STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re: Georgia Power Company's Fuel Cost Recovery Application (FCR-27)	))))	Docket No. 56765

GEORGIA POWER COMPANY'S BRIEF

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I. INTRODUCTION

The matter presently pending before the Georgia Public Service Commission (the "Commission") is Georgia Power Company's ("Georgia Power" or the "Company") Fuel Cost Recovery Application ("FCR-27 Application"). In its FCR-27 Application, Georgia Power seeks to decrease its Fuel Cost Recovery ("FCR") rates by approximately 12.6%, which equates to a decrease of approximately 3.18% or $5.74 per month on the total bill of the typical residential customer using an average of 1,000 kilowatt-hours ("kWh") per month.

On February 17, 2026, Georgia Power filed its FCR-27 Application, which included the pre-filed Direct Testimony and Exhibits of Adam D. Houston and Matthew S. Berrigan, the Historical Minimum Filing Requirements ("MFRHs"), and the Projected Minimum Filing Requirements ("MFRPs") (together, the "MFRs") consistent with the requirements of Commission Rule 515-2-1-.04(6). On February 23, 2026, Georgia Power filed revised schedules MFRH-10, MFRH-11, MFRP-6.4, and MFRP-7.2 due to the change in trade secret designations as agreed to with the Commission's Public Interest Advocacy Staff ("PIA Staff"). On March 17, 2026, the Company filed an Errata to schedule MFRH-7.3 to correct a formula error discovered by PIA Staff. On April 10, 2026, Georgia Power filed updates to MFRH-2, MFRH-4.1, MFRH-4.2, MFRH-10,

MFRH-14, and MFRH-15 to incorporate actuals incurred for the months of January and February 2026. On April 30, 2026, Georgia Power filed an Errata to the Company's Application Exhibits and an update to MFRP-1. Further, on May 1, 2026, Georgia Power filed updates to MFRH-2, MFRH-4.1, MFRH-4.2, MFRH-10, MFRH-14, and MFRH-15 for actuals incurred in March 2026.

Five parties timely intervened in this docket: Georgia Association of Manufacturers ("GAM"); Georgia Interfaith Power & Light and Southface Institute (together, ("GIPL/Southface"); Metropolitan Atlanta Rapid Transit Authority ("MARTA"); Resource Supply Management; the Natural Resources Defense Council, Sierra Club, and the Southern Alliance for Clean Energy ("NRDC/Sierra Club/SACE"). One party, WAND Education Fund Inc. ("Georgia WAND"), filed a late intervention but did not participate in the FCR-27 hearings.

On April 9, 2026, PIA Staff filed the Direct Testimony of the panel of Tom J. Newsome, PE, CFA, Philip M. Hayet, Anthony Sandonato, and Leah J. Wellborn, and the Direct Testimony of Joseph R. Reynolds, P.E. Also on April 9, 2026, GAM filed the Direct Testimony of Jeffry Pollock, GIPL/Southface filed the Direct Testimony of Albert Lin, and NRDC/Sierra Club/SACE filed the Direct Testimonies of Michael Goggin and Jeremy Kalin.

On April 23, 2026, Georgia Power filed the Rebuttal Testimony of the panel of Adam D. Houston, Matthew S. Berrigan, Lee Evans, and R. John Ohlson, Jr. and the Rebuttal Testimony of Earl Berry. The hearing commenced on May 5, 2026, during which all witnesses that pre-filed testimony took the stand and were made available for cross-examination by all parties to the proceeding.

On May 12, 2026, PIA Staff and Georgia Power entered into a Stipulation to resolve all issues in this proceeding between the two parties. The Stipulation was filed with the Commission the same day. Also on May 12, 2026, GAM announced that it had agreed to sign the Stipulation,

and GAM's signature page was filed on May 13, 2026. (Georgia Power, PIA Staff, and GAM hereinafter referred to as the "Stipulating Parties.")

II. SUMMARY OF THE STIPULATION

The Commission should approve Georgia Power's FCR-27 Application as modified by the Stipulation, which is a comprehensive resolution of the issues among the Stipulating Parties in this proceeding. The constructive Stipulation, which reduces the fuel costs requested in the Company's initial filing and provides for the timely recovery of fuel costs, addresses each of the Company's requests in this case and resolves all other issues raised by PIA Staff and GAM in response. As such, the Stipulation is a reasonable resolution of the FCR-27 case and the Commission should adopt the mutual recommendations contained in the Stipulation.

First, the Stipulating Parties agreed to a $13 million cumulative reduction of the fuel balance effective May 31, 2026, to be reflected in fuel rates. (Stipulation, Para. 3.) Second, the Stipulating Parties agreed that the Commission should make no finding of prudence, imprudence or disallowance regarding any of the generating plant outages from the FCR-27 historic period. (Stipulation, Para. 4.) Third, the Stipulation agrees to increase the Interim Fuel Rider ("IFR") threshold from $200 million to $300 million while maintaining the current 40% maximum rate change permitted between fuel cases. The Stipulation further requires the Company to submit a rate adjustment for Commission consideration if the IFR threshold is reached in either direction. Fourth, the Stipulating Parties agree that the Commission shall further review the methodology by which the Company credits real time pricing ("RTP") revenue to the FCR revenues and the allocations that the Company is making under such methodology in this FCR-27 docket, which proceeding shall be concluded by December 31, 2026. (Stipulation, Para. 6.)

Fifth, the Stipulation permits Georgia Power to continue its natural gas fuel hedging program, albeit under more strict parameters. The Stipulation provides that the Company may hedge up to 20% of its projected natural gas burn for a maximum window of 36 months, which is a decrease from the current limit of 40% of projected natural gas burn. (Stipulation, Para 7.) Sixth, the Company shall discontinue recovery of renewable requests for proposals ("RFP") administration and renewable subscription program costs through the fuel clause to the extent such costs do not equal associated revenues recovered from RFP participants. (Stipulation, Para. 8.) To the extent costs incurred on or after June 1, 2026, do not equal associated revenues, the difference shall be recorded in a regulatory asset or liability account, as appropriate, and submitted for consideration and disposition in the Company's next base rate case proceeding. (*Id*.) Seventh, the Company will limit higher-than-market-price coal purchases to 15% of total purchases. (Stipulation, Para. 9.) Eighth, the Company has agreed to file its next FCR application on or before February 28, 2029, with revised fuel rates going into effect on June 1, 2029, unless a later date for filing is agreed to by PIA Staff or ordered by the Commission. (Stipulation, Para. 11.) Ninth, the Company agreed to continue providing to Commission Staff monthly fuel balance information (Stipulation, Para. 10), and to pay up to $125,000 annually for reasonably necessary specialized assistance to review fuel cost recovery issues prior to the filing of FCR-28. (Stipulation, Para. 12.)

The Stipulation provides further rate reductions for customers than those included in the Company's initial FCR-27 Application with the typical residential customer using an average of 1,000 kWh a month expected to save $5.84 per month. Together with the rate increase for storms, the net savings are expected to be $4.04 per month, or nearly $50 per year, beginning in June. These net savings, approximately $285 million per year, are the result of constructive negotiations

between the Company and PIA Staff. While no party got everything they asked for, the agreed to terms and conditions are fair and reasonable, and should be adopted by the Commission.

III. LEGAL STANDARD

Under O.C.G.A § 46-2-26, Georgia Power "may change its base rates solely because of increased or decreased fuel costs only after filing with the [C]ommission an estimate of its fuel costs and retail sales for the next three consecutive calendar months and proposed base rates to recover those costs." O.C.G.A § 46-2-26(c). The Commission shall conduct a hearing on the Company's FCR-27 Application "for the purpose of determining its accuracy," and "the burden of proof to show that an increased rate, based on fluctuations in fuel costs, is just and reasonable" is on the utility. *Id.* § 46-2-26(d). Georgia law allows for a public utility to recover its fuel costs by adjusting rates based on actual expenses "in order that the accumulated retail fuel costs of the utility shall equal, as nearly as possible, the revenues recovered pursuant to the fuel recovery allowance contained in its base rates." O.C.G.A. § 46-2-26(g).

Disallowances or adjustments for fuel costs shall only be made for "illegal or clearly imprudent conduct on the part of the utility." *Id.* § 46-2-26(h). In Docket No. 6739-U, the Commission articulated its prudence standard as follows:

> "A decision must not be judged as correct or incorrect in the light of perfect hindsight. Rather, a decision must be judged as to whether it was reasonable given the facts and circumstances which were known or which reasonably should have been known at the time the decision was made. In applying this standard, it must be recognized that in any decision-making process there may exist a range of choices, any, or all of which could have been adopted by reasonable management in good faith and under the same set of circumstances. If the Company has made a decision which falls within that "zone of reasonableness," that decision must be found to have been prudent, irrespective of whether others may have selected another alternative, and irrespective of whether in hindsight another decision may now appear in hindsight to have been a more correct decision."

See Order, GPSC Docket No. 6739-U: Georgia Public Service Commission Staff's Review of Georgia Power Company's Rocky Mountain Pumped Storage Facility (Jan. 14, 1998).

IV. ARGUMENT

A. THE STIPULATION REPRESENTS A FAIR AND REASONABLE RESOLUTION OF THIS PROCEEDING AND SHOULD BE ADOPTED BY THE COMMISSION.

1. The fuel rates requested by Georgia Power and adopted by the Stipulation are reasonable and supported by the evidence.

Georgia Power's FCR-27 Application proposes to adjust current fuel rates to an appropriate level to recover the Company's future fuel costs as projected in the two-year FCR-27 test period from June 1, 2026, through May 31, 2028. Based on the recovery of previously incurred fuel costs over the three-year period as approved by the Commission in FCR-26, virtually all of the prior under recovery is projected to be collected by May 31, 2026, and the Company proposes to recover the under-recovered balance accrued since the implementation of FCR-26 rates over a three-year period ending May 31, 2029. No party challenged the reasonableness of the Company's projections or the recovery period of prior incurred fuel costs. Consequently, based on average annual fuel rates, the proposed FCR-27 rate changes, as modified by the Stipulation, are projected to decrease the monthly bill of a typical residential customer using an average of 1,000 kWh per month by approximately $5.84. Contemporaneous with this fuel rate filing, the Company filed a Storm Damage Recovery Application. As a result of the Stipulation, the net result of the two proceedings will reduce the bill of the typical residential customer using an average of 1,000 kWh per month by $4.04.

The Stipulation provides significant benefits to customers and represents a fair and reasonable resolution of all issues in this case. There is no evidence in the record to support further

reduction in the Company's request beyond the terms of the Stipulation. As noted above, Georgia Power may recover its fuel costs by adjusting rates based on actual expenses so "that the accumulated retail fuel costs of the utility shall equal, as nearly as possible, the revenues recovered pursuant to the fuel recovery allowance contained in its base rates." O.C.G.A. § 46-2-26(g). The fuel recovery statute sets a high bar for the disallowance of reported fuel costs, requiring evidence of "illegal or clearly imprudent conduct on the part of the utility" for any such adjustments to be made. O.C.G.A. § 46-2-26(h). The record in this case contains no evidence of illegal or clearly imprudent conduct by Georgia Power. To the contrary, the terms and conditions included in the Stipulation evidence that the fuel rates requested are reasonable and well-supported in this case and should be approved by the Commission without adjustment.

2. The IFR mechanism should be modified as outlined in the Stipulation to provide greater flexibility to manage over- or under-recovered balances.

The IFR mechanism allows the Commission and the Company to make interim adjustments to fuel rates in those instances where actual fuel costs deviate from the Company's forecasts. The Stipulation provides for an increased IFR threshold of +/- $300 million as requested by the Company. (Stipulation, Para. 5.) However, if that threshold is exceeded in either direction, the Company has committed to submit within five days of its IFR notification filing a proposed IFR rate adjustment to amortize the over- or under-recovered balance over a reasonable and financially prudent period of time. (*Id.*) These modifications are appropriate given the relative size of the total fuel expenses incurred and to be incurred by the Company on an aggregate basis. (Tr. vol. 2, 870.) The higher threshold will provide greater rate stability for customers and also allow increased capacity to absorb natural fuel price fluctuations and the normal swings of over- or under-recovery balances on a monthly basis. (*Id.*) The +/- $300 million threshold provides a more appropriate

balance between the frequency of the IFR trigger of potential rate adjustments and mitigating significant over- or under-recovery balances in the future. (*Id.* at 870-71.)

GIPL/Southface Witness Lin advocated that the Commission reduce the amount by which the Company can adjust rates if the IFR is triggered from 40% to the pre-FCR-26 amount of 15%. (Tr. vol. 1, 514.) This recommendation is unnecessary because the Commission retains ultimate discretion to approve any rate adjustments proposed through the IFR. (Stipulation, Para. 5(c).) As agreed to in the Stipulation, the maximum adjustment of rates between FCR proceedings will remain at up to 40% of current FCR rates. Accordingly, the IFR as modified by Stipulation will continue to provide the Company with the flexibility to design and propose rate adjustments to address any over- or under-recovery balance, and the Commission has the authority to approve, modify, or reject any such proposed rate adjustments. Witness Lin's recommendation is unduly restrictive and would impose unnecessary limitations on the Company and the Commission's authority. Accordingly, the changes to the IFR mechanism included in the Stipulation will provide the Company with increased flexibility to manage over- and under-recovered balances while also balancing the timely recovery of such balances. The Commission should accept the modifications to the IFR mechanism as set forth and agreed to in the Stipulation.

3. The Company agrees that it is reasonable to review the RTP Fuel Credit Methodology within this docket.

The current RTP Fuel Credit Methodology was approved by the Commission in 2010 to more closely mirror the overall RTP rate and better align fuel revenues and expenses attributable to RTP customers. It limits wide swings in amounts credited to the fuel and base accounts during periods of fuel price volatility and puts downward pressure on base rates, benefiting all customers. (Tr. vol. 2, 893, 941.) With the projected growth in RTP loads, PIA Staff recommended additional

investigation into the RTP Fuel Credit Methodology. (Tr. vol. 1, 298.) As Company Witness Evans testified, one of the Company's primary objectives going into every rate case is to evaluate the effectiveness of all the Company's rates. (Tr. vol. 2, 904.) However, if the Company believes that a change is needed, the Company does not wait for a rate case to bring forth or propose such change. (*Id.* at 905.)

Paragraph 6 of the Stipulation is no different. While Georgia Power evaluates its rates with or without a formal proceeding, the Company is happy to work with the Commission, PIA Staff, and other interested parties to review the RTP Fuel Credit Methodology as agreed to in the Stipulation. (*Id.* at 904.) Evaluation of the RTP Fuel Credit Methodology in this docket is a reasonable resolution to the concerns expressed by PIA Staff and Intervenors throughout the proceeding and further supports that the Stipulation is reasonable, supported by the evidence, and should be approved.

4. The natural gas hedging program, as modified by the Stipulation, should be approved to continue providing stability in fuel costs for the benefit of customers.

Given the projected growth in natural gas use in the Company's budget, the Commission should approve the continuation of Georgia Power's natural gas hedging program, as modified by the Stipulation. The Stipulating Parties have agreed that the Company may hedge up to 20% of its budgeted natural gas fuel burn in any given month, with a maximum hedging window of 36 months. Existing hedges previously entered into prior to this proposed change will remain in effect. As the Company explained in its testimony and at the hearing, the hedging program is a mechanism that provides price stability for natural gas purchases by locking in the future purchase prices today, and the requested modifications to the hedging program are designed to secure additional price stability. (Tr. vol. 2, 890-92.) The purpose of the program is to guard against volatility of natural

gas prices in the market, *not* to take speculative positions for gains or losses. (*Id.* at 890.) As such, it should be maintained as part of the Company's prudent risk-management strategy designed to protect customers from sudden spikes in natural gas prices. (Tr. vol. 1, 120.) Maintaining the hedging window of up to 36 months is also beneficial for customers as it allows access to a longer-term forecast of natural gas prices, which can lead to better hedge prices. Approving the continuation of the natural gas hedging program with the revised parameters will allow the Company to continue to mitigate exposure to natural gas price fluctuations and provide stability in fuel costs for the benefit of customers.

5. The Company shall begin recording renewable RFP administration and subscription program costs that exceed associated revenues in a regulatory asset or liability account for consideration and disposition in the Company's next base rate case proceeding.

The Stipulating parties agree, pursuant to Paragraph 8 of the Stipulation, that beginning June 1, 2026, Georgia Power will discontinue recovery through the FCR of renewable RFP administration and renewable subscription program costs in excess of associated revenues recovered from RFP participants. Any difference shall be recorded in a regulatory asset or liability account and submitted for consideration and disposition in the Company's next base rate case proceeding. (Stipulation, Para. 8.) Georgia Power's RFPs are structured to collect fees to help defray the cost of the RFP process, (Tr. vol. 1, 77, 143), and the Commission previously authorized the Company to recover through the FCR the difference between fees collected and renewable RFP administration and subscription program costs. (*Id.* at 78-79.) In this proceeding, PIA Staff recommended costs that exceed fees and revenues be placed in a regulatory asset for consideration in the Company's next base rate case. (*Id.* at 289.) PIA Staff also requested Georgia Power specifically itemize revenues and the costs related to administration of renewable programs and RFPs. (*Id.*).

Through the Stipulation in this proceeding, the Company agrees to account for renewable RFP administration and subscription program costs different from associated revenues recovered from RFP participants by placing them in a separate regulatory asset/liability for consideration in the next base rate case proceeding. The Company also agrees to provide PIA Staff a complete accounting of its renewable RFP and subscription program costs and revenues prior to the next base rate case proceeding, consistent with non-renewable RFPs. (Stipulation, Para. 8.) This provision of the Stipulation provides for a reasonable resolution of the contested issues between the Stipulating Parties, is supported by the evidence, and should be approved by the Commission.

B. THE COMMISSION SHOULD REJECT OTHER INTERVENOR RECOMMENDATIONS INCONSISTENT WITH THE STIPULATION.

Intervenors advance several recommendations in this proceeding that should not be adopted by the Commission, including but not limited to the creation of a fuel cost sharing mechanism and disallowances related to coal unit operation. These recommendations are not relevant to the reasonableness of the Company's requested fuel rates, are unnecessary given existing incentives to lower fuel costs for customers, and should be rejected by the Commission.

1. A fuel cost sharing mechanism as proposed by NRDC, Sierra Club, and SACE is unnecessary and, further, inconsistent with Georgia law.

Intervenors NRDC, Sierra Club, and SACE recommend that the Commission implement a fuel cost sharing mechanism that would require Georgia Power and its shareholders to bear a portion of the risk associated with its fuel costs and procurement. (*See* Tr. vol. 1, 679-81.) At the outset, a fuel cost sharing mechanism is inconsistent with Georgia's statues and regulations governing the Company's fuel cost recovery. In addition, this recommendation is based on the false assumption that the Company does not voluntarily monitor and seek out ways to reduce costs

for customers. As explained in more detail below, the Commission should reject intervenor recommendations for the adoption of a fuel cost sharing mechanism. Rather, the Commission should continue to exercise its appropriate oversight of the Company's fuel cost recovery process through the FCR proceedings and the Company's regular monthly and semi-annual reporting.

i. A fuel cost sharing mechanism is inconsistent with Georgia law governing fuel cost recovery.

The fuel cost sharing mechanism proposed by intervenors is inconsistent with Georgia law. Pursuant to O.C.G.A. § 46-2-26, "[r]ate changes based solely on increases or decreases in the cost of fuel may be determined as set forth in this Code section." And "[t]he [C]ommission shall disallow and make appropriate adjustment for any reported fuel cost that is the result of illegal or clearly imprudent conduct on the part of the utility." While NRDC, Sierra Club, and SACE Witness Kalin recommends the Commission require the Company in future FCR proceedings to be responsible for some portion of fuel purchase risks and costs, (Tr. vol. 1, 791-92), such fuel cost sharing mechanism ignores the plain language of O.C.G.A. § 46-2-26(h), which contemplates disallowances of fuel costs by the Commission in only two express situations: illegal or clearly imprudent conduct on the part of the utility.

Contrary to the assertions of NRDC, Sierra Club, and SACE Witness Kalin, Georgia's fuel cost recovery statute cannot and should not be read to include "flexibility" and Commission discretion not otherwise authorized. Witness Kalin, who is not an attorney licensed in Georgia, adopts an interpretation of O.C.G.A. § 46-2-26(c) that would undermine and contradict the standard for disallowance of fuel costs provided for in O.C.G.A. § 46-2-26(h). The fuel cost recovery statute provides that "each utility shall file with the commission an estimate of fuel costs and an estimate of retail sales … and propose base rate tariffs to recover *those* costs." (O.C.G.A.

§ 46-2-26 (c) (emphasis added).) The reference to "those" costs are the full costs that the utility expects to incur – not a subset, fraction, or portion of its fuel costs. The utility estimates its costs and is permitted to propose rates to adequately recover those costs, full stop. To read into the statute that the Commission may require Georgia Power to propose rates to recover something less than all of its projected fuel costs is an overreach of legal interpretation. To require Georgia Power to propose to recover something less than 100% of its projected fuel costs would make the standard for disallowance and fuel rate reduction superfluous and unnecessary. (*See e.g.*, McIver v. State, 314 Ga. 109, 119-20 (2022) (noting that it is a fundamental rule of statutory construction "to construe the statute according to its terms, to give words their plain and ordinary meaning, *and to avoid a construction that makes some language mere surplusage.*") (emphasis added).) The Georgia Legislature meant what it said when it adopted O.C.G.A. § 46-2-26 (h), which provides that "[t]he Commission shall disallow and make appropriate adjustment for any reported fuel cost that is the result of illegal or clearly imprudent conduct on the part of the utility." To simply ignore the express requirement to prove illegal or clearly imprudent conduct of the utility prior to summarily disallowing a portion of fuel costs necessary to reliably serve customers is an absurd outcome that ignores the plain text of the statute. For this reason alone, the Commission should disregard NRDC/Sierra Club/SACE's proposed fuel cost sharing mechanism as inconsistent with Georgia Law.

ii. Georgia Power continuously evaluates ways to reduce and control fuel costs for the benefit of customers.

As a secondary matter legally, but of primary importance, Georgia Power regularly seeks out opportunities to lower and optimize fuel costs for customers and to contract for fuel in the most efficient manner possible. This is incumbent upon the Company, and a responsibility that Georgia

Power takes seriously as part of the regulatory compact. For example, the Company has a demonstrated record of proactively negotiating fuel transportation contracts to reduce fuel and production costs for customers. At rail captive generating facilities, like Plants Bowen and Scherer, where no direct rail delivery competition exists, the Company was able to negotiate multi-year transportation contracts with the railroads to lower prices for scheduled deliveries to the Company's plants. (Tr. vol. 2, 896.) Recently, for one such contract, the Company negotiated transportation terms that resulted in material and demonstrable production cost savings over the 2025–2029 period, with the latest Company projections indicating even higher level of customer savings from the lower negotiated transportation rates over time compared to the initial estimate based on the system needs and operating conditions. (*Id.*) The Company negotiated comparable transportation arrangements during the 2024–2026 period that similarly delivered material transportation cost reductions, reinforcing the Company's demonstrated ability to secure customer benefits through disciplined commercial negotiations. (*Id.*) Even without a fuel cost sharing incentive, 100% of these cost savings are passed directly onto customers.

The Company also seeks to control and reduce fuel costs through improved operation of its generating units. Energy Information Administration ("EIA") data shows that Georgia's coal and gas plants are among the most efficient in the country, and the Company has implemented a standardized heat rate program that directly links plant operational discipline and maintenance practices to measurable efficiency outcomes.[1] This operational discipline is reinforced through centralized economic dispatch that commits and dispatches generating resources to minimize total system production cost, subject to reliability, environmental, and operational constraints. Thus, all

[1] Based on calculated net heat rate from Fuel Consumption MMBtu and Net Generation MWHRS data provided in 2024 U.S. Form EIA-923, available here: https://www.eia.gov/electricity/data/eia923/ (last accessed May 12, 2026).

else equal, units with better heat rate performance tend to be dispatched more frequently under this framework, while less efficient units tend to be utilized less. (Tr. vol. 2, 897.) This results in fuel cost savings for customers. (*Id.*) Because this existing framework already drives operator behavior, prioritizes efficiency improvements, and oversees heat rate performance through objective measurement and review rather than cost redistribution, the implementation of a separate fuel cost sharing mechanism would be duplicative and unnecessary.

These examples, among others, demonstrate some of the ways in which Georgia Power takes its responsibility for prudent fuel management seriously and is constantly looking to optimize and lower fuel costs for customers whenever possible. Finally, intervenors that advocate for fuel cost sharing have not provided sufficient evidence in their testimonies that the Company took specific imprudent actions that resulted in increased fuel costs. The current FCR mechanism ensures that the customers only pay for *actual* fuel costs incurred and there is no return earned on fuel costs. Therefore, any additional incentive to encourage the Company to lower fuel costs for customers is unnecessary.

2. Georgia Power prudently manages the dispatch of its coal generating fleet.

NRDC/Sierra Club/SACE Witness Goggin argues that the Commission should disallow $152 million in fuel costs as a result of alleged uneconomic coal unit operation, an assertion that he bases—by his own admission—on an incomplete and inaccurate analysis of the economics of Georgia Power's coal unit dispatch. (Tr. vol. 1, 834-37.) Witness Goggin takes an unnecessarily strict and narrow view of what counts as "economic dispatch," creating a bespoke methodology that ignores numerous facts and factors, to generate a proposed disallowance drastically out of proportion with the reasonableness with which Georgia Power operates its generation fleet.

Accordingly, the Commission should disregard Witness Goggin's recommendation that the Commission disallow $152 million in fuel costs due to alleged uneconomic dispatch.

To start, Mr. Goggin's counterfactual analysis is based on incomplete data, which he admitted during cross examination. (*Id.* at 834.) Instead, Mr. Goggin's analysis compares a unit's committed and dispatched costs to a historical day-ahead lambda price, which gives limited consideration to a single unit operating constraint—minimum up times—while ignoring several constraints that impact the operation of the units and the system as a whole. For example, this analysis failed to account for the minimum downtime requirements for each unit as reflected in Aurora inputs for Plants Bowen and Scherer. (*Id.* at 833; Tr. vol. 2, 919.) Minimum downtimes are important to consider because they reflect unit commitment risks, such as natural gas price, load volatility, and other ever-changing system conditions, over a week-long time period, compared to the day-ahead approach used in Mr. Goggin's analysis. That longer planning horizon requires managing operational and market risk over multiple days—a key consideration absent in Mr. Goggin's analysis. Moreover, although Mr. Goggin claims to have considered minimum downtime in his analysis, cross examination revealed that he either failed to consider that factor altogether or used incorrect assumptions in reaching his faulty conclusions. (Tr. vol. 2, 833-36.)

Mr. Goggin's analysis also fails to account for how removing large generators from the system, like during an outage or as a result of transmission constraints, would change overall system production costs and marginal costs, and does not account for the resulting impacts to system reserves. The Company performs a production cost optimization subject to all applicable system and unit constraints to determine which units should be online and when. Using historical day-ahead lambda, as Witness Goggin does, to determine the impact on fuel costs is inappropriate

without considering all the possible reasons the referenced plants may or may not have operated. This potential outcome could create additional constraints in the system and, in turn, drive up system lambda. In addition, there are operating reserve considerations that must be considered in the economic dispatch of the units. A committed Plant Bowen or Plant Scherer unit provides regulating, contingency, and operating reserves to the system as a benefit, which is captured in the production cost model, but not the dispatch price that Witness Goggin relied upon.

Throughout the hearing, the Company reiterated its commitment to operating its system to ensure reliable and cost-effective generation when customers need it most. (Tr. vol. 2, 901, 932, 1017.) As Company Witness Ohlson testified, economics are clearly part of the Company's goal, but reliability, system, and unit constraints can present real challenges that are not reflected when looking at strict energy merit order or the dispatch cost of a plant. (*Id.* at 929-30.) What the Company made clear, however, is that the electrical system has stability and reliability needs that are continuously considered by the Company, along with all other operating constraints, to provide reliable and safe electric service. (*Id.* at 920.) As established, Mr. Goggin's analysis does not show true, uneconomic dispatch, (*id.* at 918), and fails to account for meaningful operational constraints among other flaws. It further fails to support a finding of clear imprudence—as required by O.C.G.A. § 46-2-26(h)—which Witness Goggin conceded he did not address during cross examination by counsel for the Company. (Tr. vol. 1, 821-22.) The Commission should reject this recommendation.

3. Georgia Power's decision not to address every PIA Staff and Intervenor assertion or allegation does not mean that Georgia Power concedes or agrees with the assertion or allegation.

The Stipulation in this proceeding represents a reasonable resolution of the issues in this proceeding and will provide significant benefits to customers. It would not be effective or efficient for the Company to rebut every single allegation asserted or implied in PIA Staff and Intervenor testimony filings made in this proceeding. As expressly stated in the Company's Rebuttal Testimony: "Our testimony focuses on several key issues without attempting to address every issue or recommendation raised in Staff or Intervenor testimony. However, the fact that the Company may not respond to a particular position of Staff or an Intervenor should not be construed as acceptance of such position." (Tr. vol. 2, 866-67.) Like our testimony, Georgia Power focused its discussion in this brief on the core issues in dispute in this proceeding, rather than devoting unnecessary time and resources to refute positions that are clearly wrong or simply irrelevant to the issues presented in this docket. (*Id.*) Moreover, even if Georgia Power had not expressly reserved this position, the Commission, PIA Staff, and Intervenors should not conclude that something was agreed to by the Company merely because it was not specifically addressed.

V. CONCLUSION

The Stipulation, reached as a compromise between the Company, PIA Staff, and GAM, provides significant benefits to the Company's customers and is a fair and reasonable resolution of the issues in this case. As explained above, additional recommendations provided by other intervenors are unnecessary or duplicative in light of the Commission's existing, robust oversight

of the Company's fuel costs. For the reasons set forth herein, the Stipulation is in the best interest of customers and should be approved without modification.

Respectfully submitted this 14th day of May 2026.

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