

Repayment of Emergency Purchase Power and Wheeling Costs
Administrator's Policy Statement
Southeastern Power Administration

The President's budget proposal for FY 2008 directs the Southeastern Power Administration to move towards implementing a policy that recovers from ratepayers all future emergency Purchase Power and Wheeling (PPW) costs funded through the Continuing Fund within one year from the time costs are incurred.

Southeastern's rates already recover emergency power purchase costs for the majority of its hydroelectric systems within the fiscal year that costs are incurred. The 2008 Budget includes an initiative to extend this practice to all Southeastern hydroelectric systems. This change assures that emergency PPW costs are recovered in a timely manner with minimal deficit impact, and continues to be consistent with sound business principles.