**TEST PERIOD ADJUSTMENTS**

(COLUMN 8)

FOOTNOTE BE/ $(596,109) Sales of Electricity

This adjustment removes revenue associated with the NCCR tariff; removes carrying cost on over-recovered fuel balance, which are reflected in fuel rates; reflects revenue sharing associated with economy energy sales and short-term capacity sales; removes the carrying cost associated with under-recovery of DSM programs; removes the revenue from municipal franchise fees; and normalizes DSM revenues for the test period.



FOOTNOTE BF/ $(100,534) Other Operating Revenues

This adjustment removes revenue associated with unregulated outdoor lighting; reflects the adjustment for wholesale to retail market differential; reflects an adjustment to allow for an equity return on nuclear fuel associated with Plant Vogtle Units 3 and 4; removes the revenue associated with the FERC boundary land; reflects revenue sharing associated with wireless co-location program; and normalizes the federal and state tax reform refunds for the test period.



FOOTNOTE BG/ $55,709 Total Operation and Maintenance Expenses

This adjustment removes interest component of expenses associated with capitalized PPAs; removes expenses associated with unregulated outdoor lighting; removes brand advertising expenses; removes SCGEM expenses for wholesale activities; removes the expenses related to FERC boundary land; incorporates 40% of the savings related to the merger with AGL Resources as approved by the Commission in Docket No. 39971; removes NEI expenses; reflects treatment of the corporate headquarters as an operating lease; reflects the regulatory treatment for additional sums associated with certain purchased power agreements and the DSM program; reflects the consultant fees provided for the Georgia Public Service Commission; and normalizes O&M expenses for DSM, GPSC consultant fees, storm damage accrual, and environmental remediation accrual for the test period.



FOOTNOTE BH/ $91,640 Depreciation Expense

This adjustment removes expenses associated with unregulated outdoor lighting; removes depreciation expenses associated with closures of Plant Vogtle Units 3 and 4 which are excluded from base rates in accordance with the VCM 17 Order; and normalizes depreciation expenses based on new depreciation rates and ARO recovery for the test period.



FOOTNOTE BI/ $(424) Nuclear Decommissioning Expense

This adjustment normalizes the proposed nuclear decommissioning accrual for the test period.

FOOTNOTE BJ/ $6,182 Amortization of Obsolete Inventory

This adjustment normalizes the proposed amortization expense of obsolete inventory for the test period.

FOOTNOTE BK/ $(513) Amortization of State Tax Reform Refunds

This adjustment normalizes the proposed amortization expense of the deferred refund of revenues resulting from the reduction in Georgia state income tax rate for the test period.

FOOTNOTE BL/ $9,420 Amortization of Retired Units’ NBV

This adjustment normalizes the proposed amortization expense of remaining net book value of previously decertified units in Docket No. 34218, 36498, and 40161 and the proposed decertification of units in Docket No. 42310 for the test period.

FOOTNOTE BM/ $6,776 Amortization of Future Nuclear

This adjustment normalizes the proposed amortization expense of the deferred costs approved by the Commission to investigate the option of pursuing new nuclear generation in Stewart County, Georgia for the test period.

FOOTNOTE BN/ $(191,046) Taxes Other Than Income Taxes

This adjustment removes property, payroll, and municipal franchise taxes associated with unregulated outdoor lighting and removes total municipal franchise fees from the test period.



FOOTNOTE BO/ $(176,930) Current Income Taxes Payable

This adjustment results from the treatment of items referenced in FOOTNOTES BE/ through BN/ and the interest synchronization adjustment.

FOOTNOTE BP/ $(65,525) Deferred Income Taxes

This adjustment results from the treatment of items referenced in FOOTNOTES BE/ through BN/ and normalizes the amortization of protected and unprotected excess ADITs for the test period.

FOOTNOTE BQ/ $(665,592) Electric Plant-in-Service

This adjustment reflects treatment of the corporate headquarters as an operating lease; removes the investment associated with unregulated outdoor lighting; and removes the closures associated with Plant Vogtle Units 3 and 4 whose carrying cost is recovered through the NCCR tariff.



FOOTNOTE BR/ $(66,240) Nuclear Fuel

This adjustment removes nuclear fuel associated with Plant Vogtle Units 3 and 4.

FOOTNOTE BS/ $(63,538) Accumulated Reserve for Depreciation

This adjustment reflects the removal of accumulated depreciation associated with unregulated outdoor lighting; removes the accumulated depreciation associated with closures of Plant Vogtle Units 3 and 4 which are excluded from rates in accordance with the VCM 17 Order; and normalizes accumulated reserve for new depreciation rates proposed for the test period.



FOOTNOTE BT/ $(18,189) Fuel and Materials & Supplies Inventory

This adjustment removes materials and supplies inventories associated with unregulated outdoor lighting and Plant Vogtle Units 3 & 4.



FOOTNOTE BU/ $(43,360) Operating Reserves

This adjustment normalizes operating reserve assets and liabilities including environmental remediation, federal tax reform refund, and storm damage for the test period.

FOOTNOTE BV/ $(5,212) Future Nuclear

This adjustment normalizes the rate base impact of the proposed amortization of deferred costs approved by the Commission to investigate the option of pursuing new nuclear generation in Stewart County, Georgia for the test period.

FOOTNOTE BW/ $(7,249) Retired Units’ NBV

This adjustment normalizes for the test period the rate base impact of the proposed amortization of the remaining net book values of previously decertified units in Docket Nos. 34218, 36498, and 40161 and the proposed decertification of units in Docket No. 42310.

FOOTNOTE BX/ $(4,755) Obsolete Inventory

This adjustment normalizes the rate base impact of the proposed amortization of obsolete inventory for the test period.

FOOTNOTE BY/ $72,201 Tax Reform Regulatory Liability

This adjustment normalizes the rate base impact of the proposed amortization of the tax reform regulatory liability for the test period.

FOOTNOTE BZ/ $867,789 ARO Regulatory Liability (254)

This adjustment removes the external nuclear decommissioning regulatory liability funded through an external fund and normalizes ARO liability based on proposed ARO recovery for the test period.



FOOTNOTE CA/ $(153,458) Adjustment to Accumulated Deferred

Income Taxes (282)

This adjustment removes ADITs associated with CWIP, unregulated outdoor lighting, closures of Plant Vogtle Units 3 and 4 whose carrying cost is recovered through the NCCR tariff, reflects the proration of ADITs in accordance with Internal Revenue Code Section 167L, and normalizes the ADITs for the normalization items referenced in FOOTNOTES BQ/ through BZ/ for the test period.



FOOTNOTE CB/ $17,319 Adjustment to Accumulated Deferred

Income Taxes (283)

This adjustment removes ADITs associated with the NCCR and DSM tariffs and normalizes the ADITs for the normalization items referenced in FOOTNOTES BQ/ through BZ/ for the test period.

FOOTNOTE CC/ $(15,715) Adjustment to Accumulated Deferred

Income Taxes (190)

This adjustment removes ADITs associated with unregulated outdoor lighting, DSM tariff, NCCR tariff, CWIP, and normalizes the ADITs for the normalization items referenced in FOOTNOTES BQ/ through BZ/ for the test period.



FOOTNOTE CD/ $69,805 Cash Working Capital

This adjustment reflects cash working capital impacts of adjustments in FOOTNOTES BE/ through BP/. The following page provides a detailed calculation of the adjustment.