

FILED

JAN 31 2024

DOCKET# 29849
DOCUMENT# 217284

COMMISSIONERS:

**EXECUTIVE SECRETARY
G.P.S.C.**

**JASON SHAW, Chairman
TIM G. ECHOLS, Vice-Chairman
FITZ JOHNSON
LAUREN "BUBBA" McDONALD
TRICIA PRIDEMORE**



**REECE McALISTER
EXECUTIVE DIRECTOR**

**SALLIE TANNER
EXECUTIVE SECRETARY**

Georgia Public Service Commission

**(404) 656-4501
(800) 282-5813**

**244 WASHINGTON STREET, SW
ATLANTA, GEORGIA 30334-5701**

**FAX: (404) 656-2341
psc.ga.gov**

Docket No. 29849

IN RE: Georgia Power Company's Application to Adjust Rates to Include Reasonable and Prudent Plant Vogtle Units 3 and 4 Costs

ORDER ADOPTING STIPULATION

APPEARANCES:

On behalf of the Georgia Public Service Commission Public Interest Advocacy Staff:

PRESTON THOMAS, Attorney
GINNY DAVIS, Attorney

On behalf of Georgia Power Company:

STEVEN J. HEWITSON, Attorney
ALLISON W. PRYOR, Attorney
MICHAEL G. FOO, Attorney

On behalf of Concerned Ratepayers of Georgia:

BEN J. STOCKTON
STEVEN C. PRENOVITZ

Order Adopting the Prudence Stipulation
Docket No. 29849

On behalf of Georgia Association of Manufacturers:

CHARLES B. JONES, III, Attorney
JEFFERY C. POLLOCK

On behalf of Georgia Interfaith Power & Light and Partnership for Southern Equity:

ROBERT D. SHERRIER, Attorney
JENNIFER WHITFIELD, Attorney

On behalf of Georgia Watch:

LIZ COYLE

On behalf of Resource Supply Management:

JIM CLARKSON

On behalf of Southern Alliance for Clean Energy:

BRYAN JACOB

BY THE COMMISSION:

In its January 11, 2018 Order in the 17th Vogtle Construction Monitoring (“VCM”) proceeding, the Commission determined that upon reaching fuel load of Unit 4, Georgia Power Company (“Georgia Power” or “Company”) may make a filing with the Commission to determine the adjustment to retail base rates necessary to include the Unit 4 costs, as well as the remaining Unit 3 and Common costs, into retail base rates.

Following Unit 4 fuel load, Georgia Power filed its Application to Adjust Rates to Include Reasonable and Prudent Plant Vogtle Units 3 and 4 Costs on August 30, 2023 (the “Prudence Application”). Also on August 30, 2023, the Public Interest Advocacy Staff (“PIA Staff” or “Staff”) filed a Proposed Stipulated Agreement (the “Prudence Stipulation”) between the Company, the PIA Staff, the Georgia Association of Manufacturers (“GAM”), Georgia Interfaith Power & Light (“GIPL”), Georgia Watch, and the Partnership for Southern Equity (“PSE”). Per the Prudence Stipulation, Georgia Power requested that the Commission find \$7.562 billion in capital and construction costs to be reasonable and prudent, and that Georgia Power be allowed to

adjust retail base rates to include these costs as well as the related financing costs and operating expenses. A copy of the Prudence Stipulation is attached as *Exhibit 1*.

The Commission finds and concludes that the Prudence Stipulation is a just and reasonable resolution of this matter and that the recovery of the additional costs in retail base rates is consistent with Georgia law and prior orders of this Commission.

LEGAL AUTHORITY AND JURISDICTION

The Commission has general supervisory authority over electric utilities. O.C.G.A. §§ 46-2-20 and 21. The Commission has the exclusive power to determine just and reasonable rates and charges made by Georgia Power Company. O.C.G.A. § 46-2-23(a). The procedure for changing rates is governed by O.C.G.A. § 46-2-25. The Commission has jurisdiction over placing construction costs in base rates. O.C.G.A. § 46-3A-7. The Commission has jurisdiction over financing associated with the construction of a nuclear generating plant which has been certified by the commission prior to January 1, 2018. O.C.G.A. § 46-2-25(c.1). The Commission has jurisdiction over fuel costs. O.C.G.A. § 46-2-26.

BACKGROUND

1. Certification

In Docket No. 27800, the Company filed an application on August 1, 2008, for the Certification of Units 3 and 4 at Plant Vogtle and Updated Integrated Resource Plan (“Certification Application”). In its Certification Application, the Company sought Commission approval of its addition of Units 3 and 4 at Plant Vogtle (“Vogtle Units 3 and 4” or “Project”). In its Amended Certification Order, the Commission approved the Company’s Certification Application for the certification of Vogtle Units 3 and 4 at an in-service cost of \$6.447 billion¹ as modified by a Stipulation between the Commission Public Interest Advocacy Staff (“PIA Staff”) and the Company (the “Certification Stipulation”). The approved schedule provided that Unit 3 would be online by April 1, 2016, and Unit 4 by April 1, 2017.

Paragraph 2(c) of the Certification Stipulation required the Company to file semi-annual monitoring reports with the Commission as provided by O.C.G.A. § 46-3A-7(b). Such semi-annual monitoring reports were to include any proposed revisions in the cost estimates, construction schedule, or project configuration, as well as a report of actual costs incurred in the period covered by the report.

¹ The assumption at certification was that financing costs were capitalized during construction and recovered after the Units would be placed in service.

2. Construction Monitoring

Prior to the First VCM, in agreement with the Company, PIA Staff established a separate monitoring docket in Docket No. 29849. The Commission order from the First VCM adopted a stipulation between PIA Staff and the Company that, in part, revised the certificated Project cost downward to reflect Construction Work In-Progress. The ordered certificated amount for the Project as reflected in paragraph 4 was revised to \$6.113 billion dollars.² Of that \$6.113 billion, \$4.418 billion was the forecasted construction costs and \$1.695 billion was the forecasted financing costs.

In VCM 8, the Company requested an amendment to the Vogtle 3 and 4 Certificate to reflect an updated forecast of the schedule and cost to complete. Staff and the Company reached a Stipulation that the requested amendment, and any future requests to increase the certified cost, would be held in abeyance. The Stipulation further provided in Paragraph 7 that:

In order to preserve issues that could be raised by Staff in VCM 8 or in subsequent VCM periods, the Company agrees that, if the Commission subsequently makes a finding of fraud, concealment, failure to disclose a material fact, imprudence, or criminal misconduct in the Vogtle construction, the Commission has the authority to disallow associated financing costs and replacement fuel costs. In the event that such financing costs or replacement fuel costs have already been recovered by the Company from customers, the Company shall credit such costs back to the benefit of customers in a manner to be determined by the Commission.³

VCM 12, the Company filed another certificate amendment request to reflect additional schedule delays and cost increases. Pursuant to the VCM 8 Stipulation that request was also held in abeyance and deemed withdrawn for purposes of the statutory deadlines.⁴

On January 21, 2016, Georgia Power Company filed an Application for Review and Approval of the Definitive Settlement Agreement for Plant Vogtle Units 3 and 4 and Amendment 7 to the Engineering, Procurement and Construction Agreement. In that Application, the Company requested “that the Commission review and approve the Definitive Settlement Agreement and

² A change in Georgia law allowed the Company to collect financing cost as incurred during construction and resulted in a decrease in financing cost and certified cost.

³ Similar language on financing costs can be found in various NCCR Orders in Docket 32539. For example, the NCCR-11 Order, page 2, provides: “In the event the Commission subsequently makes a finding of fraud, concealment, failure to disclose a material fact, imprudence, criminal misconduct, or, if costs exceed the certified amount, unreasonableness in the Vogtle construction, the Commission has the authority to disallow associated financing costs. In the event that such financing costs have already been recovered by the Company from customers, the Company shall credit such costs back to the benefit of customers in a manner to be determined by the Commission.” PIA Staff and the Company have also recognized in Fuel Cost Recovery Proceedings that this prudence review proceeding is the proper forum to consider fuel costs associated with the Vogtle Units 3 and 4 delays. See Docket 44902, FCR-26 Stipulation, para. 10.

⁴ See VCM 12 PSO at pp. 3-5.

Amendment 7 to the EPC Agreement as prudent and reasonable and in the best interest of the Company's customers."⁵ The Definitive Settlement Agreement resulted in an additional cost increase for the Project. In response to the Company's Application, PIA Staff argued that the Application was automatically held in abeyance pursuant to the terms of the Stipulation between PIA Staff and the Company approved in VCM 8.

In lieu of considering the Company's request, the Commission instead created the Supplemental Information Review ("SIR") process.⁶ The SIR was then resolved in a Stipulation between PIA Staff and the Company adopted by the Commission on January 3, 2017. Among other things, the SIR Stipulation provided that:

*None of the costs that were incurred, verified and approved through the 14th Vogtle Construction Monitoring Report should be disallowed from rate base on the basis of imprudence as specified in O.C.G.A. § 46-3A-7. Should any system, structure, or component, or portion thereof, included in such costs not perform as required or specified in the design documents, or not meet any NRC requirement, and subsequently delays commercial operation of the Unit(s) as defined in this stipulation, the Commission expressly reserves its right to review and disallow any cost and or schedule impacts of such deficiency.*⁷

A total of \$3.509 billion in construction costs had been incurred, verified and approved through VCM 14. This \$3.509 billion included costs related to Unit 3, Unit 4, and Common facilities.

The SIR Stipulation also provided that:

*Financing costs on capital dollars that have been verified and approved will be deemed prudent provided they are incurred pursuant to O.C.G.A. § 46-2-25 and this agreement and provided that they are incurred prior to December 31, 2019, for Unit 3 and December 31, 2020, for Unit 4.*⁸

In exchange for these concessions by PIA Staff, the Company agreed to couple Units 3 and 4 for ratemaking purposes, providing that "[t]he Project, consisting of both Units 3 and 4, will be placed into retail rate base on December 31, 2020, or upon reaching commercial operation whichever is later."⁹ The SIR Stipulation then defined Commercial Operation "as the Unit being fully dispatchable on demand at the stated Net Electrical Output of 1,102 MWe of the Unit."¹⁰

The SIR Stipulation also provided downward adjustments to the financing costs eligible to be recovered from customers during construction if certain dates were not met; that the Company would continue to bear the burden of proof on prudence and reasonableness above \$5.68 billion;

⁵ Application for Review and Approval of the Definitive Settlement Agreement, page 10.

⁶ February 5, 2016 Order Regarding Supplemental Information, Staff Review and Opportunity for Settlement.

⁷ SIR Stipulation, para. 1.

⁸ SIR Stipulation, para. 8.

⁹ SIR Stipulation, para. 12.

¹⁰ SIR Stipulation para. 13.

and that the certificate will not be amended and that the certified capital cost for purposes of calculating the NCCR will remain at \$4.418 billion.

After the Westinghouse bankruptcy in March 2017, the Company filed VCM 17, recommending that the Project continue with a new increased cost and delayed schedules. The Commission in its January 11, 2018, Order in the 17th VCM approved and found reasonable the Company's revised schedule and cost forecast. The approved cost forecast, however, was reduced by the actual amounts of the Toshiba Parent Guaranty applied to the Project's construction work in progress ("CWIP") balance. This placed the approved revised capital cost forecast at \$7.3 Billion. This revised cost of \$7.3 billion does not include the Project finance costs.

The VCM 17 Order did not deem any additional costs to be prudent and did not change the burdens of proof on prudence set in the SIR. Of the \$7.3 billion approved construction cost forecast, only \$3.509 billion has been deemed prudent. Construction costs up to \$5.68 billion are presumed prudent and the burden of proof to demonstrate imprudence shall be on the party challenging such costs. Construction costs above \$5.68 billion are not presumed prudent and the Company retains the burden to show prudence on such costs.

The VCM 17 Order also approved the Company's revised schedule, which included the Company's new expected date of Commercial Operation for Unit 3 of November 2021 and for Unit 4 of November 2022. The 17th VCM Order also partially decoupled Unit 3, providing: "To further incent the Company to complete the Units as safely and quickly as possible, the Commission also finds that upon reaching Commercial Operation of Unit 3, which is expected to be in November 2021, retail base rates will be adjusted to include the costs related to Unit 3 and Common facilities deemed prudent in the January 3, 2017, Stipulation. This rate adjustment will be effective the first month after Unit 3 is in commercial operation."¹¹

For the second quarter of 2018, Georgia Power Company incurred a charge to income of \$1.1 billion consisting of an increase in Vogtle forecast construction costs of \$694 million and an additional contingency of \$366 million.¹² The Company has stated, and continues to affirm, that it will not seek approval of a revised cost estimate for the additional construction costs of \$694 million. In addition, the Company will not seek rate recovery of this \$694 million and these construction costs shall be borne by stockholders. Above the \$7.3 billion, the Company will first expend in total the increase in forecast construction costs of \$694 million before charging Project expenditures to the additional contingency of \$366 million or any other future forecasted cost increase.¹³ The Company has not asked for approval of a revised cost estimate to include the additional forecasted contingency of \$366 million at this time; however, it has reserved its right to request approval in a future proceeding. During subsequent VCM periods the Company has incurred additional costs for which it has taken a charge to income but has reserved the right to request approval in a future proceeding. As of the Twenty-eighth VCM reporting period, the

¹¹ VCM 17 Order, page 14, para. 8.

¹² Georgia Power Security Exchange Commission 10-Q filing for second quarter 2018. Pages 74 and 78.

¹³ VCM 19 PSO, pages 2-3. See also VCM 24 Stipulation para. 5.

amount that the Company has forecast to defer for potential Commission consideration totals \$2.1 billion of capital cost.¹⁴ The Company projects it will incur \$421 million in deferred financing cost (AFUDC) which Staff expect the Company will seek recovery in this proceeding.¹⁵

On August 24, 2021, the Commission issued its order in the Twenty-fourth VCM adopting the stipulation filed by Staff and the Company on July 29, 2021. The order addressed the issue of how the Commission should review costs in excess of the approved capital costs of \$7.3 billion previously “deemed reasonable” in the Commission’s Order on the Company’s Seventeenth VCM Report.

The VCM 24 Stipulation acknowledged that “Beginning with the VCM 25 reporting period (January 1, 2021, through June 30, 2021), the Project has exceeded the \$7.3 billion capital cost forecast previously ‘deemed reasonable’ by its VCM 17 Order.”¹⁶

The VCM 24 Stipulation states that for future VCM proceedings starting with VCM 25, the Company will continue reporting on the progress and cost of Plant Vogtle Units 3 and 4 and that the semi-annual construction monitoring process will continue through completion of the Project, however, “it is no longer appropriate for the Commission to verify and approve the dollars invested in the Project during the VCM 25 reporting period or in subsequent VCM reporting periods prior to the conclusion of the prudence review contemplated by the VCM 17 Order” since the Company has exceeded the approved revised capital cost of \$7.3 billion. Further, it provided that the Commission will review costs above \$7.3 billion without making determinations as to reasonableness or prudence and the Company will not seek verification and approval of such costs prior to the prudence review contemplated by the VCM 17 Order.¹⁷ The parties also agreed that “Commission review of Project expenditures above \$7.3 billion does not in any way constitute verification of such costs as contemplated by O.C.G.A. § 46-3A-7(c).”¹⁸

3. Proceeding to Include Certain Unit 3 Costs in Rates

On May 20, 2021, the Commission issued a PSO in Docket No. 43838 for the purpose of approving Georgia Power’s rate adjustment filing related to the Unit 3 and Common facility costs portion of the \$3.569 billion previously deemed prudent in the SIR Stipulation.

On November 11, 2021, the Commission approved a Stipulation between PIA Staff and the Company agreeing that \$2.100 billion of the \$3.569 billion would be allocated to Unit 3 and Common. PIA Staff and the Company further agreed that none of the \$1.493 billion in Toshiba Parental Guarantee funds will be used to offset imprudently incurred costs. Docket No. 43838 Stipulation, para 2.

¹⁴ Please refer to Table 1.1 of the Company’s 28th VCM Report.

¹⁵ Georgia Power Company VCM 28 Report. Table 1.1 Page 9.

¹⁶ VCM 24 Stipulation, Para. 3.

¹⁷ VCM 24 Stipulation, Para. 6.

¹⁸ VCM 24 Stipulation, Para. 7.

The Docket No. 43838 Stipulation also provides in paragraph 5 that if Unit 3 materially deviates from its expected performance:

The Commission has the right to review the Operating and Maintenance (O&M) expenses embedded in the tariffs for Unit 3 and Common and Georgia Power shall have the burden to prove during the Prudency Review that any outage or derating that resulted in lower than anticipated electricity production by Unit 3 was not the result of unreasonable or imprudent construction, testing or startup activities. If the Company does not meet this burden, the Commission shall be authorized to order the Company to credit an amount of O&M costs determined to be appropriate by the Commission back to the benefit of customers in a manner to be determined by the Commission.

PIA Staff and the Company also agreed in paragraph 7 that each party reserved the right to make any arguments in the prudency review regarding what process will be used to determine that Unit 4 is “fully dispatchable on demand at the stated Net Electrical Output of 1,102 MWe” as that term is used in the SIR Stipulation.

ISSUES INVOLVED

The Procedure and Scheduling Order (“PSO”), issued September 6, 2023, stated the issues to be addressed in this proceeding which include, but are not limited to, the following:

- (a) What are the appropriate construction-related costs, including financing costs, owners' costs, ad valorem tax costs, income tax costs, and other amounts that should be added to rate base and reflected in operating expenses?
- (b) What are the appropriate operating expenses that should be included in the revenue requirement, including administrative and general expenses, direct and allocated operation and maintenance expenses, depreciation expense, decommissioning expense, ad valorem tax expenses, income tax expenses, and other expenses, and should there be disallowances, adjustments, and/or other limitations on the amounts included in the revenue requirements?
- (c) Are the Vogtle Units 3 and 4 construction costs that the Company requests to add to rate base prudent?
- (d) Are the Vogtle Units 3 and 4 construction costs that the Company requests to add to rate base reasonable?
- (e) Should any of the Vogtle Units 3 and 4 construction costs and associated financing cost which the Company requests to add to rate base be disallowed based on fraud, concealment, failure to disclose a material fact, or criminal misconduct?
- (f) Should any of the Vogtle Units 3 and 4 financing costs be disallowed? To the extent any such financing costs have already been recovered from customers, in what manner should the Company credit such costs back to the benefit of customers?
- (g) Should any of the Vogtle Units 3 and 4 replacement fuel costs be disallowed? To the extent any such replacement fuel costs have already been recovered from customers,

- in what manner should the Company credit such costs back to the benefit of customers?
- (h) What is the appropriate retail base rate adjustment to recover the Vogtle Units 3 and 4 construction costs to be added to rate base? As part of this determination, what is the revenue requirement to be recovered from ratepayers and what is the appropriate rate design for the recovery?
 - (i) Since Commercial Operation of Unit 3, has Unit 3 materially deviated from its expected performance? If so, has the Company met its burden to prove that any outage or derating that resulted in lower than anticipated electricity production by Unit 3 was not the result of unreasonable or imprudent construction, testing or startup activities? If the Company has not met this burden, what amount of costs should be credited back to the benefit of customers and in what manner?

STATEMENT OF PROCEEDINGS

On September 6, 2023, the Commission issued its Procedural and Scheduling Order (“PSO”) to consider Georgia Power’s Prudence Application. In accordance with the PSO, on September 8, 2023, the Company filed the direct testimony and exhibits of three expert witness panels: The panel of Aaron P. Abramovitz, Jeremiah Haswell, and John Williams; the panel of Joseph A. Miller and Michael Skaggs; and the panel of Timothy Chitester, Mark Gentry, and Kimberly Reome.

In addition to the Commission’s PIA Staff, which has a statutory right to participate in this proceeding, several interested parties filed Petitions for Interventions. These interested parties included: Resource Supply Management (“RSM”); Georgia Interfaith Power and Light (“GIPL”); Concerned Rate Payers of Georgia (“CRPG”); Georgia Association of Manufacturers (“GAM”); Southern Alliance for Clean Energy (“SACE”); and Georgia Watch. CRG and PIA Staff filed testimony and exhibits presenting their direct cases on October 26 and October 27, 2023, respectively. No other intervening party filed testimony or exhibits.

On November 16, 2023, the Company filed the rebuttal testimony of the panel of Aaron P. Abramovitz, Jeremiah Haswell, and John Williams in response to the positions advocated by PIA Staff and CRG.

On October 27, 2023, Nuclear Watch South (“NWS”), a non-party in this proceeding, filed a Petition to Hold in Abeyance the Prudency Review proceeding, arguing that Commissioners Echols and Johnson are not lawful voting members of the Commission because their terms have expired and they have not been duly re-elected, and that the prudency determination hearing should be postponed until after the next election.

On November 22, 2023, PIA Staff responded to the NWS’ Petition to Hold in Abeyance. In its Response, PIA Staff argued that because NWS had not intervened in this proceeding, the motion should be denied. Further, Staff argued that on the merits, the Petition should be denied because

under the Georgia Constitution¹⁹, Georgia statutory law²⁰, and case law²¹, Commissioners Echols and Johnson are lawful members of the Commission and are able to cast a vote on this Prudence Stipulation or any other matter. At the start of the hearing on December 4, 2023, the Chairman denied the Petition to Hold in Abeyance for the reasons set forth in Staff's Response.

Hearings on the Company's Prudence Application and the Prudence Stipulation were held on December 4th and 5th, 2023. In addition to hearing the testimony of the witnesses of the Company, Staff, and CRPG, the Commission also heard from several public witnesses regarding the Prudence Stipulation and the Project. While such public witness statements do not constitute evidence in this proceeding, the Commission acknowledges those positions and the impact its decision has not just on Georgia Power's customers, but on the citizens of the state of Georgia as well through the Vogtle Units 3 and 4 Co-owners' interests in the Project.

The Company presented its three panels of direct testimony. The panel testimony of Aaron P. Abramovitz, Jeremiah C. Haswell and John B. Williams supported the Company's Prudence Application as well as the Prudence Stipulation reached on August 29, 2023. The panel testified that the Prudence Stipulation was a fair and reasonable resolution of the outstanding issues regarding cost recovery for Vogtle Units 3 and 4. This panel also presented its rebuttal testimony.

The panel of Timothy Chitester, Mark Gentry, and Kimberly Reome provided their analyses of the key risks, delays, and cost growth that have occurred on Vogtle Units 3 and 4 since VCM 17. The panel testimony of Joseph A. Miller, Jr. and Michael Skaggs evaluated the decision-making and decision implementation of Company management.

Staff also presented its case in support of the Prudence Stipulation. Staff witnesses Steve Roetger and Dr. William Jacobs provided background on the Project and the Construction Monitoring Efforts of the Commission and discussed the policy issues in support of the adoption of the Prudence Stipulation.

Staff witness Lane Kollen of J. Kennedy and Associates testified to the economics of the Project. He reviewed the ratemaking issues in the Prudence Stipulation and recommended adoption. Mr. Kollen reviewed the statutory history and precedent for both the reasonableness standard and the prudence standard. Based on economic analysis, Kennedy also quantified and, in the absence of the Prudence Stipulation, stated that he would recommend a disallowance of all construction costs

¹⁹ "Members shall serve until their successors are elected and qualified." Ga. Const. art. IV, ¶ 1, ¶1(a).

²⁰ Any person so appointed shall hold his office until the next regular general election and until his successor for the balance of the unexpired term has been elected and has qualified." O.C.G.A. § 46-2-4 (emphasis added).

²¹ "[C]ounsel for ... Secretary [Raffensperger] made clear the State's position on what would happen under Georgia law in the event that the Court enjoined the PSC races on the November 2022 ballots: The commissioners currently holding the positions for Districts 2 and 3 (Echols and Johnson) would "holdover" in those positions "until such time as there was an election." The Court agrees with the Secretary's analysis under Georgia law." *Rose v. Raffensperger*, 619 F. Supp. 3d 1241, 1271 (N.D. Ga. 2022).

that exceed \$7.300 billion and disallowance of financing and replacement fuel costs beyond the approved dates of November 2021 and November 2022.

Staff witness Don Grace of Vogtle Monitoring Group (“VMG”) reviewed the Project with an emphasis on management strategy and implementation. Mr. Grace identified numerous issues with management decision making and scheduling leading to the delay and cost overruns at Vogtle Units 3 and 4. Mr. Grace recommended adoption of the Prudence Stipulation. VMG also quantified and, in the absence of the Prudence Stipulation, would recommend a disallowance of all construction costs that exceed \$7.528 billion (\$7.562 billion set forth in the Prudence Stipulation less \$34 million in CM costs and ad valorem tax expense savings due to the earlier CODs compared to the Prudence Stipulation) and disallowance of the incremental financing costs due to earlier CODs compared to the Prudence Stipulation. VMG quantified the COVID delays at 4 months each for Unit 3 and Unit 4, resulting in CODs of March 2022 and March 2023, respectively.

Staff witnesses Reza Nikain, Mark Cohen and Rob Strahle of JS Held and Associates reviewed the Project with an emphasis on large data analysis of construction metrics and adherence to industry standards. JS Held outlined a number of managerial and scheduling decisions that led to the delays and cost overages for Vogtle construction. Staff’s JS Held witnesses also recommended adoption of the Prudence Stipulation. JS Held also quantified and, in the absence of the Prudence Stipulation, would recommend a disallowance of all construction costs that exceed \$7.753 billion (\$7.704 billion plus the additional construction monitoring costs and ad valorem tax expenses due to the delays in the CODs caused by Covid-19 compared to the November 2021 and November 2022 CODs if Covid-19 had not occurred). JSH quantified the COVID delays at 266 days for Unit 3 and 211 days for Unit 4, resulting in CODs of August 2022 and June 2023, respectively.

Concerned Rate Payers witness Patty Durand testified that the Vogtle delays and cost over-runs, as well as the Commission’s use of a truncated prudency hearing were egregious and accordingly argued that the Prudence Stipulation should be denied, and that the prudency review should be postponed until after the next election.

Pursuant to the PSO, the parties filed briefs and proposed orders on December 11, 2023.

FINDINGS OF FACT

The Commission finds that the resolution of the matters raised in this docket, as provided in the Prudence Stipulation, is appropriate and in the best interest of the State of Georgia. It is supported by testimony and other evidence in the record and will result in just and reasonable rates. In discussing the individual components of the Prudence Stipulation, the Commission remains mindful that the Prudence Stipulation reflected a compromise among several parties with disparate interests, and that the Prudence Stipulation must be considered as a whole. It is plain from reviewing the resolution that no party to the proceeding, including every party that signed on to

the Prudence Stipulation, prevailed on every issue. However, the Prudence Stipulation offers a reasonable resolution to the full range of issues presented in this docket.

The Commission decided this matter at the regularly scheduled Administrative Session on December 19, 2023. In doing so, the Commission hereby adopts in this Order, the Prudence Stipulation executed on behalf of the Staff and Georgia Power, and entered into by GAM, GIPL, and Georgia Watch.

As set forth in the Prudence Stipulation, the Commission finds that \$7.562 billion is a reasonable and prudent total construction and capital cost for the Project to be included in base rate, which appropriately balances the interests of the Company and its customers. The Prudence Stipulation represents major concessions by the Company and provides a considerable savings of \$2.6 billion for rate payers relative to the total Company forecast at completion of \$10.188 billion²² in capital construction cost of Vogtle Units 3 and 4.

The Prudence Stipulation contains eighteen provisions:

Item 1 of the Prudence Stipulation, per Staff Witness Mr. Roetger's testimony, the Prudence Stipulated amount of \$7.562 billion represents a fair and just, reasonable and prudent midpoint between the Company's and Staff's recommendations absent the Prudence Stipulation. Tr. p. 498, l. 23. Company Witness Mr. Abramovitz testified that all \$10.1 billion in capital costs were prudently and reasonably incurred and that the Company would have sought recovery of all dollars spent. Tr. p. 105, l. 25. In contrast, Staff witness Mr. Kollen proposed 8 different rate making scenarios in absence of the Prudence Stipulation and testified that in absence of the Prudence Stipulation that he would recommend a disallowance greater than the stipulated amount if the proceeding had been fully litigated (Tr. p. 531, l. 19) and disallowance of all financing and replacement fuel costs beyond the approved dates of November 2021 and November 2022. Kollen's Pre-filed Testimony p. 3, l. 9. Mr. Kollen also stated that the Stipulated amount was at the mid-point of all litigation positions (Tr. p. 524, l. 2) and that is the reasonable outcome of all construction costs that exceed \$7.3 billion. Tr. p. 516, l. 1. Witness Grace stated that in the absence of the Prudence Stipulation VMG's recommendation would have been a reasonable and prudent capital construction cost of \$7.3 billion with disallowances of financing cost beginning April of 2022 and 2023 for Units 3 and 4, respectively (Tr. p. 503, l. 7) and disallowance of all financing and replacement fuel costs beyond the approved dates of November 2021 and November 2022. Intervenors Georgia Watch, GIPL and GAM, as signatories to the Prudence Stipulation, also joined the Company and Staff in their determination that allowing \$7.562 billion in capital construction costs is a prudent and reasonable resolution in this matter. Therefore, the Prudence Stipulation is lawful, prudent, reasonable, and supported by the record.

The only witness to testify that the Commission should not adopt the Prudence Stipulation was CRPG witness Patty Durand. Ms. Durand stated that "The Georgia Public Service Commission should disallow Georgia Power from recovering anything above the original certified cost of \$6.1 billion." Pre-filed Testimony, p. 27, lines 5-6. Presumably, Ms. Durand is arguing that costs above

²² \$10.188B is the total forecasted plant expenditures of \$11.77B less the Toshiba refund of \$1.492B.

\$6.1 billion are imprudent since the Commission has already determined that \$7.3 billion in costs are reasonable. However, Ms. Durand provided no support for such a recommendation and is not qualified to make it. She has not, for example, identified management action that was unreasonableness under the circumstances, given what was known or should have been known at the time the decision was made or the action was taken, and she has not quantified the impact of such actions to show how she derived \$6.1 billion. And, most important, she has no qualifications to do such analyses. Based on her testimony, she never worked on a nuclear construction project, or any mega project. She has never planned, designed, monitored, or overseen construction of a nuclear power plant or any other type of power plant. She is not an engineer, and she is not an expert in construction scheduling, design, construction nor procurement. The Commission gives no weight to this testimony.

The Commission agrees with Item 2 of the Prudence Stipulation that in addition to construction and capital costs to be included in rate base, it is reasonable and prudent to include in rate base the associated Allowance for Funds used During Construction (“AFUDC”) financing costs on the capital costs above \$4.418 billion up to \$7.562 billion. (Stipulated Para 2). Additionally, the Commission agrees that Pursuant to O.C.G.A. 46-2-25(c.1)(5), the Company shall continue to recover financing costs pursuant to the Nuclear Construction Cost Recovery (“NCCR”) tariff until Unit 4 reaches Commercial Operation. However, if Unit 4 has not reached Commercial Operation by March 31, 2024, then the ROE used to determine the NCCR and calculate the AFUDC will be reduced to zero until Unit 4 reaches Commercial Operation, and upon Unit 4 reaching Commercial Operation, those financing costs will be collected through base rates. (Stipulated Para 8).

Item 3 of the Prudence Stipulation states that depreciation expense shall be calculated using the depreciation rate of 1.677%, proposed by PIA Staff and approved in Docket No. 43838, until the next base rate case. The Company shall calculate depreciation based on the allowed capital cost of \$7,562 million and associated AFUDC for the Project. The depreciation rate for Vogtle Units 3 and 4 will be reevaluated in the Company’s depreciation study in the next base rate case. The parties further agree that Georgia Power will include in retail base rates the revenue requirement related to any deferred depreciation related to Unit 3 and Common facilities since Unit 3 was placed in service. The deferred depreciation will be included in rate base and amortized starting the month after Unit 4 achieves Commercial Operation over the period of 10 years. The Commission agrees that this agreement for calculating depreciation is reasonable.

Item 4 states that the construction and capital cost deemed reasonable and prudent shall not govern the amount the Company may collect for property tax purposes and that the amount to be collected for property tax purposes shall be based on the state-required method of valuation for public utilities. The Commission agrees that it is reasonable for the Company to fully collect on these costs and that the Prudence Stipulation shall have no bearing on these recoveries.

Item 5 of the Prudence Stipulation approves the projected Operation and Maintenance expenses, nuclear decommissioning accrual, and property taxes net of projected production tax credits earned, as reflected in the Companies Minimum Filing Requirements (“MFRs”) submitted to PIA Staff in this proceeding, that shall be included in base rates. Further, it approves that the annual

nuclear decommissioning accrual shall be based on the current 40-year operating license of Vogtle Units 3 and 4.

Item 6 approves the inclusion in base rate of projected nuclear fuel plant and materials and supplies inventory as reflected in the Company's MFRs submitted to Staff, as well as the deferred interest on nuclear fuel which will be amortized through fuel expense over the respective fuel cycles of Vogtle Units 3 and 4.

Item 7 of the Prudence Stipulation provides that the regulatory assets related to the deferred financing of Unit 3 and Common facilities accrued since Unit 3 was placed into service and the deferred income taxes shall be placed into base rates in accordance with the MFRs submitted in this proceeding. The revenue requirements of these regulatory assets shall be amortized starting the months after Unit 4 achieves Commercial Operation over a period of 10 years. The Commission finds the inclusion of these costs to be prudent and reasonable.

Pursuant to O.C.G.A. § 46-2-25(c.1)(5), Georgia Power shall continue to recover the allowed financing costs pursuant to the Nuclear Construction Cost Recovery ("NCCR") tariff until the effective date of the rate adjustment described in Paragraph 1. If Vogtle Unit 4 has not reached Commercial Operation by March 31, 2024, the Company's Return on Equity ("ROE") used to determine the NCCR and calculate AFUDC will be reduced to zero, until Unit 4 reaches Commercial Operation. Upon the effective date of the rate adjustment described in Paragraph 1 of the Prudence Stipulation, the financing costs shall be included in Georgia Power's general revenue requirements and collected through retail base rates. Any over or under-recovered balance resulting from the NCCR tariff at its termination date will be included in rate base and addressed in the next base rate case. *Prudence Stipulation*, Item 8.

The Commission agrees with the parties in Item 9 that if the Company acquires additional ownership in Vogtle Units 3 and 4 pursuant to the co-owner agreements, no construction and capital costs associated with such acquisition or prospective construction and capital cost associated with this capacity shall be included in base rate. However, to the extent such additional ownership interest in Vogtle 3 or 4 is used to serve the Company's retail customers, then the Commission finds that just and reasonable Operation and Maintenance costs (excluding depreciation on the construction and capital costs associated with such acquisition) associated with such additional ownership interest shall be included in retail base rates and fuel rates.

Item 10 of the Prudence Stipulation provides that in the event the Company is able to recover any construction and capital costs through a dispute with any contractor, that recovery shall be retained by the Company and applied to costs deemed unreasonable and imprudent in this Prudence Stipulation. Similarly, the Prudence Stipulation provides that to the extent that the company is obligated to pay additional funds to any contractor on the project not already contemplated herein, the Company shall not be permitted to include such funds in retail base.

Item 11 addresses Staff's concerns regarding performance of Vogtle Units 3 and 4 after Commercial Operation. The parties agree that as of the first refueling outage for each Unit, if the

respective Unit's performance has failed to meet expected performance levels, then Commission has the right to review the costs and Unit(s). The Company shall have the burden to prove that any deficiency was not the result of unreasonable or imprudent engineering, construction, procurement, testing, or start-up activities, and should the Company fail to meet this burden, the Commission is authorized to order the Company to credit an amount of O&M costs determined appropriate by the Commission back to the benefit of customers in a manner to be determined by the Commission. The Commission finds that this stipulation reasonably addresses Staff's concerns regarding Units 3 and 4 performance. This Commission review shall take place contemporaneously with the Annual Surveillance Review ("ASR") process for the year during which each Unit undergoes its first refueling outage.

Item 12 allows PIA Staff to use any unspent construction monitoring fees, up to the \$33 million, to pay for any reasonably necessary assistance to review and analyze any filings made under and to ensure compliance with this Prudence Stipulation.

The Commission adopts Item 13 of the Prudence Stipulation requiring the Company to update the MFRs, which used the expected Commercial Operation date of March 2024. Subject to Staff review, Georgia Power will update the MFRs and the corresponding revenue requirement for known and measurable changes based on the terms of this Prudence Stipulation and, if necessary, will update the MFRs for any different Commercial Operation date or a change in federal or state income tax rates prior to implementing the rate adjustment; provided however, that the Prudence Stipulation approved total construction and capital cost for the Project of \$7.562 billion shall not be increased.

The Commission agrees with the parties in Item 14 that the process for declaring Commercial Operation for Unit 4 shall be the same as that for Unit 3. Once the Company notifies the Commission that Unit 4 has successfully completed all appropriate pre-operational tests and power ascension testing and any necessary remediation required for safe and reliable operation, and the Unit is fully dispatchable on demand at the stated electrical output of 1,102MWe, no further action or proceeding shall be required for the Company to adjust retail base rates consistent with this order.

Item 15 requires the Company to propose and support the 2025 Integrated Resource Plan ("IRP") and Demand Side Management ("DSM") Certification dockets. A base of DSM performance savings targets of at least .75% of annual retail sales. Staff and other intervenor signatories to the Prudence Stipulation reserve the right to advocate for different savings targets in the 2025 IRP/DSM Certification dockets.

Item 16 expands Georgia Power's current Income Qualified Senior Discount to be applicable to more customers. Specifically, the discount will be made available to (a) all seniors who live in a household with a combined income that is 200% or less of the federal poverty level, adjusted for household size; (b) individuals who receive Social Security Disability Income assistance or Supplemental Security Income; and (c) customers who participate in the federal Housing Choice Voucher Program (HUD Section 8). The expanded discount would take effect when rates are

adjusted the month after Commercial Operation of Unit 4 and would be paid for by all residential customers (limited to \$1 per month). To implement this discount expansion, the Company agrees to add up to 96,000 customers over the next three years (approximately 32,000 per year).

The Commission approves Item 17 requiring the Company to continue to evaluate the expansion of renewable resources for the benefit of customers, and to expand renewable programs in the 2025 IRP to the extent they are beneficial to customers. The Commission further requires the Company to support any applications by the appropriate state agency to the Inflation Reduction Act's "Solar for All" program and, to the extent the state of Georgia is selected, the Company will support the use of these funds through Commission-approved Company solar programs for the benefit of customers.

The Commission approves Item 18 requiring the Company to continue to file VCM Reports until Unit 4 reaches Commercial Operation, but that no testimony or hearings related to the semi-annual reports shall be required.

CONCLUSIONS OF LAW

The Georgia Public Service Commission has general ratemaking jurisdiction over Georgia Power Company under O.C.G.A. Ch. 2, T. 46. The Georgia Public Service Commission has general supervision over electric light and power companies. O.C.G.A. §§ 46-2-20(a) and 46-2-21. The Commission has "exclusive power to determine what are just and reasonable rates and charges to be made by any person, firm, or corporation subject to its jurisdiction." O.C.G.A. § 26-2-23; see also O.C.G.A. §§ 46-1-1(5), 46-2-24, 46-2-25, 46-2-26.1, and 46-2-26.2.

The Georgia Public Service Commission has authority under Title 46, Chapter 3A generally and under O.C.G.A. § 46-3A-7 specifically to determine whether construction costs are reasonable and prudent and whether such costs should be included in rate base.

The Georgia Public Service Commission applied both the Prudence Standard and the Reasonableness Standard in making its determination. The Prudence Standard is applied to actions or inactions in the planning, oversight, management, and execution of a project. If the utility's management acted imprudently or failed to act prudently and this resulted in an increase in costs, then the increase in costs is subject to disallowance and excluded from recovery from customers through the ratemaking process.

The Reasonableness Standard is applied to the outcome or result of the utility's planning and execution of a project, often in comparison to a metric. If the outcome or result is unreasonable, regardless of imprudent actions or inactions, then the unreasonable costs, or costs in excess of the metric used to determine the reasonable outcome or result, is subject to disallowance and excluded from recovery from customers through the ratemaking process.

The costs subject to disallowance under these standards include not only the construction or capital costs, but all other costs that are dependent on the construction or capital costs,

Order Adopting the Prudence Stipulation

Docket No. 29849

Including, but not limited to, financing costs, income tax costs, non-fuel O&M expense, depreciation expense, ad valorem tax expense, and fuel expense.

While the Georgia Public Service Commission has held a fully litigated hearing in this matter, the Commission has the authority to resolve matters by informal disposition by stipulation. See, e.g., O.C.G.A. § 50-13-13(a)(4).

The rates resulting from the Settlement Agreement are fair, just and reasonable. By adopting the Settlement Agreement, the Commission retains its jurisdiction to ensure that the Company's rates are fair, just and reasonable.

The remaining terms and conditions of the Settlement Agreement are reasonable and appropriate. By adopting the Settlement Agreement, the Commission adopts a reasonable resolution of the remaining issues in this docket.

The Commission retains its jurisdiction to ensure that the Company abides by and implements the rates, terms and conditions set forth in the Settlement Agreement adopted herein, and to issue such further order or orders as this Commission may deem proper.

ORDERING PARAGRAPHS

WHEREFORE, IT IS ORDERED, that the Prudence Stipulation hereby is adopted, that its terms and conditions are fully incorporated herein, and that Georgia Power Company shall comply with said terms and conditions.

ORDERED FURTHER, that the terms and conditions set forth in the Prudence Stipulation are just and reasonable.

ORDERED FURTHER, that Georgia Power shall file compliance tariffs consistent with the terms of this Order and the Prudence Stipulation. Such tariffs shall be subject to review by the Commission to ensure that they are proper and just and consistent with the terms of this Order and the Prudence Stipulation.

ORDERED FURTHER that all findings, conclusions, and decisions contained within the preceding sections of this Order are adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

ORDERED FURTHER, that jurisdiction over this proceeding is expressly retained for the purpose of entering into such further order or orders as this Commission may deem proper.

ORDERED FURTHER, any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this order unless expressly ordered by the Commission.

Order Adopting the Prudence Stipulation

Docket No. 29849

The above by action of the Commission in Administrative Session on the 19th of December 2023.



Sallie Tanner
Executive Secretary

1-31-24
Date



Jason Shaw
Chairman

1-31-24
Date

STIPULATION

Georgia Power Company ("Georgia Power" or "Company") has constructed and plans to operate Plant Vogtle Units 3 and 4 (the "Project") pursuant to the Certificate of Public Convenience and Necessity issued by the Georgia Public Service Commission ("Commission") in Docket No. 27800. The Commission's Public Interest Advocacy Staff ("PIA Staff") and several intervening parties have participated in the Commission's Vogtle Construction Monitoring ("VCM") proceeding, Docket No. 29849, through which the Commission has conducted semi-annual construction monitoring proceedings.

Through the most recently filed VCM 28 report, Georgia Power's forecasted total construction and capital cost for the Project is \$10,188 million, including \$33 million allocated for PIA Staff's construction monitoring fees and after accounting for the Toshiba Parent Guarantee funds, net of customer refunds, applied to reduce the capital cost. By order dated January 3, 2017, in Docket No. 29849, the Commission determined that none of the \$3,569 million of capital construction costs incurred by Georgia Power on the Project through the VCM 14 reporting period ending December 31, 2015, should be disallowed from rate base on the basis of imprudence. Of this amount, pursuant to the Commission's November 15, 2021, Order in Docket No. 43838, \$2,100 million was placed in rate base after Unit 3 reached Commercial Operation.

As of December 31, 2022, and as detailed in the most recently filed VCM 28 report, Georgia Power's total Project construction and capital cost incurred is \$9,429 million, including \$21 million expended for PIA Staff's construction monitoring fees and after accounting for the Toshiba Parent Guarantee funds, net of customer refunds, applied to reduce the capital cost. Through the VCM process, the Commission has verified and approved all expenditures up to the revised approved construction and capital cost of \$7,300 million and has reviewed, but not verified and approved, all expenditures above that amount.

Based on the record established in the VCM proceedings, and to resolve all remaining issues for determination by the Commission, the undersigned parties stipulate and agree to the following:

1. The parties agree that \$7,562 million is a reasonable and prudent total construction and capital cost for the Project to be included in rate base. Any additional Project construction capital cost above \$7,562 million incurred or to be incurred prior to commercial operation is the responsibility of the Company and not the ratepayers.¹ This reduction in the construction and capital cost to be placed into rate base takes into consideration the length of time to construct the Project, replacement energy costs incurred during the extended construction time, and other issues of concern raised by the Commission, PIA Staff, and intervening parties throughout the course of the Project, including, but not limited to the amount of rework required, scheduling of activities, testing, and productivity. As described below, upon reaching commercial operation of Unit 4, Georgia Power will include in rate base the remaining \$5,462 million of Project construction and capital costs, less the deferred accumulated depreciation on the remaining balance of Unit 3 (for which there is an equal

¹ This Stipulation does not address nor is it intended to limit capital incurred in the normal operation and maintenance of the Units after Commercial Operation is reached. Such costs will be reviewed through the normal ratemaking process.

7. The parties agree that the regulatory assets related to the deferred financing of Unit 3 and Common facilities accrued since Unit 3 was placed in service and the deficient accumulated deferred income taxes resulting from the Tax Cuts and Jobs Act shall be included in rate base as reflected in the Company's MFRs submitted to PIA Staff in this proceeding. The revenue requirement related to these regulatory assets will be included in base rates and amortized starting the month after Unit 4 achieves Commercial Operation over a period of 10 years.
8. Pursuant to O.C.G.A. § 46-2-25(c.1)(5), Georgia Power shall continue to recover the allowed financing costs pursuant to the Nuclear Construction Cost Recovery ("NCCR") tariff until the effective date of the rate adjustment described in Paragraph 1. If Vogtle Unit 4 has not reached Commercial Operation by March 31, 2024, the Company's Return on Equity ("ROE") used to determine the NCCR and calculate AFUDC will be reduced to zero, until Unit 4 reaches Commercial Operation. Upon the effective date of the rate adjustment described in Paragraph 1, the financing costs shall be included in Georgia Power's general revenue requirements and collected through retail base rates. Any over or under-recovered balance resulting from the NCCR tariff at its termination date will be included in rate base and addressed in the next base rate case.
9. The parties agree that, if Georgia Power acquires additional ownership interest in Vogtle Units 3 and 4 pursuant to operation of the co-owner agreements, no construction and capital costs associated with such acquisition or prospective construction and capital cost associated with this capacity shall be included in rate base. However, to the extent such additional ownership interest in Vogtle Units 3 or 4 is used to serve Georgia Power's retail customers, the just and reasonable incremental O&M expenses as described in Paragraph 5 (excluding depreciation on the construction and capital costs associated with such acquisition) associated with such additional ownership interest shall be included in retail base rates and fuel rates.
10. The parties agree that any construction and capital costs that Georgia Power may recover through a dispute with any contractor(s) on the Project relate to costs not herein deemed reasonable and prudent. Accordingly, any such recovery may be retained by Georgia Power. To the extent Georgia Power is obligated to pay additional funds to any contractor(s) on the Project not already contemplated herein, Georgia Power shall not seek to include such funds in retail base rates.
11. To address Staff's concerns regarding performance of Vogtle Units 3 and 4 after Commercial Operation, Georgia Power agrees that, as of the first refueling outage for each Unit, if the respective Unit's performance has materially deviated from expected performance, the Commission has the right to review the O&M expenses, and any associated system, structure, and component which may have caused the material deviation from expected Unit(s) performance, for Units 3 and 4 embedded in retail base rates and Georgia Power shall have the burden to prove that any outage or derating that resulted in lower than anticipated electricity production by the Unit was not the result of unreasonable or imprudent engineering, construction, procurement, testing, or startup activities. If the Company does not meet this burden, the Commission shall be authorized to order the

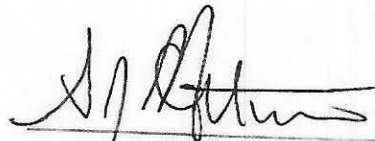
Company to credit an amount of the O&M costs determined to be appropriate by the Commission back to the benefit of customers in a manner to be determined by the Commission and shall have the authority to disallow the cost of the repair or replacement of the associated system, structure, or component which caused the material deviation. This review shall take place contemporaneously with the Annual Surveillance Review ("ASR") process for the year during which each Unit undergoes its first refueling outage.

12. To review and analyze filings made under and to ensure compliance with this Stipulation, including but not limited to Paragraph 11 above, PIA Staff may utilize any remaining unspent Vogtle construction monitoring fees up to the \$33 million to pay for any reasonably necessary specialized assistance to PIA Staff.
13. Georgia Power has provided to PIA Staff for review the MFRs to be used for the rate adjustment following Unit 4 reaching Commercial Operation, using the current expected Commercial Operation date of March 2024. Subject to Staff review, Georgia Power will update the MFRs and the corresponding revenue requirement for known and measurable changes based on the terms of this Stipulation and, if necessary, will update the MFRs for any different Commercial Operation date or a change in federal or state income tax rates prior to implementing the rate adjustment; provided, however, that the total construction and capital cost for the Project approved in Paragraph 1 shall not be increased.
14. The parties agree that the process for declaring Commercial Operation for Unit 4 shall be the same as that used for Unit 3. Commercial Operation for Unit 4 shall not be declared for rate recovery purposes unless and until Unit 4 successfully completes all appropriate pre-operational tests and power ascension testing and any necessary remediation required for safe and reliable operation. Once Georgia Power notifies the Commission that Unit 4 has successfully completed all such testing and is fully dispatchable at the stated net electrical output of 1,102MWe, no further action or proceeding shall be required for Georgia Power to adjust retail base rates pursuant to the final order in this proceeding.
15. As a condition of this Stipulation, Georgia Power agrees to propose and support in the 2025 Integrated Resource Plan ("IRP") and Demand Side Management ("DSM") Certification dockets a base case of DSM performance savings targets of at least .75% of annual retail sales. PIA Staff and the other intervenor signatories to this Stipulation reserve the right to advocate for different (higher or lower) savings targets in the 2025 IRP/DSM Certification dockets.

16. As a condition of this Stipulation, Georgia Power agrees to expand the current Income Qualified Senior Discount to: (a) all seniors who live in a household with a combined income that is 200% or less of the federal poverty level, adjusted for household size; (b) individuals who receive Social Security Disability Income assistance or Supplemental Security Income; and (c) customers who participate in the federal Housing Choice Voucher Program (HUD Section 8). The provisions of this Paragraph 16 will take effect when rates are adjusted the month after Commercial Operation of Unit 4. This will be paid for by residential customers and will be limited to approximately \$1 per month per residential customer, which equates to approximately \$28 million annually. The parties agree that Georgia Power plans to implement this change by adding up to 96,000 participants over the next three years (approximately 32,000 per year).
17. As a condition of this Stipulation, Georgia Power agrees to continue to evaluate the expansion of renewable resources for the benefit of customers, and to expand renewable programs in the 2025 IRP to the extent they are beneficial to customers. Further, Georgia Power agrees to support any applications by the appropriate state agency to the Inflation Reduction Act's "Solar for All" program and, to the extent the state of Georgia is selected, Georgia Power will support the use of these funds through Commission-approved Georgia Power solar programs for the benefit of customers.
18. The parties agree that Georgia Power shall continue to file semi-annual VCM Reports until Unit 4 reaches Commercial Operation, but that no testimony or hearings related to the semi-annual reports shall be required.

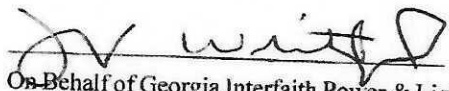
Agreed to this 29th day of August 2023.


 On Behalf of PIA Staff


 On Behalf of Georgia Power Company

Charles B. Jones, III
 On Behalf of Georgia Association of
 Manufacturers

Elizabeth B Coyle
 On Behalf of Georgia Watch


 On Behalf of Georgia Interfaith Power & Light
 and the Partnership for Southern Equity