



Plant Vogtle units 3 and 4 will be the first new nuclear units built in the United States in the last three decades. As construction continues, Georgia Power remains focused on completing Vogtle units 3 and 4 with safety and quality as top priorities. Once complete, the Vogtle site will produce enough safe, reliable, affordable electricity to power one million Georgia homes and businesses.

## VOGTLE 3 AND 4

### OWNERS

- Georgia Power, 45.7 percent; Oglethorpe Power, 30 percent; MEAG Power, 22.7 percent; Dalton Utilities, 1.6 percent
- Licensee/operator for owners: Southern Nuclear

### LOCATION

- Plant Vogtle, Waynesboro, Georgia

### TECHNOLOGY

- Two Westinghouse AP1000 (Advanced Passive) nuclear units
- About 1,117 megawatts each

### TIMELINE

- Georgia Power filed for an Application for Certification of Vogtle units 3 and 4 with the Georgia Public Service Commission (PSC) in August 2008.
- The Georgia PSC approved the need and cost-effectiveness, granting approval to implement the proposed Vogtle expansion in March 2009.
- In August 2009, the Nuclear Regulatory Commission (NRC) issued an Early Site Permit and Limited Work Authorization.
- The NRC issued the Construction and Operating Licenses (COLs) for Vogtle units 3 and 4 in February 2012.
- In 2014, the U.S. Department of Energy and Georgia Power closed on loan guarantees for the construction of Vogtle units 3 and 4, providing customers approximately \$265 million of present-value benefit.
- Westinghouse filed for Chapter 11 bankruptcy in March 2017. Southern Nuclear assumed control of the Vogtle 3 and 4 site.
- Georgia Power received unanimous approval Dec. 21, 2017, from the Georgia Public Service Commission (PSC) to complete units 3 and 4. The new units are co-owned by Georgia Power, Oglethorpe Power, MEAG Power and Dalton Utilities, and are the only new nuclear units currently under construction in the United States. Expected online in November 2021 (Unit 3) and November 2022 (Unit 4), the units will generate enough emission-free electricity to power approximately 500,000 homes and businesses.

- Vogtle units 3 and 4 are expected to be placed in service in 2021 and 2022, respectively.

### PROJECT UPDATE

Georgia Power received unanimous approval from the Georgia Public Service Commission (PSC) on Dec. 21, 2017, to complete Vogtle units 3 & 4. The new units are co-owned by Georgia Power, Oglethorpe Power, MEAG Power and Dalton Utilities, and are the only new nuclear units currently under construction in the United States. Expected online in November 2021 (Unit 3) and November 2022 (Unit 4), the units will generate enough emission-free electricity to power approximately 500,000 homes and businesses.

The PSC's decision followed months of review and evaluation of a unified recommendation presented to the Georgia PSC on August 31 by the Vogtle co-owners. The recommendation was based on the results of a comprehensive schedule, cost-to-complete and cancellation assessment that was prompted by the bankruptcy of former primary Vogtle contractor Westinghouse in March and the subsequent rejection of the fixed-price contract. The decision continues to protect customers with new penalties for delays and cost increases in addition to penalties included in the previous stipulated agreement approved earlier this year by the Georgia PSC. Under this amended structure, shareholders will see a significant impact of approximately \$750 million through November 2022 and the company has agreed to further reductions if the project does not meet the revised and approved in-service dates. Additionally, as a result, the amount paid by customers will be reduced by more than \$1.7 billion during the construction period.

From the beginning of the Vogtle expansion, Georgia Power has worked to pursue all available benefits for customers and minimize the impact of the new units on electric bills. In September, the company announced a new conditional commitment of approximately \$1.67 billion in additional loan guarantees for the project from the U.S. Department of Energy (DOE) illustrating renewed federal support for the project. Most recently, the company received 100 percent of parent guarantee funds available from Toshiba years earlier than expected and will use every dollar to benefit customers. The parent guarantee payments from Toshiba, in addition to the penalties in place for the company, are contributing approximately

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## VOGTLE 3 AND 4 CONSTRUCTION MILESTONES SINCE AUGUST 2017

- Placement of two 1.4 million-pound steam generators for Unit 3
- Placement of the 60-foot-tall AP1000 pressurizer compartment for Unit 4
- Placement of the second of four accumulator tanks (part of the AP1000 passive core cooling system)
- Placement of the CA33 floor module inside the Unit 3 containment vessel
- Placement of the 148-foot, 300-ton deaerator inside the Unit 4 turbine building

## BECHTEL ENGAGEMENT

Georgia Power has contracted with global engineering, construction and project management firm Bechtel to manage daily construction efforts. Bechtel will work under the direction of Southern Nuclear, the Southern Company subsidiary which operates the existing units at Plant Vogtle.

Bechtel brings a well-qualified, talented team with strong leadership and senior-level engagement and a strong relationship with the building trades. They have also developed a comprehensive, risk-informed plan to achieve success on the project.

\$2.75 billion which will reduce the total cost of the project.

The company also continues to actively support legislation that would allow the Vogtle project to continue to qualify for advanced nuclear production tax credits if the units are placed in service after January 1, 2021. Today, after including anticipated customer benefits from federal production tax credits, interest savings from loan guarantees from the DOE and the fuel savings of nuclear energy, the projected peak rate impact to Georgia Power retail customers is approximately 10 percent, with 5 percent related to the project already in rates – well below original projections of approximately 12 percent.

Final approval and issuance of the additional loan guarantees by the DOE cannot be assured and are subject to the negotiation of definitive agreements, completion of due diligence by the DOE, receipt of any necessary regulatory approvals, and satisfaction of other conditions.

Construction has continued uninterrupted at the Vogtle site following Westinghouse's

bankruptcy in March with all Vogtle co-owners working together to maintain the project's momentum. Southern Nuclear, the nuclear operating subsidiary which operates the existing units in Georgia, is now the project manager at the site with global construction firm Bechtel managing daily construction efforts. Progress is steady and evident, illustrated by multiple recent achievements such as the placement of new shield building panels for both units, placement of the 52-ton CA02 module for Unit 4 and the installation of the first steam generator.

## PRODUCTIVITY AND PROGRESS

Georgia Power and the Vogtle project's other co-owners responded to the March 29, 2017 Westinghouse bankruptcy quickly, effectively and to the benefit of customers by protecting customers' investments to date in the Vogtle expansion and ensuring that progress continued uninterrupted.

Since Southern Nuclear assumed control of the site from Westinghouse at the end of July, momentum has accelerated with a consistent focus on safe, high-quality construction.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this communication is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning expected rate impacts and other future actions related to Plant Vogtle Units 3 and 4. Georgia Power cautions that there are certain factors that could cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Georgia Power; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Georgia Power's Annual Report on Form 10-K for the year ended December 31, 2016, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of any inability or other failure of Toshiba to perform its obligations under its guarantee; the impact of any failure to extend the in-service deadline for federal production tax credits; the impact of any failure to amend the DOE loan guarantee to allow for additional borrowings; state and federal rate regulations and the impact of pending and future rate cases and negotiations; the impact of recent and future federal and state regulatory changes, as well as changes in application of existing laws and regulations; current and future litigation, regulatory investigations, proceedings, or inquiries; available sources and costs of fuels; effects of inflation; the ability to control costs and avoid cost overruns during the development construction and operation of facilities, which include the development and construction of generating facilities with designs that have not been finalized or previously constructed; the ability to construct facilities in accordance with the requirements of permits and licenses, to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction; advances in technology; legal proceedings and regulatory approvals and actions related to Plant Vogtle Units 3 and 4, including Georgia Public Service Commission approvals and Nuclear Regulatory Commission actions; interest rate fluctuations and financial market conditions and the results of financing efforts; changes in The Southern Company's or Georgia Power's credit ratings, including impacts on interest rates, access to capital markets, and collateral requirements; the impacts of any sovereign financial issues, including impacts on interest rates, access to capital markets, impacts on foreign currency exchange rates, counterparty performance, and the economy in general, as well as potential impacts on the benefits of DOE loan guarantees; and the effect of accounting pronouncements issued periodically by standard setting bodies. Georgia Power expressly disclaims any obligation to update any forward-looking information.