

DEPARTMENT OF ENERGY**Southeastern Power Administration****Proposed Rate Adjustment, Public Forum, and Opportunities for Public Review and Comment for Georgia-Alabama-South Carolina System of Projects**

AGENCY: Southeastern Power Administration, DOE.

ACTION: Notice of proposed rate.

SUMMARY: Southeastern Power Administration (Southeastern) proposes to revise existing schedules of rates and charges applicable to the sale of power from the Georgia-Alabama-South Carolina System of Projects effective for a 4-year period, October 1, 2003, through September 30, 2007. Additionally, opportunities will be available for interested persons to review the present rates, the proposed rates and supporting studies, to participate in a forum and to submit written comments. Southeastern will evaluate all comments received in this process.

DATES: Written comments are due on or before July 15, 2003. A public information and comment forum will be held in Atlanta, Georgia, at 10 a.m., on May 29, 2003. Persons desiring to speak at the forum should notify Southeastern at least 3 days before the forum is scheduled, so that a list of forum participants can be prepared. Others may speak if time permits.

ADDRESSES: Written comments should be submitted to: Administrator, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia, 30635-6711. The public information and comment forum for the Georgia-Alabama-South Carolina System of Projects will be at the Westin Atlanta Airport, 4736 Best Road, Atlanta, Georgia (404) 762-7676.

FOR FURTHER INFORMATION CONTACT: Leon Jourolmon, Assistant Administrator, Finance & Marketing, Southeastern Power Administration, Department of Energy, 1166 Athens Tech Road, Elberton, Georgia, 30635, (706) 213-3800.

SUPPLEMENTARY INFORMATION: The Secretary of the Department of Energy (the Secretary), by order issued July 25, 2002 (67 FR 51564), confirmed and approved on an interim basis Wholesale Power Rate Schedules SOCO-1-A, SOCO-2-A, SOCO-3-A, SOCO-4-A, ALA-1-J, MISS-1-J, Duke-1-A, Duke-2-A, Duke-3-A, Duke-4-A, Santee-1-A, Santee-2-A, Santee-3-A, Santee-4-A, Pump 1-A, Pump-2, and Regulation-1

applicable to Georgia-Alabama-South Carolina System of Projects' power for a period ending September 30, 2007.

These rate schedules have been submitted to the Federal Energy Regulatory Commission (FERC) in Docket No. EF02-3011-000 with a request for approval on a final basis.

Discussion: Existing rate schedules are predicated upon a June 2002 repayment study and other supporting data contained in FERC Docket No. EF02-3011-000. The current repayment study prepared in March 2003 shows that existing rates are not adequate to recover all costs required by present repayment criteria. Southeastern is proposing to establish rates that will recoup these unrecovered costs.

Existing rates for the Georgia-Alabama-South Carolina System have been in effect since October 1, 2002. Rates contained in FERC Docket No. ER02-3011-000 are predicated on a repayment study that did not include costs associated with pumped storage units at the Richard B. Russell project. Construction of the Russell pumped storage units was completed in 1993; however, U. S. District Court in Charleston, South Carolina, had issued an injunction prohibiting operation of these units. The injunction was entered on May 24, 1988. On May 3, 2002, the court dissolved this injunction. The Corps of Engineers declared these units commercially available on September 1, 2002. As of this date, Southeastern must include these costs in its costs for recovery.

Southeastern is proposing the following rate schedules to be effective for the period from October 1, 2003 through September 30, 2007.

Rate Schedule SOCO-1-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled and scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated.

Rate Schedule SOCO-2-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power may be wheeled pursuant to contracts between the Government and Southern Company Services, Incorporated. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule SOCO-3-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida to whom power

may be scheduled pursuant to contracts between the Government and Southern Company Services, Incorporated. The customer is responsible for providing a transmission arrangement.

Rate Schedule SOCO-4-B

Available to public bodies and cooperatives in Georgia, Alabama, Mississippi, and Florida. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule ALA-1-K

Available to the Alabama Electric Cooperative, Incorporated.

Rate Schedule MISS-1-K

Available to the South Mississippi Electric Power Association to whom power may be wheeled pursuant to contract between the Government and Alabama Electric Cooperative, Inc.

Rate Schedule Duke-1-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the Government and Duke Power Company.

Rate Schedule Duke-2-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be wheeled pursuant to contracts between the Government and Duke Power Company. The customer is responsible for providing a scheduling arrangement with the Government.

Rate Schedule Duke-3-B

Available to public bodies and cooperatives in North Carolina and South Carolina to whom power may be scheduled pursuant to contracts between the Government and Duke Power Company. The customer is responsible for providing a transmission arrangement.

Rate Schedule Duke-4-B

Available to public bodies and cooperatives in North Carolina and South Carolina served through the transmission facilities of Duke Power Company. The customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement.

Rate Schedule Santee-1-B

Available to public bodies and cooperatives in South Carolina to whom power may be wheeled and scheduled pursuant to contracts between the