

Senate Bill 393

By: Senators Tippins of the 37th and Hufstetler of the 52nd

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 prohibit the recovery of certain financing costs of the construction of nuclear
4 generation plants from public schools; to provide for related matters; to repeal conflicting
5 laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

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

11 "(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its
12 customers, as provided in this subsection, the costs of financing associated with the
13 construction of a nuclear generating plant which has been certified by the commission.
14 The financing charges shall accrue on all applicable certified costs as they are recorded
15 in the utility's construction work in progress accounts pursuant to generally accepted
16 accounting and regulatory principles as approved by the commission. The financing
17 costs shall be based on the utility's actual cost of debt, as reflected in its annual
18 surveillance report filed with the commission, and based on the authorized cost of equity
19 capital and capital structure as determined by the commission when setting the utility's
20 current base rates. These financing costs shall be recovered from each customer through
21 a separate rate tariff and allocated on an equal percentage basis to standard base tariffs
22 which are designed to collect embedded capacity costs; provided, however, that such
23 financing costs shall not be recovered from any customers who are public schools,
24 including schools under a local board of education and all state charter schools. The
25 financing costs not collected from such public schools shall not be collected from other
26 customers. Such financing costs shall instead accrue as allowance for funds used during

27 construction pursuant to generally accepted accounting and regulatory principles
28 approved by the commission, which the utility may seek to add to its rate base, pursuant
29 to subsection (a) of Code Section 46-3A-7, upon completion of the nuclear generating
30 plant. The commission shall retain the discretion to consider the effect of this tariff when
31 setting the level of any senior or low income assistance it may authorize; provided,
32 however, that the income qualification for such assistance shall be 200 percent of the
33 federal poverty level."

34 **SECTION 2.**

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