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November 16, 2023

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334

RE: Georgia Power Company's Application to Adjust Rates to Include Reasonable and Prudent Plant Vogtle Units 3 and 4 Costs; Docket No. 29849

Dear Ms. Tanner:

Enclosed for filing in support of Georgia Power Company's Application to Adjust Rates to Include Reasonable and Prudent Plant Vogtle Units 3 and 4 Costs, please find the Rebuttal Testimony of Aaron P. Abramovitz, Jeremiah C. Haswell and John B. Williams.

Please call me at (404) 885-3475 if you have any questions regarding this filing.

Sincerely,

Steven J. Hewitson

Enclosure

c: Parties of Record w/ Encl.

REBUTTAL TESTIMONY OF
AARON P. ABRAMOVITZ, JEREMIAH C. HASWELL, AND JOHN B. WILLIAMS
IN SUPPORT OF GEORGIA POWER COMPANY'S
APPLICATION TO ADJUST RATES TO INCLUDE REASONABLE AND PRUDENT
PLANT VOGTLE UNITS 3 AND 4 COSTS

DOCKET NO. 29849

I. INTRODUCTION

Q. PLEASE STATE YOUR NAMES, TITLES, AND BUSINESS ADDRESSES.

A. My name is Aaron P. Abramovitz. I am the Executive Vice President, Chief Financial Officer, and Treasurer for Georgia Power Company ("Georgia Power" or the "Company"). My business address is 241 Ralph McGill Boulevard N.E., Atlanta, Georgia 30308.

My name is Jeremiah C. Haswell. I am the Project Oversight Director at Georgia Power. My business address is 241 Ralph McGill Boulevard, N.E., Atlanta, Georgia 30308.

My name is John B. Williams. I am the Southern Nuclear Operating Company ("Southern Nuclear") Vice President of Business Operations for Plant Vogtle Units 3 and 4 (the "Project"). My business address is 7825 River Road, Waynesboro, Georgia 30830.

Q. DID THE PANEL PREVIOUSLY SUBMIT DIRECT TESTIMONY IN THIS DOCKET?

A. Yes. This panel filed direct testimony in this docket on September 8, 2023, in support of the Company's Prudence Application and the Proposed Stipulated Agreement (the "Stipulation") among the Company, the Commission's Public Interest Advocacy Staff ("PIA Staff" or "Staff"), the Georgia Association of Manufacturers ("GAM"), Georgia

Watch, Georgia Interfaith Power & Light ("GIPL"), and the Partnership for Southern Equity ("PSE").

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of our rebuttal testimony is to respond to the testimony and recommendations filed by PIA Staff and one intervenor, and to reiterate the Company's support for the Stipulation. Our testimony addresses witness recommendations and positions regarding management decisions on the Project and previous cost and schedule estimates, as well as challenges regarding the broad-based, constructive Stipulation reached between the Company, PIA Staff, and multiple long-standing intervenors. Please note that not addressing a particular party's position in our testimony does not indicate the Company's support, acceptance, or indifference to such position.

II. MANAGEMENT DECISIONS

Q. WHAT RECOMMENDATIONS AND FINDINGS DID STAFF WITNESSES ROETGER AND JACOBS MAKE IN THEIR TESTIMONY?

A. Staff witnesses Roetger and Jacobs testified that Staff negotiated with Georgia Power to reach a Stipulation agreeing, among other things, to the recovery of $7.562 billion in reasonable and prudent construction and capital costs. They testified that, in addition to being signed by multiple intervenors, the Stipulation is reasonable and prudent, provides "tremendous value" for customers, and should be approved by the Commission. All other Staff witnesses similarly testified in support of the Stipulation.

Notwithstanding their support of the Stipulation, the Staff witnesses identified certain management issues and decisions that occurred during the Project's lifecycle and throughout the Vogtle Construction Monitoring ("VCM") process as imprudent and ultimately leading to additional Project costs and delays.

Q. WHAT WERE SOME OF THE ALLEGED MANAGEMENT ISSUES IDENTIFIED BY STAFF WITNESSES?

A. The Staff witnesses identified several issues and concerns including the development, management, and effectiveness of the Integrated Project Schedule ("IPS"), challenges and management responses to first-time quality and productivity issues, and the efficiency and sequencing of construction and testing activities.

Q. HOW DO YOU RESPOND TO THE ISSUES AND CONCERNS RAISED BY STAFF WITNESSES?

A. These issues and concerns have been fully documented and debated over the course of the VCM process, and as explained in the Company's Prudence Report and testimony in this proceeding, the Company maintains that its decisions and the costs incurred were prudent and reasonable.

Q. REGARDLESS OF THE CHALLENGES AND ISSUES IDENTIFIED, DO STAFF WITNESSES SUPPORT AND RECOMMEND COMMISSION APPROVAL OF THE STIPULATED AGREEMENT REACHED BETWEEN THE COMPANY, PIA STAFF, AND MULTIPLE LONG-STANDING INTERVENORS?

A. Yes, all Staff witnesses support and recommend that the Commission approve the Stipulation as written.

III. THE BROAD-BASED CONSTRUCTIVE STIPULATION

Q. PLEASE RESPOND TO THE ALLEGATION THAT MOST INTERVENORS WERE EXCLUDED FROM SETTLEMENT NEGOTIATIONS.

A. The Company disagrees with any characterization of the Stipulation that suggests a lack of inclusion or explicit exclusion. The Stipulation was signed and negotiated by a diverse

group of stakeholders that represent an enormous cross-section of the Company's customer base, from the manufacturing industrial customers represented by GAM, the thousands of individuals – including retail residential customers – represented by Georgia Watch and PSE, the congregations and communities of faith represented by GIPL, and the energy-using and consuming public represented by PIA Staff. For more than 14 years, these parties have regularly participated in the semi-annual VCM process. The parties and intervenors who signed the Stipulation engaged in bona fide, good faith, give-and-take negotiations to reach a Stipulation that was agreeable to all, and all agree that it is in the best interest of customers for the Commission to approve the Stipulation as written.

Q. PLEASE RESPOND TO THE ALLEGATION THAT THE PRUDENCE REVIEW IS BEING TRUNCATED BY THE STIPULATION.

A. This allegation is without merit. The VCM process was designed to verify, review, and approve the Project's costs as well as any revisions to the cost estimates, construction schedule, and project configuration throughout the life of the Project. This open and transparent process has involved twenty-nine VCM reports and proceedings, thousands of pages of testimony and reports, and countless hours of review by PIA Staff, the independent Construction Monitor, Commissioners, and stakeholders. This Commission has overseen this process, and under their oversight, all parties of interest have been allowed to have their positions heard and considered. As PIA Staff witnesses have repeatedly testified in prior proceedings, they have been working on the prudency review for years, not solely during this proceeding. The length of time set by the Procedural and Scheduling Order for testimony and hearings in this specific proceeding is not indicative of the years of analysis and consideration that has gone into the issues before this Commission. All the issues raised by PIA Staff and its consultants, as well as intervenors, have been and are being thoroughly considered by the Commission in this open and transparent process. Any allegations to the contrary are simply incorrect.

Q. DID GEORGIA POWER CONSIDER THE IMPACT TO ITS CUSTOMERS WHEN IT MADE ITS REQUEST FOR COST RECOVERY IN THIS CASE?

A. Yes, the Company understands that any rate request has implications to our customers, and we take the impact of this request to our customers seriously. The Stipulation agreed to in this case is a testament to Georgia Power's commitment to balance the cost to construct Vogtle Units 3 and 4 – which will provide clean, safe, reliable, and affordable energy to Georgians for the next 60 to 80 years – with the cost impact to customers. The Company reasonably and prudently incurred approximately $10.2 billion in costs to construct two reliable, carbon-free, baseload units that will serve Georgia Power's growing customer base, and by agreeing to the terms of the Stipulation, is forgoing recovery of nearly $3 billion in construction and capital costs. The Company has provided estimated rate impacts in our filed request and testimony. Moreover, contrary to intervenor allegations, a customer rate impact study is not necessary for the Commission to find the Stipulation to be reasonable and prudent.

In addition to securing a significant reduction in the construction and capital costs sought for recovery, Staff and intervenors successfully negotiated additional customer benefits and assistance as part of the Stipulation. In furtherance of the previously agreed to increases in the Income Qualified Senior Discount in the Company's 2022 Rate Case and 2023 Fuel Cost Recovery Case (FCR-26), with this Stipulation, Georgia Power agreed to expand the eligibility criteria for the Income Qualified Senior Discount so that the discount will apply to a broader customer base. This includes seniors who live in a household with a combined income of 200% or less of the federal poverty level adjusted for household size, individuals who receive Social Security Disability Income assistance or Supplemental Security Income, and customers who participate in the federal Housing Choice Voucher Program (HUD Section 8).

Georgia Power dedicates substantial time and resources to educating customers on how to save energy and reduce their energy bills and to helping customers in need of assistance. The Company is committed to continuing its long-standing practice of partnering with state and local governments, community leaders, and organizations statewide to advocate for customers in need. For example, the Company's Energy Assistance team partnered with these stakeholders to advocate for customers and, in 2022, helped facilitate the provision of $60 million in financial assistance to approximately 180,000 households. These efforts are just some of the many examples of Georgia Power's commitment to the communities we serve, along with our continued commitment to meet the growing and evolving energy needs of our more than 2.7 million customers.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.