

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

AS PASSED

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 the commission with the
 8 authority to authorize any specific accounting treatment for the costs recovered; to provide
 9 for review by the commission as to whether the costs recovered are being properly recorded;
 10 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
 11 for other purposes.

12 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

13 **SECTION 1.**

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

15 **SECTION 2.**

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

19 "(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its
 20 customers, as provided in this subsection, the costs of financing associated with the
 21 construction of a nuclear generating plant which has been certified by the commission.
 22 The financing charges shall accrue on all applicable certified costs as they are recorded
 23 in the utility's construction work in progress accounts pursuant to generally accepted
 24 accounting and regulatory principles as approved by the commission. The financing
 25 costs shall be based on the utility's actual cost of debt, as reflected in its annual
 26 surveillance report filed with the commission, and based on the authorized cost of equity
 27 capital and capital structure as determined by the commission when setting the utility's

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

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

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

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

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

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

64 **SECTION 3.**

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

67 **SECTION 4.**

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