

**STATE OF GEORGIA**

**BEFORE THE**

**GEORGIA PUBLIC SERVICE COMMISSION**

**In Re:**

<b>Georgia Power Company's</b>	<b>)</b>	<b>Docket No. 44280</b>
<b>2022 Rate Case</b>	<b>)</b>	

**DIRECT TESTIMONY OF**

**AARON P. ABRAMOVITZ AND MATTHEW S. BERRIGAN**

**IN SUPPORT OF THE STIPULATION TO EXTEND**

**THE ALTERNATE RATE PLAN**

**MAY 30, 2025**

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DOCKET NO. 44280**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAMES, TITLES, AND BUSINESS ADDRESSES.**

A. Aaron P. Abramovitz. I am the Executive Vice President, Chief Financial Officer, and Treasurer for Georgia Power Company (“Georgia Power” or the “Company”). My business address is 241 Ralph McGill Boulevard N.E., Atlanta, Georgia 30308.

A. Matthew S. Berrigan. I am the Assistant Comptroller for Georgia Power. My business address is 241 Ralph McGill Boulevard N.E., Atlanta, Georgia 30308.

**Q. MR. ABRAMOVITZ, PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.**

A. I graduated from the University of Georgia with a Bachelor of Business Administration in Finance and Management Information Systems. I joined Southern Company as a contractor in the Financial Strategy and Decision Support organization. This position was followed by a series of Financial Analyst roles in various disciplines that included Financial Planning, Financial Analysis, and Regulatory Support. From there I transitioned to Georgia Power to serve as the Coordinator for Forestry and Right of Way services. In 2008, I was assigned to the Kemper Project in Mississippi, where I served in financial leadership roles of increasing responsibility, eventually serving as the Project’s Finance Director, where I was responsible for governance, reporting, regulatory support, and communications to Executives and the Board of Directors. In 2015, I returned to

1 Atlanta to serve as the Director of Investor Relations for Southern Company, where  
2 I was responsible for Southern Company's communications and relationships with  
3 the investment community. In 2018, I was named the Southern Nuclear Vogtle  
4 Units 3 and 4 Vice President of Business Operations. In this role, I had  
5 responsibility for Southern Nuclear's Project Controls, Risk Management,  
6 Budgeting and Reporting, and Commercial Analysis & Controls. I moved to my  
7 current role as Executive Vice President, Chief Financial Officer, and Treasurer for  
8 Georgia Power in September 2021. I now oversee all accounting and finance  
9 functions for the Company including financial reporting, regulatory accounting,  
10 financial planning, analysis, and enterprise risk management, as well as Pricing &  
11 Planning.

12 **Q. MR. ABRAMOVITZ, HAVE YOU PREVIOUSLY TESTIFIED BEFORE**  
13 **THE GEORGIA PUBLIC SERVICE COMMISSION ("COMMISSION")?**

14 A. Yes. I previously filed direct and rebuttal testimony in this docket, as part of a panel  
15 comprised of Sarah Adams, Adam Houston, and Michael B. Robinson as part of  
16 the Company's 2022 base rate case proceeding ("2022 Rate Case"). I also testified  
17 in the Company's 2023 Integrated Resource Plan ("IRP") Update, Docket No.  
18 55378; the Vogtle Construction Monitoring ("VCM") proceeding, Docket No.  
19 29849, regarding the Nineteenth, Twentieth/Twenty-first, Twenty-second, Twenty-  
20 third, and Twenty-fourth Semi-annual VCM Reports, and in support of the  
21 Company's Application to Adjust Rates to Include Reasonable and Prudent Plant  
22 Vogtle Units 3 and 4 Costs in that same docket ("Vogtle Prudence Proceeding");  
23 and the Plant Vogtle Unit 3 and Common Rate Adjustment proceeding in Docket  
24 No. 43838 ("Unit 3 Rate Adjustment").

1   **Q.   MR. BERRIGAN, PLEASE SUMMARIZE YOUR EDUCATION AND**  
2   **PROFESSIONAL EXPERIENCE.**

3   A.   I graduated from the University of Georgia in 2002 with a Bachelor of Business  
4       Administration and Accounting, as well as a Master of Accountancy. I began my  
5       professional accounting career with Deloitte & Touche, LLP in Atlanta as an  
6       auditor primarily serving Southern Company. In 2013, I joined SG Digital (a  
7       Division of Scientific Games Corporation) as the Director of SEC Reporting and  
8       Technical Accounting. In 2015, I joined AGL Resources, Inc. (now Southern  
9       Company Gas) as the Assistant Comptroller responsible for accounting research,  
10      SEC Reporting, and internal controls and compliance. While at Southern Company  
11      Gas, I was also given responsibility for corporate accounting, affiliate transactions  
12      and consolidations. In 2023, I joined Georgia Power as the Assistant Comptroller  
13      responsible for financial accounting and reporting, regulatory accounting  
14      (including fuel), and accounting research. I am a Certified Public Accountant  
15      licensed in Georgia.

16   **Q.   MR. BERRIGAN, HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE**  
17   **COMMISSION?**

18   A.   No, I have not previously testified before the Commission.

19   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20   A.   Our testimony (1) summarizes the terms of the Joint Stipulation to Extend the  
21       Alternate Rate Plan (“ARP”) (the “Stipulation”) that the Company and the Public  
22       Interest Advocacy Staff (“PIA Staff”) have entered into and (2) explains why the  
23       Stipulation between the Company and the PIA Staff is just, reasonable, in the best  
24       interest of customers and should be approved by the Commission.

1 **Q. ARE YOU PROVIDING ANY EXHIBITS ALONG WITH YOUR**  
2 **TESTIMONY?**

3 A. Yes. Exhibit APA/MSB-1 summarizes the reductions in the cost to serve customers  
4 that are included in the provisions of the Stipulation. Exhibit APA/MSB-2 is a  
5 preliminary pro forma revenue requirement deficiency for years 2026, 2027, and  
6 2028 that was provided to PIA Staff during Stipulation settlement discussions.

7 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

8 A. On December 30, 2022, the Commission issued its Order Adopting Settlement  
9 Agreement As Modified in this docket (the “2022 Rate Case Order”). The 2022 Rate  
10 Case Order approved a Settlement Agreement between Georgia Power, PIA Staff, and  
11 several Intervenors (“2022 Rate Case Settlement Agreement”), which provided for an  
12 ARP (the “2022 ARP”). Under the 2022 Rate Case Order and the terms of the 2022  
13 Rate Case Settlement Agreement, the ARP commenced January 1, 2023, and  
14 continues through December 31, 2025. The 2022 ARP requires the Company to file  
15 its next base rate case by July 1, 2025.

16 Since then, the Company and PIA Staff negotiated to extend the 2022 ARP, and on  
17 May 19, 2025, the Company and PIA Staff filed the Joint Stipulation to Extend the  
18 ARP, which would extend the 2022 ARP for an additional three-year term from  
19 January 1, 2026, through December 31, 2028 (the “ARP Extension Period”). Under  
20 the Stipulation, the terms and conditions of the 2022 Rate Case Settlement Agreement  
21 approved by the 2022 Rate Case Order remain in effect with some limited  
22 modifications that we describe in our testimony. The Stipulation includes, among  
23 other things, the following provisions benefiting customers to support the extension  
24 of the 2022 ARP:

25 1. No adjustment to base rates, with any under-recovered storm costs  
26 incurred through December 31, 2025, to be considered in a  
27 separate proceeding to be filed in 2026;

2. The continuation of activities and programs approved in the 2022 ARP;
3. The use of various tax credits, both now and in the future; and
4. The use of various expense adjustments to lower the Company's cost to serve, keeping existing base rates stable.

**Q. PLEASE SUMMARIZE WHY THE STIPULATION SHOULD BE APPROVED.**

At Georgia Power, customers are at the center of everything we do. As the costs for goods and services have increased around us, our rates remain well below the national average. We are committed to providing our customers with clean, safe, reliable, and affordable energy, and with the provisions included in this Stipulation, the PIA Staff and Company have worked to achieve a balance between mitigating the increasing costs to serve customers with maintaining the reliable service and affordable rates our customers deserve and expect.

Approval of the Stipulation will provide substantial benefits to customers. If approved, the Stipulation will keep current rates stable for an additional three years, which balances the affordability needs of our customers, while still providing a means for Georgia Power to continue to make the investments necessary to reliably serve customers and a growing Georgia.

**Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?**

A. In Section II of our testimony, we explain how the terms of the Stipulation will help keep rates stable and predictable for the entirety of the ARP Extension Period. In Section III, we address how the Stipulation will benefit customers and the state. Section IV sets forth our concluding remarks.

**II. THE TERMS OF THE STIPULATION WILL KEEP RATES STABLE**  
**AND PREDICTABLE.**

**Q. HOW DOES THE STIPULATION AFFECT THE TERMS OF THE 2022 ARP?**

**A.** Under the Stipulation, the 2022 Rate Case Settlement Agreement and the 2022 ARP approved by the Commission in its 2022 Rate Case Order remain in effect unless expressly amended by the Stipulation. In other words, the Company will continue to operate under the constructive features of the existing ARP such as (1) operating within the earnings band set by the Commission in the 2022 Rate Case Order (9.5% to 11.9%); (2) continuing annual surveillance reporting under the ARP and continuing to share 80% of any earnings above the band with customers as approved in the 2022 Rate Case Order; and (3) agreeing not to file a base rate case or implement the interim cost recovery mechanism unless projected earnings fall below the bottom of the earnings band.

**Q. HAS THE COMMISSION PREVIOUSLY EXTENDED ARPS?**

A. Yes. The Commission has previously extended ARPs when such extensions provided benefits to customers and allowed the Company to make investments necessary to continue providing reliable and affordable service to customers. Likewise, here, the Stipulation will enable the Company and the Commission to balance the affordability needs of customers, while ensuring the Company can make investments necessary to continue providing reliable and affordable service and remain equipped to continue its support of Georgia's extraordinary economic growth.

1     **Q.     HOW DOES THE STIPULATION AFFECT BASE RATES?**

2     A.     The Stipulation provides that base rates will not be adjusted for the next three  
3           years—2026, 2027, and 2028—except to provide for the recovery of the under-  
4           recovered storm cost balance that we will discuss later in our testimony. This  
5           Stipulation ensures that base rates remain stable and predictable for customers  
6           during the ARP Extension Period. By continuing base rates as set in the 2025  
7           compliance filing in this docket, the Company will continue the amortization of  
8           regulatory assets and liabilities at the level previously approved by the Commission  
9           with no impact to base rates.

10    **Q.     HOW WILL THE COMPANY RECOVER STORM COSTS FROM**  
11    **RECENT MAJOR STORMS LIKE HURRICANE HELENE?**

12    A.     The Company and PIA Staff have agreed that the Company should be allowed to  
13           recover its reasonable and prudent under-recovered storm damage costs resulting  
14           from storms like Hurricane Helene. The recovery of these costs will be considered  
15           in a fully litigated proceeding on this issue before this Commission in 2026. Such  
16           a limited scope proceeding will recognize and balance the significant impact of  
17           storms like Hurricane Helene, the Company’s response to storms since 2022, and  
18           the need to recover the associated costs in a timely manner.

19    **Q.     WHY IS THE STORM DAMAGE BALANCE UNDER-RECOVERED?**

20    A.     As of December 31, 2022, the Company had an over-recovered storm damage  
21           balance of \$83.3 million, which was returned to customers through rates under the  
22           2022 ARP. The Company has been accruing approximately \$32 million per year to  
23           address costs related to storms during the ARP period. Since approval of the 2022  
24           ARP, Georgia Power has quickly responded to safely restore service to the  
25           communities we serve following significant storms, most notably Hurricane  
26           Helene, resulting in an under-recovered storm damage balance of \$861.9 million as  
27           of March 31, 2025.



1 **Q. PLEASE EXPLAIN HOW THE STIPULATION USES TAX BENEFITS TO**  
2 **HELP KEEP RATES STABLE AND PREDICTABLE.**

3 A. The 2022 Rate Case Order provided for the deferral as a regulatory liability tax  
4 benefits related to the Inflation Reduction Act, the Infrastructure and Investment  
5 Jobs Act, and any additional state or federal regulations not addressed in the 2022  
6 Rate Case Order. For those tax benefits that were deferred as a regulatory liability,  
7 the Stipulation provides for the utilization of Investment Tax Credits (“ITCs”) and  
8 Production Tax Credits (“PTCs”) deferred through 2025 to help keep base rates  
9 stable during the ARP Extension Period. New ITCs generated during the ARP  
10 Extension Period will be amortized over a five-year period, subject to an annual  
11 maximum limit, to the extent they are not subject to Internal Revenue Service  
12 (“IRS”) normalization rules. The Stipulation also provides that if 45(U) PTCs are  
13 generated during the ARP Extension Period, then 60% of the PTCs generated  
14 during the ARP Extension Period will be credited to income tax expense, subject  
15 to an annual maximum limit, with 40% deferred to a regulatory liability providing  
16 additional benefit to customers by reducing the Company’s cost to serve when the  
17 Company files its next base rate case.

18 **Q. HOW WILL THESE TAX BENEFITS BE CALCULATED?**

19 A. The value of the ITCs and PTCs depend on several factors, such as IRS  
20 determinations and in-service dates for eligible projects. Any ITCs and PTCs above  
21 the threshold established in the Stipulation will be deferred as regulatory liabilities.  
22 This deferral will be used to offset any regulatory assets resulting from the  
23 extension of the ARP, and any remaining tax credits will then be used to reduce  
24 regulatory assets associated with storm damage costs and coal combustion residual  
25 asset retirement obligations. With this provision, the Stipulation ensures that  
26 customers benefit both now and in the future from these projected tax benefits.

1   **Q.    HOW ARE STATE INCOME TAX RATE REDUCTIONS ADDRESSED IN**  
2   **THE STIPULATION?**

3   A.    Under the Stipulation, the Company will not defer the benefits of the state tax rate  
4       reduction from 5.39% to 5.19% that became effective January 1, 2025. This  
5       reduction will be utilized to help keep rates stable by reducing state income tax  
6       expenses during the ARP Extension Period. Any subsequent state or federal tax rate  
7       reductions will be deferred as regulatory liabilities and can be utilized to benefit  
8       customers in the next base rate case.

9   **Q.    WHAT OTHER EXPENSE ADJUSTMENTS ARE MADE IN THE**  
10 **STIPULATION TO KEEP RATES STABLE?**

11 A.    The Stipulation includes adjustments to the depreciation expenses associated with  
12       certain operating plants, as well as adjustments for the amortization of the  
13       remaining net book value of certain retired plants. In addition, the Stipulation  
14       provides for certain expense adjustments should the Company’s earnings fall below  
15       the return on equity (“ROE”) setpoint upon which rates were set with the approval  
16       of the 2022 Rate Case Order. These additional expense adjustments pertain to  
17       certain limited deferrals related to depreciation expense for resources that were  
18       previously approved or are subject to approval by the Commission but are not  
19       currently in rates.

20       Finally, the Stipulation also allows for the limited deferrals for potential  
21       uncollectibles above the amounts already included in base rates as well as any  
22       incremental cost associated with distributed energy resource management systems,  
23       or “DERMs,” that could be approved as part of the ongoing 2025 Integrated  
24       Resource Plan proceeding.

1   **Q.     WILL THERE BE ANY RATE ADJUSTMENT COMPLIANCE FILINGS**  
2   **DURING THE EXTENSION OF THE ARP?**

3   A.    No. Compliance filings were previously utilized to allow for step increases to base  
4        rates under the current ARP. Pursuant to the terms of the Stipulation, there will be  
5        no step rate increases, and therefore, no need for additional compliance filings. To  
6        address mechanisms that are routinely adjusted in compliance filings, such as  
7        Municipal Franchise Fees or Demand-Side Management costs, the Stipulation  
8        provides for the continuation and recovery of these costs, with any resulting  
9        regulatory assets or regulatory liabilities from the true-up processes related to these  
10       mechanisms considered in the Company's next base rate case.

11   **Q.     WILL THE COMPANY CONTINUE TO FILE ANNUAL SURVEILLANCE**  
12   **REPORTS DURING THE ARP EXTENSION PERIOD?**

13   A     Yes. The Company will continue to file an Annual Surveillance Report ("ASR")  
14        for review by the Commission and PIA Staff during each year of the ARP Extension  
15        Period. Accordingly, the Company's actual earned retail ROE will continue to be  
16        subject to the sharing provision approved by the Commission in the 2022 Rate Case  
17        Order.

18   **Q.     HOW ARE EXISTING ACTIVITIES AND PROGRAMS ADDRESSED**  
19   **UNDER THE STIPULATION?**

20   A.    Under the Stipulation, activities and programs approved by the Commission will  
21        continue during the ARP Extension Period. The Stipulation explicitly provides for  
22        the Grid Investment Plan ("GIP") as well as the EV Make Ready program to  
23        continue during the ARP Extension Period. For the EV Make Ready program,  
24        spending levels will continue through the ARP Extension Period as approved in the  
25        2022 Rate Case Order. For the GIP, spending during the ARP Extension Period  
26        will be limited to 50% of the level approved in the 2022 Rate Case Order. The

1 Company will continue to report spending through the GIP's semi-annual reporting  
2 process.

3 **Q. HOW DOES THE STIPULATION HELP ENSURE THAT THE COMPANY**  
4 **CAN CONTINUE TO MAKE INVESTMENTS TO RELIABLY SERVE**  
5 **GEORGIA'S SIGNIFICANT GROWTH DURING THE ARP EXTENSION**  
6 **PERIOD?**

7 A. Over the next three years, Georgia Power intends to make and seek approval for  
8 investments necessary to support Georgia's extraordinary economic development  
9 growth opportunities. These necessary investments include costs associated with  
10 pre-construction activities from the construction of new resources that are needed  
11 to serve Georgia's ongoing significant growth. The Company and PIA Staff agree  
12 that the Company may request that the Commission approve deferrals of certain  
13 pre-construction costs and associated financing costs, either as part of the upcoming  
14 All-Source Certification proceeding or as part of another proceeding identified by  
15 the Company. Deferral and eventual recovery of these pre-construction costs will  
16 help ensure that the Company is able to timely serve load growth and that customers  
17 will be able to continue to benefit from new large load customers.

18 **Q. WHAT OTHER MATTERS DOES THE STIPULATION ADDRESS?**

19 A. The Stipulation makes administrative modifications to limited provisions where  
20 necessary to align the dates used in the 2022 Rate Case Settlement with the  
21 extension of the ARP. No other adjustments are made to those provisions.

22 **Q. HAS THE COMPANY DETERMINED THE ESTIMATED EXPENSE**  
23 **ADJUSTMENT AMOUNT FOR EACH OF THESE STIPULATION**  
24 **PROVISIONS?**

25 A. Yes. Exhibit APA/MSB-1 outlines these amounts for provisions 5, 6, 8, 10, and 11  
26 in the Stipulation.

1                   **III.     THE STIPULATION WILL BENEFIT CUSTOMERS**

2     **Q.     PLEASE EXPLAIN HOW, IF APPROVED, THE STIPULATION WILL**  
3     **BENEFIT CUSTOMERS.**

4     A.     If approved, the Stipulation will benefit customers by helping to provide stable and  
5             predictable rates, with no increase to base rates except for storm costs for the next  
6             three years. The Stipulation helps to mitigate the increase in the Company's cost to  
7             serve its customers while also retaining Georgia Power's ability to provide  
8             customers with reliable and affordable electric service.

9     **Q.     PRIOR TO SIGNING THE STIPULATION, WAS THE COMPANY**  
10    **PLANNING TO FILE A RATE CASE ON JULY 1, 2025?**

11    A.     Yes, the Company was preparing to file a rate case on July 1, as required by the  
12             terms of the 2022 ARP and 2022 Rate Case Order. The Company's cost to serve  
13             has increased over the past three years due to the impacts of items such as higher  
14             interest rates and continued inflation, and we expect these trends to continue into  
15             the future. As we have stated before, the impact of large load customers coming to  
16             Georgia is expected to provide mutual benefits to customers including the partial  
17             mitigation of higher costs to operate the existing electric system. Even when  
18             considering these large load customer benefits, the Company projected a revenue  
19             deficiency in all three years of the ARP Extension Period.

20             Exhibit APA/MSB-2 is a schedule of preliminary pro forma revenue deficiencies  
21             in each of the three years of the ARP Extension Period. This schedule was provided  
22             to PIA Staff for transparency during settlement discussions and was based on a  
23             preliminary set of assumptions and inputs, as the Company was developing its rate  
24             case filing for July 1, 2025. The preliminary revenue deficiencies in Exhibit  
25             APA/MSB-2 assumed, among other items, updates to depreciation rates, higher  
26             interest costs, the impact of continued inflation, continuation of the GIP, increases  
27             to account for DSM tariff expenses filed in the 2025 IRP, and the Company's

1 current allowed ROE set point while excluding the recovery of costs associated  
2 with storms.

3 **IV. CONCLUSION**

4 **Q. WHY SHOULD THE COMMISSION APPROVE THE STIPULATION**  
5 **WITHOUT MODIFICATION?**

6 A. With approval of this Stipulation, customer rates will remain stable and predictable  
7 for the next three years, and Georgia Power will continue providing customers with  
8 reliable and affordable electric service. Georgia's constructive regulatory  
9 framework, of which the previous and current ARPs are products, has provided the  
10 foundation to extend the benefits of the current approved 2022 ARP, and approval  
11 of this Stipulation would build upon that framework. This Stipulation helps to  
12 ensure Georgia Power remains incentivized to manage and optimize costs to serve  
13 customers while supporting the energy needs of a growing Georgia so that all  
14 customers benefit from the extraordinary economic growth taking place in our state.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes.