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May 20, 2026

VIA ELECTRONIC DELIVERY

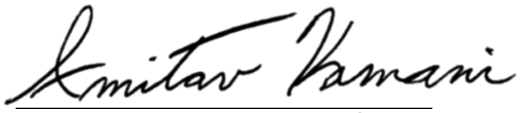
Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334

Re: Post-Hearing Brief of Georgia Interfaith Power & Light and Southface Institute; Docket No. 44280

Dear Ms. Tanner:

Please find enclosed an electronic version of the following Post-Hearing Brief to be filed in Docket No. 44280 regarding Georgia Power's Storm Damage Recovery Application on behalf of Georgia Interfaith Power & Light and Southface Institute.

Respectfully submitted,



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STATE OF GEORGIA
BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
Georgia Power Company's Storm Damage Recovery Application	)	**Docket No. 44280**

POST-HEARING BRIEF OF GEORGIA INTERFAITH POWER & LIGHT AND SOUTHFACE INSTITUTE

Georgia Interfaith Power & Light and Southface Institute (GIPL and Southface) appreciate the compromises found within the proposed Stipulation reached between Staff and Georgia Power but request the Commission deny Georgia Power's ability to profit off major storms.

GIPL and Southface have two recommendations at this time. First, the Commission should deny Georgia Power's full rate of return as applied to under-recovered storm costs by embracing either no rate of return or a debt-only rate of return. If the Commission chooses to allow Georgia Power to earn its full rate of return, GIPL and Southface urge the Commission to revisit that decision in the next base rate case in 2028.

Second, GIPL and Southface ask that the Commission clarify the Stipulation's provision raising the threshold for "major storms" to $500,000 with the understanding that *only* costs in excess of $500,000 are deferred to the storm damage reserve. This would reduce the amount of costs accruing additional financing charges, thereby reducing bill impacts for customers.

I. GIPL and Southface urge the Commission to deny Georgia Power's ability to profit off the under-recovered storm costs.

This proceeding follows the Commission's approval of the Stipulation to Extend the Alternative Rate Plan (ARP) where the Commission agreed to a docket to allow Georgia Power to recover storm damage costs incurred through December 31, 2025. Georgia Power filed its initial application in February, asking to increase rates not only for storm costs incurred before 2026 but also for future estimated storm costs. Georgia Power also proposed to spread the recovery of the collective major storm costs over four years and earn its full rate of return on those costs during that four-year period. In other words, Georgia Power wishes to earn a profit on costs spent in the wake of major storms. GIPL and Southface ask that the Commission eliminate the return, or "financing," component of the revenue requirement on which the rate increase here is based.

More specifically, as part of Georgia Power's initial application and the Errata filed in April, it requested to earn its full rate of return at the Weighted Average Cost of Capital (WACC) on the under-recovered storm cost balance when calculating the required revenue and rate increases. Table 1 below shows the significant impact these financing costs have on the initial revenue increase request, prior to the Stipulation. While these numbers are not updated to reflect the Stipulation, they are nevertheless useful for demonstrating the cost billpayers incur for major storms under each revenue scenario. Georgia Power asked billpayers to pay an additional $47.8M for its return, which increased the annual revenue requirement by $63.8M after tax-related adjustments.[1] About $20.9M of the financing costs prior to tax adjustments, and $35.9M

[1] Georgia Power Company's 2026 Storm Damage Recovery Application – Errata (Apr. 21, 2026), Docket No. 44280 at Exhibit pg. 1 line no. 3 [hereinafter "Errata"]; Georgia Power Company, Georgia Power Company's 2026 Storm Damage Recovery Application – MFR 8 (Feb. 17, 2026), Docket No. 44280 [hereinafter "MFR 8"].

after tax adjustments, would be attributable to Georgia Power's return on equity (ROE), or in other words, the profits for Georgia Power's shareholders.[2]

Table 1. Pre-Stipulation Approximations of Georgia Power's Requested Rate of Return and Alternatives[3]

Revenue Scenario	Return	Annual Revenue Requirement	Revenue Difference From GPC (Errata)	Revenue Difference from Debt-Only
Full WACC Return	$47.827M	$267.401M	$0	$27.830M
Debt-Only Return	$26.957M	$239.571M	($27.830M)	$0
No Return	$0	$203.624M	($63.777M)	($35.947M)

Based on Georgia Power's Errata filing (prior to the Stipulation), if the Commission approved a debt-only rate of return, billpayers would have saved nearly $27.8M annually, while if the Commission approved no rate of return, billpayers would have saved nearly $63.8M annually. Although the exact amounts are different under the Stipulation, the issue remains – billpayers are still being asked to finance Georgia Power's ability to profit on major storms. To be clear, GIPL and Southface are not recommending the Commission disallow Georgia Power from recovering its "actual reasonable and prudent storm damage cost"[4] from the under-recovered storm balance – just the full rate of return on that balance over an extended recovery period. As GIPL-Southface witness Justin Barnes stated in his direct testimony, Georgia Power customers already paid the cost of Hurricane Helene in property damage, injury, monetary costs,

[2] *See id.*; *see also* Table 1 below.
[3] *See* Errata; MFR 8. These calculations were performed using the numbers contained in Georgia Power's Errata Exhibits and MFR 8. The numbers have not been adjusted with changes from the Stipulation, as no new exhibits were provided.
[4] 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, Docket No. 44280 (July 31, 2025) at 11.

or even lost loved ones.[5] Approving Georgia Power's full rate of return means billpayers will pay again just so that Georgia Power can profit.

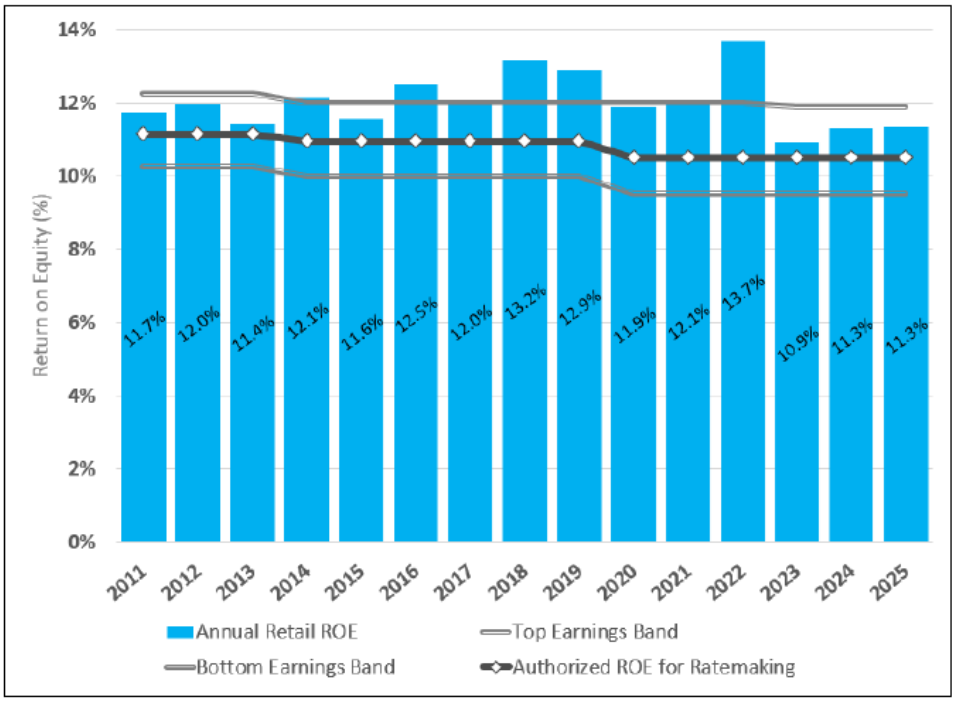
The Commission is not required to grant a full rate of return on deferred storm cost recovery.[6] Moreover, increasing customer bills to provide for a return on equity on a single-issue appears to be unprecedented. Georgia Power witnesses even admitted that they are not aware of a single other time that the Commission has approved an amortization mechanism for a deferred regulatory asset or liability outside of a fully litigated base rate case.[7]

Approving Georgia Power's requested full rate of return as a form of single-issue ratemaking is not just unprecedented, but also "misses the forest for the trees."[8] The "forest" in this analogy is Georgia Power's overall return based on a holistic review of its costs and revenues. Such a holistic review, as would take place in a base rate case, is important because it allows for consideration of all factors involved with the objective of providing Georgia Power with a *reasonable opportunity* to earn its authorized return. Focusing on a single cost shifts the reasonable opportunity ratemaking standard in the direction of guaranteeing Georgia Power's return, irrespective of the bigger picture.[9] And with respect to that bigger picture, Georgia Power "has not historically realized overall returns below the return on equity (ROE) set point used for ratemaking, let alone the lower boundary of its authorized earnings band."[10] Figure 1 from Mr. Barnes's testimony is reproduced below to demonstrate Georgia Power's comfortable retail ROE

[5] Direct Testimony and Exhibit of Justin R. Barnes on behalf of GIPL and Southface (Apr. 17, 2026), Docket No. 44280 at 7:1-5 [hereinafter "Barnes Direct"].
[6] Georgia Power argues that the Commission has previously approved this treatment of major storm costs, but GIPL and Southface are not aware of any explicit consideration of this issue by the Commission and Georgia Power has not identified any such explicit consideration.
[7] Hearing for Georgia Power Company's Storm Damage Recovery Application, Docket No. 44280, 5:49:27 (May 13, 2026), *available at* https://www.youtube.com/watch?v=1rncNLm924Q [hereinafter "Hr'g"].
[8] Barnes Direct at 8:13.
[9] *Id.* at 8:13-16.
[10] *Id.* 8:16-18.

levels, even during 2025 when the vast majority of the storm cost balance had already been incurred (i.e., costs from Hurricane Helene during 2024) and remained unrecovered.[11]

Figure 1: Georgia Power's Retail ROE (2011-2025)



Georgia Power's Annual Surveillance Reports

[12]

Furthermore, if the Commission adopts GIPL and Southface's recommendation and if Georgia Power's earnings approach or reach the lower bound of the earnings band, the Stipulation to Extend the ARP provides several possible avenues to ensure that it has a reasonable opportunity to earn its expected return.[13]

The Commission should deny Georgia Power's ability to profit off of major storm costs. If the Commission approves Georgia Power's request to earn a full rate of return, GIPL and Southface urge the Commission to revisit this determination in the next base rate case in 2028.

[11] *See* Hr'g at 4:51:46.
[12] Barnes Direct at 9.
[13] *See id.* 9:4-10.

II. GIPL and Southface support increasing the "major storm" threshold from $50,000 to $500,000 and ask the Commission to clarify that only costs above the threshold are deferred, not the entire amount.

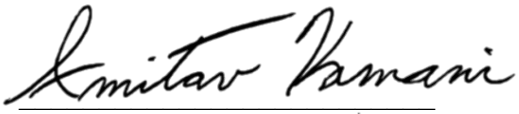
Georgia Power's $50,000 threshold to classify a storm as a "major storm" has "been in existence as long as [Witness Berrigan is] aware of."[14] When a storm is classified as a major storm, Georgia Power has been deferring the incremental costs associated with the storm into the storm damage reserve where it earns its full rate of return.[15] GIPL and Southface support increasing the threshold from $50,000 to $500,000, though a higher threshold is likely needed for a utility the size of Georgia Power, as discussed in Staff's direct testimony, and we recommend revisiting the threshold in the 2028 base rate case.[16]

However, if a storm exceeds the proposed $500,000 threshold, it is unclear whether the Stipulation means only costs above the threshold get deferred to the storm damage reserve, or whether all the costs – above and below – are deferred to the reserve. For example, during the hearing, Georgia Power did not clearly answer how incremental costs of a storm above the proposed $500,000 threshold would be treated.[17] The witnesses did not state whether a storm with incremental costs of $800,000 would have only the $300,000 in excess of the threshold deferred to the storm damage reserve or if all $800,000 would be deferred.[18] GIPL and Southface support increasing the threshold to $500,000 but ask the Commission to clarify that only incremental costs above the threshold are deferred to ensure that Georgia Power is not unreasonably profiting off major storms.

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[14] Hr'g at 2:25:34.
[15] Hr'g at 1:39:53.
[16] *See* Direct Testimony and Exhibits of Tom Newsome, Lane Kollen, and Randy A. Futral on behalf of Georgia Public Service Commission Public Interest Advocacy Staff (Apr. 17, 2026), Docket No. 44280 at 76:4-9. Prior to the Stipulation, Staff recommended the Commission set the threshold to a minimum of $2 million per storm event. Staff also stated that Georgia Power's "threshold is much lower than other utilities that are much smaller." *Id.* at 75:6-7.
[17] *See* Hr'g at 1:40:56.
[18] *See* Hr'g at 1:43:49.

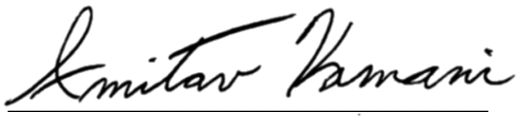
Respectfully submitted this 20th day of May, 2026.



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CERTIFICATE OF SERVICE

I certify that the foregoing **Post-Hearing Brief of Georgia Interfaith Power & Light and Southface Institute** was caused to be filed with the Public Service Commission in Docket No. 44280 by electronic delivery on the 20th of May, 2026. An electronic copy of same was served upon all parties listed below by electronic mail as follows:



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