BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

In Re:	]	
	]	
Georgia Power Company's Application to	]	
Adjust Rates to Include Reasonable and	]	Docket No. 29849
Prudent Plant Vogtle Units 3 and 4 Costs	]	

POST-HEARING BRIEF OF SOUTHERN ALLIANCE FOR CLEAN ENERGY

Southern Alliance for Clean Energy ("SACE") respectfully submits its Post-Hearing Brief with SACE's comments and recommendations in response to the evidence before the Commission regarding the Georgia Power Company application to adjust rates when Plant Vogtle Unit 4 achieves full commercial operation (docket 29849).

INTRODUCTION

After completing Fuel Load on Plant Vogtle Unit 4, Georgia Power Company (the "Company") filed an application on August 30, 2023, to adjust base rates which, if approved, would become effective the month after Unit 4 achieves full commercial operation (anticipated to be in Q1 2024). That Application To Adjust Rates To Include Reasonable And Prudent Plant Vogtle Units 3 And 4 Costs requests $8.826 billion in construction and capital cost.

Simultaneous with that Company-filed Application on August 30, 2023, Public Interest Advocacy Staff (PIA Staff) filed a Proposed Stipulated Agreement that it had reached with the

Company and some of the other intervening Parties.[1] That proposed stipulation would, among other provisions, reduce the total requested construction and capital cost by $1.264 billion, to $7.652 billion. That stipulation inaccurately purports to "resolve **all** remaining issues for determination by the Commission." [emphasis added]

The Georgia Public Service Commission (PSC or "Commission") approved a Procedural and Scheduling Order (PSO) for this near-final aspect[2] of docket 29849 at the Administrative Session on September 5, 2023. That PSO incorporated the record from several other related dockets for purposes of this proceeding.[3] And in a rather unusual maneuver for a proceeding of this significance, the Commission collapsed the ordinary complement of three, multi-day hearings into a single, multi-day hearing.

On September 8, 2023, the Georgia Power Company prefiled direct testimony. On or before October 27, 2023, PIA Staff and one other intervening party[4] had prefiled direct testimony. On November 1, 2023, Georgia Power Company filed updated tariffs which presume that 1) the proposed stipulation will be approved by the Commission and 2) that Unit 4 will be in service by March 2024. On November 16, 2023, Georgia Power Company prefiled rebuttal testimony.

The sole hearing in this proceeding was held on December 4-5, 2023.

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[1] Georgia Watch, Georgia Interfaith Power and Light (GPPL), Partnership for Southern Equity (PSE), and the Georgia Association of Manufacturers (GAM).

[2] This is the same docket that has been used for Vogtle Construction Monitoring (VCM) on 28 prior semi-annual periods. Simultaneous with the current Application To Adjust Rates, Georgia Power also filed its 29th VCM Report.

[3] "The Commission hereby takes administrative notice of the record in Docket Nos. 27800, 32539, and 43838."

[4] Concerned Ratepayers of Georgia.

SUMMARY OF ARGUMENTS

SACE considers the proposed stipulation to be a significant step to limit the cost impact on ratepaying customers in Georgia. However, the proposed stipulation fails to address the underlying issue of how the future rate increase is allocated vis-à-vis the historically disproportionate allocation of the NCCR (Nuclear Construction Cost Recovery) rider.

If approved as filed, rates for a typical residential customer will still increase by an additional 5%.[5] This will add to the severe energy burden many Georgians already experience.

SACE acknowledges some valid attempts in the stipulation to provide or expand savings opportunities for customers. The commitment to expand demand-side management programs, like energy efficiency, after 2025 is a welcome addition. And SACE is pleased that the Income Qualified Senior Discount will no longer be limited exclusively to seniors.[6] But SACE is disappointed that the proposed stipulation neglects other opportunities to prepare Georgia's power grid for more clean energy generation and protect ratepayers from costly mistakes like Vogtle in the future.

The proposed stipulation devotes just one sentence to the allocation issue. At the end of point number 1, the proposed stipulation reads: "The rate adjustment will be implemented in the same manner as the Unit 3 and Common rate adjustment." But if that initial allocation was not equitable, that same inequity should not be replicated now.

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[5] Net of the corresponding elimination of Nuclear Construction Cost Recovery (NCCR).

[6] and should probably be renamed to avoid confusion.

SACE had opposed the proposed allocation in that prior docket (43838, Unit 3 and Common rate adjustment). Our final brief[7] argued that equal allocation is not necessarily equitable and referenced the historically disproportionate allocation of the NCCR, as follows:

> *The Company's response to Staff Data Request STF-198-25-b discloses that the Company had collected $3.5 billion via NCCR from January 2011 through December 2020. Individual line items reveal that Residential customers had contributed over 47% ($1.66 billion) and Commercial customers had covered almost 40% (1.39 billion). Industrial customers had only contributed 11.5% ($401 million) [Tr.218-220]. The Company has indicated that, absent a current cost-of-service study, the rate increase should be applied "equally" to the base tariffs [Tr.220]. SACE urges the Commission to assign less of the future burden to the residential and small business customers who have funded the vast majority of the finance costs for the last decade.*

The Commission clearly understood the SACE rationale but instead of resolving the issue then (November 2021), deferred that decision to the 2022 Rate Case. They wrote in the final Order for docket 43838 that:

"The issue regarding impacts of the allocation of the NCCR rider on rate increase allocations should likewise be raised by SACE in the upcoming Rate Case proceeding." [Order Adopting Stipulation, docket 43838][8],[9]

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[7] https://psc.ga.gov/search/facts-document/?documentId=187420

[8] https://psc.ga.gov/search/facts-document/?documentId=187633

[9] The Commission likely expected both Vogtle Units 3 and 4 to be operational before the 2022 Rate Case.

SACE intervened jointly with Southface Institute in the 2022 Rate Case and, nonetheless, duly raised this issue as instructed by the Commission. Our joint final Brief in that docket (44280), reiterated SACE's prior recommendations as follows:

> *RESOLVE OPEN ITEMS FROM THE RATE ADJUSTMENT PROCEEDING FOR VOGTLE UNIT 3 (DOCKET NO. 43838), WHICH THE COMMISSION RECOMMENDED BE ADDRESSED IN THE CURRENT PROCEEDING. THOSE INCLUDE TWO RECOMMENDATIONS FROM SACE:*
>
> *a. The Commission exempt low-income residential customers – at or below 200% of the Federal poverty level – from any rate increase associated with Plant Vogtle.*
>
> *b. The Commission considers the historic, disproportionate allocation of the NCCR rider when deciding the allocation of the rate increase it considers most equitable.*
>
> *[SACE & Southface Final Brief, docket 44280]*[10]

Both Vogtle Unit 3 and Unit 4 were further delayed in 2022 and not operational during the timeframe of the 2022 Rate Case.

The 2022 Rate Case was concluded by a negotiated settlement. That stipulated agreement did not address the topic of Vogtle Unit 3 cost allocation.

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[10] https://psc.ga.gov/search/facts-document/?documentId=192359

Consequently, this aspect from the Procedural and Scheduling Order of docker 43838 has still not been resolved (in either docket 43838, nor docket 44280):

> *(b) What is the appropriate retail base rate adjustment to recover the costs identified in Issue Involved (a), above? As part of this determination what is the revenue requirement to be recovered from ratepayers* ***and what is the appropriate rate design for the recovery?*** *[PSO for docket 43838, emphasis added]*

SACE considers it wholly inadequate and appalling that the first tranche of Unit 3 and Common costs were allocated on an "equal" basis because the Company hadn't performed a cost-of-service study and that now the proposed stipulation refers to that as the precedent. The Commission should deny this aspect of the proposed stipulation.

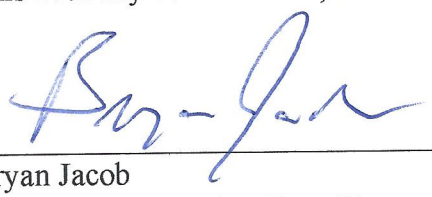
Instead, the Commission should focus on equity rather than equality and assign less of the future burden to the residential and small business customers who have funded the vast majority of the finance costs for the last decade.

RECOMMENDATION

1. **SACE recommends that the Commission consider the historic, disproportionate allocation of the NCCR rider when deciding the allocation of the rate increase it considers most equitable.**

Respectfully submitted,

This 11th day of December, 2023.



Bryan Jacob
Southern Alliance for Clean Energy

Certificate of Service

I hereby certify that the foregoing Post-Hearing Brief and Recommendations of the Southern Alliance for Clean Energy in Docket 29849 was filed with the Georgia Public Service Commission's Executive Secretary according to the Alternative Electronic Filing Procedures issued on March 17, 2020. An electronic copy of same was served upon all parties listed by electronic mail, unless otherwise indicated, and addressed as follows:

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This 11th day of December, 2023.

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