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Docket No. 44280
In Re: Georgia Power Company's 2022 Rate Case

Order on Georgia Power Company's
2023 Annual Surveillance Report

I. BACKGROUND

The Georgia Public Service Commission's ("Commission") Order Adopting Settlement Agreement as Modified in Docket No. 44280, dated December 20, 2022 ("December 20, 2022 Order"), provided that rates would be set using a 10.50% return on equity ("ROE") with an earnings dead band between 9.50% and 11.90% retail ROE. The December 20, 2022 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, 2023, and set to continue through December 31, 2025.

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 11.90% upper end of the earnings dead band. Pursuant to the December 20, 2022 Order, earnings above the 11.90% 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, 2023, the Company reported earnings of 10.90% ROE.

II. FINDINGS OF FACT

The Commission's Public Interest Advocacy Staff ("Staff") conducted an extensive review of the Company's 2023 ASR filing in order to: (i) replicate and verify the Company's return on equity calculation to ensure it placed within the Commission's ordered ROE band, (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 December 09, 2024, Staff filed its Summary Report on Georgia Power Company's 2023 Annual Retail Surveillance Report ("Summary Report"). The staff's Summary Report included the following issues and recommendations:

Plant Held For Future Use

Staff recommends that the Company continue to review land held in the PHFFU account through quarterly meetings and to maintain documentation of those quarterly reviews. If it is determined that a parcel of land will not be used within 15 years since its acquisition date, it should be reviewed by the Commission in the subsequent IRP or the base rate case with a requirement that the Company present a specific plan for the property.

Vegetation Management

Staff recommends that going forward, GPC maintain its distribution and transmission vegetation management schedules in an efficient manner so as to avoid amassing substantial distribution and/or transmission vegetation backlogs in the future.

Regulatory Assets

Staff recommends that the Company continue to monitor its regulatory asset deferral accounts to ensure that the accelerated amortization of regulatory assets is prioritized in the order as described in the Order Adopting Settlement Agreement as Modified in Docket No. 44280.

Preliminary Surveys and Investigation

Staff recommends that the Company explain in detail what the new Miscellaneous line item in the 2023 ASR relates to and why it was not included in the Company's previous ASR filings.

Electric Vehicle Rebates

Staff recommends that the Company includes the underspent budget from 2023 and 2024 of approximately $2.5 million into the 2025 EV rebate budget. Staff reserves the right to challenge the accounting treatment of any projected underspent amount as of December 31, 2025, during the 2025 base rate case.

SUMMARY

At the Commission's December 12, 2024, Energy Committee meeting, Staff recommended the Commission approve the recommendations identified in the 2023 ASR Summary Report as a fair resolution of the issues presented in the 2023 ASR Summary Report.

The Commission hereby approves the Staff's Summary Report and recommendations on the 2023 ASR.

* * * * *

WHEREFORE IT IS ORDERED, that Staff's Summary Report on Georgia Power Company's Annual Retail Surveillance for calendar year 2023, including Staff's recommendations, are hereby adopted.

ORDERED FURTHER, that the Commission finds Georgia Power's Retail Return on Equity for 2023 was 10.90%.

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

ORDERED FURTHER, that a motion for reconsideration, rehearing, 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 the Administrative Session on the 17th day of December 2024.

Sallie Tanner
Executive Secretary

12-18-24
Date

Jason Shaw
Chairman

12-18-24
Date