

House Bill 267

By: Representatives Chapman of the 167<sup>th</sup> and Drenner of the 85<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the  
2 procedure for changing any rate, charge, classification, or service and the recovery of  
3 financing costs, so as to change the calculation used under certain circumstances to determine  
4 the costs of financing associated with the construction of a nuclear generating plant that a  
5 utility may recover from its customers; to provide for related matters; to provide an effective  
6 date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the procedure  
10 for changing any rate, charge, classification, or service and the recovery of financing costs,  
11 is amended by revising subsection (c.1) as follows:

12 "(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its  
13 customers, as provided in this subsection, the costs of financing associated with the  
14 construction of a nuclear generating plant which has been certified by the commission.  
15 The financing charges shall accrue on all applicable certified costs as they are recorded  
16 in the utility's construction work in progress accounts pursuant to generally accepted  
17 accounting and regulatory principles as approved by the commission. The financing  
18 costs shall be based on the utility's actual cost of debt, as reflected in its annual  
19 surveillance report filed with the commission, and based on the authorized cost of equity  
20 capital and capital structure as determined by the commission when setting the utility's  
21 current base rates; provided, however, that in the event the amounts recorded in the  
22 utility's construction work in progress accounts plus the amount of all financing costs  
23 accrued on any construction work in progress accounts exceeds the costs approved by the  
24 commission in the original certificate of the nuclear generating plant granted under Code  
25 Section 46-3A-5, the cost of equity portion of the financing costs shall be calculated  
26 using a rate no higher than the utility's actual cost of debt. These financing costs shall be

27 recovered from each customer through a separate rate tariff and allocated on an equal  
28 percentage basis to standard base tariffs which are designed to collect embedded capacity  
29 costs. The commission shall retain the discretion to consider the effect of this tariff when  
30 setting the level of any senior or low income assistance it may authorize; provided,  
31 however, that the income qualification for such assistance shall be 200 percent of the  
32 federal poverty level.

33 (2) The commission shall have the authority to authorize any specific accounting  
34 treatment for the costs recovered pursuant to this subsection and to review whether costs  
35 recovered pursuant to this subsection are being properly recorded.

36 (3)(A) For any nuclear generating plant certified by the commission on or after July  
37 1, 2009, the utility may begin recovering the costs of financing the construction of the  
38 nuclear generating plant at any time within five years after the date on which such  
39 nuclear generating plant is certified. Any such costs incurred between the time the  
40 plant is certified and the time the utility begins recovering its ~~cost~~ costs shall be  
41 accrued, capitalized, and included in the balance of the account and then amortized over  
42 the next five years following the date on which the utility begins recovering the costs  
43 of financing the construction and shall be recovered with one-fifth of those deferred  
44 costs being recovered each year for five years.

45 (B) For any nuclear generating plant certified by the commission on or after January  
46 1, 2009, and before July 1, 2009, the utility shall begin recovering on January 1, 2011,  
47 any costs of financing the construction of the nuclear generating plant. Any such costs  
48 incurred prior to January 1, 2011, shall be accrued, capitalized, and included in the  
49 balance of the account and then amortized over the next five years following January  
50 1, 2011, and shall be recovered with one-fifth of those deferred costs being recovered  
51 each year for five years.

52 (4) The costs recoverable pursuant to this subsection shall be recalculated and the level  
53 of the charges reset annually if necessary to reflect the level of construction costs  
54 expected to be incurred in the next 12 months consistent with the certificate and the  
55 financing costs expected to be incurred for the next 12 months together with a balanced  
56 accounting of actual expenditures and financing costs incurred in the preceding period.

57 (5) The financing costs associated with a nuclear generating plant which has been  
58 certified by the commission shall continue to be recovered between the time that the  
59 generating plant begins commercial operation and until the next general rate case filed  
60 by the utility becomes effective, at which time the financing costs being collected for any  
61 generating plants which are then in commercial operation shall be included in the general  
62 revenue requirements of the utility and collected in the general base rates of the utility."

63

**SECTION 2.**

64 This Act shall become effective upon its approval by the Governor or upon its becoming law  
65 without such approval.

66

**SECTION 3.**

67 All laws and parts of laws in conflict with this Act are repealed.