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December 11, 2024

Ms. Sallie Tanner

Executive Secretary

Georgia Public Service Commission

244 Washington Street, SW

Atlanta, GA 30334-5701

**Re: Request for Approval of Revisions to Georgia Power Company’s Rules and Regulations, Docket No. 44280.**

Dear Ms. Tanner:

Pursuant to O.C.G.A. § 46-2-25(a), please find attached proposed revisions to Georgia Power Company’s (“Georgia Power” or the “Company”) Rules and Regulations on file with the Georgia Public Service Commission (“Commission”). These revisions introduce the administrative changes necessary to update contracting mechanisms to ensure the Company can recover the costs it incurs in serving or preparing to serve customers and that such costs are borne by those customers.

1. Background and Reasons for Revisions

Georgia Power continues to see robust economic growth as discussed in its 2023 Integrated Resource Plan Update, Docket No. 55378. As Georgia Power previously reported, the near-term pipeline of committed and potential economic development projects continues to grow and is now 19,900 MW. 1  As the large load economic development pipeline has grown, so has the size of commitments from large load customers. To serve these customers, the Company will incur significant site-specific costs as well as upstream costs for generation, transmission, and distribution facilities.

Although the Company’s current Rules and Regulations have appropriately addressed historical levels of load growth, many of the customers in Georgia Power’s large load customer pipeline have extraordinary power needs, with many projects exceeding 100 MW. The size of these projects far exceeds historical trends, and while they ultimately will put downward pressure on rates that will benefit all customers, they also require considerable upfront investments. Accordingly, Georgia Power is proposing modifications to its Rules and Regulations to ensure the costs incurred to serve these large load customers are appropriately recovered from those customers.

In particular, the proposed revisions to Rules and Regulations address certain risks that are amplified by the size and scale of these new large loads. Ultimately, the proposed revisions will help protect other customers from bearing costs that are caused by, and the responsibility of, specific large load customers.

1. Revisions Proposed

The proposed revisions to the Rules and Regulations provide the Company with the tools needed to protect other customers from the costs incurred in serving or preparing to serve large load customers. As it pertains to site specific and local costs, the Company will also continue to utilize existing mechanisms like contributions in aid of construction (CIAC) and upfront payments to ensure recovery of the costs to serve large load customers.

In addition to site specific costs, the Company incurs upstream generation, transmission, and distribution costs to reliably serve these large load customers. To ensure these costs are appropriately borne by the responsible party, the Company proposes implementing longer term contracts, performance and credit provisions, and contract termination provisions that allow for cost recovery from large load customers. These additional tools will allow the Company to protect against instances where the load may not materialize as expected or where the large load economic development customer may exit the system sooner than required to recover the costs incurred to serve the customer.

1. Specific Rules and Regulation Revisions

1. Contract terms

***Section A – General Rules.***

The Company proposes to revise Section A – General Rule A1 relating to the application for electric service. The proposed revision acknowledges that the Company will need to include provisions such as minimum billing requirements and longer contract term lengths in its contracts with customers with an expected peak demand of 100 MW or greater at one or more premises located on one tract or contiguous tracts of land. This flexibility is necessary to ensure the Company recovers the costs associated with serving or preparing to serve these customers.

***Section D – Transmission or Wholesale Distribution Line Extension and Service Connection Regulation***

Service Contract – D2

The Company proposes to revise Section D2 by adding language that establishes that service contracts will be for the term specified in the applicable rate schedule, or for a longer term if needed, to ensure the Company recovers all costs associated with serving or preparing to serve the customer.

1. Credit and contract termination provisions

***Section D – Transmission or Wholesale Distribution Line Extension and Service Connection Regulation***

The Company proposes a new Section D13, which will be applicable to customers with an expected peak demand of 100 MW or greater at one or more premises located on one tract or contiguous tracts of land. This new section recognizes that the Company may need to require performance security and/or credit provisions when the Company deems that those are necessary to ensure the recovery of costs incurred by the Company in serving or preparing to serve the large load customer.

The Company is also proposing a new Section D14, which will also be applicable to customers with an expected peak demand of 100 MW or greater at one or more premises located on one tract or contiguous tracts of land. Under the new Section D14, large load customers will be required to pay any costs the Company has incurred in serving or preparing to serve the customer, upon termination of its contract for electric service. This provision will ensure that these large load customers are held responsible for the costs for distribution, transmission, and generation necessary to serve them, even if they terminate their electric service contract prior to those costs being fully recovered.

1. Conclusion

Given the robust economic development growth occurring in Georgia and the number of large load customers that are forecasted to take service from the Company, it is critical to implement mechanisms to protect Georgia Power’s customers and ensure that the cost to serve new large load customers are appropriately born by those customers.  The proposed revisions to the Rules and Regulations will provide those tools and should be approved by the Commission.

For the foregoing reasons, the Company respectfully requests that the proposed changes to the Company’s Rules and Regulations as attached to this letter and described herein be approved.

Please call me at 404-506-7106 if you have any questions regarding this letter.

Sincerely,

/s/ Jeremiah C. Haswell

Jeremiah C. Haswell

Director, Regulatory Affairs

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