

Vogle 3 & 4 Prudence Request and Stipulated Agreement

As of August 2023



Georgia Power filed its Vogtle 3 & 4 Prudence Request with the Georgia Public Service Commission (PSC) to adjust rates to include reasonable and prudent Plant Vogtle Units 3 & 4 costs. As part of these proceedings, Georgia Power and the PSC Public Interest Advocacy (PIA) Staff and others have also put forth a stipulated agreement that balances the recovery of prudent and reasonable costs with affordability for customers. With the request and stipulated agreement, Georgia Power looks to continue our constructive regulatory relationship with the PSC that has helped ensure our 2.7 million customers continue to have access to clean, safe, reliable and affordable energy. Vogtle Units 3 & 4 will provide reliable, emissions-free energy to customers for decades to come, representing a critical and long-term investment in the state's clean energy future.

Construction of Vogtle Units 3 & 4, the successful completion of Unit 3 and the ongoing start up and testing of Unit 4 – which involved tens of thousands of American craft workers and engineers and a group of committed co-owners and regulators – is a testament to the fact that when there is a common vision and an unwavering commitment, we can accomplish monumental things.

The PSC is expected to vote on the request and the stipulated agreement in the coming months.

Key Highlights

- **The stipulated agreement with the PIA Staff and others takes a balanced approach that provides for recovery of a portion of Georgia Power's prudently incurred project costs and recognizes affordability needs for customers.** At Georgia Power, we understand the impact the cost to build these new units has on customers; this agreement helps lessen that impact. The stipulated agreement honors the spirit of the PSC's Vogtle Construction Monitoring (VCM) 17 Order approved in 2017 and supports fair and reasonable cost recovery for the company on this long-term asset that will serve our customers and state for the next 60 to 80 years.
- **With this request, Georgia Power will not seek recovery of \$2.626 billion in total projected costs from customers.** Through the completion of Unit 4, Georgia Power expects to incur approximately \$10.2 billion in total project construction and capital costs. As reflected in our filing and the stipulated agreement, the company is requesting to recover \$2.626 billion less than the total projected construction and capital cost for Units 3 & 4.
- **Georgia Power is requesting recovery of \$7.562 billion in construction and capital costs as well as the initial operating costs for the units.** This request is consistent with the PSC's VCM 17 Order from December 2017 and considers a multitude of events and variables that have impacted the project and customers over the past several years. If approved, the stipulated agreement provides for Georgia Power to recover a total of \$7.562 billion in reasonable and prudently incurred costs to bring Vogtle Units 3 & 4 through construction, testing and startup and into operations to serve our 2.7 million customers.
- **In the stipulated agreement, we have also agreed to an expansion of eligibility for the Senior Citizen Discount** with a goal to double customers who are eligible for assistance.
- **If approved, the month following Unit 4 achieving commercial operation, average retail rates would be adjusted by approximately 5%.** If the stipulated agreement is approved, and with the Nuclear Construction Cost Recovery (NCCR) tariff removed from bills, a typical resident customer using 1,000 kWh per month would see an estimated monthly increase of \$8.95 per month.
- **All costs through December 31, 2022, have been thoroughly evaluated and reviewed through the open and transparent VCM process.** The PSC and its Staff closely reviewed and monitored the project over the past 14 years through 28 VCM semi-annual progress reports. This process provided transparency, oversight, and a regular review of the project as it progressed.

Why Vogtle Is Critical to Georgia's Energy Future



Increasing Reliability – Nuclear power units, like those at Georgia Power's Plant Vogtle, are the most reliable energy source, able to generate electricity at full power 24/7 – more than twice as much as solar and wind resources – and require fewer maintenance outages than coal or gas, making electricity even more reliable for Georgians. Nuclear energy is the only zero-emission baseload energy source available today, offering high reliability and efficient operations around the clock.



Meeting the Demand for Cleaner Energy – Georgia Power's new Vogtle units are clean energy sources that will produce zero air pollution and help meet the evolving energy needs of Georgia Power's customers.



Growing Georgia – The reliable, affordable and clean energy from our nuclear resources helps give businesses and industries the confidence to expand or locate in Georgia – generating thousands of jobs and capital investment in the state. The new Vogtle units will play a vital role as customers and companies want and expect more carbon-free, emission-free energy in the future.

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 the total projected cost of completion for Plant Vogtle Units 3 and 4, future operations of Plant Vogtle Units 3 and 4, and the expected timing of the Georgia PSC's decision. Georgia Power cautions that there are certain factors that can 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, 2022, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects, including Plant Vogtle Unit 4, which includes components based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale, due to current and/or future challenges which include, but are not limited to, changes in labor costs, availability and productivity, challenges with the management of contractors or vendors, subcontractor performance, adverse weather conditions, shortages, delays, increased costs, or inconsistent quality of equipment, materials, and labor, contractor or supplier delay, the impacts of inflation, delays due to judicial or regulatory action, nonperformance under construction, operating, or other agreements, operational readiness, including specialized operator training and required site safety programs, engineering or design problems or any remediation related thereto, design and other licensing-based compliance matters, challenges with start-up activities, including major equipment failure, or system integration, and/or operational performance, continued challenges related to the COVID-19 pandemic or future pandemic health events, continued public and policymaker support for projects, environmental and geological conditions, delays or increased costs to interconnect facilities to transmission grids, and increased financing costs as a result of changes in market interest rates or as a result of project delays; the ability to overcome or mitigate the current challenges, or challenges yet to be identified, at Plant Vogtle 4, that could further impact the cost and schedule for the project; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Vogtle Units 3 and 4, including Georgia Public Service Commission approvals and NRC actions; under certain specified circumstances, a decision by holders of more than 10% of the ownership interests of Plant Vogtle Units 3 and 4 not to proceed with construction and start-up; the notices of tender by Oglethorpe Power Corporation and the City of Dalton of a portion of their ownership interests in Plant Vogtle Units 3 and 4 to Georgia Power, including related litigation; the ability to construct facilities in accordance with the requirements of permits and licenses (including satisfaction of NRC requirements), 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; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to prudence, return on equity, equity ratios, additional generating capacity, and fuel and other cost recovery mechanisms; the inherent risks involved in operating and constructing nuclear generating facilities; the ability of counterparties of Georgia Power to make payments as and when due and to perform as required; the direct or indirect effect on Georgia Power's business resulting from cyber intrusion or physical attack and the threat of cyber and physical attacks; catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes and other storms, droughts, pandemic health events, political unrest, wars or other similar occurrences; the potential effects of the continued COVID-19 pandemic; and the direct or indirect effects on Georgia Power's business resulting from incidents affecting the U.S. electric grid or operation of generating or storage resources. Georgia Power expressly disclaims any obligation to update any forward-looking information.