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May 8, 2023

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

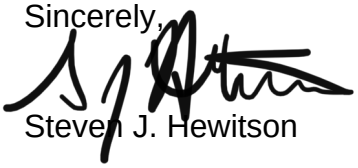
Re: Georgia Power Company's Fuel Cost Recovery (FCR-26), Docket No. 44902

Dear Ms. Tanner:

Enclosed for filing, please find (1) Georgia Power Company's Brief in Support of Stipulation and (2) Georgia Power Company's Proposed Order Adopting Stipulation.

Please call me at (404) 885-3475 if you have any questions regarding this filing.

Sincerely,



Steven J. Hewitson

Enclosure

STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re: Georgia Power Company's Fuel Cost Recovery Application (FCR-26)	))))	Docket No. 44902

GEORGIA POWER COMPANY'S BRIEF IN SUPPORT OF STIPULATION

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Dated: May 8, 2023

STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re: Georgia Power Company's Fuel Cost Recovery Application (FCR-26)	))))	Docket No. 44902

GEORGIA POWER COMPANY'S BRIEF IN SUPPORT OF STIPULATION

I. INTRODUCTION

The matter presently pending before the Georgia Public Service Commission (the "Commission") is Georgia Power Company's ("Georgia Power" or the "Company") Fuel Cost Recovery Application ("Application"). In its Application, Georgia Power seeks an increase in its Fuel Cost Recovery ("FCR") rates ("FCR-26," "TOU-FCR-26" and "TOU-FCR-TP-4"). The Company submits this post-hearing brief in support of the stipulation reached between the Company and the Commission's Public Interest Advocacy ("PIA") Staff (the "Stipulation").

On February 28, 2023, Georgia Power filed its Application, the pre-filed Direct Testimony of Sarah P. Adams and Adam D. Houston, the Historical Minimum Filing Requirements ("MFRHs"), and the Projected Minimum Filing Requirements ("MFRPs") (together, the "MFRs"). Additionally, Georgia Power filed updates to MFRH-2 and MFRH-5.13, on April 10, 2023. Six parties intervened in this docket: Georgia Association of Manufacturers ("GAM"); Georgia Interfaith Power & Light ("GIPL"); Georgia Watch; Resource Supply Management; Sierra Club; and the Southern Alliance for Clean Energy ("SACE").

On April 12, 2023, PIA Staff and Georgia Power entered into a Stipulation to resolve all issues in this proceeding between the two parties. The Stipulation was filed with the Commission on April 13, 2023.

On April 14, 2023, PIA Staff filed the Direct Testimony of the panel of Philip M. Hayet and Tom J. Newsome, PE, CFA, in support of the Stipulation. Also on April 14, 2023, GAM filed the Direct Testimony of Jeffry Pollock, and SACE and Sierra Club filed the Direct Testimonies of Brett Alderfer and Jeremy Kalin.

On April 24, 2023, Georgia Power filed the Rebuttal Testimony of Sarah P. Adams and Adam D. Houston. The hearing was held on May 2, 2023, during which all witnesses that pre-filed testimony took the stand and were made available for cross-examination by all parties to the proceeding.

II. ARGUMENT

A. THE STIPULATION REPRESENTS A FAIR AND REASONABLE RESOLUTION OF THIS PROCEEDING AND SHOULD BE ADOPTED BY THE COMMISSION.

1. The fuel rates established under the Stipulation are reasonable and supported by the evidence.

Georgia Power's Application introduces a two-part rate structure that separately accounts for fuel costs for the FCR-26 test period (Part-A) and the FCR-25 under-recovered fuel balance (Part B). (Tr. 339:18-20.) Pursuant to the Stipulation, Georgia Power has updated the actual under-recovered fuel cost balance and projected fuel costs using a more recent natural gas price forecast, leading to a substantial reduction from the request set forth in Georgia Power's initial Application. (Tr. 349:8-15.) The rate requested in Georgia Power's initial Application would have increased the monthly bill of a typical residential customer averaging 1,000 kilowatt hours ("kWh") per month by approximately $23. (Tr. 326:5-7.) Through the Stipulation, the Company agreed to a

reduction of more than $1 billion from its original request, reducing the residential rate impact by approximately 30% to approximately $15.90 per month. (Tr. 349:12-22.)

The Stipulation provides significant benefits to customers and represents a fair and reasonable resolution of all issues in this case. There is no evidence in the record to support a reduction in the Company's request made pursuant to the Stipulation. Georgia law allows for a public utility to recover its fuel costs by adjusting rates based on actual expenses "in order that the accumulated retail fuel costs of the utility shall equal, as nearly as possible, the revenues recovered pursuant to the fuel recovery allowance contained in its base rates." O.C.G.A. § 44-2-26(g). The fuel recovery statute sets a high bar for the disallowance of reported fuel costs, requiring evidence of "illegal or clearly imprudent conduct on the part of the utility" for any such adjustments to be made. O.C.G.A. § 44-2-26(h). The record in this case contains no evidence of illegal or clearly imprudent conduct by Georgia Power. To the contrary, the fuel rates established under the Stipulation are reasonable and well-supported by the evidence in this case and should be approved by the Commission without adjustment.

2. A 36-month recovery period appropriately balances the interests of customers with the Company's need to recover its costs over a reasonable period of time.

The Commission should allow the Company to recover the remaining FCR-25 under-recovered fuel balance over 36 months, as stipulated by the Company and PIA Staff. (Stipulation, para. 4.) The 36-month recovery period agreed to in the Stipulation, as opposed to the customary 24-month period, strikes an appropriate balance that safeguards the interests of customers and ensures the Company can recover its fuel costs within a reasonable timeframe. (Tr. 99:12-14; Tr. 341:5-10; Tr. 351:19-28.) In identifying 36 months as the appropriate recovery period, the

Company thoroughly evaluated multiple scenarios, demonstrating a commitment to finding a solution that best accommodates the needs of all stakeholders. (Tr. 351:19-21.)

The Commission should reject the recommendations of certain intervenors to extend the recovery of the FCR-25 under-recovered balance beyond 36 months because doing so is not in the best interests of customers. A 36-month recovery period would already be "one of the longest, if not the longest in the country for current under-recovered" fuel cost balances. (Tr. 378:9-12.) Although GAM Witness Pollock testified that he was aware of cases in Texas with current non-securitized fuel cost balance recovery periods longer than 36 months, (Tr. 164:24-165:1), research has revealed no such cases. Texas currently has *storm* cost recovery periods greater than 24 months, but those proceedings all relate to storm cost recovery, not fuel cost recovery.

Extending the recovery period for the FCR-25 under-recovered balance beyond 36 months significantly increases the risk that customers will have to pay multiple, concurrent under-recovered fuel cost balances. Under the terms of the Stipulation, the FCR-25 under-recovered balance -- which the Company began accruing in June 2021 -- is not expected to be eliminated until May 2026. As such, the Company will have carried the under-recovered balance for a period of almost five years. (Tr. 351:21-22; Stipulation para. 9.) Because the Stipulation requires the Company to file its FCR-27 application by February 28, 2026, absent an IFR adjustment, the recovery period for any under-recovered balance associated with that proceeding would begin on June 1, 2026. (Stipulation, para. 9.) Therefore, if recovery of the FCR-25 under-recovered balance is extended beyond 36 months, customers could potentially face a situation in which they are simultaneously paying both the under-recovered balances for the FCR-25 *and* FCR-26 periods. (Tr. 369:1-7.) Prolonging the recovery of the FCR-25 under-recovered balance beyond 36 months

would also result in increased total fuel costs for customers, ultimately burdening them with additional financial strain. (Tr. 369:1-7; Tr. 377:25-378:4.)

Such an extension would also put pressure on the Company's financial integrity, thereby undermining its ability to continue providing essential services to its customers at a reasonable cost. (Tr. 351:25-28.) An extended recovery period requires the Company and customers to accept uncertain future interest rates and increased financing costs, inappropriately relies on short-term debt, and potentially jeopardizes or limits the Company's access to capital. (Tr. 374:19-21.) Recent warnings issued by rating agencies regarding the impact of deferred fuel balances on utility credit ratings underscore the risks to customers associated with the proposed extension. (GPC Ex. 1; GPC Ex. 2.) In light of these considerations, the 36-month recovery period agreed to in the Stipulation is an appropriate and well-considered solution that balances the interests of customers with the Company's need to recover its fuel costs over a reasonable period of time.

3. The Interim Fuel Rider ("IFR") mechanism should be modified as outlined in the Stipulation to allow for greater flexibility to mitigate the risk of another large under-recovered balance.

The IFR mechanism allows the Commission and the Company to make interim adjustments to fuel rates in those instances where actual fuel costs deviate from the Company's forecasts. (Tr. 390:16-20.) The change to the IFR mechanism outlined in the Stipulation will provide increased flexibility to help mitigate future under-recovered balances. The most recent application of the IFR mechanism occurred in October 2021, when the Commission and the Company adjusted fuel rates by the 15% maximum (as currently allowed) to mitigate the rapidly rising under-recovered balance at issue in this very case. (Tr. 308:19-22.) Significantly, the maximum application of the IFR mechanism in its current form was not adequate and still allowed the substantial under-recovered balance addressed in this proceeding. (Tr.120:4-16.) This demonstrates the need for the requested

adjustment to the IFR mechanism to mitigate large under-recovered balances in the future. In describing how the 40% maximum adjustment under the IFR is in the best interests of customers, PIA Staff Witness Tom Newsome, the Commission's Director of Utility Finance, explained that "if you could have increased bills another $3 or $4 a month, we wouldn't be looking at 16 bucks a month right now." (Tr. 120:13-15.) For these reasons, the Commission should approve the stipulated modification to the IFR mechanism to provide the Commission and the Company with the flexibility needed to mitigate large under-recovered balances in the future.

Criticism of the proposed modification to the IFR mechanism from certain intervenors demonstrates a fundamental misunderstanding of the mechanism's purpose and function. Witness Kalin was wrong in testifying that the IFR mechanism could be "maximized" to allow a 274% potential increase. (Tr. 306:23-307:5) The IFR mechanism clearly states that "[t]he *maximum cumulative amount* that the FCR-26 rates can be changed during the FCR-26 period is 40%, in either direction, from the original FCR-26 rates approved by the Commission in Docket No. 44902." (Stipulation, Attachment A) (emphasis added). He further mischaracterizes the mechanism as a means to collect additional revenue to pay for increased fuel costs, claiming that it serves as a "disincentive to the utility to aggressively reduce the fuel costs themselves." (Tr. 209:12-14.) He fails to recognize that the mechanism mitigates the *impact* of fuel costs on customers by implementing smaller, incremental changes to minimize the impact of future potential under-recoveries. (Tr. 390:16-20.) Witness Alderfer is similarly mistaken in his characterization of the IFR mechanism as an *automatic* pass through. He fails to recognize that the plain language of the IFR mechanism makes clear that the Commission has discretion whether to allow adjustments -- for either increases or decreases. (Tr. 186:4-7.) Moreover, those same fuel costs are reviewed for prudency in the subsequent FCR proceeding, providing the Commission yet

another opportunity to review them. Finally, the 1-cent cap proposed by certain intervenors would limit the ability of the Commission and the Company to mitigate a large under-recovered balance by tying their hands when action is needed most. (Tr. 369:15-19.) Therefore, the Commission should accept the IFR mechanism as set forth in the Stipulation and reject the 1-cent cap.

4. The other items contained in the Stipulation are reasonable and should be approved.

The Stipulation addresses several other issues, and the Commission should adopt the recommendations contained in the Stipulation with respect to these issues. First, the Stipulating Parties agreed to a $7 million cumulative reduction of the fuel balance effective May 31, 2023 to be reflected in fuel rates. (Stipulation, Para. 5.) Second, the Stipulating Parties agreed that the Commission should make no finding of prudence, imprudence or disallowance with regard to any of the generating plant outages from the FCR-26 historic period. (Stipulation, Para. 6.) Third, the Income Qualified Senior Citizen Fuel Discount shall be increased from $6 to $8 per month. (Stipulation, Para. 8.) Fourth, the Company is required to file its next FCR application on or before February 28, 2026, with revised fuel rates going into effect on June 1, 2026, unless a later date for filing is agreed to by PIA Staff or ordered by the Commission. (Stipulation, Para. 9.) Fifth, the Stipulating Parties agree that the FCR process is not the proceeding in which to consider fuel costs associated with the Vogtle Units 3 and 4 delays and agree that the issue should be addressed in the Vogtle prudence proceeding. (Stipulation, Para. 10.) Sixth, the Company will provide to Commission Staff on June 30th and December 31st of each year updated projected monthly fuel revenues, fuel expenses, monthly over or under collections, and projected fuel balances; provided that for the June 30th update, the Company will only update its natural gas price forecast and retain all other assumptions as included in the prior fall update. (Stipulation, Para. 11.) Finally, the

Company has committed to pay for any reasonably necessary expert assistance to PIA Staff in an amount not to exceed $75,000 annually. The amounts paid by the Company shall be deemed a necessary cost of providing service and the Company shall be entitled to recover the full amount of any costs charged to the utility through the fuel rates. (Stipulation, Para. 12.) These resolutions were agreed to by the Stipulating Parties, are reasonable, and should be adopted.

B. THE COMMISSION SHOULD REJECT THE CHANGES TO THE INTEGRATED RESOURCE PLANNING PROCESS PROPOSED BY WITNESSES FOR SACE AND SIERRA CLUB.

The recommendations presented by SACE and Sierra Club's witnesses regarding modifications to the integrated resource planning process ("IRP") warrant no serious consideration. First, Witness Kalin openly admitted to conducting only a scant review of Georgia's IRP statute and the Commission's Rule 515 pertaining to resource planning, stating that he "did not review the IRP statutes other than read them once or twice very quickly." (Tr. 302:6-8.) His glaring lack of familiarity with this Commission's longstanding regulatory framework undermines the credibility of his recommendation. Any party offering expert testimony should have a basic understanding of the subject matter. In light of this deficiency, the Commission should disregard Witness Kalin's recommendations related to the IRP as wholly unsupported by any informed analysis.

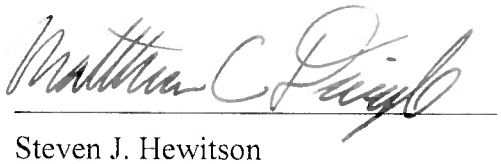
Furthermore, because Witness Kalin neglected to thoroughly analyze the legal framework on which he testified or even the Company's most recent IRP filing, he failed to realize that his recommendations merely reflect what is already an integral part of the integrated resource planning process. (Tr. 302:23-303:1.) By presenting these recommendations as novel solutions, Kalin demonstrates a fundamental lack of understanding of the existing procedures in the State of

Georgia. These recommendations do not contribute any added value to the proceedings and should be rejected by the Commission.

III. CONCLUSION

The Stipulation, which was reached as a compromise between the Company and PIA Staff, provides significant benefits to the Company's customers and is a fair and reasonable resolution of all issues in the case. The Stipulation reduces the fuel costs requested in the Company's initial filing by more than $1 billion, while still providing for the timely recovery of fuel costs previously incurred to serve customers. For these reasons, the Stipulation is in the best interest of customers and should be approved without modification.

Respectfully submitted this 8th day of May 2023.



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STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
Georgia Power Company's	)	Docket No. 44902
Fuel Cost Recovery Application	)	
(FCR-26)	)	
	)	

PROPOSED ORDER ADOPTING STIPULATION

Record Submitted: [ ] Decided: May 16, 2023

APPEARANCES

On behalf of Georgia Public Service Commission Public Interest Advocacy Staff:

PRESTON THOMAS, Esq.
RAY-KELLE PRESTON, Esq.

On behalf of Georgia Power Company:

BRANDON F. MARZO, Esq.
STEVEN J. HEWITSON, Esq.
MATTHEW C. DAIGLE, Esq.

On behalf of Georgia Association of Manufacturers:

CHARLES B. JONES, III, Esq.

On behalf of Georgia Interfaith Power & Light:

JENNIFER WHITFIELD, Esq.
PETER SLAG, Esq.

On behalf of Georgia Watch:

LIZ COYLE

On behalf of Resource Supply Management:

JIM CLARKSON

On behalf of Sierra Club & Southern Alliance for Clean Energy (SACE):

ROBERT JACKSON, Esq.
ISABELLA ARIZA, Esq.

BY THE COMMISSION:

I. BACKGROUND AND PROCEDURAL HISTORY

This matter comes before the Georgia Public Service Commission ("Commission") on the application of Georgia Power Company ("Georgia Power" or the "Company") to set new fuel cost recovery ("FCR") rates. The Official Code of Georgia Annotated Section 46-2-26(a)(1) defines "fuel costs" as the cost of fuel "as defined in the utility company's tariffs in effect on July 1, 1979, as such tariffs may be changed from time to time by order of the commission as provided by law." "Utility" is defined as any "retail supplier of electricity subject to the rate-making jurisdiction of the commission." O.C.G.A. § 46-2-26(a)(2). In this Docket, Georgia Power Company is seeking the Commission's approval to recover fuel costs, as defined by state law, that the Company has and will incur in serving its customers. Georgia law requires a public hearing on each electric utility's FCR proposal, which is to be held no less than ten days after the utility's filing. Not later than 90 days after the utility's filing, this Commission must issue an order that states the base fuel rates to be used by the utility during the next three consecutive calendar months, or until changed as provided in law. If such an order is not issued within this timeframe, the fuel rates proposed by the utility become effective by operation of law. O.C.G.A. § 46-2-26.

On January 17, 2023, the Commission issued its Procedural and Scheduling Order ("PSO") to identify the issues, establish discovery procedures, and establish a hearing schedule. This proceeding was declared to be a contested case as the term is defined in O.C.G.A. § 50-13-13 and was also held to encompass complex litigation pursuant to O.C.G.A. § 9-11-33. Petitions to intervene were filed by the Resource Supply Management ("RSM") on February 22, 2023; Georgia Interfaith Power & Light on March 8, 2023; Sierra Club and Southern Alliance for Clean Energy ("SACE") on March 8, 2023; Georgia Watch on March 13, 2023; and Georgia Association of Manufacturers ("GAM") on March 15, 2023. No objection was made to any of these petitions to intervene.

Georgia Power filed with the Commission its application to set new FCR rates on February 28, 2023. The Company's application included the pre-filed direct testimony of Ms. Sarah P. Adams and Mr. Adam D. Houston, Comptroller and Assistant Comptroller, respectively, for Georgia Power. In its application, the Company requested that the new fuel cost recovery tariffs (FCR-26, TOU-FCR-26, and TOU-FCR-TP-4) be effective for bills rendered beginning June 1, 2023. The Company proposed an increase of $3.1 billion in FCR-26 rates compared to FCR-25 rates, which equates to a monthly increase of approximately $23 per month for the typical residential customer using an average of 1,000 kWh of electricity.

On April 12, 2023, the Commission's Public Interest Advocacy ("PIA") Staff and Georgia Power (the "Stipulating Parties") entered into a Stipulation, which was intended to resolve all issues in this proceeding between the two parties. The Stipulation was filed with the Commission on April 13, 2023.

On April 14, 2023, PIA Staff pre-filed the testimony of the panel of Mr. Tom Newsome and Mr. Philip M. Hayet. Also, on April 14, 2023, GAM pre-filed the testimony of Jeffry Pollock, and SACE and Sierra Club jointly pre-filed the testimonies of Brett Alderfer and Jeremy Kalin.

On April 24, 2023, Georgia Power filed the rebuttal testimony of Ms. Sarah P. Adams and Mr. Adam D. Houston. The rebuttal testimony reduced the Company's requested increase to $2.1 billion in FCR-26 rates as compared to FCR-25 rates, which equates to a monthly increase of approximately $15.90 for the typical residential customer.

On May 2, 2023, the Commission held a hearing to consider the Company's application to set new rates and to consider the Stipulation reached between the Company and PIA Staff in this Docket. On May 8, 2023, the parties filed briefs and proposed orders setting forth their respective positions in this matter. Thereafter, this matter came before the Commission on May 16, 2023, at a Special Administrative Session as provided for in the PSO.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

This matter comes before the Commission to consider the proposed Stipulation, attached hereto as Attachment A and incorporated herein by reference. As shown in Attachment A, the Stipulation provides for the resolution of all issues in this case.

Key provisions of the Stipulation include the following:

a) The Company's Application is accepted as filed, except as modified by the Stipulation. (Stipulation Item 1.)

b) The Company shall provide revised FCR-26 fuel rates updated for the actual under-recovered fuel cost balance through March 31, 2023, and projected fuel costs utilizing a more recent natural gas price forecast, while retaining all other assumptions as included in the Company's original FCR-26 filing, for the remaining FCR-25 period (through May 31, 2023) and the FCR-26 test period. (Stipulation Item 3.)

c) The FCR mechanism shall be adjusted to create a two-part rate, which will separately track the recovery of fuel costs for the FCR-26 test period (Part-A) and recovery of the FCR-25 under-recovered fuel balance (Part-B). Projected fuel costs will be recovered over the FCR-26 test period. The FCR-25 under-recovered balance will be recovered over a 36-month period beginning June 1, 2023. Part B of the FCR-26 rates will automatically expire once the FCR-25 under-recovered balance is fully recovered. (Stipulation Item 4.)

d) The Company agrees to remove $7 million of costs from the fuel balance as of May 31, 2023. (Stipulation Item 5.)

e) The Commission makes no finding of prudence, imprudence, or disallowance regarding any of the generating plant outages from the FCR-26 historic period. (Stipulation Item 6.)

f) The Interim Fuel Rider ("IFR") mechanism shall be modified so that the maximum amount by which fuel rates can be adjusted during an FCR cycle is 40% above or below the approved FCR-26 rates. The +/- $200 million threshold approved in FCR-23 will remain unchanged, but the threshold will only apply to the *current* period cumulative over/under recovered fuel balance as opposed to the *total* over/under recovered fuel balance. (Stipulation Item 7.)

g) The Income Qualified Senior Citizen Fuel Discount shall be increased from $6 to $8 per month, bringing the total (base + fuel) Income Qualified Senior Citizen Discount to $32 per month. (Stipulation Item 8.)

h) Beginning December 31, 2023, the Company will provide to Staff on June 30th and December 31st of each year updated projected monthly fuel revenues, fuel expenses, monthly over or under collections, and projected fuel balances through May 31, 2026. For the June 30th update, the Company will only update its natural gas price forecast and retain all other assumptions as included in the prior fall update. (Stipulation Item 11.)

i) In conjunction with the ongoing level of analysis necessary to review fuel cost recovery issues prior to the filing of the FCR-27 case, the Company agrees to pay for any reasonably necessary specialized assistance to the Commission Staff in an amount not to exceed $75,000 annually. The amounts paid by the Company under this paragraph shall be deemed a necessary cost of providing service and the Company shall be entitled to recover the full amount of any such costs charged to the utility through the fuel clause. (Stipulation Item 12.)

The Commission finds that the testimony and evidence in this proceeding fully support the agreement reached by the Stipulating Parties and that the Stipulation is a fair and reasonable resolution of all issues in the case. Georgia law allows for a public utility to recover its fuel costs by adjusting rates based on actual expenses "in order that the accumulated retail fuel costs of the utility shall equal, as nearly as possible, the revenues recovered pursuant to the fuel recovery allowance contained in its base rates." O.C.G.A. § 44-2-26(g). The fuel recovery statute requires evidence of "illegal or clearly imprudent conduct on the part of the utility" for any adjustments to be made. O.C.G.A. § 44-2-26(h). The record in this case contains no evidence of illegal or clearly imprudent conduct by Georgia Power. To the contrary, the fuel rates established under the Stipulation are reasonable and well-supported by the evidence in this case, given the facts before the Commission. Pursuant to the Stipulation, the Company's request will be reduced by approximately $1 billion from the Company's original request, reducing the residential rate impact

by approximately 30%. The Commission finds that the Stipulation is supported by the evidence presented and the resulting rates are just and reasonable.

In this case, certain intervenors proposed longer recovery periods for the FCR-25 under-recovered balance than the 36 months agreed to in the Stipulation. Under the Stipulation, a 36-month recovery period will be utilized for the under-recovered fuel balance as opposed to the customary 24-month recovery period. In determining 36 months to be the appropriate recovery period, the Commission gave considerable weight to the testimony of PIA Staff and the Company. The Company has been under-recovering fuel costs since 2021 and, under the Stipulation, this under-recovery is not projected to be fully recovered until 2026. Certain intervenors argued to extend the recovery period beyond 36 months to reduce the proposed rates. This approach introduces risk and additional costs to ratepayers and Georgia Power. A longer recovery period increases interest costs for ratepayers and the risk that ratepayers will face multiple, concurrent under-recovered fuel balances in the future. Moreover, extending the recovery period beyond 36 months would put pressure on the Company's financial integrity, thereby undermining its ability to continue providing essential services to ratepayers at a reasonable cost. Therefore, the Commission finds that 36 months is the appropriate recovery period for the FCR-25 under-recovered fuel balance, as provided by the Stipulation.

The Commission further finds that increasing the maximum amount by which fuel rates can be adjusted through the IFR mechanism to 40% affords the Commission and the Company the flexibility necessary to mitigate against volatile fluctuations in fuel prices and is in the best interests of ratepayers. The IFR has been in effect since its adoption in 2010 in Docket No. 28945. Although an effective tool, the IFR in its current form is not adequate to address fuel cost volatility of the magnitude seen in recent years. The evidence presented in this case demonstrates that a change to the IFR mechanism as outlined in the Stipulation will provide increased flexibility to help mitigate future under-recovered balances. Intervenor arguments opposing the change to the IFR were largely based upon fundamental misunderstandings of the operation of the mechanism and Georgia law. Therefore, the Commission finds and concludes that the changes to the IFR are supported by the record and are just and reasonable.

After thorough consideration of the attached Stipulation as well as the testimony and evidence presented in this case, the Commission finds and concludes that the terms and conditions of the Stipulation are fair and reasonable and in the public interest. The Commission further finds and concludes that adoption of the Stipulation constitutes an efficient, effective, and responsible discharge of the Commission's duties in accordance with Georgia law.

III. ORDERING PARAGRAPHS

The Commission decides, based upon its evaluations and determinations as set forth in the preceding Findings of Fact and Conclusions of Law, and upon the evidence of record, as follows:

WHEREFORE, IT IS ORDERED, that the Stipulation (Attachment A) agreed to by Georgia Power and PIA Staff is hereby accepted and adopted as a fair and reasonable resolution of all issues in this case.

ORDERED FURTHER, that the FCR-26 rates proposed by the Company with the additional adjustments as agreed to in the Stipulation are just and reasonable and shall be effective for bills beginning June 1, 2023.

ORDERED FURTHER, the revised FCR-26, TOU-FCR-26, and TOU-FCR-TP-4 tariffs as revised in the Company's exhibits to its rebuttal testimony are approved.

ORDERED FURTHER, the IFR mechanism shall be modified so that the maximum amount by which fuel rates can be adjusted during an FCR cycle is 40% above or below the approved FCR-26 rates.

ORDERED FURTHER, that Georgia Power's natural gas hedging program shall continue unchanged, as affirmed and found appropriate in Docket No. 43011.

ORDERED FURTHER, that beginning December 31, 2023, and until May 31, 2026, the Company will provide to Commission Staff on June 30th and December 31st of each year updated projected monthly fuel revenues, fuel expenses, monthly over or under collections, and projected fuel balances; provided that for the June 30th update, the Company will only update its natural gas price forecast and retain all other assumptions as included in the prior fall update.

ORDERED FURTHER, that Georgia Power shall file its FCR-27 application on or before February 28, 2026, with revised fuel rates going into effect June 1, 2026.

ORDERED FURTHER, in conjunction with the ongoing level of analysis necessary to review fuel cost recovery issues prior to the filing of the FCR-27 case, the Company agrees to pay for any reasonably necessary specialized assistance to the Commission Staff in an amount not to exceed $75,000 annually.

ORDERED FURTHER, that all findings, conclusions, and decisions contained within the preceding sections of this Order are adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

ORDERED FURTHER, any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this Order unless expressly ordered by the Commission.

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 proper.

The above by action of the Commission in Special Administrative Session on the 16th day of May, 2023.

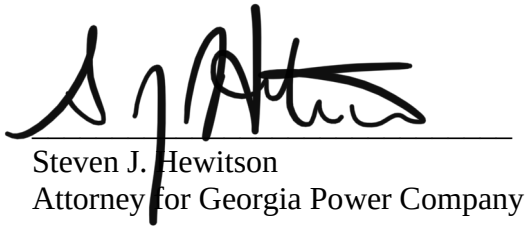
_____	_____
Sallie Tanner	Tricia Pridemore
Executive Secretary	Chairman
_____	_____
Date	Date

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the within and foregoing GEORGIA POWER COMPANY'S BRIEF IN SUPPORT OF STIPULATION AND GEORGIA POWER COMPANY'S PROPOSED ORDER ADOPTING STIPULATION IN DOCKET NO. 44902 upon all parties listed below via electronic service or by hand delivery and addressed as follows:

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This 8th day of May 2023.



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