**GEORGIA PUBLIC SERVICE COMMISSION**

**Docket No. 29849**

**GPSC Hearing Request from Twenty Sixth VCM Hearing**

**Twenty Sixth VCM Hearing Request**

**Information requested by: Georgia Watch**

**Hearing Request (Page 244 Line 9 – Page 246 Line 11):**

**Q But looking forward to the units coming into**

**service, and costs actually being moved into rate base**

**now, for this line of the questioning, if the full amount**

**of total project costs that you currently have estimated**

**at just under 12.5 billion, including the six -- nearly**

**6.4 billion in cost overrun, if that entire amount is put**

**into rates, there will be a revenue requirement that is**

**the capital cost -- Ms. Kysor was getting at some of these**

**questions -- there's capital costs, and then you add to**

**the capital costs a percentage that is return on equity**

**and then income taxes.**

**So are you able to ballpark, rough estimate,**

**that 12.5 billion gets up over 20 -- over 25 billion at**

**that point, when you factor in revenue requirement?**

**A (Witness Newsome) We can do a hearing**

**request, rather than doing it from the stand with a bunch**

**of back and forth.**

**MS. COYLE: Okay. Could I make that a**

**hearing request?**

**MADAM CHAIR PRIDEMORE: You may.**

**BY MS. COYLE:**

**Q And so this might also end up in a hearing --**

**as part of that hearing request. Once you have determined**

**what the revenue requirement would be if all 12 and a half**

**billion is authorized to go into rate base, could you**

**break that down, not only the total amount, but including**

**what amount is capital cost or capital construction costs,**

**what amount of that total amount is profit in dollars as**

**well -- cents and dollars, but in dollars, and then what**

**the income taxes on that profit would be?**

**A (Witness Newsome) We can do that. Roughly,**

**it's about a billion a year. The components I'm not going**

**to get into. We can do that through the hearing request.**

**But it's -- if the whole thing goes in, it's roughly about**

**a billion a year.**

**Q And then --**

**MADAM CHAIR PRIDEMORE: Excuse me.**

**Mr. Newsome, did you say a billion or a million?**

**MR. NEWSOME: A billion.**

**MADAM CHAIR PRIDEMORE: Okay. Thank you.**

**BY MS. COYLE:**

**Q Okay. And then, again, in this hearing**

**request, specifically could you break out and show roughly**

**in the scenario of all of that going into rates, how much**

**extra profit would Georgia Power shareholders earn by**

**including the cost overruns in the rates?**

**A (Witness Newsome) We need to work through**

**that, but we can probably address that.**

**MS. COYLE: I would request a hearing**

**request. Thank you.**

**MADAM CHAIR PRIDEMORE: You may.**

Response:

The table below provides Staff’s estimate of the revenue requirements (nominal dollars) that would be recovered from ratepayers during the construction period and over the 60 year operating life of the Vogtle 3 and 4 units under certification commercial operation dates (April 2016 and 2017) and VCM 26 commercial operation dates (March and December 2023). The revenue requirements are only on the initial capital expenditures and associated financing cost. The values do not include revenue requirement on recurring capital over the operating life of the units. The values in VCM 26 column assume Georgia Power recovers all capital cost incurred less $1,492 million from Toshiba Parental Guarantee and $692 million Georgia Power has agreed to absorb and associated financing cost.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | Additional Revenue  |
|  |  | VCM 26 | Requirement |
|  | Certification | CODs | From Construction |
|  | CODs | March & | Cost Overruns |
|  | April 2016 / 2017 |  December 2023 | and Delays |
|  | (Billions $) | (Billions $) | (Billions $) |
| Depreciation (Return of Capital) | $4.4 | $9.7 | $5.4 |
| Interest on Debt | 1.9 | 4.4 | 2.5 |
| Income Taxes | 2.6 | 5.8 | 3.2 |
| Profit / ROE | 6.4 | 15.8 | 9.4 |
| Total | $15.2 | $35.7 | $20.5 |

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