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**For Immediate release**

### **NEWS RELEASE**

#### **Commission Staff and Georgia Power File Proposed Settlement in the Risk Sharing Mechanism Case for Plant Vogtle Nuclear Power Construction Project**

ATLANTA, July 18, 2011 – The Georgia Public Service Commission’s Public Interest Advocacy Staff and the Georgia Power Company today filed a proposed settlement seeking to resolve the mechanism for dealing with any potential construction cost overruns at the Georgia Power Company Plant Vogtle construction project in Waynesboro, Georgia in Docket 29849.

On March 17, 2009, in Docket 27800, the Commission certified the need for the additional units and generating capacity at Plant Vogtle. The certification of Plant Vogtle left unresolved two issues relating to the question of how any potential cost overruns would be allocated between Georgia Power and its customers.

The first unresolved issue related to the Commission’s ongoing monitoring of the construction project. Every six months, the Commission has hearings to review construction costs incurred to date by the Company. Georgia Power had taken the position that once a cost had been verified and approved in that semi-annual process, the Commission could not later disallow the cost as imprudent. The Staff had argued that the Commission retained the right to disallow such costs if it subsequently determined that they were imprudent.

The second unresolved issue was the Commission Staff recommendation for a risk sharing mechanism. The Staff had proposed that if the cost of the plant exceeded the \$6.1 billion originally approved by the Commission by more than \$300 million, the Company’s stockholders should bear some of those costs even if the cost overruns were prudent.

Pursuant to the Commission’s order in this Docket on February 25, 2010, the Company and Commission Staff had continued to negotiate a proposed risk sharing mechanism but been unable to reach an agreement. On April 5, 2011, the Commission voted to have further hearings on the issue.

The proposed settlement agreement filed today would resolve both of these outstanding issues. In exchange for the Company agreeing to the Commission Staff’s position that the Commission retains the ability to disallow costs as imprudent even after they have been verified and approved in the semi-annual review process, the Commission Staff is agreeing to withdraw its support for its proposed risk sharing mechanism. According to the Staff brief filed in support of the Settlement “The ability of the Commission to review construction costs upon completion of the Units and, if appropriate, exclude from the Company’s rate base any costs that were imprudently incurred provides significant

protection for the Company's ratepayers in the event the final cost of construction exceeds the certified cost of \$6.1 billion."

The Commission is scheduled to vote on the proposed settlement on August 2, 2011.

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