

Senate Bill 355

By: Senators Hufstetler of the 52nd, Millar of the 40th, Tippins of the 37th, Kirk of the 13th, Parent of the 42nd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to
2 procedure for changing any rate, charge, classification, or service and recovery of financing
3 costs, so as to change certain provisions relating to the recovery of the costs of financing the
4 construction of a nuclear generating plant; to prohibit the recovery of financing costs from
5 certain customers; to provide for reimbursement of financing costs; to provide for
6 applicability; to provide the accounting method to be used in the event the scheduled date for
7 commercial operation of such plant is exceeded; to provide for related matters; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

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

14 "(c.1)(1)(A) Notwithstanding any provision to the contrary, a utility shall recover from
15 its customers, as provided in this subsection, the costs of financing associated with the
16 construction of a nuclear generating plant which has been certified by the commission
17 prior to January 1, 2018, provided that the utility has not exceeded the scheduled date
18 for commercial operation of the nuclear generating plant approved by the commission
19 at the time of certification. The financing charges shall accrue on all applicable
20 certified costs as they are recorded in the utility's construction work in progress
21 accounts pursuant to generally accepted accounting and regulatory principles as
22 approved by the commission. The financing costs shall be based on the utility's actual
23 cost of debt, as reflected in its annual surveillance report filed with the commission, and
24 based on the authorized cost of equity capital and capital structure as determined by the
25 commission when setting the utility's current base rates. These financing costs shall be
26 recovered from each customer through a separate rate tariff and allocated on an equal

27 percentage basis to standard base tariffs which are designed to collect embedded
28 capacity costs; provided, however, that such financing costs shall not be recovered from
29 any customers who are public schools, including schools under a local board of
30 education and all state charter schools. The financing costs not collected from such
31 public schools shall not be collected from other customers. Such financing costs shall
32 instead accrue as allowance for funds used during construction pursuant to generally
33 accepted accounting and regulatory principles approved by the commission, which the
34 utility may seek to add to its rate base, pursuant to subsection (a) of Code Section
35 46-3A-7, upon completion of the nuclear generating plant. The commission shall retain
36 the discretion to consider the effect of this tariff when setting the level of any senior or
37 low income assistance it may authorize; provided, however, that the income
38 qualification for such assistance shall be 200 percent of the federal poverty level.
39 (B) If the utility exceeds the scheduled date for commercial operation of the nuclear
40 generating plant approved by the commission at the time of certification, then the
41 financing costs incurred beyond such approved scheduled date shall accrue as
42 allowance for funds used during construction pursuant to generally accepted accounting
43 and regulatory principles as approved by the commission, which the utility may seek
44 to add to its rate base, pursuant to subsection (a) of Code Section 46-3A-7, upon
45 completion of the nuclear generating plant. If the utility fails to commence commercial
46 operation of the nuclear generating plant or if the nuclear generating plant is
47 abandoned, then the utility shall return to its customers all costs of financing associated
48 with the construction of the nuclear generating plant collected pursuant to subparagraph
49 (A) of this paragraph. The utility shall return such costs of financing over a time period
50 not to exceed five years through a reduction in rate base or through installment
51 payments directly to the customer."

52 **SECTION 2.**

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