



United States Department of Energy
Southeastern Power Administration
1166 Athens Tech Road
Elberton, Georgia 30635

January 28, 2026

To All Customers of Southeastern Power Administration's (Southeastern) Kerr-Philpott System:

Rate Schedules for the Kerr-Philpott System provide for an annual adjustment to capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment. The annual adjustment is to be implemented on April 1 of the next fiscal year. Southeastern is required to provide written notice of the annual adjustment to the capacity and energy charges by February 1 of each year. The purpose of this letter is to provide such notice.

The attached worksheet shows the net revenue available for repayment annual adjustment for Fiscal Year 2025. The planned cumulative net revenue for repayment for Fiscal Year 2025 was projected to be \$360,000. The actual cumulative net revenue available for repayment is \$1,254,062.

To ensure revenue targets are met for the repayment of federal investment, the capacity and energy rates for the period April 1, 2026, through March 31, 2027, will remain as follows:

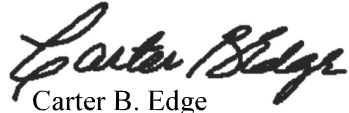
Capacity:	\$5.71	per kilowatt per month
Energy:	21.83	mills per kilowatt-hour

In addition to the base capacity and energy charges, customers for whom Duke Energy Progress schedules power (Rate Schedule DEP-1-E) are charged monthly transmission and distribution charges based on their proportionate shares of the total paid monthly by Southeastern to Duke Energy Progress. Customers to whom power is transmitted through Virginia Electric and Power Company or American Electric Power Service Corporation and their Transmission Operator, PJM, (Rate Schedules NC-1-E, VA-1-E or VA-2-E) are charged monthly transmission and/or ancillary service charges based on their proportionate shares of the total paid monthly by Southeastern to PJM. All customers of the Kerr-Philpott System are charged a monthly tandem transmission charge based on the monthly charges paid by Southeastern to PJM for transmission of power from the Philpott Project to the border of the Virginia Electric and Power Company System and the John H. Kerr Project to the border of the Duke Energy Progress System. Transmission and Tandem Transmission Rates are part of the Total Capacity Rate on monthly invoices from Southeastern and the Ancillary charges are part of the Total Energy Rate shown on the monthly invoices.

Charges for transmission and ancillary services by Duke Energy Progress and PJM are governed by proceedings before the Federal Energy Regulatory Commission and their respective Open Access Transmission Tariffs. Any changes in rates, charges or credits which are processed on the monthly statements to Southeastern are passed through on customers' monthly invoices.

If you should have any questions, please contact Alexa Webb at 706-213-3841 or alexa.webb@sepa.doe.gov.

Sincerely,

A handwritten signature in black ink, reading "Carter B. Edge". The signature is written in a cursive style with a large initial "C".

Carter B. Edge
Assistant Administrator for
Finance & Marketing

Attachment

KERR-PHILPOTT SYSTEM
True-Up FY 2025
Rates effective April 1, 2026 to March 31, 2027

FY 2025 Planned Cumulative Net Revenue for Repayment	\$	\$360,000
FY 2025 Actual Cumulative Revenue Available for Repayment	\$	\$1,254,062
FY 2025 Over Recovery		<u>-\$894,062</u>
Over Recovery (rounded)	\$	-\$900,000

Base Capacity Rate	\$/kW/month	5.71
Capacity Rate April 1, 2026 to March 31, 2027	<u>\$/kW/month</u>	<u>5.71</u>

Base Energy Rate	mills/kWh	21.83
Energy Rate April 1, 2026 to March 31, 2027	<u>mills/kWh</u>	<u>21.83</u>

For each inc/dec of \$100,000 in Net Revenue Available for Repayment, Capacity inc/dec \$0.02 kilowatt per month to a maximum of \$0.75 per kilowatt per month, but not reduced below the initial base Capacity charge set in the rate filing. Energy inc/dec 0.10 mills per kilowatt-hour to a maximum of 3.0 mills per kilowatt per hour, but not reduced below the initial base Energy charge set in the rate filing.