



The PSC Pulse

The Proposed Vogtle Settlement in a Nutshell

*Current Customers rates reduced by \$325 million
through 2020*

Background

In 2009, the Commission approved Georgia Power's plan to build Plant Vogtle Units 3 and 4. At that time, the project was expected to cost \$6.1 billion and be completed in March of 2017. Since that time, the project has experienced some delays and



Workers safely place the 237-ton CAO3 module at the Vogtle nuclear expansion. The module was lifted into place by a 560-foot tall heavy lift derrick, one of the largest cranes in the world.

overruns and is now expected to cost \$1.7 billion more and be completed in June of 2020.

Under Georgia law, ratepayers are responsible for the overrun costs if the additional costs are reasonable and prudent. Stockholders are responsible if the additional costs are not reasonable or prudent.

In February 2016, the Commission directed its Staff to begin a review of the overruns to determine whether the costs were reasonable and prudent. Staff reviewed the costs and then began negotiations to see if a settlement could be reached. On October 20, 2016, Staff and the Company reached a proposed Settlement.

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SPECIAL POINTS OF INTEREST

- H.R. 979
- Committee on Broadband Access
- Real Women Read
- New Hire and other News

H.R. 979



Deborah Flannagan, our PSC Executive Director is serving on the **House Study Committee on Programs that Provide Reading Services for the Blind and Visually Impaired.** She is one of three citizens appointed by House Speaker David Ralston. The meeting held on November 2 heard from representatives of AMAC Accessibility Solutions & Research Center, Center for the Visually Impaired, the Georgia Vocational Rehabilitation Agency and the Georgia Radio Reading Service Board.

This committee is charged with the identification and study of places and programs which serve the blind and visually impaired and their service deliver area, the scope of the programs or services; the funding sources of the programs or services; and the individual participation rates for the numbers of citizens serviced annually. They will recommend any action or legislation which the committee deems necessary or appropriate.



COMMISSION APPROVES 14TH VOGTLE CONSTRUCTION MONITORING REPORT

The Commission August 16 unanimously approved Georgia Power's request to approve and verify \$160 million in expenditures on the Plant Vogtle Nuclear Power Construction Project for the period July 1, 2015 through December 31, 2015. This amount remains within the Commission certified construction cost. This decision is not a ruling on whether the expenditures are reasonable and prudent but only acknowledges that the Company has spent the funds on the project. This decision closes out the Fourteenth Semi-annual Vogtle Construction Monitoring Report in Docket 29849.

"The Plant Vogtle project continues to make progress. While there have been setbacks, in the long run Plant Vogtle will provide economical and carbon free electricity for generations of Georgians," said **Commission Chairman Chuck Eaton.**

The Company filed its 14th Vogtle Construction Monitoring Report on February 26, 2016. The Commission held two hearings in this docket on June 7, 2016 on the Company's direct testimony and on June 30, 2016 on Commission staff and interested parties testimony.

Plant Vogtle is a nuclear power electric generating plant near Waynesboro, Georgia. When fully operational, Units Three and



Four now under construction will produce 2,200 Megawatts of electricity, enough to power about 500,000 homes. Plant Vogtle Units One and Two have been in commercial operation since 1987 and 1989 respectively.

The Commission certified Georgia Power's share of the construction cost of Plant Vogtle Units Three and Four on March 17, 2009 at \$6.114 billion. Georgia Power owns 45.7 per cent of Plant Vogtle with its partners, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia and the City of Dalton Utilities.

COMMISSIONER ECHOLS TAKES FIGHT AGAINST HUMAN TRAFFICKING TO SAVANNAH

Commissioner Tim Echols took his "Unholy Tour" to shine the spotlight on the problem of human and sex trafficking to Savannah on September 20, 2016. More than 75 participants filled two transit buses for the two hour tour of sites around Savannah and Chatham County where human trafficking is taking place. Commissioner Echols has held two previous "Unholy Tours" in metro Atlanta.



COMMISSIONERS AND STAFF ATTEND SOUTHERN SOLAR SUMMIT

Commissioners and staff attended the 8th Annual Southern Solar Summit on October 20, 2016 at the Georgia Tech Research Institute. The Georgia Solar Energy Association presented the Summit.



Chairman Commissioner Chuck Eaton



Commissioner Lauren "Bubba" McDonald

Commissioners Chuck Eaton, Tim Echols and Lauren "Bubba" McDonald each presented updates on recent Commission action affecting solar energy. **Jamie Barber**, Director of the Commission's Energy Efficiency and Renewable Energy Section and staff members **John Kaduk** and **Bill Edge** attended the Summit.

Commissioner Tim Echols



GEORGIA WATCH AWARD

Georgia Watch presented its 2016 Champion for Consumer Energy Award to **Commissioner Lauren "Bubba" McDonald** at a celebration at Turner Field on October 13th. Georgia Watch honored Commissioner McDonald for his efforts to protect Georgia Power customers from rising construction costs at nuclear Plant Vogtle. In March, to protect ratepayers from cost overruns, he proposed suspending collection of the nuclear tariff on customers' bills in 2017.



Georgia Watch Executive Director Liz Coyle (left) presents Commissioner McDonald with Consumer Champion Award

Commissioner Eaton Speaks to Legislative Study Committee on Broadband Access



Commission Chairman Chuck Eaton spoke to the House Study Committee on High Speed Broadband Access for All Georgians on August 31 at the State Capitol. The Committee is looking into the problems rural Georgians have with high speed internet access. Commissioner Eaton explained that the while Commission has no regulatory authority over broadband and the internet, the Commission receives many complaints about slow speed and lack of access. Eaton said many of the complaints his office receives come from North Georgia.

The Committee has held other meetings in Toccoa, Macon and Glenville.

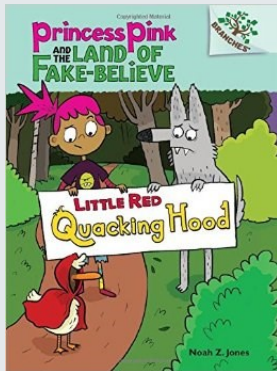
Next Issue:

February 2017

Don't forget to send us news as you get it!

VOLUNTEERING IN OUR COMMUNITY

Cheryl Vinson, Human Resources Generalist took time out of her day on October 25, 2016 to participate in a program called Real Women Read. Approximately 30 women volunteered to read to girls in grades 3-5. Cheryl's group took turns reading "Little Red Quacking Hood" from Princess Pink and the Land of Fake-Believe. "The girls took turns reading and we all read the last three pages of the book together. They were very good readers, and a little competitive with one another" said **Cheryl**.



The purpose of this program is to help them find out about career options when they grow up and spend time with someone in that field. The volunteers included former teachers, nurses, former executives, and entrepreneurs.



APPEALS COURT HEARS ARGUMENTS ON CLEAN POWER PLAN

The highly anticipated court date over the Environmental Protection Agency's carbon-cutting rule for the power sector stretched hours beyond its allotted time on September 27 at the U.S. Court of Appeals for the District of Columbia Circuit. During the proceedings, the 10 judges sparred with attorneys and one another at times, grappling with both high-level questions and technical issues.

Arguments about EPA's authority for the rule dominated the time. Moving between fundamental Clean Air Act interpretation and broad federalism issues, the high-stakes proceedings spanned five distinct sections of oral argument.

The Commission has gone on record as opposing the Rule as federal intrusion into state regulation. Both sides agree that whatever the Appeals Court decides, this case will end up at the U.S. Supreme Court.

Right out of the gate, Republican appointee Judge Thomas Griffith asked West Virginia Solicitor General Elbert Lin to justify a core element of challengers' argument: that the rule is transformative. Citing projections that the Clean Power Plan only moderately accelerates a downward trend in reli-



ance on coal-fired generation.

The arguments featured lengthy discussion of EPA's authority to set requirements that rely on generation-shifting for electricity. Lin and Sidley Austin LLP attorney Peter Keisler raised challengers' longstanding position that EPA cannot use Section 111(d) of the Clean Air Act to regulate "beyond the fence line" of individual power plants.

But several judges challenged the argument, noting that the provision requires EPA to consider the "best system of emission reduction," a term some suggested could be reasonably interpreted to include the Clean Power Plan's broad approach. Department of Justice attorney Eric Hostetler, representing EPA, argued that the approach is based on industry and states' own use of generation-shifting, resulting in a rule "cost-effectively relying on procedures industry already uses."

NAVY'S FIRST 'NET ZERO' ENERGY MILITARY BASE

Naval Facilities Engineering Command (NAVFAC) has awarded a \$170 million, 23-year energy savings performance contract to Constellation, a subsidiary of Exelon Corporation, for an energy conservation and distributed generation project that will enable the Marine Corps Logistics Base (MCLB) in Albany, Ga., to reduce energy use, increase energy security, and meet energy demands from renewable sources.

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RESPONSES TO COMMISSIONER WISE'S CALL TO EXPLAIN CONTINUING DAMAGE TO UNDERGROUND FACILITIES



At the request of **Commissioner Stan Wise**, representatives of utilities, contractors and excavators presented their explanations on September 1 for the numerous cases of damages to underground facilities in metro Atlanta during the past year. The Commission heard from AT&T, Comcast, Google Fiber, Atlanta Gas Light, and

locate company USIC. All representatives acknowledged there is a problem but most failed to offer solutions. "Some of these companies are facing hundreds of thousands of dollars in fines and we generally don't fine them to the maximum," said **Commissioner Wise**. However, Wise says in the future, excavators and utilities are no notice that failure to comply with the law may result in heavier penalties.

COMMISSION STAFF TAKES PART IN RIBBON CUTTING FOR KINGS BAY NAVAL SUBMARINE BASE SOLAR FACILITY



Commission Staff joined representatives from the U.S. Navy, Georgia Power and local officials on September 19 for the ribbon cutting of the Kings Bay Naval Base Solar Facility. **Jamie Barber, John Kaduk and Bill Edge** attended the ceremony on behalf of the Commission.

The facility covers 254 acres at the Navy Base in Camden County in

southeast Georgia. It can provide 42 Megawatts of direct current. The project was part of the 2013 Georgia Power Integrated Resources Plan that has sited projects at five military bases in Georgia.

NAVY'S FIRST (continued from page 4)

With the added generation and conservation measures, MCLB officials estimate it will reduce the total annual electrical consumption by 15% annually. This means the base will achieve 'Net Zero' status as it will be an energy-efficient installation where the annual energy demand will be fully met by renewable energy produced on site. Net Zero refers to the installation generating the same amount of energy as it consumes. **Commissioner Doug Everett** of Albany says "It took almost five years of planning and I'm pleased the Marine Corps, NAVFAC, Proctor & Gamble, Constellation, Georgia Power, Albany-Dougherty Payroll Development Authority and the **Georgia Public Service Commission** are able to bring this project to fruition".

GERMAN CONSUL GENERAL VISITS PLANT VOGTLE WITH COMMISSIONER MCDONALD



Commissioner Lauren "Bubba" McDonald invited the German Consul General, Detlev R nger of Atlanta to tour Plant Vogtle on September 21st.

Southern Company staff included Kyle Leach, Director of Regulatory Affairs, Joel Leopard, Communications Specialist for Southern Nuclear Operating Company, Inc., and tour guide, Executive Vice President of Construction for the Vogtle Units 3 & 4 Project Mark Rauckhorst. Mark graciously led the grand tour of both the progress of Units 3 and 4 under construction and the currently operating Units 1 and 2. Consul General R nger commented "The scope of this engineering project and the technologies involved were indeed impressive and your insights and the know-how of Mark, Kyle and Joel made this a most instructive visit".

WELCOME NEW HIRE!



Darryl Bailey joined the GUFPA team as a Field Investigator on October 17th. He played football throughout high school and at Kentucky State University. Darryl comes to us from Kinder Morgan, AGL Resources where he worked with Damage Prevention. His pride and joy is his daughter Lincoln Grace who is now 10 months old.

NEW GRANDFATHER COMMISSIONER WISE!



Congratulations to proud grandparents, **Commissioner Stan Wise and wife Denise** on their first grandchild, **Early King Killebrew**. He was born on October 25, 2016 at 7:07 p.m. Early weighed in at 9 pounds and 21 ³/₄ inches long. Mother and son are fine. He is loud like his grandfather (POPS).

PROPOSED VOGTLE SETTLEMENT (continued from page 1)

The commissioners will have a hearing Dec 6th and vote Dec 20th on whether to approve the Settlement.

Terms of the Proposed Settlement

Under the proposed Settlement, current customers will save \$325 million during the construction period and the Company's profit will be reduced \$115 million. In addition, if completion of the Units is delayed past 12/31/2020, there will be additional automatic reductions to the Company's profits. Finally, the Commission reserves its right to hold hearings and disallow even more costs if appropriate.

Prior to the Stipulation, the Company earned a 10.95% profit (return on equity) on its investment in the project. The Stipulation would immediately reduce the profit to 10.00%. If the 12/31/2020 deadline is missed, the profit is automatically reduced to between 4% and 7%.

"Current Georgia Power ratepayers have paid \$1.8 billion in financing costs for Plant Vogtle thus far," said **Tom Bond, the Commission's Director of Utilities**. "We felt it was appropriate that these current customers get the lion's share of any benefits from the settlement and that shareholders should also contribute in a meaningful way," said Bond.



Singing "Happy Birthday" to Georgia Department of Transportation for its 100th Birthday.

*Group led by Fulton County Chairman Bob Shaw
Former UGA Coach Vince Dooley, Former Governors Sonny Perdue and Roy Barnes, Georgia Dept of Agriculture Commissioner Gary Black,
Atlanta Mayor Kasim Reed and our very own
Commissioner Lauren "Bubba" McDonald.*

PSC WEIGHT LOSS CHALLENGE!

The PSC Weight Loss Challenge is a 40 day event that 14 employees have joined. **Monique Andrews** says "I hope this challenge gets them and others to start becoming health conscious and aware. Because sitting in a chair literally ALL DAY isn't good for anyone". The incentive at the end of the challenge is a Grand Total of \$140. The last weigh-in will be on Mon-



30 YEARS

Pandora Epps (Aug 1st)
Internal Consultants

20 YEARS

Deborah Flannagan (Aug 16th)
Administration

Cheryl Vinson (Sept 16th)
Administration

Michelle Thebert (Nov 1st)
Pipeline Safety

Janey Chauvet (Nov 16th)
Natural Gas

15 YEARS

Jason Smith (Sept 1st)
Pipeline Safety

William Upshaw (Nov 1st)
IT Support

5 YEARS

Erica Wilson (Sept 16th)
Consumer Affairs

Irma Ormeno (Sept 16th)
Natural Gas

Leslie Tench (Oct 1st)
Natural Gas

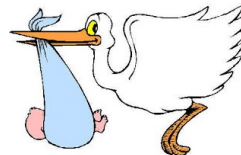
Blair Fink (Oct 1st)
Electric

ANNOUNCEMENTS

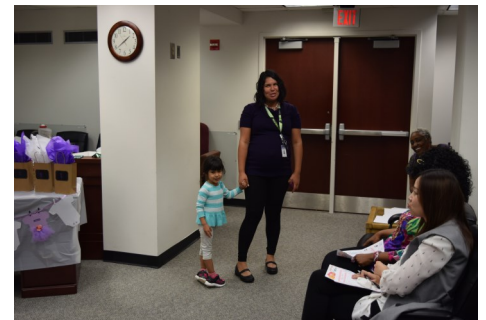
Sarah Elizabeth Fink, daughter of **Blair Fink**, Electric Unit, graduated Summa Cum Laude from Clemson University with M.Ed. and Ed.S. Master Degrees in Clinical Mental Health Counseling. She will continue to work at Carolina Family Services in Greenville, SC.



*The Faithful Service and Holiday Luncheon
will be Wednesday, December 14th at 11:30
a.m. Look for details soon!*



Irma Ormeno in the Natural Gas unit is expecting her little Gabriella by December 12th. In celebration of this, her co-workers gave her an awesome baby shower complete with cake, punch and gifts! Her husband, Will and soon-to-be big sister Jessica joined in the festivities.



Shemetha Jones in Internal Consultants is expecting her baby by November 30th. This will be their third child and Corvell and Kylan are ready to be big brothers!

COMMISSION CALENDAR

November 2016

- 1— Administrative Session
- 3 — Hearing: Georgia Power Company's 15th Semi-Annual Vogtle Construction Monitoring Report
- 10 — Committees
- 11-16— NARUC—Palm Springs, CA
- 17— Hearing: Liberty Utilities Certified Request for City of Woodland Gas System
- 17— Hearing: Application for AGL for Amended Certificate



December 2016

- 1—Committees
- 1—Hearing: Liberty Utilities Certified Request for City of Woodland Gas System
- 6— Administration Session
- 6— Hearing: Stipulation between Staff and GPC
- 8— Georgia Power Company's 15th Semi-Annual Vogtle Construction Monitoring Report
- 14— Faithful Service and Holiday Luncheon
- 15— Committees
- 20— Administration Session
- 29— Committees

HOLIDAYS COMING UP!



November 11th	Veterans Day	December 26th	Christmas Day
November 24th	Thanksgiving Day	December 27th	Washington's Birthday
November 25th	State Holiday		

Georgia Public Service Commission

244 Washington Street
 Atlanta, Georgia 30334
 Phone: 404-651-4501
www.psc.state.ga.us



COMMISSIONERS

Chuck Eaton, Chairman
 Lauren "Bubba" McDonald, Jr., Vice Chair
 Tim G. Echols
 Doug Everett
 Stan Wise

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 Commission. Information for The PSC Pulse
 should be sent to the attention of **Bill Edge,**
Public Information Officer or **Lynn**
Page, newsletter Editor.

Executive Director: Deborah Flannagan
 Executive Secretary: Reece McAlister