



Contact: Tom Krause
Phone: 404-656-2316
psc.ga.gov

Georgia Public Service Commission

244 Washington St S.W.
Atlanta, Georgia 30334
Phone: 404-656-4501
Toll free: 1-800-282-5813
Fax: 404-656-2341

For Immediate Release

PSC's Public Interest Advocacy Staff and Georgia Power Reach Agreement on Vogtle Prudency Review

August 30, 2023 – (ATLANTA) – The Public Service Commission's Public Interest Advocacy (PIA) Staff and Georgia Power have reached an agreement where – if adopted by the PSC Commissioners – all issues of Plant Vogtle prudency review would be resolved.

The proposed stipulation would cap the recovery from ratepayers of all capital construction costs for Units 3 and 4 at Plant Vogtle at \$7.562 billion. This is a significant reduction from the \$10.188 billion¹ Georgia Power has said it expects to have spent by the time Vogtle Units 3 and 4 come into commercial operation. If adopted by the Commissioners, Georgia Power ratepayers would save \$2.626 billion.

Prudency intervenors that signed the proposed stipulation include Georgia Watch, Georgia Interfaith Power and Light, Partnership for Southern Equity, and the Georgia Association of Manufacturers. The signed stipulation can be found on the PSC website under docket number 29849 or by following this link: <https://psc.ga.gov/search/facts-docket/?docketId=29849>

In the coming days, a schedule for hearings will be released. PIA Staff, Georgia Power and interested intervenors will have the opportunity to present expert witnesses and evidence related to the proposed stipulation. Ultimately, the five elected Commissioners of the PSC will make a ruling on the agreement. The Commissioners will not comment on the proposed stipulation until all the evidence has been heard.

PSC Chairman Jason Shaw thanked PSC staff for their hard work on the Vogtle project.

“With the semiannual Vogtle Construction Monitoring reports and the countless hours of analysis on this project, I assume there has been more evidence presented in this docket than in any docket in PSC history,” Chairman Shaw said. “The culmination of construction on this historic project marks the expansion of clean energy production for another 60 to 80 years here in Georgia.”

The \$7.562 billion described in the proposed stipulation is a cap on the amount of capital construction costs placed in rate base that were incurred prior to or on Unit 4's commercial operation date of March 31, 2024. Any additional capital construction costs incurred after March 31 and prior to commercial operation will be the responsibility of Georgia Power and not the ratepayers. Georgia Power is one of several owners of Plant Vogtle Units 3 and 4. Partners include Oglethorpe Power,

¹ \$10.188B is the total forecasted plant expenditures of \$11.77B less the Toshiba refund of \$1.492B.

MEAG Power and Dalton Utilities. Of those partners, the PSC has regulatory authority over only Georgia Power.

For ratepayers to incur capital construction costs, the Public Service Commission must determine the costs are reasonable and prudent. In the 17th Vogtle Construction Monitoring order – filed in January 2018 – \$7.293 billion was approved by the Commission as “reasonable.” The current proposed stipulation would deem that \$7.293 billion “prudent” (a higher standard) and would add \$200 million for unanticipated COVID related costs, \$36 million for ad valorem taxes, and \$33 million for construction monitoring costs. The monitoring costs were deemed prudent by the Commission in Docket 27800.

Billions in Ratepayer Savings

The rigorous oversight of the construction of Vogtle Units 3 and 4 by PIA Staff and by the Commissioners has already resulted in billions of dollars in savings to ratepayers. This stipulated agreement, if adopted by the Commission, would result in billions in additional savings. In the Supplemental Information Review and again in the 17th Vogtle Construction Monitoring order, the Commission ordered reductions to Georgia Power’s return on equity (profit) during construction. In the 19th Vogtle Construction Monitoring order, Georgia Power agreed to absorb \$694 million in capital construction costs.

Other language of note in the proposed stipulation:

Construction ROE will be reduced to Zero if Unit 4 Misses Current Schedule

The PIA Staff expects Unit 4 to go into commercial operation by the current scheduled date of March 31, 2024. If Vogtle Unit 4 has not reached commercial operation by this date, the Company’s return on equity will be reduced to zero until Unit 4 reaches commercial operation.

Post Commercial Operation Performance

The stipulation provides protections to ratepayers on the performance of Vogtle Units 3 and 4 after commercial operation. As of the first refueling outage for each Unit – expected 12 months after each Unit reaches commercial operation – the Unit’s performance must not materially deviate from expected performance. If expected performance is reduced, Georgia Power will have the burden to prove that it was not the result of poor engineering, construction, procurement, testing or startup activities. If Georgia Power does not meet this burden, the Commission can order the company to credit some of the operation and maintenance costs back to customers and can prevent the costs of repairs from being passed to the ratepayers.

Expansion of Senior Discounts

The current Income Qualified Senior Discount shall be expanded to: (a) all seniors who live in a household with a combined income that is 200% or less of the federal poverty level, adjusted for household size; (b) individuals who receive Social Security Disability Income assistance or Supplemental Security Income; and (c) customers who participate in the federal Housing Choice Voucher Program (HUD Section 8). The anticipated cost shift will be paid for by residential customers and will be limited to approximately \$1 per month per residential customer. As many as 96,000 seniors will see these discounts.

###

The Georgia Public Service Commission is a five-member constitutional agency that exercises its authority and influence to ensure that consumers receive safe, reliable, and reasonably-priced telecommunications, electric and natural gas service from financially viable and technically competent companies. For more information on the Commission, see the Commission website at <https://psc.ga.gov/>