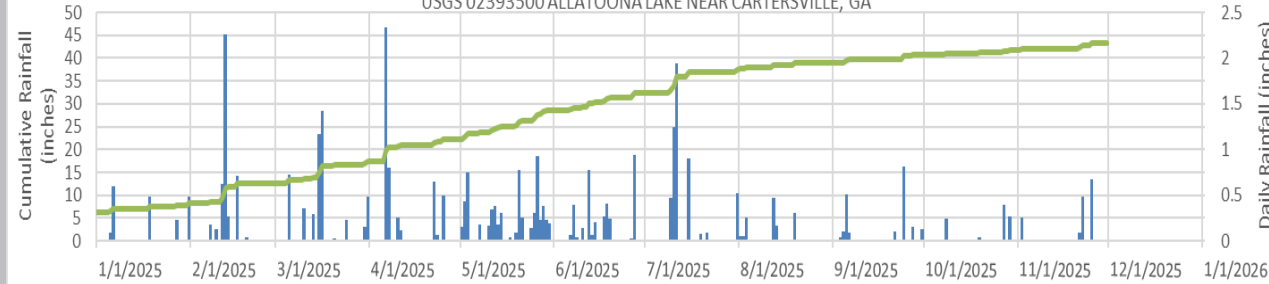
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ALABAMA-COOSA-TALLAPOOSA (ACT) UPPER ACT CURRENT AND FORECASTED CONDITIONS

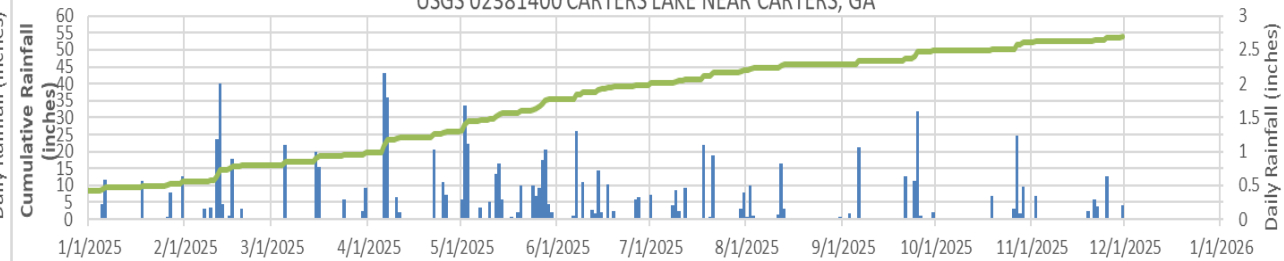
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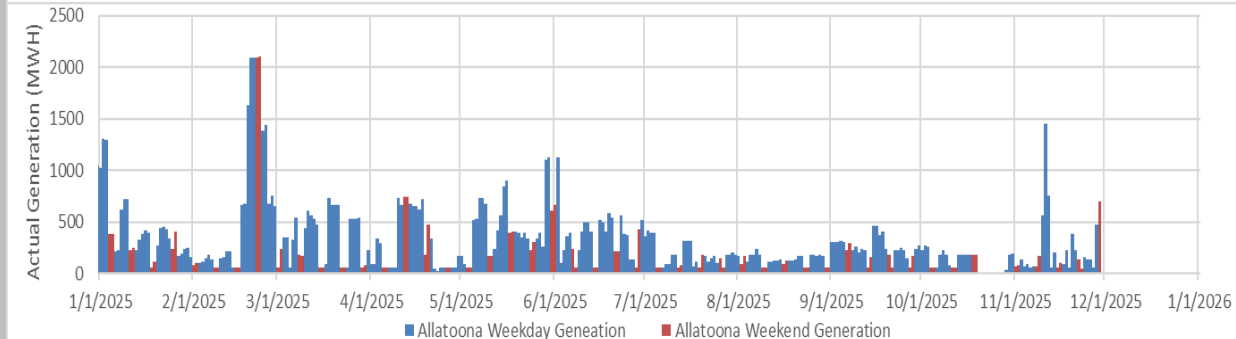
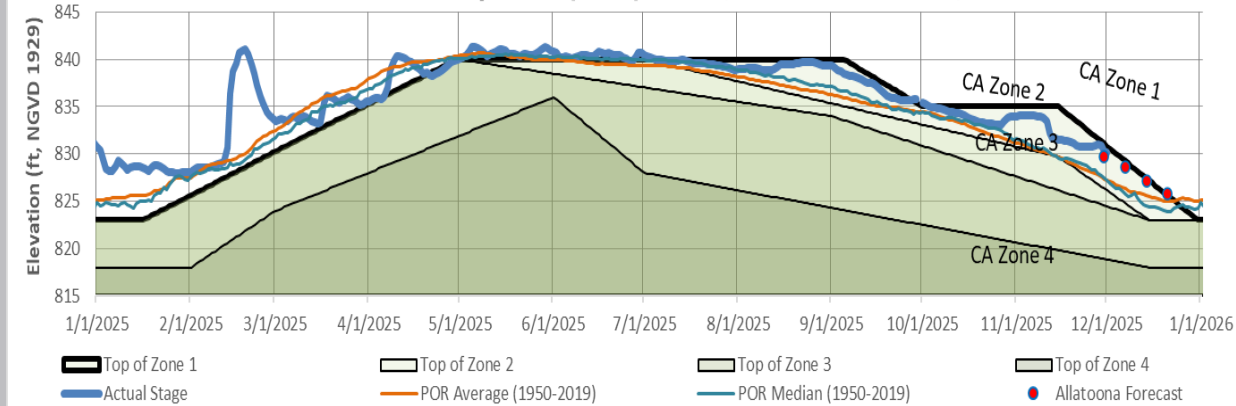
Daily and Cumulative Rainfall
USGS 02393500 ALLATOONA LAKE NEAR CARTERSVILLE, GA



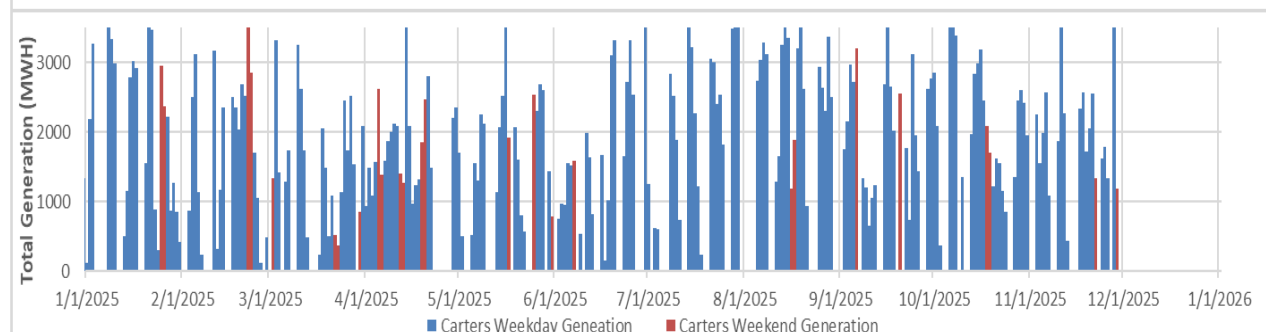
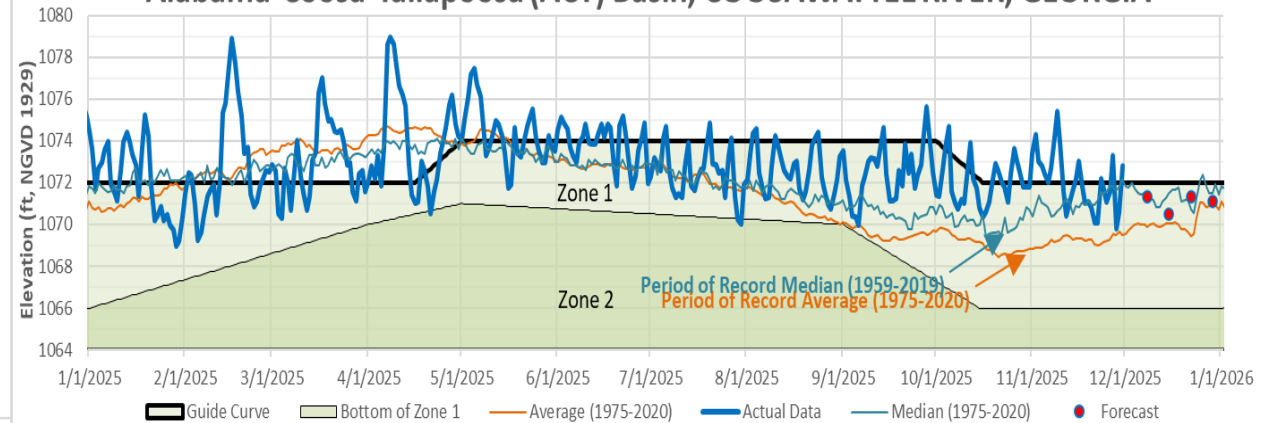
Daily and Cumulative Rainfall
USGS 02381400 CARTERS LAKE NEAR CARTERS, GA



ALLATOONA DAM
Alabama-Coosa-Tallapoosa (ACT) Basin, ETOWAH RIVER, GEORGIA



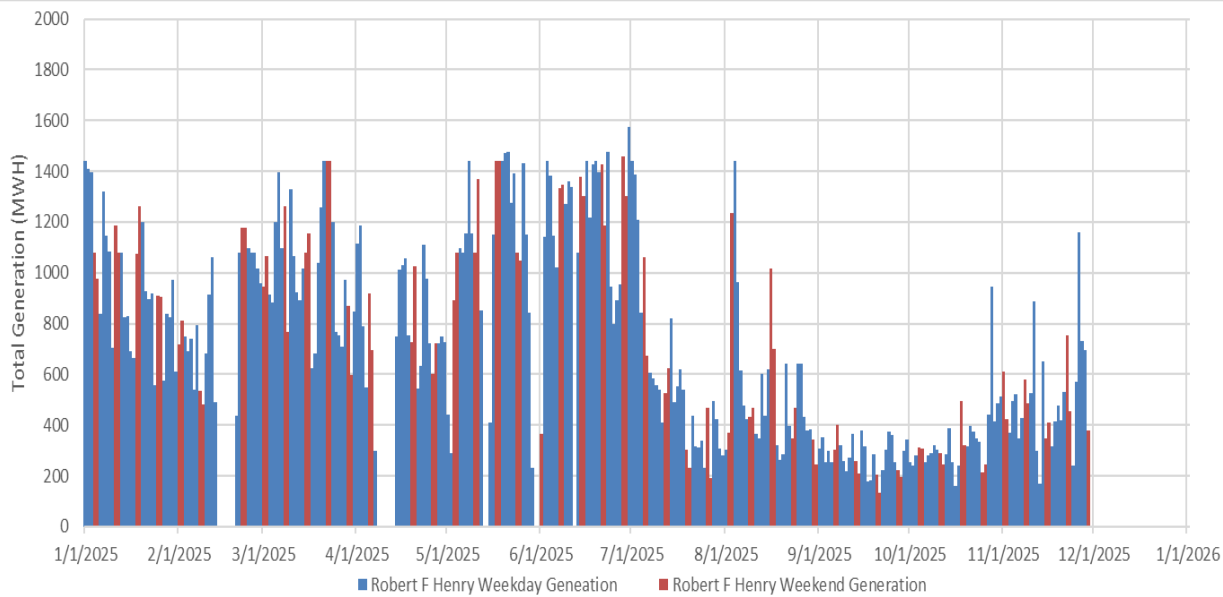
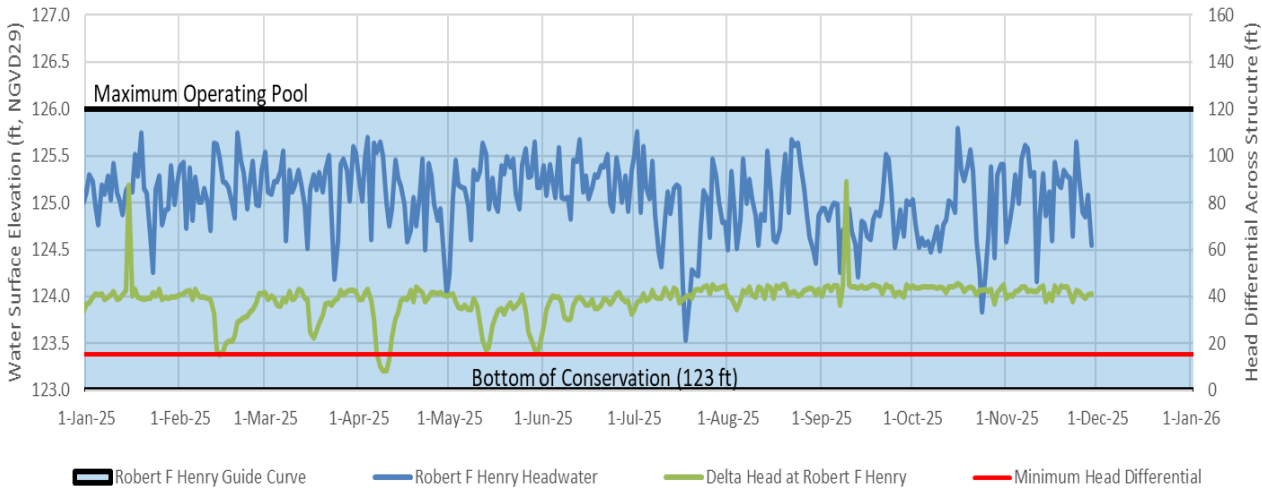
CARTERS DAM
Alabama-Coosa-Tallapoosa (ACT) Basin, COOSAWATTEE RIVER, GEORGIA



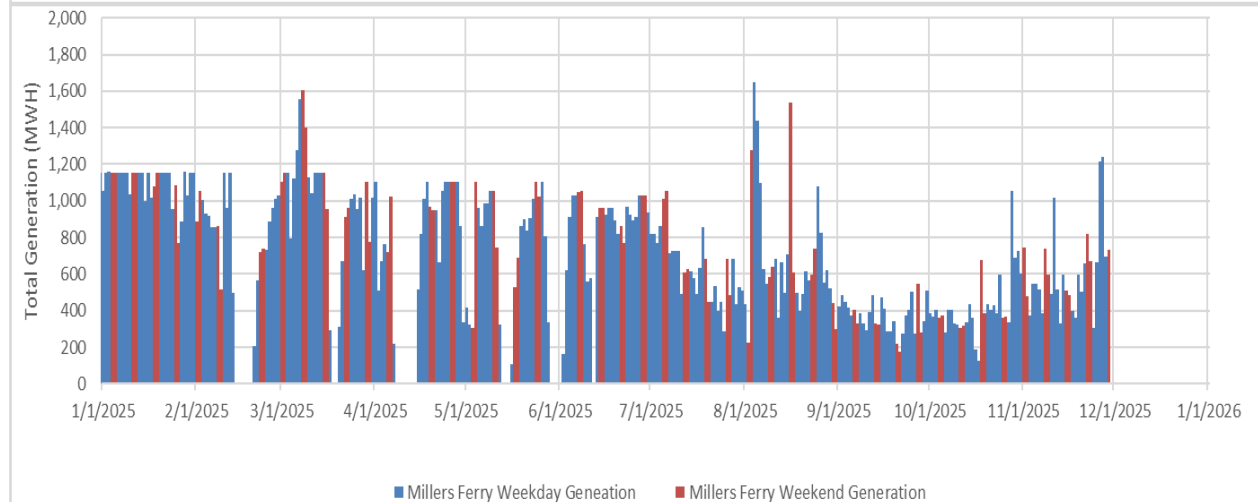
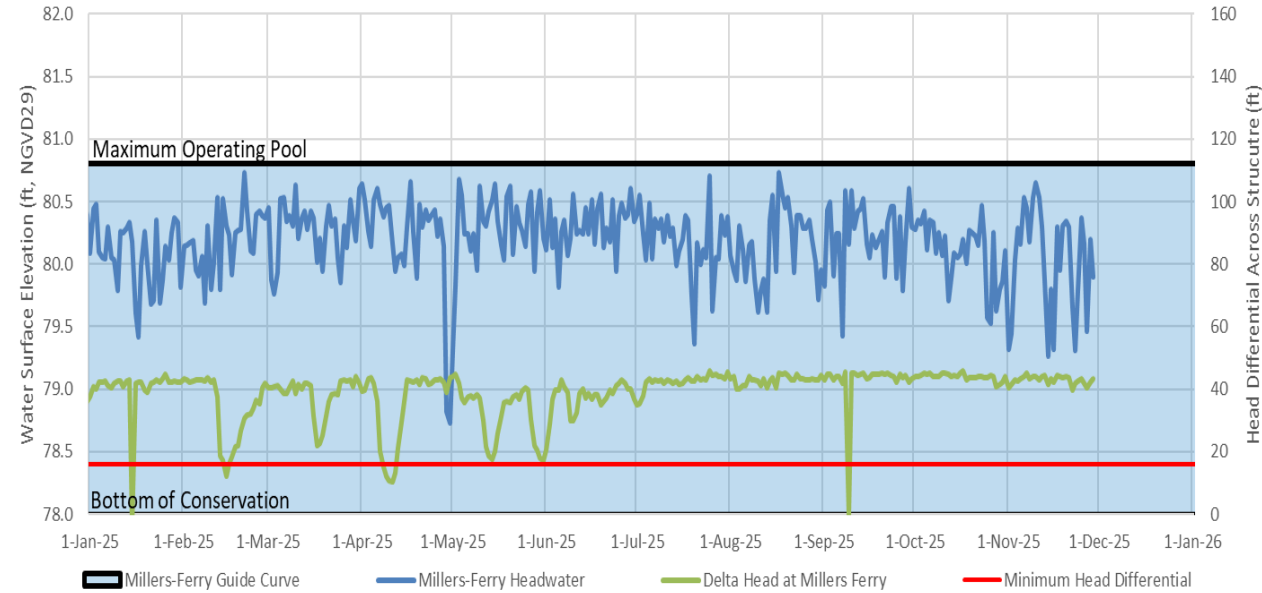
ALABAMA-COOSA-TALLAPOOSA (ACT) LOWER ACT CURRENT CONDITIONS



Robert F Henry Lock and Dam



Millers Ferry Lock and Dam

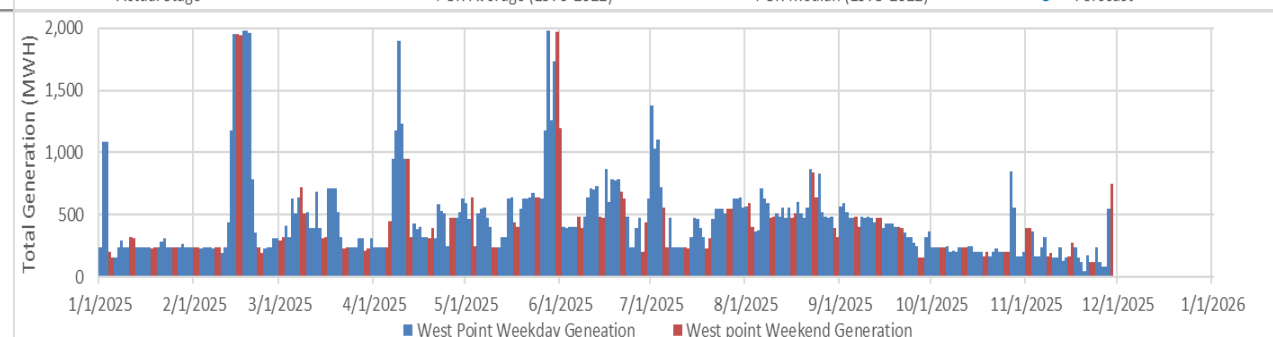
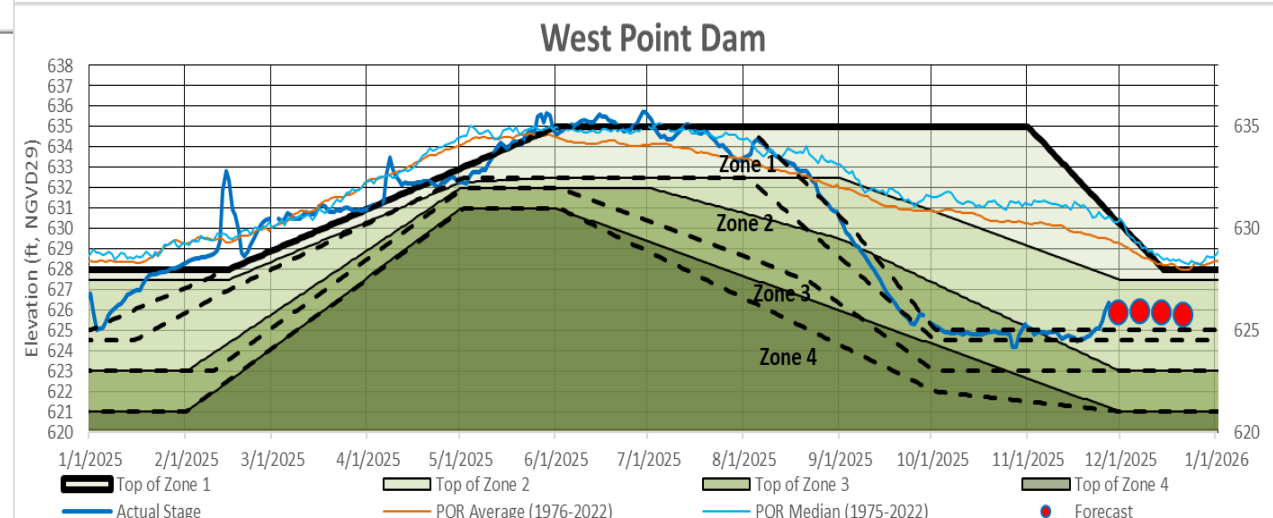
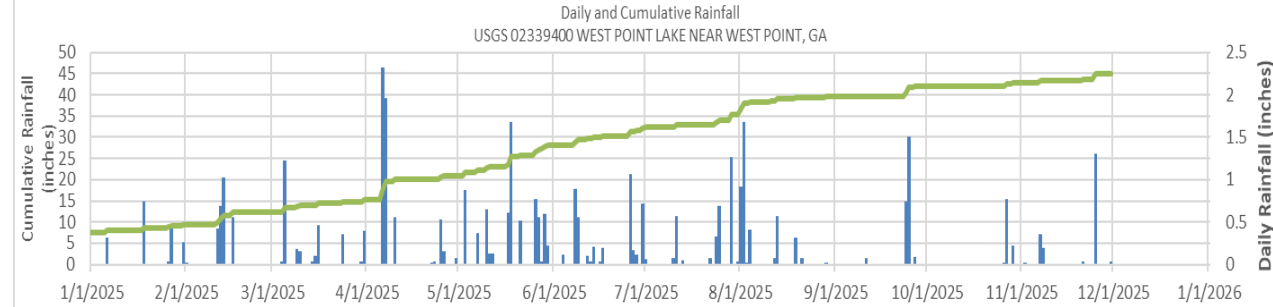
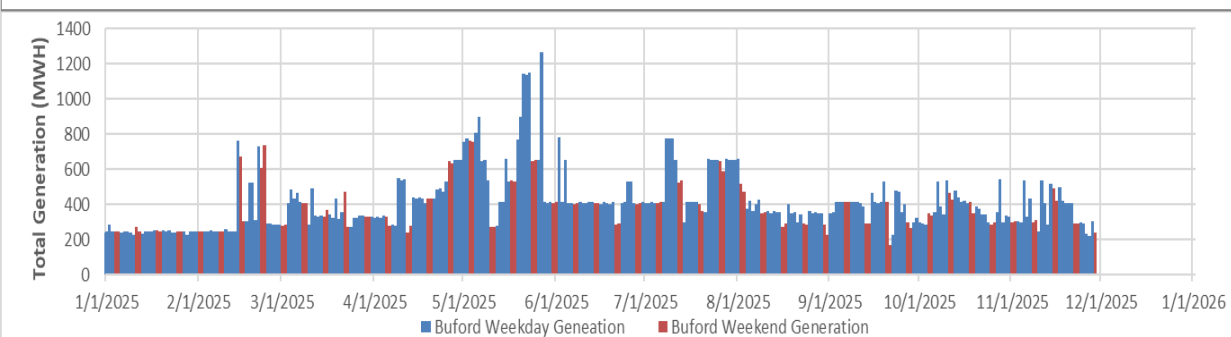
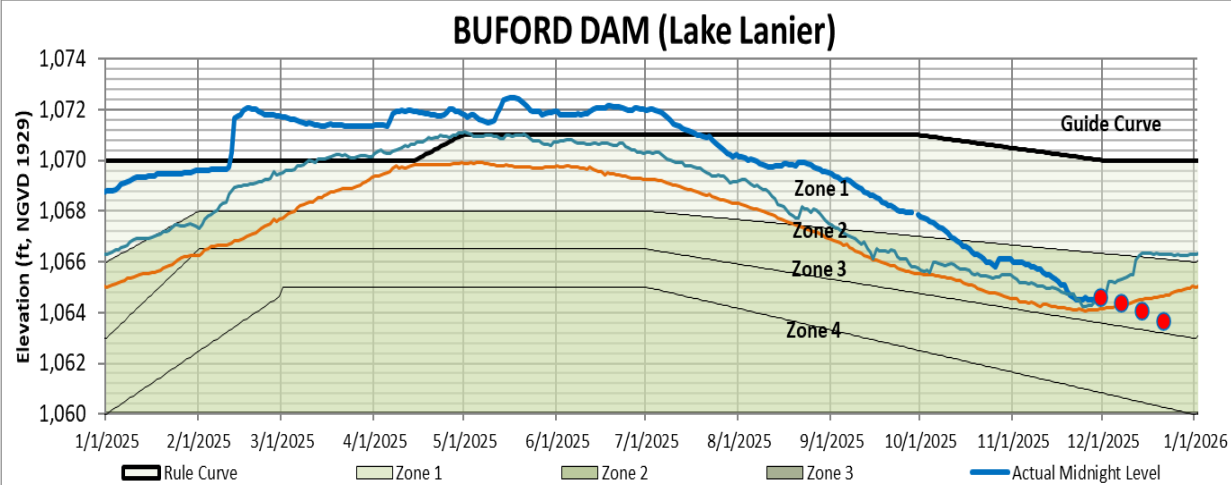
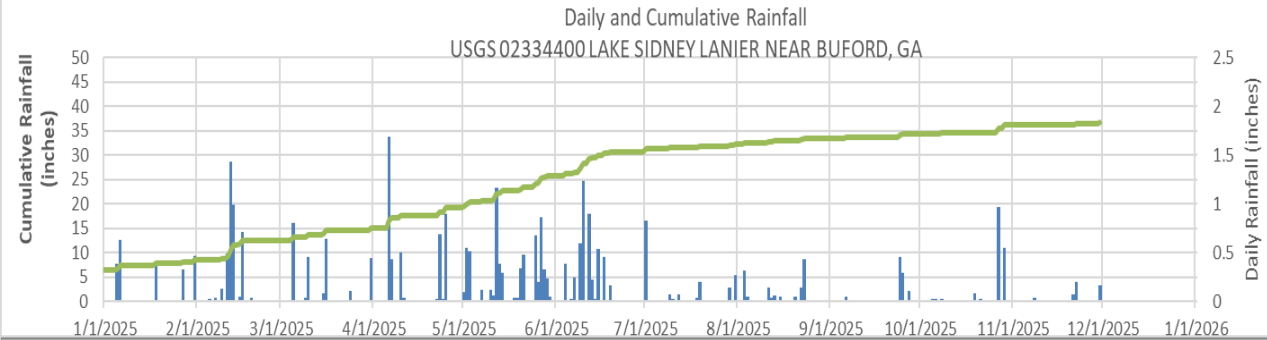




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APALACHICOLA-CHATTAHOOCHEE-FLINT (ACF) CURRENT AND FORECASTED CONDITIONS

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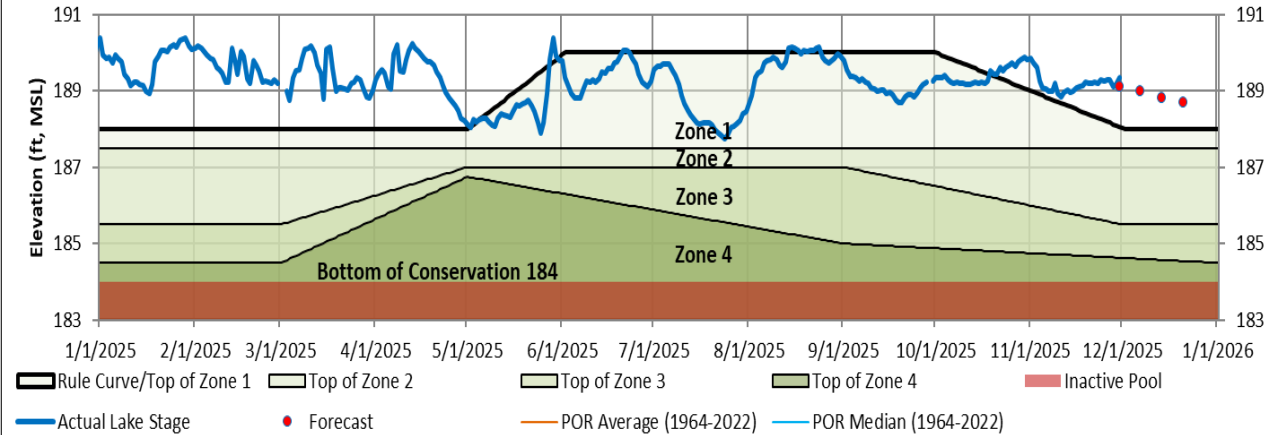
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APALACHICOLA-CHATTAHOOCHEE-FLINT (ACF) CURRENT AND FORECASTED CONDITIONS

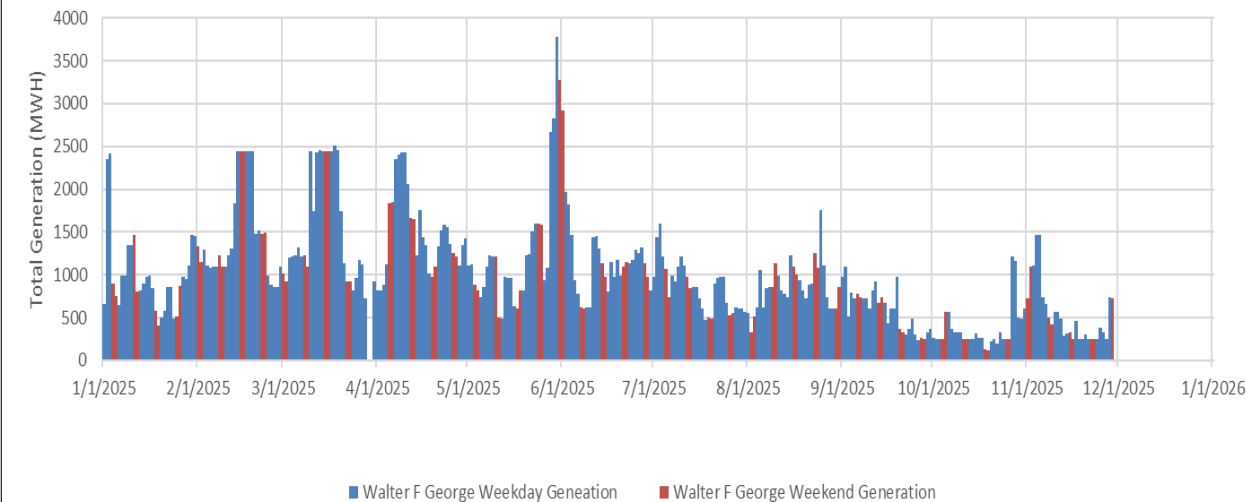
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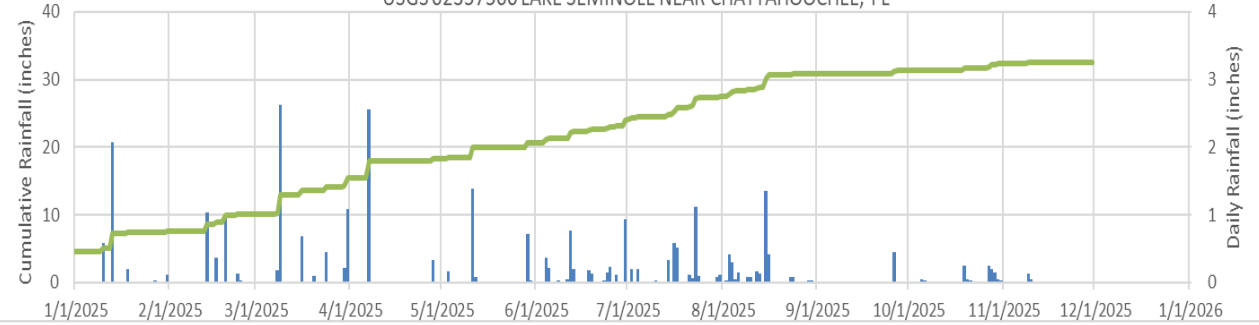
**W. F. GEORGE DAM
CHATTAHOOCHEE RIVER, GEORGIA**



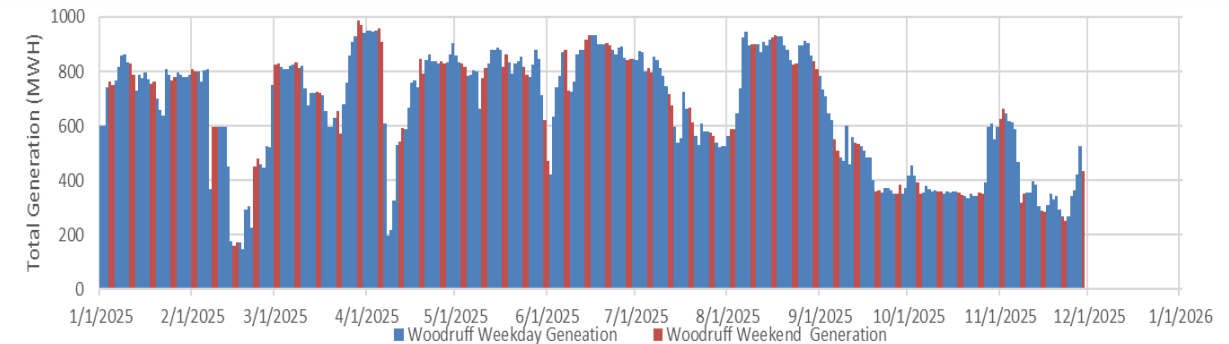
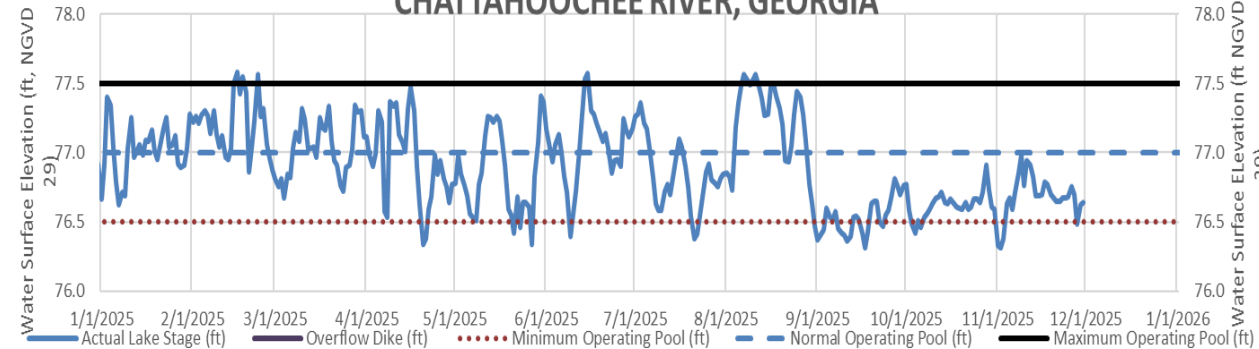
Walter F. George - Daily Gross Generation



**Daily and Cumulative Rainfall
USGS 02357500 LAKE SEMINOLE NEAR CHATTAHOOCHEE, FL**



**Jim Woodruff Lock and DAM
CHATTAHOOCHEE RIVER, GEORGIA**





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SAVANNAH RIVER BASIN

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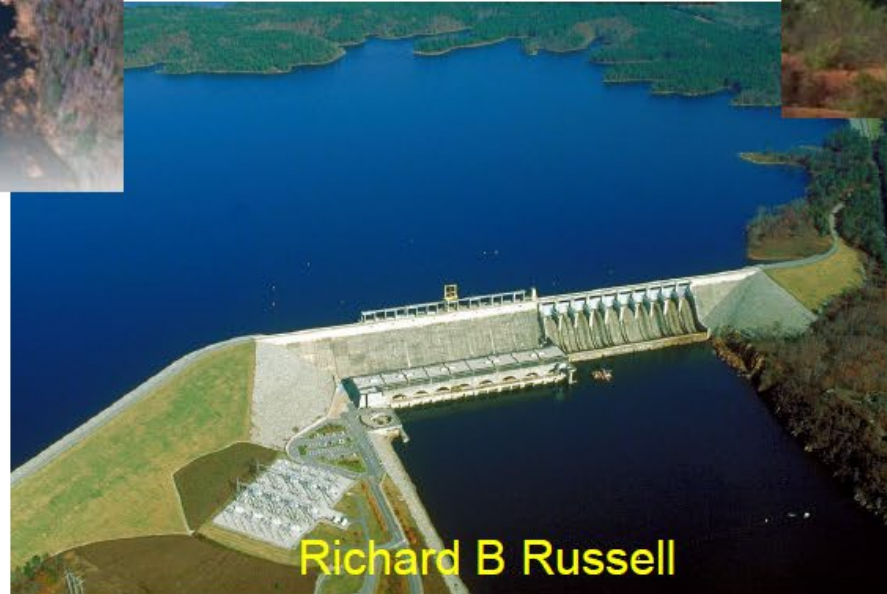
Hartwell



J Strom Thurmond



Richard B Russell



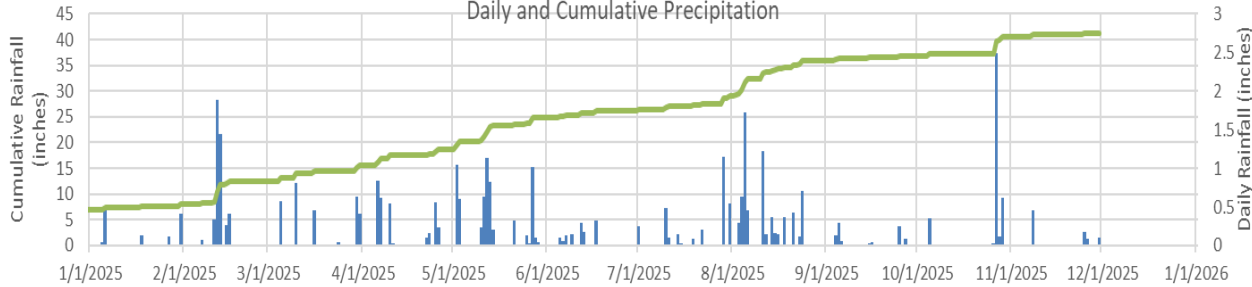
SAVANNAH RIVER CURRENT AND FORECASTED CONDITIONS



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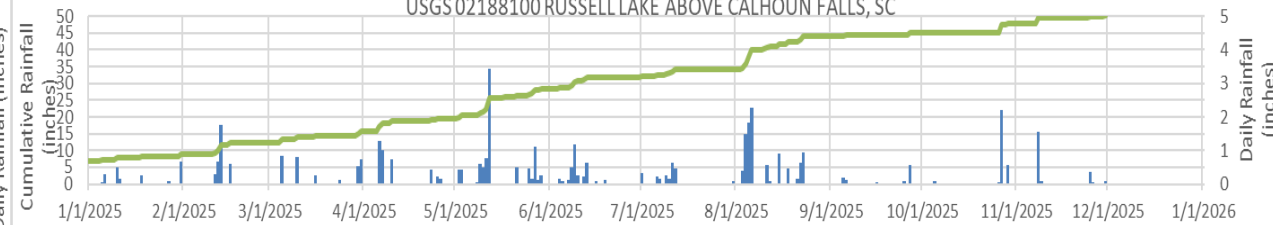
USGS 02187010 HARTWELL LAKE NEAR ANDERSON, SC

Daily and Cumulative Precipitation

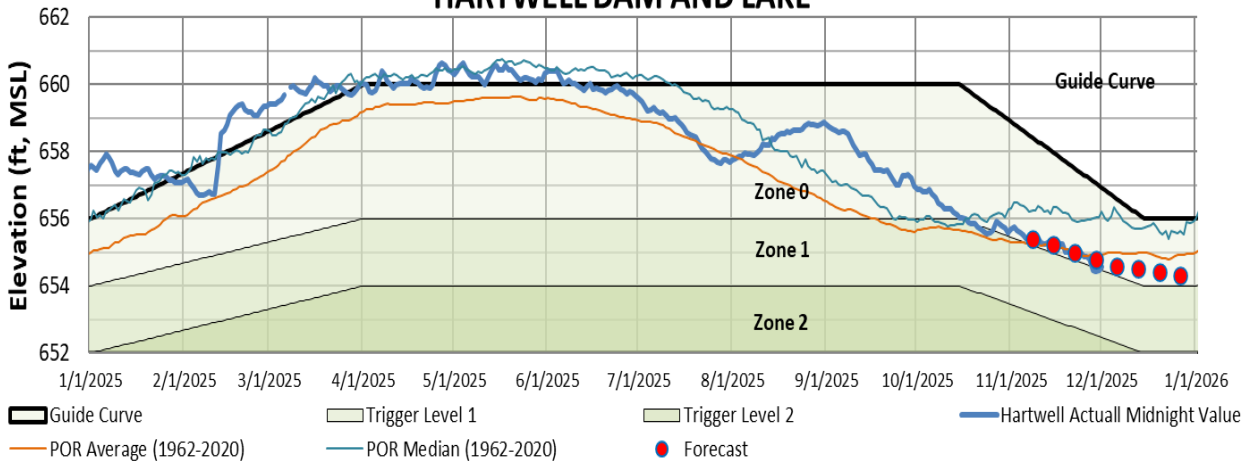


Daily and Cumulative Rainfall

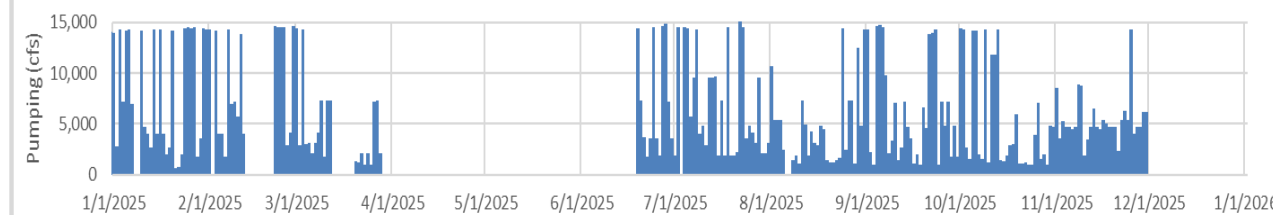
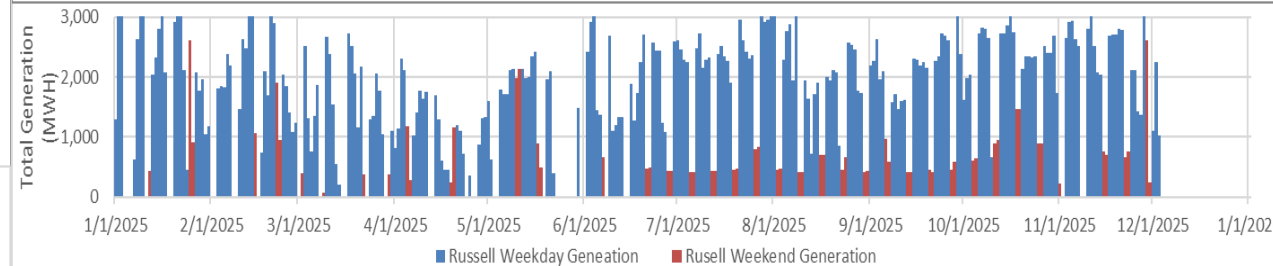
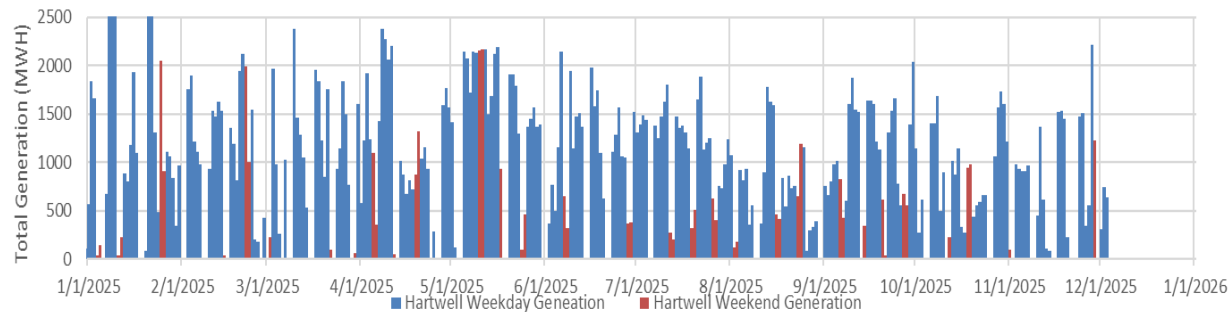
USGS 02188100 RUSSELL LAKE ABOVE CALHOUN FALLS, SC



HARTWELL DAM AND LAKE



Russell Dam and Lake

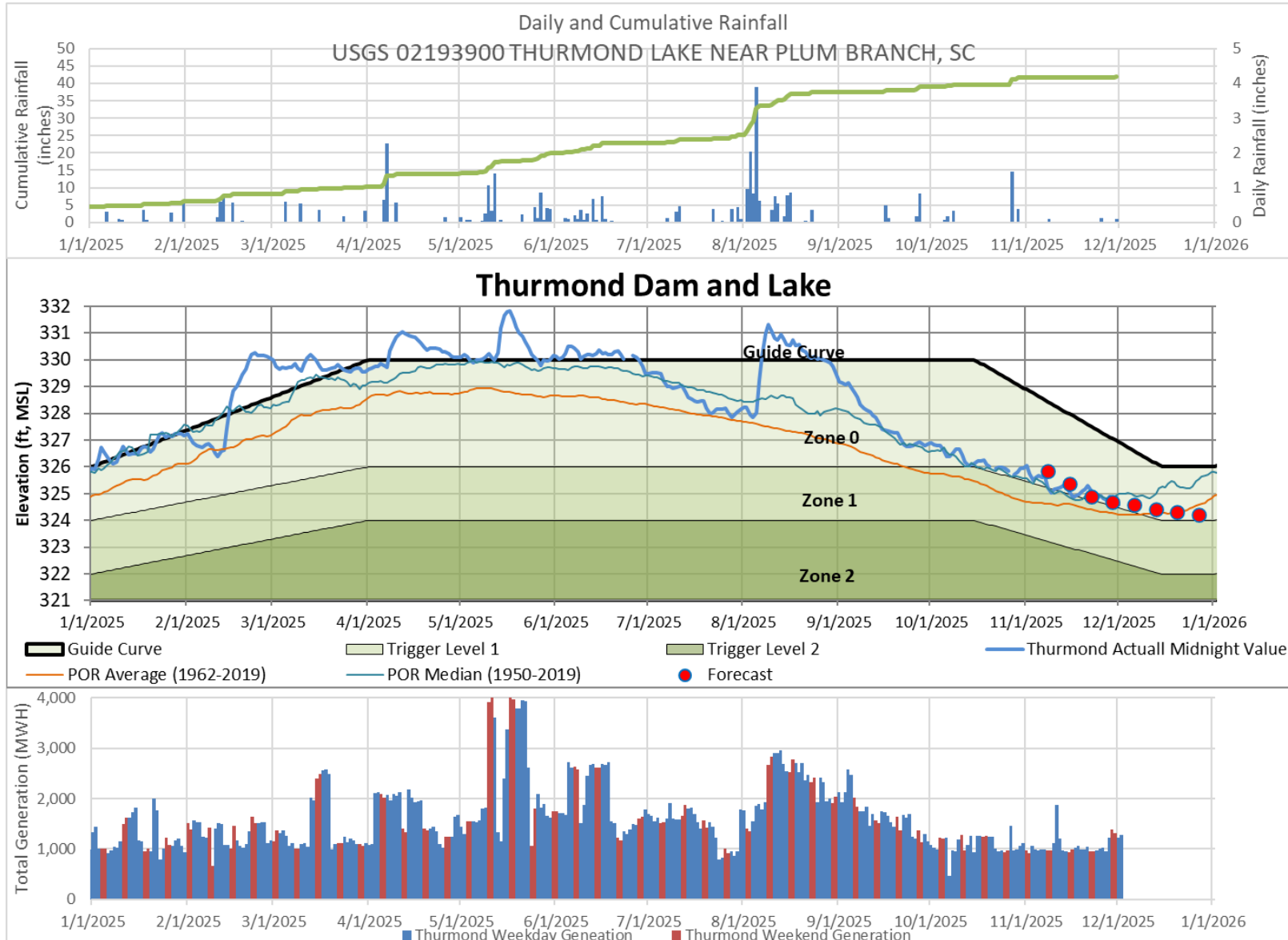




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SAVANNAH RIVER CURRENT AND FORECASTED CONDITIONS

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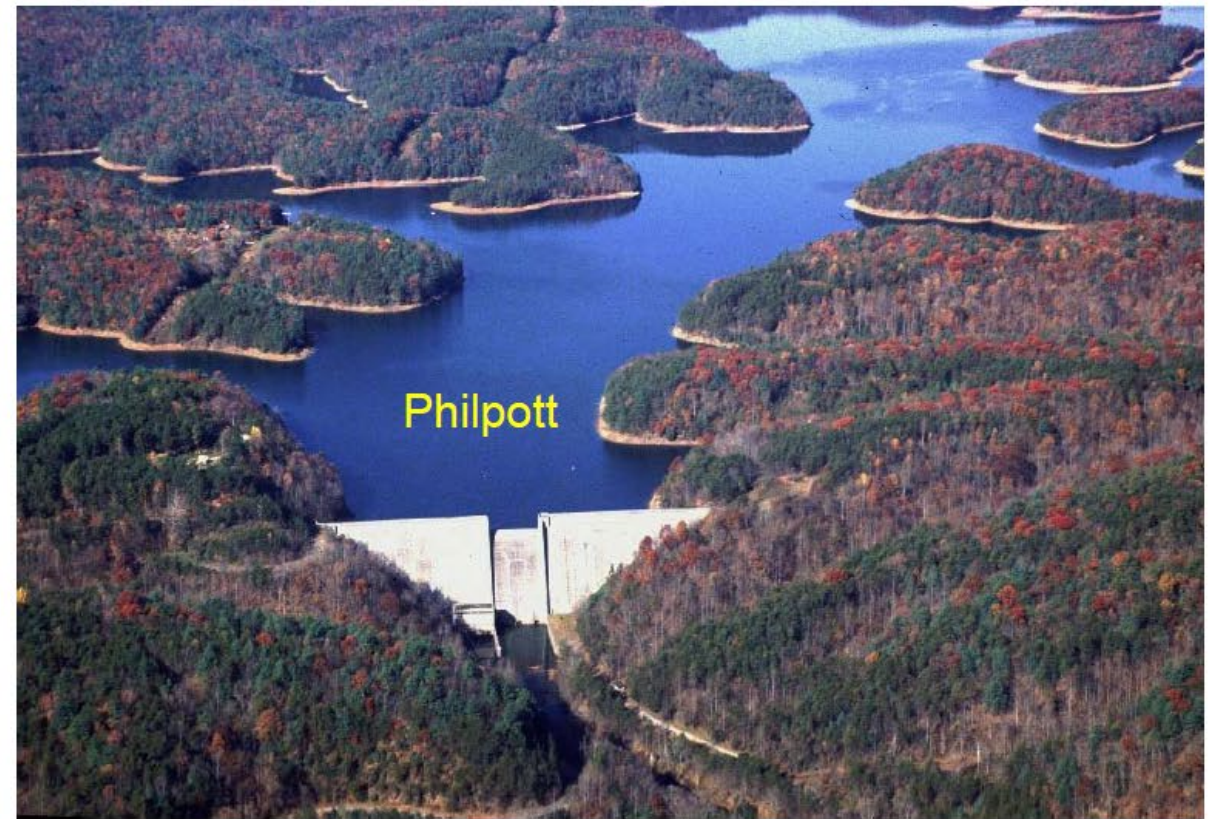




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ROANOKE RIVER BASIN

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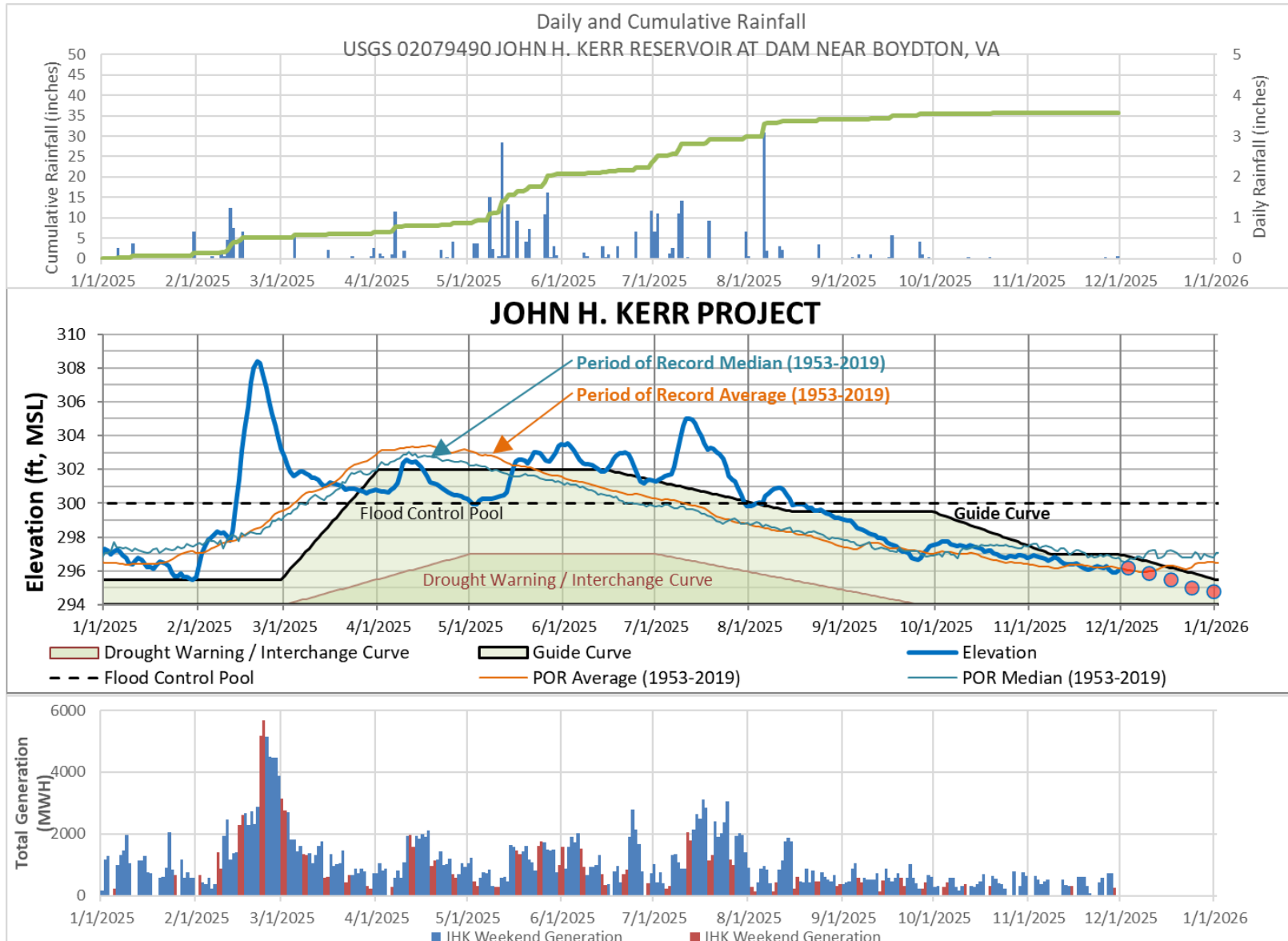


ROANOKE RIVER BASIN

CURRENT AND FORECASTED CONDITIONS



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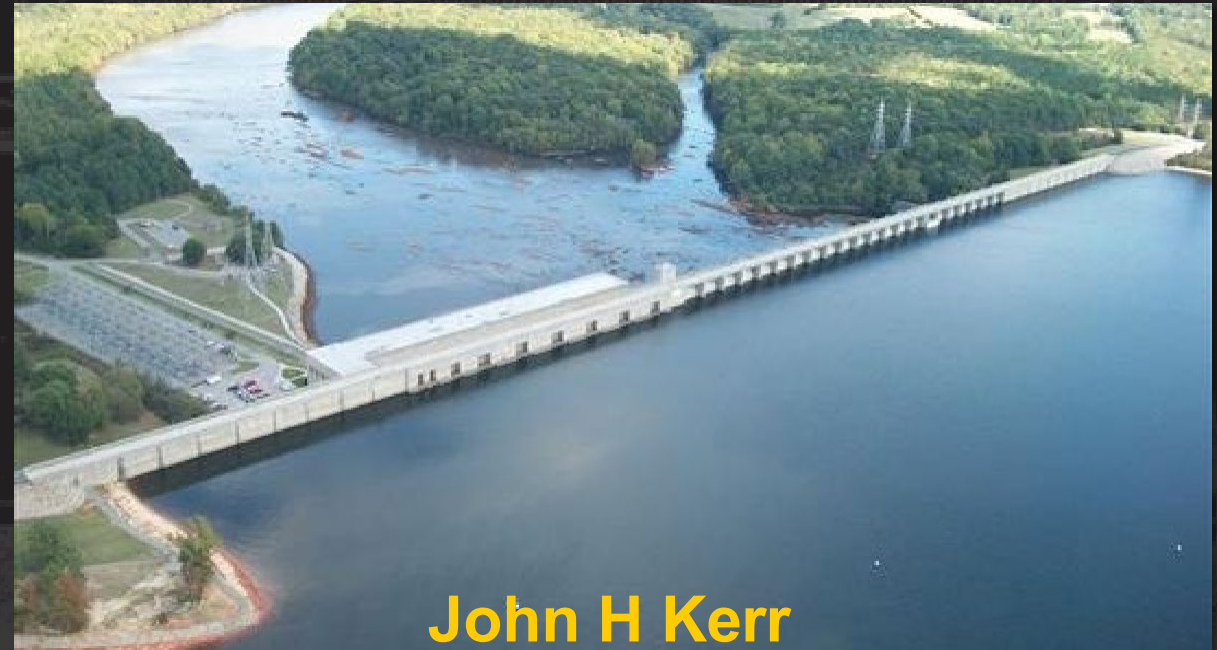
QUESTIONS

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SOUTHEASTERN FEDERAL POWER ALLIANCE WATER SUPPLY REALLOCATION STUDIES

Trent Ferguson, P.E.
Water Management
South Atlantic Division
2 December 2025



John H Kerr



Hartwell Dam



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HARTWELL LAKE WATER SUPPLY STORAGE REALLOCATION



- **Draft Hartwell Lake Integrated Water Supply Storage Reallocation Report and Environmental Assessment and FONSI**
- Public Comment Period
 - Started: 3 Nov 2025
 - Ends: 3 Dec 2025
- Team is currently addressing ATR comments
- **Upcoming Activities**
 - Policy and Legal Compliance Review (PLCR)– Starts 6 Jan 2026
 - Final Report Package approved at SAD – Targeted 27 Feb 2026
 - Signed Director's Report – 27 Jul 2026
- **District Engineer Recommendation**
 - Reallocation of 14,973 acre-ft of conservation storage (1.06% of the conservation pool)
 - Conversion of City of Washington's water withdrawal contract to a water supply storage agreement



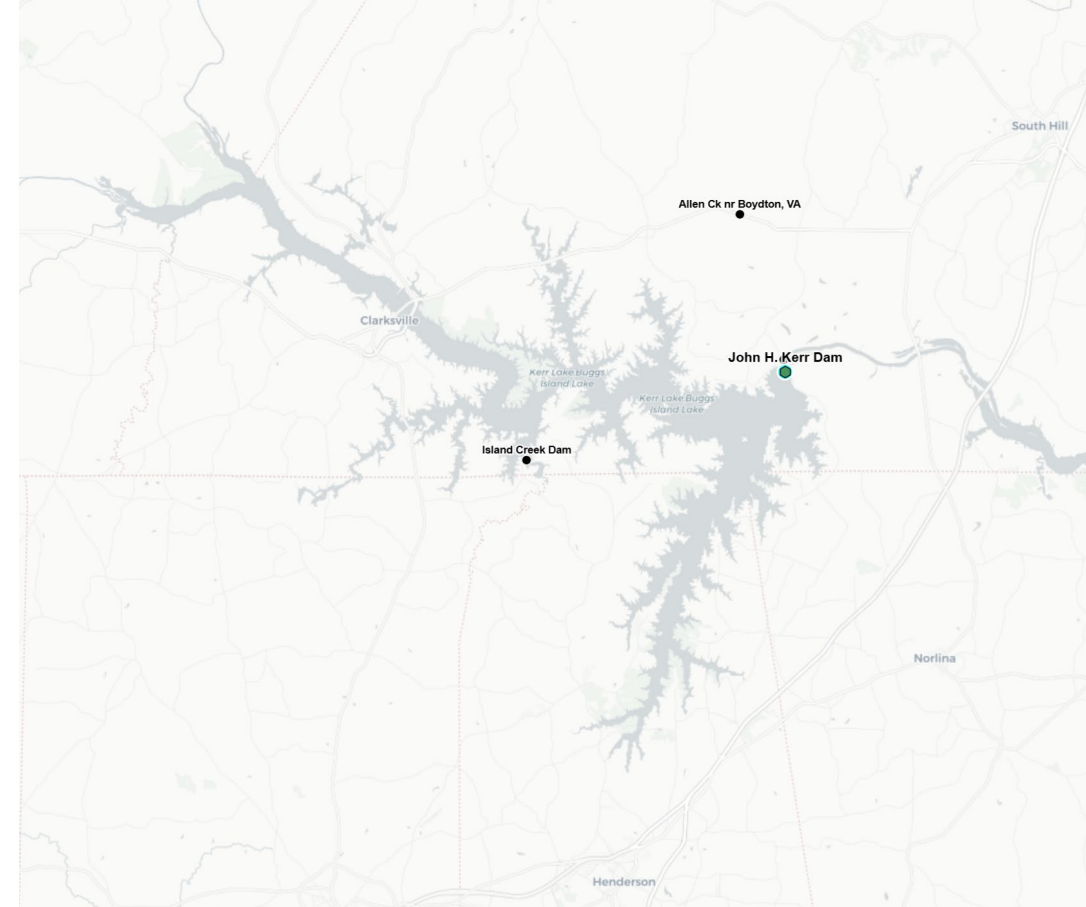
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JOHN H. KERR WATER REALLOCATION STUDY

37



- Franklin County currently purchases water withdrawn from Kerr reservoir through City of Henderson
- Franklin County has requested 10,000 acre-feet of storage (~1.05% of the conservation storage at John H. Kerr Reservoir)
- Franklin County has opted to fully fund the reallocation study.
- SAW has funds in hand, has developed the PDT, and will have official sponsor kickoff meeting 03 Dec 2025





SAD MAINTENANCE UPDATE SOUTHEASTERN FEDERAL POWER ALLIANCE

David Trawick, P.E.

**Project Manager, Hydropower Technical
Services Center**

U.S. Army Corps of Engineers

South Atlantic Division

December 2025



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Philpott Turbine & Generator Upgrade

Description/Scope:

- Generating unit rehab including new turbines, generator rewind generators, and upgrade or replacement of auxiliary components and equipment.
- Rehabilitated units to be uprated from 7.5 MVA to 9.3 MVA.
- Cost: \$28.8M



Milestone Name	Current Schedule
Advertise Solicitation	20-May-20 (A)
Close Solicitation	08-Dec-20 (A)
Award	29-Mar-21 (A)
Contractor Design	24-Dec-21
First Unit Complete	Jan-27
Second Unit Complete	Aug-27
Contract Completion	Oct-27

Status / Challenges / Way Ahead

Status:

- Intake Gates COMPLETE.
- Draft Tube Bulkheads COMPLETE.
- New Switchgear and Building AWARDED.
- Hillside repair schedule May-2026.
- Turbine Runners Manufacture COMPLETE.
- Stator Installs COMPLETE

Challenges:

- On-going concerns and coordination with hillside stabilization work
- Wicket gate casting non-conformities

Way Ahead:

- Monitor supply chain and equipment delivery schedule
- Close coordination within USACE and between contractors for Hillside and Turbine-Generator contractors.
- Re-Assemble Units



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Hartwell Units 3 & 4 Rewind

- Description/Scope:**
- Rewind Unit 3 and 4 Generators
 - Cost: \$21.9M



Status / Challenges / Way Ahead

Status:

- Coils & Laminations Fabrication COMPLETE.
- Unit 3 Sole Plate Repairs, Stator Circularity, Grout Repairs COMPLETE.
- Unit 3 Key Bars and Laminations Installation COMPLETE
- Unit 3 Winding Installation COMPLETE
- Condition Monitoring System and Vibration Monitoring System Install COMPLETE
- Contract Mod – Repair Lifting Beam, Bearing Oil Pot Cleaning, Cooling Water Pipe Cleaning, Concrete Walkway Repair, Painting

Challenges:

- Unexpected equipment conditions found during inspections.

Way Ahead:

- Reassemble and Commission Unit 3.
- Rewind Unit 4.

Milestone Name	Current Schedule
Advertise Solicitation:	11-Feb-20 (A)
Close Solicitation:	10-Jun-20 (A)
Award:	28-Aug-20 (A)
Contractor Design:	22-Mar-21 (A)
Unit 3 Manufacture:	23-Sep-21 (A)
Unit 3 Complete:	Feb-26
Unit 4 Complete:	Jan-27



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Millers Ferry Switchgear Installation

Description/Scope:

- Installation of new Government Furnished Switchgear
- Cost: \$3.1M



Milestone Name	Current Schedule
Award:	Sep-2023
Contractor On-Site:	Jul-2024
On-Site Work Complete	May-2025
Contract POP End	Jul-2025

Status / Challenges / Way Ahead

Status:

- Contract AWARDED Sep 2023
- Unit 1, 2 & 3 Switchgear and 15kV Cables INSTALLED
- Awaiting Final As-Built Drawings

Challenges:

- None

Way Ahead:

- Closeout contact once final submittal are received.
- Sub-Agreement Closeout to follow.



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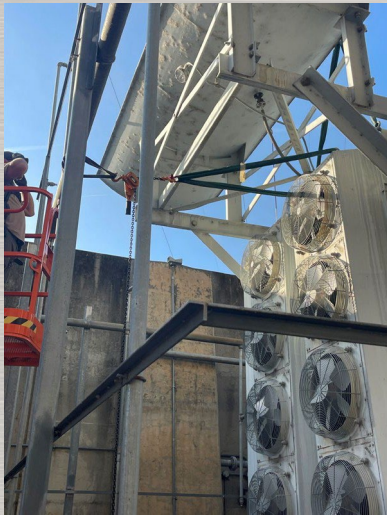
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GSU Transformer Repairs - Hartwell and J. Strom Thurmond

Description/Scope:

- Perform maintenance and repair of the GSU transformers including new gaskets/seals
- Cost: \$4.8M



Milestone Name	Current Schedule
JST T1 Complete	5-Sep-24 (A)
JST T4-5 Complete	16-Oct-24 (A)
JST T2-3 Complete	12-Nov-24 (A)
JST T6-7 Complete	13-Feb-25 (A)
HTW Start	2-Jun-25 (A)
HTW T2 Complete	3-Jul-25 (A)
HTW T1 Complete	2-Aug-25 (A)
HTW T3 Complete	11-Dec-25

Status / Challenges / Way Ahead

Status:

- TVA has completed all transformers at J. Strom Thurmond (T1, T2-3, T4-5, & T6-7).
- TVA has completed T1 and T2 at Hartwell. TVA is scheduled remobilize to Hartwell on 2 December 2025 to complete the work on T3.

Challenges:

- N/A

Way Ahead:

- Hartwell work will be complete in December 2025.
- Project Closeout

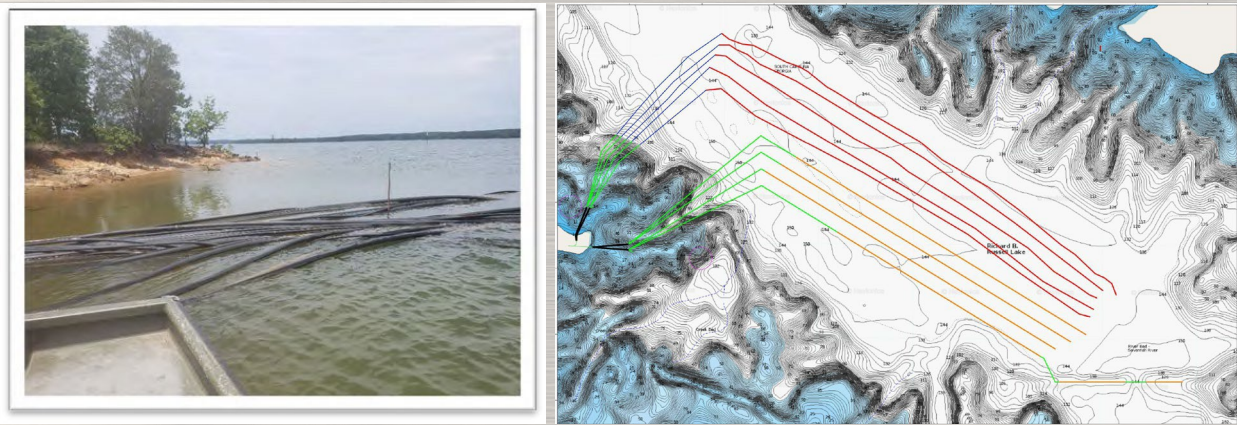


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Oxygen System Diffuser Replacement, Richard B. Russell

Description/Scope:
Design and replacement of the Richard B. Russell oxygen system diffuser lines
Cost: \$3M Federal / \$3.8M Customer Funds



Milestone Name	Current Schedule
Contract Award	23-Oct-24 (A)
65% Design Submission	28-Mar-25 (A)
Final Design Submission	17-Jun-25 (A)
Final Design Complete	28-Jul-25 (A)
Construction Start	6-Aug-25 (A)
Construction Complete	4-Oct-26

Status / Challenges / Way Ahead

- Status:**
- Final Design COMPLETE
 - Contractor mobilized on 4 August 2025 and construction started 6 August 2025.
 - Contractor currently offsite due to cooler weather approaching.
 - 4 supply lines have been rerouted and connected with old diffusers. Three new diffusers have been constructed and awaiting install in Spring 2026.
 - 4 new control valves have been installed on the rerouted lines.

- Challenges:**
- Individual line flow meters are currently out of calibration.
 - Cooler weather causing work to slow down.

- Way Ahead:**
- Contractor to remobilize in Spring 2026 when warmer weather returns.
 - Construction complete 4 October 2026.



SAD Generating Unit Assembly Lifting Devices

SCOPE:

Assessment and inspection of below-the-hook lifting devices; perform any needed repairs, modification, or replacement

SCHEDULE:

Milestone Name	Current Schedule
Assessments and Inspections	Dec-26
Contract Award	Dec-26
Project Complete	Dec-28

COST:

	GA-AL-SC (SA#34)	KP (SA#8)	Woodruff (SA#2)
Contracts	\$8,118,000	\$891,000	\$891,000
COE Labor	\$820,000	\$90,000	\$90,000
Contingency	\$902,000	\$99,000	\$99,000

New Projects

Excitation System Upgrades (SA #34)

SCOPE:

Digital retrofit of all Basler ECS-2100 exciters across the SAS and SAM districts, encompassing a total of seventeen units

SCHEDULE:

Milestone Name	Current Schedule
Technical Design Complete	Aug-26
Contract Award	Dec-26
Project Complete	Dec-28

COST:

- \$8M (\$6.5M Contracts + \$1.5M COE Labor)
- \$2M Contingency

Thurmond Excitation System Replacement (SA #34)

SCOPE:

Full replacement of exciters across the SAS and SAM districts, encompassing a total of seventeen units

SCHEDULE:

Milestone Name	Current Schedule
Technical Design Complete	Aug-26
Contract Award	Dec-26
Project Complete	Dec-29

COST:

- \$12M (\$10M Contracts + \$2M COE Labor)
- \$3M Contingency



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QUESTIONS?



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Southeastern Power Administration

Southeastern Federal Power Alliance

Post Retirement Benefits Contribution Restatements
(CSRS/Workers Comp)

Carter Edge

12/2/2025



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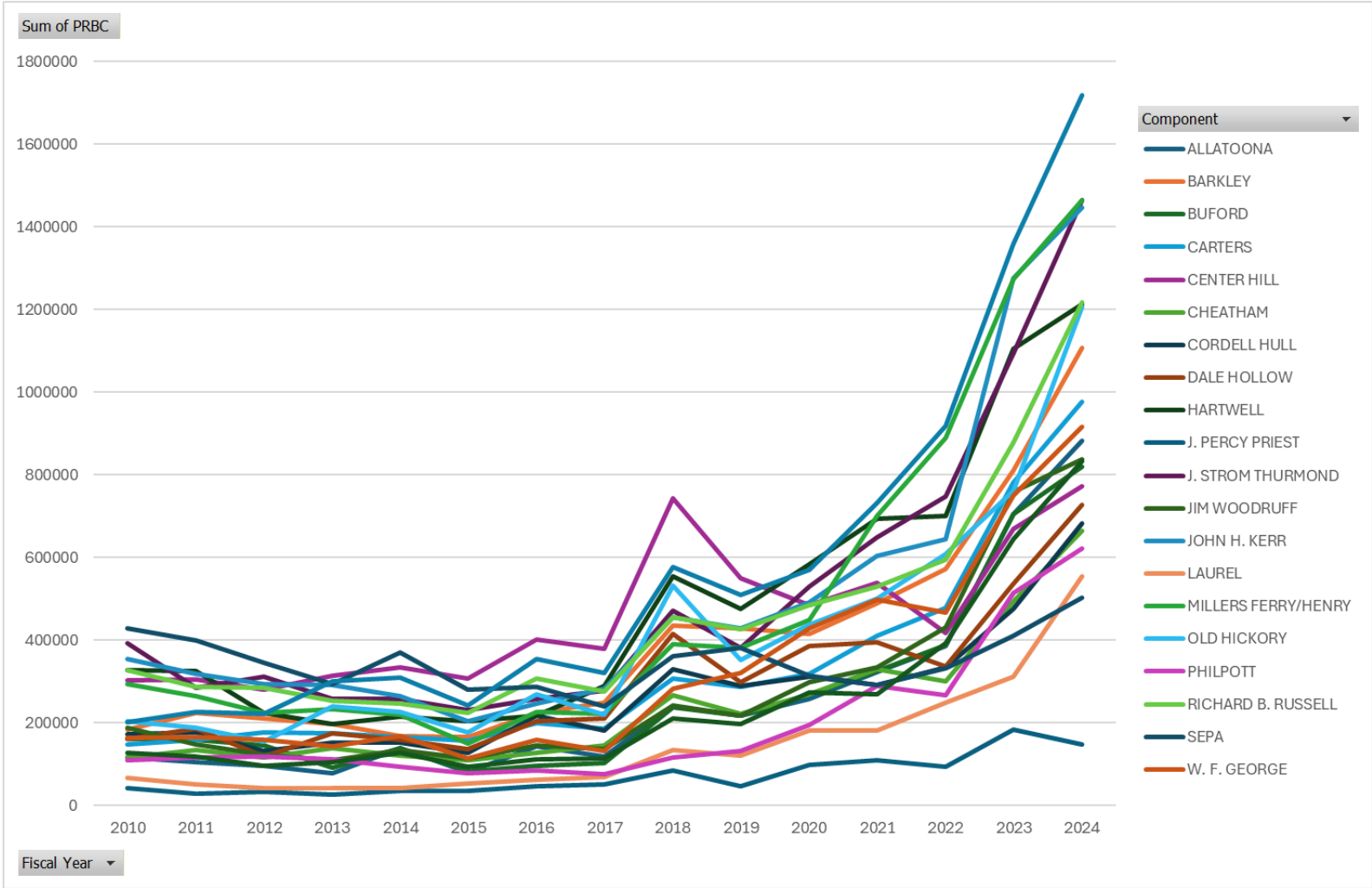
Southeastern Power
Administration

Post Retirement Benefits: Retirement Costs

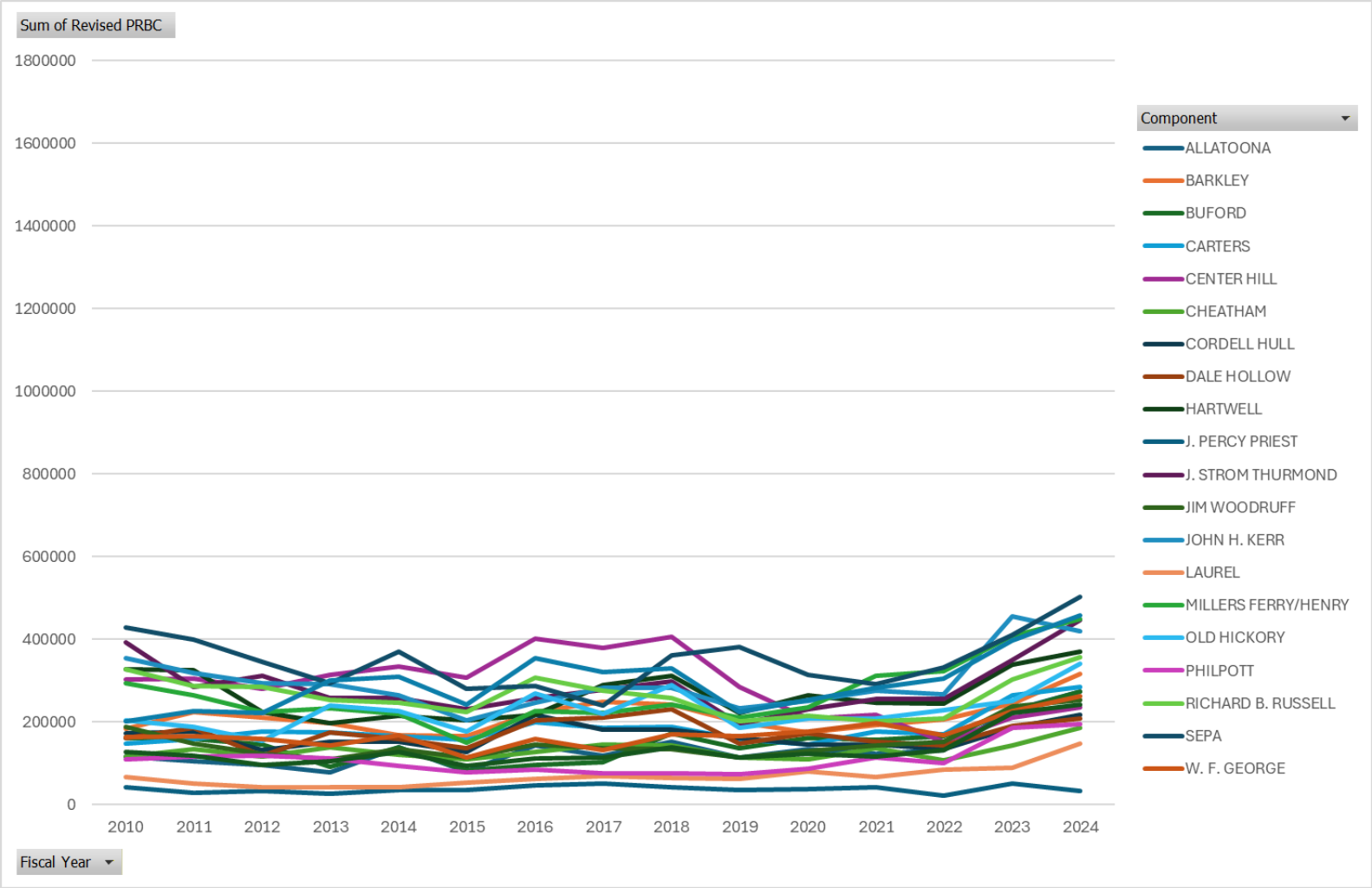
- Employees engaged in Southeastern Federal Power Program activities participate in either the Civil Service Retirement System (**CSRS**) or the Federal Employees' Retirement System (**FERS**).
- The **contribution levels**, as legislatively mandated, **do not reflect the total current cost/full cost** requirements to fund the pension plans. Thus, additional sources of funding including direct appropriations to OPM, not Southeastern or the Corps are provided by Congress.
- This expense is **recovered from power customers** through the future sale of power as an O&M **current expense**.



Post Retirement Benefits: Pre-Restatement Trend



Post Retirement Benefits: Revised Trend



Post Retirement Benefits: FEHB & FEGLI

- Other retirement benefits administered by OPM include the Federal Employees Health Benefits Program and the Federal Employee Group Life Insurance Program.
- Just like the pension benefit, OPM defines per employee values to be imputed annually.
- No errors have been identified, however there has been a significant increase in FEHB costs over the last decade.



Priority of Revenue Application

- **Priority of Revenue Application –**

- Annual revenues will be first applied to the following recovery of costs during the year in which they are incurred:
 - operation and maintenance (O&M),
 - purchased and exchange power,
 - transmission service and other, and
 - interest expense

- **Remaining revenues** are available for amortization and shall be applied first to unpaid or deferred annual expense, if any, and then to the Federal investment.

- Revenue Available for Repayment
- Capitalized Deficit



Interest Expense

- Interest expense is calculated for **each year of repayment** and is determined by:
 - 1) Applying the applicable interest rate to each estimated unamortized power investment at the beginning of the year; plus
 - 2) Applying the applicable interest rate to power investments (i.e., additions and replacements) placed in service during the year; plus
 - 3) Applying the applicable interest rate to capitalized unpaid or deferred annual expense, if any.
- This interest expense is applied at the end of the year in an annual reconciliation and an interest credit is offset against the expense to account for payments being deposited to the US Treasury throughout the year.
- The restatement of annual PRBCs impact revenue. -> requiring re-calculation of revenue available for repayment; of interest, and; of End-of-Year reconciliations



FY2025 Independent Audit

- KPMG is performing the independent audit of the consolidated financial statements again this year.
- SEPA has received revised PRBC's back to FY2016 from each of the four Corps Districts and are working through the required reconciliations.
- It is expected that KPMG will test the revised FY2024 statements, including revised PRBC calculations from the Corps as part of the FY2025 audit fieldwork.
- There may be extra expense and/or time required to complete the audit this year.





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Southeastern Power Administration