



Georgia Public Service Commission

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FOR IMMEDIATE RELEASE

NEWS RELEASE

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Georgia Public Service Commission Reduces Nuclear Construction Cost Recovery Fee

ATLANTA, March 20, 2018 – Beginning April 1, 2018, Georgia Power Company customers will save an estimated \$139 million dollars this year following the unanimous Georgia Public Service Commission decision today to reduce the Nuclear Construction Cost Recover (NCCR) fee, Docket 32539. The NCCR is collected from Georgia Power customers to pay the financing cost on the construction of two nuclear power units at Plant Vogtle near Waynesboro, Georgia. The reduced fee is due to two factors: one, the reduction in the federal corporate income tax rate from 35 to 21 percent; and two, the payment of the remaining parental guarantee by the Toshiba Corporation.

The reduction will save the average Georgia Power residential customer using 1,000 kilowatts about \$1.03 per month. “This reduction means keeping more money in the pockets of Georgia Power customers,” said Commission Chair Lauren “Bubba” McDonald.

Background:

On December 5, 2017 Georgia Power announced an agreement with Toshiba to receive all remaining parental guarantee payments in the amount of \$3.2 billion. Georgia Power's proportionate share of the payments was approximately \$1.47 billion. As a result of the agreement, the financing costs associated with Plant Vogtle 3 and 4 would be lower than expected when the Company filed NCCR-7 on November 1, 2017.

The Commission on December 19, 2017 ordered the Company to maintain the NCCR-6 tariff until the Company filed, and the Commission approved, a revised NCCR-7 tariff accounting for the Toshiba Guarantee payment and revisions to the corporate tax rate, if passed into law by the U.S. Congress. The Commission further ordered Georgia Power Company to file, on or before January 31, 2018, its revised NCCR-7 tariff.

On December 22, 2017, President Trump signed the Tax Cuts and Jobs (“TCJA”) Act into law. Among other changes, the TCJA included a permanent reduction in the corporate income tax rate from 35% to 21%.

On January 30, 2018, Georgia Power Company filed for approval its revised NCCR-7 tariff. The proposed NCCR-7 tariff is designed to collect \$364.7 million in 2018. This amount represents the projected calendar year 2018 financing costs associated with Plant Vogtle Units 3 and 4, in addition to a true-up of the 2017 financing costs.

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 web site at www.psc.state.ga.us.

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