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DOCKET NO. 44280

IN RE: GEORGIA POWER COMPANY'S 2024 ANNUAL SURVEILLANCE REPORT

ORDER APPROVING GEORGIA POWER COMPANY'S 2024 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% retail 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 originally set to continue through December 31, 2025.

Pursuant to the December 20, 2022, Order, earnings above the upper limit of the 9.50% to 11.90% retail ROE band are subject to sharing, whereby 40% of earnings above the band would be applied to regulatory assets, 40% would be directly refunded to customers and the remaining 20% would be retained by the Company.

The Company makes its Annual Surveillance Report ("ASR") filings in compliance with the Commission's December 20, 2022, Order and to address the return of excess amounts above the 11.90% upper end of the retail ROE band. For the twelve months ending December 31, 2024, the Company reported earnings of 11.31% retail ROE, therefore there are no earnings in excess of the 11.90% retail ROE band upper limit that are subject to sharing.

II. FINDINGS OF FACTS

The Commission's Public Interest Advocacy Staff ("Staff") conducted an extensive review of the Company's 2024 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 November 25, 2025, Staff filed its Summary Report on Georgia Power Company's 2024 Annual Retail Surveillance Report ("Summary Report"). The Staff's Summary Report included the following issues and recommendations:

Staff recommended that the Company continue to hold quarterly meetings to re-evaluate the uses of the items in the PHFFU account to determine if and when it will be used, and to maintain documentation for these quarterly reviews of PHFFU. If it is determined that a parcel of land will not be used 15 years since its acquisition date, it should be reclassified into non-utility property and removed from jurisdictional retail rate base with notification to the Commission of such reclassification.

Staff recommended that the Company explain further why actual distribution and transmission vegetation spending in 2024 was higher than its budgeted amounts. In addition, Staff recommended that going forward, the Company 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.

Staff recommended that the Company explain in detail why PS&I costs increased by approximately 80% between December 31, 2023, and December 31, 2024. In addition, Staff recommended that the Company explain in detail its efforts to analyze the PS&I accounts, which resulted in the costs of certain PS&I projects being recategorized, and provide a reconciliation that shows which specific PS&I projects, and their related costs were recategorized.

In the 2023 ASR Review the Staff recommended that the Company include the underspent budget from 2023 and 2024 of approximately $2.5 million into the 2025 EV rebate budget. The Staff reserved its right to challenge the accounting treatment of any projected underspent amount through December 31, 2028, and will consider this matter further at the time of the 2028 base rate case.

III. SUMMARY

At the Commission's December 11, 2025, Energy Committee, Staff recommended the Commission approve the recommendations identified in the Summary Report as a fair resolution of the issues presented in the 2024 ASR.

The Commission approved the Staff's Summary Report and recommendations on the 2024 ASR at the December 16, 2025, Administrative Session.

* * * * *

WHEREFORE IT IS ORDERED that Staff's Summary Report on Georgia Power Company's 2024 Annual Retail Surveillance Report, including Staff's recommendations, are hereby approved.

ORDERED FURTHER, that the Commission finds Georgia Power Company's Retail Return on Equity for 2024 was 11.31%.

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

ORDERED FURTHER, that all findings, conclusions, statements, and directives made by the Commission and contained in the foregoing sections of this Order are hereby adopted as findings of fact, conclusions of law, statements of regulatory policy, and orders of this Commission.

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 16th day of December 2025.

Sallie Tanner
Executive Secretary

12-24-25
Date

Jason Shaw
Chairman

12-24-25
Date