August 28, 2015

BY ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
Office of the Secretary
888 First Street, N.E.
Washington, D.C. 20426

Re: Docket No. ER14-268
Summary Report Regarding 2014 True-Up Informational Filing for Attachment U
Direct Assignment Facilities Annual Charges under Southern Companies’ Open
Access Transmission Tariff

Dear Secretary Bose:

Southern Company Services, Inc., on behalf of Alabama Power Company, Georgia Power
Company, Gulf Power Company, and Mississippi Power Company (collectively, “Southern
Companies”), hereby submits this summary information report associated with its 2014 True-Up
Informational Filing for Attachment U Direct Assignment Facilities Annual Charges (“2014
Direct Assignment Facilities True-Up Summary Report”). The 2014 Direct Assignment Facilities True-Up
Informational Filing was submitted to the Federal Energy Regulatory Commission (“FERC” or
“Commission”) in the above-referenced docket under Southern Companies’ Open Access
Transmission Tariff (Tariff Volume No. 5) (“OATT” or “Tariff”) on May 1, 2015 (“2014
Direct Assignment Facilities True-Up Filing”).1 As discussed in more detail below, Southern Companies are
submitting this 2014 Direct Assignment Facilities True-Up Summary Report in order to provide the
Commission with information concerning the adjustments to the calculation of such Direct Assignment
Facilities charges for 2014 (as set forth in the 2014 Direct Assignment Facilities True-Up Filing) that
were made during the informal review period and to inform the Commission of the final Direct
Assignment Facilities charges for 2014.

1 See Docket No. ER14-268, Southern Companies’ “2014 True-Up Informational Filing for Attachment U Direct Assignment Facilities
Annual Charges under Southern Companies’ Open Access Transmission Tariff” (submitted May 1, 2015).
I. BACKGROUND

On November 1, 2013, Southern Companies amended their Tariff to, among other things, adopt Attachment U (“Direct Assignment Facilities Annual Charges Manual”) and revise Attachment N. In Attachment U, a formula rate is used to derive charges for the ongoing costs associated with the ownership, operation and maintenance of physically radial transmission facilities at both the bulk transmission level (i.e., above 44/46 kV) and at the subtransmission level (i.e., at 44/46 kV) that are installed in 2011 or thereafter for the benefit of, and directly assigned to, certain wholesale transmission customers. In accordance with the Tariff, on or before November 1st of each year, Southern Companies submit an informational filing to the Commission that updates the charges that will apply under the Direct Assignment Facilities Charges Manual for the upcoming January 1st through December 31st period (a “Rate Year”). These annual informational filings calculate charges for the upcoming Rate Year using projected costs as budgeted for the Rate Year.

Such charges are ultimately reconciled to charges based on actual costs pursuant to the true-up procedures set forth in the Tariff at Attachment N and Attachment U. Specifically, Attachment N and Attachment U provide that on or before May 1st of the year immediately subsequent to the Rate Year, Southern Companies will make a true-up informational filing that calculates actual charges for the Rate Year, based on actual costs, loads, and other inputs that apply under the Direct Assignment Facilities Annual Charges Manual for the Rate Year (“Direct Assignment Facilities True-Up Informational Filing”). Direct Assignment Facilities True-Up Informational Filings form the basis upon which Southern Companies calculate over- or under-collection of the actual charges and, to the extent necessary, pay refunds to or collect surcharges from affected customers.

In parallel, upon making the Direct Assignment Facilities True-Up Informational Filing, the procedures contained in Attachment N permit OATT customers and other interested parties to engage in an informal review period over the ensuing three months, during which OATT customers and other interested parties have an opportunity to make reasonable inquiries and requests for data in order to confirm the information contained in the Direct Assignment Facilities True-Up Informational Filing (“Informal Review Period”). If any matters arise during such Informal Review Period that necessitate changes to the charges that were calculated and reported in the Direct Assignment Facilities True-Up Informational Filing (upon which July 1st refunds or surcharges were based), Southern Companies make such billing adjustments and issue additional refunds or surcharges after the close of the Informal Review Period. On or before August 31st, Southern Companies provide to the Commission a summary

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2 The Commission, in a letter order issued December 20, 2013 in FERC Docket No. ER14-268, accepted the new Attachment U and a revised Attachment N for filing, subject to certain modifications to Attachment N. Such changes were effective January 1, 2014. On February 19, 2014, the Commission issued a letter order accepting for filing the revised Attachment N. See FERC Docket No. ER14-268.
3 See OATT Attachment N, Section 1(e); Attachment U, Section 1.2.
4 See OATT Attachment N, Section 2(a); Attachment U, Section 1.3.
5 See OATT Attachment N, Sections 2(c) and 2(d).
II. DESCRIPTION AND CONTENTS OF INSTANT FILING

Southern Companies submit this 2014 Direct Assignment Facilities True-Up Summary Report in order to provide the Commission with information concerning the adjustments to the calculation of the Direct Assignment Facilities charges for 2014 that were made following the 2014 Direct Assignment Facilities True-Up Filing on May 1, 2015. Specifically, Southern Companies’ have enclosed (as Attachment A to this transmittal letter) a summary report that shows: (i) the charges for 2014 direct assignment transmission radial facilities as calculated in the 2014 Direct Assignment Facilities True-Up Filing; (ii) the adjustments to the 2014 Direct Assignment Facilities True-Up Filing that were made following the May 1, 2015 filing; and (iii) the final charges resulting from such adjustments for Direct Assignment Bulk Transmission Radial facilities (voltage levels above 44/46 kV) and for Direct Assignment Subtransmission Radial Facilities (voltage levels at 44/46 kV) for the period of January 1, 2014, through December 31, 2014. Affected customers’ billings will be adjusted by such amounts, and Southern Companies will refund or surcharge, as applicable, the difference between the final charges set forth in the attached 2014 Direct Assignment Facilities True-Up Summary Report and those contained in the 2014 Direct Assignment Facilities True-Up Filing as soon as practicable.

III. Request for Waiver of Filing Requirements

This 2014 Direct Assignment Facilities True-Up Summary Report is being provided consistent with the True-Up Report Order.\(^7\) Southern Companies’ Tariff clarifies that Direct Assignment Facilities True-Up Filings made under the OATT are not rate changes under Section 205 of the Federal Power Act.\(^8\) Moreover, the instant submittal is just an informational report made to ensure that the Commission is “informed of the operation of Southern’s formula rate and what impact [the final true-up] has on customers.”\(^9\) Thus, the Commission’s filing regulations are not applicable. If, however, the Commission determines that additional regulations or filing requirements apply, Southern Companies respectfully request waiver of any such regulations or requirements that are not satisfied by the enclosed information.

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\(^6\) See Southern Company Services, Inc., 111 FERC ¶ 61,199 at P 9 (2005); order granting request for clarification, 112 FERC ¶ 61,035 at P 3 (2005) (“True-Up Report Order”); (establishing the process whereby Southern Companies provide a True-Up Summary Report summarizing all of the charges to billings under Attachment M to the OATT, which provides the formula rate used to calculate charges for transmission delivery service thereunder, that were made during the course of the Informal Review Period). The True-Up Report Order contemplates that the True-Up Summary Report will contain charges, as adjusted pursuant to the informal review process, for the applicable Rate Year and that the True-Up Summary Report will be filed by August 31\(^8\) of each year. While the True-Up Report Order was issued prior to Southern Companies’ adoption of Attachment U and, therefore, only directly addresses the Attachment M true-up filing process, the rationale provided in that order for requiring the provision of a final true-up report to the Commission appears to apply equally to the Direct Assignment Facilities True-up Informational Filings made by Southern Companies for purposes of Attachment U. Accordingly, Southern Companies are hereby providing the instant report.

\(^7\) True-Up Report Order, 111 FERC ¶ 61,199 at P 9; see also note 6, supra.

\(^8\) See OATT Attachment N, Sections 1(e), 2(a); Attachment U, Section 1.3.

IV. Miscellaneous

Should additional information be required or if you have questions concerning this informational report, please contact the undersigned attorney at the earliest possible date so that such matters can be addressed expeditiously.

Sincerely,

/s/ Andrew W. Tunnell
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Attorney for Southern Company Services, Inc.

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Enclosure (as stated)

cc: Network Integration Transmission Service Customers (by electronic mail)

10 In addition, the 2014 Direct Assignment Facilities True-Up Summary Report is being posted on OASIS and copies of this 2014 Direct Assignment Facilities True-Up Summary Report will be provided to interested parties upon request. Southern Companies are also providing copies of the 2014 Direct Assignment Facilities True-Up Summary Report to each operating company’s respective Public Service Commission, State Attorney General’s Office, and, to the extent applicable, State consumer advocacy agency.
ATTACHMENT A

SOUTHERN COMPANIES’ 2014 TRUE-UP DIRECT ASSIGNMENT FACILITIES ANNUAL CHARGE SUMMARY REPORT
Southern Companies’ Open Access Transmission Tariff
2014 True-Up Direct Assignment Facilities Annual Charge Summary Report

2014 True-Up Direct Assignment Facilities Annual Charge as calculated in 2014 True-Up Filing submitted on May 1, 2015

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<tr>
<th></th>
<th>Bulk Non-Firm/Network</th>
<th>Subtransmission</th>
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<tbody>
<tr>
<td>$133,223</td>
<td>$54,959</td>
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Adjustment(s) made during 2014 Informal Review Period:

1. Formula calculation error in the supporting workpapers
   ($9,461) $0

2. Correction to increase the exclusion for both MPC’s EPRI Dues in account 566 by $15 thousand and Salaries & Wages – Customer Accounts by $4.2 million (request 1.3)
   ($94) ($19)

3. Gain on Sale of Assets booked to GPC’s account 567 of $3.3 million (request 7.4)
   $634 $248

4. Updated Radial Line Factors due (in part) to items 2 and 3 noted above, resulting in an increase in the exclusion of $60 thousand (items 2 and 3 above and request 1.3 supplemental)
   ($8) ($22)

5. Correction to add back MPC’s General – Production-related exclusion to the General Plant allocator of $259 million (request 1.3 second supplemental)
   ($347) ($65)

Final 2014 True-Up Direct Assignment Facilities Annual Charge

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