

Senate Bill 31

By: Senators Balfour of the 9th, Tarver of the 22nd, Rogers of the 21st, Powell of the 23rd,
Tolleson of the 20th and others

A BILL TO BE ENTITLED
AN ACT

1 To enact the "Georgia Nuclear Energy Financing Act"; to amend Code Section 46-2-25 of
2 the Official Code of Georgia Annotated, relating to the procedure for changing any rate,
3 charge, classification, or service, so as to provide for a utility to recover from its customers
4 the costs of financing associated with the construction of a nuclear generating plant; to
5 provide a short title; to provide for the calculation and collection of the financing costs; to
6 provide for review by the Georgia Public Service Commission as to whether the costs
7 recovered are being properly recorded; to provide for related matters; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Georgia Nuclear Energy Financing Act."

12 **SECTION 2.**

13 Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the procedure
14 for changing any rate, charge, classification, or service, is amended by adding a new
15 subsection as follows:

16 "(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its
17 customers, as provided in this subsection, the costs of financing associated with the
18 construction of a nuclear generating plant which has been certified by the commission.
19 The financing charges shall accrue on all applicable certified costs which are recorded
20 in Federal Energy Regulatory Commission Account 107 or such similar account as may
21 be established by the Federal Energy Regulatory Commission or the commission from
22 time to time and shall accrue at the utility's average weighted cost of capital. These
23 financing costs shall be recovered from each customer through a separate rate tariff and
24 allocated on an equal percentage basis to standard base tariffs which are designed to
25 collect embedded capacity costs.

26 (2) The commission shall have the authority to review whether costs recovered pursuant
27 to this subsection are being properly recorded, but the costs recovered pursuant to this
28 subsection shall neither be considered as revenue requirements nor be used to affect the
29 outcome in any general rate case in which the utility is involved.

30 (3)(A) Except as provided in subparagraph (B) of this paragraph, for any nuclear
31 generating plant certified by the commission after July 1, 2009, the utility may begin
32 recovering the costs of financing the construction of the nuclear generating plant at any
33 time within five years after the date on which such nuclear generating plan is certified.
34 Any such costs incurred between the time the plant is certified and the time the utility
35 begins recovering its cost shall be accrued, capitalized, and included in the balance of
36 the account and then amortized over the next five years following the date on which the
37 utility begins recovering the costs of financing the construction and shall be recovered
38 with one-fifth of those deferred costs being recovered each year for five years.

39 (B) For any nuclear generating plant certified by the commission on or before July 1,
40 2009, the utility shall begin recovering on January 1, 2011, any costs of financing the
41 construction of the nuclear generating plant. Any such costs incurred prior to
42 January 1, 2011, shall be accrued, capitalized, and included in the balance of the
43 account and then amortized over the next five years following January 1, 2011, and
44 shall be recovered with one-fifth of those deferred costs being recovered each year for
45 five years.

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

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

57 **SECTION 3.**

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