DIRECT TESTIMONY OF

CHRIStopher C. WOMACK

**ON BEHALF OF**

**GEORGIA POWER COMPANY**

**DOCKET NO. 44280**

1. **INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

A. Christopher C. Womack. I am the Chairman, President, and Chief Executive Officer of Georgia Power Company (“Georgia Power” or the “Company”). My business address is 241 Ralph McGill Boulevard N.E., Atlanta, Georgia, 30308.

**Q. MR. WOMACK, PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.**

A. I received my bachelor’s degree from Western Michigan University and my master’s degree from The American University. I also completed the Stanford Executive Program in 2001. I joined Southern Company in 1988 and have held numerous leadership positions within Southern Company and its subsidiaries. I served as Executive Vice President of External Affairs at Georgia Power and Senior Vice President and Senior Production Officer of Southern Company Generation, where I was responsible for coal, gas, and hydro generation for Georgia Power and Savannah Electric. I also served as Senior Vice President of Human Resources and Chief People Officer at Southern Company, as well as Senior Vice President of Public Relations and Corporate Services at Alabama Power Company. Prior to my current role, I served as Executive Vice President and President of External Affairs for Southern Company, where I led overall external positioning and branding efforts including the company’s public policy strategies and oversaw Southern Company’s governmental and regulatory affairs organizations, corporate communication initiatives, and other external and strategic business engagements.

**Q.** **MR. WOMACK, PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY.**

A. My testimony provides an overview and background of Georgia Power’s 2022 base rate case and sets forth how this request will enable us to meet our customers’ evolving energy needs. As Georgia’s economy and population continue to grow and change, Georgia Power remains committed to meeting the energy needs of our 2.7 million customers by providing industry-leading solutions that not only benefit our customers, but also put Georgia at the forefront of building the future of energy.

Georgia is one of the fastest growing states in the country, adding 988,000 new residents in the last 10 years, the fourth highest population gain in the country. This tremendous growth has been driven, in large part, by Georgia’s position as the best state in the country in which to do business. Georgia’s continued ability to attract and retain businesses – ranging from technology and manufacturing to small business – is highly correlated to the Commission’s long-standing history of forward-thinking and constructive regulation which facilitates Georgia Power’s ability to provide customers with clean, safe, reliable, and affordable energy at rates that are consistently well-below the national average. Electricity is an essential part of our daily lives, and the services provided by Georgia Power and governed by the Commission are vital to our customers and are a critical part of what makes the state such an attractive place to live and do business.

At Georgia Power, we are unwavering in championing the energy needs of our customers and communities across the state. We understand the critical role we play in serving millions of Georgians, and we take that responsibility and our commitment to continue providing this essential service seriously. My testimony explains the rationale for our rate request, including why it is necessary to ensure Georgia Power continues to be well positioned to meet the energy needs of our customers and our state. Additionally, my testimony highlights our Company’s long-standing commitment to provide exceptional customer service, as demonstrated during the unprecedented COVID-19 pandemic. Finally, I discuss the critical role the Company plays in supporting economic and community development within Georgia. Being a good partner in growing Georgia has been a fundamental tenet of our Company since its founding.

**Q.** **PLEASE SUMMARIZE THE COMPANY’S REQUEST IN THIS CASE.**

A. As Georgia’s economy and population continue to grow and the energy landscape rapidly evolves, one thing remains constant for Georgia Power: our customers are at the center of everything we do. Our customers’ needs and preferences are changing in several ways. Having recently witnessed widespread grid reliability challenges in other parts of the country, our customers are rightly focused on the reliability and resiliency of Georgia’s electric system and Georgia Power’s continued ability to safely and reliably meet their energy needs. Customers also seek and expect an increasingly diverse mix of generation resources for the energy they consume, as a growing number of customers are focused on expanding renewable and clean energy resources. Georgia Power recognizes these evolving energy needs, and with this case, requests an increase to base rates that will enable the Company to meet them.

Georgia Power’s request seeks to build upon the strong foundation established in our 2019 base rate case and allows us to continue making critical investments on behalf of our customers. For the periods of January 2020 through December 2022, and January 2023 through December 2025, Georgia Power is expected to have invested approximately $8.6 billion, and $12.0 billion, respectively, to support enhanced reliability and resiliency in the electric grid, the transition of the Company’s generation fleet to more economical and cleaner resources, technology to enhance operations and our customers’ experience, and compliance with state and federal environmental regulations. Our remaining coal fleet, which has reliably served customers for decades, continues to face increasing economic pressures and is no longer cost-effective to operate long term. The Company must now plan for the retirement of these remaining coal plants and make the necessary investments to transition our generation fleet to more economical and cleaner resources. As part of this transition, the Company must timely recover the remaining costs associated with these coal plants, which have served our customers well for so many years. Additionally, the Company must make the necessary investments to continue to comply with federal and state environmental regulations, which includes continuing the closure of the Company’s coal ash ponds in accordance with the Environmental Compliance Strategy approved by the Commission in the 2019 Integrated Resource Plan (“IRP”).

Georgia Power’s request seeks to reset our rates to a level sufficient to allow us to provide customers with clean, safe, reliable energy as well as the first-class customer service they expect and that we are committed to delivering. The Company proposes to continue the three-year Alternate Rate Plan (“ARP”) structure that has served Georgia and our customers well since 1995. Not only have the three-year rate plans helped to keep rates stable and predictable, but the embedded sharing mechanism has also enabled the Company to provide approximately $297 million in benefits back to customers since 2013. For nearly three decades, these three-year plans have provided a strong foundation for attracting substantial capital investment from the financial markets at competitive rates, which has further contributed to the overall affordability of our services. The stability and predictability for customers and investors created by a three-year ARP structure is a critical part of the constructive regulatory framework that has enabled Georgia Power to deliver clean, safe and reliable energy to our customers at rates that are consistently well below the national average.

The Company does not propose any change in the allowed earnings band of 9.5% to 12% or the sharing mechanism. We propose that rates be set using an 11% ROE and the currently approved retail capital structure of 56% equity and 44% debt. This request reflects current market conditions and the need to maintain optimum credit ratings, which allows the Company to achieve one of the lowest overall costs of borrowing as compared to our peers. This, in turn, results in lower costs for our customers.

We recognize that our customers desire rate stability, and therefore, we are proposing to levelize most of the requested rate increase over the three-year ARP. After the new rates go into effect on January 1, 2023, rates will only be adjusted annually for the cost of the Coal Combustion Residuals (“CCR”) Asset Retirement Obligation (“ARO”) compliance program, Demand Side Management (“DSM”) programs, and Municipal Franchise Fees.

With this case, Georgia Power is requesting approval to establish rates that will enable the Company to meet our customers’ evolving energy needs. We take this request seriously, as we understand that it will result in additional costs for our customers. With that in mind, I am committed to ensuring that Georgia Power continues to operate efficiently and responsibly, and to manage our business in a way that minimizes costs to our customers over the long term. By making these critical investments today, Georgia Power will be well-positioned to serve our customers for years to come.

**II.** **THE COMPANY’S RATE REQUEST**

**Q.** **WHAT ARE THE MAJOR CONSIDERATIONS DRIVING THE COMPANY’S RATE REQUEST?**

A. At its core, our request in this case is driven by our commitment to meet the energy needs of our 2.7 million customers and the growing economy we serve. Specifically, we must make the critical investments that are necessary to continue providing clean, safe, reliable, and affordable energy. As such, the major considerations driving our rate request are:

1. **Reliability and Resiliency:** The need for continued investments in the electric grid, including the transmission and distribution systems and the continuation of the Grid Investment Plan, to support our customers’ long-term reliability and resiliency needs.

2. **Transitioning to More Economical and Cleaner Generation Resources:** The continued transition of the Company’s generation fleet to more economical and cleaner resources for customers, including renewables.

3. **Environmental Compliance:** Investments needed to comply with applicable environmental regulations.

4. **Technology to enhance operations and customer experience:** Investments in proven technology that will enable the Company to continue to deliver exceptional service to customers while meeting their evolving energy needs.

5. **Decreasing O&M Costs:** Even in the face of significant levels of inflation, the Company is seeing lower costs for employee benefits and continues to focus on effective cost management throughout the business, inclusive of reduced operations and maintenance (“O&M”) costs due to the transition of the generation fleet and the ability to lower the annual charge for storm events.

6. **Financial Integrity:** Maintaining the Company’s financial integrity to ensure that its ability to raise capital at reasonable cost and upon reasonable terms for the benefit of customers remains intact.

**Q.** **PLEASE DESCRIBE THE COMPANY’S INVESTMENT IN TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE.**

A. Over the last ten years, the Company has invested approximately $9.7 billion in transmission and distribution infrastructure to strengthen the reliability and resiliency of our network for the benefit of customers. This includes approximately $4.9 billion invested in transmission and distribution infrastructure since January 2020 and projected through December 2022, which includes $1.5 billion for investments in the Company’s Grid Investment Plan.

As Mr. Robinson will further discuss, over the past three years, the Company has made significant progress on transmission and distribution improvements as well as the multi-year Grid Investment Plan. As a part of this effort, the Company replaced aging transmission assets and evaluated distribution feeder circuits (powerlines) based on their performance and deployed customized solutions to improve reliability and resiliency. These distribution solutions included:

* Deploying advanced control and monitoring technologies, including additional self-healing distribution feeder circuits, to enhance our ability to sectionalize parts of the electric grid to isolate issues.
* Replacing framing hardware to improve insulation levels and protect equipment.
* Creating additional distribution feeder ties to build redundancies between substations, which help reduce the duration of outages.
* Undergrounding targeted distribution feeders.

These transmission and distribution investments have improved reliability, reduced the number and duration of outages, minimized repair time, and contributed to an overall enhanced customer experience.

With the Company’s 2022 base rate case, Georgia Power seeks to build upon this progress by continuing to invest in its transmission and distribution system to provide safe and reliable electric service to its customers. Based on projections for 2023 through 2025, the Company will invest an additional $6.8 billion in transmission and distribution improvements, which will include $2.2 billion in continued investment in the Company’s Grid Investment Plan.

**Q.** **PLEASE DISCUSS THE COMPANY’S CONTINUED ECONOMIC TRANSITION OF ITS GENERATION FLEET AND THE INVESTMENTS NEEDED TO SUPPORT IT.**

A. As presented in the 2022 IRP, Georgia Power’s continued transition to more economical and cleaner generation resources will produce significant, long-term benefits for customers and avoid future environmental compliance costs that would otherwise have been incurred. It is more economical for our customers to retire the Company’s coal resources than to invest in the continued long-term operation of these units. In its 2022 IRP, the Company has requested to retire approximately 3,600 MW of coal and oil-fired generation by 2028, replace it with more economical generation, and support investment in the transmission infrastructure necessary to provide customers access to these lower cost and lower-carbon emitting resources.

To support the fleet transition, the Company will continue to serve customers with a diverse generation mix through a balanced portfolio of reliable, resilient, and economical resources, which includes adding cost-effective renewable resources. Working within our constructive regulatory framework, Georgia Power has continued to develop renewable resources in a way that benefits all customers, positioning the Company as a national leader in renewable energy growth. Georgia Power currently has one of the largest voluntary renewable portfolios in the country, with more than 3,100 MW of renewable resources already online, an additional 2,400 MW of renewable resources under development, and an additional 2,300 MW requested in the 2022 IRP.

The addition of these renewable resources and the retirement of uneconomic coal and oil-fired units will enable the Company to operate the generation fleet efficiently, reliably, and affordably for customers. As such, Georgia Power will be well positioned to serve our customers for years to come as the energy landscape continues to evolve.

**Q.** **PLEASE DISCUSS THE COMPANY’S ENVIRONMENTAL COMPLIANCE COSTS.**

A. Complying with federal and state environmental regulations is fundamental to the Company’s operations. Since January 2020 and projected through December 2022, the Company is expected to have incurred $165 million of O&M expenses to comply with total state and federal environmental regulations and will have invested approximately $738 million for CCR compliance costs and approximately $120 million to comply with other state and federal environmental regulations. During the requested three-year ARP window, Georgia Power will continue to meet its environmental compliance obligations in a cost-effective manner by implementing the Company’s environmental compliance strategy. The Company will continue its progress on the closure of our twenty-nine ash ponds by removing ash from twenty ponds and closing the remaining nine ponds in place using proven engineering methods in accordance with the environmental strategy approved by the Commission in the 2019 IRP proceeding and updated in the 2022 IRP. For the period 2023 through 2025, the Company projects to incur approximately $107 million of O&M expenses to comply with total state and federal environmental regulations, and projects to invest approximately $1.3 billion for CCR compliance costs and approximately $188 million to comply with other state and federal environmental regulations.

**Q.** **PLEASE DESCRIBE HOW THE COMPANY IS INVESTING IN TECHNOLOGY TO ENHANCE OPERATIONS AND CUSTOMER EXPERIENCE.**

A. Over the next three years, Georgia Power expects to invest approximately $689 million in several different technologies that will enhance operations and benefit our customers. These include: the Company’s implementation of a new Customer Information System (“CIS”), the continued evaluation of a Distributed Energy Resource Management System (“DERMS”), and various technologies to support the continued electrification of transportation. A new CIS will allow Georgia Power to enhance our customers’ experience by improving our ability to manage customer information and requests, thereby providing more efficient customer service and more tailored solutions to meet customers’ needs. DERMS is an integrated software resource platform that offers the Company real-time visibility into the impact of distributed energy resources on the electric system and allows for enhanced monitoring and operational capabilities. A robust DERMS platform will enable Georgia Power to integrate distributed energy resources with both system and fleet operations.

Finally, in response to increasing customer interest and market demand, the Company will continue our efforts to invest in the infrastructure and technology needed to support the growth of electric transportation in Georgia. Over the next three years, we will increase our investments in community electric vehicle (“EV”) charging facilities and necessary electric transportation infrastructure upgrades to support customer EV charging. In addition to these capital infrastructure upgrades, our rate request includes expenses for administrative costs, infrastructure maintenance, and various rebates for homebuilders and residential and commercial customers to accommodate growth in EV charging across the state. We will support the growing EV ecosystem in our state as highlighted by the two major EV manufacturing announcements this year.

**Q. HOW IS INFLATION IMPACTING THIS RATE REQUEST?**

A. Like so many industries across the country, the recent levels of significant inflation are impacting our Company. We are in an unprecedented economic environment, resulting in high uncertainty and increasing costs of goods and services for American consumers and most certainly our customers here in Georgia. The state’s economy remains strong as Georgia has largely recovered from the pandemic-related recession. However, our economy is and will continue to be challenged as recent geopolitical tensions intensify already existing challenges to our economy including, stressed supply chains, historically high inflation, and tight labor markets, which are all exacerbated by a rising interest rate environment from a tightening federal monetary policy. Georgia’s economy has the tools to weather this economic storm, with several business-friendly competitive advantages that should support the state’s continued economic strength, including the availability of reliable and affordable energy, low cost of living, Georgia’s globally connected airport and transportation infrastructure, the port of Savannah, employment levels that are currently above pre-pandemic levels, continued population growth from net-migration, and a labor force that feeds from new company entrants to the region and a deep pool of knowledge and technical workers from our top-tier university system.

While some level of inflation is always anticipated and applies upward pressure on our cost to serve, we have worked to mitigate typical levels of inflation through effective cost management. The current significant levels of inflation fueled by national and local economic forces impact our cost to serve customers and must be appropriately reflected in our rates. Mr. Abramovitz, Ms. Adams, Mr. Houston, and Mr. Robinson will explain in more detail how inflation impacts our rate request.

**Q.** **HOW DID THE RETURN OF THE BENEFITS FROM THE TAX CUTS AND JOBS ACT IMPACT GEORGIA POWER’S CUSTOMERS AND THIS RATE REQUEST?**

A. By the end of 2022, Georgia Power’s customers will have fully realized approximately $660 million in certain tax benefits resulting from the Tax Cuts and Jobs Act of 2017 (“TCJA”). These benefits are in addition to the lower tax rate provided by the TCJA. From 2020 to 2022, the Company was able to offset a portion of its revenue requirement by fully amortizing these benefits to customers from the TCJA, which reduced customers’ rates by $220 million annually. By the end of 2022, however, those tax benefits will have been fully passed on to customers and will no longer exist to put downward pressure on rates. This will result in an increase in rates, although the benefits of the lower tax rates from the TCJA will continue.

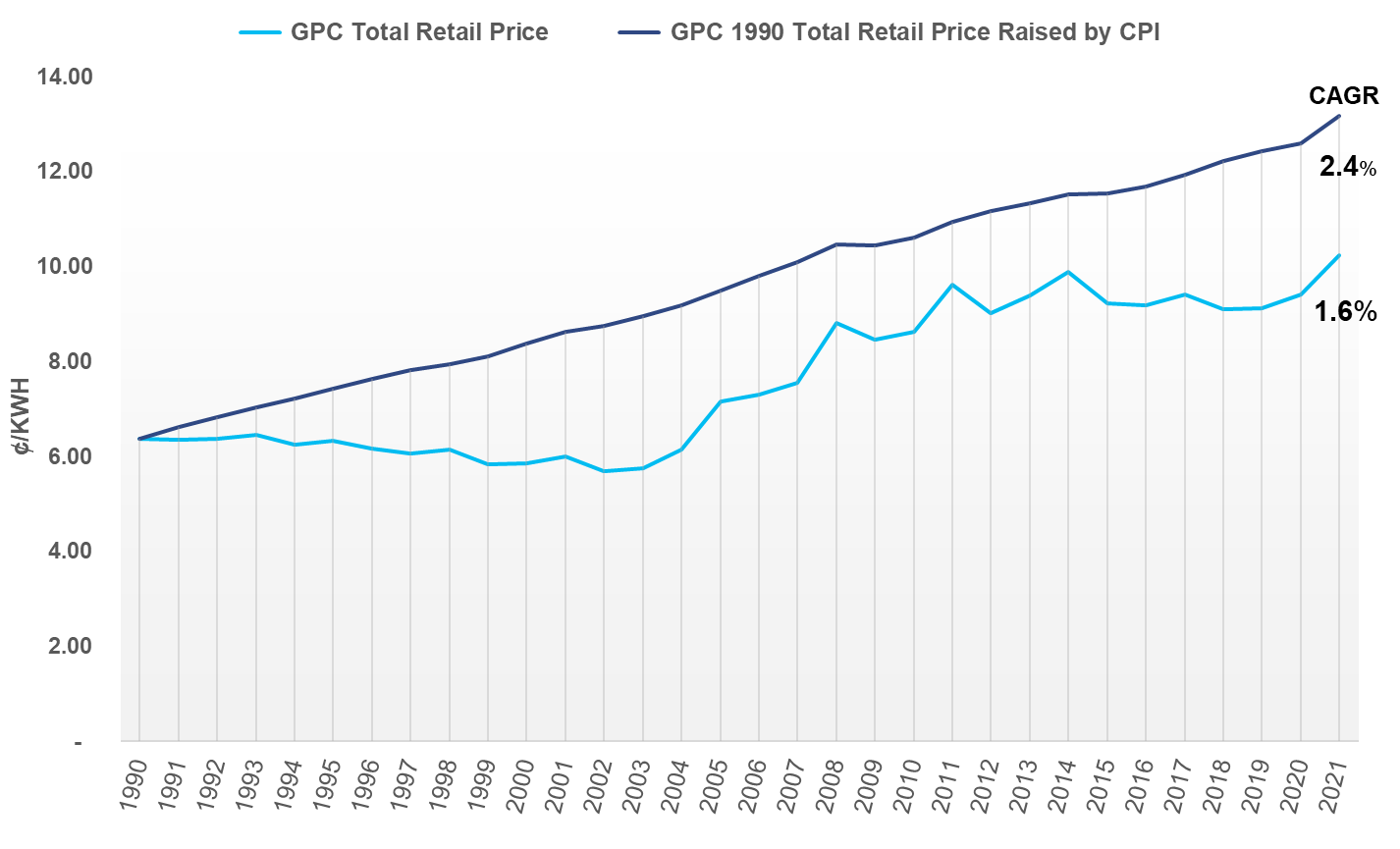
**Q.** **ARE THERE ANY ITEMS REDUCING THE AMOUNT OF THE COMPANY’S REQUEST IN THIS PROCEEDING?**

A. Yes, several factors are reducing the amount of the Company’s request. Despite inflation and increased labor and healthcare costs over the last three years, the Company has worked hard to hold O&M cost escalation below the rate of historical inflation, budgeting approximately $1.7 billion in 2023 compared to the approximately $2.0 billion of O&M currently in rates. Additionally, the Company continues to optimize staffing levels to be more efficient in the work that we do. Effective O&M cost management and reduced O&M associated with the transition of the generation fleet, combined with our proposed lower storm damage expense accrual and reduced employee benefits cost, will reduce costs to customers by approximately $300 million starting in 2023. The testimony of Mr. Abramovitz, Ms. Adams, Mr. Houston, and Mr. Robinson will discuss these items applying downward pressure on rates, as well as lower financing costs and projected customer growth.

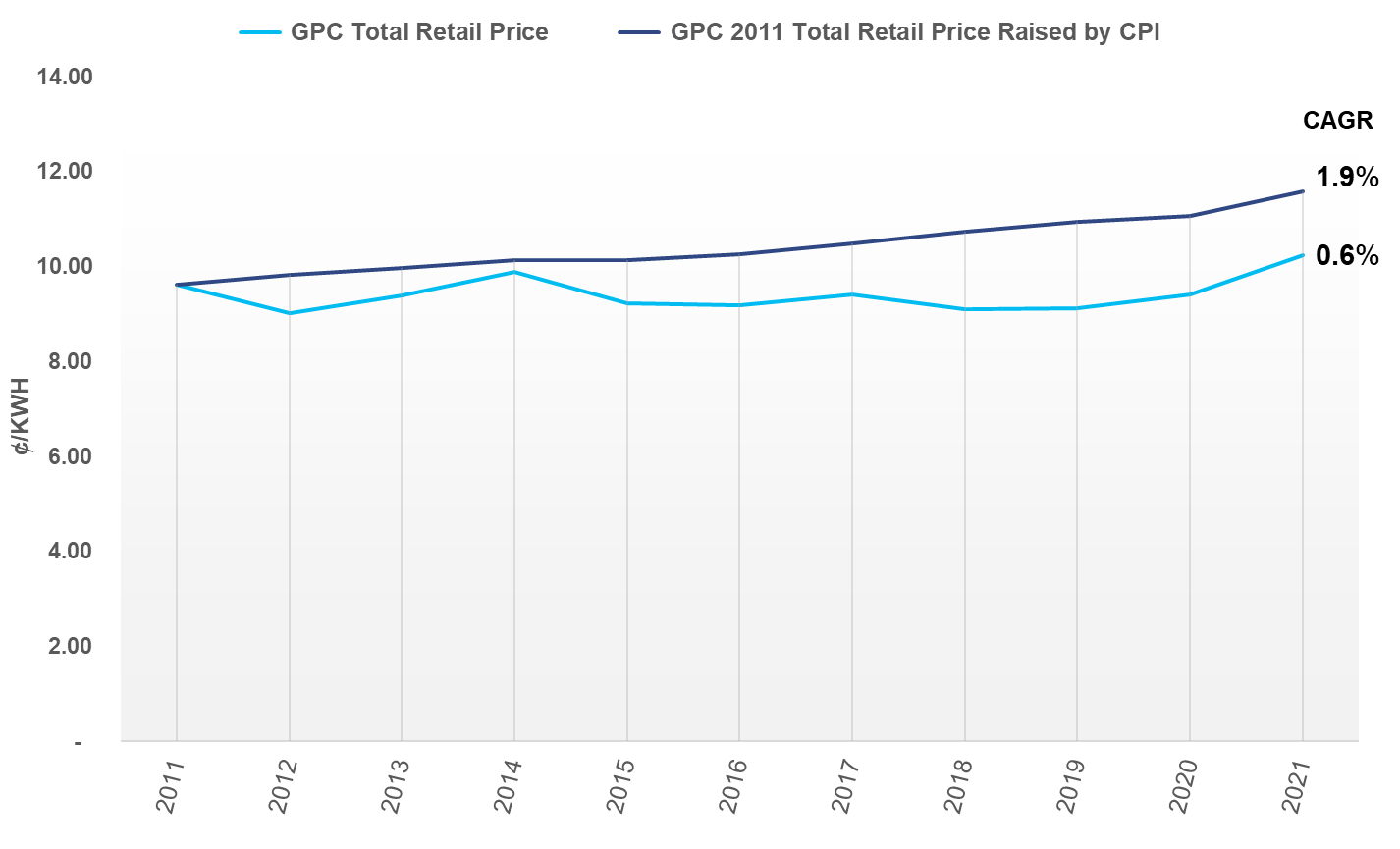
**Q.** **HOW DO THE COMPANY’S RATES COMPARE TO THE RATE OF INFLATION?**

A. For nearly 30 years, the Company’s rates have increased less than the rate of inflation. This means that on an inflation-adjusted basis, customers pay less today than they paid in 1990, as shown in Figure 1 below. Taking a more recent view of this information, the same relationship holds true over the past decade, as shown in Figure 2.

**FIGURE 1. Georgia Power Retail Prices Compared to Inflation, 1990-2021**

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**FIGURE 2. Georgia Power Retail Prices Compared to Inflation, 2011-2021**



**Q. WHY IS IT IMPORTANT TO MAINTAIN THE COMPANY’S FINANCIAL INTEGRITY?**

A. Georgia Power is a capital-intensive, regulated electric utility with an obligation to provide reliable service to customers at a reasonable cost. For Georgia Power to continue our long-standing record of exceptional service to customers, the Company must remain financially strong. Financial strength and integrity ensure that Georgia Power can access capital as needed and at reasonable cost for the benefit of our customers. A key measure of a utility’s financial strength and integrity is its credit rating. As Mr. Fetter explains in his testimony, a utility with a strong credit rating can access capital markets to fund operations and ongoing capital investment on a timely basis at reasonable rates and pass the benefit of those interest rates on to customers since cost of capital gets factored into utility rates. Conversely, but of equal importance, the lower a utility’s credit rating, the more the utility must pay to raise funds from debt and equity investors to carry out its capital-intensive operations, and those higher capital costs get factored into the rates that consumers are required to pay.

**Q.** **Why is it important that the Company receive a fair rate of return?**

A. The foundations of public utility regulation require that utilities receive a fair rate of return sufficient to attract needed capital to maintain important infrastructure for customers at reasonable rates under a full range of capital market conditions. The criticality of a fair rate of return is further discussed in Mr. Coyne’s testimony.

**III.** **EXCEPTIONAL CUSTOMER SERVICE**

**Q.** **HOW DOES GEORGIA POWER’S CUSTOMER SERVICE COMPARE TO OTHER UTILITIES?**

A. Georgia Power is consistently recognized for its exceptional customer service. In the last five years alone, J.D. Power ranked Georgia Power No. 1 (three times) and No. 2 (twice) in customer satisfaction in both the Electric Utilities residential and commercial customer satisfaction studies for large utilities in the South. Additionally, in five of the last six years, Escalent (formerly Market Strategies International) has recognized Georgia Power as a Most Trusted Brand in the utility industry.

**Q.** **WHAT ARE SOME EXAMPLES OF HOW THE COMPANY HAS ENHANCED CUSTOMER SERVICE OVER THE PAST SEVERAL YEARS?**

A. Georgia Power is consistently focused on how we can improve for the benefit of our customers. This is especially true as we continue to see customers’ energy needs and preferences evolve. Many customers now desire increased optionality and flexibility regarding how they communicate with the Company, pay their bills, and manage their energy usage.

In response to these evolving preferences, we have enhanced customer communications and provided additional and more flexible payment options. For example, since July 2020, we have enrolled approximately 493,000 customers in outage alerts, which enable customers to receive critical information from the Company through multiple communication channels, including text and email. Additionally, customers can now interact with the Company directly via text message regarding service outages.

With regard to payment options, customers can now make credit and debit card payments free of charge. The Company has also increased the number of Authorized Payment Locations across the state, where customers can make in-person payments at retail and grocery stores during business, evening, and weekend hours. The Company has expanded Georgia Power CheckOut, which provides a fast and convenient way for customers to pay their electric bills while checking out at participating retailers. Additionally, to give customers more flexibility, the Company has extended the timeframe for customers to pay their electric bills by five days.

Finally, over the last several years, the Company has continued to expand our PrePay and Pay-by-Day programs, which provide residential customers with flexible ways to pay their electric bills and manage their energy usage. We also launched an automatic reload option, which provides PrePay and Pay-by-Day customers with a convenient auto-payment solution. In addition, and as discussed more fully below, during the COVID-19 pandemic, the Company developed and offered Installment Payment Plans to help customers better manage through times of financial stress, while continuing to benefit from their electric service.

**Q.** **DOES THE COMPANY PLAN TO IMPLEMENT ANY ADDITIONAL CUSTOMER SERVICE ENHANCEMENTS DURING THE 2022 TO 2025 TIMEFRAME?**

A. Yes, we currently have several critical customer service initiatives underway. For example, the Company’s new CIS will enhance customer experience by facilitating more efficient customer service. The CIS will integrate customer information into a single platform that enables customer service employees to quickly access customer information, thereby allowing them to provide customers with more comprehensive and timely solutions. The Company is also developing a new, enhanced mobile app that will simplify mobile transactions, provide direct communications with customers impacted by service outages, and notify customers regarding company offerings for which they qualify. In addition to the mobile app, we are developing a virtual platform (referred to as a digital assistant) that will help customers by answering general questions and processing a variety of customer transactions. The Company also plans to release a digital wallet option later this year, which will allow customers to make payments conveniently from their mobile devices. Finally, the Company is expanding credit card payment options within its Energy Assistance Portal to make it easier for community assistance agencies to help customers who need assistance paying their bills.

**Q.** **PLEASE DESCRIBE THE COMPANY’S PERFORMANCE IN STORM RESPONSE.**

A. Storms and extreme weather conditions that bring down power lines and cause interruptions in electric service are a reality of our business. At Georgia Power, given the essential nature of electricity, we do not allow ourselves to take the reliability and resilience of our system for granted. There is no greater evidence of our focus and commitment than during severe weather events which disrupt the flow of power. When storms and natural disasters strike, our people are there, working tirelessly to restore power across the state. Our industry-leading performance during storms is a source of pride for our 7,000 employees, including our line crews – the men and women who set off across the state after a storm to begin restoring power as safely and quickly as possible. Georgia Power is recognized as an industry-leader in storm response. We have earned the prestigious Edison Electric Institute Emergency Recovery Award for exemplary power restoration efforts nine times, including as recently as 2020. Our consistent performance during storms and natural disasters, made possible by the support of the Commission, exemplifies Georgia Power’s unwavering commitment to our customers and to delivering safe and reliable service when they need us most.

**IV.** **COVID-19 PANDEMIC**

**Q.** **SINCE THE 2019 RATE CASE, COVID-19 SIGNIFICANTLY DISRUPTED THE WORLD IN WHICH WE LIVE. HOW DID THE COMPANY MEET CUSTOMER NEEDS DURING THIS TIME?**

A. The COVID-19 pandemic disrupted the lives of Georgia’s residents, significantly impacted the state’s economy, and highlighted the criticality of having a strong utility and a constructive regulatory environment. During this unprecedented time, Georgia Power was always there. Our employees – many of whom could not work from home – worked tirelessly to ensure that, in Georgia, the lights stayed on. As the pandemic wore on, the Commission and Georgia Power worked collaboratively to ensure the energy needs of our customers and the state continued to be met.

At the onset of the pandemic, Georgia Power immediately began executing its comprehensive plans and procedures to ensure the Company could continue to safely and reliably operate and in turn, continue safely and reliably serving our 2.7 million customers. Because of the nature of the work performed by many of the Company’s employees, working remotely was not an option. For the Company to continue providing electricity – an essential service – our frontline employees had to be on the ground, in person, at the Company’s numerous facilities across the state. As we learned more about the virus, we modified system-wide protocols to ensure these men and women – individuals like our linemen, control room operators, and maintenance personnel for our generation, transmission, and distribution facilities – could work safely to continue serving our customers and our communities.

For those employees who *could* perform their responsibilities remotely, we immediately implemented our telecommuting plans to ensure employees could safely transition to remote work without disruption or degradation to our customers’ experience. For example, we seamlessly transitioned our Customer Care Center team – the hundreds of men and women responsible for answering our customers’ calls – to remote work. These critical employees provide 24/7 service, 365 days a year, answering thousands of calls from customers daily, including power outage and emergency calls. With the COVID-19 pandemic beginning at the outset of the 2020 hurricane season, it was imperative that our Customer Care Center team be prepared to serve and respond to customers. In this and other areas across the Company, we worked diligently to ensure employees could safely and successfully transition to remote work while continuing to serve customers and ensure their needs were met during this critical and unprecedented time.

In addition to ensuring that our employees were safe and able to continue carrying out their responsibilities, the Company worked with the Commission to develop plans to assist customers struggling with financial difficulties related to the pandemic. Consistent with the Commission’s direction, the Company suspended non-payment disconnections for all customers from March 14, 2020 through July 14, 2020. Additionally, with Commission approval, Georgia Power extended the disconnection moratorium through June 15, 2021 for approximately 50,000 customers subject to the Governor’s Shelter-in-Place Executive Orders. The Commission, Commission Staff, and the Company also worked together to develop flexible payment plans for all customers who were struggling to pay their electric bills during the pandemic. The Company engaged with community action agencies to help approximately 200,000 Georgians who were eligible for financial assistance. The Company’s ability to help customers navigate payment obligations during the pandemic provides a concrete example of how Georgia’s constructive regulatory environment provides substantial benefits to customers.

**Q.** **DID** **THE COMPANY TAKE ANY ADDITIONAL STEPS TO ASSIST CUSTOMERS DURING THE PANDEMIC?**

A. Yes. Supporting the communities in which we live and work is at the core of Georgia Power – we are a citizen wherever we serve. During the pandemic, we partnered with nonprofit, community, and faith-based organizations to offer assistance programs to those in need. For example, Georgia Power committed $1.5 million to emergency assistance programs focused on areas such as food insecurity, homelessness, and assistance to displaced workers. The Company also worked with the governor’s statewide task force subcommittee on homelessness to provide COVID-19 testing and housing solutions.

**V. ECONOMIC DEVELOPMENT AND COMMUNITY INVOLVEMENT**

**Q.** **HOW DOES THE COMPANY SUPPORT ECONOMIC DEVELOPMENT IN GEORGIA?**

A. The health of a utility ties directly to the economic vitality of a state and the well-being of its residents. A healthy and strong utility fuels economic growth by attracting businesses and people to the state. For the last eight consecutive years, Georgia has been named the Top State for Doing Business by Area Development. To make this determination, Area Development assesses various factors that contribute to a pro-business environment, including a favorable regulatory environment and energy availability and costs. As the largest utility in Georgia, serving all but four of the state’s 159 counties, Georgia Power understands the critical role it plays in the state’s economy. As such, Georgia Power is committed to providing the clean, safe, reliable, and affordable electric service that existing and future customers expect and deserve, to help support the continued healthy growth of our state and its economy.

Georgia Power has a dedicated team of professionals who work closely with businesses, community leaders, and state and local governments to facilitate the expansion of businesses in Georgia and help bring new business and jobs to the state. Since 2015, Georgia Power has helped bring or retain nearly 154,000 jobs to the state and supported more than $49 billion in additional capital investment. Additionally, because successful economic growth must be supported by a qualified and highly skilled workforce, Georgia Power partners with schools and communities throughout the state to support meaningful, long-term investments in education and to develop both students and teachers to help support a robust and highly trained Georgia workforce.

Georgia Power’s site selection services, in particular, play an important role in driving economic development and investment in the state. Georgia Power is known for innovation, research, technology, and engineering expertise in site selection. The Company offers a comprehensive online tool (*SelectGeorgia*) that is used by our state partners and businesses from around the world who are interested in potentially coming to Georgia. In seven of the last eight years, *Site Selection* magazine has named Georgia as the best state in the country in which to do business and, for the last 23 consecutive years, has recognized Georgia Power as one of the top 10 utilities in the nation for economic development.

**Q.** **PLEASE DESCRIBE GEORGIA POWER’S COMMUNITY INVOLVEMENT.**

A. Community involvement is a core principle of Georgia Power’s business. Our Company’s motto is “Georgia Power, a citizen wherever we serve,” and our 7,000 employees live this principle every day.

Over the last two years, our employees and retirees volunteered nearly 124,000 hours to community service and contributed nearly $1.7 million to charities and qualified higher education institutions through the Club of Hearts, a Georgia Power employee campaign. During that same period, the Company’s employee and retiree volunteer organizations combined to raise $300,000 for community organizations throughout the state. The Company and its customers also donated more than $4 million to the Salvation Army’s Project SHARE, which provides charitable donations to communities across Georgia. Georgia Power’s Energy Assistance team partners with state and local governments, community leaders, and organizations statewide to advocate for customers, and in 2021, helped facilitate the provision of $2.3 million in financial assistance to more than 29,000 households.

These efforts demonstrate the Company’s commitment to the communities it serves. That commitment is fundamental to who we are and will continue to be for generations to come.

**VI.** **CASE STRUCTURE**

**Q. HOW IS THE REST OF THE COMPANY’S TESTIMONY STRUCTURED?**

A. The remainder of the Company’s testimony will be structured as follows:

* The panel of Mr. Aaron Abramovitz, our Executive Vice President and Chief Financial Officer; Ms. Sarah Adams, our Vice President and Comptroller; Mr. Adam Houston, our Assistant Comptroller; and Mr. Michael Robinson, our Vice President of Planning, Operations and Policy will explain why the Company’s current rates do not provide sufficient revenues to cover the Company’s cost of service to its customers. They will address the modifications we propose for continuation of the existing ARP. Their testimony will also discuss the status of the Company’s Grid Investment Plan for transmission and distribution projects over the next several years.
* Mr. James Coyne will present his expert opinion as to the appropriate return on equity required by the financial markets.
* Mr. Steven Fetter will provide expert testimony from his perspective as a former state regulatory commissioner and former head of a major credit rating agency. He will focus on the importance of credit ratings for regulated utilities and their customers, the importance of constructive utility regulation as an underpinning of strong credit quality, how the Company is currently viewed by credit rating agencies, and how the financial community currently views the utility regulatory environment in Georgia.
* Mr. Lee Evans, Director of Demand Planning & Analysis at Southern Company Services, will present the Company’s cost of service study.
* Mr. Larry Legg, our Director of Pricing and Rates, will present Georgia Power’s rate design proposals.

**VII.** **CONCLUSION**

**Q.** **DO YOU HAVE ANY CONCLUDING REMARKS TO SHARE WITH THE COMMISSION?**

A. At Georgia Power, our customers are, and will always be, at the center of all we do. With this case, Georgia Power is requesting approval to establish rates that will enable the Company to remain financially healthy so that we may continue to meet our customers’ energy needs today, tomorrow, and for years to come.

In this current environment of pandemic recovery, significant inflation, geopolitical events and mounting economic pressure, Georgia Power and its 7,000 employees will continue to champion the energy needs of our customers and our state. We will continue to do our part to help grow Georgia by being a driving force for economic and community advancement. As they have for over a century, our employees will continue to focus on serving our customers and our communities – putting safety first, providing superior customer service, and delivering reliable, resilient, and affordable energy.

**Q.** **DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes.