February 18, 2026

Georgia Power Company
Controls and Compliance Committee

Ms. Jill Bullock, Chair
Mr. T Dallas Smith
Mr. Virgil Miller

RE: Statement of Sound Financial Condition as required by Section 46-2A-1 of the Official Code of Georgia Annotated

The financial condition of Georgia Power Company remains sound.

Current Earnings

Earnings for 2025 were $2.9 billion with a total return on average common equity of 11.24%, representing a $308 million, or 12.11%, increase from the previous year. Earnings for 2024 were $2.5 billion with a total return on average common equity of 11.29%.

The increase was primarily due to higher retail revenues associated with base rate tariff increases in accordance with the 2022 ARP effective January 1, 2025, and the inclusion of Plant Vogtle Unit 4 in retail rates as well as other revenues primarily associated with unregulated sales. These increases were partially offset by higher depreciation and amortization and operations and maintenance expenses.

Future Earnings

- Overview

Georgia Power's future earnings depend on numerous factors that affect the opportunities, challenges, and risks of Georgia Power's primary businesses of selling. Georgia Power is unable to predict changes in law, regulations, regulatory guidance, legal interpretations, policy positions, and implementation actions that may occur in the future.

For Georgia Power, these factors include the ability to maintain constructive regulatory environments that allow for the timely recovery of prudently-incurred costs during a time of increasing costs, including those related to projected long-term demand growth, stringent environmental standards, including CCR rules, safety, system reliability and resiliency, fuel, restoration following major storms, and capital expenditures, including constructing new electric generating plants, extending the retirement dates of certain fossil fuel plants, and expanding and

improving the transmission and distribution systems; continued customer growth; and the trends of an uncertain inflationary environment and reduced electricity usage per customer, especially in residential and commercial markets.

Earnings in the electricity business will also depend upon maintaining and growing sales and pricing of large load customers such that incremental costs are met with adequate incremental revenues, considering, among other things, recent trends driving projected growth in electricity consumption including the increasing digitization of the economy and growth in data centers, an increase in industrial activity in the Georgia Power's electric service territory, and continued electrification of transportation. Historically, Georgia Power has entered into large contracts that support economic development and benefit existing customers; since 2023 Georgia Power has contracted with new data centers and other large load customers covering approximately eight GWs of electric load, with each contract individually representing a maximum annual electric load greater than 100 MWs, that have been signed and/or reviewed by the state regulatory commissions. These new contracts fully ramp up over several years after commencement of service. Some of these contracts are already in effect. Service under the contracts is expected to begin through 2028. The contracts contain various terms and conditions, such as minimum duration, minimum bill provisions, contribution by the customer to local construction costs, termination payment requirements, and financial security, to help ensure adequate incremental revenues associated with incremental cost to serve these customers. These projected growth opportunities may be affected by a variety of factors, such as energy efficiency, changes in technology, reliability and operational factors, customer demand, and government policies, which could increase or decrease the pace of growth associated with these opportunities.

- Rate Plans

In November 2023 and December 2024, the Georgia PSC approved the following tariff adjustments under the 2022 ARP effective January 1, 2024 and 2025, respectively:

| Tariff | 2024 | 2025 |
|---|---|---|
| | *(millions)* | |
| Traditional base[(a)] | $ 275 | $ 194 |
| ECCR | (99) | 126 |
| DSM | 10 | (22) |
| MFF | 5 | 9 |
| Total[(b)] | $ 191 | $ 306 |

(a) For 2025, net of $122 million related to the Georgia state tax rate reduction.

(b) Totals may not add due to rounding.

On July 1, 2025, the Georgia PSC approved a settlement agreement among Georgia Power, the staff of the Georgia PSC, and certain intervenors to extend the 2022 ARP for an additional three-year term through December 31, 2028 (ARP Extension). Under the ARP Extension, base rates will not be adjusted in 2026, 2027, or 2028 (ARP Extension Period) except for reasonable and prudent storm damage costs incurred through December 31, 2025, which will be determined in a separate regulatory proceeding. The ARP Extension includes, among other things, the following modifications to the 2022 ARP:

- Storm damage costs will be included in a separate regulatory proceeding to be filed no later than July 1, 2026 to recover the actual reasonable and prudent storm costs incurred through December 31, 2025. Subject to Georgia PSC approval, new rates would be effective approximately 90 days after the filing is made. The Georgia PSC will determine the period over which any such storm damage costs will be recovered.
- Amortization of regulatory assets and liabilities in the 2022 ARP, which were subsequently included in current rates through annual compliance filings, will continue through the ARP Extension Period. This includes those regulatory asset and liability balances that were projected to be fully amortized through 2025 or during the ARP Extension Period.

- The amounts previously deferred during the 2022 ARP for ITCs and PTCs will be amortized through the ARP Extension Period. The acceleration of amortization during the ARP Extension Period is subject to the Internal Revenue Code normalization rules and other guidance (if any) released by the IRS. Certain amounts of ITCs generated during the ARP Extension Period will be amortized over five years, and additional ITC amounts will be deferred to a regulatory liability during the ARP Extension Period. Sixty percent (60%) of PTC benefits generated (excluding PTCs generated under Internal Revenue Code §45J) during the ARP Extension Period will be credited to income tax expense as generated. The remaining forty percent (40%) will be deferred to a regulatory liability.
- The period for depreciation and amortization related to certain generating plants and net book values of retired generating plants will be 13 years effective January 1, 2026.

In the 2022 ARP, the Georgia PSC approved recovery through the ECCR tariff of estimated CCR ARO compliance costs for 2024 and 2025 over four-year periods beginning January 1 of each respective year, with recovery of construction contingency beginning in the year following actual expenditures, resulting in a reduction of $60 million in the related amortization for 2024 and an increase of $123 million in the related amortization for 2025. Under the ARP Extension, the amortization will not change for 2026 through 2028. Compliance costs incurred were $300 million, $265 million, and $315 million in 2023, 2024, and 2025, respectively.

Further, under the 2022 ARP and the ARP Extension, Georgia Power's retail ROE is set at 10.50% and its equity ratio is set at 56%. Earnings are evaluated against a retail ROE range of 9.50% to 11.90%. Any earnings above 11.90% retail ROE will be subject to sharing whereby 40% of earnings above the band would be applied to regulatory assets, 40% would be directly refunded to customers, and the remaining 20% would be retained by Georgia Power. There will be no recovery of any earnings shortfall below 9.50% retail ROE on an actual basis. However, if at any time during the term of the 2022 ARP and the ARP Extension Period, Georgia Power projects that its retail earnings will be less than the lower end of the approved retail ROE range for any calendar year, it may petition the Georgia PSC for implementation of the Interim Cost Recovery (ICR) tariff to adjust Georgia Power's retail rates to achieve a retail ROE equal to the lower end of the approved retail ROE range. The Georgia PSC would have 90 days to rule on Georgia Power's request. Any ICR tariff would expire at the earlier of January 1, 2029 or the end of the calendar year in which the ICR tariff becomes effective. In lieu of requesting implementation of an ICR tariff, or if the Georgia PSC chooses not to implement an ICR tariff, Georgia Power may file a full base rate case. In 2023, 2024, and 2025, Georgia Power's retail ROE was within the allowed retail ROE range.

Except as provided above, Georgia Power will not file a base rate increase while the ARP Extension is in effect. Georgia Power is required to file a general base rate case by July 1, 2028, in response to which the Georgia PSC would be expected to determine whether the 2022 ARP should be continued, modified, or discontinued.

- Integrated Resource Plans

*2025 IRP*

On July 15, 2025, the Georgia PSC approved Georgia Power's triennial IRP (2025 IRP), as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors. In the 2025 IRP decision, the Georgia PSC approved the following requests:

- Extended operation of Plant Scherer Unit 3 (614 MWs based on 75% ownership) through at least December 31, 2035 and Plant Gaston Units 1 through 4 (500 MWs based on 50% ownership through SEGCO) through December 31, 2034. See Note 7 under "SEGCO" for additional information.
- Installation of environmental controls and natural gas co-firing at Plant Bowen Units 1 through 4 (3,160 MWs), Plant Scherer Units 1 and 2 (137 MWs based on 8.4% ownership), and Plant Scherer Unit 3 for compliance with both ELG supplemental rules and GHG rules.
- Upgrades to Plant McIntosh Units 10 and 11 (1,319 MWs) for a projected 194 MWs of incremental capacity by 2028 and Plant McIntosh Units 1 through 8 (640 MWs) for a projected 74 MWs of incremental capacity by 2033.
- Upgrades to Plant Vogtle Units 1 and 2 (1,060 MWs based on 45.7% ownership) for a projected 54 MWs of incremental capacity, some of which could be available as early as 2028.
- Investments related to the continued reliable operations of four hydro facilities, as well as the authority to spend up to $25 million to undertake engineering studies related to two additional hydro facilities.
- RFP for at least 1,100 MWs of utility scale and distributed generation renewable resources.
- Issuance of a capacity RFP to procure resources to meet capacity needs in 2032 and 2033.
- Strategic power delivery infrastructure plan necessary to help ensure adequate reliability and serve the projected future load growth projected in Georgia.

- Certification of approximately 187 MWs of wholesale capacity associated with Plant Scherer Unit 3 to be placed in retail rate base, some of which will be available beginning in 2026.

In addition, the 2025 IRP assumes Plant Bowen Units 1 and 2 will operate through at least the end of 2035.

*Certification Requests*

On September 4, 2025, the Georgia PSC approved Georgia Power's request to certify a Georgia Power-owned battery energy storage facility with a capacity of 200 MWs and a projected COD in 2027.

On December 19, 2025, the Georgia PSC approved Georgia Power's request, as modified by a stipulation between Georgia Power and the staff of the Georgia PSC (Certification Stipulation), to certify the following resources totaling 9,885 MWs:

- 18 resources selected from the RFP pursuant to the 2022 IRP final order, totaling 7,999 MWs, which consist of four PPAs (including two affiliate PPAs with Southern Power that are subject to approval by the FERC) with capacity totaling 1,195 MWs commencing between 2028 and 2030, three project sites consisting of five Georgia Power-owned combined cycle units with capacity totaling 3,692 MWs and projected CODs commencing between 2029 and 2030, nine Georgia Power-owned battery energy storage facilities with capacity totaling 2,762 MWs and projected CODs commencing between 2028 and 2030, and two Georgia Power-owned battery energy storage facilities with solar with capacity totaling 350 MWs and projected CODs commencing in 2028.
- Extension of 50 MWs of an existing 750-MW affiliate PPA with Mississippi Power for an additional year through December 31, 2029.
- A 20-year non-affiliate PPA for 930 MWs commencing in 2030 and five 25-year non-affiliate PPAs totaling 646 MWs commencing in 2027.
- Construction of a 260-MW Georgia Power-owned battery energy storage facility with a projected COD in 2027 to be paired with an existing non-affiliate solar PPA.

Pursuant to the Certification Stipulation, Georgia Power has agreed to file its next base rate case in a manner that will ensure the incremental revenue from large load customers has downward pressure, on a levelized basis, of at least $556 million per year for the years 2029, 2030, and 2031.

The approved certification requests in September and December 2025 associated with these Georgia Power-owned projects and related transmission investments total approximately $16.7 billion, excluding AFUDC.

As required by the 2025 IRP decision, Georgia Power filed with the Georgia PSC on September 17, 2025 an updated load forecast to support the certification requests from the RFP of up to 8,500 MWs.

As included in the 2022 IRP final order, on February 11, 2026, Georgia Power initiated an RFP for up to 500 MWs of capacity for battery energy storage facilities with projected CODs or delivery commencement dates by 2031.

- Transmission Asset Sale

In March 2024, the FERC approved the sale of transmission line assets under the integrated transmission system agreement, with a net book value of $236 million. In April 2024, the sale, with a purchase price of $351 million, was completed resulting in a pre-tax gain of approximately $114 million ($84 million after tax) recorded in 2024.

- Fuel Cost Recovery

Georgia Power has established fuel cost recovery rates approved by the Georgia PSC. During 2022, Georgia Power's under recovered fuel balance increased significantly due to higher fuel and purchased power costs. In 2023, the Georgia PSC approved a stipulation between Georgia Power and the staff of the Georgia PSC to increase annual fuel billings by 54%, or approximately $1.1 billion, effective June 1, 2023. The increase includes a three-year recovery period for $2.2 billion of Georgia Power's under recovered fuel balance at May 31, 2023. Under the approved stipulation, Georgia Power is allowed to adjust its fuel cost recovery rates under an interim fuel rider (IFR) prior to the next fuel case, subject to a maximum 40% cumulative change, if its under or over recovered fuel balance accumulated since May 31, 2023 exceeds $200 million (IFR Threshold). On May 14, 2025, Georgia Power submitted an IFR notification and plan informing the Georgia PSC that Georgia Power's under recovered fuel balance exceeded the IFR Threshold. Georgia Power proposed no fuel cost recovery rate change and was required to monitor and report to the Georgia PSC monthly as long as the under recovered fuel balance was above the IFR Threshold. Georgia Power filed an IFR notification and plan monthly through September 2025, each of which also proposed no fuel cost recovery rate change. Between September 30, 2025 and November 30, 2025, Georgia Power's under recovered fuel balance did not exceed the IFR Threshold. On each of January 15, 2026 and February 13, 2026, Georgia Power filed an IFR notification and plan informing the Georgia PSC that Georgia Power's under recovered fuel balance exceeded the IFR Threshold as of December 31, 2025 and January 31, 2026, respectively, and proposed no fuel cost recovery rate change. On February 17,

2026, Georgia Power filed a request with the Georgia PSC to decrease fuel rates by 12.6% effective June 1, 2026, which is expected to reduce annual billings by approximately $388 million. Georgia Power expects the Georgia PSC to make a final decision on this matter on May 28, 2026. The ultimate outcome of this matter cannot be determined at this time.

Georgia Power's under recovered fuel balance totaled $522 million at December 31, 2025, of which $310 million is included in under recovered fuel clause revenues and under recovered retail fuel clause revenues on Georgia Power's balance sheet, respectively, and $212 million is included in deferred under recovered retail fuel clause revenues on Georgia Power's balance sheets. The under recovered fuel balance totaled $1.2 billion at December 31, 2024, of which $713 million is included in under recovered fuel clause revenues and under recovered retail fuel clause revenues on Georgia Power's balance sheet, respectively, and $453 million is included in deferred under recovered retail fuel clause revenues on Georgia Power's balance sheet.

Georgia Power's fuel cost recovery mechanism includes costs associated with a natural gas hedging program, as revised and approved by the Georgia PSC, allowing the use of an array of derivative instruments within a 36-month time horizon.

Fuel cost recovery revenues as recorded on the financial statements are adjusted for differences in actual recoverable fuel costs and amounts billed in current regulated rates. Accordingly, changes in the billing factor will not have a significant effect on Georgia Power's revenues or net income but will affect operating cash flows.

- Storm Damage Recovery

Georgia Power defers and recovers certain costs related to damages to its transmission and distribution facilities resulting from major storms as mandated by the Georgia PSC. Beginning January 1, 2023, Georgia Power is recovering $31 million annually under the 2022 ARP. During September 2024, Hurricane Helene caused significant damage to Georgia Power's transmission and distribution facilities. The incremental restoration costs related to this hurricane totaled approximately $880 million, of which approximately $780 million was deferred in the regulatory asset for storm damage, approximately $75 million was capitalized to property, plant, and equipment, and approximately $25 million was deferred and subsequently billed in 2025 to open access transmission tariff customers. At December 31, 2025 and 2024, Georgia Power's regulatory asset balance related to storm damage was $912 million and $827 million, respectively, of which $31 million for each year is included in other regulatory assets, current and $880 million and $795 million, respectively, is included in other regulatory assets, deferred on Southern Company's and Georgia Power's balance sheets.

Pursuant to the ARP Extension, on February 17, 2026, Georgia Power filed a request with the Georgia PSC to recover the reasonable and prudent storm costs incurred through December 31, 2025, which is expected to increase annual recovery by approximately $300 million effective June 1, 2026. The proposed annual recovery included in the filing is expected to fully recover the regulatory asset balance related to storm damage at December 31, 2025 over four years, and the remaining balance at December 31, 2028 will be included in the next rate case. Georgia Power expects the Georgia PSC to make a final decision on this matter on May 28, 2026. The ultimate outcome of this matter cannot be determined at this time. See "Rate Plans" herein for additional information.

The rate of storm damage cost recovery is expected to be further adjusted in future regulatory proceedings as necessary. As a result of this regulatory treatment, costs related to storms are not expected to have a material impact on Southern Company's or Georgia Power's net income but do impact the related operating cash flows.

- Nuclear Construction

Georgia Power placed Plant Vogtle Units 3 and 4 (553 MWs each based on 45.7% ownership) in service on July 31, 2023 and April 29, 2024, respectively. During the third quarter 2025, following the completion of site demobilization efforts, Southern Nuclear evaluated the remaining contractor obligations and reduced the remaining estimate to complete forecast by approximately $33 million. During the fourth quarter 2025, Southern Nuclear finalized the remaining contractor obligations and reduced the remaining estimate to complete forecast, including the impact of joint owner cost-sharing described below, by approximately $27 million. Accordingly, Georgia Power recorded pre-tax credits to income of approximately $33 million ($25 million after tax) and $27 million ($20 million after tax) in the third quarter 2025 and the fourth quarter 2025, respectively, to recognize capital costs previously charged to income. Georgia Power's final net investment in connection with Plant Vogtle Units 3 and 4 is $10.670 billion, which excludes capitalized AFUDC of approximately $440 million accrued through Unit 4's in-service date.

Georgia Power previously reached agreements with MEAG Power, OPC, and Dalton to resolve its respective dispute with each regarding the cost-sharing and tender provisions of the joint ownership agreements, as amended (Vogtle Joint Ownership Agreements). Under the terms of these agreements, among other items, Georgia Power reimbursed a portion of MEAG Power's, OPC's, and Dalton's costs of construction for Plant Vogtle Units 3 and 4 as such costs were incurred and with no further adjustment for force majeure costs, which payments (including amounts paid to date) totaled approximately $86 million, $82 million, and $4.4 million for MEAG Power, OPC, and Dalton, respectively, based on the final project capital cost. Georgia Power also reimbursed 20% of MEAG Power's costs of construction and 66% of each of OPC's and Dalton's costs of construction with respect to amounts over the final project capital cost, with no further adjustment for force majeure costs. Georgia Power recorded pre-tax charges to income through 2024 of $559 million ($418 million after tax) and a pre-tax credit to income in the fourth quarter 2025 of $22 million ($17 million after tax) associated with the cost-sharing provisions of the Vogtle Joint Ownership Agreements, including the settlements with the other Vogtle Owners described above. These charges are included in the total project capital cost and will not be recovered from retail customers.

*Regulatory Matters*

In 2021, the Georgia PSC approved an order under which Georgia Power would include in rate base an allocation of $2.1 billion to Plant Vogtle Unit 3 and the Common Facilities from the $3.6 billion of Plant Vogtle Units 3 and 4 costs previously deemed prudent by the Georgia PSC and would recover the related depreciation through retail base rates effective the month after Unit 3 is placed in service. In compliance with the Georgia PSC order, Georgia Power increased annual retail base rates by $318 million effective August 1, 2023 based on the in-service date of July 31, 2023 for Unit 3. The related increase in annual retail base rates included recovery of all projected operations and maintenance expenses for Unit 3 and the Common Facilities and other related costs of operation, partially offset by the related PTCs.

In 2023, the Georgia PSC approved Georgia Power's application to adjust rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs as modified by the related stipulation (Prudency Stipulation) among Georgia Power, the staff of the Georgia PSC, and certain intervenors.

Under the terms of the approved Prudency Stipulation, Georgia Power is recovering $7.562 billion in total construction and capital costs and associated retail rate base items of $1.02 billion, which includes AFUDC financing costs above $4.418 billion (the Georgia PSC-certified amount) up to $7.562 billion. Georgia Power is also recovering projected operations and maintenance expenses, depreciation, nuclear decommissioning accruals, and property taxes, net of projected PTCs. After considering construction and capital costs already in retail base rates of $2.1 billion and $362 million of associated retail rate base items for Unit 3 and Common Facilities (approved by the Georgia PSC in 2021), Georgia Power included in retail rate base the remaining $5.462 billion of construction and capital costs as well as $647 million of associated retail rate base items effective with the April 29, 2024 in-service date for Unit 4. Annual retail base revenues increased approximately $730 million and the average retail base rates were adjusted by approximately 5% (net of the elimination of the NCCR tariff described below) effective May 1, 2024.

Reductions to the ROE used to calculate the NCCR tariff (pursuant to prior Georgia PSC orders) negatively impacted earnings by approximately $80 million through the second quarter 2024 and $310 million in 2023. Further, as included in the approved Prudency Stipulation, since commercial operation for Unit 4 was not achieved by March 31, 2024, Georgia Power's ROE used to determine the NCCR tariff and calculate AFUDC was reduced to zero effective April 1, 2024, which resulted in a negative impact to earnings of approximately $10 million (for one month) in the second quarter 2024 based on the April 29, 2024 in-service date. Effective May 1,

2024, following commercial operation of Unit 4, Georgia Power's NCCR tariff was eliminated and financing costs are included in Georgia Power's general retail revenue requirements.

As of each Unit's respective first refueling outage, if the respective Unit's performance has materially deviated from expected performance, the Georgia PSC may order Georgia Power to credit customers for operations and maintenance expenses or disallow costs associated with the repair or replacement of any system, structure, or component found to have caused the material deviation in performance if proven to be the result of imprudent engineering, construction, procurement, testing, or start-up. Unit 3 demonstrated high performance and reliability during the first 14 months of operation leading up to its first refueling outage, which took place in the fall of 2024. Unit 4 also demonstrated high performance and reliability during the first 16 months of operation leading up to its first refueling outage, which took place in the fall of 2025. No customer credits for operations and maintenance expenses or performance-related disallowances were recorded.

The approval of the Prudency Stipulation resolved all issues for determination by the Georgia PSC regarding the reasonableness, prudence, and cost recovery for the remaining Plant Vogtle Units 3 and 4 construction and capital costs not already in retail base rates.

As a result of the Georgia PSC's approval of the Prudency Stipulation, Georgia Power recorded a pre-tax credit to income of approximately $228 million ($170 million after tax) in the fourth quarter 2023 to recognize CWIP costs previously charged to income, which are now recoverable through retail rates. Associated AFUDC on these costs, which totaled approximately $14 million, was also recognized.

- Other Construction

At December 31, 2025, Georgia Power had recorded approximately $3.1 billion of combined capital costs, excluding AFUDC, for the projects reflected in the table below approved through the 2023 IRP Update and the approved certification requests in September and December 2025. The total certified amounts related to these projects are approximately $19.5 billion, excluding AFUDC. Georgia Power is required to file periodic construction monitoring reports with the Georgia PSC through commercial operation. The ultimate outcome of these matters cannot be determined at this time.

| Resource/Project | Approximate Nameplate Capacity *(MW)* | Projected COD |
|---|---|---|
| **Projects Under Construction at December 31, 2025** | | |
| ***Battery Energy Storage*** | | |
| McGrau Ford Phase 1 | 265 | Fourth quarter 2026 |
| Twiggs County | 200 | Fourth quarter 2027 |
| Wadley | 260 | Fourth quarter 2027 |
| Plant Bowen Phase 1 | 250 | Fourth quarter 2028 |
| Plant Bowen Phase 2 | 250 | Fourth quarter 2029 |
| South Hall | 250 | Fourth quarter 2028 |
| Plant Wansley | 500 | Fourth quarter 2028 |
| Plant Yates Phase 1 | 320 | Fourth quarter 2028 |
| Plant Yates Phase 2 | 250 | Fourth quarter 2028 |
| Thomson | 500 | Fourth quarter 2029 |
| Hammond Phase 2 | 193 | Fourth quarter 2030 |
| Plant McIntosh | 250 | Fourth quarter 2030 |
| Various facilities | 500 | Second quarter 2026 through fourth quarter 2026 |
| ***Solar with Battery Energy Storage*** | | |
| Laurens County | 200 | Fourth quarter 2028 |
| Plant Mitchell | 150 | Fourth quarter 2028 |
| ***Combined Cycle*** | | |
| Plant Bowen Unit 7 | 741 | Fourth quarter 2029 |
| Plant Bowen Unit 8 | 741 | Second quarter 2030 |
| Plant McIntosh Unit 12 | 757 | Fourth quarter 2030 |
| Plant Wansley Unit 10 | 727 | Fourth quarter 2029 |
| Plant Wansley Unit 11 | 727 | Second quarter 2030 |
| ***Combustion Turbine*** | | |
| Plant Yates Unit 8(*) | 442 | Fourth quarter 2026 |
| Plant Yates Unit 9(*) | 442 | Second quarter 2027 |
| Plant Yates Unit 10(*) | 442 | Third quarter 2027 |

(*) Pursuant to the 2023 IRP Update, cost recovery over the certified amount is limited.

- Environmental Matters

Georgia Power's operations are regulated by state and federal environmental agencies through a variety of laws and regulations governing air, water, land, avian and other wildlife and habitat protection, and other natural resources. Georgia Power maintains comprehensive environmental compliance and GHG strategies to assess both current and upcoming requirements and compliance costs associated with these environmental laws and regulations. New or revised environmental laws and regulations could further affect many areas of operations for Georgia Power. The costs required to comply with environmental laws and regulations and to achieve stated goals, including capital expenditures, operations and maintenance costs, and costs reflected in ARO liabilities, may impact future electric generating unit retirement and replacement decisions (which are generally subject to approval from Georgia Power's PSC), results of operations, cash flows, and/or financial condition. Related costs may result from the installation of additional environmental controls, closure and monitoring of CCR facilities, unit extensions or retirements and replacements, or changing fuel sources for certain existing units, as well as related upgrades to Georgia Power's transmission and distribution (electric) systems. A major portion of these costs is expected to be recovered through retail and wholesale rates, including existing ratemaking and billing provisions. The ultimate impact of environmental laws and regulations and the GHG goals discussed herein cannot be determined at this time and will depend on various factors, such as state adoption and implementation of requirements, the availability and cost of any deployed technology, fuel prices, the outcome of pending and/or future legal challenges and regulatory matters, and the ability to continue recovering the related costs, through rates for Georgia Power and/or through long-term wholesale agreements for Georgia Power. Georgia Power's base rates include an ECCR tariff that allows for the recovery of environmental compliance costs.

Cash Flow, Capital Requirements

Net cash provided from operating activities increased $15 million in 2025 as compared to 2024 primarily due to the timing of storm restoration cost recovery and customer receivable collections and an increase in retail revenues associated with base tariff increases, largely offset by the timing of vendor payments and higher income tax payments.

The construction program is currently estimated to total $34.9 billion for 2026 through 2028. Georgia Power projects a significant increase in demand for electricity, largely driven by data centers and other large load customers. Serving the projected increased load demand from these new customers while continuing to serve existing customers safely, reliably, and affordably requires investing in generation, transmission, and distribution systems and pricing sales to these new customers such that incremental costs are met with adequate incremental revenues. Through the 2022 IRP and the 2023 IRP Update, the Georgia PSC has certified resources totaling approximately 13 GWs, approximately nine GWs of which are new generation and battery energy storage facilities that are being, or are expected to be, constructed by Georgia Power. The certified costs of these Georgia Power projects total $19.5 billion, and these projects are projected to be placed in service through 2030. At December 31, 2025, significant purchase commitments were outstanding in connection with Georgia Power's construction programs.

These capital expenditures include estimates to comply with environmental laws and regulations, but do not include any potential compliance costs associated with regulation of GHG emissions. Georgia Power also anticipates costs associated with closure and monitoring of surface impoundments and landfills in accordance with the CCR Rule and related state rule. These costs are currently estimated to be $998 million for 2026 through 2028.

The construction program is subject to periodic review and revision, and actual construction costs may vary from these estimates because of numerous factors. These factors include: changes in business conditions; changes in load projections; changes in environmental laws and regulations; changes in technology; the outcome of any legal challenges to environmental rules; changes in electric generating plants, including unit retirements and replacements and adding or changing fuel sources at existing electric generating units, to meet regulatory requirements; changes in FERC rules and regulations; state regulatory agency approvals; changes in the expected environmental compliance program; changes in legislation, regulation, and/or tariff policy; the cost, availability, and efficiency of construction labor, equipment, and materials; project scope and design changes; abnormal weather; delays in construction due to judicial or regulatory action; storm impacts; and the cost of capital. In addition, there can be no assurance that costs related to capital expenditures and AROs will be fully recovered.

Georgia Power plans to obtain the funds required for construction and other purposes from sources similar to those used in the past, which were primarily from operating cash flows, external securities issuances, borrowings from financial institutions, and equity contributions from Southern Company.

Georgia Power's senior unsecured long-term debt is rated A/A3/A and access to external sources of capital is expected to be available. In addition, Georgia Power has credit arrangements with banks totaling $2.05 billion, of which $2.04 billion is unused. A portion of the $2.04 billion unused credit with banks is allocated to provide liquidity support for Georgia Power's pollution control revenue bonds and commercial paper borrowings.

Yours very truly,

Adam D. Houston

cc: Mrs. Kimberly S. Greene
Mrs. Tyler M. Cook