



Georgia Public Service Commission

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FOR IMMEDIATE RELEASE

NEWS RELEASE

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Commission Approves Proceeding to Examine Georgia Power Settlement on Plant Vogtle Litigation

ATLANTA, February 2, 2016 – The Georgia Public Service Commission (Commission) today approved by a vote of 4-1 a motion to allow the Commission staff and all interested parties to examine the justification for the Consortium Agreement to settle litigation between the Georgia Power Company (Company) and its contractors on the Nuclear Plant Vogtle Construction project. Commissioner Stan Wise proposed the motion.

On January 4, 2016, the Company announced a settlement of pending litigation between the Company, the co-owners and the project contractors. The announcement indicated that Georgia Power's portion of the settlement cost is approximately \$350 million. The settlement also recognizes and confirms the 39 month delay in the project. The Company filed for Commission approval of the settlement on January 21, 2016.

In explaining his proposal, Commissioner Wise said, "Nothing is gained by deferring action to a future Commission, however the industry does have something to lose if we do not act. With this country's move away from coal and some are even attacking natural gas, I believe we need to send a message across this country that nuclear power is viable and supported by the regulators in their respective states. This Commission approved this project and this Commission should live up to its obligation to recognize schedule and price changes."

The motion calls on the Company to file within 60 days its justification for approval of the Consortium Agreement and the Company's position that all costs to date have been prudently spent and the new cost and schedule is a reasonable re-forecast. Further, the motion directs the Company to provide all reasoning and documentation so that the Commission can determine whether all the costs associated with the schedule delays and the settlement are reasonable and prudent.

The Commission staff will review the Company's filing over a six-month period after the Company makes its filing. During this time there will be no hearings or filed testimony however the motion directs the Company to respond to data requests as if this were a hearing process. If during that review, the staff believes any costs should disallowed as imprudent or unreasonable, staff is authorized to engage in settlement talks with the Company and other parties. If a settlement is reached, the Commission would hold a hearing in the fall so that the Commission can decide whether to approve this agreement.

However, if staff and the Company fail to reach an agreement, the Commission may take a number of actions, including directing the Company to file for recertification of the 2009 certified cost of the Plant Vogtle construction project or issuing an order to schedule hearings on any disputed issues.

In supporting the proposal, Commission Vice-chairman Lauren “Bubba” McDonald said, “We don’t need to kick the can down the road. I’m taking responsibility today to tackle our issues.”

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.

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