

The Senate Regulated Industries and Utilities Committee offered the following substitute to SB 31:

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 the Georgia Public Service Commission to exercise discretion in setting the level
7 of assistance for senior and low income customers; to provide for review by the commission
8 as to whether the costs recovered are prudent and are being properly recorded; to provide for
9 related matters; to provide for an effective date; to repeal conflicting laws; and for other
10 purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

12 This Act shall be known and may be cited as the "Georgia Nuclear Energy Financing Act."
13

SECTION 2.

14 Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the procedure
15 for changing any rate, charge, classification, or service, is amended by adding a new
16 subsection as follows:
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18 "(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its
19 customers, as provided in this subsection, the costs of financing associated with the
20 construction of a nuclear generating plant which has been certified by the commission.
21 The financing charges shall accrue on all applicable certified costs as they are recorded
22 in the utility's construction work in progress accounts pursuant to generally accepted
23 accounting and regulatory principles as approved by the commission. The financing
24 costs shall be based on the utility's actual cost of debt, as reflected in its annual
25 surveillance report filed with the commission, and based on the authorized cost of equity
26 capital and capital structure as determined by the commission when setting the utility's

27 current base rates. These financing costs shall be recovered from each customer through
28 a separate rate tariff and allocated on an equal percentage basis to standard base tariffs
29 which are designed to collect embedded capacity costs. The commission shall retain the
30 discretion to consider the effect of this tariff when setting the level of any senior or low
31 income assistance it may authorize.

32 (2) The commission shall have the authority to review whether costs recovered pursuant
33 to this subsection are prudent and are being properly recorded, but the costs recovered
34 pursuant to this subsection shall neither be considered as revenue requirements nor be
35 used to affect the outcome in any general rate case in which the utility is involved.
36 Nothing in this paragraph shall preclude the commission and the utility from agreeing to
37 apply earnings against such costs in a future rate case.

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

47 (B) For any nuclear generating plant certified by the commission on or after January
48 1, 2009, and before July 1, 2009, the utility shall begin recovering on January 1, 2011,
49 any costs of financing the construction of the nuclear generating plant. Any such costs
50 incurred prior to January 1, 2011, shall be accrued, capitalized, and included in the
51 balance of the account and then amortized over the next five years following January
52 1, 2011, and shall be recovered with one-fifth of those deferred costs being recovered
53 each year for five years.

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

59 (5) The financing costs associated with a nuclear generating plant which has been
60 certified by the commission shall continue to be recovered between the time that the
61 generating plant begins commercial operation and until the next general rate case filed
62 by the utility becomes effective, at which time the financing costs being collected for any

63 generating plants which are then in commercial operation shall be included in the general
64 revenue requirements of the utility and collected in the general base rates of the utility."

65 **SECTION 3.**

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

68 **SECTION 4.**

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