

New filing illustrates importance of Plant Vogtle expansion to reliability, economic growth

Read 3 Things You Need to Know

Tuesday, April 5, 2016 – Georgia Power today presented a detailed filing to the Georgia Public Service Commission (PSC), outlining construction activities and current investments for the Plant Vogtle nuclear expansion.



Underscoring the project's importance to electric reliability and Georgia's continued economic growth, the filing highlights reports from multiple expert sources on topics ranging from construction and project management to legal standards and regulatory compliance. This latest information continues to demonstrate that costs for the Vogtle expansion to date have been prudently invested, that the current cost and schedule forecast for the first new nuclear units in 30 years is reasonable, and that a recent settlement agreement with the project's contractor is in the best interest of the state's electric customers.

Now more than 60 percent completed based on contractual milestones, progress continues at the Vogtle expansion every day. It is the state's largest job-producing construction project, with more than 5,000 construction workers onsite and 800 new careers once the new units begin operation.

"The Plant Vogtle expansion is the most important infrastructure project currently underway in Georgia and will ensure that our state has clean, safe, affordable and reliable electric energy for decades into the future," said Paul Bowers, chairman, president and CEO of Georgia Power. "We are committed to managing this important project well and every dollar we have invested has been necessary to complete new units safely and correctly to best serve our customers."

Filing submitted in response to settlement agreement

Georgia Power submitted today's filing in response to a February request for information by the Georgia PSC following the finalization of the recent positive settlement agreement. The agreement resolved current and pending disputes between the co-owners and the contractors building the new units; reaffirmed the current in-service dates of June 2019 (Unit 3) and June 2020 (Unit 4); added additional contractual protections for the co-owners and customers; and increased efficiencies with Westinghouse and its affiliates as the primary contractor for the project.

The review and discussion of this detailed information by the PSC is one of the final steps necessary to confirm the prudent investment of approximately \$3.1 billion by Georgia Power in the Vogtle nuclear expansion. The PSC has had the opportunity to review investments for the project every six months as part of the rigorous and transparent Vogtle Construction Monitoring (VCM) process, now in its 14th cycle. All costs reviewed through the VCM process have been unanimously approved.

Overall rate impact still less than originally projected

The projected overall peak rate impact of the Vogtle nuclear expansion continues to be significantly less than when the project was originally certified due to lower financing rates, other benefits the company has proactively pursued, and the fuel savings of nuclear.

The company projects that, even with the new costs and schedule forecast, the peak rate impact will be approximately 6 percent to 7 percent – which is nearly half of the original rate impact forecast. Of this, approximately 4.5 percent is already in rates.

Once the new units come online, they are expected to put downward pressure on rates and deliver long-term savings for Georgia customers.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this release 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 expected impact on customer rates and the schedule for completion of construction of 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 fiscal year ended December 31, 2015, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: 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; the ability to control costs and avoid cost overruns during the development and construction of facilities, which includes the development and construction of generating facilities with designs that have not been finalized or previously constructed; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to fuel and other cost recovery mechanisms; 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 and related legal proceedings involving the commercial parties; and the ability of counterparties of Georgia Power to make payments as and when due and to perform as required. Georgia Power expressly disclaims any obligation to update any forward-looking information.