

FILED

JUL 31 2023

DOCKET# 42516

DOCUMENT# 205281

COMMISSIONERS:

JASON SHAW, Chairman
TIM G. ECHOLS, Vice-Chairman
FITZ JOHNSON
LAUREN "BUBBA" McDONALD
TRICIA PRIDEMORE

**EXECUTIVE SECRETARY
G.P.S.C.**



**REECE McALISTER
EXECUTIVE DIRECTOR**

**SALLIE TANNER
EXECUTIVE SECRETARY**

Georgia Public Service Commission

(404) 656-4501
(800) 282-5813

244 WASHINGTON STREET, SW
ATLANTA, GEORGIA 30334-5701

FAX: (404) 656-2341
psc.ga.gov

Docket No. 42516

In Re: Georgia Power Company's 2019 Rate Case

**Order on Georgia Power Company's
2022 Annual Surveillance Report**

I. BACKGROUND

The Georgia Public Service Commission's ("Commission") Short Order Adopting Settlement Agreement as Modified in Docket No. 42516, dated December 17, 2019 ("December 17, 2019 Short Order"), provided that rates would be set using a 10.5% return on equity ("ROE") with an earnings dead band between 9.5% and 12.00% retail ROE. The December 17, 2019 Short Order, adopted a Settlement Agreement among Georgia Power Company ("Georgia Power", "GPC", or "Company"), the City of Atlanta, Commercial Group, Georgia Industrial Group, Georgia Association of Manufacturers, Metropolitan Atlanta Transit Authority, and Kroger Company, which, established a three-year Alternative Rate Plan with rates that became effective on January 1, 2020 and set to continue through December 31, 2022.

The Company makes its Annual Surveillance Report ("ASR") filings in order to determine its earned ROE and to address the return of excess amounts above the 12.00% upper end of the earnings dead band. Pursuant to the December 17, 2019 Short Order, earnings above the 12.00% retail ROE are to be shared, with 40% being applied to regulatory assets, 40% being directly refunded to customers and 20% retained by the Company. For the twelve months ended December 31, 2022, the Company reported earnings of 13.69% ROE, with excess revenues of \$292.798 million. In accordance with the December 17, 2019 Short Order; 40% or approximately \$117.119 million shall be applied to regulatory assets related to combustion coal residuals and asset retirement obligations ("CCR ARO"), 40% or approximately \$117.119 million shall be directly refunded to ratepayers and the remaining 20% or approximately \$58.560 million shall be retained by the Company.

II. FINDINGS OF FACT

The Commission's Public Interest Advocacy Staff ("Staff") conducted an extensive review of the Company's 2022 ASR filing in order to: (i) replicate and verify the Company's return on equity calculation, (ii) ensure the Company's regulatory adjustments were made in compliance with Commission orders, and (iii) identify any issue(s) and/or adjustment(s) needed to the Company's filing. On July 10, 2023, Staff filed its Summary Report on Georgia Power Company's 2022 Annual Retail Surveillance Report ("Summary Report"). Staff's Summary Report included the following issues and recommendations:

Staff recommends that \$117.119 million be applied to regulatory assets related to CCR ARO obligations, \$117.119 million be refunded to ratepayers and \$58.560 million be retained by the company, in agreement with the Short Order Adopting Settlement Agreement as Modified in Docket No. 42516.

Plant Held For Future Use

Staff recommends that the Company continue to review land held in the PHFFU account through quarterly meetings and reclassification of land with no intended use into non-utility property.

Research & Experimentation Tax Credit

In lieu of recommending a specific adjustment, Staff recommends a conditional adjustment whereby if the Company's final 2022 federal income tax return results in additional earnings for calendar year 2022 due to the impact of R&E credits, then those additional earnings should be applied to the benefit of ratepayers.

III. SUMMARY

At the Commission's July 13, 2023 Energy Committee meeting, Staff recommended the Commission approve the recommendations identified in the 2022 ASR Summary Report as a fair resolution of the issues presented in the 2022 ASR Summary Report.

The Commission hereby approves Staff's Summary Report on the 2022 ASR.

* * * * *

WHEREFORE IT IS ORDERED, that Staff's Summary Report on Georgia Power Company's Annual Retail Surveillance for calendar year 2022, including Staff's recommendations, are hereby adopted.

ORDERED FURTHER, that the Commission finds Georgia Power's Retail Return on Equity for 2022 was 13.69%.

ORDERED FURTHER, that Georgia Power shall document compliance within 90 days of this Order.

ORDERED FURTHER, that a motion for reconsideration, rehearing or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

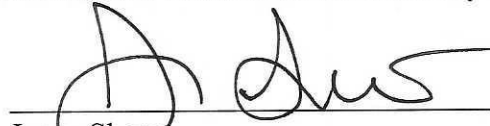
The above by the action of the Commission in Administrative Session on the 20th day of July 2023.



Sallie Tanner
Executive Secretary

7-31-23

Date



Jason Shaw
Chairman

7-31-23

Date