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**JUL 3 1 2025**

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## **Georgia Public Service Commission**

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**Docket No. 44280**

**In Re: Georgia Power Company's 2022 Rate Case**

**ORDER GRANTING JOINT PETITION OF GEORGIA POWER COMPANY AND THE  
PUBLIC INTEREST ADVOCACY STAFF AND APPROVAL OF THE STIPULATION  
TO EXTEND THE ALTERNATIVE RATE PLAN**

Record Submitted: May 19, 2025

Decided: July 1, 2025

**APPEARANCES**

On behalf of Georgia Public Service Commission Public Interest Advocacy Staff:

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On behalf of Georgia Power Company:

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On behalf of Georgia Association of Manufacturers:

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On behalf of Georgia Coalition of Local Governments:

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Education Fund:

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On behalf of Georgia Interfaith Power and Light:

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On behalf of Georgia Solar Energy Association "GA SOLAR":

DONALD MORELAND

On behalf of Georgia WAND Education Fund:

JUAN ESTRADA, JR., ESQ.

On behalf of Metropolitan Atlanta Rapid Transit Authority (MARTA):

KIMBERLY (KASEY) A. STURM, ESQ.

On behalf of jointly intervened Sierra Club, NRDC, and SACE:

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On behalf of Walmart:

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STEVEN W. LEE, Esq.

**BY THE COMMISSION:**

**I. STATEMENT OF PROCEEDINGS**

On December 30, 2022, the Georgia Public Service Commission ("Commission") issued its Order Adopting Settlement Agreement as Modified in Docket No. 44280, Georgia Power Company's 2022 Rate Case. In that Order, the Commission established a three-year Alternate Rate Plan ("ARP"), ending December 31, 2025. The Commission further ordered Georgia Power Company ("Georgia Power" or the "Company") to file a general rate case as follows:

*By July 1, 2025, 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, 2025, to July 31, 2026. The Company may propose to continue, modify or discontinue this Alternate Rate Plan [CARP ")]. The Company shall also file projected revenue requirements for calendar years 2026, 2027, and 2028.*

In light of growing economic and regulatory uncertainty, Georgia Power proposed to forgo its July 1, 2025, rate case filing. Georgia Power's decision resulted in the Company entering into a Stipulation ("Settlement Agreement") with the Public Interest Advocacy Staff ("PIA Staff"), collectively ("Joint Petitioners"), on May 19, 2025. The Settlement Agreement extends the current ARP for an additional three-year term through 2026, 2027, and 2028. Customer rates would remain consistent and predictable as base rates remain unchanged. The Joint Petitioners also filed a Petition to Extend the ARP on May 19, 2025, outlining the terms of the Settlement Agreement and explaining how forgoing the 2025 rate case filing and extending the ARP is in the best interest of Georgia Power's customers.

The Commission has approved ARPs or the extension of them since 1995, finding them to be fair, just and reasonable. In the 2022 rate case, the Commission made similar findings in approving the current ARP upon which the Joint Petitioners now seek an extension. Thus, the Commission held the Company's requirement to file a base rate case on or before July 1, 2025, in abeyance for 60 days to allow the Commission to consider the Settlement Agreement. A hearing on the matter was held on June 26, 2025 ("Hearing") and was considered a contested case pursuant to O.C.G.A. 50-13-13.

On May 20, 2025, the Commission issued a Procedural and Scheduling Order setting the procedure, testimony filing dates, and hearing date for this matter. In this proceeding, PIA Staff was responsible for performing an independent evaluation of the filed case, advocating from the standpoint of promoting public interest and just and reasonable rates. PIA Staff were considered a party to the case and could negotiate settlements with other parties, in the public interest. The

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Commission’s Advisory Staff served as a technical advisor to the Commissioners, providing on-request advice based exclusively on their own independent evaluation.

Further, PIA Staff filed its Direct Testimony of Tom Bond and Steven Roetger on May 30, 2025. Georgia Power also filed its Direct Testimony of Aaron Abramovitz and Matthew Berrigan in Support of the Stipulation to Extend the Alternate Rate Plan. Georgia Wand Education Fund and Georgia Conservation Education Fund filed a Formal Complaint and Demand of Recusal (“Demand”) against Commissioners McDonald, Echols, and Shaw (“named Commissioners”) on June 6, 2025.<sup>1</sup> On June 12, 2025, Georgia Interfaith Power & Light filed the Direct Testimony of Justin Barnes, Sierra Club, SACE, and NRDC file the Direct Testimony of John D. Wilson, and Walmart filed the Direct Testimony of Steven W. Chriss. The Rebuttal Testimony of Abramovitz and Berrigan in Support of the Stipulation to Extend the ARP was filed on June 20, 2025.

The hearing was held on June 26, 2025. On June 30, 2025, Georgia Wand Education Fund filed a Motion to Extend the Commission’s Procedural Schedule.

## **II. LEGAL AUTHORITY AND JURISDICTION**

The Commission has general supervisory authority over electric utilities. O.C.G.A. § 46-2-20 and 21. The Commission has the exclusive power to determine just and reasonable rates and charges made by Georgia Power Company. O.C.G.A. § 46-2-23(a). Unless the Commission has otherwise authorized the change, Georgia Power Company must provide thirty (30) days’ notice to the Commission and to the public of any proposed change to any rate, charge, classification, or service subject to the jurisdiction of the Commission. O.C.G.A. § 46-2-25(a). The Commission is authorized to suspend the operation of any new schedule and defer the use of such rate, charge, classification, or service for a period not to exceed five months. The Commission is authorized to resolve matters by stipulation pursuant to O.C.G.A. § 50-13-13(a)(4).

## **III. COMMISSION ACTION**

### ***a. Demand for Recusal.***

On June 6, 2025, Georgian Wand Education Fund and Georgia Conservation Education Fund filed a Formal Complaint and Demand for Recusal of Commissioners Speaking Publicly in Support of Georgia Power's 3-Year Rate Freeze (“Demand”).

The Demand alleged that the named Commissioners violated Rule 515-2-1-.01, which provides that a Commissioner shall “reserve his opinion and in no way commit himself in advance touching the merits of any matter or question to be passed upon by the Commission or that should be dealt with by it, until the facts and evidence are all submitted and the Commission considers the same in administrative session.” The Commission will, according to the Rule, hold no “presumption in favor of the position of any party.”

The Demand asserted that on May 21, 2025, Commissioners McDonald and Shaw attended a press conference by Governor Brian Kemp, which was held in support of Georgia Power's and

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<sup>1</sup> Two other entities signed the Demand; however, they failed to intervene in this matter.

PIA Staff's proposed three-year base rate freeze. There, Chairman Shaw stated that "to freeze rates for three years is a very big deal for our state, and good for Georgians." There is no allegation, however, that Chairman Shaw stated that he would vote to adopt the proposed Stipulation. The Demand does not assert that Commissioner McDonald made any comments at all related to freezing rates or to adopting the Stipulation. Finally, the Demand asserted that Commissioner Echols, last named in the Demand, made public comments at a separate event. Like Chairman Shaw, however, there is no allegation that Commissioner Echols stated that he would vote to adopt the proposed Stipulation.

The Demand also asserted that the proposed rate freeze was not good for Georgians and discussed Georgia Power's customer shut-off rate, Return-on-Equity profits, and proposed cost transparency related to fossil fuel expansion. In addition to requesting recusal, the Demand requested that the Commission either: (1) deny the rate-freeze proposal, or (2) appoint an impartial hearing officer not affiliated to the GPSC for this case.

As a preliminary matter, it should be noted that the assertions in the Demand are not verified or supported by affidavit and the Demand did not include any transcripts of the events.<sup>2</sup> In Georgia courts, this alone would be grounds to deny a recusal request. See e.g. USCR Rule 25 and Supreme Ct Rule 26(2). If the Commission or its Chairman possessed the authority to order the recusal of its members, the Demand would not pass such a threshold review.

The Demand, however, has not pointed to any law authorizing the Commission or its Chairman to order the recusal of a Commissioner. The Commission only has such powers as are expressly or by necessary implication conferred upon it. Neither the Commission's own law nor the Administrative Procedures Act authorizes such power. Individual Commissioners may determine whether to voluntarily recuse themselves. See 1989 Ga. Op. Att'y Gen. 22. At the Hearing on June 26, 2025, each of the named Commissioners declined to recuse themselves.

***b. The Stipulation.***

During the direct testimony phase of the Hearing, the Bond Roetger Panel and the Abramovitz Berrigan Panel testified jointly in support of the proposed Settlement Agreement. The Bond Roetger Panel stated that Staff has been concerned that if a fully contested rate case hearing were held, rates would increase for all ratepayers, including small business and residential customers. (Bond Roetger Direct, p. 5, ln. 2-17). The Smith Forsythe Panel, which recently testified in Dockets 56002 and 56003, was cited by the Bond Roetger Panel as evidence of the concern, "[W]hile not a complete revenue requirement, the '2025 IRP Financial Summary' appears to show varying levels of upward pressure on the Company's base rates under each scenario." (Bond Roetger Direct, p. 5, ln. 11-14). The Bond Roetger Panel, further, cited two reasons related to growing economic uncertainty as basis for Staff's support of the Settlement Agreement. First, Georgia Power customers would be secure in their electric services as costs would remain unchanged absent an increase in usage. (Bond Roetger Direct, p. 6, ln. 19-21). Second, the Stipulation provides for the July 2028 Rate Case to be significantly more grounded in substantive

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<sup>2</sup> Additionally, neither Georgian Wand Education Fund nor Georgia Conservation Education Fund pre-filed testimony in this proceeding.

data as opposed to forecasts, particularly as it concerns prospective new large load customers. (Bond Roetger Direct, p. 7, ln. 2-3).

The Bond Roetger Panel testified that the Company's pro forma retail revenue deficiency model showed an aggregate deficiency amount of \$2.588 billion over the 3-year extension period. (Bond Roetger Direct, p. 10, ln. 3-5). If the Company's litigation position in the planned rate case was consistent with that amount, the Company could recommend that ratepayers pay the additional \$2.588 billion over the 3-year period. The Panel stated that "[t]here is a very real risk that such a case could result in higher rates for customers." (Bond Roetger Direct, p. 15, ln. 19-20). The Panel further testified that the accounting and expense adjustments in the Settlement Agreement "offset only a portion of the Company's forecasted revenue deficiency. Not including the potential deferrals under Paragraph 7 of the Stipulation, which can only be used to the extent the earned ROE is below the set point ROE, the adjustments offset only \$853M of the \$2.589B, leaving a much larger forecasted aggregate revenue deficiency of \$1.736B over the 3-year period." (Bond Roetger Direct, p. 10, ln. 7-9).

The Bond Roetger Panel further testified that the Settlement Agreement will continue to protect existing customers from the risk of bearing any of the costs of adding new large load customers. First, it provides rate stability for the next three years. Second, it ensures that in the 2028 rate case the Commission will have detailed cost of service data relating to the new capacity for the large load customers at issue in the 2023 Amended Integrated Resource Planning ("IRP") case and the 2025 IRP case. (Bond Roetger Direct, p. 14, ln. 15 to p. 15, ln. 9).

The Abramovitz Berrigan Panel also advocated for approval of the Settlement Agreement, testifying that the Settlement Agreement's terms are just, reasonable, and in the best interests of customers. (Abramovitz Berrigan Panel, p. 3, ln. 20-24). The panel further testified that the Company is dutifully committed to providing its customers with safe, reliable, clean, and affordable energy. (Abramovitz Berrigan Panel, p. 5, ln. 10-11). When asked how would the Settlement Agreement would affect the terms of the 2022 ARP, the panel explained that the company would continue (1) operating within the earnings band of 9.5 % - 11.9% that was approved in the 2022 Rate Case Order, (2) annual surveillance reporting under the ARP, (3) share 80% of any earnings above the band with customers, all per the 2022 ARP, and (3) agree to not file a base rate case or implement the interim cost recovery mechanism, unless projected earnings drop below the bottom of the earnings band. (Abramovitz Berrigan Panel, p. 6, ln. 8-14). The Hearing concluded immediately after the Abramovitz Berrigan Panel ended.

On June 30, 2025, Georgia Interfaith Power & Light ("GIPL") submitted its Post-Hearing Brief and Proposed Motion ("GIPL Proposed Motion"). The GIPL Proposed Motion urged the Commission to ensure that loopholes in the large load rules are closed, verify that Georgia Power customers do not bear the cost of the Company's preliminary revenue deficiency, and order the Company to provide load, generation, and real-time energy pricing data ahead of the 2028 rate case. (GIPL Motion, p. 5). The Commission did not rule to accept the GIPL Proposed Motion.

During its July 1, 2025, regular Administrative Session, the Commission voted to approve the Settlement Agreement.

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***c. Motion to Extend Procedural Schedule.***

On June 30, 2025, four days after the hearing concluded, Georgia Wand Education Fund filed a Motion to Extend the Commission’s Procedural Schedule by setting a new deadline for pre-filed testimony. The Procedural and Scheduling Order in this case was issued May 20, 2025. It set the procedure, the testimony filing dates, and the hearing date for this matter. Pursuant to Commission Rule 515-2-1.08, a motion for reconsideration for a Commission order must be filed within ten days from the effective date of the order. Georgia Wand’s motion is well beyond the 10-day reconsideration period. Of note, O.C.G.A. 46-2-59(j) states: “Nothing in this Code section shall be construed to prohibit the Commission from taking any action prior to the expiration of the 30-day period during which persons are permitted to file applications for leave to intervene.”

Furthermore, Georgia Wand was present for the June 26, 2025, hearing. This hearing was held after the intervention period had ended. At the hearing, Georgia Wand made no request to file late testimony, and it made no request to extend the schedule. Georgia Wand waited until after the hearing concluded and the record was closed to file its motion. Therefore, Georgia WAND's motion was untimely.

**IV. FINDINGS OF FACT**

1.

PIA Staff and Georgia Power agree to certain modifications to the 2022 Rate Case order, which are as follows:

2.

The Company agrees to no adjustment to base rates, with any under-recovered storm costs considered in a separate proceeding to be filed in 2026.

The Settlement Agreement states that base rates will not be adjusted in 2026, 2027, and 2028. The rate freeze ensures that customer rates are predictable and stable. The Company agrees to continue the amortization of liabilities and regulatory assets approved by the Commission in its 2022 Rate Case Settlement Agreement. Joint Petitioners agree to allow the Company to recover its reasonable and prudent under-recovered storm damage costs that result from major storms, such as from Hurricane Helen. The Settlement Agreement allows for consideration of the recovery to be considered through fully litigated and narrow proceedings, which are to take place in 2026.

3.

The Company agrees to the use and normalization of various tax credits for the benefit of customers, both now and in the future.

Investment Tax Credits (“ITCs”) and Production Tax Credits (“PTCs”) are named in the Settlement Agreement to maintain stable base rates over the next three years. The Company will also amortize the ITC tax benefits generated during the duration of the Settlement Agreement over a five-year period. While the credit’s value will depend on multiple factors, the credits will be available during the Company’s 2028 Rate Case filing. ITCs and PTCs above the established and

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agreed-upon threshold, as well as 40% of PTCs below the threshold, will be deferred as regulatory liabilities to offset any regulatory assets resulting from the extension. In turn, the tax credits will be used to minimize regulatory assets associated with CCR-ARO and storm damage costs. Equally, state and federal tax reductions will be deferred as regulatory liabilities for future customer benefit.

4.

The Company agrees to the use of various expense adjustments to keep existing base rates stable.

The Stipulation 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 netbook value of retired plants Wansley Units 1-2 and Plant Hammond Unit 4, which will be extended to 13 years. It provides for the continuation and recovery of Municipal Franchise Fees, Demand Side Management costs, and limited deferrals for potential uncollectables above the amounts already in rates. The Company is, further, allowed to defer any incremental cost for distributed energy resource management systems (“DERMs”) that were approved in the 2025 IRP. The Company may also use certain limited deferrals related to depreciation expense for resources that were previously approved by the Commission, but not currently in depreciation rates, if the Company’s earnings drop below the return on equity setpoint from the 2022 Rate Case.

5.

The Company agrees to the continuation of activities and programs approved in the current ARP.

The EV Make Ready Program, Grid Improvement Plan (“GIP”), and other Commission-approved programs and activities will continue during the Extension Period. GIP spending will not exceed 50% of the level approved in the 2022 Rate Case Order for the three-year period. Spending reporting is to continue during the GIP’s semi-annual reporting process.

6.

The Settlement allows the Company to request deferrals of some pre-construction costs as part of either the All-Source Certification proceeding, or another proceeding identified by the Company. Staff reserved the right to oppose or recommend modifications to any such request.

7.

PIA Staff and Georgia Power also modified certain provisions to revise dates to reflect the ARP extension period, limited to paragraph 14 of the Settlement Agreement.

8.

The Commission finds that a three-year term for the Stipulation Agreement ending December 31, 2028, is reasonable. 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

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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. ("Stipulation to Extend the ARP, p. 5, par. 15").

9.

The terms of the Settlement Agreement are just and reasonable and the Settlement Agreement will continue to protect existing customers from the risk of bearing any of the costs of adding new large load customers.

## **V. CONCLUSIONS OF LAW**

1.

The Georgia Public Service Commission has general supervision over electric light and power companies. O.C.G.A. §§ 46-2-20(a) and 46-2-21. The Commission has "exclusive power to determine what are just and reasonable rates and charges to be made by any person, firm, or corporation subject to its jurisdiction." O.C.G.A. § 26-2-23. Unless the Commission has otherwise authorized the change, Georgia Power Company must provide thirty (30) days' notice to the Commission and to the public of any proposed change to any rate, charge, classification, or service subject to the jurisdiction of the Commission. O.C.G.A. § 46-2-25(a). The Commission is authorized to suspend the operation of any new schedule and defer the use of such rate, charge, classification, or service for a period not to exceed five months.

2.

The Commission is authorized to resolve matters by stipulation pursuant to O.C.G.A. § 50-13-13(a)(4).

3.

The terms and conditions of the Settlement Agreement are fair, just and reasonable. By adopting the Settlement Agreement, the Commission retains its jurisdiction to ensure that the Company's rates, terms and conditions are fair, just and reasonable. The Commission concludes that the Settlement Agreement is a reasonable resolution of the issues in this docket.

4.

The Commission retains its jurisdiction to ensure that the Company abides by and implements the terms and conditions set forth in the Settlement Agreement adopted herein, and to issue such further order or orders as this Commission may deem proper.

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**VI. ORDERING PARAGRAPHS**

**WHEREFORE, IT IS ORDERED**, that the Settlement Agreement shall be and the same hereby is adopted, that its terms and conditions are fully incorporated herein, and that Georgia Power Company shall comply with said terms and conditions.

**ORDERED FURTHER**, that the terms and conditions set forth in the Settlement Agreement are just and reasonable and shall take effect for service rendered from and after January 1, 2026.

**ORDERED FURTHER**, that any tariffs implemented by Georgia Power to implement the terms and conditions of the Settlement Agreement shall be subject to review by the Commission to ensure that such tariffs, as implemented, are proper and just.

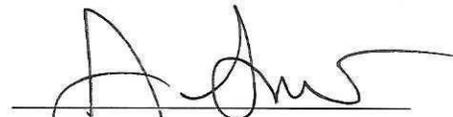
**ORDERED FURTHER**, that all findings, conclusions and decisions contained within the preceding sections of this Order are adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

**ORDERED FURTHER**, that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem proper.

**ORDERED FURTHER**, any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this order unless expressly ordered by the Commission.

The above by action of the Commission in Administrative Session on the 1st of July 2025.

  
Sallie Tanner  
Executive Secretary

  
Jason Shaw  
Chairman

7-31-25  
Date

7-31-25  
Date

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## ATTACHMENT 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 deem 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

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Order Adopting Settlement Agreement As Modified and subsequently included in current rates through the annual compliance filings. This includes those regulatory asset 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.

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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.

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

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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 11 c 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

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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.

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.