

Senate Bill 112

By: Senators Tippins of the 37th, Cowser of the 46th, Hufstetler of the 52nd, Kirk of the 13th, Black of the 8th 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 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 prior to January 1, 2018. The financing charges shall accrue on all applicable certified
15 costs as they are recorded in the utility's construction work in progress accounts pursuant
16 to generally accepted accounting and regulatory principles as approved by the
17 commission. The financing costs shall be based on the utility's actual cost of debt, as
18 reflected in its annual surveillance report filed with the commission, and based on the
19 authorized cost of equity capital and capital structure as determined by the commission
20 when setting the utility's current base rates. These financing costs shall be recovered
21 from each customer through a separate rate tariff and allocated on an equal percentage
22 basis to standard base tariffs which are designed to collect embedded capacity costs;
23 provided, however, that such financing costs shall not be recovered from any customers
24 who are public schools, including schools under a local board of education and all state
25 charter schools. The financing costs not collected from such public schools shall not be
26 collected from other customers. Such financing costs shall instead accrue as allowance

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

34 **SECTION 2.**

35 All laws and parts of laws in conflict with this Act are repealed.