November 3, 2022

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334-5701

**RE: Docket No. 44280: Corrections and Demonstrative Handouts for the Direct Testimony of Kevin Lucas and Thatcher Young on Behalf of GASEIA, SEIA, and Vote Solar**

Dear Ms. Tanner:

Enclosed for filing in the above-referenced docket, please find the **Corrections and Demonstrative Handouts for the Direct Testimony of Kevin Lucas and Thatcher Young on Behalf of Georgia Solar Energy Industries Association, Solar Energy Industries Association, and Vote Solar.**

The corrections to the direct testimony of Mr. Lucas and Mr. Young are limited to Answer 66 on page 38 of their pre-filed testimony. A copy of that page showing the redlined corrections is enclosed, along with a full copy of the testimony that includes the redlined corrections.

If you have any questions, please contact me.

Sincerely,

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than $350 per year in a few years. Compared to this, the two dimes per year for the NEM adjustment is literal pocket change.

**Q66. IS THERE ANOTHER MECHANISM IN THE RATE CASE THAT ALSO EXPOSES CUSTOMERS TO SIGNIFICANT COST INCREASES?**

A66. Yes. Each rate case, the Commission approves a specific ROE and capital structure. Currently, the Company enjoys a 10.5% ROE and a ~~54%~~ 56% equity / ~~46%~~ 44% debt capital structure.[68] These values feed into the COSS to calculate the total revenue requirement based on forecasted net plant in service, operating expenses, and taxes. From this revenue requirement, rates are designed based on forecasted usage to exactly collect the revenue requirement. Of course, the assumptions embedded in the COSS, load forecast, and cost projections will have errors, and the actual revenues collected and costs incurred will not exactly match those in the COSS models. The result is an ROE that differs from the Commission-approved 10.5%.

This is addressed in Georgia through the use of an ROE earning band mechanism. While rates are calculated based on assumptions to produce an ROE of 10.5%, if the Company collects revenue or manages costs to produce an ROE above or below this figure within a certain range (the "dead band"), no additional action is required. Currently, the Company's Commission-approved ROE is 10.5%, but the Company's multi-year rate plan is authorized to operate within an ROE dead band of 9.5% to 12%.[69]

**Q67. WHAT WAS THE ORIGIN OF THE ROE DEAD BAND MECHANISM?**

A67. The ROE dead band concept has been in place since at least the 2010 rate case settlement. In that case, the ROE dead band of 10.25% to 12.25% was established, with a central approved ROE of 11.15%.[70] In the 2013 rate case settlement, which remained in force from 2013 through 2018, the Commission approved an ROE dead band of 10% to 12% while dropping

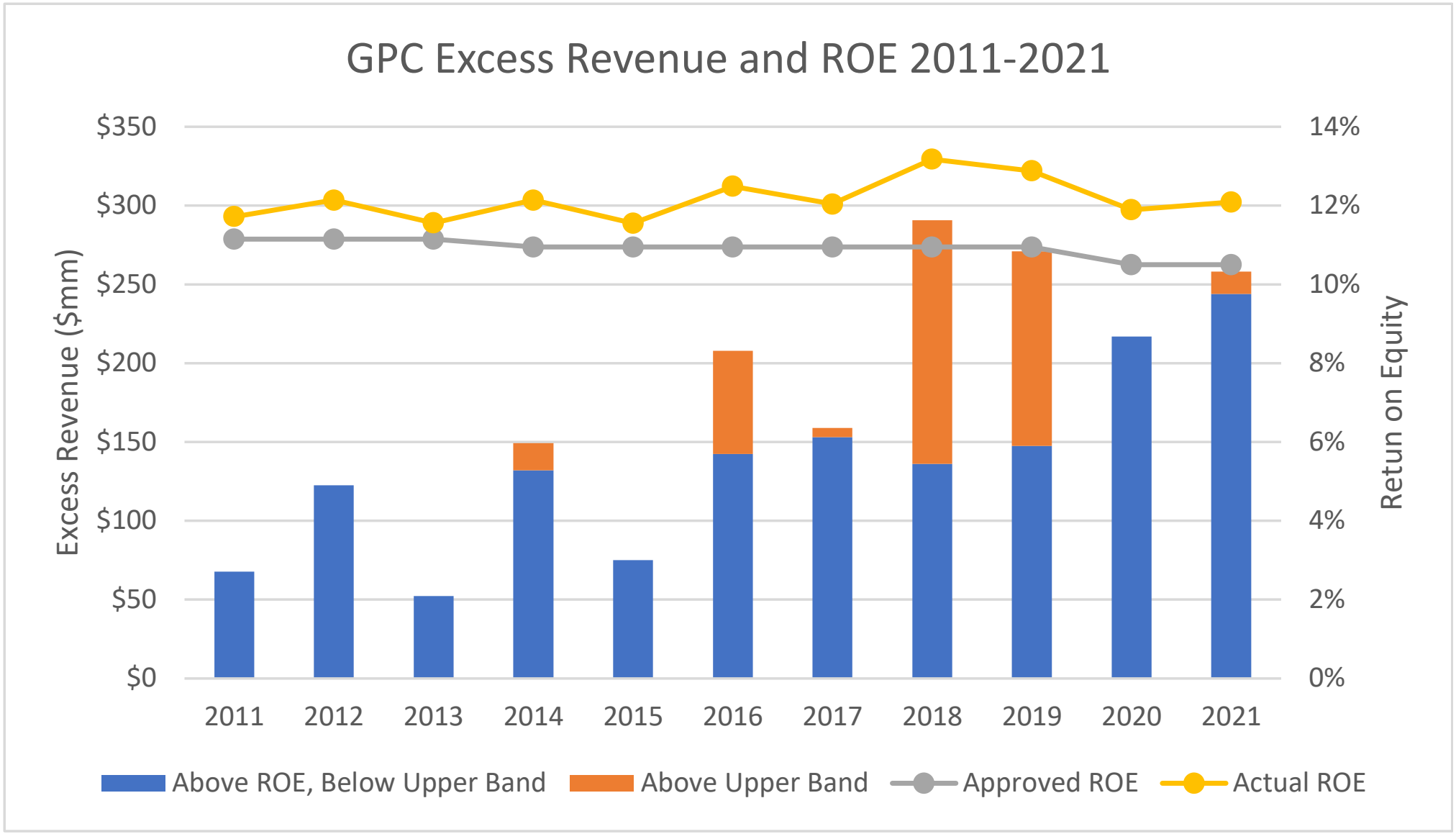
[68] Order Adopting Settlement Agreement at 6, December 17, 2019, Docket 45216. ("2019 Rate Case Order")
[69] 2019 Rate Case Order at 9.
[70] Final Order at 10, December 29, 2010, Docket No. 31958.

| Year | Approved ROE | Actual ROE | Upper Band | Above ROE, Below Upper Band | Above Upper Band | Total Excess Revenue Collection |
|---|---|---|---|---|---|---|
| 2011 | 11.15% | 11.72% | 12.25% | $67,795,000 | $0 | $67,795,000 |
| 2012 | 11.15% | 12.14% | 12.25% | $122,525,000 | $0 | $122,525,000 |
| 2013 | 11.15% | 11.56% | 12.25% | $52,200,000 | $0 | $52,200,000 |
| 2014 | 10.95% | 12.14% | 12.00% | $132,184,000 | $16,962,000 | $149,146,000 |
| 2015 | 10.95% | 11.55% | 12.00% | $74,961,000 | $0 | $74,961,000 |
| 2016 | 10.95% | 12.49% | 12.00% | $142,500,000 | $65,325,000 | $207,825,000 |
| 2017 | 10.95% | 12.04% | 12.00% | $153,033,000 | $5,784,000 | $158,817,000 |
| 2018 | 10.95% | 13.18% | 12.00% | $136,196,000 | $154,400,000 | $290,596,000 |
| 2019 | 10.95% | 12.88% | 12.00% | $147,463,000 | $123,480,000 | $270,943,000 |
| 2020 | 10.50% | 11.89% | 12.00% | $216,976,000 | $0 | $216,976,000 |
| 2021 | 10.50% | 12.09% | 12.00% | $243,860,000 | $14,167,000 | $258,027,000 |
| **Total** | | | | **$1,489,693,000** | **$380,118,000** | **$1,869,811,000** |
| **Average** | **10.92%** | **12.15%** | **12.07%** | **$135,426,636.36** | **$34,556,181.82** | **$169,982,818.18** |

# Residential Impact of Revenue Above ROE & Below Upper ROE Band

| | Above ROE & Below Upper Band | Residential Share | Annual Per Customer |
|---|---|---|---|
| **2011** | $67,795,000 | $27,129,274 | $13.24 |
| **2012** | $122,525,000 | $49,700,126 | $24.15 |
| **2013** | $52,200,000 | $20,948,286 | $10.11 |
| **2014** | $132,184,000 | $53,751,705 | $25.69 |
| **2015** | $74,961,000 | $31,429,969 | $14.84 |
| **2016** | $142,500,000 | $60,861,550 | $28.38 |
| **2017** | $153,033,000 | $63,995,058 | $29.44 |
| **2018** | $136,196,000 | $57,899,108 | $26.26 |
| **2019** | $147,463,000 | $62,998,967 | $28.15 |
| **2020** | $216,976,000 | $98,263,733 | $43.15 |
| **2021** | $243,860,000 | $105,947,061 | $45.75 |
| **Total** | $1,489,693,000 | $632,924,839 | $289.16 |
| **Average** | $135,426,636 | $57,538,622 | $26.29 |

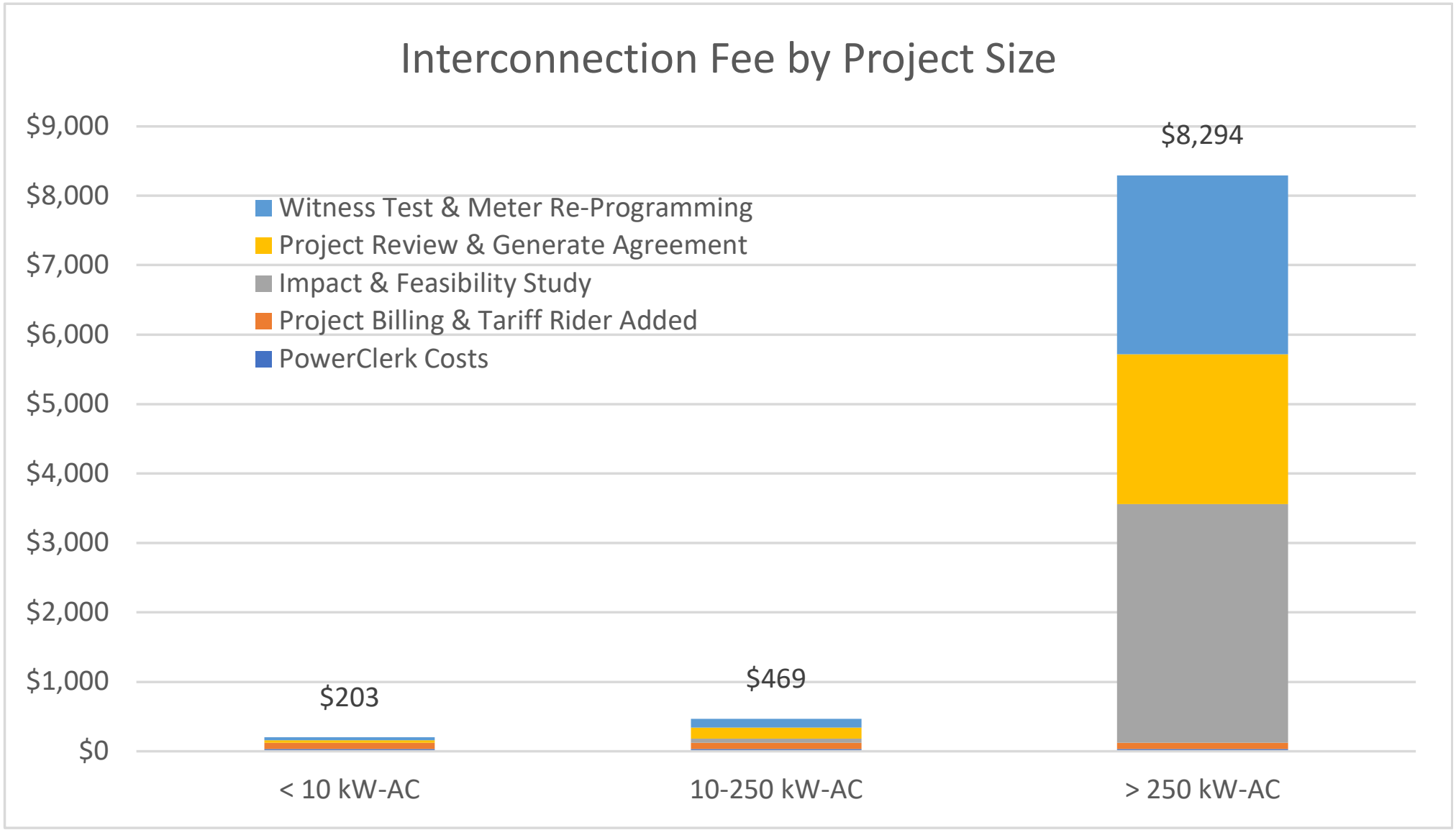
*Table 5 - Residential Impact of Revenue Above ROE & Below Upper ROE Band*

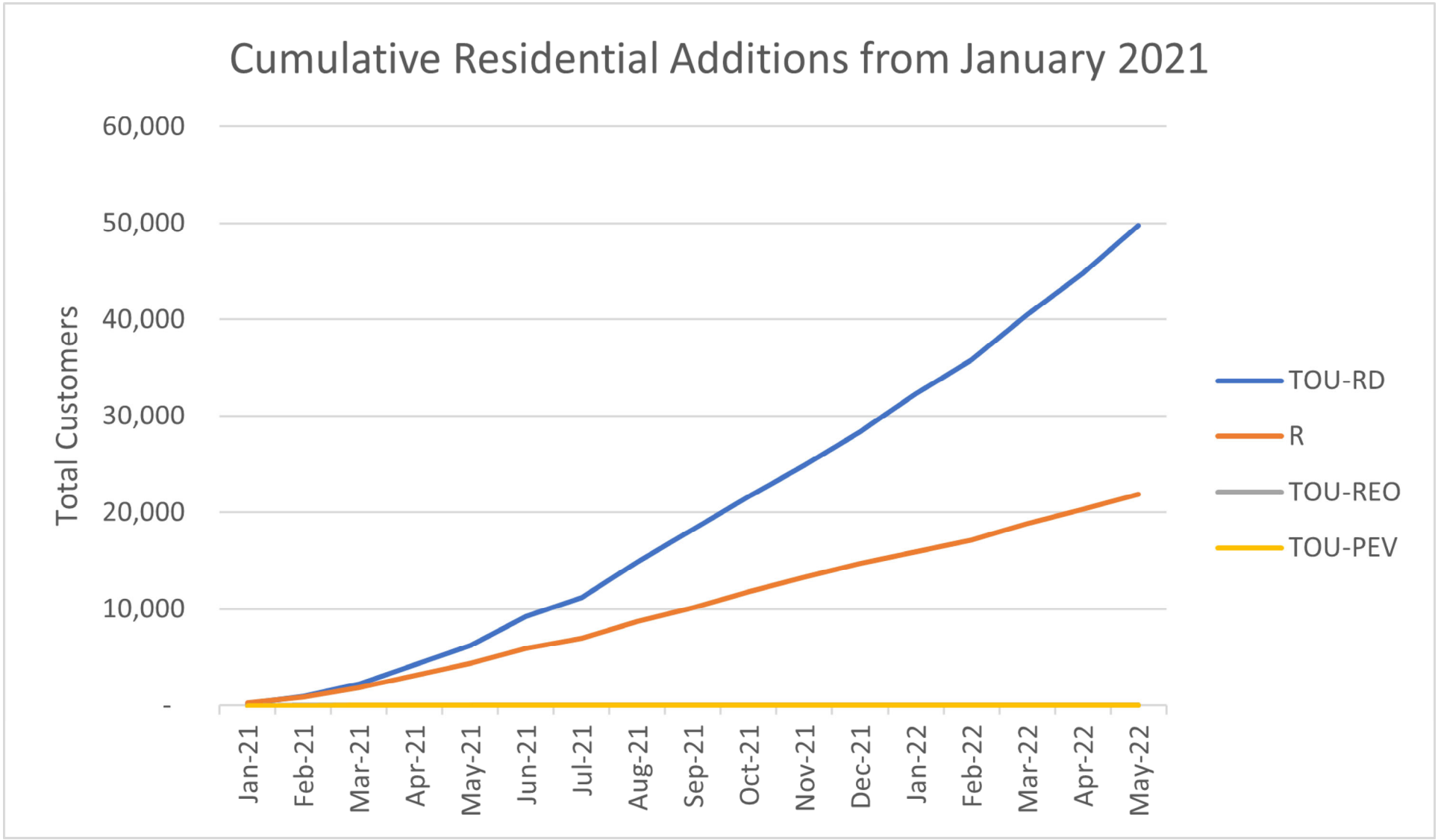

GPC Excess Revenue and ROE 2011-2021
Excess Revenue ($mm)
$350
$300
$250
$200
$150
$100
$50
$0
14%
12%
10%
8%
6%
4%
2%
0%
Retun on Equity
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Above ROE, Below Upper Band
Above Upper Band
Approved ROE
Actual ROE

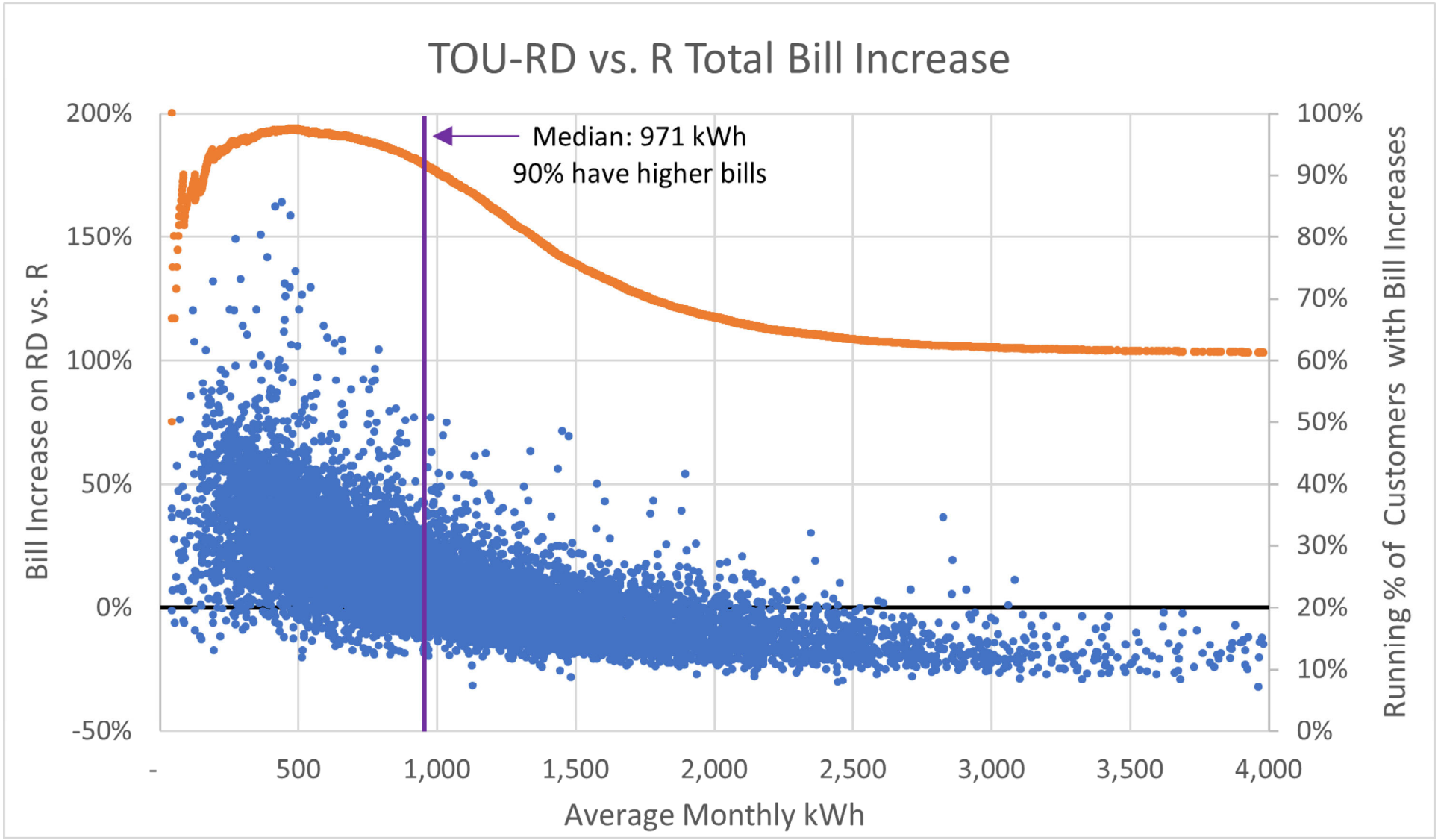
# Proposed Customer Interconnection Fees, by System Size

| | Avg | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| **Less Than 10 kW-AC** | **$203** | **$236** | **$184** | **$188** |
| Impact & Feasibility Study | $0 | $0 | $0 | $0 |
| PowerClerk Costs | $34 | $34 | $34 | $34 |
| Project Review and Generate Agreement | $36 | $52 | $27 | $28 |
| Project Billing and Tariff Rider Added | $91 | $88 | $91 | $93 |
| Witness Test and Meter Re-Programming | $42 | $62 | $32 | $33 |
| **10-250 kW-AC** | **$469** | **$456** | **$469** | **$482** |
| Impact & Feasibility Study | $55 | $53 | $55 | $57 |
| PowerClerk Costs | $34 | $34 | $34 | $34 |
| Project Review and Generate Agreement | $162 | $157 | $162 | $167 |
| Project Billing and Tariff Rider Added | $91 | $88 | $91 | $93 |
| Witness Test and Meter Re-Programming | $127 | $124 | $127 | $131 |
| **Greater Than 250 kW-AC** | **$8,294** | **$7,947** | **$8,271** | **$8,665** |
| Impact & Feasibility Study | $3,434 | $3,228 | $3,412 | $3,662 |
| PowerClerk Costs | $34 | $34 | $34 | $34 |
| Project Review and Generate Agreement | $2,160 | $2,096 | $2,159 | $2,224 |
| Project Billing and Tariff Rider Added | $91 | $88 | $91 | $93 |
| Witness Test and Meter Re-Programming | $2,576 | $2,500 | $2,575 | $2,652 |

| | < 10 kW-AC | 10-250 kW-AC | > 250 kW-AC |
|---|---|---|---|
| PowerClerk Costs | $34 | $34 | $34 |
| Project Billing & Tariff Rider Added | $91 | $91 | $91 |
| Impact & Feasibility Study | $0 | $55 | $3,434 |
| Project Review & Generate Agreement | $36 | $162 | $2,160 |
| Witness Test & Meter Re-Programming | $42 | $127 | $2,576 |
| **Total** | **$203** | **$469** | **$8,294** |


Interconnection Fee by Project Size
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
Witness Test & Meter Re-Programming
Project Review & Generate Agreement
Impact & Feasibility Study
Project Billing & Tariff Rider Added
PowerClerk Costs
$203
$469
$8,294
< 10 kW-AC
10-250 kW-AC
> 250 kW-AC


Cumulative Residential Additions from January 2021
Total Customers
60,000
50,000
40,000
30,000
20,000
10,000
-
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
Sep-21
Oct-21
Nov-21
Dec-21
Jan-22
Feb-22
Mar-22
Apr-22
May-22
TOU-RD
R
TOU-REO
TOU-PEV


TOU-RD vs. R Total Bill Increase
Median: 971 kWh
90% have higher bills
Bill Increase on RD vs. R
Running % of Customers with Bill Increases
Average Monthly kWh
200%
150%
100%
50%
0%
-50%
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
-
500
1,000
1,500
2,000
2,500
3,000
3,500
4,000

**CERTIFICATE OF SERVICE**

I certify that the foregoing **Corrections and Demonstrative Handouts for the Direct Testimony of Kevin Lucas and Thatcher Young on Behalf of GASEIA, SEIA, and Vote Solar in Docket No. 44280** was filed with the Public Service Commission by electronic delivery on the 3rd day of November, 2022. An electronic copy of same was served upon all parties listed below by electronic mail as follows:



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