

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

In Re:

**Georgia Power Company's
2022 Rate Case**

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Docket No. 44280

**JOINT PETITION OF GEORGIA POWER COMPANY AND THE PUBLIC
INTEREST ADVOCACY STAFF FOR APPROVAL OF THE STIPULATION TO
EXTEND THE ALTERNATE RATE PLAN**

Georgia is undergoing a period of significant economic development and growth, driven in large part by Georgia's status as a top place to do business, live, and work. Moreover, the ability of Georgia Power Company ("Georgia Power" or the "Company") to respond to the opportunities presented by this extraordinary level of economic development is due largely to the constructive regulation of the Georgia Public Service Commission ("Commission"). That constructive regulation has ensured the state has the energy, infrastructure, and processes in place to allow all customers to recognize the benefits of this growth.

As the state continues to grow, Georgia Power remains committed to providing customers with reliable and affordable electric service. Under the current Alternate Rate Plan ("ARP"), which was approved by the Commission's December 30, 2022, Order in Docket No. 44280 (the "2022 Rate Case Order"), the Company is required to file a base rate case by July 1, 2025. As a result of constructive regulation and the foresight of the Commission in ensuring the resources are available to meet the state's growing needs, Georgia Power has proposed to forgo its July 1, 2025 rate case filing and has entered into a Stipulation with the Public Interest Advocacy Staff ("PIA Staff") (collectively,

the “Joint Petitioners”) to extend the current ARP for an additional three-year term (the “Stipulation to Extend the ARP”).

By extending the ARP, base rates will not be changed and customer rates will remain stable and predictable. Moreover, the Stipulation to Extend the ARP provides the framework to ensure that all customers receive the benefit of the incredible economic growth taking place in our state. Accordingly, the Joint Petitioners request approval of the Stipulation to Extend the ARP, which is provided as Exhibit 1 to this Petition.

I. BACKGROUND

On December 30, 2022, the Commission issued the 2022 Rate Case Order, which approved a Settlement Agreement between Georgia Power, PIA Staff, and several Intervenors providing for an ARP (“2022 Rate Case Settlement Agreement”). Under the 2022 Rate Case Order, the ARP commenced on January 1, 2023, and continues through December 31, 2025. The 2022 Rate Case Order requires the Company to file its next base rate case by July 1, 2025.

The Stipulation to Extend the ARP provides for the continuation of the ARP for an additional three-year term from January 1, 2026, through December 31, 2028 (the “ARP Extension Period”). To extend the current ARP, the Joint Petitioners have agreed to certain modifications to the 2022 Rate Case Order, which are highlighted in the following section.

II. DESCRIPTION OF THE PRIMARY PROVISIONS OF THE STIPULATION TO EXTEND THE ARP.

The Settlement Agreement includes, among other things, the following provisions to support the extension of the ARP:

1. No adjustment to base rates, with any under-recovered storm costs considered in a separate proceeding to be filed in 2026;

2. The use and normalization of various tax credits for the benefit of customers, both now and in the future;
3. The use of various expense adjustments to keep existing base rates stable;
4. The continuation of activities and programs approved in the current ARP; and
5. The ability of the Company to consider pre-construction costs in a future proceeding without prejudicing the right of Staff to oppose or recommend modifications to any such request.

A. No adjustment to base rates, and under-recovered storm cost considered in a separate proceeding.¹

The Stipulation to Extend the ARP provides that base rates will not be adjusted for the next three years (2026, 2027, and 2028), ensuring that rates are stable and predictable for customers. By virtue of continuing base rates as set in the 2024 compliance filing in this docket, the Company will continue the amortization of regulatory assets and liabilities previously approved by the Commission.² The Joint Petitioners further agree that the Company will also be allowed to recover its reasonable and prudent under-recovered storm damage cost resulting from recent major storms, including Hurricane Helene. The Stipulation to Extend the ARP provides for the consideration of recovery of the under-recovered storm damage cost through a fully litigated proceeding limited to this narrow issue. That proceeding will take place in 2026.

B. Utilizing tax benefits to help customers now and in the future.³

The 2022 Rate Case Order provided for the deferral as a regulatory liability of tax benefits related to the Inflation Reduction Act, the Infrastructure and Investment Jobs Act, and any additional

¹ See Exhibit 1, paragraphs 1–4.

² See 2022 Rate Case Settlement Agreement, as approved in the 2022 Rate Case Order and subsequently included in current rates through annual compliance filings.

³ See Exhibit 1, paragraphs 5–6, 12.

state or federal regulations. The Stipulation to Extend the ARP provides for the utilization of Investment Tax Credits (“ITCs”) and Production Tax Credits (“PTCs”) to keep base rates stable for the next three years, while also amortizing over a five-year period the tax benefits generated during the ARP Extension Period. Therefore, these tax benefits will be available to help reduce rates when the Company files its next base rate case. The value of ITCs and PTCs will depend upon several factors, including Internal Revenue Service determinations and in-service dates for ITC-eligible resources. Any ITCs above the threshold agreed to and established in the Stipulation to Extend the ARP, along with 40% of PTCs, shall be deferred as regulatory liabilities utilized to offset any regulatory assets resulting from this extension of the ARP. These tax credits will then be used to reduce regulatory assets associated with the storm damage cost and CCR-ARO. Thus, the Stipulation to Extend the ARP ensures that customers will benefit both now and in the future from these projected tax benefits. Similarly, the Company will not defer the state tax reduction effective January 1, 2025, for the same reasons. Any subsequent state or federal tax reductions will be deferred as regulatory liabilities to benefit customers in the future.

C. Use of expense adjustments to keep base rates stable.⁴

The Stipulation to Extend the ARP includes adjustments to the depreciation expenses associated with Bowen Units 1-4 and Plant Scherer Units 1-3, as well as adjustments for the amortization of the remaining net book value of retired plants Wansley Units 1-2 and Plant Hammond Unit 4, which will be extended to 13 years. The Stipulation to Extend the ARP further provides for the continuation and recovery of Municipal Franchise Fees, Demand Side Management costs, and limited deferrals for potential uncollectibles above the amounts already in rates. The Stipulation to Extend the ARP also allows the Company to defer any incremental cost for distributed energy

⁴ See Exhibit 1, paragraphs 7–10, 11c–e.

resource management systems, or “DERMs,” that are approved as part of the 2025 Integrated Resource Plan proceeding. Finally, the Stipulation to Extend the ARP also provides that, should the Company’s earnings fall below the return on equity setpoint upon which rates were set in the 2022 Rate Case, the Company may utilize certain limited deferrals related to depreciation expense for resources that were previously approved by the Commission but are not currently in depreciation rates.

D. The continuation of activities and programs approved in the current ARP.⁵

The Stipulation to Extend the ARP provides that Commission-approved activities and programs—such as the Grid Improvement Plan (“GIP”) and EV Make Ready program—shall continue during the ARP Extension Period. The Joint Petitioners agree that spending for the EV program will continue through the ARP Extension Period at the same budget levels approved in the 2022 Rate Case Order.⁶ GIP spending will be 50% of the level approved in the 2022 Rate Case Order for the ARP extension period and spending will continue to be reported through the GIP’s semi-annual reporting process.

E. Ability to consider costs associated with pre-construction activities in a future proceeding.⁷

The Company is incurring pre-construction costs resulting from the construction of new resources that it believes are needed to serve Georgia’s ongoing significant growth. The Stipulation to Extend the ARP provides that the Company will be able to request deferrals of certain pre-construction costs as part of the All-Source Certification proceeding or as part of another proceeding identified by the Company. The Company believes that recovery of these pre-construction costs is

⁵ See Exhibit 1, paragraph 11a–b.

⁶ See 2022 Rate Case Order at 10–11 and Exhibit A of Attachment 1 to the 2022 Rate Case Order.

⁷ See Exhibit 1, paragraph 13.

particularly important as the Company continues to make investments necessary for Georgia to benefit from new large load customers. Staff reserves the right to oppose or recommend modifications to any such request.

Finally, where it is necessary to align the dates used in the 2022 Rate Case Settlement Agreement to align with the extension of the ARP, the Joint Petitioners made modifications to limited provisions, as described in the Stipulation to Extend the ARP.⁸

III. THE STIPULATION TO EXTEND THE ARP IS IN THE BEST INTERESTS OF CUSTOMERS AND SHOULD BE APPROVED.

The Stipulation to Extend the ARP provides a unique opportunity for Georgia Power's customers to benefit from the extraordinary economic growth that is occurring in our state. The Commission has previously extended ARPs when such extensions provided benefits to customers and allowed the Company to make the investments necessary to provide reliable service to customers.⁹ In this case, the Stipulation to Extend the ARP helps balance the affordability needs of our customers while ensuring Georgia Power remains equipped to continue its support of our state's incredible growth, which is good for all stakeholders. Under the terms of the Stipulation, the extension of the ARP will leave base rates unchanged, except for changes needed to recover the under-recovered storm damage balance. The limited scope proceeding next year to address storm damage cost recognizes the significant impact of Hurricane Helene, the Company's response to storms, and the need to recover storm costs in a timely manner. The framework of the Stipulation and the mechanisms included within it will ensure that customers benefit now and into the future.

Under the Stipulation to Extend the ARP, Georgia Power will continue to provide customers with reliable and affordable electric service. Georgia's constructive regulatory framework, of which

⁸ See Exhibit 1, paragraph 14.

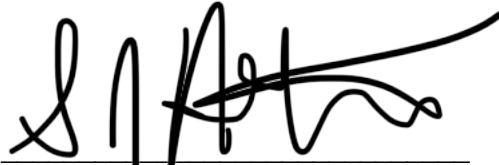
⁹ See, e.g., Order Adopting Settlement Agreement, Docket No. 39971 (May 9, 2016), Attachment A at 4–5 (continuing 2013 accounting order from 2016 through 2019).

the ARP is a product, is the basis for the ability to extend the benefits of the current ARP. Moreover, the Stipulation to Extend the ARP provides the framework to ensure that all customers benefit from the extraordinary economic growth taking place in our state.

IV. CONCLUSION

Georgia Power and PIA Staff respectfully request that the Commission grant this Joint Petition to Approve the Stipulation to Extend the ARP.

This 19th day of May, 2025.



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Christopher Collado
On behalf of the
Public Interest Advocacy Staff

Exhibit 1

STIPULATION TO EXTEND THE ALTERNATE RATE PLAN

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

On December 30, 2022, the Georgia Public Service Commission ("Commission") issued its order ("Order Adopting Settlement Agreement As Modified") in the above-styled docket approving a Settlement Agreement between Georgia Power Company ("Georgia Power" or the "Company"), the Public Interest Advocacy Staff ("Staff"), and several Interveners providing for an Alternate Rate Plan ("ARP") (collectively "2022 Rate Case Settlement Agreement"). The ARP commenced January 1, 2023, and continues through December 31, 2025. The ARP required the Company to file its next base rate case by July 1, 2025. This Stipulation allows the ARP to continue for an additional three-year term through December 31, 2028 ("Stipulation to Extend the ARP"). To facilitate extending the current ARP, the Stipulating Parties agree to the following modifications:

1. The terms and conditions of the ARP, as defined in the 2022 Rate Case Settlement Agreement as approved by the Commission in its Order Adopting Settlement Agreement as Modified, shall remain in effect unless expressly amended by this Stipulation to Extend the ARP.
2. Under the Stipulation to Extend the ARP, base rates will not be adjusted for the next three years (2026, 2027, and 2028) ("ARP extension period"), except for storm damage cost, which will be recovered in accordance with Paragraph 3 of this Stipulation.
3. The Company will be allowed to recover actual reasonable and prudent storm damage cost incurred through December 31, 2025, that exceeds the amount of the annual storm damage accrual approved in the Order Adopting Settlement Agreement as Modified. The Company will file for the recovery of under-recovered storm damage cost no sooner than February 1, 2026 and no later than July 1, 2026, with new rates effective the 1st of the month following 90 days after the request for recovery. The Company's filing will include at a minimum pre-filed direct testimony and the documentation supporting the request for changes in the storm damage accrual as well as the proposed period over which to allow recovery of the under-recovered storm damage balance. The Commission shall determine the rates, the period over which under-recovered storm costs will be recovered, and any other issues the Commission deems necessary to address the limited issue of storm damage cost recovery. The rate increase shall be applied to each traditional base rate on an equal percentage basis. The energy, demand, and basic service charge components shall all be adjusted equally; provided that the Company shall not apply any increase to the basic service charge for the domestic and small business rate groups. The Commission shall issue a final decision within 90 days of the Company's filing.
4. During the ARP extension period, the Company shall continue the amortization of regulatory assets and liabilities in the 2022 Rate Case Settlement Agreement as approved in the Order Adopting Settlement Agreement As Modified and subsequently included in current rates through the annual compliance filings. This includes those regulatory asset

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and liability balances that were projected to be fully amortized through 2025 or during the ARP extension period, and any amortization debit or credit will be recorded to a regulatory liability or asset during the ARP extension period.

5. Stipulation Paragraph 14 of the 2022 Rate Case Settlement Agreement shall be modified by adding the following to the end of the paragraph:

Provided, however, that the Company shall not accrue tax benefits on Investment Tax Credits (“ITCs”) or Production Tax Credits (“PTCs”) as a regulatory liability during the ARP extension period, except as described in this paragraph. The Company will recognize state and federal tax benefits in accordance with the Internal Revenue Service rules, the Georgia Department of Revenue rules, and the Company’s accounting policy. The Company shall be allowed to transfer certain tax credits and to elect out of Internal Revenue Code (“IRC”) normalization rules on a project-by-project basis, where applicable, which would allow the Company to reduce rate base by any unamortized ITC benefits. Any ITCs and PTCs deferred to an ITC liability or regulatory liability from 2023 to 2025 will be amortized to amortization or income tax expense over three years beginning January 1, 2026, to the extent they are not subject to the Internal Revenue Service (“IRS”) normalization rules. Any ITCs not subject to the IRS normalization rules that are generated during the ARP extension period will be amortized to amortization expense over five years. The value of ITCs and PTCs that will be available to support the extension of the ARP will depend upon several factors including IRS determinations and in service dates for resources eligible for ITCs. The Company has provided a schedule of ITCs and PTCs in Exhibit A to this Stipulation. Any ITCs and PTCs generated above the annual levels projected by the Company in Exhibit A shall be deferred to a regulatory liability. To the extent the Company does not generate ITCs equal to the annual projections shown on Exhibit A in a given year, the shortfall shall be added to the annual projection available for amortization in the following year so that the annual amount shown in Exhibit A is increased by the amount of the shortfall. However, any ITC amount deferred to a regulatory liability can be carried forward to a subsequent year, to be available for amortization, subject to the maximum level for that year. Sixty percent (60%) of PTCs generated during the ARP extension period will be credited to income tax expense as generated. The remaining forty percent (40%) shall be deferred to a regulatory liability. The PTCs generated under the IRC 45J associated with Plant Vogtle Units 3 and 4 will not be subject to the provisions in this stipulated agreement.

6. The Company will not defer the benefits of the state tax rate reduction from 5.39% to 5.19% effective January 1, 2025.
7. For each year of the ARP extension period, provided that the Company does not file a rate case or invoke the Interim Cost Recovery Mechanism in such year, the Company shall be allowed to defer certain costs under subsection (b) of this provision as specified below if

the Company's ROE would otherwise drop below 10.5% (the set point ROE used by the Commission to set rates in the 2022 Order Adopting Settlement Agreement As Modified). For avoidance of doubt, this provision does not change or modify the Company's current earnings band of 9.5% to 11.9% approved in the Order Adopting Settlement Agreement As Modified.

- a. The maximum amount of such costs that the Company shall be allowed to defer exclusively for purposes of Paragraph 7, shall be \$50 million for 2026, \$100 million for 2027, and \$150 million for 2028. In the event that the Company's actual retail ROE, as determined by the Commission through review and audit of, and after any resulting accounting or regulatory adjustments to, the Company's Annual Surveillance Report for such year, would be greater than 10.50% if the Company were to defer the entire amount, then the deferral shall be limited to only that amount, if any, as would allow the Company to earn no more than 10.50% for such year.
 - b. In the following order of priority, costs that may be deferred consist of:
 - i. the depreciation expense for assets approved in the 2023 Amended IRP that went into rate base on or after 01/01/2026;
 - ii. the depreciation expense for assets approved in the 2025 IRP that went into rate base on or after 01/01/2026; and,
 - iii. the depreciation expense for assets approved in the 2022 IRP that went into rate base on or after 01/01/2026, provided that such cost was not included in rates set in the 2022 rate case.
8. There shall be annual true up of Municipal Franchise Fee tariff ("MFF") in 2026, 2027, and 2028. The treatment (refund or cost recovery) of any resulting regulatory asset or liability from the MFF true up process shall be determined in the next base rate case.
 9. The DSM tariff will be accounted for under the existing DSM true-up methodology, without annual rate adjustments during the ARP extension period. The treatment (refund or cost recovery) of any resulting regulatory asset or regulatory liability from the DSM true-up process shall be considered in the Company's next base rate case.
 10. To the extent any uncollectible expense during the ARP extension period exceeds the annual amount for uncollectible expense included in the base rates approved by the Commission in the 2022 Base Rate Case, the Company will defer such balance as a regulatory asset to be recovered in the Company's next base rate case provided that the deferral shall not exceed \$20 million in any given year of the ARP extension period or \$60 million total for the cumulative 3-year period.
 11. Paragraph 3 of the 2022 Rate Case Settlement Agreement shall be modified as follows to allow for the continuation of Commission-approved activities and programs during the ARP extension period:

- a. The Company shall continue with the Grid Investment Plan (“GIP”) spending over the term of the ARP extension period and will not exceed 50% of the budget levels previously approved by the Commission in the Order Adopting Settlement Agreement As Modified. Spending will continue to be reported through the Grid Improvement Plan’s semi-annual reporting process.
 - b. The Company shall continue with EV Make Ready spending over the term of the ARP extension period using the same budget levels previously approved by the Commission in the Order Adopting Settlement Agreement As Modified.
 - c. To the extent the cost for DERMs in the ARP extension period exceeds the amount approved in rates in the 2022 Rate Case Settlement Agreement, any incremental cost for DERMs approved in the 2025 Integrated Resource Plan (“2025 IRP”) shall be deferred as a regulatory asset for recovery in the Company’s next base rate case.
 - d. The annual depreciation expense for Plant Bowen Units 1-4 and Plant Scherer Units 1-3 shall be reduced by extending the period for depreciation to 13 years effective January 1, 2026. The deferral of depreciation expense associated with Bowen Units 1-2 and Scherer Units 1-3 approved in the 2022 Base Rate Case will cease during the ARP extension period and the associated regulatory asset shall begin amortization on January 1, 2026 over 13 years to match the depreciation period.
 - e. The amortization expense on the remaining net book value of Plant Wansley Units 1-2 and Plant Hammond Unit 4 shall be reduced by extending the period for amortization to 13 years effective January 1, 2026.
12. To the extent that the Company accrues a regulatory asset under the provisions of Paragraphs 4, 7, 8, 9, or 11c of this Stipulation, the Company shall reduce such asset to the extent possible using the regulatory liability deferrals under Paragraph 5 of the Stipulation to Extend the ARP. Any remaining regulatory liabilities from Paragraph 5, after being fully applied in accordance with the first sentence of this paragraph, shall be applied in the following priority: 1) the storm damage regulatory asset, and 2) CCR ARO regulatory asset.
13. The Company has maintained that there is a unique opportunity to actively provide benefits to customers during the extension of the ARP by actively growing economic development loads in Georgia, the Company has undertaken pre-construction activities that it believes are appropriate to meet the capacity and energy needs of retail customers. This includes reservation fees for long lead time equipment and scoping and engineering study costs associated with the projects intended to serve retail customers’ needs. To the extent not recovered through other means, the Company intends to seek approval to defer project costs, including associated financing costs, irrespective of whether the projects are later certified. The Company may make such request as part of the All-Source Certification proceeding or as part of another proceeding identified by the Company. Staff reserves the right to oppose the request or to recommend modifications to it.

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14. Paragraphs 29 and 33 from the 2022 Rate Case Settlement Agreement shall be amended as follows to revise dates in these provisions to reflect the ARP extension period:

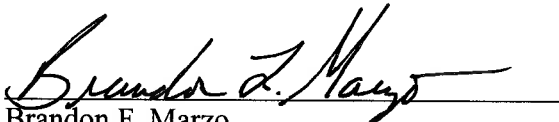
- a. The first sentence of Paragraph 29 of the 2022 Rate Case Settlement Agreement shall be amended to state that the “The Time of Use – Food and Drink (“TOU-FD”) rate shall remain available to all food services and drink places identified as 722 of the North American Industry Classification System (“NAICS”) through this ARP extension period.”
- b. The fourth sentence of Paragraph 33 of the 2022 Rate Case Settlement Agreement shall be amended to state “The additional amount shall be in place during the ARP extension period and will be reviewed in the Company’s next base rate case.”

15. By July 1, 2028, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a “traditional” rate case. The test period utilized by the Company in its rate case filing shall be from August 1, 2028, to July 31, 2029. The Company may propose to continue, modify, or discontinue this ARP. The Company shall also file projected revenue requirements for calendar years 2029, 2030, and 2031. In addition to filing a Cost-of-Service Study as a part of its next base rate case, the Company shall include additional Cost-of-Service data with sufficient detail to show how the Company proposes to allocate the forecasted costs relating to the new capacity for large load customers at issue in the 2023 Amended Integrated Resource Planning (“IRP”) case and the 2025 IRP case, as well as the forecasted revenues from the prospective new large load customers at issue in those cases, to the various customer rate groups.

Agreed to this 19th day of May 2025



Christopher Collado
On behalf of Public Interest Advocacy Staff



Brandon F. Marzo
On behalf of Georgia Power Company