July 26, 2016

Mr. Reece McAlister

Executive Secretary

Georgia Public Service Commission

244 Washington Street, SW

Atlanta, GA 30334-5701

RE: Docket No. 40161: Georgia Power Company’s 2016 Integrated Resource Plan and Application for Decertification of Plant Mitchell Units 3, 4A and 4B, Plant Kraft Unit 1 CT, and Intercession City CT and

Docket No. 40162: Georgia Power Company’s Application for the Certification, Decertification, and Amended Demand Side Management Plan

Dear Mr. McAlister:

Georgia Power Company (“Georgia Power” or the “Company”) files this response to two letters filed with the Georgia Public Service Commission (the “Commission”) on July 22, 2016 in Docket Nos. 40161 and 40162. The first letter was filed by the Commission’s Public Interest Advocacy (“PIA”) Staff and the second letter was filed on behalf of Georgia Interfaith Power & Light and Southface Energy Institute, Inc. (together, “GIPL/Southface”).

Most importantly, Georgia Power reiterates its continued support for both the primary Stipulation that addresses the entirety of the 2016 Integrated Resource Plan (“IRP”) and Demand Side Management (“DSM’) proceedings and has been agreed to by the vast majority of parties to this proceeding (“Stipulation”), as well as the supplemental Stipulation that addresses low-income weatherization issues and was agreed to by the Company, PIA Staff and Georgia Watch (“Supplemental Stipulation” and together with the Stipulation, the “Stipulations”). Together, the Stipulations represent a reasonable and balanced resolution to this proceeding, as is demonstrated by the breadth of intervenor support. No party received everything it requested, but the Stipulating Parties have concluded that the Stipulation, when considered in its entirety, provides an appropriate compromise across a wide range of complex and technical issues. Every provision of the Stipulation is critical and any change or alteration to a single provision will undo the carefully constructed balance that has been reached between the Parties. Any changes favoring the positions of one party over the others, even when characterized as small, will be unfair to the others who gave ground already to secure the overall Stipulation. If stipulations come to be viewed as a “floor” from which the concessions of another party can continue to build upon over the others’ objection, it will negatively impact the willingness of parties to enter into stipulations in the future. Stipulations have proven to be an important part of the constructive regulatory environment that has served this State so well.

Regarding PIA Staff’s letter, the Company agrees with PIA Staff that a Commission order adopting a stipulation should not adopt any litigation position of a stipulating party that is contrary to the terms of such stipulation. Although the Company believes that its Proposed Order appropriately aligns with the Stipulation, the Company does not object to PIA Staff’s request as it pertains to the two areas they identified in their letter. The Company agrees that a Commission Order adopting the Stipulation on the points identified in the letter need only restate the positions of the Parties and adopt verbatim the terms of the Stipulation. Ultimately, If the Commission adopts the Stipulation, the words of the Stipulation will speak for itself.

The Company has a different view of the letter filed on behalf of GIPL/Southface. That letter directly seeks a modification to the Stipulation. The GIPL/Southface proposa;would not have been agreed to by all of the Stipulating Parties and would have prevented the Stipulation, which is agreed to by all customer groups and a majority of Parties, from being accomplished. GIPL/Southface seek to do exactly what will destroy the ability to enter into stipulations in the future – they want all of the benefits the Stipulation gave them, but they want to use that as a floor and get more, without understanding the careful balance of the Stiplulation.

GIPL/Southface addresses two issues: (1) the Commission’s DSM policy and (2) the Supplemental Stipulation. With respect to the Commission’s DSM policy, the letter of GIPL/Southface includes a partial proposed order even though the Commission’s deadline for filing proposed orders passed more than three weeks prior to the date of GIPL/Southface’s letter. On a substantive basis, the letter simply rehashes DSM policy arguments raised during the proceeding and, as stated above, if the Commission adopts the Stipulations, the Company would have no concerns with a Commission order that simply quotes the language of the Supplemental Stipulation on this issue. Any additions by GIPL/Southface should be rejected.

Due to the timing of the execution of the Supplemental Stipulation, GIPL/Southface did not have an opportunity to brief the terms of the Supplemental Stipulation. However, GIPL/Southface did have the opportunity to discuss the Supplemental Stipulation with the Company before it was executed and was offered the opportunity to join the Company, PIA Staff and Georgia Watch in executing the Supplemental Stipulation. To be clear, GIPL/Southface is attempting to rewrite the terms of the agreement reached between the Stipulating Parties. It is not requesting to amend the Supplemental Stipulation. GIPL/Southface is requesting that the Commission reject it.

GIPL/Southface’s reference to their request as “two small but significant changes” is contradictory by its own terms. There is no such thing as “two small but significant changes” that can be made to a stipulated agreement that has been fully negotiated between parties. Not only is that clause internally inconsistent with itself (“small” vs. “significant”), in the context of a carefully constructed stipulation, one party’s “small change” is very often “significant” to another party to a negotiated settlement. The Company, as one of the Stipulating Parties, recognizes that each term of the agreement reached has value and meaning to the entirety of the agreement reached. It is a balancing of interests that should be either adopted or rejected, not the individual clauses.

It is usually true of a good stipulation that no one party would accept any one clause, but all parties accept the overall balance. Therefore, we ask that the GIPL/Southface request to rewrite the terms of the agreement be rejected and the Supplemental Stipulation be adopted as agreed to by those who signed it. To be clear, GIPL/Southface had an opportunity to be heard on this issue during the course of negotiations. Their request was considered during negotiation of the Supplemental Stipulation and was not included in the final agreement reached by the Stipulating Parties. Likewise, and for the same reason, the Company also requests that the Commission reject GIPL/Southface’s second attempt to rewrite the Supplemental Stipulation. GIPL/Southface had an opportunity to compromise in this case and reach an agreement and elected not to. They should not be allowed to rewrite the Supplemental Stipulation at this time. If they truly support the Supplemental Stipulation they should support the adoption of it as executed, as have the Stipulating Parties.

Sincerely,

Brandon F. Marzo

Attorney for Georgia Power Company

c: All Parties of Record