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| **COMMISSIONERS:**  ****CHUCK EATON, CHAIRMAN  H. DOUG EVERETT  TIM G. ECHOLS****  ****LAUREN “BUBBA” McDONALD, JR. STAN WISE**** |  | **DEBORAH K. FLANNAGAN EXECUTIVE DIRECTOR   REECE McALISTER EXECUTIVE SECRETARY** |
| Georgia Public Service Commission | | |
| **(404) 656-4501**  **(800) 282-5813** | **244 WASHINGTON STREET, SW ATLANTA, GEORGIA 30334-5701** | **FAX: (404) 656-2341 www.psc.state.ga.us** |

July 2, 2014

Mr. Kevin Queen

Manager, Regulatory Affairs

Georgia Power Company

Regulatory Affairs Bin 10230

241 Ralph McGill Blvd., N.E.

Atlanta, Georgia 30308-3374

**RE: Docket No. 31958 / Georgia Power Company's 2010 Rate Case**

**Eighth Set of Data Requests from Commission Staff (STF-8)**

Dear Mr. Queen:

Enclosed herewith, please find Commission Staff Data Request **STF-8.** Georgia Power’s initial responses to this Data Request package are requested as soon as possible, but not later than **August 4, 2014.**

If you have any questions concerning this transmittal, please contact Rob Trokey at 404-656-4549.

Sincerely,

Rob Trokey

Utilities Analyst

**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION**

**In the Matter of )**

**)**

**) Docket No. 31958**

**Georgia Power Company’s )**

**2010 Rate Case )**

**STAFF'S EIGHTH SET OF DATA REQUESTS TO**

**GEORGIA POWER COMPANY**

TO: Mr. Kevin Queen

Manager, Regulatory Affairs

Georgia Power Company

Regulatory Affairs Bin 10230

241 Ralph McGill Blvd., N.E.

Atlanta, Georgia 30308-3374

**COMES NOW** the Staff of the Georgia Public Service Commission (“Commission”) and, pursuant to the authority vested in it by the Commission pursuant to O.C.G.A. § 46-2-57, herein propounds the following interrogatories and requests for production of documents (collectively, “data requests”), **to be answered under oath** by designated representatives or agents of Georgia Power Company. Staff requests that a complete set of the responses and supporting documents be filed with the Commission’s Executive Secretary in the manner set forth in Utility Rule 515-2-.04(4). Staff requests that an original and five (5) copies be filed with the Executive Secretary of the Commission. **Accompanied therewith shall be an electronic version of the filing, which shall be made on a 3 ½ inch diskette or a CD ROM containing an electronic version of its filing in Microsoft Word****® for text documents or Excel® for spreadsheets.”** As contemplated by law, responses to these Data Requests are expected from Georgia Power Company on or before **August 4, 2014.**

## DEFINITIONS

As may be used in this document:

1. “The Company,” “Georgia Power” or “The Utility” means Georgia Power Company. and its present and former officers, employees, agents, representatives, directors, and all other persons acting or purporting to act on behalf of said Company.

1. The term “you” and “your” refer to “the Company.”
2. The term “person” means any natural person, corporation, corporate division, partnership, other unincorporated association, trust, government agency, or entity.
3. The term “document” or “documentation” shall have the broadest possible meaning under applicable law. “Document” or “documentation” means every writing or record of every type and description that is in the possession, custody or control of the Company including, but not limited to, correspondence, memoranda, e-mails, drafts, workpapers, summaries, stenographic or handwritten notes, studies, notices, publications, books, pamphlets, reports, surveys, minutes or statistical compilations, computer and other electronic records or tapes or printouts, including, but not limited to, electronic mail files; and copies of such writing or records containing any commentary or notation whatsoever that does not appear in the original. The term “document” or “documentation” further includes, by way of illustration and not limitation, schedules, progress schedules, time logs, drawings, computer disks, chart projections, time tables, summaries of other documents, minutes, surveys, work sheets, drawings, comparisons, evaluations, laboratory and testing reports, telephone call records, personal diaries, calendars, personal notebooks, personal reading files, transcripts, witness statements and indices.
4. The term “referring or relating to” means consisting of containing mentioning, suggesting, reflecting, concerning, regarding, summarizing, analyzing, discussing, involving, dealing with, emanating from, directed at, pertaining to in any way, or in any way logically or factually connected or associated with the matter discussed.
5. “And” and “or” as used herein shall be construed both conjunctively and disjunctively and each shall include the other whenever such construction will serve to bring within the scope of these discovery requests any information that would not otherwise be brought within their scope.
6. The singular as used herein shall include the plural and the masculine gender shall include the feminine and the neuter.
7. “Identify” or “identifying” or “identification” when used in reference to a person other than a natural person means to state: the full name of the person and any names under which it conducts business; the present or last known address of the person; and, the present or last known telephone number of the person.
8. “Identify” or “identifying” or “identification” when used in reference to a document means to provide with respect to each document requested to be identified by these discovery requests a description of the document that is sufficient for purposes of a request to produce or a subpoena duces tecum, including the following:
   * 1. the type of document (e.g., letter, memorandum, etc.);
     2. the date of the document; the title or label of the document;
     3. the Bates number or other identifier used to number the document for use in litigation; the identity of the originator;
     4. the identity of each person to whom it was sent;
     5. the identity of each person to whom a copy or copies were sent;
     6. a summary of the contents of the document;
     7. the name and last known address of each person who presently has possession, custody or control of the document;
     8. if any such document was, but is no longer, in your possession, custody or control or is no longer in existence, state whether it: (1) is missing or lost; (2) has been destroyed; or (3) has been transferred voluntarily or involuntarily, and if so, state the circumstances surrounding the authorization for each such disposition and the date of such disposition.
9. “Identify”, “identifying” or identity” when used in reference to a communication should be read to include information regarding the date of the communication, whether the communication was written or oral, the identity of all parties and witnesses to the communication, the substance of what was said and/or transpired and, if written, the identity of the document(s) containing or referring to the communication.

## INSTRUCTIONS

1. If you contend that any response to any data request may be withheld under the attorney-client privilege, the attorney work product doctrine or any other privilege or basis, please state the following with respect to each such response in order to explain the basis for the claim of privilege and to permit adjudication of the propriety of that claim:

1. the privilege asserted and its basis.
2. the nature of the information withheld;
3. the subject matter of the document, except to the extent that you claim it is privileged.
4. **The answers provided should first restate the question asked and also provide the name of the Company employee(s) or agents responsible for compiling and providing the information contained in each answer.**

3. These data requests are to be answered with reference to all information in your possession, custody or control or reasonably available to you. These discovery requests are intended to include requests for information, which is physically within your possession, custody or control as well as in the possession, custody or control of your agents, attorneys, or other third parties from which such documents may be obtained.

4. If any data request cannot be responded to or answered in full, answer to the extent possible and specify the reasons for your inability to answer fully.

5. These data requests are continuing in nature and require supplemental responses should information unknown to you at the time you serve your responses to these interrogatories subsequently become known.

1. Refer to the ASR, Section 3, page 1 of 6. Plant Materials and Supplies.
2. Provide a breakout of the monthly amounts for Plant M&S in Account 154, showing major components.
3. How often does GPC evaluate and adjust Plant M&S in Account 154 for obsolete materials? Explain and provide a copy of GPC’s policies and procedures for this.
4. Identify the amounts of any obsolete material write-offs recorded by GPC in 2013 by account.
5. Was any portion of the 2013 balances in Account 154 determined to be obsolete after December 31, 2013? If so, explain fully and identify the amounts.
6. Refer to the ASR, Section 3, page 1 of 6. Fuel. For January 1, 2013 and each month-end of 2013, please provide a breakout of the fuel by Plant, showing the (1) quantity, (2) cost, (3) type of fuel, (4) purchases for the month (quantity and cost), (5) consumption for the month (quantity and cost), and the ending balance.
7. For each Plant, provide the Company's coal inventory policies and procedures and target amounts that applied for 2013.
8. For 2013, show by amount and account how the Company accounted for all costs related to the Plant Bowen incident.
9. Did the Company fully exclude from rate base or operating income any costs related to the Plant Bowen incident in its 2013 ASR?
10. If so, identify exactly where and in what amount such Bowen incident costs were excluded.
11. If not, explain fully why not.
12. Provide the complete accounting details and documentation related to the Bowen Unit 2 adjustment shown on Workpaper 22, including identification of all costs and insurance recoveries recorded in 2013.
13. In 2013 did the Company record any OSHA or other penalties related to the Bowen incident?
14. If not, explain fully why not.
15. If so, identify the amounts by account.
16. Please identify how all revenues and expenditures related to Plant Bowen incident, including insurance proceeds, investigations expenses, litigation proceeds and expenses, repairs and fines, were reflected in income statement, balance sheet and cash flow statement in the Company’s 2013 10-K. Please identify every line item and the amount in each line item related to Plant Bowen incident.
17. Please identify how all revenues and expenditures related to Plant Bowen incident, including insurance proceeds, investigations expenses, litigation proceeds and expenses, repairs and fines, were reflected in income statement, balance sheet and cash flow statement in the Company’s 2013 FERC Form No. 1. Please identify every line item and the amount in each line item related to Plant Bowen incident.
18. Refer to the ASR, Section 3, page 1 of 6. Provide a detailed itemization of the components of the rate base inclusion for Prepayments.
19. Has the Company included any costs in rate base in its 2013 ASR for Preliminary Survey and Investigation costs? If so, please answer the following:
20. Does GPC have study results for any of the PSI costs included in rate base? If so, please provide the study results that are available for those items.
21. Are there any costs included in rate base for any PSI items are new for 2013? If so, please identify and explain each PSI item that is new for 2013. Also, for each such item, explain why it was not included in previous GPC surveillance reports.
22. Provide the actuarial reports that correspond with the $756.676 million Prepaid Pension Asset on Section 3, page 1 of 6.
23. Please also reconcile the $756.676 million Prepaid Pension Asset with those actuarial reports, and show the reconciling details.
24. Is there an ADIT balance that relates to the $756.676 million Prepaid Pension Asset? If so, please identify the related ADIT balance and show in detail the income tax rates that were used to derive it.
25. ADIT. Refer to Section 3, page 1 of 6, Accumulated Deferred Income Taxes.
26. Please provide the ADIT amounts by FERC account by month from December 2012 through December 2013 by temporary difference.
27. For each of the ADIT amounts identified in response to part (a) of this question, please identify where the related temporary difference is added to or subtracted from rate base. If the related temporary difference is not added to or subtracted from rate base, please explain why it is not and provide all authorization for this treatment relied on by the Company.
28. Refer to Section 5, Schedule 3, Page 1 of 2, line 21 Other utility plant, net. Please describe and provide source documentation for this amount.
29. Refer to Section 5, Schedule 7.
30. For any items listed on Schedule 7 where the December 2012 amount does not match the amount listed for December 2012 in the 2012 ASR, provide an explanation of and reason for the difference.
31. For Branch Unusable Inventory, explain the large increase to $3.43 million in December 2013.
32. Explain why the Branch NBV and Environmental CWIP amount increases from $64.726 million to $95.563 million in September 2013.
33. Why does the Gain on Sale of Bowen Unit 6 decrease from $1.477 million to $1.061 million in September 2013?
34. For each item on Schedule 7 that is being amortized, please provide the complete amortization schedule, showing the starting amount and the amounts that are amortized in each month, through the month of conclusion of the amortization.
35. Show in detail how the Deferred Nuclear Outage Costs listed for each month are derived.
36. Refer to Section 5, Schedule 8.
37. Explain what the "securities lending activities" are, and show the related amounts for each nuclear decommissioning trust at 1/1/2013 and at 12/31/2013.
38. Would there be any income tax consequence of realizing the amounts of "Unrealized Gain"? If so, please explain and quantify.
39. Refer to Section 5, Schedule 9.
40. Show in detail how the $53.934 million of power sales was allocated between (1) Purchases-Power Pool and (2) Purchases-Non Power Pool.
41. Show in detail how the $5.171 million adjustment for Sales Tax Collection was derived.
42. Are all of the Lag/(Lead) Day figures used on Schedule 9 the same as the ones used to derive rate base in Docket No. 31958?
43. If not, identify which ones (if any) have changed, and provide support for the changes.
44. During 2013 did Georgia Power incur any cost for, or receive any cost allocations from affiliates, related to any of the following:
45. TRIG technology?
46. CO2 sequestration?
47. Coal gassification?
48. The Kemper IGCC Plant?
49. If so, identify all such amounts by account, and provide explanations.
50. During 2013 did Georgia Power record any AFUDC on unrecorded liabilities or make any changes to its AFUDC recording policies? If yes to either item:
51. Explain fully and provide all related AFUDC guidance, policies and white papers.
52. Also, identify, quantify and explain the impacts on 2013 results, by account, for any AFUDC changes and for AFUDC amounts that were recorded on unrecorded liabilities.
53. Does the Company record AFUDC on unrecorded liabilities?
54. If so, when did the Company start recording AFUDC on unrecorded liabilities?
55. If not, explain fully why not.
56. Explain fully the Company's policy for recording AFUDC on unrecorded liabilities and provide the related accounting policies.
57. Was there any cumulative result of any accounting change to record AFUDC on unrecorded liabilities?
58. If so, identify when that occurred and identify the impact on the Company's 2013 ASR results.
59. Has the Company recorded any AFUDC on unrecorded liabilities in 2013?
60. If so, identify, quantify and explain the impacts on 2013 results, by account, for recording AFUDC on unrecorded liabilities.
61. Refer to Section 5, Schedule 12, Major Tax Changes.
62. Did the Company have any bonus tax depreciation in 2013?
63. If so, please identify the amounts and show how they affected the ADIT balances shown for 2013 rate base.
64. Is the Company claiming repairs deductions in 2013? If so:
65. Identify the amount of repairs deductions in total
66. Identify the amount of repairs deductions using the guidance provided by Rev Proc 2013-24.
67. Identify all 2013 and prior period repairs deductions that the Company accounted for as being "uncertain" (pursuant to GAAP, including ASC 740).
68. Identify all 2013 ADIT impacts from uncertain tax positions.
69. For each uncertain tax position that impacted ADIT in 2013, include supporting calculations showing how the impact on ADIT was calculated.

c. As of 1/1/2013 or 12/31/2013 did the Company have any uncertain tax positions?

1. If so, identify, quantify and explain each uncertain tax position as of each date.
2. Identify and provide a copy of all journal entries made in 2013 (and the related journal entry support) related to the following: "Based on a review of the regulations, Southern Company incorporated provisions related to repair costs for generation assets into its consolidated 2012 federal income tax return and reversed all related unrecognized tax positions."
3. Identify and provide a copy of all journal entries made in 2013 (and the related journal entry support) related to the ATRA's retroactive extension of several tax credits through 2013.
4. Identify and explain which specific tax credits were extended.
5. Identify and explain which extended tax credits were utilized (or are expected to be utilized on the return for 2013 to be filed by September 15, 2014, with extension) by (i) Georgia Power Company and (ii) by Southern Company on its consolidated return.
6. Identify the amounts associated with each tax credit.
7. How did the Company reflect the additional tax credits in 2013 for purposes of its 2013 ASR filing? Identify and explain for each tax credit.
8. Coal inventory.
9. Provide a listing of the Company's monthly coal inventory (showing cost and quantity - tons or MMBtu) for 2013.
10. How many days burn at 2013 average daily burn is represented by each month-end balance of coal inventory (show calculations).
11. Provide the Company’s targets and policies and practices for managing coal inventory.
12. During any months of 2013 did the Company have coal inventory at any plant that exceeded a level of 60 days of average daily burn? If so, identify the plants and months and coal quantities when that occurred.
13. During any months of 2013 did the Company have coal inventory at any plant that exceeded a level of 90 days of average daily burn? If so, identify the plants and months and coal quantities when that occurred.
14. Oil inventory.
15. Provide a listing of the Company's monthly coal inventory (showing cost and quantity (barrels).
16. How many days burn at 2013 average daily burn is represented by each month-end balance of oil inventory (show calculations).
17. Provide the Company’s targets and policies and practices for managing oil inventory.
18. Additional sum amounts for PPAs. Refer to Workpaper 15 Purchased Power Agreement Additional Sums. Please show in detail how the additional sum amounts listed on Workpaper 15 for each PPA were calculated.
19. Section 199 deduction.
20. Provide the Company's analysis referenced on Workpaper 17 that was based on information currently available.
21. Please provide an update as to any changes in the Section 199 deduction on a Georgia Power and consolidated Southern Company basis for 2013 as the preparation of the 2013 corporate income tax return proceeds to completion and filing.
22. Once the 2013 corporate income tax return is filed (estimated by September 15, 2014), please provide all Section 199 related calculations that correspond to the final, as-filed return.
23. Refer to Workpaper 24, Calculation of Synchronized Interest Expense.
24. What monthly amounts of interest on Customer Deposits did the Company record in 2013?
25. Show the amounts by account.
26. How has the interest on Customer Deposits been reflected in the Average Cost of Debt & Preferred Securities of 1.94%? Show in detail how the 1.94% was derived and how interest on Customer Deposits was factored into that amount. If interest on Customer Deposits was not included in the 1.94%, please explain why it was not included.
27. After the Company’s synchronized interest deduction, what amount of interest deduction remains in the 2013 surveillance report for Customer Deposit Interest, and where exactly is that amount of Customer Deposit Interest deduction reflected?
28. What interest rate was used to compute interest on Customer Deposits in 2013? If it varied during the year, provide the monthly interest rates.
29. Were any capital lease amounts for any PPAs reflected in rate base or operating expenses in the 2013 ASR?
30. If so, please identify all amounts, by account, related to PPAs that are being accounted for as capital leases.
31. Were any amounts for any renewable PPAs reflected in rate base or operating expenses in the 2013 ASR?
32. If so, please identify all amounts, by account.
33. Several of the explanations on Section 5, Schedule 6, indicate that as one of the reasons why 2013 actual expenses were under budget was "reduced incentive pay."
34. Provide details by incentive pay component, by account, showing (1) actual and (2) budget.
35. Why was incentive pay reduced? Explain fully.
36. Refer to Section 5, Schedule 6.
37. Explain the changes in the generating unit outages and identify (1) budgeted outages, including cost and timing, and (2) actual outages, including details on cost and timing.
38. Explain what "baseline" maintenance activities are.
39. Explain fully how the Company was able to reduce "baseline" maintenance activities.
40. Was any maintenance that was budgeted for 2013 deferred into future periods?
41. If so, explain and provide complete details, including specific identification of budgeted 2013 maintenance that was deferred.
42. Identify, quantify and explain each of the "other cost containment initiatives" that were applicable during 2013.
43. Was any vegetation management (VM) that was budgeted for 2013 deferred into future periods?
44. If so, explain and provide complete details, including specific identification of budgeted 2013 VM that was deferred.
45. Were any overhead line repairs that were budgeted for 2013 deferred into future periods?
46. If so, explain and provide complete details, including specific identification of budgeted 2013 overhead line repairs that was deferred.
47. Provide details on the under runs in residential sales programs, including (1) an explanation of which programs had under runs, (2) the amount of under run for each program and (3) detailed quantification of the impact on Energy Services, by account.
48. Refer to Section 5, Schedule 6. Identify and provide a copy of documentation during 2013 of any and all management decisions to avoid or defer costs in order to help manage 2013 earnings.
49. Has the Company in its 2013 surveillance report omitted making any of the revenue requirement adjustments from the Commission’s Order in Docket No. 31958 and/or from the settlement agreement in Docket No. 31958? If so, identify which revenue requirement adjustments from that proceeding have not been reflected in the Company’s 2013 surveillance report and for each such adjustment explain why it has not been made.
50. Please replicate the following exhibits from the Company’s filing in Docket 36989 for calendar 2013:
51. LIP/ELS-3, Schedule 1, Workpaper 3 Page 1 of 1 for 13 months ending December 31, 2013
52. LIP/ELS-3, Schedule 3, Workpaper 3 Page 1 of 1 as of December 31, 2012
53. LIP/ELS-3, Schedule 3, Workpaper 3 Page 1 of 1 as of June 30, 2013
54. LIP/ELS-3, Schedule 3, Workpaper 3 Page 1 of 1 as of December 31, 2013
55. LIP/ELS-3, Schedule 3, Workpaper 4 Page 1 of 1 as of December 31, 2012
56. LIP/ELS-3, Schedule 3, Workpaper 4 Page 1 of 1 as of June 30, 2013
57. LIP/ELS-3, Schedule 3, Workpaper 4 Page 1 of 1 as of December 31, 2013
58. LIP/ELS-3, Schedule 3, Workpaper 6 Page 1 of 1 as of December 31, 2012
59. LIP/ELS-3, Schedule 3, Workpaper 6 Page 1 of 1 as of June 30, 2013
60. LIP/ELS-3, Schedule 3, Workpaper 6 Page 1 of 1 as of December 31, 2013

**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION**

**In the Matter of )**

**)**

**) Docket No. 31958**

**Georgia Power Company’s )**

**2010 Rate Case )**

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Staff’s Data Request STF-8** in the above-referenced docket was filed with the Commission's Executive Secretary, an electronic copy of same was served upon all parties and persons listed below via electronic mail, or unless otherwise indicated, as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reece McAlister  Executive Secretary  Georgia Public Service Comm.  244 Washington Street, SW  Atlanta, GA 30334 |  | Kevin Queen  Manager, Regulatory Affairs  Georgia Power Company  Bin 10230  241 Ralph McGill Boulevard, NE  Atlanta, GA 30308-3374 |  | Kevin Greene, Esq.  Troutman Sanders  NationsBank Plaza  600 Peachtree Street, NE  Suite 5200  Atlanta, GA 30308 |
| Jeffrey Stair, Staff Attorney  Georgia Public Service Commission  244 Washington Street, SW  Atlanta, GA 30334 |  |  |  |  |
|  |  |  |  |  |

So certified, this 2nd day of July 2014.

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Rob Trokey

Utilities Analyst