SETTLEMENT AGREEMENT
Georgia Power Company's 2022 Rate Case
Docket No. 44280

Georgia Power Company ("Georgia Power" or the "Company") and the Public Interest Advocacy Staff ("Staff"), along with the undersigned Stipulating Parties, agree to the following Alternate Rate Plan ("ARP"), which shall commence January 1, 2023, and shall continue through December 31, 2025. This Stipulation is intended to resolve all issues in this case except (1) the earnings band to be applied for Annual Surveillance Report ("ASR") purposes, (2) pricing for the Community Solar program, as described in Paragraph 28, and (3) the additional amount to be paid for export energy pursuant to the RNR tariff, as described in Paragraph 33. The Stipulating Parties leave these three issues for the Commission to decide. Other than these issues, the Company's filing is accepted as filed with the following modifications:

1. Increases to base rate tariffs shall not be levelized but adjusted each year of the ARP.

2. The Company's retail revenue requirement shall be calculated using a total return on investment of 7.43% in 2023, 7.46% in 2024, and 7.49% in 2025, which incorporates an equity ratio of 56% and a return on equity ("ROE") of 10.50%.

3. For the purposes of settlement and compromise, the Company's filing is approved with the following modifications to the revenue requirement. No ratemaking policy or precedent is being set as it pertains to the issues on which the Stipulating Parties disagreed, and the resolution of this case does not suggest that a specific position, policy, or precedent is being adopted by the Stipulating Parties or the Commission on such issues. The agreed upon adjustments to the Company's request are set forth in the values in the table below and detailed on Exhibit A. The agreed upon adjustments by category and amount include the following:

    a. The Company agrees to reduce the requested Grid Investment Plan ("GIP") spend by 40% over the term of this ARP, as shown in the table below and on Exhibit A.

    b. The Company agrees to reduce EV Make Ready spend by 75% over the term of this ARP, as shown in the table below and on Exhibit A.

    c. The Company will not move forward with a full Distributed Energy Resource Management System ("DERMS") at this time. To prepare the electric system for higher levels of distributed energy resources ("DER"), the Company will be allowed to begin the following preliminary steps, which will include system modifications to allow for modeling and visibility of DER, integration of these modifications with the Company's real-time operations platforms such as EMS, DMS, and SCADA, and the establishment of DER remote configuration capabilities. The Company will report back to the Commission in the 2025 Integrated Resource Plan on the development of these systems and the need for any further system modifications to plan for DER integration. The investments made pursuant to this Paragraph will be amortized over 10 years.

d. In addition to the categories listed in the table below, Staff recommended several other adjustments to operations and maintenance ("O&M") expenses in this case. The Stipulating Parties agree that the only specific adjustments being made are those identified in the table below. For purposes of settlement and compromise, the Company agrees to further reduce the revenue requirement associated with miscellaneous O&M expenses by $30 million each year, which is not allocated to any particular expense.

	Stock-Based Compensation	Ln 21
	Energy Direct Premium Packages	Ln 4
	Executive Financial Planning	Ln 7
	O&M Scrap Sales Proceeds	Ln 5
	Wireless Co-Location Revenues (80/20 sharing)	Ln 6
	Depreciation Expense and Accumulated Depreciation - New Depreciation Rates	Lns 10 - 14
	Depreciation Expense Reduction for Plant Scherer Units 1-3 and common, and Plant Bowen Units 1-2 (12 years)	Ln 9
	Reduce projected Storm Damage Accrual to $31M per year	Ln 20
	CCR ARO recovery methodology to remain consistent with the 2019 base rate case Order except for a four, rather than three, year amortization period.	Ln 18
75%	Electric Vehicle Make Ready Program	Ln 19
75%	O&M Expense - Electric Vehicle Make Ready Program	Ln 19
40%	Grid Investment Plan (Transmission and Distribution Plant Investment), and related Depreciation Expense and Accumulated Depreciation and ADIT	Ln 16
60%	Preliminary system modifications for Distributed Energy Resource Management System (DERMS) and related Amortization (10-years) and Accumulated Amortization and ADIT	Ln 17
	Depreciation Expense - Depreciation Rates Correction for Ft Benning and Ft Gordon	Ln 15
	Property Tax Expense	Ln 22
	Income Tax Credits Related to the Inflation Reduction Act, including Commission approval to opt out of normalization requirements for specified battery energy storage facilities	Ln 8

4. Effective January 1, 2023, traditional base tariffs shall be adjusted to collect $192 million, with additional adjustments in 2024 and 2025 of $273 million and $314 million, respectively.

5. Effective January 1, 2023, it is estimated that the Environmental Compliance Cost Recovery ("ECCR") tariff will be adjusted for traditional ECCR costs to reduce collections by $7 million, and adjusted to reduce collections by an additional estimated $35 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025. Additionally, effective January 1, 2023, it is estimated that the Coal Combustion Residual

Asset Retirement Obligations ("CCR ARO") costs recovered in the ECCR tariff shall be adjusted to reduce collections by $13 million, and adjusted to collect an additional $101 million effective January 1, 2024, and an additional estimated $90 million effective January 1, 2025. The process for revising these estimates is described in Paragraph 8 (a) and (b). As approved in the 2019 base rate case order in Docket No. 42516, ECCR shall continue to include the cost for compliance with CCR ARO. The projection of CCR ARO cost will be updated in 2023 and 2024 through compliance filings to set the actual ECCR tariff rates for 2024 and 2025. The Commission reserves the ability to make prudency determinations on the Company's coal ash related costs.

6. Effective January 1, 2023, Georgia Power shall collect an additional $37 million through the Demand Side Management ("DSM") tariffs, and as adjusted during the term of this ARP based on the DSM true up process agreed to by the Company and Staff with a projected increase of $27 million effective January 1, 2024, and a projected decrease of $2 million effective January 1, 2025.

7. Effective January 1, 2023, the Municipal Franchise Fee ("MFF") tariff will be increased to collect an additional $5 million effective January 1, 2023, an additional estimated $9 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025, which dollar amount will change as total revenue adjustments change as allowed by this ARP, as well as with any future Fuel Cost Recovery ("FCR") changes and future Nuclear Construction Cost Recovery ("NCCR") changes.

8. Consistent with the 2019 base rate case order in Docket No. 42516, for purposes of the 2024 and 2025 rate adjustments, the Company shall make compliance filings of the updated tariffs at least ninety (90) days prior to the effective date of the tariffs. The Company's compliance filings will include the following updates:

   a) Effective January 1, 2024, (i) the traditional base tariffs shall be adjusted to collect an additional $273 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2023; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2024 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company. The 2024 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.

   b) Effective January 1, 2025, (i) the traditional base tariffs shall be adjusted to collect an additional $314 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2024; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2025 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company.

The 2025 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.

9. For Annual Surveillance Reporting ("ASR") purposes, beginning January 1, 2023, the earnings band shall be set at __% to __% ROE and the Company shall report earnings based on the actual historic cost of debt and capital structure described in Paragraph 2. The Company will not file a general rate case unless its calendar year retail earnings are projected to be less than the bottom end of the band.

10. Subsequent to finalization of Staff's review of the respective ASR, any excess retail revenues above the top end of the earnings band will be shared, with seventy percent (70%) being applied to regulatory assets in the following priority: Accumulated CCR ARO; Retired Generating Plant; and Obsolete Inventory, ten percent (10%) being directly refunded to customers, allocated on a percentage basis to all customer groups including the base revenue contribution of RTP incremental usage, and the remaining twenty percent (20%) retained by the Company.

11. The Company will make its ASR filings for this ARP by March 15th of the following year. The Commission will consider the ASR filing and determine any direct refunds and reduction of regulatory assets by December 31st of that year.

12. The Company anticipates sharing revenues above the approved ROE band for 2022 with customers under the current ARP. For purposes of settlement, the Company will expedite sharing to provide the return of the estimated amount of customer sharing in the first quarter of 2023. Any revision, if needed, to the estimated amount of sharing will be adjusted once the Commission finalizes its review of the 2022 ASR. The customers' portion of sharing shall be applied in the manner ordered in the 2019 rate case in Docket No. 42516.

13. For book accounting and ASR purposes, the schedule for the Nuclear Decommissioning Trust - Tax Funding (reference the attached "Proposed Supplemental Order - Nuclear Decommissioning Costs") shall be approved.

14. Any additional tax benefits related to the Inflation Reduction Act, the Infrastructure and Investment Jobs Act, or any additional state or federal regulations shall accrue as a regulatory liability.

15. In the event that the Company determines that an asset is impaired or the Commission approves the retirement of a retail generation asset as a result of any environmental regulation or legislation, the Company may request that costs associated with such impairment or retirement be deferred as a regulatory asset.

16. The Interim Cost Recovery ("ICR") mechanism as initially approved in the 2010 Rate Case in Docket No. 31958 is continued throughout the term of this ARP utilizing the earnings band set by the Commission in this case.

17. Beginning in 2023, with the adjustment to traditional base rate tariffs, except as otherwise provided in this Stipulation, the rate increase shall be applied to each traditional base rate on an equal percentage basis. The energy, demand, and basic service charge components of each base rate shall all be adjusted equally. Except as otherwise provided in this Stipulation, the Company will not apply any increase to the basic service charges for the tariffs that had this component adjusted to the full amount of the customer-related costs in the 2019 base rate case or apply an increase to the basic service charge for the domestic and small business rate groups.

18. Tariffs within the Medium and Large Business rate groups will receive an equal adjustment to the energy, demand, and basic service charge components.

19. The Electric Transportation ("ET") tariff will be allocated 50% of the base rate increase. The revenue deficiency for this adjustment will be accounted for within the Government/Institutional tariff group.

20. To move the Medium Business and Large Business rate groups closer to parity, beginning in 2023, rates in the Medium Business and Large Business rate groups will receive 85% of the overall base rate increase with the resulting revenue deficiency being spread to other rate groups excluding the Small Business, Lighting, Agricultural, and Marginal Rate groups, which will receive the overall base rate increase.

21. The Company agrees to work with the Department of Defense to investigate a Backup rider for customers on the Real Time Pricing rate who install customer-owned generation that normally operates at least 6,000 hours per year. The Company will meet with the DOD within 90 days of the final Order in the case to begin that collaboration

22. The Residential Service tariff ("R rate") will be the default rate for all residential premises.

23. The Company will maintain the R rate as a rate option available to all residential customers. In addition, there will be an elimination of the declining-block rates during the non-summer months to a flat rate for all kWh usage. The relationship between the summer and non-summer base rate energy charge revenues will be maintained.

24. The Stipulating Parties agree that within ninety (90) days of the Final Order in this docket, the Company and Staff will collaborate on a process to consider potential options for the expansion of income qualified discount opportunities to assist customers. This process will allow for interested stakeholders to provide input on the options to be considered. Stipulating Parties further agree that within 270 days of the Final Order in this docket, the Company, after considering input from interested stakeholders, will report back to the Commission on their findings and may recommend additional action. Any potential program options must consider cost impacts to non-participating customers as well as the impacts of any revenue erosion.

25. The Company will agree to file quarterly reports regarding the location, peak demand, usage, and revenue of the Charge It Electric Vehicle rider.

26. The Company will withdraw proposed Section F.9 of the Company's Rules and Regulations for Electric Service and will work with the Georgia Association of Manufacturers and Staff to identify alternative language, which will be filed with the Company's compliance filing in this case.

27. The interconnection fee found in Section G of the Company's Rules and Regulations for Electric Service for customer generators smaller than 250 kW will be $100 for residential customers and $200 for commercial and industrial customers. The Company's proposed modification to the language in Section G.3 will limit the Company's communication with and control of the customer's generator to those capabilities provided in IEEE 1547-2018 (or as it is subsequently amended) and will only apply to new interconnecting customer generators at or above 250 kW and existing interconnected customer generators who expand or modify their generation facility.

28. Regarding the pricing for the Community Solar program, the Stipulating parties agree that this is a policy issue for Commission determination. Depending on the Commission's intent for the program, it can adopt either the Company's proposed $27.99 per block for residential customers and $29.99 for commercial customers or Staff's proposed $20 per block for residential customers and $22 for commercial customers.

29. The Time of Use – Food and Drink ("TOU-FD") rate shall remain available to all food services and drinking places identified as 722 of the North American Industry Classification System ("NAICS") through December 31, 2025. During the term of the ARP, qualifying food services and drinking places will be accepted on TOU-FD on a first come, first allowed basis until the number of accounts on the rate equals 6,000. Any revenue erosion from the TOU-FD rate conversion during the term of the ARP will be captured in a regulatory asset account and recovered through rates in 2024 and 2025. All revenue loss resulting from the implementation of this provision shall be recovered by the Company from the TOU-FD rate.

30. The Company will continue to make the Time of Use Residential Energy Only ("TOU-REO") rate available to customers.

31. The Company agrees to rename the TOU-PEV tariff to clarify the broad availability of the tariff to Residential customers that do not own an electric vehicle.

32. The Company's collective Electric Transportation program proposed in this case for investments in community electric vehicle ("EV") charging facilities and electric transportation infrastructure upgrades to support customer EV charging (i.e., Make Ready, infrastructure maintenance, administrative costs, Community Charging, and rebates) is approved, provided however, that the EV Make Ready program shall be approved at 25% of the requested budget level, and the program shall be modified to prioritize electrification of public fleets and publicly available charging. The Make Ready program will now allow EV charging providers to participate under the following conditions: (i) they have the permission of the site host customer to operate on the site host customer's premises; (ii)

they will coordinate with the site host and Georgia Power for purposes of the Make Ready program; (iii) Georgia Power is able to obtain all required easements and any other rights required to implement the Make Ready program; and (iv) Georgia Power retains final approval of Make Ready project design. In addition, Make Ready criteria and terms and conditions will be available on Georgia Power's website. A Term Sheet detailing the operation of the Company's Electric Transportation program is attached to this Stipulation. The Company agrees to develop reporting requirements for the Electric Transportation program to keep the Commission informed of the program's progress. The Company also agrees that charger locations under the Community Charging component of the program will be subject to a right of first refusal for private EV charging providers and further agrees to establish publicly available criteria for the Company's Community Charging locations as detailed in the Term Sheet. The Charge It Electric Vehicle rider is approved and will be available to all existing and new EV charging providers. Additionally, the Company will work with Staff and the EV parties signing the Stipulation to review and design an alternate commercial EV rate in addition to the Charge It Electric Vehicle rider, which will enable the Company to collect the costs to provide electric service to EV charging providers through a transparent pricing structure and support the growth of EV commercial charging investments. The alternative design should primarily collect costs through a volumetric structure, but may also allow for some collection of costs – such as distribution costs – through demand charges. In developing the rate, the parties will consider a variety of rate designs to ensure the best rate solution is developed. The Company will file an alternative EV charging rate within six months of the execution of the Final Order in this docket. The Company's Electric Transportation program and alternative charging rate(s) will be reviewed by the Commission in the next base rate case.

33. The monthly netting pilot will remain capped at 5,000 customers. The 5,000 customers currently on monthly netting will be grandfathered for 15 years effective January 1, 2023. For current and new customers on instantaneous net metering, the Company agrees that it shall pay avoided cost plus an additional amount of __ cents per kWh for excess generation beginning January 1, 2023. The additional amount shall be in place for three years and will be reviewed in the Company's 2025 base rate case. Prior to the next rate case, Staff and the Company shall collaborate to determine whether a monthly minimum bill for customers on the RNR tariff is appropriate.

    To address the potential for continued behind the meter consumer complaints the Company and Staff agree to collaborate with interested stakeholders to determine whether a more formal framework for the Commission's referral of consumer complaints to the Consumer Protection Division of the Georgia Attorney General's Office is needed. Staff and the Company may make recommendations to the Commission as deemed appropriate for improvements in the process. Staff and the Company shall also continue to review additional ways to improve consumer protection.

34. The Income Qualified Senior Citizen Discount will be increased by $6 per month.

35. By July 1, 2025, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a "traditional"

rate case. The Company will collaborate with Staff to determine what additional supporting materials for revenue estimates will be provided at the time of filing. The test period utilized by the Company in its rate case filing shall be from August 1, 2025, to July 31, 2026. The Company may propose to continue, modify, or discontinue this ARP. The Company shall also file projected revenue requirements for calendar years 2026, 2027, and 2028.

36. The Company's Annual Surveillance Review ("ASR") filings Operating Income statement (Section 2 Page 2) will include a separate line item for fuel in Operating Revenues and Operating Expenses. The Company will modify future ASRs Average Rate Base (Section 2 Page 1) to include the following separate line items under Plant-in-Service: Steam – Coal, Steam – Gas, Combined Cycle, Combustion Turbine, Solar, and Other.

37. The Company will be required to file semi-annual reports on the GIP starting with the period January 1 – June 30, 2023. Staff and the Company will collaborate on the formatting and content of these reports. Staff and the Company will agree to collaborate on what, if any, additional reporting is necessary to address transmission and distribution capital investment.

38. In conjunction with the ongoing level of review and analysis required by this agreement, Georgia Power will agree to pay for any reasonably necessary specialized assistance to Staff in an amount not to exceed $400,000 annually. This amount paid by Georgia Power under this Paragraph shall be deemed as a necessary cost of providing service and the Company shall be entitled to recover the full amount of any costs charged to the utility.

Agreed to this 14th day of December 2022.

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On behalf of Public Interest Advocacy Staff

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On behalf of Georgia Power Company