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Brandon F. Marzo  
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December 12, 2019

Mr. Reece McAlister  
Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334-5701

**RE: Georgia Power Company's 2019 Rate Case, Docket No. 42516**

Dear Mr. McAlister:

Enclosed for filing with regard to the above-referenced proceeding are 15 copies of the executed signature page of the City of Atlanta to the Settlement Agreement filed on December 11, 2019. Also enclosed is an electronic version of the executed Settlement Agreement that includes the signature page of the City of Atlanta.

If you have any questions, please call me at 404-885-3683.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brandon F. Marzo".

Brandon F. Marzo

Enclosure

C: All Parties of Record via electronic service

**SETTLEMENT AGREEMENT**  
**Georgia Power Company's 2019 Rate Case**  
**Docket No. 42516**

Georgia Power Company ("Georgia Power" or the "Company") and the undersigned Stipulating Parties agree to the following Alternate Rate Plan ("ARP"), which shall commence January 1, 2020 and shall continue through December 31, 2022. This Stipulation is intended to resolve all issues in this case except: (1) the appropriate level of equity in the Company's capital structure, and (2) the return on equity to be assumed in setting the Company's retail rates. The Stipulating Parties leave these two issues to the Commission to decide. Other than these two issues, the Company's filing is accepted with the following modifications:

1. Traditional base rate tariffs shall not be increased in 2020 and any increases in base rates in 2021 and 2022 shall not be levelized but adjusted year by year.
2. The revenue requirement amount related to ash pond Asset Retirement Obligations shall be collected through the ECCR tariff effective January 1, 2020.
3. Effective January 1, 2020, Georgia Power shall collect an additional \$12 million through the Demand Side Management ("DSM") tariffs, and as adjusted during the term of this ARP based on the DSM True up process agreed to by the Company and Staff with projected increases of \$1 million effective January 1, 2021, and \$1 million effective January 1, 2022.
4. Effective January 1, 2020, the Municipal Franchise Fee ("MFF") tariff will be increased to collect an additional \$12 million effective January 1, 2020, \$5 million effective January 1, 2021, and \$9 million effective January 1, 2022, which dollar amount will change as total revenues change as allowed by this ARP, as well as with any future Fuel Cost Recovery ("FCR") changes and future Nuclear Construction Cost Recovery ("NCCR") changes.
5. Environmental Compliance Cost Recovery tariff ("ECCR") shall include the cost for compliance with Coal Combustion Residual Asset Retirement Obligations ("CCR ARO"). The collection of CCR AROs through ECCR will be in addition to compliance costs already included in the ECCR tariff. For purposes of settlement, the forecasted contingency for CCR AROs and traditional ECCR has been removed from the annual expenditure projections. For rate setting purposes the full weighted average cost of capital will be applied to the under recovered balance of CCR AROs. Effective January 1, 2020, it is estimated that the ECCR tariff will be adjusted to collect an additional \$324 million, an estimated \$115 million effective January 1, 2021, and \$180 million effective January 1, 2022. These estimates will be adjusted in setting actual 2020 ECCR tariff rate and in the Company's compliance filings to incorporate the capital structure and rate setting return on equity approved by the Commission. The projection of CCR ARO cost will be updated in 2020 and 2021 through compliance filings to set the actual ECCR tariff rates for 2021 and 2022.

6. For Annual Surveillance Reporting ("ASR") purposes, beginning January 1, 2020, the earnings band shall be set at 9.5% to 12.0% ROE and the Company shall report earnings based on the actual historic cost of debt and approved capital structure. The Company will not file a general rate case unless its calendar year retail earnings are projected to be less than 9.5% ROE.
7. Subsequent to finalization of Staff's review of the respective ASR, any retail earnings above 12.0% ROE will be shared, with forty percent (40%) being applied to regulatory assets in the following priority: Accumulated CCR ARO, Retired Generating Plant, Obsolete Inventory, Environmental Remediation, and Storm Damage, forty percent (40%) being directly refunded to customers, allocated on a percentage basis to all customer groups including the base revenue contribution of RTP incremental usage, and the remaining twenty percent (20%) retained by the Company.
8. The Company will make its SR filings for this ARP by March 15th of the following year. The Commission will consider the ASR filing and determine any direct refunds and reduction of regulatory assets by July 31<sup>st</sup> of that year.
9. For purposes of the 2021 and 2022 rate adjustments, the Company shall make compliance filings of the updated tariffs at least ninety (90) days prior to the effective date of the tariffs. The Company's compliance filings will include the following updates including updated estimates to incorporate the capital structure and rate setting return on equity approved by the Commission on December 17, 2019:
  - a) Effective January 1, 2021, (i) the traditional base tariffs shall be adjusted to collect an additional estimated \$93 million. This estimate will be adjusted in the Company's compliance filing to incorporate the capital structure and rate setting return on equity approved by the Commission; (ii) the ECCR tariff shall be increased based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2020; (iii) the DSM tariff shall be increased to reflect the additional approved DSM costs for calendar year 2021 as approved in Docket No. 42311 and as adjusted based on the DSM True up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the municipal franchise fee cost incurred by the Company. The 2021 increase to traditional base rate tariffs, ECCR tariff, DSM tariff will use the most current kWh sales forecast for the applicable year to set the rates.
  - b) Effective January 1, 2022, (i) the traditional base tariffs shall be adjusted to collect an additional estimated \$197 million. This estimate will be adjusted in the Company's compliance filing to incorporate the capital structure and rate setting return on equity approved by the Commission; (ii) the ECCR tariff shall be increased based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2021; (iii) the DSM tariff shall be increased to reflect the additional approved DSM costs for calendar year 2022 as approved in Docket No. 42311 and as adjusted based on the DSM True up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the municipal franchise

fee cost incurred by the Company. The 2022 increase to traditional base rate tariffs, ECCR tariff, DSM tariff will use the most current kWh sales forecast for the applicable year to set the rates.

10. For book accounting and ASR purposes, the schedule for the Nuclear Decommissioning Trust - Tax Funding (reference the attached "Proposed Supplemental Order - Nuclear Decommissioning Costs") shall be approved.
11. The Company has reported earnings above the earnings band in 2018 to the Commission through the ASR process in Docket No. 36989. For purposes of settlement, fifty percent (50%) of the customer share (approximately \$51 million) of earnings above the band in 2018 will be utilized to reduce the December 31, 2019, storm damage regulatory asset. Regulatory assets are to be written down in the following priority: Obsolete Inventory, Environmental Remediation, Accumulated CCR ARO, Retired Generating Plant, and Storm Damage. The remaining fifty percent (50%) of the customer share will be refunded to customers in 2020 with a special line-item on the bill.
12. The Company anticipates earnings in excess of the earnings band in 2019. The Company will forego its share of the 2019 earnings over the top of the earnings band. Fifty percent (50%) of all the earnings over the 2019 band will be refunded to customers with a special line item on the bill, and fifty percent (50%) will be used for the early retirement of regulatory assets including \$49 million spent to investigate the Stewart County site and other regulatory assets in the following priority: Accumulated CCR ARO, Retired Generating Plant, Obsolete Inventory, Environmental Remediation, and Storm Damage.
13. The Company will accelerate amortization of an estimated \$88 million in regulatory assets in 2020 in the following priority: Accumulated CCR ARO, Retired Generating Plant, Storm Damage, Obsolete Inventory, and Environmental Remediation. The actual amount accelerated may be different than estimated in this paragraph depending upon the capital structure and rate setting return on equity approved by the Commission. The estimated \$88 million will be adjusted to reflect the updated projected revenue sufficiency by incorporating the capital structure and rate setting return on equity approved by the Commission and will be reflected in the Company's compliance filing.
14. In the event that the Company determines that an asset is impaired or the Commission approves the retirement of a retail generation asset as a result of any environmental regulation or legislation, the Company may request that costs associated with such impairment or retirement be deferred as a regulatory asset.
15. The Interim Cost Recovery ("ICR") mechanism approved in the 2010 Rate Case in Docket No. 31958 is continued throughout the term of this ARP utilizing the earnings band in Paragraph 6.
16. With the exception of easements and right of ways, Generation and Transmission property in PHFFU that has been held in PHFFU account for 15 consecutive years will undergo

- review during the first IRP proceeding following the 15<sup>th</sup> year that such property has been held in PHFFU. Distribution property in PHFFU that has been held in PHFFU account for 15 consecutive years will undergo review during the first base rate proceeding following the 15<sup>th</sup> year that such property has been held in PHFFU. In the respective proceeding, the Company will be required to present the specific plan for the property(s) that has exceeded 15 consecutive years in PHFFU, The Commission will decide the matter in that proceeding.
17. Beginning in 2021, with the adjustment to traditional base rate tariffs, the rate increase shall be allocated by rate group, except as otherwise provided in this Stipulation, with adjustments for balancing. Rates in Medium Business and Large Business rate groups will receive 85% of the overall base rate increase with the resulting revenue deficiency being spread to the other rate groups excluding the Small Business, Lighting and Marginal rate groups which will receive the overall base rate increase.
  18. The Basic Service Charge ("BSC") for all tariffs in the Domestic Group will increase by \$2 in 2021 and another \$2 in 2022.
  19. Effective January 1, 2021, the basic service charge for all tariffs in the Medium Business, Large Business and Marginally priced tariff groups will be increased to 100% of the levels shown in the Company's Exhibit \_\_LTL-1 column labeled "Period 1 Cost of Service Study Customer Related Costs" rounded to the nearest dollar. The remainder of tariff groups, with the exception of the Domestic Group addressed in Paragraph 18, shall have their basic service charges adjusted as proposed by the Company in Exhibit LTL-1 column labeled "2021 Estimated Alternative Rate Plan Basic Service Charge" starting in 2021. The kWh and/or demand charges in each rate will be correspondingly adjusted to collect the revenue requirement.
  20. The Company will maintain the Residential Service tariff as a rate option available to all residential customers for the term of the ARP.
  21. The Company and Staff will collaborate in 2020 to increase marketing of the TOU-RD rate. Beginning January 1, 2021, the Company will utilize the TOU-RD rate as the default rate for newly constructed residential premises. The Company will report back to the Commission at the time of its next base rate case regarding the adoption of TOU-RD and its use as the default rate for newly constructed residential premises.
  22. Georgia Power will work with Staff to develop options for customer access to usage data and submit those options to the PSC for approval. Stipulating Parties will be provided an opportunity to provide comments on the options proposed and upon approval, the Company will strive to implement the provisions of the plan no later than January 1, 2022. The cost for providing additional options for access to customer usage data shall be deferred as a regulatory asset and recovered in a future base rate proceeding.
  23. The Stipulating Parties agree that within ninety (90) days of the Final Order in this docket, the Company, Georgia Watch, and Staff will collaborate on a process to consider potential options for the expansion of income qualified discount opportunities to assist customers.

This process will allow for Stipulating Parties to provide input on the options to be considered. Stipulating Parties further agree that within 270 days of the Final Order in this docket, the Company after having taken input from Stipulating Parties will report back to the Commission on their findings and may recommend additional action. Any potential program options must consider cost impacts to non-participating customers as well as the impacts of any revenue erosion.

24. The Company agrees to further promote Project Share to customers and increase the Company's matching to 150% of customer contributions up to \$1.5 million annually.
25. The Electric Transportation ("ET") tariff will be allocated 70% of the base rate increase in 2021 and 2022. The revenue deficiency for this adjustment will be accounted for within the Governmental/Institutional tariff group.
26. The TOU-MB rate will be made available to all food services and drinking places identified as 722 of the North American Classification System (NAICS). A franchise with multiple accounts shall no longer be an applicability requirement. Any existing customers on TOU-MB not qualifying as 722 will be considered grandfathered on TOU-MB and allowed to remain on the rate. During the term of the ARP qualifying food services and drinking places will be accepted on TOU-MB on a first come, first allowed basis until the number of accounts on the rate equals 6,000. The rate will be reviewed in the next base rate case. Any revenue erosion from the TOU-MB rate conversion during the term of the ARP will be captured in a regulatory asset account and recovered through rates in 2021 and 2022. All revenue loss resulting from the implementation of this provision will be recovered by the Company from the TOU-MB rate.
27. The Company agrees to evaluate an enhanced demand response program for Industrial Customers (spinning reserves, etc.) to determine if such a program would provide any value to all customers. The Company will provide the results of the evaluation to interested Stipulating Parties within 180 days of the Order date. The Company's evaluation will include analysis quantifying the potential benefits and costs to interested customers including whether any additional steps are justified by the results of the evaluation. If interested Stipulating Parties and the Company agree that an enhanced demand response program brings value to all customers, the Company agrees to seek Commission approval for a pilot program at least 12 months prior to the 2022 IRP.
28. The tariff language changes proposed by the Company to the Real Time Pricing Tariff ("RTP tariff") in the Company's filing will be modified as follows: The definition for "Existing Load" will be defined as load previously served by Georgia Power and shall include load moved from one location to another provided that the operation at the new location is substantially identical to the operation at the former location. The definition of "New Load" will mean load not defined as "Existing Load." "New Load" shall also include load at a location that has been vacant less than twenty-four months provided that the operation is not substantially identical to the previous operation at that location. Finally, CBL reductions will be allowed to reflect the impact of equipment removal/replacement and energy efficiency improvements implemented during the initial

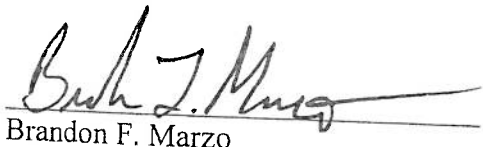
Term of Contract that result in measurable reduction in electric power demand and/or energy usage, provided that the Company's financial requirements are met. This language will be incorporated into the appropriate places within the RTP tariff.

29. The MLM rate shall be eliminated as proposed by the Company, and customers moving from MLM will be moved in a revenue neutral manner to the Time of Use – Revenue Neutral (“TOU-RN”) tariff. If a customer on MLM with Real Time Pricing (“RTP”) prefers to move their Customer Baseline Load (“CBL”) to a rate other than TOU-RN, they will be permitted to select any tariff for which they meet the applicability requirements and move their CBL to that rate in a revenue neutral manner.
30. The funds for electric vehicle infrastructure will be allowed as proposed by the Company with an additional \$6 million per year to be invested in support of wire and transformer upgrades for customer sited charging stations.
31. The issues raised in this proceeding regarding the method for bi directional metering utilized by Georgia Power under the Georgia Cogeneration and Distributed Generation Act of 2001 (“Cogen Act”) O.C.G.A. § 46-3-51, can be considered as part of the PIA Staff review of the Company's methodology and computation of avoided cost in Docket No. 4822 that was provided for in the Commission's Final Order issued in Docket Nos. 42310 and 42311. To the extent Parties continue raise such issues the Commission will consider the Company's bi-directional metering practice as part of that review.
32. By July 1, 2022, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a “traditional” rate case. The test period utilized by the Company in its rate case filing shall be from August 1, 2022 to July 31, 2023. The Company may propose to continue, modify or discontinue this Alternate Rate Plan. The Company shall also file projected revenue requirements for calendar years 2023, 2024, and 2025.

Agreed to this 10th day of December 2019.

**[Signatures]**



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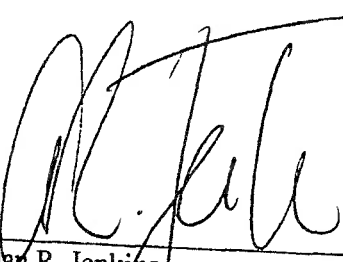
Brandon F. Marzo

On Behalf of Georgia Power Company

Nina R. Hickson

Nina R. Hickson

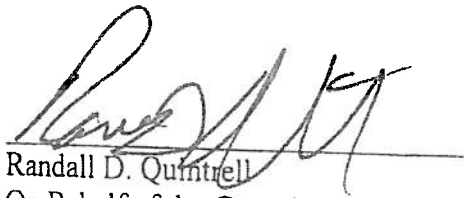
On Behalf of the City of Atlanta




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Alan R. Jenkins  
On Behalf of the Commercial Group

Charles B. Jones, III  
Charles B. Jones, III  
On Behalf of the Georgia Association of Manufacturers

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Randall D. Quintrell  
On Behalf of the Georgia Industrial Group



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Kurt J. Boehm  
On Behalf of Kroger Co.

A handwritten signature in cursive script, reading "Robert B. Baker". The signature is written in dark ink and is positioned above a horizontal line.

Robert B. Baker

On Behalf of the Metropolitan Atlanta Rapid Transit Authority

Docket No. 42516

**SUPPLEMENTAL ORDER**

**In re: Georgia Power Company's 2019 Rate Case**

Georgia Power Company (the "Company") has requested that the Commission issue an accounting order to confirm a new level of annual nuclear decommissioning expense approved in this Docket to be included in the Company's cost of service, effective January 1, 2020. The Commission understands that this accounting order would assist the Company in receiving revised Schedules of Ruling Amounts from the Internal Revenue Service. The Commission finds that such an accounting order is appropriate at this time.

**WHEREFORE, IT IS ORDERED**, that effective January 1, 2020, the Company will include in its cost of service an amount of annual decommissioning expense reflecting the cost necessary to decommission the radioactive portion of the nuclear units based upon the 2018 Nuclear Regulatory Commission's minimum funding requirements and the costs to manage spent nuclear fuel from the nuclear facilities after decommissioning and the spent nuclear fuel storage facilities.

**ORDERED FURTHER**, that the Company will file with the Internal Revenue Service requests for new Schedules of Ruling Amounts. To assist the Company in this filing, included herein are two attachments detailing the basis upon which the annual nuclear decommissioning expense has been determined by the Commission. *Exhibit A* shows the assumptions used by the Commission in determining the new level of annual nuclear decommissioning expense.

**ORDERED FURTHER**, that consistent with Docket No. 4007, all funding shall be made to an external trust.

**ORDERED FURTHER**, that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem necessary and proper.



		NEW FUNDING LEVEL
Hatch Unit 1	Radiological	\$ -
	Spent Fuel	\$ 2,368,460
Hatch Unit 2	Radiological	\$ -
	Spent Fuel	\$ 466,926
Vogtle Unit 1	Radiological	\$ -
	Spent Fuel	\$ 1,502,289
Vogtle Unit 2	Radiological	\$ -
	Spent Fuel	\$ -
TOTAL		\$ 4,337,675

**ORDERED FURTHER**, that any application for rehearing, reconsideration or oral argument and any appeal with respect to this Order shall not serve as a *supersedeas* or shall not stay this Order unless expressly ordered by this Commission.

The above by action of the Commission in Administrative Session on the \_\_\_\_ day of December 2019.

\_\_\_\_\_  
Reece McAlister  
Executive Secretary

\_\_\_\_\_  
Lauren "Bubba" McDonald  
Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**GEORGIA POWER COMPANY**  
**NUCLEAR DECOMMISSIONING ASSUMPTIONS USED BY GPSC**  
(Dollars in thousands)

	Hatch Unit 1	Hatch Unit 2	Vogtle Unit 1	Vogtle Unit 2
Cost in Current Year (2018\$)	\$437,796	\$ 436,818	\$ 353,282	\$ 355,408
Future Estimated Cost in Dollars of Year Decommissioning Begins	\$679,848	\$ 759,459	\$ 763,489	\$ 811,480
Estimated Month, Year That Decommissioning Begins and Unit No Longer in Rate Base	Aug-34	Jun-38	Jan-47	Feb-49
Year Decommissioning Expected to be Substantially Complete *	2047	2047	2058	2058
Remaining Funding Years	15	19	28	30
Earnings Rate (After Tax)**	4.79%	4.80%	4.69%	4.70%
Escalation Rate	2.79%	2.80%	2.69%	2.70%
Frequency of Funding	Annual	Annual	Annual	Annual
Earnings Compounded	Annual	Annual	Annual	Annual
Decommissioning Method	Prompt Removal/Dismantlement			

\* Excludes the retention of Spent Nuclear Fuel until acceptance by DOE.

\*\* The rate of after-tax earnings was estimated after taking into consideration the tax rate charged and the removal of investment restrictions as a result of the Energy Policy Act of 1992.

NEW FUNDING  
LEVEL

Hatch Unit 1	Decommissionin,	\$	-
	Spent Fuel	\$	2,368,460
Hatch Unit 2	Decommissionin,	\$	-
	Spent Fuel	\$	466,926
Vogtle Unit 1	Decommissionin,	\$	-
	Spent Fuel	\$	1,502,289
Vogtle Unit 2	Decommissionin,	\$	-
	Spent Fuel	\$	-
TOTAL		\$	4,337,675